



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

31 March 2025

This version of the financial statements is a translation from the original, which is prepared in Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Serbian language version of the document takes precedence over this translation

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Interim Condensed Statement of Financial Position
(All amounts are in 000 RSD, unless otherwise stated)

Assets	Note	31 March 2025	31 December 2024
		<i>(unaudited)</i>	<i>(unaudited)</i>
Current assets			
Cash and cash equivalents	4	21,485,205	38,821,710
Short-term financial assets	5	38,135,315	32,871,239
Trade and other receivables	6	34,245,959	39,377,979
Inventories	7	56,464,184	42,037,198
Current income tax prepayments		-	7,549,680
Other current assets	8	13,548,064	12,610,817
Assets classified as held for sale		17,915	17,915
Total current assets		163,896,642	173,286,538
Non-current assets			
Property, plant and equipment	9	299,665,830	299,210,788
Right-of-use assets	10	2,768,194	2,822,458
Investment property		1,512,766	1,512,766
Intangible assets		4,083,583	3,968,112
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries		31,016,682	31,016,682
Long-term financial assets	11	6,871,830	7,228,512
Deferred tax assets		4,555,629	4,278,690
Other non-current assets	12	2,923,150	3,474,598
Total non-current assets		354,436,464	354,551,406
Total assets		518,333,106	527,837,944
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	13	12,954,956	11,426,713
Current lease liabilities	18	525,300	488,755
Trade and other payables	14	18,789,170	20,440,011
Other current liabilities	15	5,534,280	10,525,538
Current income tax payable		208,607	-
Other taxes payable	16	9,808,393	13,139,353
Provisions for liabilities and charges		1,028,931	1,155,490
Total current liabilities		48,849,637	57,175,860
Non-current liabilities			
Long-term debt	17	54,593,281	58,216,807
Non-current lease liabilities	18	1,400,539	1,497,645
Other non-current financial liabilities	19	12,190,901	12,140,168
Provisions for liabilities and charges		12,864,833	12,652,906
Total non-current liabilities		81,049,554	84,507,526
Equity			
Share capital		81,530,200	81,530,200
Reserves		41,960	41,960
Retained earnings		306,861,755	304,582,398
Total equity		388,433,915	386,154,558
Total liabilities and shareholder's equity		518,333,106	527,837,944


 Kiril Tyurdenev
 Chief Executive Officer
 28 April 2025


 Anton Cherepanov
 Chief Financial Officer

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

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Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

(All amounts are in 000 RSD, unless otherwise stated)

	Note	Three month period ended 31 March	
		2025	2024
		(unaudited)	(unaudited)
Sales of petroleum products, oil and gas		63,119,533	78,294,411
Other revenues		4,730,730	4,108,491
Total revenue from sales	3	67,850,263	82,402,902
Purchases of oil, gas and petroleum products		(38,525,434)	(54,355,590)
Production, manufacturing and cost of other sales	20	(9,908,675)	(8,736,599)
Selling, general and administrative expenses	21	(7,849,614)	(7,291,725)
Transportation expenses		(395,372)	(328,276)
Depreciation, depletion and amortization		(6,572,384)	(5,768,549)
Taxes other than income tax		(1,521,153)	(1,380,184)
Exploration expenses		(10)	(187)
Total operating expenses		(64,772,642)	(77,861,110)
Other income, net	22	143,043	87,164
Operating profit		3,220,664	4,628,956
Net foreign exchange loss	23	(125,723)	(142,961)
Finance income	24	534,629	722,482
Finance expenses	25	(863,952)	(925,379)
Total other expense		(455,046)	(345,858)
Profit before income tax		2,765,618	4,283,098
Current income tax		(763,200)	(928,372)
Deferred tax income		276,939	138,370
Total income tax		(486,261)	(790,002)
Profit for the period		2,279,357	3,493,096
Other comprehensive income:			
Items that will not be reclassified to profit			
Gain from investments in equity instruments		-	52
Other comprehensive income for the period		-	52
Total comprehensive income for the period		2,279,357	3,493,148
Earnings per share attributable to shareholders of Naftna Industrija Srbije			
Basic earnings (RSD per share)		13.98	21.42
Weighted average number of ordinary shares in issue (in millions)		163	163

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

NIS a.d.**Interim Condensed Statement of Changes in Shareholders' Equity**

Three month period ended 31 March 2025 and 2024

*(All amounts are in 000 RSD, unless otherwise stated)**(unaudited)***Balance as at 1 January 2024**

Profit for the period

Other comprehensive income

Gain from investments in equity instruments

Total comprehensive income for the period**Balance as at 31 March 2024**

Share capital	Reserves	Retained earnings	Total
81,530,200	34,408	296,756,256	378,320,864
-	-	3,493,096	3,493,096
-	52	-	52
-	52	3,493,096	3,493,148
81,530,200	34,460	300,249,352	381,814,012

*(unaudited)***Balance as at 1 January 2025**

Profit for the period

Other comprehensive income

Gain from investments in equity instruments

Total comprehensive income for the period**Balance as at 31 March 2025**

Share capital	Reserves	Retained earnings	Total
81,530,200	41,960	304,582,398	386,154,558
-	-	2,279,357	2,279,357
-	-	-	-
-	-	2,279,357	2,279,357
81,530,200	41,960	306,861,755	388,433,915

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

NIS a.d.**Interim Condensed Statement of Cash Flows¹***(All amounts are in 000 RSD, unless otherwise stated)*

		Three month period ended	
		31 March	
		2025	2024
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		2,765,618	4,283,098
Adjustments for:			
Finance expenses	25	863,952	925,379
Finance income	24	(534,629)	(722,482)
Unrealised foreign exchange losses, net		133,989	158,236
Depreciation, depletion and amortization		6,572,384	5,768,549
Other non-cash items		179,120	68,496
Operating cash flow before changes in working capital		9,980,434	10,481,276
Changes in working capital:			
Trade and other receivables		5,120,456	5,853,152
Inventories		(14,467,101)	5,057,796
Other current assets		(989,142)	(3,641,051)
Trade payables and other current liabilities		(7,376,033)	(5,002,342)
Other taxes payable		3,669,041	(1,491,064)
Total effect on working capital changes		(14,042,779)	776,491
Income taxes paid		-	(4,386,321)
Interest paid		(688,292)	(745,406)
Interest received		402,063	1,749,986
Net cash (used)/generated by operating activities		(4,348,574)	7,876,026
Cash flows from investing activities			
Loans issued		(9,966,296)	(4,149,015)
Loan proceeds received		5,293,162	2,771,282
Capital expenditures ²		(5,845,246)	(10,446,758)
Proceeds from sale of property, plant and equipment		36,637	64,448
Bank deposits proceeds		-	25,000,000
Net cash (used)/generated in investing activities		(10,481,743)	13,239,957
Cash flows from financing activities			
Proceeds from borrowings	13,17	2,954,212	6,562,518
Repayment of borrowings	13,17	(5,248,696)	(5,780,595)
Repayment of lease liabilities	18	(148,092)	(190,720)
Net cash (used)/generated in financing activities		(2,442,576)	591,203
Net (decrease) / increase in cash and cash equivalents		(17,272,893)	21,707,186
Effect of foreign exchange on cash and cash equivalents		(63,612)	(136,598)
Cash and cash equivalents as of the beginning of the period		38,821,710	16,270,493
Cash and cash equivalents as of the end of the period		21,485,205	37,841,081

¹ Company's policy is to present cash flow inclusive of related VAT.² CF from investing activities includes VAT in the amount of 0.7 bln RSD (2024: 1.3 bln RSD)*The accompanying notes are an integral part of these Interim Condensed Financial Statements.*

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije, Novi Sad (the "Company") is a vertically integrated oil company operating predominantly in the Republic of Serbia. The Company's principal activities include:

- Exploration, production and development of crude oil and gas,
- Production of refined petroleum products,
- Petroleum products and gas trading and
- Electricity generation and trading.

Other activities primarily include sales of other goods, works and services.

The Company is a public joint stock company listed on the Belgrade Stock Exchange.

These Interim Condensed Financial Statements have been approved and authorized for issue by Chief Executive Officer and will be presented to Board of Directors for approval.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

The Company maintains its books and records in accordance with accounting and taxation principles and practices mandated by Serbian legislation. The accompanying Interim Condensed Financial Statements were primarily derived from the Company's statutory books and records with adjustments and reclassifications made to present them in accordance with International Financial Reporting Standards (IFRS).

The Interim Condensed Financial Statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, management reviews forecasts of future cash inflows. Based on these reviews, management believes that the Company will be able to continue to operate as a going concern in the foreseeable future (refer to note 2.3. Implication of imposed US Sanctions) and therefore, this principle should be applied in the preparation of these Interim Condensed Financial Statements.

The Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard **IAS 34 Interim Financial Reporting**. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by IFRS.

Quarterly financial reports are prepared in accordance with the requirements of the Law on the Capital Market and the Rulebook on Reporting of Public Companies.

The amendments to existing standards, which became effective on January 1, 2025, did not have a material impact on the Condensed Interim Financial Statements.

The Company plans to apply the new IFRS 18 Presentation and Disclosures in Financial Statements, as well as amendments to existing standards adopted but not effective at the date of issue of these Condensed Interim Financial Statements, when they become effective. The Company does not expect the amendments to existing standards to have a material impact on the Condensed Interim Financial Statements. In relation to the new standard, which will become effective from 1 January 2027 and will replace IAS 1 Presentation of Financial Statements, the Company is currently assessing its impact on the Financial Statements.

The Company does not disclose information, which would substantially duplicate the disclosures contained in its audited Financial Statements for 2024, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Company believes that the disclosures in these Interim Condensed Financial Statements are adequate to make the information presented not misleading

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

if these Interim Financial Statements are read in conjunction with the Company's Financial Statements for 2024.

In the 2025 the volatility at commodity and financial markets is seen rising while the RSD remained stable relative to EUR and appreciated to USD (the information on economic environment in the Republic Serbia is detailed in Note 27) due to geopolitical situation. Due to that during the first quarter of 2025 the Company didn't review the critical accounting estimates which are used by the Company in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rate. In particular as of 31 March 2025 the Company didn't review estimation of the recoverable amount of the non-current assets that is determined for the purpose of the impairment testing. Under current conditions it turned out to be impossible to evaluate how long the volatility will remain and at what level the key financial indicators will ultimately stabilise. The Company continues monitoring the development of macroeconomic situation and emergence of possibility to make evaluation of the indicators mentioned above with reasonable certainty.

The results in these Interim Condensed Financial Statements for the three month period ended 31 March 2025 are not necessarily indicative of the Company's results expected for the full year.

The Company as a whole is not subject to significant seasonal fluctuations.

2.2. Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Financial Statements are consistent with those applied during the preparation of Financial Statements as of and for the year ended 31 December 2024.

2.3. Implication of imposed US Sanctions

On 10 January 2025 Company was included on the US Treasury Specially Designated Nationals and Blocked Persons (SDN) List. This designation imposes prohibitions on transactions by US persons or entities with Company. Additionally, the designation may trigger secondary sanctions for non-US entities that engage in certain types of transactions with Company starting from sanction issuance date.

Management has conducted an assessment of the potential implications of these sanctions. However, due to the inherent uncertainties surrounding:

- The scope and enforcement of the sanctions,
- Their durations, and
- The evolving geopolitical and economic environment

the full impact of the Company's financial position, operations, and performance remains unclear.

As a result, no adjustment have been recognised in these Interim Condensed Financial Statements for the reporting period ended 31 March 2025. This includes any impairments, provisions or changes in estimates related to the sanctions.

Although no adjustments have been made, management has identified the following areas where sanctions could have a material impact in the future:

1. **Financial transactions:** Restricted access to US dollar transactions and potential limitations on dealings with international financial institutions.
2. **Business relationship:** Potential disruption to relationship with key suppliers, customers, and partners who may be reluctant to engage with Company due to sanctions compliance.
3. **Revenue and Profitability:** A reduction in revenue if trade activities are constrained or contracts with international counterparties are terminated.
4. **Operational challenges:** Potential delays or additional costs related to supply chain disruptions and sourcing of critical inputs (crude oil, critical equipment etc.)

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

Management of the Company is actively monitoring these restrictions and is exploring alternative solutions to mitigate any potential adverse effects on its operations and financial performance.

Working group has been formed, involving all key shareholders of the Company, to explore possible solutions aimed at eliminating or reducing the impact of the imposed sanctions while ensuring the long-term sustainability of the company's operations as priority.

Management of the Company has assessed the Company ability to continue as a going concern and concluded that, at the reporting date, there are no material uncertainties that would cast significant doubt on the Company ability to meet its obligations. However, the evolving situation may materially affect future results and financial positions.

On 26 February 2025, the OFAC (Office for Foreign Assets Control) issued a specific license (Licence No. MUL-2025-1335128-1) that postpones the full implementation of sanctions until 28 March 2025.

On 28 March 2025, the OFAC (Office for Foreign Assets Control) issued second specific license (Licence No. MUL-2025-1355297-1) that postpones the full implementation of sanctions until 28 April 2025.

On 26 April 2025, the OFAC (Office for Foreign Assets Control) issued third specific license (Licence No. MUL-2025-1355297-2) that postpones the full implementation of sanctions until 27 June 2025.

This license allows U.S. persons, as well as other individuals, to engage in business activities with NIS or its operational subsidiaries both on domestic and international level, which primarily includes transactions necessary for the uninterrupted and regular maintenance of business operations, contracts, and other agreements involving NIS or its operational subsidiaries.

On 14 March 2025, a request for de-listing was submitted to OFAC, requesting the removal of NIS from the SDN List (OFAC designation: RUSSIA-EO14024-40179).

NIS continues to communicate with OFAC and takes necessary actions to ensure that NIS is fully removed from the U.S. SDN (Specially Designated Nationals) list.

3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the three month period ended 31 March 2025 and 2024. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The Company manages its operations in 2 operating segments: Upstream and Downstream.

Upstream segment (exploration and production) includes the following Company operations: exploration, development and production of crude oil and natural gas and oil field services. Downstream segment (refining and marketing) processes crude oil into refined products and purchases, sells and transports crude and refined petroleum products (refining and marketing). Corporate centre and Energy business activities are presented within the Downstream segment.

Eliminations and other adjustments section encompasses elimination of inter-segment sales and related unrealised profits, mainly from the sale of crude oil and products, and other adjustments. Intersegment revenues are based upon estimated market prices.

EBITDA represents the Company's EBITDA. Management believes that EBITDA represents useful means of assessing the performance of the Company's ongoing operating activities, as it reflects the Company's earnings trends without showing the impact of certain charges. EBITDA is defined as earnings before interest, income tax expense, depreciation, depletion and amortization, finance income (expenses) net and other non-operating income (expenses). EBITDA is a supplemental non-IFRS financial measure used by management to evaluate operations.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025***(All amounts are in 000 RSD, unless otherwise stated)*

Reportable segment results for the three month period ended 31 March 2025 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	12,329,320	68,529,597	(13,008,654)	67,850,263
Intersegment	12,312,411	696,243	(13,008,654)	-
External	16,909	67,833,354	-	67,850,263
Adjusted EBITDA (Segment results)	8,419,383	1,357,973	-	9,777,356
Depreciation, depletion and amortization	(3,380,494)	(3,191,890)	-	(6,572,384)
Net foreign exchange gain/(loss)	4,370	(130,093)	-	(125,723)
Finance expenses, net	(31,880)	(297,443)	-	(329,323)
Income tax	-	(486,261)	-	(486,261)
Segment profit/(loss)	5,016,762	(2,737,405)	-	2,279,357

Reportable segment results for the three month period ended 31 March 2024 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	13,100,209	83,063,443	(13,760,750)	82,402,902
Intersegment	13,085,032	675,718	(13,760,750)	-
External	15,177	82,387,725	-	82,402,902
Adjusted EBITDA (Segment results)	9,418,461	1,036,237	-	10,454,698
Depreciation, depletion and amortization	(3,242,394)	(2,526,155)	-	(5,768,549)
Net foreign exchange loss	(85,042)	(57,919)	-	(142,961)
Finance expenses, net	(30,559)	(172,338)	-	(202,897)
Income tax	-	(790,002)	-	(790,002)
Segment profit/(loss)	6,186,551	(2,693,455)	-	3,493,096

Adjusted EBITDA for the three month period ended 31 March 2025 and 2024 is reconciled below:

	Three month period ended 31 March	
	2025	2024
Profit for the period	2,279,357	3,493,096
Income tax	486,261	790,002
Finance expenses	863,952	925,379
Finance income	(534,629)	(722,482)
Depreciation, depletion and amortization	6,572,384	5,768,549
Net foreign exchange loss	125,723	142,961
Other income, net	(143,043)	(87,164)
Other non-operating expense, net	127,351	144,357
Adjusted EBITDA	9,777,356	10,454,698

Oil, gas and petroleum products sales, sales of electricity, lease revenue and other sales comprise the following:

	Three month period ended 31 March	
	2025	2024
Sale of gas	67,417	70,807
<i>Wholesale activities</i>	67,417	70,807
Sale of petroleum products	63,052,116	78,223,604
<i>Through a retail network</i>	21,904,371	24,762,263
<i>Wholesale activities</i>	41,147,745	53,461,341
Sale of electricity	118,911	225,489
Lease revenue	84,124	86,452
Other sales	4,527,695	3,796,550
Total sales	67,850,263	82,402,902

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

Other sales mainly relate to sales of non-fuel products at petrol stations for 2,911,849 RSD (2024: 2,708,703 RSD).

All performance obligations related to customers are satisfied at point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation.

4. CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash in bank and in hand	2,123,849	9,955,372
Deposits with original maturity of less than three months	19,356,630	28,862,541
Cash equivalents	4,726	3,797
	21,485,205	38,821,710

The fair value of cash and cash equivalents approximates their carrying value.

5. SHORT-TERM FINANCIAL ASSETS

	31 March 2025	31 December 2024
Short-term loans	12,288,018	7,601,578
Current portion of long-term investments (note 11)	35,747,149	35,152,987
Less impairment loss provision	(9,899,852)	(9,883,326)
	38,135,315	32,871,239

The fair value of short-term financial assets approximates their carrying value.

6. TRADE AND OTHER RECEIVABLES

	31 March 2025	31 December 2024
Trade receivables	41,364,902	46,483,687
Other receivables	96,056	98,729
Less credit loss allowance for trade receivables	(7,186,377)	(7,176,610)
Less credit loss allowance for other receivables	(28,622)	(27,827)
	34,245,959	39,377,979

The Management of the Company regularly assesses the credit quality of trade and other receivables taking into account analysis of ageing profile of receivables and duration of relationships with the Company.

Management believes that not impaired trade, specific and other receivables are fully recoverable.

The carrying amounts of the Company's trade and other receivables are mostly denominated in the RSD.

7. INVENTORIES

	31 March 2025	31 December 2024
Crude oil	28,870,540	19,942,889
Petroleum products	24,801,380	19,295,703
Materials and supplies	5,724,567	5,771,208
Other	1,379,134	1,353,517
Less impairment provision	(4,311,437)	(4,326,119)
	56,464,184	42,037,198

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

8. OTHER CURRENT ASSETS

	31 March 2025	31 December 2024
Advances paid	720,618	1,341,449
Deferred VAT	2,217,684	3,599,608
Prepaid expenses	469,059	460,521
Prepaid custom duties	73,951	75,447
Prepaid excise	9,397,089	6,683,336
Other current assets	8,154,585	7,936,113
<i>Less impairment provision</i>	<i>(7,484,922)</i>	<i>(7,485,657)</i>
	13,548,064	12,610,817

Deferred VAT as at 31 March 2025 amounting to 2,217,684 RSD (31 December 2024: 3,599,608 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 March 2025 amounting to 9,397,089 RSD (31 December 2024: 6,683,336 RSD) relates to the excise paid for finished products stored in non-excise warehouse.

Other current assets mainly relate to claims in dispute, which are impaired.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2025						
Cost	248,033,301	181,088,848	66,121,557	17,227,220	28,956,223	541,427,149
Depreciation and impairment	(110,269,454)	(86,230,092)	(35,478,947)	(10,030,457)	(207,411)	(242,216,361)
Net book value	137,763,847	94,858,756	30,642,610	7,196,763	28,748,812	299,210,788
Period ended 31 March 2025						
Additions	4,910,855	455,826	1,787,797	73,401	(468,850)	6,759,029
Changes in decommissioning obligations	82,685	-	-	-	-	82,685
Depreciation	(3,341,439)	(2,295,943)	(565,658)	(116,674)	-	(6,319,714)
Disposals and write-off	(2,926)	(8)	(71)	(5)	(10)	(3,020)
Other transfers	143	(1,302)	(17,295)	17,874	(63,358)	(63,938)
	139,413,165	93,017,329	31,847,383	7,171,359	28,216,594	299,665,830
As at 31 March 2025						
Cost	252,872,682	181,473,889	67,763,716	17,338,064	28,423,700	547,872,051
Depreciation and impairment	(113,459,517)	(88,456,560)	(35,916,333)	(10,166,705)	(207,106)	(248,206,221)
Net book value	139,413,165	93,017,329	31,847,383	7,171,359	28,216,594	299,665,830

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the three month period ended 31 March 2025 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2025	12,099	885,682	219,392	1,705,285	2,822,458
Additions	-	-	37,417	1,037	38,454
Depreciation	(974)	(27,926)	(26,249)	(55,866)	(111,015)
Disposals	-	-	-	(5,100)	(5,100)
Effect of contract modifications and changes in estimates	-	-	23,397	-	23,397
As at 31 March 2025	11,125	857,756	253,957	1,645,356	2,768,194

11. LONG-TERM FINANCIAL ASSETS

	31 March 2025	31 December 2024
LT loans issued	41,837,981	41,601,373
Financial assets at FVTPL	839,201	837,800
Other LT placements	20,583	25,060
Available for sale financial assets	124,315	124,315
Less Current portion of LT loans issued (note 5)	(35,747,149)	(35,152,987)
Less provision of LT financial assets	(203,101)	(207,049)
	6,871,830	7,228,512

12. OTHER NON-CURRENT ASSETS

	31 March 2025	31 December 2024
Advances paid for PPE	2,247,934	2,810,616
Prepaid expenses	68,829	75,517
Other assets	906,225	901,105
Less allowance for other assets	(265,852)	(278,654)
Less allowance for advances paid	(33,986)	(33,986)
	2,923,150	3,474,598

13. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT

	31 March 2025	31 December 2024
Short-term loans	2,159,402	2,387,513
Interest liabilities	297,076	223,371
Current portion of long-term loans (note 17)	10,498,478	8,815,829
	12,954,956	11,426,713

Movements on the Company's liabilities from short-term finance activities are as follows:

	Three month period ended 31 March	
	2025	2024
Short-term loans at 1 January	2,387,513	3,606,281
Proceeds	2,954,212	6,562,518
Repayment	(3,187,400)	(4,715,048)
Non-cash transactions	4,478	-
Foreign exchange difference (note 23)	599	-
Short-term loans at 31 March	2,159,402	5,453,751

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

14. TRADE AND OTHER PAYABLES

	31 March 2025	31 December 2024
Trade payables	14,992,388	16,627,827
Dividends payable	3,783,398	3,783,398
Other accounts payable	13,384	28,786
	18,789,170	20,440,011

15. OTHER CURRENT LIABILITIES

	31 March 2025	31 December 2024
Contract liabilities arising from contracts with customers:		
- Advances received	2,757,623	5,055,703
- Customer loyalty	960,239	949,116
- Deferred income	46,815	55,648
Payables to employees	1,573,529	4,263,714
Other current non-financial liabilities	196,074	201,357
	5,534,280	10,525,538

Revenue in the amount of 3,877,482 RSD (31 March 2024: 4,108,584 RSD) was recognized in the current reporting period related to the contract liabilities as at 1 January 2025, of which 3,571,593 RSD (31 March 2024: 3,888,039 RSD) related to advances and 305,889 RSD (31 March 2024: 220,545 RSD) to customer loyalty programme.

16. OTHER TAXES PAYABLE

	31 March 2025	31 December 2024
Mineral extraction tax	465,066	438,324
VAT	1,764,783	2,594,634
Excise tax	6,616,359	8,463,280
Contribution for State commodity reserves	267,773	348,084
Custom duties	106,246	73,717
Energy efficiency fee	28,236	39,876
Other taxes	559,930	1,181,438
	9,808,393	13,139,353

17. LONG-TERM DEBT

	31 March 2025	31 December 2024
Bank loans	63,215,718	65,159,107
Other Long-term borrowings	1,876,041	1,873,529
Less Current portion (note 13)	(10,498,478)	(8,815,829)
	54,593,281	58,216,807

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

Movements on the Company's bank loans are as follows:

	Three month period ended	
	31 March	
	2025	2024
As at 1 January	65,159,107	65,223,168
Repayment	(2,061,296)	(1,065,547)
Non-cash transactions	10,173	4,074
Foreign exchange difference (note 23)	107,734	(18,028)
As at 31 March	63,215,718	64,143,667

Bank loans

	31 March	31 December
	2025	2024
Domestic	47,880,664	49,852,704
Foreign	15,335,054	15,306,403
	63,215,718	65,159,107
Current portion of long-term debt	(10,498,478)	(8,815,829)
	52,717,240	56,343,278

The maturity of bank loans was as follows:

	31 March	31 December
	2025	2024
Between 1 and 2 years	29,271,193	30,987,592
Between 2 and 5 years	22,947,428	24,567,096
Over 5 years	498,619	788,590
	52,717,240	56,343,278

The carrying amounts of bank loans in the amount of 63,215,718 RSD (31 December 2024: 65,159,107 RSD) are denominated in EUR.

The Company repays loans in accordance with agreed dynamics, i.e. determined annuity plans. The Company has both fixed and floating interest rates with the creditors. Floating interest rates are connected with Euribor. Management expects that the Company will be able to fulfil its obligations within agreed timeframe.

The loan agreements contain financial covenants that require the Company's ratio of Indebtedness to EBITDA. Management believes the Company is in compliance with these covenants as of 31 March 2025 and 31 December 2024, respectively.

Other long-term borrowings in the amount of 1,876,041 RSD (31 December 2024: 1,873,529 RSD) mainly relate to the corporate bonds.

18. LEASE LIABILITIES

	31 March	31 December
	2025	2024
Non-current lease liabilities	1,400,539	1,497,645
Current lease liabilities	525,300	488,755
	1,925,839	1,986,400

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

Amounts recognized in profit and loss:

	Three month period ended 31 March	
	2025	2024
Interest expense (included in finance cost) (note 25)	19,427	26,525
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	1,633	26,674
Expense relating to leases of low value assets that are not shown above as short-term leases	280	2,587
Expense relating to variable lease payments not included in lease liabilities	308,852	303,063

Movements on the Company's liabilities from lease activities are as follows:

	Three month period ended 31 March	
	2025	2024
As at 1 January	1,986,400	2,132,016
Repayment	(148,092)	(190,720)
Non-cash transactions	79,085	382,849
Foreign exchange difference (note 23)	8,446	(1,253)
As at 31 March	1,925,839	2,322,892

19. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,190,901 RSD (2024: 12,140,168 RSD) represents deferred consideration in the amount of 839,201 RSD (2024: 837,800 RSD) for O&G exploration project and liabilities for additional capital contribution associated with the new plant construction program in the amount of 11,351,700 RSD (2024: 11,302,368 RSD).

20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 31 March	
	2025	2024
Employee costs	1,157,528	964,866
Materials and supplies (other than O&G and petroleum products)	328,219	321,163
Repair and maintenance services	1,416,607	1,081,772
Electricity for resale	23,257	25,372
Electricity and utilities	2,779,436	2,575,780
Safety and security expense	288,399	100,078
Transportation services for production	391,631	399,784
Other	3,523,598	3,267,784
	9,908,675	8,736,599

Electricity for resale represents part of other nonproduction and nonmanufacturing cost.

Other expenses mainly relate to cost of other goods that have been sold at the petrol stations in the amount of 2,458,620 RSD (2024: 2,296,372 RSD).

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 31 March	
	2025	2024
Employee costs	3,611,274	3,461,991
Commission and agency fees	1,452,686	1,315,135
Legal, audit and consulting services	360,199	336,307
Current repair cost	377,268	307,112
Costs on advertising and marketing	70,161	69,957
Electricity and utilities	285,656	304,750
Rent expense	1,571	30,005
Business trips expense	32,300	56,526
Safety and security expense	246,959	218,258
Insurance expense	28,057	28,435
Transportation and storage	97,923	59,385
Allowance for doubtful accounts	12,010	(11,360)
Other	1,273,550	1,115,224
	7,849,614	7,291,725

Other expenses in the amount of 1,273,550 RSD (2024: 1,115,224 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

22. OTHER INCOME, NET

	Three month period ended 31 March	
	2025	2024
Penalties	59,147	123,621
Provisions	(12,313)	(10,551)
Impairment of non financial assets	-	(33)
Charity and social payments	(9,409)	(6,141)
Other	105,618	(19,732)
	143,043	87,164

23. NET FOREIGN EXCHANGE LOSS

	Three month period ended 31 March	
	2025	2024
Foreign exchange gain/(loss) on financing activities including:		
- foreign exchange gain (note 13,17,18,19)	14,072	36,847
- foreign exchange loss (note 13,17,18,19)	(153,552)	(14,346)
Net foreign exchange gain/loss on operating activities	13,757	(165,462)
	(125,723)	(142,961)

24. FINANCE INCOME

	Three month period ended 31 March	
	2025	2024
Interest on bank deposits	245,747	520,312
Interest income on loans issued	288,882	202,170
	534,629	722,482

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

25. FINANCE EXPENSES

	Three month period ended 31 March	
	2025	2024
Interest expense	773,475	866,002
Losses on restructuring of borrowings	10,173	4,075
Decommissioning provision: unwinding of the present value discount	34,328	34,683
Provision of trade and other non-current receivables: discount	24,707	8,933
Revaluation of equity investment at fair value - expense	29,763	29,452
Less: amounts capitalised on qualifying assets	(8,494)	(17,766)
	863,952	925,379

Interest expense includes expenses on lease liabilities in amount of 19,427 RSD for the three months ended 31 March 2025 (26,525 RSD for the three months ended 31 March 2024, accordingly) (note 18).

26. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Financial Statements: investment properties and financial investments classified as available for sale and other non-current financial asset and liabilities. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Financial Statements as of 31 December 2024. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 March 2025 the carrying value of financial assets approximates their fair value.

27. CONTINGENCIES AND COMMITMENTS

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Company's management. As result, some transactions may be disputed by tax authorities and the Company may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Company has paid all tax liabilities as of 31 March 2025.

Economic environment in the Republic of Serbia

The exacerbation of geopolitical situation as a result of further developments of the situation with Ukraine led to amplified volatility at commodity and financial markets. It is not possible to determine how long this increased volatility will last.

Currently the Company is continuing the assessment of the new sanctions' impact on the Company's operations.

The management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and the management's current expectations and estimates could differ from actual results.

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia environmental legislation as at the reporting date, the Company's management recognised an environmental provision in the amount of 352,883 RSD (31 December 2024: 373,479 RSD).

The Company's Management believes that cash outflows related to provision will not be significantly higher than the ones already provided for. However, it is possible that these costs will increase significantly in the future, should the legislation become more restrictive.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

Capital commitments

As of 31 March 2025 the Company has entered into contracts to purchase property, plant and equipment for 3,795,165 RSD (31 December 2024: 4,852,949 RSD).

There were no other material contingencies and commitments of the Company.

28. RELATED PARTY TRANSACTIONS

For the purpose of these Interim Condensed Financial Statements parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operational decision as defined by IAS 24 Related Party disclosure.

In the three month period ended 31 March 2025 and in the same period in 2024, the Company entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to sale of petroleum products and energy.

As at 31 March 2025 and 31 December 2024 the outstanding balances, net of impairment, with related parties were as follows:

			Joint ventures, associates and parent's subsidiaries and associates
As at 31 March 2025	Subsidiaries	Parent company	
Short-term financial assets	38,135,315	-	-
Trade and other receivables	12,416,564	-	26,211
Other current assets	1,276	-	36,549
Right-of-use assets	94,141	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	6,766,961	-	-
Other non-current assets	24,050	-	-
Trade and other payables	(5,873,564)	-	(754,951)
Other current liabilities	(47,871)	-	(266)
Short-term debt	(2,170,801)	-	-
Current lease liabilities	(7,272)	-	-
Long-term debt	(1,173,418)	-	-
Non-current lease liabilities	(90,887)	-	-
Other non-current financial liabilities	(11,351,700)	-	-
	67,739,476	-	346,343

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2025

(All amounts are in 000 RSD, unless otherwise stated)

			Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2024	Subsidiaries	Parent company	
Short-term financial assets	32,871,239	-	-
Trade and other receivables	10,213,376	-	50,532
Other current assets	1,919	-	540,205
Right-of-use assets	95,917	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	7,123,387	-	-
Other non-current assets	39,898	-	-
Trade and other payables	(5,773,742)	-	(542,822)
Other current liabilities	(56,815)	-	(389)
Short-term debt	(2,400,033)	-	-
Current lease liabilities	(7,574)	-	-
Long-term debt	(1,171,459)	-	-
Non-current lease liabilities	(92,279)	-	-
Other non-current financial liabilities	(11,302,368)	-	-
	60,558,148	-	1,086,326

For the three month period ended 31 March 2025 and 31 March 2024 the following transaction occurred with related parties:

			Joint ventures, associates and parent's subsidiaries, and associates
Three month period ended 31 March 2025	Subsidiaries	Parent company	
Revenues from sales of products and services	11,590,855	-	51,440
Expenses based on procurement of products and services	(5,073,242)	-	(960,131)
Other income, net	170,033	-	2,828
	6,687,646	-	(905,863)

			Joint ventures, associates and parent's subsidiaries, and associates
Three month period ended 31 March 2024	Subsidiaries	Parent company	
Revenues from sales of products and services	11,004,495	-	76,719
Expenses based on procurement of products and services	(4,651,104)	-	(1,182,887)
Other income/(expenses), net	124,472	-	(201)
	6,477,863	-	(1,106,369)

Transactions with subsidiaries in Romania and Bulgaria

The companies are currently facing significant challenges in its operations in Bulgaria (DWS operations) and Romania (DWS and UPS operations), which are affecting the overall performance and future prospects in these markets. As a result, management is considering both the possibility of further development and the option of exit from these markets.

(All amounts are in 000 RSD, unless otherwise stated)

Given the current circumstances, the company is analysing the following options:

1. **Potential for Further Development:** This includes exploring opportunities to improve operational efficiency and identification of further business opportunities for development to address local market challenges.
2. **Exit Strategy:** In parallel, management is also considering the possibility of exiting these markets, including assessing potential complete or partial sale of asset/equity, closure, or other exit mechanisms.

A comprehensive review, which has been underway since last year and remains ongoing, is being conducted to ensure that any decision taken will align with long-term strategic goals and shareholder interests. The outcome of these considerations will be disclosed as part of the regular reporting in the coming periods, depending on the final decisions taken.

29. EVENTS AFTER THE REPORTING DATE

On 26 April 2025, the OFAC (Office for Foreign Assets Control) issued third specific license (Licence No. MUL-2025-1355297-2) that postpones the full implementation of sanctions until 27 June 2025 (note 2.3.).

There are no other material events after the reporting date.

Subsequent events occurring after 31 March 2025 were evaluated through 28 April 2025, the date these Interim Condensed Financial Statements were authorised for issue.

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**Notes to the Interim Condensed Financial Statements for the three month period ended
31 March 2025**

(All amounts are in 000 RSD, unless otherwise stated)

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