



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

30 June 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	30 June 2025	31 December 2024
Current assets		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	4	19,559,541	38,821,710
Short-term financial assets	5	36,581,544	32,871,239
Trade and other receivables	6	39,153,865	39,377,979
Inventories	7	54,980,696	42,037,198
Current income tax prepayments		2,443,208	7,549,680
Other current assets	8	11,092,012	12,610,817
Assets classified as held for sale		20,816	17,915
Total current assets		163,831,682	173,286,538
Non-current assets			
Property, plant and equipment	9	299,049,922	299,210,788
Right-of-use assets	10	2,690,820	2,822,458
Investment property		1,512,766	1,512,766
Intangible assets		4,283,516	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	6,471,818	7,228,512
Deferred tax assets		4,786,378	4,278,690
Other non-current assets	12	2,703,162	3,474,598
Total non-current assets		353,553,864	354,551,406
Total assets		517,385,546	527,837,944
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	13	24,339,828	11,426,713
Current lease liabilities	18	475,023	488,755
Trade and other payables	14	23,668,102	20,440,011
Other current liabilities	15	7,094,945	10,525,538
Other taxes payable	16	11,607,853	13,139,353
Provisions for liabilities and charges		1,020,148	1,155,490
Total current liabilities		68,205,899	57,175,860
Non-current liabilities			
Long-term debt	17	40,413,486	58,216,807
Non-current lease liabilities	18	1,297,296	1,497,645
Other non-current financial liabilities	19	12,216,820	12,140,168
Provisions for liabilities and charges		12,995,189	12,652,906
Total non-current liabilities		66,922,791	84,507,526
Equity			
Share capital		81,530,200	81,530,200
Reserves		41,960	41,960
Retained earnings		300,684,696	304,582,398
Total equity		382,256,856	386,154,558
Total liabilities and shareholder's equity		517,385,546	527,837,944

Kirill Tyrdenev
Chief Executive Officer
28 July 2025

Anton Onerepanov
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 30 June		Six month period ended 30 June	
		2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Sales of petroleum products, oil and gas		63,005,056	100,696,221	126,124,589	178,990,632
Other revenues		5,165,471	5,115,411	9,896,201	9,223,902
Total revenue from sales	3	68,170,527	105,811,632	136,020,790	188,214,534
Purchases of oil, gas and petroleum products		(45,048,337)	(73,145,699)	(83,573,771)	(127,501,289)
Production, manufacturing and cost of other sales	20	(9,107,502)	(8,990,376)	(19,016,177)	(17,726,975)
Selling, general and administrative expenses	21	(8,608,289)	(8,005,604)	(16,457,903)	(15,297,329)
Transportation expenses		(350,528)	(397,341)	(745,900)	(725,617)
Depreciation, depletion and amortization		(6,699,581)	(6,028,958)	(13,271,965)	(11,797,507)
Taxes other than income tax		(1,525,894)	(1,429,760)	(3,047,047)	(2,809,944)
Exploration expenses		-	-	(10)	(187)
Total operating expenses		(71,340,131)	(97,997,738)	(136,112,773)	(175,858,848)
Other (expenses)/income, net	22	(10,255)	426,710	132,788	513,874
Operating (loss)/profit		(3,179,859)	8,240,604	40,805	12,869,560
Net foreign exchange loss	23	(53,172)	(153,662)	(178,895)	(296,623)
Finance income	24	496,022	534,428	1,030,651	1,256,910
Finance expenses	25	(790,249)	(941,580)	(1,654,201)	(1,866,959)
Total other expenses		(347,399)	(560,814)	(802,445)	(906,672)
Profit/(loss) before income tax		(3,527,258)	7,679,790	(761,640)	11,962,888
Current income tax		1,714,491	(1,437,937)	951,291	(2,366,309)
Deferred tax income		230,750	137,632	507,689	276,002
Total income tax	26	1,945,241	(1,300,305)	1,458,980	(2,090,307)
Profit/(loss) for the period		(1,582,017)	6,379,485	697,340	9,872,581
Other comprehensive income:					
Items that will not be reclassified to profit					
Losses on remeasurements of defined benefit plans		-	-	-	-
Gain from investments in equity instruments		-	-	-	52
Other comprehensive income for the period		-	-	-	52
Total comprehensive (expenses)/income for the period		(1,582,017)	6,379,485	697,340	9,872,633
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		(9.70)	39.12	4.28	60.55
Weighted average number of ordinary shares in issue (in millions)		163	163	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**

Six month period ended 30 June 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

Dividend distribution

Balance as at 30 June 2024

Note	Share capital	Reserves	Retained earnings	Total
	81,530,200	34,408	296,756,256	378,320,864
	-	-	9,872,581	9,872,581
	-	52	-	52
	-	52	9,872,581	9,872,633
14	-	-	(10,478,261)	(10,478,261)
	81,530,200	34,460	296,150,576	377,715,236

*(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

Dividend distribution

Balance as at 30 June 2025

	Share capital	Reserves	Retained earnings	Total
	81,530,200	41,960	304,582,398	386,154,558
	-	-	697,340	697,340
	-	-	-	-
	-	-	697,340	697,340
14	-	-	(4,595,042)	(4,595,042)
	81,530,200	41,960	300,684,696	382,256,856

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)*

		Six month period ended	
		30 June	
		2025	2024
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit/(loss) before income tax		(761,640)	11,962,888
Adjustments for:			
Finance expenses	25	1,654,201	1,866,959
Finance income	24	(1,030,651)	(1,256,910)
Unrealised foreign exchange losses, net		146,587	300,597
Depreciation, depletion and amortization		13,271,965	11,797,507
Other non-cash items		402,216	(43,858)
Operating cash flow before changes in working capital		13,682,678	24,627,183
Changes in working capital:			
Trade and other receivables		253,729	(2,482,091)
Inventories		(13,034,096)	(276,852)
Other current assets		1,444,041	(2,962,464)
Trade payables and other current liabilities		(5,348,023)	(2,375,265)
Other taxes payable		5,468,500	3,378,729
Total effect on working capital changes		(11,215,849)	(4,717,943)
Income taxes paid		(927,760)	(4,386,321)
Interest paid		(1,464,016)	(1,659,529)
Interest received		800,058	2,174,323
Net cash generated by operating activities		875,111	16,037,713
Cash flows from investing activities			
Loans issued		(15,382,188)	(8,863,930)
Loan proceeds received		12,767,257	6,351,386
Capital expenditures ²		(12,686,352)	(24,546,720)
Proceeds from sale of property, plant and equipment		628,037	96,398
Bank deposits proceeds, net		-	25,000,000
Net cash used in investing activities		(14,673,246)	(1,962,866)
Cash flows from financing activities			
Proceeds from borrowings	13,17	4,644,725	20,262,995
Repayment of borrowings	13,17	(9,642,810)	(17,140,690)
Repayment of lease liabilities	18	(344,905)	(383,742)
Net cash generated by/(used in) financing activities		(5,342,990)	2,738,563
Net (decrease) / increase in cash and cash equivalents		(19,141,125)	16,813,410
Effect of foreign exchange on cash and cash equivalents		(121,044)	(315,983)
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		19,559,541	32,767,920

¹ Company's policy is to present cash flow inclusive of related VAT.² CF from investing activities includes VAT in the amount of 1.5 bln RSD (2024: 2.9 bln RSD)*The accompanying notes are an integral part of these Interim Condensed Financial Statements.*

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

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 28) due to geopolitical situation. Due to that during the first half 2025 the Company didn't review the critical accounting estimates which are used by the Company in the Interim Condensed Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rate. In particular as of 30 June 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 and six month period ended 30 June 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 the 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 the Company. Additionally, the designation may trigger secondary sanctions for non-US entities that engage in certain types of transactions with the Company starting from the date of designation.

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 duration, 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 adjustments have been recognised in these Interim Condensed Financial Statements for the reporting period ended 30 June 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.)

(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.

A 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.

The 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, 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, 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 25 April 2025, 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.

On 26 June 2025, OFAC (Office for Foreign Assets Control) issued fourth specific license (Licence No. MUL-2025-1355297-3) that postpones the full implementation of sanctions until 29 July 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 de-listing petition was submitted to OFAC, requesting the removal of NIS from the SDN List (OFAC Case ID: 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 six month period ended 30 June 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

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

other non-operating income (expenses). EBITDA is a supplemental non-IFRS financial measure used by management to evaluate operations.

Reportable segment results for the six month period ended 30 June 2025 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	22,957,941	136,976,929	(23,914,080)	136,020,790
Intersegment	22,549,090	1,364,990	(23,914,080)	-
External	408,851	135,611,939	-	136,020,790
Adjusted EBITDA (Segment results)	14,475,512	(1,145,324)	-	13,330,188
Depreciation, depletion and amortization	(6,799,156)	(6,472,809)	-	(13,271,965)
Net foreign exchange loss	(3,223)	(175,672)	-	(178,895)
Finance expenses, net	(63,366)	(560,184)	-	(623,550)
Income tax	-	1,458,980	-	1,458,980
Segment profit/(loss)	7,617,395	(6,920,055)	-	697,340

Reportable segment results for the six month period ended 30 June 2024 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	27,425,670	189,524,421	(28,735,557)	188,214,534
Intersegment	27,398,225	1,337,332	(28,735,557)	-
External	27,445	188,187,089	-	188,214,534
Adjusted EBITDA (Segment results)	19,523,637	4,907,740	-	24,431,377
Depreciation, depletion and amortization	(6,476,108)	(5,321,399)	-	(11,797,507)
Net foreign exchange loss	(98,243)	(198,380)	-	(296,623)
Finance expenses, net	(76,132)	(533,917)	-	(610,049)
Income tax	-	(2,090,307)	-	(2,090,307)
Segment profit / (loss)	12,970,429	(3,097,848)	-	9,872,581

Adjusted EBITDA for the three and six month period ended 30 June 2025 and 2024 is reconciled below:

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Profit/(loss) for the period	(1,582,017)	6,379,485	697,340	9,872,581
Income tax	(1,945,241)	1,300,305	(1,458,980)	2,090,307
Finance expenses	790,249	941,580	1,654,201	1,866,959
Finance income	(496,022)	(534,428)	(1,030,651)	(1,256,910)
Depreciation, depletion and amortization	6,699,581	6,028,958	13,271,965	11,797,507
Net foreign exchange loss	53,172	153,662	178,895	296,623
Other expenses/(income), net	10,255	(426,710)	(132,788)	(513,874)
Other non-operating expense, net	22,855	133,827	150,206	278,184
Adjusted EBITDA	3,552,832	13,976,679	13,330,188	24,431,377

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

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

	Six month period ended 30 June	
	2025	2024
Sale of gas	97,179	148,337
<i>Wholesale activities</i>	97,179	148,337
Sale of petroleum products	126,027,410	178,842,295
<i>Through a retail network</i>	45,086,457	52,769,338
<i>Wholesale activities</i>	80,940,953	126,072,957
Sale of electricity	259,866	444,476
Lease revenue	203,510	174,849
Other sales	9,432,825	8,604,577
Total sales	136,020,790	188,214,534

Other sales mainly relate to sales of non-fuel products at petrol stations for 6,256,319 RSD (2024: 5,952,206 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

	30 June 2025	31 December 2024
Cash in bank and in hand	10,354,414	9,955,372
Deposits with original maturity of less than three months	9,200,000	28,862,541
Cash equivalents	5,127	3,797
	19,559,541	38,821,710

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

5. SHORT-TERM FINANCIAL ASSETS

	30 June 2025	31 December 2024
Short-term loans	10,341,787	7,601,578
Current portion of long-term investments (note 11)	36,136,519	35,152,987
<i>Less impairment loss provision</i>	(9,896,762)	(9,883,326)
	36,581,544	32,871,239

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

6. TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
Trade receivables	46,147,976	46,483,687
Other receivables	94,614	98,729
<i>Less credit loss allowance for trade receivables</i>	(7,060,051)	(7,176,610)
<i>Less credit loss allowance for other receivables</i>	(28,674)	(27,827)
	39,153,865	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.

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

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

	30 June 2025	31 December 2024
Crude oil	32,803,036	19,942,889
Petroleum products	19,483,219	19,295,703
Materials and supplies	5,643,964	5,771,208
Other	1,358,594	1,353,517
<i>Less impairment provision</i>	<i>(4,308,117)</i>	<i>(4,326,119)</i>
	54,980,696	42,037,198

8. OTHER CURRENT ASSETS

	30 June 2025	31 December 2024
Advances paid	662,186	1,341,449
Deferred VAT	1,179,700	3,599,608
Prepaid expenses	357,058	460,521
Prepaid custom duties	73,276	75,447
Prepaid excise	8,211,092	6,683,336
Other current assets	8,089,991	7,936,113
<i>Less impairment provision</i>	<i>(7,481,291)</i>	<i>(7,485,657)</i>
	11,092,012	12,610,817

Deferred VAT as at 30 June 2025 amounting to 1,179,700 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 30 June 2025 amounting to 8,211,092 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 six month period ended 30 June 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 30 June 2025						
Additions	8,854,653	676,401	4,243,786	217,978	(1,421,698)	12,571,120
Changes in decommissioning obligations	129,415	-	-	-	-	129,415
Impairment, net	-	-	-	-	(30.888)	(30.888)
Depreciation	(6,720,754)	(4,684,755)	(1,112,443)	(231,332)	-	(12,749,284)
Transfer to non-current assets held for sale	-	-	(2,986)	-	-	(2,986)
Disposals and write-off	(2,934)	(9,395)	(863)	(83)	(10)	(13,285)
Other transfers	275	(1,419)	(13,085)	17,684	(68,413)	(64,958)
	140,024,502	90,839,588	33,757,019	7,201,010	27,227,803	299,049,922
As at 30 June 2025						
Cost	256,779,827	181,645,288	70,456,900	17,346,556	27,465,797	553,694,368
Depreciation and impairment	(116,755,325)	(90,805,700)	(36,699,881)	(10,145,546)	(237,994)	(254,644,446)
Net book value	140,024,502	90,839,588	33,757,019	7,201,010	27,227,803	299,049,922

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the six month period ended 30 June 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	-	-	54,089	6,383	60,472
Depreciation	(1,946)	(56,671)	(48,115)	(101,097)	(207,829)
Disposals	-	-	-	(17,652)	(17,652)
Effect of contract modifications and changes in estimates	-	9,974	23,397	-	33,371
As at 30 June 2025	10,153	838,985	248,763	1,592,919	2,690,820

11. LONG-TERM FINANCIAL ASSETS

	30 June 2025	31 December 2024
LT loans issued	41,828,047	41,601,373
Financial assets at FVTPL	838,939	837,800
Other LT placements	20,086	25,060
Available for sale financial assets	124,315	124,315
Less Current portion of LT loans issued (note 5)	(36,136,519)	(35,152,987)
Less provision of LT financial assets	(203,050)	(207,049)
	6,471,818	7,228,512

12. OTHER NON-CURRENT ASSETS

	30 June 2025	31 December 2024
Advances paid for PPE	2,026,073	2,810,616
Prepaid expenses	63,873	75,517
Other assets	916,099	901,105
Less allowance for other assets	(268,897)	(278,654)
Less allowance for advances paid	(33,986)	(33,986)
	2,703,162	3,474,598

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

	30 June 2025	31 December 2024
Short-term loans	2,359,087	2,387,513
Interest liabilities	223,189	223,371
Current portion of long-term loans (note 17)	21,757,552	8,815,829
	24,339,828	11,426,713

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

	Six month period ended 30 June	
	2025	2024
Short-term loans at 1 January	2,387,513	3,606,281
Proceeds	4,644,725	14,304,667
Repayment	(4,673,151)	(13,824,576)
Short-term loans at 30 June	2,359,087	4,086,372

*(All amounts are in 000 RSD, unless otherwise stated)***14. TRADE AND OTHER PAYABLES**

	30 June 2025	31 December 2024
Trade payables	15,248,531	16,627,827
Dividends payable	8,378,415	3,783,398
Other accounts payable	41,156	28,786
	23,668,102	20,440,011

Dividend payable declared for the year ended 31 December 2024, amounted to 4,595,042 RSD or 28.18 RSD per share (31 December 2023: 10,478,261 RSD or 64.26 RSD per share) were approved on the General Assembly Meeting held on 20 June 2025.

15. OTHER CURRENT LIABILITIES

	30 June 2025	31 December 2024
Contract liabilities arising from contracts with customers:		
- Advances received	3,733,597	5,055,703
- Customer loyalty	1,046,551	949,116
- Deferred income	52,229	55,648
Payables to employees	2,071,991	4,263,714
Other current non-financial liabilities	190,577	201,357
	7,094,945	10,525,538

Revenue in the amount of 4,416,803 RSD (30 June 2024: 4,567,523 RSD) was recognized in the current reporting period related to the contract liabilities as at 1 January 2025, of which 3,975,437 RSD (30 June 2024: 4,202,440 RSD) related to advances and 441,366 RSD (30 June 2024: 365,083 RSD) to customer loyalty programme.

16. OTHER TAXES PAYABLE

	30 June 2025	31 December 2024
Mineral extraction tax	466,176	438,324
VAT	3,328,783	2,594,634
Excise tax	6,821,757	8,463,280
Contribution for State commodity reserves	260,722	348,084
Custom duties	104,295	73,717
Energy efficiency fee	28,631	39,876
Other taxes	597,489	1,181,438
	11,607,853	13,139,353

17. LONG-TERM DEBT

	30 June 2025	31 December 2024
Bank loans	60,295,577	65,159,107
Other Long-term borrowings	1,875,461	1,873,529
Less Current portion (note 13)	(21,757,552)	(8,815,829)
	40,413,486	58,216,807

NIS a.d.**Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025***(All amounts are in 000 RSD, unless otherwise stated)*

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

	Six month period ended 30 June	
	2025	2024
As at 1 January	65,159,107	65,223,168
Proceeds	-	5,958,328
Repayment	(4,969,659)	(3,316,114)
Non-cash transactions	17,791	7,928
Foreign exchange difference (note 23)	88,338	(68,376)
As at 30 June	60,295,577	67,804,934

Bank loans

	30 June 2025	31 December 2024
Total bank loans	60,295,577	65,159,107
Current portion	(21,757,552)	(8,815,829)
	38,538,025	56,343,278

The maturity of bank loans was as follows:

	30 June 2025	31 December 2024
Between 1 and 2 years	17,755,404	30,987,592
Between 2 and 5 years	20,411,011	24,567,096
Over 5 years	371,610	788,590
	38,538,025	56,343,278

The carrying amounts of bank loans in the amount of 60,295,577 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 30 June 2025 and 31 December 2024, respectively.

Other long-term borrowings in the amount of 1,875,461 RSD (31 December 2024: 1,873,529 RSD) mainly relate to the corporate bonds.

18. LEASE LIABILITIES

	30 June 2025	31 December 2024
Non-current lease liabilities	1,297,296	1,497,645
Current lease liabilities	475,023	488,755
	1,772,319	1,986,400

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

Amounts recognized in profit and loss:

	Six month period ended 30 June	
	2025	2024
Interest expense (included in finance cost) (note 25)	36,922	51,121
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	3,193	49,971
Expense relating to leases of low value assets that are not shown above as short-term leases	2,301	5,187
Expense relating to variable lease payments not included in lease liabilities	606,598	614,481

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

	Six month period ended 30 June	
	2025	2024
As at 1 January	1,986,400	2,132,016
Repayment	(344,905)	(383,742)
Non-cash transactions	122,956	369,929
Foreign exchange difference (note 23)	7,868	(1,770)
As at 30 June	1,772,319	2,116,433

19. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,216,820 RSD (2024: 12,140,168 RSD) represents deferred consideration in the amount of 838,939 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 11,377,881 RSD (2024: 11,302,368 RSD).

20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Employee costs	1,173,820	1,110,194	2,331,348	2,075,060
Materials and supplies (other than O&G and petroleum products)	299,225	239,162	627,444	560,325
Repair and maintenance services	1,399,990	1,324,937	2,816,597	2,406,709
Electricity for resale	21,696	11,415	44,953	36,787
Electricity and utilities	1,892,203	1,942,281	4,671,639	4,518,061
Safety and security expense	134,314	126,204	422,713	226,282
Transportation services for production	378,978	398,470	770,609	798,254
Other	3,807,276	3,837,713	7,330,874	7,105,497
	9,107,502	8,990,376	19,016,177	17,726,975

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 5,190,804 RSD (2024: 4,963,657 RSD).

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Employee costs	3,751,229	3,797,858	7,362,503	7,259,849
Commission and agency fees	1,528,868	1,370,016	2,981,554	2,685,151
Legal, audit and consulting services	517,775	400,036	877,974	736,343
Current repair cost	427,889	353,838	805,157	660,950
Costs on advertising and marketing	89,447	104,902	159,608	174,859
Electricity and utilities	174,608	169,764	460,264	474,514
Rent expense	8,784	27,719	10,355	57,724
Business trips expense	28,229	87,391	60,529	143,917
Safety and security expense	294,763	252,889	541,722	471,147
Insurance expense	13,451	21,304	41,508	49,739
Transportation and storage	96,981	96,591	194,904	155,976
Allowance for doubtful accounts	(48,533)	2,488	(36,523)	(8,872)
Other	1,724,798	1,320,808	2,998,348	2,436,032
	8,608,289	8,005,604	16,457,903	15,297,329

Other expenses in the amount of 2,998,348 RSD (2024: 2,436,032 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

22. OTHER EXPENSES / INCOME, NET

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Penalties	63,512	146,578	122,659	270,199
Provisions	(5,955)	(12,354)	(18,268)	(22,905)
Impairment of non financial assets	(75,493)	(6,521)	(75,493)	(6,554)
Charity and social payments	(845)	(11,540)	(10,254)	(17,681)
Others	8,526	310,547	114,144	290,815
	(10,255)	426,710	132,788	513,874

23. NET FOREIGN EXCHANGE LOSS

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Foreign exchange gain (loss) on financing activities including:				
- foreign exchange gain (note 17,18,19)	118,442	97,743	132,514	134,590
- foreign exchange loss (note 17,18,19)	(94,763)	(37,628)	(248,315)	(51,974)
Net foreign exchange loss on operating activities	(76,851)	(213,777)	(63,094)	(379,239)
	(53,172)	(153,662)	(178,895)	(296,623)

24. FINANCE INCOME

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Interest on bank deposits	207,876	328,336	453,623	848,648
Interest income on loans issued	288,146	206,092	577,028	408,262
	496,022	534,428	1,030,651	1,256,910

*(All amounts are in 000 RSD, unless otherwise stated)***25. FINANCE EXPENSES**

	Three month period ended 30 June		Six month period ended 30 June	
	2025	2024	2025	2024
Interest expense	708,845	846,368	1,482,320	1,712,370
Losses on restructuring of borrowings	7,619	3,855	17,792	7,930
Decommissioning provision: unwinding of the present value discount	34,767	38,546	69,095	73,229
Provision of trade and other non-current receivables: discount	9,177	43,230	33,884	52,163
Revaluation of equity investment at fair value - expense	29,841	29,529	59,604	58,981
Less: amounts capitalised on qualifying assets	-	(19,948)	(8,494)	(37,714)
	790,249	941,580	1,654,201	1,866,959

Interest expense includes expenses on lease liabilities in amount of 36,922 RSD for the six months ended 30 June 2025 (51,121 RSD for the six months ended 30 June 2024, accordingly) (note 18).

26. INCOME TAXES

In the first half of 2025, NIS applied tax consolidation for the 2024 tax year, following approval by the tax authorities. This was done in accordance with Serbian tax legislation, which allows a group of related legal entities—where one company directly or indirectly holds at least 75% ownership in the others—to be treated as a single taxpayer for corporate income tax purposes. All entities within the group must be tax residents of the Republic of Serbia, and once approved, the consolidation is valid for a period of five years.

As a result of the tax consolidation, the Company was able to utilize accumulated tax losses of certain subsidiaries to offset the consolidated taxable base, leading to a significant tax credit. This tax benefit, relating to the previous tax year (2024), was recognized in the current financial year (2025) upon receipt of the final tax assessment. The effect of this tax benefit has been accounted for in accordance with IAS 12 – Income Taxes and is reflected in the income tax expense line item in the statement of profit and loss.

Effect of current income tax and the adjustment in respect of prior year are presented in the table below:

	Six month period ended 30 June	
	2025	2024
Current income tax effect	(601,549)	(2,366,309)
Effect of tax consolidation (2024)	1,552,840	-
Deferred income tax	507,689	276,002
Total income tax	1,458,980	(2,090,307)

27. 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 30 June 2025 the carrying value of financial assets approximates their fair value.

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

28. 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 30 June 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 344,282 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.

Capital commitments

As of 30 June 2025 the Company has entered into contracts to purchase property, plant and equipment for 3,620,715 RSD (31 December 2024: 4,852,949 RSD).

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

29. 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 six month period ended 30 June 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.

NIS a.d.**Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025***(All amounts are in 000 RSD, unless otherwise stated)*

As at 30 June 2025 and 31 December 2024 the outstanding balances, net of impairment, with related parties were as follows:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 30 June 2025			
Short-term financial assets	36,581,544	-	-
Trade and other receivables	17,810,121	-	182,223
Other current assets	640	-	26,921
Right-of-use assets	92,365	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	6,367,446	-	-
Other non-current assets	24,050	-	-
Trade and other payables	(6,951,787)	-	(478,738)
Other current liabilities	(65,590)	-	(344,832)
Short-term debt	(2,370,588)	-	-
Current lease liabilities	(7,221)	-	-
Long-term debt	(1,173,052)	-	-
Non-current lease liabilities	(89,302)	-	-
Other non-current financial liabilities	(11,377,881)	-	-
	69,857,427	-	424,374

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2024			
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 six month period ended 30 June 2025 and 30 June 2024 the following transaction occurred with related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Six month period ended 30 June 2025			
Revenues from sales of products and services	22,585,000	-	471,019
Expenses based on procurement of products and services	(10,940,065)	-	(1,280,737)
Other income, net	384,247	-	2,728
	12,029,182	-	(806,990)

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Notes to the Interim Condensed Financial Statements for the six month period ended 30 June 2025

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

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Six month period ended 30 June 2024			
Revenues from sales of products and services	20,936,288	-	122,003
Expenses based on procurement of products and services	(9,916,430)	-	(1,986,235)
Other income (expenses), net	252,823	-	(219)
	11,272,681	-	(1,864,451)

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.

Considering the aforementioned in June 2025, Board of Directors passed a decision to convert the total outstanding receivables, including subordinated and financial loans as well as commercial receivables, into the share capital of the subsidiary NIS Petrol Bulgaria. The conversion procedure has been initiated.

In addition, Board of Directors has approved the sale of the subsidiary NIS Petrol Bulgaria, subject to the terms of the offer and the satisfaction of defined conditions precedent. The transaction relates to the disposal of the Company's full equity interest in the subsidiary. Further details will be disclosed once the outcome becomes sufficiently certain.

At the date of authorization of these financial statements, the conditions precedent had not yet been fulfilled.

30. EVENTS AFTER THE REPORTING DATE

On 28 July 2025, OFAC (Office for Foreign Assets Control) issued a specific license (Licence No. MUL-2025-1355297-4) that postpones the full implementation of sanctions until 27 August 2025.

There are no other material events after the reporting date.

Subsequent events occurring after 30 June 2025 were evaluated through 28 July 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 six month period ended 30 June 2025

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

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