



**Naftna industrija Srbije A.D.**

**Interim Condensed Consolidated Financial  
Statements (Unaudited)**

31 December 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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**NIS Group**
**Interim Condensed Consolidated Statement of Financial Position**
*(All amounts are in 000 RSD, unless otherwise stated)*

	Note	31 December 2025	31 December 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	30,520,104	40,736,335
Short-term financial assets	5	34,985	244,085
Trade and other receivables	6	20,672,647	32,328,970
Inventories	7	39,147,248	52,186,791
Current income tax prepayments		2,371,203	7,595,653
Other current assets	8	8,987,071	14,401,684
Assets classified as held for sale		135,697	14,432
<b>Total current assets</b>		<b>101,868,955</b>	<b>147,507,950</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	336,511,853	336,961,139
Right-of-use assets	10	3,663,603	3,874,056
Investment property		1,664,931	1,514,935
Goodwill and other intangible assets		6,249,956	6,027,593
Investments in joint ventures		3,394,511	2,623,087
Trade and other non-current receivables		1,163,843	826,117
Long-term financial assets		104,398	105,253
Deferred tax assets		5,336,771	4,102,378
Other non-current assets	11	2,048,680	3,507,398
<b>Total non-current assets</b>		<b>360,138,546</b>	<b>359,541,956</b>
<b>Total assets</b>		<b>462,007,501</b>	<b>507,049,906</b>
<b>Liabilities and shareholder's equity</b>			
<b>Current liabilities</b>			
Short-term debt and current portion of long-term debt	12	19,373,727	9,026,680
Current lease liabilities	17	1,150,161	934,141
Trade and other payables	13	18,731,371	21,969,434
Other current liabilities	14	7,043,254	13,423,380
Current income tax payable		12,877	13,609
Other taxes payable	15	7,345,094	14,353,823
Provisions for liabilities and charges		2,538,201	1,342,054
Current portion of other non-current financial liabilities		29,176	-
<b>Total current liabilities</b>		<b>56,223,861</b>	<b>61,063,121</b>
<b>Non-current liabilities</b>			
Long-term debt	16	28,045,208	57,215,677
Non-current lease liabilities	17	2,063,674	2,620,846
Other non-current financial liabilities		864,962	837,800
Deferred tax liabilities		3,975	3,682
Long-term trade and other payables		9,125	-
Provisions for liabilities and charges		14,190,785	14,752,819
<b>Total non-current liabilities</b>		<b>45,177,729</b>	<b>75,430,824</b>
<b>Equity</b>			
Share capital		81,530,200	81,530,200
Reserves		1,034,247	741,832
Retained earnings		279,323,541	288,538,150
<b>Equity attributable to the Company's owners</b>		<b>361,887,988</b>	<b>370,810,182</b>
Non-controlling interest		(1,282,077)	(254,221)
<b>Total equity</b>		<b>360,605,911</b>	<b>370,555,961</b>
<b>Total liabilities and shareholder's equity</b>		<b>462,007,501</b>	<b>507,049,906</b>

Kirill Tyurdeney  
Chief Executive Officer  
30 January 2026



Anton Cherepanov  
Chief Financial Officer

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

**NIS Group**
**Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income**
*(All amounts are in 000 RSD, unless otherwise stated)*

		Three month period ended 31 December		Year ended 31 December	
	Note	2025	2024	2025	2024
		<i>(unaudited)</i>	<i>(unaudited)</i>		
Sales of petroleum products, oil and gas		55,650,474	97,673,681	266,669,576	384,844,088
Other revenues		4,785,877	5,780,200	23,452,000	23,221,613
<b>Total revenue from sales</b>	<b>3</b>	<b>60,436,351</b>	<b>103,453,881</b>	<b>290,121,576</b>	<b>408,065,701</b>
Purchases of oil, gas and petroleum products		(33,724,867)	(67,916,399)	(170,544,154)	(270,807,527)
Production, manufacturing and cost of other sales	18	(10,513,538)	(13,148,440)	(48,203,266)	(47,558,140)
Selling, general and administrative expenses	19	(10,188,426)	(9,999,899)	(36,578,591)	(35,486,866)
Transportation expenses		(240,369)	(531,720)	(1,417,701)	(1,823,724)
Depreciation, depletion and amortization		(6,624,058)	(6,679,605)	(28,846,898)	(27,119,878)
Taxes other than income tax		(2,208,784)	(2,246,544)	(9,107,989)	(8,841,039)
Exploration expenses		(219,359)	-	(219,369)	(187)
<b>Total operating expenses</b>		<b>(63,719,401)</b>	<b>(100,522,607)</b>	<b>(294,917,968)</b>	<b>(391,637,361)</b>
Other income/(expenses), net	20	(2,755,264)	178,966	(1,621,947)	539,690
<b>Operating profit/(loss)</b>		<b>(6,038,314)</b>	<b>3,110,240</b>	<b>(6,418,339)</b>	<b>16,968,030</b>
Share of profit/(loss) in joint ventures		(32,418)	435,137	771,424	(105,918)
Net foreign exchange loss	21	(146,049)	(429,496)	(819,892)	(1,046,190)
Finance income	22	336,313	462,255	1,208,069	1,931,920
Finance expenses	23	(704,564)	(902,368)	(3,008,216)	(3,694,804)
<b>Total other expense</b>		<b>(546,718)</b>	<b>(434,472)</b>	<b>(1,848,615)</b>	<b>(2,914,992)</b>
<b>Profit/(loss) before income tax</b>		<b>(6,585,032)</b>	<b>2,675,768</b>	<b>(8,266,954)</b>	<b>14,053,038</b>
Current income tax		803,365	(1,053,963)	1,463,404	(4,814,328)
Deferred income tax income		487,517	408,623	1,225,408	840,727
<b>Total income tax</b>	<b>24</b>	<b>1,290,882</b>	<b>(645,340)</b>	<b>2,688,812</b>	<b>(3,973,601)</b>
<b>Profit/(loss) for the period</b>		<b>(5,294,150)</b>	<b>2,030,428</b>	<b>(5,578,142)</b>	<b>10,079,437</b>
<b>Other comprehensive income/(loss):</b>					
<b>Items that will not be reclassified to profit/(loss)</b>					
Losses on remeasurements of defined benefit plans		(69,577)	(178,403)	(69,577)	(175,945)
Gain/(Loss) from investments in equity instruments		16	-	(88)	52
Revaluation of property, plant and equipment transferred to investment property		-	240	-	3,400
		<b>(69,561)</b>	<b>(178,163)</b>	<b>(69,665)</b>	<b>(172,493)</b>
<b>Items that may be subsequently reclassified to profit</b>					
Currency translation differences		34,207	11,878	293,513	39,677
		<b>34,207</b>	<b>11,878</b>	<b>293,513</b>	<b>39,677</b>
<b>Other comprehensive income/(loss) for the period</b>		<b>(35,354)</b>	<b>(166,285)</b>	<b>223,848</b>	<b>(132,816)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(5,329,504)</b>	<b>1,864,143</b>	<b>(5,354,294)</b>	<b>9,946,621</b>
<b>Profit/(loss) attributable to:</b>					
- Shareholders of Naftna Industrija Srbije		(5,009,619)	2,289,133	(4,551,547)	10,844,835
- Non-controlling interest		(284,531)	(258,705)	(1,026,595)	(765,398)
<b>Profit/(loss) for the period</b>		<b>(5,294,150)</b>	<b>2,030,428</b>	<b>(5,578,142)</b>	<b>10,079,437</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
- Shareholders of Naftna Industrija Srbije		(5,043,712)	2,129,279	(4,326,438)	10,718,450
- Non-controlling interest		(285,792)	(265,136)	(1,027,856)	(771,829)
<b>Total comprehensive income/(loss) for the period</b>		<b>(5,329,504)</b>	<b>1,864,143</b>	<b>(5,354,294)</b>	<b>9,946,621</b>
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (loss) (RSD per share)		(30.72)	14.04	(27.91)	66.51
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 Consolidated Financial Statements.*

# NIS Group

## Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

Year ended 31 December 2025 and 2024

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

Equity attributable to the Company's owners						
Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2024</b>	<b>81,530,200</b>	<b>694,603</b>	<b>288,345,242</b>	<b>370,570,045</b>	<b>517,608</b>	<b>371,087,653</b>
Profit/(loss) for the period	-	-	10,844,835	10,844,835	(765,398)	10,079,437
<b>Other comprehensive income/(loss)</b>						
Loss on remeasurements of defined benefit plans	-	-	(169,514)	(169,514)	(6,431)	(175,945)
Gain from investments in equity instruments	-	52	-	52	-	52
Revaluation of property, plant and equipment transferred to investment property	-	3,400	-	3,400	-	3,400
Currency translation differences	-	39,677	-	39,677	-	39,677
<b>Total comprehensive income/(loss) for the period</b>	-	<b>43,129</b>	<b>10,675,321</b>	<b>10,718,450</b>	<b>(771,829)</b>	<b>9,946,621</b>
Dividend distribution	-	-	(10,478,261)	(10,478,261)	-	(10,478,261)
Other	-	4,100	(4,152)	(52)	-	(52)
<b>Balance as at 31 December 2024</b>	<b>81,530,200</b>	<b>741,832</b>	<b>288,538,150</b>	<b>370,810,182</b>	<b>(254,221)</b>	<b>370,555,961</b>

Equity attributable to the Company's owners						
	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2025</b>	<b>81,530,200</b>	<b>741,832</b>	<b>288,538,150</b>	<b>370,810,182</b>	<b>(254,221)</b>	<b>370,555,961</b>
Loss for the period	-	-	(4,551,547)	(4,551,547)	(1,026,595)	(5,578,142)
<b>Other comprehensive income/(loss)</b>						
Losses on remeasurements of defined benefit plans	-	-	(68,316)	(68,316)	(1,261)	(69,577)
Loss from investments in equity instruments	-	(88)	-	(88)	-	(88)
Currency translation differences	-	293,513	-	293,513	-	293,513
<b>Total comprehensive income/(loss) for the period</b>	-	<b>293,425</b>	<b>(4,619,863)</b>	<b>(4,326,438)</b>	<b>(1,027,856)</b>	<b>(5,354,294)</b>
Dividend distribution	-	-	(4,595,042)	(4,595,042)	-	(4,595,042)
Internal transfer	-	(296)	296	-	-	-
Other	-	(714)	-	(714)	-	(714)
<b>Balance as at 31 December 2025</b>	<b>81,530,200</b>	<b>1,034,247</b>	<b>279,323,541</b>	<b>361,887,988</b>	<b>(1,282,077)</b>	<b>360,605,911</b>

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

**NIS Group**  
**Interim Condensed Consolidated Statement of Cash Flows<sup>1</sup>**

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

	Note	Year ended 31 December 2025	2024
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		(8,266,954)	14,053,038
<b>Adjustments for:</b>			
Share of (profit)/loss in joint ventures		(771,424)	105,918
Finance expenses	23	3,008,216	3,694,804
Finance income	22	(1,208,069)	(1,931,920)
Unrealised foreign exchange loss, net		584,625	635,167
Depreciation, depletion and amortization		28,846,898	27,119,878
Impairment/(Reversal) of non-current assets	20	2,829,200	(160,492)
Other non-cash items		539,032	182,699
<b>Operating cash flow before changes in working capital</b>		<b>25,561,524</b>	<b>43,699,092</b>
<b>Changes in working capital:</b>			
Trade and other receivables		11,213,739	1,180,535
Inventories		12,909,032	15,840,856
Other current assets		5,288,884	(3,288,385)
Trade payables and other current liabilities		(9,920,307)	7,175,036
Other taxes payable		1,681,196	1,378,293
<b>Total effect on working capital changes</b>		<b>21,172,544</b>	<b>22,286,335</b>
Income taxes paid		(1,998,034)	(4,944,656)
Interest paid		(2,601,019)	(3,302,313)
Interest received		1,279,680	3,238,079
<b>Net cash generated by operating activities</b>		<b>(3,319,373)</b>	<b>(5,008,890)</b>
<b>Cash flows from investing activities</b>		<b>43,414,695</b>	<b>60,976,537</b>
Capital expenditures <sup>2</sup>		(31,717,930)	(60,281,791)
Proceeds from sale of property, plant and equipment		587,491	211,748
Dividends received		-	58,599
Bank deposits repayment, net		215,300	30,823,737
Other outflow		(15,282)	-
<b>Net cash used in investing activities</b>		<b>(30,930,421)</b>	<b>(29,187,707)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	12,16	4,464,639	12,055,368
Repayment of borrowings	12,16	(23,424,038)	(12,755,484)
Repayment of lease liabilities	17	(992,820)	(1,206,983)
Dividends paid		(2,534,166)	(10,478,261)
Other inflows of cash		-	700,609
<b>Net cash used in financing activities</b>		<b>(22,486,385)</b>	<b>(11,684,751)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10,002,111)</b>	<b>20,104,079</b>
Effect of foreign exchange on cash and cash equivalents		(214,120)	(852,015)
<b>Cash and cash equivalents as of the beginning of the period</b>		<b>40,736,335</b>	<b>21,484,271</b>
<b>Cash and cash equivalents as of the end of the period</b>	4	<b>30,520,104</b>	<b>40,736,335</b>

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

<sup>1</sup> Group policy is to present cash flow inclusive of related VAT.

<sup>2</sup> CF from investing activities includes VAT in the amount of 3.8 bln RSD (2024: 7.5 bln RSD)

**NIS Group**  
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended**  
**31 December 2025**

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

**1. GENERAL INFORMATION**

Open Joint Stock Company Naftna Industrija Srbije (the “Company”) and its subsidiaries (together referred to as the “Group”) are a vertically integrated oil company operating predominantly in Serbia. The Group’s principal activities include:

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

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

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**2.1. Basis of preparation**

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

The Interim Condensed Consolidated Financial Statements have been prepared based on the going concern principle. In making this assessment, management considered the Group’s current and projected liquidity position, access to financing, operational performance and the broader regulatory and geopolitical environment.

For the year ended 31 December 2025, the Group recorded a net loss. Despite this, the Group maintained a high level of positive EBITDA, reflecting the resilience of its core operations and the ability to generate operational cash flows. Management has considered this performance in its assessment of the Group’s ability to continue as a going concern and in planning mitigating actions to address potential operational and financial challenges arising from sanctions and supply disruptions (refer to note 2.3. Implication of imposed US Sanctions).

Management has prepared cash flow forecasts and assessed mitigating actions, including the ongoing engagement with relevant authorities, cooperation with shareholders (including the Government of the Republic of Serbia) and other operational measures aimed at ensuring business continuity. Based on these assessments, management believes that the Group will be able to meet its obligations as they fall due for at least the next twelve months from the reporting date.

Given the inherent uncertainty regarding the future development, scope and duration of sanctions and related regulatory measures, a material uncertainty exists which management is monitoring closely. The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis and do not include any adjustments that would be required if the Group were unable to continue as a going concern.

In 2025 the volatility in commodity and financial markets is seen rising while the RSD remained stable relative to EUR and appreciated to USD (information on the economic environment in the Republic of Serbia is detailed in Note 26) due to the geopolitical situation. Under current conditions it turned out to be impossible to evaluate how long the volatility will persist and at what level the key financial indicators will ultimately stabilise.

## **NIS Group**

### **Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025**

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

The Group continues monitoring the development of macroeconomic situation and the emergence of a possibility to evaluate the indicators mentioned above with reasonable certainty.

The Interim Condensed Consolidated 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 Consolidated Financial Statements.

The Group 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 Interim Condensed Consolidated Financial Statements, when they become effective. The Group does not expect the amendments to existing standards to have a material impact on the Interim Condensed Consolidated 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 Group is currently assessing its impact on the Consolidated Financial Statements.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2025, 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 Group believes that the disclosures in these Interim Condensed Consolidated Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Consolidated Financial Statements are read in conjunction with the Group's Consolidated Financial Statements for 2025.

The preparation of these Interim Condensed Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. Significant estimates and judgments include impairment assessments performed in accordance with IAS 36 (note 9). There were no changes in accounting policies compared to the annual financial statements.

The Group 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 Consolidated Financial Statements are consistent with those applied during the preparation of the Consolidated Financial Statements as of and for the year ended 31 December 2024.

#### **2.3. Implication of imposed US Sanctions**

On 10 January 2025, the Group was included in the US Treasury Specially Designated Nationals and Blocked Persons (SDN) List.

Following the designation, the U.S. Office of Foreign Assets Control ("OFAC") issued a series of specific licenses during 2025 (except for the period 9 October 2025 – 30 December 2025) which allowed the Group to continue operating while negotiations regarding potential changes in the ownership structure. The last license in 2025 enabling operations of the Group to continue was issued by OFAC on 31 December 2025 with validity until 23 January 2026.

Management has assessed the potential implications of the sanctions and related regulatory measures. However, due to significant uncertainties regarding their scope, enforcement, duration and the evolving geopolitical and economic environment, the ultimate effects on the Group's financial position, results of operations and cash flows cannot be reliably estimated as at the reporting date.



## NIS Group

### Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025

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

Owing to this short interruption in licensing (9 October 2025 – 30 December 2025) during December 2025, the Group experienced a temporary suspension of Pančevo Oil Refinery operations due to interruptions in crude oil supply. The suspension was addressed through operational measures and was considered as part of management's overall assessment of operational and supply chain risks. No adjustments have been recognised in the Consolidated Financial Statements for the year ended 31 December 2025 in connection with this event.

Accordingly, no adjustments have been recognised in these Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025 in respect of impairments, provisions or changes in accounting estimates related to the sanctions.

Notwithstanding the above, the sanctions may have a material adverse impact on the Group, including but not limited to:

- limitations in access to international financial markets and U.S. dollar transactions;
- disruptions in relationships with suppliers, customers and other business partners;
- potential reductions in revenues and profitability due to constrained trade activities; and
- operational challenges, including supply chain disruptions and increased costs related to the sourcing of crude oil, equipment and services.

The Group continues to actively monitor developments, engage with OFAC and other relevant authorities, and implement mitigation measures aimed at maintaining business continuity. The Group is also cooperating with its shareholders, including the Government of the Republic of Serbia, with the objective of identifying appropriate solutions to address the current situation and ensure the long-term sustainability of its operations.

Management judgment regarding going concern has been applied in preparing the financial statements. See note 2.1. for full disclosure.

### 3. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the year ended 31 December 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 Group manages its operations in 2 operating segments: Upstream and Downstream.

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

The 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 Group's EBITDA. Management believes that EBITDA represents useful means of assessing the performance of the Group's on-going operating activities, as it reflects the Group'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 Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025**

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

Reportable segment results for the year ended 31 December 2025 are shown in the table below:

	<b>DWS</b>				
	<b>Upstream</b>	<b>Downstream</b>	<b>Petrochemical</b>	<b>Eliminations</b>	<b>Total</b>
Segment revenue	45,259,037	273,336,306	18,004,523	(46,478,290)	290,121,576
Intersegment	43,336,186	3,142,104	-	(46,478,290)	-
External	1,922,851	270,194,202	18,004,523	-	290,121,576
<b>Adjusted EBITDA (Segment results)</b>	<b>25,920,084</b>	<b>5,431,738</b>	<b>(9,111,271)</b>	<b>-</b>	<b>22,240,551</b>
Depreciation, depletion and amortization	(15,400,352)	(12,708,563)	(737,983)	-	(28,846,898)
Impairment of non-financial assets (note 20)	(1,589,419)	(1,239,577)	(204)	-	(2,829,200)
Share of profit in joint ventures	-	771,424	-	-	771,424
Net foreign exchange loss	(314,547)	(481,317)	(24,028)	-	(819,892)
Finance expenses, net	(600,939)	(1,191,859)	(7,349)	-	(1,800,147)
Income tax	(83,335)	2,776,814	(4,667)	-	2,688,812
Segment profit/(loss)	10,417,381	(5,729,571)	(10,265,952)	-	(5,578,142)

Reportable segment results for the year ended 31 December 2024 are shown in the table below:

	<b>DWS</b>				
	<b>Upstream</b>	<b>Downstream</b>	<b>Petrochemical</b>	<b>Eliminations</b>	<b>Total</b>
Segment revenue	60,423,522	382,496,197	22,533,987	(57,388,005)	408,065,701
Intersegment	54,251,818	3,136,187	-	(57,388,005)	-
External	6,171,704	379,360,010	22,533,987	-	408,065,701
<b>Adjusted EBITDA (Segment results)</b>	<b>39,958,580</b>	<b>11,673,855</b>	<b>(7,239,884)</b>	<b>-</b>	<b>44,392,551</b>
Depreciation, depletion and amortization	(14,770,001)	(11,604,570)	(745,307)	-	(27,119,878)
Share of loss in joint ventures	-	(105,918)	-	-	(105,918)
Net foreign exchange loss	(456,252)	(567,122)	(22,816)	-	(1,046,190)
Finance (expenses)/income, net	(582,227)	(1,240,111)	59,454	-	(1,762,884)
Income tax	(421,538)	(3,594,467)	42,404	-	(3,973,601)
Segment profit/(loss)	23,360,123	(5,626,705)	(7,653,981)	-	10,079,437

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

	<b>Three month period ended 31 December</b>		<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Profit/(Loss) for the period	(5,294,150)	2,030,428	(5,578,142)	10,079,437
Income tax	(1,290,882)	645,340	(2,688,812)	3,973,601
Finance expenses	704,564	902,368	3,008,216	3,694,804
Finance income	(336,313)	(462,255)	(1,208,069)	(1,931,920)
Depreciation, depletion and amortization	6,624,058	6,679,605	28,846,898	27,119,878
Share of profit/(loss) in joint ventures	32,418	(435,137)	(771,424)	105,918
Net foreign exchange loss	146,049	429,496	819,892	1,046,190
Other expenses/(income), net	2,755,264	(178,966)	1,621,947	(539,690)
Other non-operating (income)/expense, net*	(2,244,959)	285,725	(1,809,955)	844,333
<b>Adjusted EBITDA</b>	<b>1,096,049</b>	<b>9,896,604</b>	<b>22,240,551</b>	<b>44,392,551</b>

\*Other non-operating (income)/expense, net in 2025 mainly relates to impairment of fixed assets (notes 9 and 20) (2024: mainly relates to penalties and excess and deficiencies of assets revealed).

## NIS Group

### Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025

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

#### Impact of major one-off items and the result of HIP Petrohemija on the Group result

For the purpose of providing a better understanding of the Group's underlying performance, the table below presents an analysis of the consolidated result for the years ended 31 December 2025 and 31 December 2024. The analysis shows the Group's result before one-off items related to impairment losses, as well as the Group's result excluding the impact of the result of HIP Petrohemija, which is included in the consolidated result of the Group.

The impairment losses relate to goodwill and marketing assets in Petrol Bulgaria, and to O&G assets in Petrol Romania, as disclosed in note 9.

	Year ended 31 December	
	2025	2024
<b>Group profit/(loss) for the period</b>	<b>(5,578,142)</b>	<b>10,079,437</b>
Impairment of goodwill in Petrol Bulgaria (note 15)	513,845	-
Impairment of marketing asset in Petrol Bulgaria (note 12)	758,042	-
Impairment of O&G asset in Petrol Romania (note 12)	1,618,830	-
Income tax effect of impairment loss	(254,761)	-
<b>Group profit/(loss) for the period before impairment loss</b>	<b>(2,942,286)</b>	<b>10,079,437</b>
Loss of HIP Petrohemija	10,265,952	7,653,981
<b>Group profit for the period before impairment loss and loss of HIP Petrohemija</b>	<b>7,323,666</b>	<b>17,733,418</b>

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

	Year ended 31 December	
	2025	2024
Sale of crude oil	78,653	5,368,026
Sale of gas	542,854	191,771
<i>Wholesale activities</i>	542,854	191,771
Sale of petroleum products	248,178,756	356,876,855
<i>Through a retail network</i>	105,930,956	123,243,400
<i>Wholesale activities</i>	142,247,800	233,633,455
Sale of petrochemical products	17,869,313	22,407,436
Sale of electricity	760,671	1,042,327
Lease revenue	417,392	359,802
Other sales	22,273,937	21,819,484
<b>Total sales</b>	<b>290,121,576</b>	<b>408,065,701</b>

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 15,558,318 RSD (2024: 16,114,987 RSD).

All performance obligations related to customers are satisfied at the 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 December 2025	31 December 2024
Cash in bank and in hand	7,205,585	10,853,600
Deposits with original maturity of less than three months	22,956,223	29,878,687
Cash equivalents	3,386	3,796
Restricted cash	354,910	252
	<b>30,520,104</b>	<b>40,736,335</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025**

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

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

Restricted cash includes temporarily frozen funds held in a bank account in Bulgaria, in accordance with a decision by the National Competent Authority in Bulgaria regarding the implementation of EU restrictive measures. The Company is actively working with its legal advisors to remove these restrictions and enable the use of the funds.

**5. SHORT-TERM FINANCIAL ASSETS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Short-term loans	37,165	31,328
Deposits with original maturity more than 3 months less than 1 year	-	214,937
Less impairment loss provision	(2,180)	(2,180)
	<b>34,985</b>	<b>244,085</b>

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

**6. TRADE AND OTHER RECEIVABLES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Trade receivables	27,908,744	39,722,066
Other receivables	81,967	92,455
Less impairment provision for trade receivables	(7,287,871)	(7,457,724)
Less impairment provision for other receivables	(30,193)	(27,827)
	<b>20,672,647</b>	<b>32,328,970</b>

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

Management believes that the non-impaired trade and other receivables and other current assets are fully recoverable.

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

**7. INVENTORIES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Crude oil	13,981,138	20,006,952
Petroleum products	19,341,142	25,577,057
Materials and supplies	9,512,526	10,035,547
Other	1,455,893	1,697,901
Less impairment provision	(5,143,451)	(5,130,666)
	<b>39,147,248</b>	<b>52,186,791</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)***8. OTHER CURRENT ASSETS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Advances paid	3,415,521	1,868,542
VAT receivables	120,031	380,208
Deferred VAT	1,298,915	4,115,321
Prepaid expenses	251,405	491,889
Prepaid custom duties	101,351	76,332
Prepaid excise	3,107,734	6,724,022
Other current assets	8,195,797	8,262,099
<i>Less impairment provision</i>	<i>(7,503,683)</i>	<i>(7,516,729)</i>
	<b>8,987,071</b>	<b>14,401,684</b>

The increase in advance payments is primarily attributable to the operational constraints arising from the sanction's environment, as well as the timing of payments for supply contracts.

Deferred VAT as at 31 December 2025 amounting to 1,298,915 RSD (31 December 2024: 4,115,321 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 December 2025 amounting to 3,107,734 RSD (31 December 2024: 6,724,022 RSD) relates to the excise paid for the finished products stored in the non-excise warehouse and the excise paid for the imported products used in the further production process, which will be refunded in the near future.

## NIS Group

### Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 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
<b>As at 1 January 2025</b>						
Cost	277,691,675	194,333,472	84,541,594	18,249,989	37,716,023	612,532,753
Depreciation and impairment	(124,800,200)	(96,667,469)	(42,964,705)	(10,336,249)	(802,991)	(275,571,614)
<b>Net book value</b>	<b>152,891,475</b>	<b>97,666,003</b>	<b>41,576,889</b>	<b>7,913,740</b>	<b>36,913,032</b>	<b>336,961,139</b>
<b>Period ended 31 December 2025</b>						
Additions	21,023,459	3,445,036	6,102,247	301,592	(926,109)	29,946,225
Changes in decommissioning obligations	804,769	-	-	-	-	804,769
Impairment (note 20)	-	-	(769,727)	-	(1,656,110)	(2,425,837)
Depreciation	(14,691,786)	(9,272,099)	(2,904,394)	(540,782)	-	(27,409,061)
Transfer to intangible assets	-	-	-	-	(703)	(703)
Transfer to non-current assets held for sale	-	-	(2,986)	(119,429)	-	(122,415)
Disposals and write-off	(15,428)	(35,000)	(47,505)	(969)	(225,958)	(324,860)
Other transfers	126	(611)	13,433	17,618	(712,659)	(682,093)
Translation differences	(101,495)	-	(24,728)	-	(109,088)	(235,311)
	<b>159,911,120</b>	<b>91,803,329</b>	<b>43,943,229</b>	<b>7,571,770</b>	<b>33,282,405</b>	<b>336,511,853</b>
<b>As at 31 December 2025</b>						
Cost	299,265,216	195,730,709	90,057,695	17,638,578	35,444,290	638,136,488
Depreciation and impairment	(139,354,096)	(103,927,380)	(46,114,466)	(10,066,808)	(2,161,885)	(301,624,635)
<b>Net book value</b>	<b>159,911,120</b>	<b>91,803,329</b>	<b>43,943,229</b>	<b>7,571,770</b>	<b>33,282,405</b>	<b>336,511,853</b>

The management of the Group assesses at each reporting date whether there is an indication if the recoverable amount of property, plant and equipment is below its book value.

As at 31 December 2025, the Group assessed indicators of impairment for its cash-generating units ("CGUs"). Based on this assessment, the Group recognized impairment losses of 2,425,837 RSD. The impairment in 2025 mainly relates to the Marketing asset 769,727 RSD and Assets under Construction within the Oil & Gas segment 1,624,819 RSD and reflects indications that the expected recoverable amounts of these assets are lower than their carrying. These assessments involve significant judgment and are subject to ongoing reassessment. Detailed disclosures will be provided in the Group's consolidated financial statements for the year ended 31 December 2025.

**NIS Group**
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025**
*(All amounts are in 000 RSD, unless otherwise stated)*
**10. RIGHT-OF-USE ASSETS**

Movements in right-of-use assets for the year ended 31 December 2025 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
<b>As at 1 January 2025</b>	<b>112,221</b>	<b>1,263,250</b>	<b>283,430</b>	<b>2,215,155</b>	<b>3,874,056</b>
Additions	-	59,545	406,014	107,631	573,190
Depreciation	(10,796)	(226,323)	(140,085)	(348,203)	(725,407)
Transfers	-	-	293	(30,860)	(30,567)
Disposals	-	(56,008)	(1,271)	(1,701)	(58,980)
Effect of contract modifications and changes in estimates	-	9,974	23,397	(770)	32,601
Foreign currency translation	(2,085)	800	4	(9)	(1,290)
<b>As at 31 December 2025</b>	<b>99,340</b>	<b>1,051,238</b>	<b>571,782</b>	<b>1,941,243</b>	<b>3,663,603</b>

**11. OTHER NON-CURRENT ASSETS**

	31 December 2025	31 December 2024
Advances paid for PPE	1,527,977	3,033,702
Prepaid expenses	56,818	76,833
Other assets	921,728	911,737
Less allowance for other assets	(273,895)	(282,135)
Less allowance for advances paid	(183,948)	(232,739)
	<b>2,048,680</b>	<b>3,507,398</b>

**12. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT**

	31 December 2025	31 December 2024
Interest liabilities	128,572	210,851
Current portion of long-term loans (note 16)	19,245,155	8,815,829
	<b>19,373,727</b>	<b>9,026,680</b>

**13. TRADE AND OTHER PAYABLES**

	31 December 2025	31 December 2024
Trade payables	11,240,739	18,141,740
Dividends payable	5,844,191	3,783,398
Other accounts payable	1,646,441	44,296
	<b>18,731,371</b>	<b>21,969,434</b>

The dividends 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). The dividend distribution was approved on the General Assembly Meeting held on 20 June 2025 and paid on 22 October 2025, with dividend payments to certain shareholders deferred in line with the decision of the General Assembly due to applicable sanctions.

**14. OTHER CURRENT LIABILITIES**

	31 December 2025	31 December 2024
Contract liabilities arising from contracts with customers:		
- Advances received	2,092,821	5,462,225
- Customer loyalty	804,379	1,032,331
- Deferred income	75,828	115,376
Payables to employees	3,615,606	6,517,437
Other current non-financial liabilities	454,620	296,011
	<b>7,043,254</b>	<b>13,423,380</b>

# NIS Group

## Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025

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

Revenue in the amount of 5,820,812 RSD recognized in the current reporting period (31 December 2024: 5,326,324 RSD) related to the contract liabilities as at 1 January 2025, of which 5,028,721 RSD (31 December 2024: 4,586,279 RSD) related to advances and 792,091 RSD (31 December 2024: 650,045 RSD) to the customer loyalty programme.

### 15. OTHER TAXES PAYABLE

	31 December 2025	31 December 2024
Mineral extraction tax	501,157	445,228
VAT	2,464,268	2,913,503
Excise tax	3,403,527	8,614,381
Contribution for State commodity reserves	128,631	348,237
Custom duties	7,499	86,287
Energy efficiency fee	15,063	45,956
Other taxes	824,949	1,900,231
	<b>7,345,094</b>	<b>14,353,823</b>

### 16. LONG-TERM DEBT

	31 December 2025	31 December 2024
Bank loans	46,392,417	65,159,107
Other long-term borrowings	897,946	872,399
Less current portion (note 12)	(19,245,155)	(8,815,829)
	<b>28,045,208</b>	<b>57,215,677</b>

Movements on the Group's liabilities from bank loans are as follows:

	Year ended 31 December	
	2025	2024
<b>Long-term loans at 1 January</b>	<b>65,159,107</b>	<b>65,223,168</b>
Proceeds	4,464,639	12,055,368
Repayment	(23,424,038)	(11,935,484)
Non-cash transactions	49,498	(95,469)
Foreign exchange difference (note 21)	143,211	(88,476)
<b>Long-term loans at 31 December</b>	<b>46,392,417</b>	<b>65,159,107</b>

#### Bank loans

	31 December 2025	31 December 2024
Total bank loans	46,392,417	65,159,107
Current portion	(19,245,155)	(8,815,829)
	<b>27,147,262</b>	<b>56,343,278</b>

The maturity of bank loans was as follows:

	31 December 2025	31 December 2024
Between 1 and 2 years	6,323,800	30,987,592
Between 2 and 5 years	20,578,503	24,567,096
Over 5 years	244,959	788,590
	<b>27,147,262</b>	<b>56,343,278</b>

The carrying amounts of bank loans in the amount of 46,392,417 RSD (31 December 2024: 65,159,107 RSD) are denominated in EUR.



**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025**

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

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

The loan agreements contain financial covenants that require the Group to maintain a ratio of Consolidated Indebtedness to Consolidated EBITDA (note 3). Management believes the Group is in compliance with these covenants as of 31 December 2025 and 31 December 2024 respectively.

The loan agreements also contain prepayment covenants in the event international sanctions are imposed against the Group, which are not triggered automatically. Given the current geopolitical environment and the associated sanction-related risks, there is uncertainty regarding the potential future application of this clause. The Group is continuously monitoring the situation and conducting assessments in coordination with its legal advisors.

Other long-term borrowings in the amount of 897,946 RSD (31 December 2024: 872,399 RSD) mainly relate to the corporate bonds.

**17. LEASE LIABILITIES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Non-current lease liabilities	2,063,674	2,620,846
Current lease liabilities	1,150,161	934,141
	<b>3,213,835</b>	<b>3,554,987</b>

Amounts recognized in profit and loss:

	<b>Year ended 31 December 2025</b>	<b>2024</b>
Interest expense (included in finance cost) (note 23)	147,942	167,022
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	136,349	165,546
Expense relating to leases of low value assets that are not shown above as short-term leases	69,927	102,859
Expense relating to variable lease payments not included in lease liabilities	2,499,573	2,592,014

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

	<b>Year ended 31 December 2025</b>	<b>2024</b>
<b>As at 1 January</b>	<b>3,554,987</b>	<b>3,935,015</b>
Repayment	(992,820)	(1,206,983)
Non-cash transactions	643,704	836,184
Foreign exchange difference (note 21)	7,964	(9,229)
<b>As at 31 December</b>	<b>3,213,835</b>	<b>3,554,987</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)***18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Employee costs	4,034,695	3,778,142	15,325,002	14,217,546
Materials and supplies (other than O&G and petroleum products)	1,060,165	1,127,012	4,097,498	3,851,850
Repair and maintenance services	1,489,023	1,720,935	5,007,467	6,284,848
Electricity for resale	488	49,728	74,629	123,600
Electricity and utilities	3,463,051	4,421,213	16,072,219	16,752,922
Safety and security expense	227,479	247,009	802,052	495,188
Transportation services for production	161,247	163,727	724,058	648,773
Other	77,390	1,640,674	6,100,341	5,183,413
	<b>10,513,538</b>	<b>13,148,440</b>	<b>48,203,266</b>	<b>47,558,140</b>

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

**19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Employee costs	7,042,856	6,349,775	24,738,506	23,372,832
Commission and agency fees	180,040	184,787	768,805	734,801
Legal, audit and consulting services	368,829	371,223	1,090,823	982,637
Current repair cost	451,816	515,427	1,650,188	1,576,475
Costs on advertising and marketing	86,365	226,967	357,126	531,798
Electricity and utilities	327,478	254,559	1,145,129	1,047,893
Rent expense	32,886	23,974	86,614	127,773
Business trips expense	163,450	147,460	289,514	434,813
Safety and security expense	368,400	396,289	1,299,511	1,267,296
Insurance expense	20,354	39,515	92,098	144,896
Transportation and storage	50,237	85,093	230,885	314,607
Allowance for doubtful accounts	(21,540)	(34,388)	(38,372)	(326,724)
Other	1,117,255	1,439,218	4,867,764	5,277,769
	<b>10,188,426</b>	<b>9,999,899</b>	<b>36,578,591</b>	<b>35,486,866</b>

Other expenses in the amount of 4,867,764 RSD (2024: 5,277,769 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

**20. OTHER INCOME/(EXPENSE), NET**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Penalties	17,476	130,812	113,958	562,544
(Charge)/release of provisions (legal, environmental, etc.), net	95,496	(91,473)	1,161,230	(489,470)
(Impairment)/reversal of non-financial assets	(2,232,106)	182,980	(2,315,355)	160,492
Impairment of goodwill	(513,845)	-	(513,845)	-
Gain from write-off of accounts payable	26,235	18,850	31,642	275,137
ARO - Change in estimate	(145,895)	87,194	(24,398)	87,194
Charity and social payments	(30,035)	(172,073)	(177,016)	(197,078)
Other	27,410	22,676	101,837	140,871
	<b>(2,755,264)</b>	<b>178,966</b>	<b>(1,621,947)</b>	<b>539,690</b>

# NIS Group

## Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025

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

### 21. NET FOREIGN EXCHANGE LOSS

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Foreign exchange gain/(loss) on financing activities including:				
- foreign exchange gain (note 16 and 17)	54,923	117,837	273,979	368,983
- foreign exchange loss (note 16 and 17)	(98,726)	(73,353)	(425,154)	(271,278)
Net foreign exchange loss on operating activities	(102,246)	(473,980)	(668,717)	(1,143,895)
	<b>(146,049)</b>	<b>(429,496)</b>	<b>(819,892)</b>	<b>(1,046,190)</b>

### 22. FINANCE INCOME

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Interest on bank deposits	334,014	422,883	1,196,486	1,766,480
Interest income on loans issued	2,299	3,100	11,583	11,372
Dividend income	-	58,599	-	58,599
Gains on restructuring of borrowings	-	(22,327)	-	95,469
	<b>336,313</b>	<b>462,255</b>	<b>1,208,069</b>	<b>1,931,920</b>

### 23. FINANCE EXPENSES

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Interest expense	593,850	906,953	2,805,318	3,628,856
Losses on restructuring of borrowings	21,445	(11,643)	49,496	-
Decommissioning provision: unwinding of the present value discount	52,255	41,498	147,225	155,628
Provision of trade and other non-current receivables: discount	37,014	(18,267)	14,671	(9,345)
Less: amounts capitalised on qualifying assets	-	(16,173)	(8,494)	(80,335)
	<b>704,564</b>	<b>902,368</b>	<b>3,008,216</b>	<b>3,694,804</b>

Interest expense includes expenses on lease liabilities in the amount of 147,942 RSD for the year ended 31 December 2025 (167,022 RSD for the year ended 31 December 2024 accordingly) (Note 17).

### 24. INCOME TAX

NIS applied tax consolidation for the 2024 and 2025 tax year, following approval by the tax authorities. This was done in accordance with the 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 Group 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) in amount 1,455,629 RSD, 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 consolidated statement of profit and loss.

**NIS Group**  
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended**  
**31 December 2025**

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

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

	<b>Year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
Current income tax	(204,494)	(4,814,328)
Effect of tax consolidation (2024)	1,455,629	-
Other adjustments of prior year	212,269	-
Deferred income tax	1,225,408	840,727
<b>Total income tax</b>	<b>2,688,812</b>	<b>(3,973,601)</b>

## **25. FAIR VALUE MEASUREMENT**

The following assets are measured at fair value in the Interim Condensed Consolidated Financial Statements: investment properties, financial investments classified as available for sale and other non-current financial assets and liabilities. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Consolidated Financial Statements as of 31 December 2024. There were no transfers between the levels of the fair value hierarchy during 2025.

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

## **26. 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 Group's management. As a result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 December 2025.

### *Economic environment in the Republic of Serbia*

The exacerbation of the geopolitical situation as a result of further developments of the situation with Ukraine led to amplified volatility in the commodity and financial markets. It is not possible to determine how long this increased volatility will last. A number of sanctions have been announced to restrict Russian entities operations and in such a situation, this could further impact the Group operations.

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

The management is taking necessary measures to ensure the sustainability of the Group'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 the actual results.

### *Environmental protection*

Based on an internal assessment of compliance with the Republic of Serbia's environmental legislation as at the reporting date, the Group's management recognised an environmental provision in the amount of 302,404 RSD (31 December 2024: 385,751 RSD).

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

### *Capital commitments*

As of 31 December 2025 the Group has entered into contracts to purchase property, plant and equipment in the amount of 3,177,738 RSD (31 December 2024: 4,852,949 RSD).

There were no other material commitments and contingent liabilities of the Group.

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)***27. GROUP STRUCTURE**

The immediate and ultimate holding company of the Group is PJSC Gazprom. In relation to the company Gazprom, NIS is a member of the Gazprom Group on the grounds that legal entities (included in one group of entities), by virtue of their joint participation, have more than fifty percent of the total number of votes attributable to voting shares in the authorized capital of the Company.

**Operations in Bulgaria and Romania**

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

In addition, the Board of Directors has approved the sale of the subsidiary NIS Petrol Bulgaria, subject to the terms of the offer and the satisfaction of the 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.

**28. RELATED PARTY TRANSACTIONS**

For the purpose of these Consolidated 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 year ended 31 December 2025 and in the same period in 2024, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to the supply/delivery of crude oil, petroleum products and energy.

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

	Parent company	Parent's subsidiaries and associates	Joint venture
<b>As at 31 December 2025</b>			
Short-term financial assets	-	35,145	-
Trade and other receivables	-	164,416	17,759
Other current assets	-	1,477	-
Investments in joint venture	-	-	3,394,511
Trade and other non-current receivables	-	-	1,013,125
Trade and other payables	-	(2,078,671)	(188,575)
Other current liabilities	-	(329)	(213)
	-	<b>(1,877,962)</b>	<b>4,236,607</b>
<b>As at 31 December 2024</b>			
Short-term financial assets	-	29,309	-
Trade and other receivables	-	262,268	51,017
Other current assets	-	70,492	469,713
Investments in joint venture	-	-	2,623,087
Trade and other non-current receivables	-	-	826,117
Trade and other payables	-	(166,304)	(510,158)
Other current liabilities	-	(117)	(389)
	-	<b>195,648</b>	<b>3,459,387</b>

**NIS Group****Notes to the Interim Condensed Consolidated Financial Statements for the year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)*

For the year ended 31 December 2025 and 2024 the following transactions occurred with the related parties:

	Parent	Parent's subsidiaries and associates	Joint venture
<b>Year ended 31 December 2025</b>			
Revenues from sales of products and services	-	1,673,763	164,294
Expenses based on procurement of products and services	-	(218,342)	(1,826,758)
Other income/(expenses), net	-	3,457	(31,422)
	-	<b>1,458,878</b>	<b>(1,693,886)</b>
<b>Year ended 31 December 2024</b>			
Revenues from sales of products and services	-	293,246	283,561
Expenses based on procurement of products and services	-	(907,617)	(2,788,722)
Other income/(expenses), net	-	3,834	(19,067)
	-	<b>(610,537)</b>	<b>(2,524,228)</b>

**29. EVENTS AFTER THE REPORTING DATE**

Subsequent to 31 December 2025, the Group submitted a request to the U.S. Office of Foreign Assets Control (OFAC) on 19 January 2026 for the issuance of a new specific license that would allow the Group to continue its operational activities beyond 23 January 2026. The request was made in the context of ongoing discussions regarding the change in the ownership structure and based on the signed memorandum of understanding covering the principal terms of the sale and related purchase activities between Gazprom Neft and MOL.

Under the previous OFAC license (note 2.3), initial operational activities had commenced at the Pančevo Oil Refinery. The issuance of the new license would allow the Group to continue refinery operations at full capacity.

On 23 January 2026, OFAC issued a specific license (Licence No. MUL- 2025-1447098-2) that postpones the full implementation of sanctions until 20 February 2026.

The Group considers this to be a non-adjusting event under IAS 10, and no adjustments have been made to the financial statements for the year ended 31 December 2025 as a result of this event.

All events occurring after the reporting date from 31 December 2025 to 30 January 2026, when these consolidated financial statements were approved, have been taken into account.

**NIS Group**  
**Notes to the Interim Condensed Consolidated Financial Statements for the year ended**  
**31 December 2025**

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

**NIS Group**  
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