



**Naftna industrija Srbije A.D.**

**Interim Condensed 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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# Interim Condensed Statement of Financial Position

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

Assets	Note	31 December 2025 (unaudited)	31 December 2024 (unaudited)
<b>Current assets</b>			
Cash and cash equivalents	4	26,887,921	38,821,710
Short-term financial assets	5	24,131,064	32,871,239
Trade and other receivables	6	33,660,332	39,377,979
Inventories	7	30,207,455	42,037,198
Current income tax prepayments		2,160,746	7,549,680
Other current assets	8	7,376,629	12,610,817
Assets classified as held for sale		139,187	17,915
<b>Total current assets</b>		<b>124,563,334</b>	<b>173,286,538</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	302,189,726	299,210,788
Right-of-use assets	10	2,820,839	2,822,458
Investment property		1,660,263	1,512,766
Intangible assets		4,483,372	3,968,112
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries		31,016,682	31,016,682
Trade and other non-current receivables		322,372	-
Long-term financial assets	11	6,467,852	7,228,512
Deferred tax assets		5,530,178	4,278,690
Other non-current assets	12	1,992,203	3,474,598
<b>Total non-current assets</b>		<b>357,522,287</b>	<b>354,551,406</b>
<b>Total assets</b>		<b>482,085,621</b>	<b>527,837,944</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term debt and current portion of long-term debt	13	21,897,240	11,426,713
Current lease liabilities	18	588,832	488,755
Trade and other payables	14	20,565,506	20,440,011
Other current liabilities	15	5,485,789	10,525,538
Other taxes payable	16	6,322,102	13,139,353
Provisions for liabilities and charges		2,384,277	1,155,490
Current portion of other non-current financial liabilities		29,176	-
<b>Total current liabilities</b>		<b>57,272,922</b>	<b>57,175,860</b>
<b>Non-current liabilities</b>			
Long-term debt	17	29,024,464	58,216,807
Non-current lease liabilities	18	1,203,313	1,497,645
Other non-current financial liabilities	19	12,313,561	12,140,168
Provisions for liabilities and charges		12,999,305	12,652,906
<b>Total non-current liabilities</b>		<b>55,540,643</b>	<b>84,507,526</b>
<b>Equity</b>			
Share capital		81,530,200	81,530,200
Reserves		40,863	41,960
Retained earnings		287,700,993	304,582,398
<b>Total equity</b>		<b>369,272,056</b>	<b>386,154,558</b>
<b>Total liabilities and shareholders' equity</b>		<b>482,085,621</b>	<b>527,837,944</b>

Kirill Tyurdenev  
Chief Executive Officer  
30 January 2026

Anton Cherepanov  
Chief Financial Officer

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

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**Interim Condensed Statement of Profit and Loss and Other Comprehensive Income**

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

	Note	Three month period ended 31 December		Year ended 31 December	
		2025	2024	2025	2024
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of petroleum products, oil and gas		51,210,790	93,955,108	250,823,684	371,734,008
Other revenues		4,146,497	4,782,548	20,360,673	19,267,812
<b>Total revenue from sales</b>	<b>3</b>	<b>55,357,287</b>	<b>98,737,656</b>	<b>271,184,357</b>	<b>391,001,820</b>
Purchases of oil, gas and petroleum products		(29,835,808)	(65,471,346)	(160,008,126)	(264,931,664)
Production, manufacturing and cost of other sales	20	(8,782,395)	(10,494,400)	(37,806,265)	(38,117,886)
Selling, general and administrative expenses	21	(10,057,659)	(9,587,809)	(35,181,875)	(33,126,413)
Transportation expenses		(236,284)	(508,199)	(1,351,153)	(1,709,826)
Depreciation, depletion and amortization		(6,070,121)	(5,999,169)	(26,066,835)	(24,232,857)
Taxes other than income tax		(1,421,121)	(1,468,733)	(6,036,740)	(5,763,310)
Exploration expenses		(219,359)	-	(219,369)	(187)
<b>Total operating expenses</b>		<b>(56,622,747)</b>	<b>(93,529,656)</b>	<b>(266,670,363)</b>	<b>(367,882,143)</b>
Other (expenses)/income, net	22	(18,503,811)	154,637	(18,452,106)	852,742
<b>Operating profit/(loss)</b>		<b>(19,769,271)</b>	<b>5,362,637</b>	<b>(13,938,112)</b>	<b>23,972,419</b>
Net foreign exchange loss	23	(53,856)	(136,090)	(264,898)	(721,825)
Finance income	24	633,792	720,479	2,347,616	2,713,432
Finance expenses	25	(746,020)	(927,203)	(3,173,639)	(3,797,844)
<b>Total other expenses</b>		<b>(166,084)</b>	<b>(342,814)</b>	<b>(1,090,921)</b>	<b>(1,806,237)</b>
<b>Profit/(loss) before income tax</b>		<b>(19,935,355)</b>	<b>5,019,823</b>	<b>(15,029,033)</b>	<b>22,166,182</b>
Current income tax		823,877	(1,049,873)	1,552,840	(4,523,958)
Deferred tax income		467,910	367,501	1,242,788	738,354
<b>Total income tax</b>	<b>26</b>	<b>1,291,787</b>	<b>(682,372)</b>	<b>2,795,628</b>	<b>(3,785,604)</b>
<b>Profit/(loss) for the period</b>		<b>(18,643,568)</b>	<b>4,337,451</b>	<b>(12,233,405)</b>	<b>18,380,578</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		(53,253)	(79,961)	(53,253)	(72,023)
Gain/(loss) from investments in equity instruments	16	-	-	(88)	52
Revaluation of property, plant and equipment transferred to investment property		-	240	-	3,400
<b>Other comprehensive losses for the period</b>		<b>(53,237)</b>	<b>(79,721)</b>	<b>(53,341)</b>	<b>(68,571)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(18,696,805)</b>	<b>4,257,730</b>	<b>(12,286,746)</b>	<b>18,312,007</b>
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (loss) (RSD per share)		(114.34)	26.60	(75.02)	112.72
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**

Year ended 31 December 2025 and 2024

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

<i>(unaudited)</i>			Share capital	Reserves	Retained earnings	Total
<b>Balance as at 1 January 2024</b>			<b>81,530,200</b>	<b>34,408</b>	<b>296,756,256</b>	<b>378,320,864</b>
Profit for the period			-	-	18,380,578	18,380,578
<b>Other comprehensive income/(loss)</b>						
Gain from investments in equity instruments			-	52	-	52
Losses on remeasurements of defined benefit plans			-	-	(72,023)	(72,023)
Revaluation of property, plant and equipment transferred to investment property			-	3,400	-	3,400
<b>Total comprehensive income for the period</b>			<b>-</b>	<b>3,452</b>	<b>18,308,555</b>	<b>18,312,007</b>
Dividend distribution		14	-	-	(10,478,261)	(10,478,261)
Other			-	4,100	(4,152)	(52)
<b>Balance as at 31 December 2024</b>			<b>81,530,200</b>	<b>41,960</b>	<b>304,582,398</b>	<b>386,154,558</b>

  

<i>(unaudited)</i>			Share capital	Reserves	Retained earnings	Total
<b>Balance as at 1 January 2025</b>			<b>81,530,200</b>	<b>41,960</b>	<b>304,582,398</b>	<b>386,154,558</b>
Loss for the period			-	-	(12,233,405)	(12,233,405)
<b>Other comprehensive loss</b>						
Loss from investments in equity instruments			-	(88)	-	(88)
Losses on remeasurements of defined benefit plans			-	-	(53,253)	(53,253)
<b>Total comprehensive loss for the period</b>			<b>-</b>	<b>(88)</b>	<b>(12,286,658)</b>	<b>(12,286,746)</b>
Dividend distribution		14	-	-	(4,595,042)	(4,595,042)
Internal transfers			-	(295)	295	-
Other			-	(714)	-	(714)
<b>Balance as at 31 December 2025</b>			<b>81,530,200</b>	<b>40,863</b>	<b>287,700,993</b>	<b>369,272,056</b>

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

**NIS a.d.**

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

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

	Note	Year ended 31 December	
		2025	2024
		(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		<b>(15,029,033)</b>	<b>22,166,182</b>
<b>Adjustments for:</b>			
Finance expenses	25	3,173,639	3,797,844
Finance income	24	(2,347,616)	(2,713,432)
Unrealised foreign exchange losses, net		245,183	732,508
Depreciation, depletion and amortization		26,066,835	24,232,857
Impairment of financial assets	22	18,671,958	-
Impairment of exploration works		219,369	187
Adjustments for other provisions		1,254,382	425,265
Other non-cash items		84,168	(363,000)
<b>Operating cash flow before changes in working capital</b>		<b>32,338,885</b>	<b>48,278,411</b>
<b>Changes in working capital:</b>			
Trade and other receivables		5,294,941	5,397,214
Inventories		11,631,844	17,147,808
Other current assets		5,108,170	(3,605,399)
Trade payables and other current liabilities		(6,018,403)	4,048,526
Other taxes payable		1,874,345	1,572,346
<b>Total effect on working capital changes</b>		<b>17,890,897</b>	<b>24,560,495</b>
Income taxes paid		(1,743,788)	(4,703,104)
Interest paid		(2,789,590)	(3,479,357)
Interest received		1,866,104	3,141,175
<b>Net cash generated by operating activities</b>		<b>47,562,508</b>	<b>67,797,620</b>
<b>Cash flows from investing activities</b>			
Loans issued		(40,901,599)	(28,672,831)
Loan proceeds received		32,374,649	22,374,473
Capital expenditures <sup>2</sup>		(29,441,072)	(53,606,816)
Proceeds from sale of property, plant and equipment		695,499	774,284
Bank deposits proceeds, net		-	25,000,000
Dividends received		-	58,599
<b>Net cash used in investing activities</b>		<b>(37,272,523)</b>	<b>(34,072,291)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	13,17	14,451,314	36,597,922
Repayment of borrowings	13,17	(33,285,764)	(37,696,807)
Repayment of lease liabilities	18	(693,174)	(684,903)
Dividends paid		(2,534,166)	(10,478,261)
Other inflows of cash		-	1,871,610
<b>Net cash used in financing activities</b>		<b>(22,061,790)</b>	<b>(10,390,439)</b>
Net increase/(decrease) in cash and cash equivalents		(11,771,805)	23,334,890
Effect of foreign exchange on cash and cash equivalents		(161,984)	(783,673)
<b>Cash and cash equivalents as of the beginning of the period</b>		<b>38,821,710</b>	<b>16,270,493</b>
<b>Cash and cash equivalents as of the end of the period</b>	4	<b>26,887,921</b>	<b>38,821,710</b>

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

<sup>2</sup> CF from investing activities includes VAT in the amount of 3.5 bln RSD (2024: 6.2 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 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 Company maintains its books and records in accordance with the accounting and taxation principles and practices mandated by the 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 the International Financial Reporting Standards (IFRS).

These Interim Condensed Financial Statements have been prepared on a going concern basis. In making this assessment, management considered the Company’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 Company recorded a net loss. Despite this, the Company 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 Company’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 Company 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 Financial Statements have been prepared on a going concern basis and do not include any adjustments that would be required if the Company 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 28) 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.

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

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

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 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 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 2025.

The preparation of these condensed interim 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 the assessment of expected credit losses on loans and receivables in accordance with IFRS 9 (note 11). Detailed disclosures are provided in the Company's annual financial statements.

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 the 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 in the U.S. Treasury's 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 Company to continue operating while negotiations regarding potential changes in the ownership structure. The last license in 2025 enabling operations of the Company 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 Company's financial position, results of operations and cash flows cannot be reliably estimated as at the reporting date.

Owing to this short interruption in licensing (9 October 2025 – 30 December 2025) during December 2025, the Company experienced a temporary suspension of Pančevo Oil Refinery operations due to interruptions



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

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 Interim Condensed Financial Statements for the year ended 31 December 2025 in connection with this event.

Accordingly, no adjustments have been recognised in these Interim Condensed 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 Company, 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 Company continues to actively monitor developments, engage with OFAC and other relevant authorities, and implement mitigation measures aimed at maintaining business continuity. The Company 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 Company'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 Company manages its operations in 2 operating segments: Upstream and Downstream.

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

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**Notes to the Interim Condensed 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>Upstream</b>	<b>Downstream</b>	<b>Eliminations</b>	<b>Total</b>
Segment revenue	43,795,109	272,203,050	(44,813,802)	271,184,357
Intersegment	42,165,176	2,648,626	(44,813,802)	-
External	1,629,933	269,554,424	-	271,184,357
<b>Adjusted EBITDA (Segment results)</b>	<b>25,602,303</b>	<b>5,228,072</b>	<b>-</b>	<b>30,830,375</b>
Depreciation, depletion and amortization	(13,698,261)	(12,368,574)	-	(26,066,835)
Impairment of financial assets (note 22)	-	(18,671,958)	-	(18,671,958)
Net foreign exchange loss	(6,446)	(258,452)	-	(264,898)
Finance expenses, net	(135,490)	(690,533)	-	(826,023)
Income tax	-	2,795,628	-	2,795,628
Segment profit/(loss)	11,806,694	(24,040,099)	-	(12,233,405)

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

	<b>Upstream</b>	<b>Downstream</b>	<b>Eliminations</b>	<b>Total</b>
Segment revenue	57,869,171	388,557,695	(55,425,046)	391,001,820
Intersegment	52,736,119	2,688,927	(55,425,046)	-
External	5,133,052	385,868,768	-	391,001,820
<b>Adjusted EBITDA (Segment results)</b>	<b>37,949,644</b>	<b>10,005,551</b>	<b>-</b>	<b>47,955,195</b>
Depreciation, depletion and amortization	(12,965,557)	(11,267,300)	-	(24,232,857)
Net foreign exchange loss	(184,880)	(536,945)	-	(721,825)
Finance expenses, net	(149,255)	(935,157)	-	(1,084,412)
Income tax	(329,842)	(3,455,762)	-	(3,785,604)
Segment profit/(loss)	24,359,833	(5,979,255)	-	18,380,578

Adjusted EBITDA for the 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	(18,643,568)	4,337,451	(12,233,405)	18,380,578
Income tax	(1,291,787)	682,372	(2,795,628)	3,785,604
Finance expenses	746,020	927,203	3,173,639	3,797,844
Finance income	(633,792)	(720,479)	(2,347,616)	(2,713,432)
Depreciation, depletion and amortization	6,070,121	5,999,169	26,066,835	24,232,857
Net foreign exchange loss	53,856	136,090	264,898	721,825
Other expenses/(income), net	18,503,811	(154,637)	18,452,106	(852,742)
Other non-operating expense, net	155,001	91,890	249,546	602,661
<b>Adjusted EBITDA</b>	<b>4,959,662</b>	<b>11,299,059</b>	<b>30,830,375</b>	<b>47,955,195</b>

Impact of major one-off items on the Company result

For the purpose of providing a better understanding of the Company underlying performance, the table below presents an analysis of the Company result for the years ended 31 December 2025 and 31 December 2024. The analysis shows the Company result before one-off items related to impairment losses recorded in accordance with IFRS 9.

**NIS a.d.****Notes to the Interim Condensed Financial Statements for the year ended 31 December 2025**

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

The impairment losses relate to Long-term loans issued to subsidiaries NIS Petrol Bulgaria and NIS Petrol Romania, as disclosed in note 11.

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Company profit/(loss) for the period</b>	<b>(12,233,405)</b>	<b>18,380,578</b>
Impairment of LT Loans issued to Petrol Bulgaria (note 11,22)	2,683,522	-
Impairment of LT Loans issued to Petrol Romania (note 11,22)	15,988,436	-
Income tax effect of impairment loss	(254,761)	-
<b>Company profit for the period before impairment loss</b>	<b>6,183,792</b>	<b>18,380,578</b>

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

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Sale of crude oil	-	5,042,244
Sale of gas	574,581	217,712
<i>Wholesale activities</i>	574,581	217,712
Sale of petroleum products	250,249,103	366,474,052
<i>Through a retail network</i>	92,855,221	106,235,625
<i>Wholesale activities</i>	157,393,882	260,238,427
Sale of electricity	748,930	933,083
Lease revenue	443,169	357,872
Other sales	19,168,574	17,976,857
<b>Total sales</b>	<b>271,184,357</b>	<b>391,001,820</b>

Other sales mainly relate to sales of non-fuel products at petrol stations for 12,474,496 RSD (2024: 12,788,758 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**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash in bank and in hand	4,862,972	9,955,372
Deposits with original maturity of less than three months	22,021,563	28,862,541
Cash equivalents	3,386	3,797
	<b>26,887,921</b>	<b>38,821,710</b>

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

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

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

**5. SHORT-TERM FINANCIAL ASSETS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Short-term loans to subsidiaries (centrally managed)	16,392,618	7,601,578
Current portion of long-term investments to subsidiaries (note 11)	33,556,277	35,152,987
Less impairment loss provision	(25,817,831)	(9,883,326)
	<b>24,131,064</b>	<b>32,871,239</b>

The short-term loans represent loans provided to subsidiaries on a needs basis as part of the group's central cash management. These loans allow subsidiaries to maintain sufficient liquidity while the parent company centrally monitors and manages cash. The most significant portion of short-term loans at the reporting date relates to the subsidiary HIP Petrohemija, 12,303,489 RSD and Naftagas-Naftni servisi 3,974,457 RSD. Other subsidiaries' balances are not individually material. Loans are unsecured, denominated in RSD, bear interest at average of BEONIA and 6m BELIBOR, and are repayable on demand.

The increase in impairment loss provision during the period is mainly attributable to the impairment of individually assessed investments (loans and accrued interest) granted to subsidiaries NIS Petrol Bulgaria and NIS Petrol Romania, amounting to 18,671.958 RSD (note 11 and 22).

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 - third parties	26,148,323	36,022,252
Trade receivables - subsidiaries and other related parties (note 29)	14,463,553	10,461,435
Other receivables – third parties	73,346	81,779
Other receivables – subsidiaries and other related parties (note 29)	10,796	16,950
Less impairment provision for trade receivables – third parties	(6,791,244)	(6,962,133)
Less impairment provision for trade receivables – subsidiaries and other related parties (note 29)	(214,477)	(214,477)
Less impairment provision for other receivables	(29,965)	(27,827)
	<b>33,660,332</b>	<b>39,377,979</b>

The Management of the Company 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 Company.

Receivables from subsidiaries are subject to a separate credit risk assessment. Management considers that the risk profile of such receivables differs from that of third-party receivables due to the control mechanisms in place.

Management believes that the non-impaired trade 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**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Crude oil	13,920,927	19,942,889
Petroleum products	13,336,420	19,295,703
Materials and supplies	5,975,477	5,771,208
Other	1,271,360	1,353,517
Less impairment provision	(4,296,729)	(4,326,119)
	<b>30,207,455</b>	<b>42,037,198</b>

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**Notes to the Interim Condensed 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	2,468,579	1,341,449
Deferred VAT	1,159,384	3,599,608
Prepaid expenses	218,675	460,521
Prepaid custom duties	99,957	75,447
Prepaid excise	3,084,278	6,683,336
Other current assets	7,825,756	7,936,113
<i>Less impairment provision</i>	<i>(7,480,000)</i>	<i>(7,485,657)</i>
	<b>7,376,629</b>	<b>12,610,817</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 1,159,384 RSD (31 December 2024: 3,599,608 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 December 2025 amounting to 3,084,278 RSD (31 December 2024: 6,683,336 RSD) relates to the excise paid for the finished products stored in the 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 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	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)
<b>Net book value</b>	<b>137,763,847</b>	<b>94,858,756</b>	<b>30,642,610</b>	<b>7,196,763</b>	<b>28,748,812</b>	<b>299,210,788</b>
<b>Period ended 31 December 2025</b>						
Additions	20,354,705	2,636,291	5,992,003	281,932	(721,933)	28,542,998
Changes in decommissioning obligations	577,584	-	-	193	-	577,777
Impairment, net	-	-	(11,684)	-	(36,977)	(48,661)
Depreciation	(13,537,517)	(8,555,326)	(2,415,229)	(497,370)	-	(25,005,442)
Transfer to non-current assets held for sale	-	-	(2,986)	(119,429)	-	(122,415)
Disposals and write-off	(8,374)	(34,671)	(4,612)	(959)	(220,791)	(269,407)
Other transfers	321	(1,191)	(9,232)	17,422	(703,232)	(695,912)
	<b>145,150,566</b>	<b>88,903,859</b>	<b>34,190,870</b>	<b>6,878,552</b>	<b>27,065,879</b>	<b>302,189,726</b>
<b>As at 31 December 2025</b>						
Cost	268,436,891	181,585,886	71,875,655	16,595,861	27,290,636	565,784,929
Depreciation and impairment	(123,286,325)	(92,682,027)	(37,684,785)	(9,717,309)	(224,757)	(263,595,203)
<b>Net book value</b>	<b>145,150,566</b>	<b>88,903,859</b>	<b>34,190,870</b>	<b>6,878,552</b>	<b>27,065,879</b>	<b>302,189,726</b>

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**Notes to the Interim Condensed 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>12,099</b>	<b>885,682</b>	<b>219,392</b>	<b>1,705,285</b>	<b>2,822,458</b>
Additions	-	40,315	388,718	31,841	460,874
Depreciation	(3,891)	(116,098)	(117,493)	(176,560)	(414,042)
Transfers	-	-	-	(30,567)	(30,567)
Disposals	-	-	(595)	(50,661)	(51,256)
Effect of contract modifications and changes in estimates	-	9,974	23,398	-	33,372
<b>As at 31 December 2025</b>	<b>8,208</b>	<b>819,873</b>	<b>513,420</b>	<b>1,479,338</b>	<b>2,820,839</b>

**11. LONG-TERM FINANCIAL ASSETS**

	31 December 2025	31 December 2024
LT loans issued to subsidiaries	41,986,243	41,601,373
Financial assets at FVTPL	839,712	837,800
Other LT placements	20,087	25,060
Available for sale financial assets	124,212	124,315
Less current portion of LT loans issued (note 5)	(33,556,277)	(35,152,987)
Less provision of LT financial assets (note 5)	(2,946,125)	(207,049)
	<b>6,467,852</b>	<b>7,228,512</b>

Long-term loans represent funds issued to subsidiaries for strategic and operational purposes. The current portion of these loans includes amounts due within 12 months from the reporting date, while the non-current portion represents balances due thereafter.

Long-term loans issued to subsidiaries (including current portion and impairment loss provision) as at 31 December 2025 and 31 December 2024 are presented in the tables below:

As at 31 December 2025	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provision (note 5,11)	Net amount
NIS Petrol srl	19,037,639	2,157,985	21,195,624	(15,973,808)	5,221,816
NIS Petrol eood	11,280,029	-	11,280,029	(7,881,497)	3,398,532
NIS Petrol doo Banja Luka	39,605	3,768,921	3,808,526	(2,742,925)	1,065,601
NIS Petrol a.d. Belgrade	1,121,209	2,067,402	3,188,611	-	3,188,611
Jadran-Naftagas d.o.o.	2,077,795	435,658	2,513,453	(2,123,678)	389,775
	<b>33,556,277</b>	<b>8,429,966</b>	<b>41,986,243</b>	<b>(28,721,908)</b>	<b>13,264,335</b>

As at 31 December 2024	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provision (note 5,11)	Net amount
NIS Petrol srl	16,900,777	3,892,516	20,793,293	-	20,793,293
NIS Petrol eood	11,170,603	-	11,170,603	(5,188,587)	5,982,016
NIS Petrol doo Banja Luka	3,991,716	-	3,991,716	(2,736,678)	1,255,038
NIS Petrol a.d. Belgrade	1,075,339	2,062,694	3,138,033	-	3,138,033
Jadran-Naftagas d.o.o.	2,014,552	493,176	2,507,728	(2,118,841)	388,887
	<b>35,152,987</b>	<b>6,448,386</b>	<b>41,601,373</b>	<b>(10,044,106)</b>	<b>31,557,267</b>

As described in Note 2.1 (Basis of preparation), the preparation of these condensed interim financial statements involves significant management judgment and estimates, including the assessment of expected credit losses on loans and long-term financial assets in accordance with IFRS 9.

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

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

Based on this assessment, expected credit losses of RSD 18,677,802 (including exchange loss in the amount of RSD 5,844) were recognised during the period, (note 3, 22 and 23). The recognition of these losses reflects management's assessment of the recoverable amount of the relevant financial assets as at the reporting date. Detailed disclosures on the methodology, assumptions, and sensitivities are provided in the annual financial statements.

Loans are unsecured, denominated in RSD and EUR, bear interest at 2,1% fix rate or 6M EURIBOR plus 2,1% to 2,9% per annum, and are repayable in accordance with agreed schedules, and a portion of the loans granted to foreign subsidiaries is subordinated.

**12. OTHER NON-CURRENT ASSETS**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Advances paid for PPE	1,304,517	2,810,616
Prepaid expenses	55,739	75,517
Other assets	909,523	901,105
<i>Less impairment provision for other assets</i>	(270,414)	(278,654)
<i>Less impairment provision for advances paid</i>	(7,162)	(33,986)
	<b>1,992,203</b>	<b>3,474,598</b>

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Short-term loans	2,512,460	2,387,513
Interest liabilities	139,625	223,371
Current portion of long-term loans (note 17)	19,245,155	8,815,829
	<b>21,897,240</b>	<b>11,426,713</b>

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

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>As at 1 January</b>	<b>2,387,513</b>	<b>3,606,281</b>
Proceeds	9,986,675	24,542,557
Repayment	(9,861,726)	(25,761,325)
Non-cash transactions	(2)	-
<b>As at 31 December</b>	<b>2,512,460</b>	<b>2,387,513</b>

**14. TRADE AND OTHER PAYABLES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Trade payables – third parties	4,978,739	10,311,263
Trade payables – subsidiaries and other related parties (note 29)	9,741,158	6,316,564
Dividends payable	5,844,191	3,783,398
Other accounts payable	1,418	28,786
	<b>20,565,506</b>	<b>20,440,011</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.



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

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

**15. OTHER CURRENT LIABILITIES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Contract liabilities arising from contracts with customers:		
- Advances received	2,138,699	5,055,703
- Customer loyalty	746,954	949,116
- Deferred income	38,003	55,648
Payables to employees	2,156,108	4,263,714
Other current non-financial liabilities	406,025	201,357
	<b>5,485,789</b>	<b>10,525,538</b>

Revenue in the amount of 5,374,490 RSD (31 December 2024: 4,831,194 RSD) recognized in the current reporting period related to the contract liabilities as at 1 January 2025, of which 4,653,648 RSD (31 December 2024: 4,243,270 RSD) related to advances and 720,842 RSD (31 December 2024: 587,924 RSD) to the customer loyalty programme.

**16. OTHER TAXES PAYABLE**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Mineral extraction tax	498,409	438,324
VAT	1,760,731	2,594,634
Excise tax	3,402,482	8,463,280
Contribution for State commodity reserves	128,631	348,084
Custom duties	5,468	73,717
Energy efficiency fee	14,636	39,876
Other taxes	511,745	1,181,438
	<b>6,322,102</b>	<b>13,139,353</b>

**17. LONG-TERM DEBT**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Bank loans	46,392,416	65,159,107
Other Long-term borrowings	1,877,203	1,873,529
Less current portion (note 13)	(19,245,155)	(8,815,829)
	<b>29,024,464</b>	<b>58,216,807</b>

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

	<b>Year period ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>As at 1 January</b>	<b>65,159,107</b>	<b>65,223,168</b>
Proceeds	4,464,639	12,055,365
Repayment	(23,424,038)	(11,935,482)
Non-cash transactions	49,497	(95,468)
Foreign exchange difference (note 23)	143,211	(88,476)
<b>As at 31 December</b>	<b>46,392,416</b>	<b>65,159,107</b>

**NIS a.d.****Notes to the Interim Condensed Financial Statements for the year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)***Bank loans**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Total bank loans	46,392,416	65,159,107
Current portion	(19,245,155)	(8,815,829)
	<b>27,147,261</b>	<b>56,343,278</b>

The maturity of bank loans was as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Between 1 and 2 years	6,323,799	30,987,592
Between 2 and 5 years	20,578,503	24,567,096
Over 5 years	244,959	788,590
	<b>27,147,261</b>	<b>56,343,278</b>

The carrying amounts of bank loans in the amount of 46,392,416 RSD (31 December 2024: 65,159,107 RSD) are denominated in EUR.

The Company repays loans in accordance with the 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 the agreed timeframe.

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

Although, the loan agreements contain mandatory prepayment covenants in the event international sanctions are imposed against the Company, outstanding loans as of 31 December 2025 still have not been subject of acceleration of the loans by its creditors due to active communication with creditors and National Bank of Serbia. Given the current geopolitical environment and the associated sanction-related risks, there is uncertainty regarding the potential future application of this clause. The Company is continuously monitoring the situation and conducting assessments in coordination with its legal advisors.

Other long-term borrowings in the amount of 1,877,203 RSD (31 December 2024: 1,873,529 RSD) mainly relate to the corporate bonds.

**18. LEASE LIABILITIES**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Non-current lease liabilities	1,203,313	1,497,645
Current lease liabilities	588,832	488,755
	<b>1,792,145</b>	<b>1,986,400</b>

Amounts recognized in profit and loss:

	<b>Year ended 31 December 2025</b>	<b>2024</b>
Interest expense (included in finance cost) (note 25)	76,112	95,416
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	36,598	74,883
Expense relating to leases of low-value assets that are not shown above as short-term leases	2,301	11,521
Expense relating to variable lease payments not included in lease liabilities	1,222,212	1,264,305

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

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

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

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>As at 1 January</b>	<b>1,986,400</b>	<b>2,132,016</b>
Repayment	(693,174)	(684,903)
Non-cash transactions	490,491	545,634
Foreign exchange difference (note 23)	8,428	(6,347)
<b>As at 31 December</b>	<b>1,792,145</b>	<b>1,986,400</b>

**19. OTHER NON-CURRENT FINANCIAL LIABILITIES**

Other non-current financial liabilities in the amount of 12,313,561 RSD (2024: 12,140,168 RSD) represents deferred consideration in the amount of 864,962 RSD (2024: 837,800 RSD) for O&G exploration project and liabilities for additional capital contribution associated with the new plant construction program in HIP Petrohemija in the amount of 11,448,599 RSD (2024: 11,302,368 RSD).

**20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES**

	<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>
Employee costs	1,210,962	1,186,259	4,705,383	4,392,571
Materials and supplies (other than O&G and petroleum products)	320,906	384,540	1,254,892	1,283,785
Repair and maintenance services	1,740,719	1,815,591	5,996,342	5,633,557
Electricity for resale	521	48,783	74,288	120,995
Electricity and utilities	1,674,559	2,470,765	8,770,194	9,202,359
Safety and security expense	233,750	310,064	809,149	767,838
Transportation services for production	375,528	388,360	1,489,323	1,565,051
Other	3,225,450	3,890,038	14,706,694	15,151,730
	<b>8,782,395</b>	<b>10,494,400</b>	<b>37,806,265</b>	<b>38,117,886</b>

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 10,351,123 RSD (2024: 10,652,110 RSD).

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

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

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Employee costs	4,658,183	4,191,836	15,817,315	15,137,815
Commission and agency fees	1,610,097	1,431,567	6,136,655	5,538,681
Legal, audit and consulting services	793,170	919,393	2,129,053	2,215,134
Current repair cost	467,827	501,815	1,656,154	1,530,178
Costs on advertising and marketing	81,028	219,456	327,735	494,943
Electricity and utilities	283,284	216,084	976,337	890,685
Rent expense	23,240	15,079	48,485	92,688
Business trips expense	34,037	93,317	125,599	335,305
Safety and security expense	328,549	343,046	1,182,854	1,085,320
Insurance expense	18,490	28,616	76,497	106,823
Transportation and storage	76,339	92,414	370,985	333,852
Allowance for doubtful accounts	(19,884)	(25,443)	(26,367)	(54,409)
Other	1,703,299	1,560,629	6,360,573	5,419,398
	<b>10,057,659</b>	<b>9,587,809</b>	<b>35,181,875</b>	<b>33,126,413</b>

Other expenses in the amount of 6,360,573 RSD (2024: 5,419,398 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

**22. OTHER EXPENSES / INCOME, NET**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Penalties	49,933	123,614	225,710	545,292
Provisions	92,611	(14,731)	(14,477)	(70,203)
(Impairment)/reversal of non-financial assets	144,666	68,657	61,821	47,383
Impairment of financial assets (note 5)	(18,671,958)	-	(18,671,958)	-
Charity and social payments	(145,895)	(172,073)	(176,626)	(196,808)
Others	26,832	149,170	123,424	527,078
	<b>(18,503,811)</b>	<b>154,637</b>	<b>(18,452,106)</b>	<b>852,742</b>

**23. 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 17,18,19)	40,131	89,839	257,089	261,008
- foreign exchange loss (note 17,18,19)	(35,992)	(40,111)	(384,322)	(151,039)
Net foreign exchange loss on operating activities	(57,995)	(185,818)	(137,665)	(831,794)
	<b>(53,856)</b>	<b>(136,090)</b>	<b>(264,898)</b>	<b>(721,825)</b>

**24. FINANCE INCOME**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Interest on bank deposits	330,368	415,610	1,186,573	1,646,191
Gains on restructuring of borrowings	-	(22,327)	6,862	95,469
Dividend income	-	58,599	-	58,599
Interest income on loans issued	303,424	268,597	1,154,181	913,173
	<b>633,792</b>	<b>720,479</b>	<b>2,347,616</b>	<b>2,713,432</b>

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

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

**25. FINANCE EXPENSES**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Interest expense	608,657	876,747	2,854,405	3,519,806
Losses on restructuring of borrowings	22,187	(11,643)	50,727	-
Decommissioning provision: unwinding of the present value discount	35,482	39,604	141,256	150,623
Provision of trade and other non-current receivables: discount	49,696	13,335	16,224	89,477
Revaluation of equity investment at fair value - expense	29,998	29,685	119,521	118,273
Less: amounts capitalised on qualifying assets	-	(20,525)	(8,494)	(80,335)
	<b>746,020</b>	<b>927,203</b>	<b>3,173,639</b>	<b>3,797,844</b>

Interest expense includes expenses on lease liabilities in amount of 76,112 RSD for the year ended 31 December 2025 (95,416 RSD for the year ended 31 December 2024, accordingly) (note 18).

**26. INCOME TAXES**

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 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) 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 statement of profit and loss.

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

	Year ended 31 December	
	2025	2024
Current income tax	-	(4,523,958)
Effect of tax consolidation (2024)	1,455,629	-
Other adjustments of prior year	97,211	-
Deferred income tax	1,242,788	738,354
<b>Total income tax</b>	<b>2,795,628</b>	<b>(3,785,604)</b>

**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 assets and liabilities. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Financial Statements as of 31 December 2024. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 December 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 a 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 the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Company has paid all tax liabilities as of 31 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.

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 the 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 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 Company's management recognised an environmental provision in the amount of 290,132 RSD (31 December 2024: 373,479 RSD).

The Company's Management believes that cash outflows related to the 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 Company 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 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.

For the year ended 31 December 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 year ended 31 December 2025***(All amounts are in 000 RSD, unless otherwise stated)*

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

	<b>Subsidiaries</b>	<b>Parent company</b>	<b>Joint ventures, associates and parent's subsidiaries and associates</b>
<b>As at 31 December 2025</b>			
Short-term financial assets	24,131,064	-	-
Trade and other receivables	14,096,519	-	163,353
Other current assets	-	-	1,477
Right-of-use assets	127,194	-	-
Investments accounted for using equity method	-	-	1,038,800
Trade and other non-current receivables	-	-	171,654
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	6,363,582	-	-
Other non-current assets	3,782	-	-
Trade and other payables	(7,481,027)	-	(2,260,131)
Other current liabilities	(191,958)	-	(425)
Short-term debt	(2,523,513)	-	-
Current lease liabilities	(12,228)	-	-
Long-term debt	(1,174,133)	-	-
Non-current lease liabilities	(120,694)	-	-
Other non-current financial liabilities	(11,448,598)	-	-
	<b>52,786,672</b>	<b>-</b>	<b>(885,272)</b>

	<b>Subsidiaries</b>	<b>Parent company</b>	<b>Joint ventures, associates and parent's subsidiaries and associates</b>
<b>As at 31 December 2024</b>			
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)	-	-
	<b>60,558,148</b>	<b>-</b>	<b>1,086,326</b>

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

	<b>Subsidiaries</b>	<b>Parent company</b>	<b>Joint ventures, associates and parent's subsidiaries, and associates</b>
<b>For the year ended 31 December 2025</b>			
Revenues from sales of products and services	38,920,831	-	1,742,274
Expenses based on procurement of products and services	(22,061,442)	-	(2,038,793)
Other expenses, net	(17,872,528)	-	(29,643)
	<b>(1,013,139)</b>	<b>-</b>	<b>(326,162)</b>

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

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
<b>For the year ended 31 December 2024</b>			
Revenues from sales of products and services	53,454,485	-	279,212
Expenses based on procurement of products and services	(23,269,805)	-	(3,576,553)
Other income (expenses), net	627,381	-	(338)
	<b>30,812,061</b>	<b>-</b>	<b>(3,297,679)</b>

*Transactions with subsidiaries in Romania and Bulgaria*

The companies are currently facing significant challenges in their 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.

**30. EVENTS AFTER THE REPORTING DATE**

Subsequent to 31 December 2025, the Company 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 Company 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 Company 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 Company 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 Interim Condensed Financial Statements were approved, have been taken into account.



**NIS a.d.**

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

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

**NIS a.d.**

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