



Naftna industrija Srbije A.D.

Interim Condensed Financial Statements (Unaudited)

31 March 2026

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

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Interim Condensed Statement of Financial Position

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

Assets	Note	31 March 2026	31 December 2025
Current assets		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	4	34,664,130	26,887,921
Short-term financial assets	5	22,401,416	24,131,064
Trade and other receivables	6	28,186,391	33,660,332
Inventories	7	43,985,356	30,207,455
Current income tax prepayments		-	2,160,746
Other current assets	8	6,379,057	7,376,629
Assets classified as held for sale		134,575	139,187
Total current assets		135,750,925	124,563,334
Non-current assets			
Property, plant and equipment	9	300,694,316	302,189,726
Right-of-use assets	10	2,720,255	2,820,839
Investment property		1,660,263	1,660,263
Intangible assets		4,465,193	4,483,372
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries	11	36,318,492	31,016,682
Trade and other non-current receivables		281,966	322,372
Long-term financial assets	12	6,154,286	6,467,852
Deferred tax assets		5,750,724	5,530,178
Other non-current assets	13	1,773,199	1,992,203
Total non-current assets		360,857,494	357,522,287
Total assets		496,608,419	482,085,621
Liabilities and shareholders' equity			
Current liabilities			
Short-term debt and current portion of long-term debt	14	21,304,375	21,897,240
Current lease liabilities	19	584,841	588,832
Trade and other payables	15	22,007,225	20,565,506
Other current liabilities	16	7,047,852	5,485,789
Current income tax payable		1,062,412	-
Other taxes payable	17	13,581,142	6,322,102
Provisions for liabilities and charges		2,186,476	2,384,277
Current portion of other non-current financial liabilities		20,255	29,176
Total current liabilities		67,794,578	57,272,922
Non-current liabilities			
Long-term debt	18	27,890,887	29,024,464
Non-current lease liabilities	19	1,050,351	1,203,313
Other non-current financial liabilities	20	12,358,724	12,313,561
Provisions for liabilities and charges		13,122,456	12,999,305
Total non-current liabilities		54,422,418	55,540,643
Equity			
Share capital		81,530,200	81,530,200
Reserves		40,863	40,863
Retained earnings		292,820,360	287,700,993
Total equity		374,391,423	369,272,056
Total liabilities and shareholders' equity		496,608,419	482,085,621

Kirill Tyurdenev
Chief Executive Officer
17 April 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 March	
		2026	2025
		<i>(unaudited)</i>	<i>(unaudited)</i>
Sales of petroleum products, oil and gas		58,798,459	63,119,533
Other revenues		3,244,276	4,730,730
Total revenue from sales	3	62,042,735	67,850,263
Purchases of oil, gas and petroleum products		(31,571,908)	(38,525,434)
Production, manufacturing and cost of other sales	21	(8,267,217)	(9,908,675)
Selling, general and administrative expenses	22	(7,841,983)	(7,849,614)
Transportation expenses		(256,332)	(395,372)
Depreciation, depletion and amortization		(6,622,230)	(6,572,384)
Taxes other than income tax		(1,661,489)	(1,521,153)
Exploration expenses		-	(10)
Total operating expenses		(56,221,159)	(64,772,642)
Other income, net	23	137,260	143,043
Operating profit		5,958,836	3,220,664
Net foreign exchange loss	24	(49,142)	(125,723)
Finance income	25	556,790	534,629
Finance expenses	26	(622,655)	(863,952)
Total other expense		(115,007)	(455,046)
Profit before income tax		5,843,829	2,765,618
Current income tax		(945,008)	(763,200)
Deferred tax income		220,546	276,939
Total income tax		(724,462)	(486,261)
Profit for the period		5,119,367	2,279,357
Other comprehensive income:			
Items that will not be reclassified to profit			
Gain from investments in equity instruments		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		5,119,367	2,279,357
Earnings per share attributable to shareholders of Naftna Industrija Srbije			
Basic earnings (RSD per share)		31.40	13.98
Weighted average number of ordinary shares in issue (in millions)		163	163

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

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

Three month period ended 31 March 2026 and 2025

*(All amounts are in 000 RSD, unless otherwise stated)**(unaudited)***Balance as at 1 January 2025**

Profit for the period

Other comprehensive income

Gain from investments in equity instruments

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

	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2025	81,530,200	41,960	304,582,398	386,154,558
Profit for the period	-	-	2,279,357	2,279,357
Other comprehensive income				
Gain from investments in equity instruments	-	-	-	-
Total comprehensive income for the period	-	-	2,279,357	2,279,357
Balance as at 31 March 2025	81,530,200	41,960	306,861,755	388,433,915

*(unaudited)***Balance as at 1 January 2026**

Profit for the period

Other comprehensive income

Gain from investments in equity instruments

Total comprehensive income for the period**Balance as at 31 March 2026**

	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2026	81,530,200	40,863	287,700,993	369,272,056
Profit for the period	-	-	5,119,367	5,119,367
Other comprehensive income				
Gain from investments in equity instruments	-	-	-	-
Total comprehensive income for the period	-	-	5,119,367	5,119,367
Balance as at 31 March 2026	81,530,200	40,863	292,820,360	374,391,423

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

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

	Note	Three month period ended	
		31 March	
		2026	2025
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit before income tax		5,843,829	2,765,618
Adjustments for:			
Finance expenses	26	622,655	863,952
Finance income	25	(556,790)	(534,629)
Unrealised foreign exchange loss, net		41,936	133,989
Depreciation, depletion and amortization		6,622,230	6,572,384
Other non-cash items		281,763	179,120
Operating cash flow before changes in working capital		12,855,623	9,980,434
Changes in working capital:			
Trade and other receivables		3,620,168	5,120,456
Inventories		(13,807,681)	(14,467,101)
Other current assets		1,079,760	(989,142)
Trade payables and other current liabilities		4,463,953	(7,376,033)
Other taxes payable		9,948,097	3,669,041
Total effect on working capital changes		5,304,297	(14,042,779)
Income taxes paid		(413,716)	-
Interest paid		(524,952)	(688,292)
Interest received		433,933	402,063
Net cash (used in)/generated by operating activities		17,655,185	(4,348,574)
Cash flows from investing activities			
Loans issued		(10,983,344)	(9,966,296)
Loan proceeds received		9,720,432	5,293,162
Capital expenditures ²		(6,605,081)	(5,845,246)
Proceeds from sale of property, plant and equipment		2,620	36,637
Net cash used in investing activities		(7,865,373)	(10,481,743)
Cash flows from financing activities			
Proceeds from borrowings	14,18	3,146,065	2,954,212
Repayment of borrowings	14,18	(4,944,156)	(5,248,696)
Repayment of lease liabilities	19	(186,390)	(148,092)
Net cash used in financing activities		(1,984,481)	(2,442,576)
Net (decrease)/increase in cash and cash equivalents		7,805,331	(17,272,893)
Effect of foreign exchange on cash and cash equivalents		(29,122)	(63,612)
Cash and cash equivalents as of the beginning of the period		26,887,921	38,821,710
Cash and cash equivalents as of the end of the period	4	34,664,130	21,485,205

¹ Company's policy is to present cash flow inclusive of related VAT.

² CF from investing activities includes VAT in the amount of 0.8 bln RSD (2025: 0.7 bln RSD)

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

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

1. GENERAL INFORMATION

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

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

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

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

These Interim Condensed Financial Statements have been approved and authorized for issue by 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 three month period ended 31 March 2026, the Company recorded a net profit. 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 2026 the volatility in commodity and financial markets is seen rising while the RSD remained stable relative to EUR and depreciated to USD (information on the economic environment in the Republic of Serbia is detailed in Note 28) due to the geopolitical situation. Due to that during the first quarter of 2026 the Company didn't review the critical accounting estimates which are used by the Company in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rate. In particular as of 31 March 2026 the Company didn't review estimation of the recoverable amount of the non-current assets that is determined for the purpose of the impairment testing. Under current conditions it turned out to be impossible to evaluate how long the volatility will persist and at what level the key financial indicators will ultimately stabilise.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

The Company 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 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, 2026, 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 results in these Interim Condensed Financial Statements for the three month period ended 31 March 2026 are not necessarily indicative of the Company's results expected for the full year.

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

2.2. Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Financial Statements are consistent with those applied during the preparation of the Financial Statements as of and for the year ended 31 December 2025.

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 which allowed the Company to continue operating while negotiations regarding potential changes in the ownership structure.

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.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

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 three month period ended 31 March 2026 and 2025. 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.

Reportable segment results for the three month period ended 31 March 2026 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	11,258,245	62,769,496	(11,985,006)	62,042,735
Intersegment	11,245,154	739,852	(11,985,006)	-
External	13,091	62,029,644	-	62,042,735
Adjusted EBITDA (Segment results)	7,078,554	5,532,986	-	12,611,540
Depreciation, depletion and amortization	(3,483,965)	(3,138,265)	-	(6,622,230)
Net foreign exchange gain/(loss)	5,112	(54,254)	-	(49,142)
Finance expenses, net	(35,235)	(30,630)	-	(65,865)
Income tax	-	(724,462)	-	(724,462)
Segment profit	3,558,405	1,560,962	-	5,119,367

NIS a.d.**Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026***(All amounts are in 000 RSD, unless otherwise stated)*

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

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

Adjusted EBITDA for the three month period ended 31 March 2026 and 2025 is reconciled below:

	Three month period ended 31 March	
	2026	2025
Profit for the period	5,119,367	2,279,357
Income tax	724,462	486,261
Finance expenses	622,655	863,952
Finance income	(556,790)	(534,629)
Depreciation, depletion and amortization	6,622,230	6,572,384
Net foreign exchange loss	49,142	125,723
Other income, net	(137,260)	(143,043)
Other non-operating expense, net	167,734	127,351
Adjusted EBITDA	12,611,540	9,777,356

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

	Three month period ended 31 March	
	2026	2025
Sale of crude oil	2,596,673	-
Sale of gas	236,893	67,417
<i>Wholesale activities</i>	236,893	67,417
Sale of petroleum products	55,964,893	63,052,116
<i>Through a retail network</i>	20,220,780	21,904,371
<i>Wholesale activities</i>	35,744,113	41,147,745
Sale of electricity	234,400	118,911
Lease revenue	133,921	84,124
Other sales	2,875,955	4,527,695
Total sales	62,042,735	67,850,263

Other sales mainly relate to sales of non-fuel products at petrol stations for 2,361,618 RSD (2025: 2,911,849 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.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

4. CASH AND CASH EQUIVALENTS

	31 March 2026	31 December 2025
Cash in bank and in hand	13,950,996	4,862,972
Deposits with original maturity of less than three months	20,710,000	22,021,563
Cash equivalents	3,134	3,386
	34,664,130	26,887,921

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

5. SHORT-TERM FINANCIAL ASSETS

	31 March 2026	31 December 2025
Short-term loans to subsidiaries (centrally managed)	17,715,144	16,392,618
Current portion of long-term investments to subsidiaries (note 12)	22,644,091	33,556,277
Less impairment loss provision	(17,957,819)	(25,817,831)
	22,401,416	24,131,064

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, 14,601,523 RSD (31 December 2025: 12,303,489 RSD) and Naftagas-Naftni servisi 2,960,627 RSD (31 December 2025: 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 decrease in Current portion of long-term investments to subsidiaries and Impairment loss provision is mainly due to conversion of total investment in NIS Petrol Bulgaria and related provision into Investment in subsidiaries in total net amount of RSD 3,402,267 RSD (Current portion of LT Investments decrease of 11,288,328 RSD and Impairment provision loss in amount of 7,886,061 RSD) (note 11).

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

6. TRADE AND OTHER RECEIVABLES

	31 March 2026	31 December 2025
Trade receivables - third parties	24,800,332	26,148,323
Trade receivables - subsidiaries and other related parties (note 29)	10,126,740	14,463,553
Other receivables – third parties	68,550	73,346
Other receivables – subsidiaries and other related parties (note 29)	12,550	10,796
Less impairment provision for trade receivables – third parties	(6,578,406)	(6,791,244)
Less impairment provision for trade receivables – subsidiaries and other related parties (note 29)	(215,672)	(214,477)
Less impairment provision for other receivables	(27,703)	(29,965)
	28,186,391	33,660,332

The decrease in Trade receivables - subsidiaries and other related parties is mainly due to conversion of receivables in NIS Petrol Bulgaria into Investment in subsidiaries in amount of RSD 1,899,543 RSD (note 11).

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.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

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

	31 March 2026	31 December 2025
Crude oil	27,264,934	13,920,927
Petroleum products	13,880,763	13,336,420
Materials and supplies	5,776,864	5,975,477
Other	1,349,932	1,271,360
<i>Less impairment provision</i>	<i>(4,287,137)</i>	<i>(4,296,729)</i>
	43,985,356	30,207,455

8. OTHER CURRENT ASSETS

	31 March 2026	31 December 2025
Advances paid	527,288	2,468,579
Deferred VAT	824,954	1,159,384
Prepaid expenses	372,130	218,675
Prepaid custom duties	102,405	99,957
Prepaid excise	4,104,677	3,084,278
Other current assets	7,928,091	7,825,756
<i>Less impairment provision</i>	<i>(7,480,488)</i>	<i>(7,480,000)</i>
	6,379,057	7,376,629

Deferred VAT as at 31 March 2026 amounting to 824,954 RSD (31 December 2025: 1,159,384 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 March 2026 amounting to 4,104,677 RSD (31 December 2025: 3,084,278 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 three month period ended 31 March 2026

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

9. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2026						
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)
Net book value	145,150,566	88,903,859	34,190,870	6,878,552	27,065,879	302,189,726
Period ended 31 March 2026						
Additions	6,414,026	171,640	208,470	139,314	(2,070,579)	4,862,871
Changes in decommissioning obligations	69,316	-	-	-	-	69,316
Impairment, net	-	-	-	-	(1,460)	(1,460)
Depreciation	(3,443,185)	(2,127,470)	(642,909)	(118,485)	-	(6,332,049)
Transfer from non-current assets held for sale	-	-	-	4,610	-	4,610
Disposals and write-off	-	(25)	(4,713)	(10)	-	(4,748)
Other transfers	(44,193)	(21)	(677)	872	(49,931)	(93,950)
	148,146,530	86,947,983	33,751,041	6,904,853	24,943,909	300,694,316
As at 31 March 2026						
Cost	275,129,474	181,755,198	72,064,970	16,740,483	25,170,126	570,860,251
Depreciation and impairment	(126,982,944)	(94,807,215)	(38,313,929)	(9,835,630)	(226,217)	(270,165,935)
Net book value	148,146,530	86,947,983	33,751,041	6,904,853	24,943,909	300,694,316

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the three month period ended 31 March 2026 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2026	8,208	819,873	513,420	1,479,338	2,820,839
Additions	-	-	14,066	-	14,066
Depreciation	(972)	(28,882)	(47,488)	(35,331)	(112,673)
Disposals	-	-	-	(674)	(674)
Effect of contract modifications and changes in estimates	-	(1,303)	-	-	(1,303)
As at 31 March 2026	7,236	789,688	479,998	1,443,333	2,720,255

11. INVESTMENTS IN SUBSIDIARIES

	31 March 2026	31 December 2025
Investments in subsidiaries:		
- In shares	3,457,576	3,457,576
- In stakes	45,605,376	40,303,566
	49,062,952	43,761,142
Less: Provision	(12,744,460)	(12,744,460)
	36,318,492	31,016,682

On 23 January 2026, the Company has converted its outstanding loan and part of its receivables into equity in NIS Petrol Bulgaria in net amount of 5,301,810 RSD (notes 5 and 6). The above represents the fulfilment of the one of the previous steps according to the purchase agreement for the full share of NIS Petrol Bulgaria subsidiary.

12. LONG-TERM FINANCIAL ASSETS

	31 March 2026	31 December 2025
LT loans issued to subsidiaries	30,762,820	41,986,243
Financial assets at FVTPL	840,718	839,712
Other LT placements	20,234	20,087
Available for sale financial assets	124,173	124,212
Less current portion of LT loans issued (note 5)	(22,644,091)	(33,556,277)
Less provision of LT financial assets (note 5)	(2,949,568)	(2,946,125)
	6,154,286	6,467,852

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 March 2026 and 31 December 2025 are presented in the tables below:

As at 31 March 2026	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provision (note 5,12)	Net amount
NIS Petrol srl	19,409,931	1,898,691	21,308,622	(15,992,945)	5,315,677
NIS Petrol doo Banja Luka	20,606	3,713,979	3,734,585	(2,746,211)	988,374
NIS Petrol a.d. Belgrade	1,133,270	2,069,879	3,203,149	-	3,203,149
Jadran-Naftagas d.o.o.	2,080,284	436,180	2,516,464	(2,126,221)	390,243
	22,644,091	8,118,729	30,762,820	(20,865,377)	9,897,443

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

As at 31 December 2025	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provision (note 5,12)	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
	33,556,277	8,429,966	41,986,243	(28,721,908)	13,264,335

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.

13. OTHER NON-CURRENT ASSETS

	31 March 2026	31 December 2025
Advances paid for PPE	1,106,232	1,304,517
Prepaid expenses	49,745	55,739
Other assets	896,505	909,523
Less impairment provision for other assets	(272,121)	(270,414)
Less impairment provision for advances paid	(7,162)	(7,162)
	1,773,199	1,992,203

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

	31 March 2026	31 December 2025
Short-term loans	3,368,645	2,512,460
Interest liabilities	148,526	139,625
Current portion of long-term loans (note 18)	17,787,204	19,245,155
	21,304,375	21,897,240

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

	Three month period ended 31 March	
	2026	2025
As at 1 January	2,512,460	2,387,513
Proceeds	3,146,065	2,954,212
Repayment	(2,289,880)	(3,187,400)
Non-cash transactions	-	4,478
Foreign exchange difference (note 24)	-	599
As at 31 March	3,368,645	2,159,402

15. TRADE AND OTHER PAYABLES

	31 March 2026	31 December 2025
Trade payables – third parties	5,909,719	4,978,739
Trade payables – subsidiaries and other related parties (note 29)	10,240,514	9,741,158
Dividends payable	5,844,191	5,844,191
Other accounts payable	12,801	1,418
	22,007,225	20,565,506

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

16. OTHER CURRENT LIABILITIES

	31 March 2026	31 December 2025
Contract liabilities arising from contracts with customers:		
- Advances received	3,462,147	2,138,699
- Customer loyalty	789,558	746,954
- Deferred income	44,179	38,003
Payables to employees	2,497,220	2,156,108
Other current non-financial liabilities	254,748	406,025
	7,047,852	5,485,789

Revenue in the amount of 1,368,847 RSD (31 March 2025: 3,877,482 RSD) recognized in the current reporting period related to the contract liabilities as at 1 January 2026, of which 1,222,138 RSD (31 March 2025: 3,571,593 RSD) related to advances and 146,709 RSD (31 March 2025: 305,889 RSD) to the customer loyalty programme.

17. OTHER TAXES PAYABLE

	31 March 2026	31 December 2025
Mineral extraction tax	522,805	498,409
VAT	3,653,468	1,760,731
Excise tax	7,824,656	3,402,482
Contribution for State commodity reserves	352,741	128,631
Custom duties	19,904	5,468
Energy efficiency fee	37,345	14,636
Other taxes	1,170,223	511,745
	13,581,142	6,322,102

18. LONG-TERM DEBT

	31 March 2026	31 December 2025
Bank loans	43,798,634	46,392,416
Other Long-term borrowings	1,879,457	1,877,203
<i>Less current portion (note 14)</i>	<i>(17,787,204)</i>	<i>(19,245,155)</i>
	27,890,887	29,024,464

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

	Three month period ended 31 March	
	2026	2025
As at 1 January	46,392,416	65,159,107
Proceeds	-	-
Repayment	(2,654,276)	(2,061,296)
Non-cash transactions	6,481	10,173
Foreign exchange difference (note 24)	54,013	107,734
As at 31 March	43,798,634	63,215,718

NIS a.d.**Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026***(All amounts are in 000 RSD, unless otherwise stated)***Bank loans**

	31 March 2026	31 December 2025
Total bank loans	43,798,634	46,392,416
Current portion	(17,787,204)	(19,245,155)
	26,011,430	27,147,261

The maturity of bank loans was as follows:

	31 March 2026	31 December 2025
Between 1 and 2 years	6,335,246	6,323,799
Between 2 and 5 years	19,430,931	20,578,503
Over 5 years	245,253	244,959
	26,011,430	27,147,261

The carrying amounts of bank loans in the amount of 43,798,634 RSD (31 December 2025: 46,392,416 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 March 2026 and 31 December 2025, respectively.

Other long-term borrowings in the amount of 1,879,457 RSD (31 December 2025: 1,877,203 RSD) mainly relate to the corporate bonds.

19. LEASE LIABILITIES

	31 March 2026	31 December 2025
Non-current lease liabilities	1,050,351	1,203,313
Current lease liabilities	584,841	588,832
	1,635,192	1,792,145

Amounts recognized in profit and loss:

	Three month period ended	
	31 March 2026	2025
Interest expense (included in finance cost) (note 26)	15,426	19,427
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	384	1,633
Expense relating to leases of low-value assets that are not shown above as short-term leases	305	280
Expense relating to variable lease payments not included in lease liabilities	350,081	308,852

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

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

	Three month period ended 31 March	
	2026	2025
As at 1 January	1,792,145	1,986,400
Repayment	(186,390)	(148,092)
Non-cash transactions	27,210	79,085
Foreign exchange difference (note 24)	2,227	8,446
As at 31 March	1,635,192	1,925,839

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,358,724 RSD (2025: 12,313,561 RSD) represents deferred consideration in the amount of 865,999 RSD (2025: 864,962 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 11,492,725 RSD (2025: 11,448,599 RSD).

21. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 31 March	
	2026	2025
Employee costs	1,176,687	1,157,528
Materials and supplies (other than O&G and petroleum products)	275,770	328,219
Repair and maintenance services	1,474,025	1,416,607
Electricity for resale	4,925	23,257
Electricity and utilities	1,935,174	2,779,436
Safety and security expense	79,699	288,399
Transportation services for production	340,930	391,631
Other	2,980,007	3,523,598
	8,267,217	9,908,675

Other expenses mainly relate to cost of other goods that have been sold at the petrol stations in the amount of 1,986,320 RSD (2025: 2,458,620 RSD).

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 31 March	
	2026	2025
Employee costs	3,821,227	3,611,274
Commission and agency fees	1,583,766	1,452,686
Legal, audit and consulting services	313,685	360,199
Current repair cost	294,684	377,268
Costs on advertising and marketing	29,689	70,161
Electricity and utilities	329,524	285,656
Rent expense	6,765	1,571
Business trips expense	20,804	32,300
Safety and security expense	271,786	246,959
Insurance expense	19,853	28,057
Transportation and storage	79,946	97,923
Allowance for doubtful accounts	(810)	12,010
Other	1,071,064	1,273,550
	7,841,983	7,849,614

Other expenses in the amount of 1,071,064 RSD (2025: 1,273,550 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

23. OTHER INCOME, NET

	Three month period ended 31 March	
	2026	2025
Penalties	187,626	59,147
Provisions	(36,317)	(12,313)
Impairment of non-financial assets	(1,460)	-
Charity and social payments	(587)	(9,409)
Other	(12,002)	105,618
	137,260	143,043

24. NET FOREIGN EXCHANGE LOSS

	Three month period ended 31 March	
	2026	2025
Foreign exchange gain/(loss) on financing activities including:		
- foreign exchange gain (note 14,18,19,20)	69	14,072
- foreign exchange loss (note 14,18,19,20)	(73,643)	(153,552)
Net foreign exchange gain on operating activities	24,432	13,757
	(49,142)	(125,723)

25. FINANCE INCOME

	Three month period ended 31 March	
	2026	2025
Interest on bank deposits	260,268	245,747
Interest income on loans issued	296,522	288,882
	556,790	534,629

26. FINANCE EXPENSES

	Three month period ended 31 March	
	2026	2025
Interest expense	552,815	773,475
Losses on restructuring of borrowings	7,211	10,173
Decommissioning provision: unwinding of the present value discount	34,625	34,328
Provision of trade and other non-current receivables: discount	(2,073)	24,707
Revaluation of equity investment at fair value - expense	30,077	29,763
Less: amounts capitalised on qualifying assets	-	(8,494)
	622,655	863,952

Interest expense includes expenses on lease liabilities in amount of 15,426 RSD for the three months ended 31 March 2026 (19,427 RSD for the three months ended 31 March 2025, accordingly) (note 19).

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 2025. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 March 2026 the carrying value of financial assets approximates their fair value.

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

(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 March 2026.

Economic environment in the Republic of Serbia

The exacerbation of the geopolitical situation as a result of further developments related to Ukraine has led to increased volatility in commodity and financial markets. This has been further intensified by rising tensions in the Middle East, including risks to energy supply and broader regional stability.

Currently the Company is continuing the assessment of the 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 284,866 RSD (31 December 2025: 290,132 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 March 2026 the Company has entered into contracts to purchase property, plant and equipment in the amount of 3,386,306 RSD (31 December 2025: 3,177,738 RSD).

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

29. RELATED PARTY TRANSACTIONS

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

In the three month period ended 31 March 2026 and in the same period in 2025, 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 three month period ended 31 March 2026***(All amounts are in 000 RSD, unless otherwise stated)*

As at 31 March 2026 and 31 December 2025 the outstanding balances, net of impairment, with the related parties were as follows:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 31 March 2026			
Short-term financial assets	22,401,416	-	-
Trade and other receivables	9,834,269	-	89,349
Other current assets	77,613	-	1,477
Right-of-use assets	122,933	-	(642)
Investments accounted for using equity method	-	-	1,038,800
Trade and other non-current receivables	-	-	173,095
Investments in subsidiaries	36,318,492	-	-
Long-term financial assets	6,049,869	-	-
Other non-current assets	3,782	-	-
Trade and other payables	(8,132,477)	-	(2,108,037)
Other current liabilities	(109,767)	-	(994,979)
Short-term debt	(3,383,622)	-	-
Current lease liabilities	(11,124)	-	-
Long-term debt	(1,175,540)	-	-
Non-current lease liabilities	(118,076)	-	-
Other non-current financial liabilities	(11,492,725)	-	-
	50,385,043	-	(1,800,937)

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
As at 31 December 2025			
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)	-	-
	52,786,672	-	(885,272)

For the three month period ended 31 March 2026 and 31 March 2025 the following transactions occurred with the related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Three month period ended 31 March 2026			
Revenues from sales of products and services	6,664,059	-	31,040
Expenses based on procurement of products and services	(5,442,449)	-	(377,727)
Other income, net	159,279	-	1,236
	1,380,889	-	(345,451)

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Notes to the Interim Condensed Financial Statements for the three month period ended 31 March 2026

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

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

30. EVENTS AFTER THE REPORTING DATE

On 17 April 2026, OFAC issued a specific license (Licence No. MUL- 2025-1447098-5) that postpones the full implementation of sanctions until 16 June 2026.

All events occurring after the reporting date from 31 March 2026 to 17 April 2026, when these Interim Condensed Financial Statements were approved, have been taken into account.

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**Notes to the Interim Condensed Financial Statements for the three month period ended
31 March 2026**

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

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