Naftna industrija Srbije A.D.

Interim Condensed Consolidated Financial Statements (Unaudited)

30 June 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

Contents

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statement of Financial Position	*3*
Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income	*4*
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	*5*
Interim Condensed Consolidated Statement of Cash Flows	*6*

Notes to the Interim Condensed Consolidated Financial Statements

1.	General Information	*7*
2.	Summary of Material Accounting Policies	*7*
3.	Segment Information	*9*
4.	Cash and Cash Equivalents	*12*
5.	Short-term Financial Assets	*12*
6.	Trade and Other Receivables	*12*
7.	Inventories	*12*
8.	Other Current Assets	*13*
9.	Property, Plant and Equipment	*14*
10.	Right-of-use Assets	*15*
11.	Other Non-Current Assets	*15*
12.	Short-term Debt and Current Portion of Long-term Debt	*15*
13.	Trade and Other Payables	*15*
14.	Other Current Liabilities	*15*
15.	Other Taxes Payable	*16*
16.	Long-term Debt	*16*
17.	Lease Liabilities	*17*
18.	Production, Manufacturing and Cost of Other Sales	*17*
19.	Selling, General and Administrative Expenses	*18*
20.	Other Income/(expense), net	*18*
21.	Net Foreign Exchange Loss	*18*
22.	Finance Income	*19*
23.	Finance Expenses	*19*
24.	Income Tax	*19*
25.	Fair Value Measurement	*20*
26.	Contingencies and Commitments	*20*
27.	Group Structure	*20*
28.	Related Party Transactions	*21*
29.	Events After the Reporting Date	*22*

Contact Information	*23*

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

	Note	30 June 2026	31 December 2025
Assets		*(unaudited)*	
Current assets			
Cash and cash equivalents	4	29,403,169	30,520,104
Short-term financial assets	5	19,331	34,985
Trade and other receivables	6	17,761,709	20,672,647
Inventories	7	75,230,373	39,147,248
Current income tax prepayments		193	2,371,203
Other current assets	8	11,859,467	8,987,071
Assets classified as held for sale		144,618	135,697
Total current assets		**134,418,860**	**101,868,955**
Non-current assets			
Property, plant and equipment	9	327,331,029	336,511,853
Right-of-use assets	10	3,185,708	3,663,603
Investment property		1,620,927	1,664,931
Goodwill and other intangible assets		6,207,232	6,249,956
Investments in joint ventures		3,089,285	3,394,511
Trade and other non-current receivables		1,093,137	1,163,843
Long-term financial assets		104,585	104,398
Deferred tax assets		5,797,453	5,336,771
Other non-current assets	11	1,746,311	2,048,680
Total non-current assets		**350,175,667**	**360,138,546**
Total assets		**484,594,527**	**462,007,501**
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	12	17,876,520	19,373,727
Current lease liabilities	17	893,015	1,150,161
Trade and other payables	13	20,546,615	18,731,371
Other current liabilities	14	10,287,096	7,043,254
Current income tax payable		2,626,892	12,877
Other taxes payable	15	15,886,558	7,345,094
Provisions for liabilities and charges		2,514,408	2,538,201
Current portion of other non-current financial liabilities		29,568	29,176
Total current liabilities		**70,660,672**	**56,223,861**
Non-current liabilities			
Long-term debt	16	25,940,211	28,045,208
Non-current lease liabilities	17	1,432,118	2,063,674
Other non-current financial liabilities		849,616	864,962
Deferred tax liabilities		3,978	3,975
Long-term trade and other payables		144,077	9,125
Provisions for liabilities and charges		14,660,376	14,190,785
Total non-current liabilities		**43,030,376**	**45,177,729**
Equity			
Share capital		81,530,200	81,530,200
Reserves		1,506,216	1,034,247
Retained earnings		289,300,522	279,323,541
Equity attributable to the Company's owners		**372,336,938**	**361,887,988**
Non-controlling interest		(1,433,459)	(1,282,077)
Total equity		**370,903,479**	**360,605,911**
Total liabilities and shareholder's equity		**484,594,527**	**462,007,501**

Kirill Tyurdenev
Chief Executive Officer
28 July 2026

Anton Cherepanov
Chief Financial Officer

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

NIS Group
Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

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

	Note	Three month period ended 30 June 2026	Three month period ended 30 June 2025	Six month period ended 30 June 2026	Six month period ended 30 June 2025
		(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Sales of petroleum products, oil and gas		98,359,980	67,575,226	160,902,569	134,390,329
Other revenues		7,187,047	5,938,459	10,815,881	11,426,196
Total revenue from sales	**3**	**105,547,027**	**73,513,685**	**171,718,450**	**145,816,525**
Purchases of oil, gas and petroleum products		(57,914,260)	(48,334,249)	(91,870,257)	(88,947,569)
Production, manufacturing and cost of other sales	18	(12,349,924)	(12,096,723)	(22,685,348)	(24,489,744)
Selling, general and administrative expenses	19	(8,692,764)	(8,762,092)	(17,007,739)	(17,349,229)
Transportation expenses		(322,561)	(369,032)	(592,962)	(785,099)
Depreciation, depletion and amortization		(7,347,805)	(7,481,847)	(14,677,452)	(14,740,739)
Taxes other than income tax		(2,355,042)	(2,280,400)	(4,772,454)	(4,529,905)
Exploration expenses		(32)	-	(32)	(10)
Total operating expenses		**(88,982,388)**	**(79,324,343)**	**(151,606,244)**	**(150,842,295)**
Other income/(expenses), net	20	(6,244,393)	(49,804)	(6,000,430)	1,240,449
Operating profit/(loss)		**10,320,246**	**(5,860,462)**	**14,111,776**	**(3,785,321)**
Share of profit/(loss) in joint ventures		(393,008)	(48,496)	(305,226)	527,476
Net foreign exchange loss	21	(700,640)	(547,210)	(722,335)	(613,851)
Finance income	22	248,260	212,702	514,244	464,739
Finance expenses	23	(817,843)	(750,825)	(1,399,492)	(1,575,674)
Total other expense		**(1,663,231)**	**(1,133,829)**	**(1,912,809)**	**(1,197,310)**
Profit/(loss) before income tax		**8,657,015**	**(6,994,291)**	**12,198,967**	**(4,982,631)**
Current income tax		(1,834,183)	1,744,595	(2,817,539)	937,941
Deferred income tax		227,166	145,799	460,682	438,475
Total income tax	**24**	**(1,607,017)**	**1,890,394**	**(2,356,857)**	**1,376,416**
Profit/(loss) for the period		**7,049,998**	**(5,103,897)**	**9,842,110**	**(3,606,215)**
Other comprehensive income/(loss):					
Items that will not be reclassified to profit/(loss)					
Gain/(Loss) from investments in equity instruments		-	-	-	-
		-	-	-	-
Items that may be subsequently reclassified to profit					
Currency translation differences		475,684	303,647	455,458	274,803
		475,684	303,647	455,458	274,803
Other comprehensive income for the period		**475,684**	**303,647**	**455,458**	**274,803**
Total comprehensive income/(loss) for the period		**7,525,682**	**(4,800,250)**	**10,297,568**	**(3,331,412)**
Profit/(loss) attributable to:					
- Shareholders of Naftna Industrija Srbije		7,029,683	(4,838,149)	9,993,492	(3,139,847)
- Non-controlling interest		20,315	(265,748)	(151,382)	(466,368)
Profit/(loss) for the period		**7,049,998**	**(5,103,897)**	**9,842,110**	**(3,606,215)**
Total comprehensive income/(loss) attributable to:					
- Shareholders of Naftna Industrija Srbije		7,505,367	(4,534,502)	10,448,950	(2,865,044)
- Non-controlling interest		20,315	(265,748)	(151,382)	(466,368)
Total comprehensive income/(loss) for the period		**7,525,682**	**(4,800,250)**	**10,297,568**	**(3,331,412)**
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		43.11	(29.67)	61.29	(19.26)
Weighted average number of ordinary shares in issue (in millions)		163	163	163	163

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

NIS Group
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
Six month period ended 30 June 2026 and 2025
(All amounts are in 000 RSD, unless otherwise stated)

(unaudited)	Equity attributable to the Company's owners					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2025	**81,530,200**	**741,832**	**288,538,150**	**370,810,182**	**(254,221)**	**370,555,961**
Loss for the period	-	-	(3,139,847)	(3,139,847)	(466,368)	(3,606,215)
Other comprehensive income						
Currency translation differences	-	274,803	-	274,803	-	274,803
Total comprehensive income/(loss) for the period	**-**	**274,803**	**(3,139,847)**	**(2,865,044)**	**(466,368)**	**(3,331,412)**
Dividend distribution	-	-	(4,595,042)	(4,595,042)	-	(4,595,042)
Balance as at 30 June 2025	**81,530,200**	**1,016,635**	**280,803,261**	**363,350,096**	**(720,589)**	**362,629,507**

(unaudited)	Equity attributable to the Company's owners					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2026	**81,530,200**	**1,034,247**	**279,323,541**	**361,887,988**	**(1,282,077)**	**360,605,911**
Profit/(loss) for the period	-	-	9,993,492	9,993,492	(151,382)	9,842,110
Other comprehensive income						
Currency translation differences	-	455,458	-	455,458	-	455,458
Total comprehensive income/(loss) for the period	**-**	**455,458**	**9,993,492**	**10,448,950**	**(151,382)**	**10,297,568**
Other	-	16,511	(16,511)	-	-	-
Balance as at 30 June 2026	**81,530,200**	**1,506,216**	**289,300,522**	**372,336,938**	**(1,433,459)**	**370,903,479**

NIS Group
Interim Condensed Consolidated Statement of Cash Flows[1]
(All amounts are in 000 RSD, unless otherwise stated)

	Note	Six month period ended 30 June 2026 *(unaudited)*	Six month period ended 30 June 2025 *(unaudited)*
Cash flows from operating activities			
Profit/(loss) before income tax		**12,198,967**	**(4,982,631)**
Adjustments for:			
Share of (profit)/loss in joint ventures		305,226	(527,476)
Finance expenses	23	1,399,492	1,575,674
Finance income	22	(514,244)	(464,739)
Unrealised foreign exchange loss, net		363,154	428,999
Depreciation, depletion and amortization		14,677,452	14,740,739
Impairment of non-current assets		6,432,251	75,493
Other non-cash items		620,561	(845,111)
Operating cash flow before changes in working capital		**35,482,859**	**10,000,948**
Changes in working capital:			
Trade and other receivables		2,993,073	8,680,127
Inventories		(36,147,060)	(13,437,420)
Other current assets		(2,802,926)	1,542,099
Trade payables and other current liabilities		6,898,140	(3,524,602)
Other taxes payable		11,231,374	393,535
Total effect on working capital changes		**(17,827,399)**	**(6,346,261)**
Income taxes paid		(526,002)	(1,111,425)
Interest paid		(1,027,781)	(1,369,653)
Interest received		480,346	529,398
		(1,073,437)	**(1,951,680)**
Net cash generated by operating activities		**16,582,023**	**1,703,007**
Cash flows from investing activities			
Capital expenditures[2]		(13,336,716)	(13,944,442)
Proceeds from sale of property, plant and equipment		69,840	530,398
Bank deposits repayment, net		-	(752,711)
Other outflow		(11,714)	-
Net cash used in investing activities		**(13,278,590)**	**(14,166,755)**
Cash flows from financing activities			
Proceeds from borrowings	16	892,654	-
Repayment of borrowings	16	(4,581,490)	(4,969,660)
Repayment of lease liabilities	17	(670,155)	(507,830)
Net cash used in financing activities		**(4,358,991)**	**(5,477,490)**
Net decrease in cash and cash equivalents		(1,055,558)	(17,941,238)
Effect of foreign exchange on cash and cash equivalents		(61,377)	(152,262)
Cash and cash equivalents as of the beginning of the period		**30,520,104**	**40,736,335**
Cash and cash equivalents as of the end of the period	**4**	**29,403,169**	**22,642,835**

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

[1] Group policy is to present cash flow inclusive of related VAT.
[2] CF from investing activities includes VAT in the amount of 1.68 bln RSD (2025: 1.61 bln RSD)

1. GENERAL INFORMATION

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

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

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

For the six month period ended 30 June 2026, the Group recorded a net profit. The Group maintained a high level of positive EBITDA, reflecting the resilience of its core operations and the ability to generate operational cash flows. Management has considered this performance in its assessment of the Group's ability to continue as a going concern and in planning mitigating actions to address potential operational and financial challenges arising from sanctions and supply disruptions (refer to note 2.3. Implication of imposed US Sanctions).

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

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

In 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 26) due to the geopolitical situation. Due to that during the first half of 2026 the Group didn't review the critical accounting estimates which are used by the Group in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rate. 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 Group continues monitoring the development of macroeconomic situation and the emergence of a possibility to evaluate the indicators mentioned above with reasonable certainty.

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

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

The amendments to existing standards, which became effective on January 1, 2026, did not have a material impact on the condensed Interim Consolidated Financial Statements.

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

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2025, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in these Interim Condensed Consolidated Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Consolidated Financial Statements are read in conjunction with the Group’s Consolidated Financial Statements for 2025.

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

2.2. Changes in significant accounting policies

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

2.3. Implication of imposed US Sanctions

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

Following the designation, the U.S. Office of Foreign Assets Control (“OFAC”) issued a series of specific licenses which allowed the Group 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 Group’s financial position, results of operations and cash flows cannot be reliably estimated as at the reporting date.

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

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

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

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

On 30 June 2026, OFAC issued a specific license (Licence No. MUL- 2025-1447098-7) that postpones the full implementation of sanctions until 31 July 2026.

3. SEGMENT INFORMATION

Presented below is information about the Group’s operating segments for the six month period ended 30 June 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 Group manages its operations in 2 operating segments: Upstream and Downstream.

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

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

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

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

Reportable segment results for the six month period ended 30 June 2026 are shown in the table below:

		DWS			
	Upstream	**Downstream**	**Petrochemical**	**Eliminations**	**Total**
Segment revenue	27,405,590	160,907,577	11,316,241	(27,910,958)	171,718,450
Intersegment	26,166,807	1,744,151	-	(27,910,958)	-
External	1,238,783	159,163,426	11,316,241	-	171,718,450
Adjusted EBITDA (Segment results)	**17,960,209**	**18,091,236**	**(917,127)**	**-**	**35,134,318**
Depreciation, depletion and amortization	(7,896,575)	(6,397,745)	(383,132)	-	(14,677,452)
Impairment of non-financial assets (note 20)	(6,153,750)	(278,501)	-	-	(6,432,251)
Share of loss in joint ventures	-	(305,226)	-	-	(305,226)
Net foreign exchange loss	(392,549)	(311,309)	(18,477)	-	(722,335)
Finance expenses, net	(393,264)	(488,517)	(3,467)	-	(885,248)
Income tax	(138,549)	(2,226,590)	8,282	-	(2,356,857)
Segment profit/(loss)	2,984,394	8,371,534	(1,513,818)	-	9,842,110

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

		DWS			
	Upstream	**Downstream**	**Petrochemical**	**Eliminations**	**Total**
Segment revenue	23,713,397	137,538,287	9,290,760	(24,725,919)	145,816,525
Intersegment	23,130,600	1,595,319	-	(24,725,919)	-
External	582,797	135,942,968	9,290,760	-	145,816,525
Adjusted EBITDA (Segment results)	**14,859,143**	**(595,876)**	**(4,071,653)**	**-**	**10,191,614**
Depreciation, depletion and amortization	(7,675,755)	(6,663,581)	(401,403)	-	(14,740,739)
Share of profit in joint ventures	-	527,476	-	-	527,476
Net foreign exchange loss	(248,517)	(357,342)	(7,992)	-	(613,851)
Finance expenses, net	(289,177)	(820,140)	(1,618)	-	(1,110,935)
Income tax	(8,219)	1,417,251	(32,616)	-	1,376,416
Segment profit/(loss)	7,478,727	(6,421,265)	(4,663,677)	-	(3,606,215)

Adjusted EBITDA for the three and six month period ended 30 June 2026 and 2025 is reconciled below:

	Three month period ended 30 June		**Six month period ended 30 June**	
	2026	**2025**	**2026**	**2025**
Profit/(loss) for the period	7,049,998	(5,103,897)	9,842,110	(3,606,215)
Income tax	1,607,017	(1,890,394)	2,356,857	(1,376,416)
Finance expenses	817,843	750,825	1,399,492	1,575,674
Finance income	(248,260)	(212,702)	(514,244)	(464,739)
Depreciation, depletion and amortization	7,347,805	7,481,847	14,677,452	14,740,739
Share of (profit)/loss in joint ventures	393,008	48,496	305,226	(527,476)
Net foreign exchange loss	700,640	547,210	722,335	613,851
Other (income)/expenses, net	6,244,393	49,804	6,000,430	(1,240,449)
Other non-operating expense, net	193,708	2,125	344,660	476,645
Adjusted EBITDA	**24,106,152**	**1,673,314**	**35,134,318**	**10,191,614**

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

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

For the purpose of providing a better understanding of the Group's underlying performance, the table below presents an analysis of the consolidated result for the six month period ended 30 June 2026 and 30 June 2025. The analysis shows the Group's result before one-off items related to impairment losses, as well as the Group's result excluding the impact of the result of HIP Petrohemija, which is included in the consolidated result of the Group.

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

	Six month period ended 30 June	
	2026	**2025**
Group profit/(loss) for the period	**9,842,110**	**(3,606,215)**
Impairment of asset in Petrol Bulgaria (note 9)	273,135	-
Impairment of asset in Petrol Romania (note 9)	6,046,607	-
Income tax effect	(1,156,075)	-
Group profit/(loss) for the period before impairment loss	**15,005,777**	**(3,606,215)**
Loss of HIP Petrohemija	1,513,818	4,663,677
Group profit for the period before impairment loss and loss of HIP Petrohimija	**16,519,595**	**1,057,462**

During the six-month period ended 30 June 2026, the Group recognised impairment losses in respect of certain assets related to its operations in Romania and Bulgaria.

The impairment relating to Romania in the amount of 6,046,607 RSD (note 9) reflects an updated assessment of the recoverable amount, considering the terms of the signed sales agreement (note 27). The impairment relating to NIS Petrol Bulgaria in the amount of 273,135 RSD reflects an updated assessment of the recoverable amount, considering changes in the net assets subject to the transaction and the resulting affect on the estimated consideration.

These assessments are based on the information and estimates available as at the reporting date and may be updated as the respective transactions progress.

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

	Six month period ended 30 June	
	2026	**2025**
Sale of crude oil	4,396,805	71,736
Sale of gas	369,474	78,543
Wholesale activities	369,474	78,543
Sale of petroleum products	144,868,873	124,986,268
Through a retail network	54,429,838	52,045,885
Wholesale activities	90,439,035	72,940,383
Sale of petrochemical products	11,267,417	9,253,782
Sale of electricity	485,943	271,649
Lease revenue	217,691	194,278
Other sales	10,112,247	10,960,269
Total sales	**171,718,450**	**145,816,525**

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 6,341,925 RSD (2025: 7,842,517 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.

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

4. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Cash in bank and in hand	7,651,776	7,205,585
Deposits with original maturity of less than three months	21,390,691	22,956,223
Cash equivalents	2,891	3,386
Restricted cash	357,811	354,910
	29,403,169	**30,520,104**

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

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

5. SHORT-TERM FINANCIAL ASSETS

	30 June 2026	31 December 2025
Short-term loans	21,511	37,165
Less impairment loss provision	(2,180)	(2,180)
	19,331	**34,985**

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

6. TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
Trade receivables	24,764,516	27,908,744
Other receivables	76,723	81,967
Less impairment provision for trade receivables	(7,051,234)	(7,287,871)
Less impairment provision for other receivables	(28,296)	(30,193)
	17,761,709	**20,672,647**

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

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

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

7. INVENTORIES

	30 June 2026	31 December 2025
Crude oil	35,517,424	13,981,138
Petroleum products	33,207,916	19,341,142
Materials and supplies	10,228,077	9,512,526
Other	1,391,409	1,455,893
Less impairment provision	(5,114,453)	(5,143,451)
	75,230,373	**39,147,248**

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

8. OTHER CURRENT ASSETS

	30 June 2026	31 December 2025
Advances paid	1,132,482	3,415,521
VAT receivables	389,837	120,031
Deferred VAT	2,837,597	1,298,915
Prepaid expenses	382,730	251,405
Prepaid custom duties	103,980	101,351
Prepaid excise	6,502,060	3,107,734
Other current assets	8,018,979	8,195,797
Less impairment provision	(7,508,198)	(7,503,683)
	11,859,467	**8,987,071**

Deferred VAT as at 30 June 2026 amounting to 2,837,597 RSD (31 December 2025: 1,298,915 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 30 June 2026 amounting to 6,502,060 RSD (31 December 2025: 3,107,734 RSD) relates to the excise paid for the finished products stored in the non-excise warehouse and the excise paid for the imported products used in the further production process, which will be refunded in the near future.

(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	299,265,216	195,730,709	90,057,695	17,638,578	35,444,290	638,136,488
Depreciation and impairment	(139,354,096)	(103,927,380)	(46,114,466)	(10,066,808)	(2,161,885)	(301,624,635)
Net book value	**159,911,120**	**91,803,329**	**43,943,229**	**7,571,770**	**33,282,405**	**336,511,853**
Period ended 30 June 2026						
Additions	11,505,490	1,296,781	3,352,576	328,610	(5,035,759)	11,447,698
Changes in decommissioning obligations	149,327	-	-	-	-	149,327
Impairment (note 20)	(2,557,128)	-	(273,135)	-	(3,598,666)	(6,428,929)
Depreciation	(7,549,546)	(4,613,227)	(1,504,487)	(262,793)	-	(13,930,053)
Transfer from investment property	18,513	-	-	28,621	-	47,134
Transfer to non-current assets held for sale	-	-	-	(2,457)	-	(2,457)
Disposals and write-off	(62,755)	(1,334)	(13,202)	(10)	(5)	(77,306)
Other transfers	(43,950)	(173)	(559)	670	(70,716)	(114,728)
Translation differences	(128,682)	-	(45,809)	-	(97,019)	(271,510)
	161,242,389	**88,485,376**	**45,458,613**	**7,664,411**	**24,480,240**	**327,331,029**
As at 30 June 2026						
Cost	311,040,423	197,196,085	93,119,667	17,845,316	30,148,424	649,349,915
Depreciation and impairment	(149,798,034)	(108,710,709)	(47,661,054)	(10,180,905)	(5,668,184)	(322,018,886)
Net book value	**161,242,389**	**88,485,376**	**45,458,613**	**7,664,411**	**24,480,240**	**327,331,029**

As at 30 June 2026, the Group assessed indicators of impairment for its cash-generating units (“CGUs”). Based on this assessment, the Group recognized impairment losses of 6,428,929 RSD. The impairment mainly relates to the Marketing asset 273,135 RSD, Oil & Gas Assets 2,557,128 and Assets under Construction within the Oil & Gas segment 3,489,479 RSD and reflects indications that the expected recoverable amounts of these assets are lower than their carrying (note 3 and 20). These assessments involve significant judgment and are subject to ongoing reassessment.

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

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the six month period ended 30 June 2026 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2026	**99,340**	**1,051,238**	**571,782**	**1,941,243**	**3,663,603**
Additions	5,982	6,494	38,837	65,039	116,352
Depreciation	(5,132)	(99,190)	(106,697)	(156,669)	(367,688)
Disposals	-	(161,400)	(61)	(62,580)	(224,041)
Effect of contract modifications and changes in estimates	-	-	-	(262)	(262)
Foreign currency translation	(2,405)	140	-	9	(2,256)
As at 30 June 2026	**97,785**	**797,282**	**503,861**	**1,786,780**	**3,185,708**

11. OTHER NON-CURRENT ASSETS

	30 June 2026	31 December 2025
Advances paid for PPE	1,262,400	1,527,977
Prepaid expenses	48,938	56,818
Other assets	891,766	921,728
Less allowance for other assets	(272,841)	(273,895)
Less allowance for advances paid	(183,952)	(183,948)
	1,746,311	**2,048,680**

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

	30 June 2026	31 December 2025
Interest liabilities	166,185	128,572
Current portion of long-term loans (note 16)	17,710,335	19,245,155
	17,876,520	**19,373,727**

13. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
Trade payables	13,151,556	11,240,739
Dividends payable	5,844,191	5,844,191
Other accounts payable	1,550,868	1,646,441
	20,546,615	**18,731,371**

14. OTHER CURRENT LIABILITIES

	30 June 2026	31 December 2025
Contract liabilities arising from contracts with customers:		
- Advances received	3,646,779	2,092,821
- Customer loyalty	920,613	804,379
- Deferred income	103,769	75,828
Payables to employees	5,413,257	3,615,606
Other current non-financial liabilities	202,678	454,620
	10,287,096	**7,043,254**

Revenue in the amount of 1,827,972 RSD recognized in the current reporting period (30 June 2025: 4,841,977 RSD) related to the contract liabilities as at 1 January 2026, of which 1,554,505 RSD (30 June 2025: 4,352,061 RSD) related to advances and 273,467 RSD (30 June 2025: 489,916 RSD) to the customer loyalty programme.

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

15. OTHER TAXES PAYABLE

	30 June 2026	31 December 2025
Mineral extraction tax	489,979	501,157
VAT	5,283,242	2,464,268
Excise tax	7,377,552	3,403,527
Contribution for State commodity reserves	318,936	128,631
Custom duties	190,046	7,499
Energy efficiency fee	37,510	15,063
Other taxes	2,189,293	824,949
	15,886,558	**7,345,094**

16. LONG-TERM DEBT

	30 June 2026	31 December 2025
Bank loans	42,746,016	46,392,417
Other long-term borrowings	904,530	897,946
Less current portion (note 12)	(17,710,335)	(19,245,155)
	25,940,211	**28,045,208**

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

	Six month period ended 30 June 2026	2025
Long-term loans at 1 January	**46,392,417**	**65,159,107**
Proceeds	892,654	-
Repayment	(4,581,490)	(4,969,660)
Non-cash transactions	8,072	17,792
Foreign exchange difference	34,363	88,338
Long-term loans at 30 June	**42,746,016**	**60,295,577**

Bank loans

	30 June 2026	31 December 2025
Total bank loans	42,746,016	46,392,417
Current portion	(17,710,335)	(19,245,155)
	25,035,681	**27,147,262**

The maturity of bank loans was as follows:

	30 June 2026	31 December 2025
Between 1 and 2 years	9,621,464	6,323,800
Between 2 and 5 years	15,296,162	20,578,503
Over 5 years	118,055	244,959
	25,035,681	**27,147,262**

The carrying amounts of bank loans in the amount of 42,746,016 RSD (31 December 2025: 46,392,417 RSD) are denominated in EUR.

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

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

The loan agreements contain financial covenants that require the Group to maintain a ratio of Consolidated Indebtedness to Consolidated EBITDA (note 3). Management believes the Group is in compliance with these covenants as of 30 June 2026 and 31 December 2025 respectively.

Other long-term borrowings in the amount of 904,530 RSD (31 December 2025: 897,946 RSD) mainly relate to the corporate bonds.

17. LEASE LIABILITIES

	30 June 2026	31 December 2025
Non-current lease liabilities	1,432,118	2,063,674
Current lease liabilities	893,015	1,150,161
	2,325,133	**3,213,835**

Amounts recognized in profit and loss:

	Six month period ended 30 June	
	2026	2025
Interest expense (included in finance cost) (note 23)	61,446	73,579
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	38,513	59,858
Expense relating to leases of low value assets that are not shown above as short-term leases	37,148	35,643
Expense relating to variable lease payments not included in lease liabilities	1,259,061	1,226,135

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

	Six month period ended 30 June	
	2026	2025
As at 1 January	**3,213,835**	**3,554,987**
Repayment	(670,155)	(507,830)
Non-cash transactions	(214,860)	204,076
Foreign exchange difference	(3,687)	6,706
As at 30 June	**2,325,133**	**3,257,939**

18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 30 June		Six month period ended 30 June	
	2026	2025	2026	2025
Employee costs	3,969,977	3,834,388	7,804,157	7,467,659
Materials and supplies (other than O&G and petroleum products)	1,018,280	1,005,810	1,898,352	1,959,578
Repair and maintenance services	1,190,123	1,040,082	2,180,729	2,186,802
Electricity for resale	19,480	21,680	24,405	45,285
Electricity and utilities	4,042,454	3,806,623	7,605,629	8,152,460
Safety and security expense	145,183	174,887	185,860	442,949
Transportation services for production	185,331	187,960	344,643	362,618
Other	1,779,096	2,025,293	2,641,573	3,872,393
	12,349,924	**12,096,723**	**22,685,348**	**24,489,744**

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

19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Employee costs	6,107,181	5,951,324	12,117,366	11,680,822
Commission and agency fees	134,651	193,982	267,535	393,102
Legal, audit and consulting services	208,083	225,222	354,407	460,663
Current repair and maintenance cost	594,135	581,602	1,004,469	1,120,826
Cost of advertising, marketing and sponsorship	200,555	262,156	348,540	442,795
Electricity and utilities	213,293	209,287	590,405	546,124
Rent expense	7,264	18,187	18,562	29,271
Business trips expense	30,476	34,111	52,968	81,277
Safety and security expense	329,781	311,663	631,906	597,778
Insurance expense	22,840	18,759	45,305	50,554
Transportation and storage	56,427	60,396	111,063	126,507
Allowance for doubtful accounts	(5,881)	(71,946)	(4,916)	(57,394)
Other	793,959	967,349	1,470,129	1,876,904
	8,692,764	**8,762,092**	**17,007,739**	**17,349,229**

Other expenses in the amount of 1,470,129 RSD (2025: 1,876,904 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

20. OTHER INCOME/(EXPENSE), NET

	Three month period ended 30 June		Six month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Penalties	110,124	64,397	292,822	35,046
(Charge)/release of provisions (legal, environmental, etc.), net	(15,984)	(8,216)	(84,063)	1,156,978
Impairment of non-financial assets (note 9)	(6,430,791)	(75,493)	(6,432,251)	(75,493)
Gain from write-off of accounts payable	20,636	1,276	146,050	3,377
ARO - Change in estimate	(876)	-	(5,083)	-
Charity and social payments	(6,928)	(1,144)	(7,515)	(10,643)
Other	79,426	(30,624)	89,610	131,184
	(6,244,393)	**(49,804)**	**(6,000,430)**	**1,240,449**

21. NET FOREIGN EXCHANGE LOSS

	Three month period ended 30 June		Six month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Foreign exchange gain/(loss) on financing activities including:				
- foreign exchange gain	19,902	104,121	31,462	134,347
- foreign exchange loss	(600,142)	(80,381)	(671,727)	(229,391)
Net foreign exchange loss on operating activities	(120,400)	(570,950)	(82,070)	(518,807)
	(700,640)	**(547,210)**	**(722,335)**	**(613,851)**

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

22. FINANCE INCOME

	Three month period ended 30 June		Six month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Interest on bank deposits	243,315	209,497	507,305	457,937
Interest income on loans issued	1,720	3,205	3,714	6,802
Gains on restructuring of borrowings	3,225	-	3,225	-
	248,260	**212,702**	**514,244**	**464,739**

23. FINANCE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Interest expense	622,014	729,687	1,152,861	1,523,747
Losses on restructuring of borrowings	4,816	7,619	11,297	17,792
Decommissioning provision: unwinding of the present value discount	196,713	36,204	241,721	72,039
Provision of trade and other non-current receivables: discount	(5,700)	(22,685)	(6,387)	(29,410)
Less: amounts capitalised on qualifying assets	-	-	-	(8,494)
	817,843	**750,825**	**1,399,492**	**1,575,674**

Interest expense includes expenses on lease liabilities in the amount of 61,446 RSD for the six month period ended 30 June 2026 (73,579 RSD for the six month period ended 30 June 2025 accordingly) (Note 17).

24. INCOME TAX

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

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

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

	Six month period ended 30 June	
	2026	**2025**
Current income tax effect	(2,810,892)	(730,226)
Effect of tax consolidation (2024)	-	1,668,167
Other adjustments of prior year	(6,647)	-
Deferred income tax	460,682	438,475
Total income tax	**(2,356,857)**	**1,376,416**

25. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Consolidated Financial Statements: investment properties, financial investments classified as available for sale and other non-current financial assets and liabilities. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Consolidated Financial Statements as of 31 December 2025. There were no transfers between the levels of the fair value hierarchy during 2026.

As of 30 June 2026 the carrying value of financial assets approximates their fair value.

26. CONTINGENCIES AND COMMITMENTS

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As a result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 30 June 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 Group is continuing the assessment of the sanctions' impact on the Group's operations.

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

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia's environmental legislation as at the reporting date, the Group's management recognised an environmental provision in the amount of 292,253 RSD (31 December 2025: 302,404 RSD).

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

Capital commitments

As of 30 June 2026 the Group has entered into contracts to purchase property, plant and equipment in the amount of 3,432,714 RSD (31 December 2025: 3,177,738 RSD).

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

27. GROUP STRUCTURE

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

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

Operations in Bulgaria and Romania

During the second quarter of 2026, the Board of Directors approved the sale of the Group's entire equity interest in NIS Petrol Romania, and the Group entered into a share purchase agreement with the purchaser.

The sale process relating to NIS Petrol Bulgaria, as previously disclosed, remains ongoing.

Completion of both transactions is subject to the fulfilment of the applicable conditions precedent set out in the respective agreements, including obtaining the requisite licences from the U.S. Office of Foreign Assets Control ("OFAC"). As at 30 June 2026, activities related to the fulfilment of these conditions were ongoing and neither transaction had been completed.

28. RELATED PARTY TRANSACTIONS

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

In the six month period ended 30 June 2026 and in the same period in 2025, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to the supply/delivery petroleum products and energy.

As at 30 June 2026 and 31 December 2025 the outstanding balances, presented net of impairment, with the related parties were as follows:

	Parent company	Parent's subsidiaries and associates	Joint venture
As at 30 June 2026			
Short-term financial assets	-	19,491	-
Trade and other receivables	-	546,306	536
Other current assets	-	1,477	-
Investments in joint venture	-	-	3,089,285
Trade and other non-current receivables	-	-	1,026,729
Trade and other payables	-	(2,077,885)	-
Other current liabilities	-	(746,010)	(157)
	-	**(2,256,621)**	**4,116,393**
As at 31 December 2025			
Short-term financial assets	-	35,145	-
Trade and other receivables	-	164,416	17,759
Other current assets	-	1,477	-
Investments in joint venture	-	-	3,394,511
Trade and other non-current receivables	-	-	1,013,125
Trade and other payables	-	(2,078,671)	(188,575)
Other current liabilities	-	(329)	(213)
	-	**(1,877,962)**	**4,236,607**

For the six month period ended 30 June 2026 and 2025 the following transactions occurred with the related parties:

	Parent	Parent's subsidiaries and associates	Joint venture
Six month period ended 30 June 2026			
Revenues from sales of products and services	-	982,464	30,586
Expenses based on procurement of products and services	-	(142)	(365,944)
Other income, net	-	715	1,110
	-	**983,037**	**(334,248)**

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

Six month period ended 30 June 2025			
Revenues from sales of products and services	-	437,710	90,067
Expenses based on procurement of products and services	-	(161,353)	(1,129,822)
Other income, net	-	1,828	1,640
	-	**278,185**	**(1,038,115)**

29. EVENTS AFTER THE REPORTING DATE

All events occurring after the reporting date from 30 June 2026 to 28 July 2026, when these Interim Condensed Consolidated Financial Statements were approved, have been taken into account.

NIS Group
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