NIS

QUARTERLY REPORT FOR SECOND QUARTER OF 2026

The Quarterly Report for Second Quarter of 2026 presents a factual overview of the NIS Group's activities, development and performance in second quarter of 2026 and the first six months of 2026.

The Report covers and presents data for the NIS Group, comprising NIS j.s.c. Novi Sad and its subsidiaries. If the data pertain only to specific individual subsidiaries or only to NIS j.s.c. Novi Sad, it is duly noted in the Report. The terms: 'NIS j.s.c. Novi Sad' and 'the Company' denote the parent company NIS j.s.c. Novi Sad, whereas the terms 'NIS' and 'NIS Group' denote NIS j.s.c. Novi Sad with its subsidiaries.

The Quarterly Report for Second Quarter of 2026 is compiled in the Serbian, English and Russian language. In case of any discrepancy, the Serbian version shall prevail.

The Quarterly Report for Second Quarter of 2026 is available online on the corporate website. Additional information on the NIS Group can be found on the corporate website www.nis.rs.

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Foreword

Over an extended period of time, the NIS Group has been operating under extremely complex circumstances, which were additionally burdened in the last half-year by developments in the global oil market. In response to these challenges, the NIS Group opted for strict financial discipline and operational cost optimisation, while maintaining the funding of strategically important projects. Furthermore, NIS's priorities remained the stable supply of all types of petroleum products to the domestic market and the preservation of the social stability of its employees.

Owing to the measures taken, the NIS Group achieved a net profit of RSD 9.8 billion in the first half of the current year, while the EBITDA indicator stood at RSD 35.1 billion. In addition to the programmes for maintaining business efficiency, the achieved results were also affected by the rise in crude oil and petroleum product prices, as well as the positive effect of lower-cost inventories, generating higher sales revenues. The average price of Brent crude oil in the first six months was USD 92.6 per barrel, while it amounted to USD 71.7 per barrel in the same period last year.

It is important to note that NIS continued investing in capital projects this year as well, with the volume of investments for the reporting period amounting to RSD 11.8 billion. Positive operating cash flow stands at RSD 16.6 billion, while the total indebtedness to banks decreased compared to the same period last year and amounts to EUR 364.9 million. Accrued liabilities arising from public revenues of the NIS Group reached RSD 101.4 billion in the first six months of the current year.

As regards operational results, oil and gas production in the first six months amounted to 554.4 thousand tons of oil equivalent. The volume of crude oil and semi-finished products refining stood at 1.6 million tons of oil, while the total sales volume of petroleum products in the first half of 2026 amounted to 1.4 million tons.

Notwithstanding complex circumstances, NIS continued pursuing social responsibility programmes and projects that are relevant for the community and youth. The 18th annual competition within the “Common Cause Community” social responsibility program was launched, with a budget of RSD 144.5 million to fund projects in key local communities where NIS operates. Furthermore, NIS published its 16th consecutive Sustainable Development Report, yet another indicator that the Company remains constant in the practice of regular and transparent reporting on its activities.

In the remainder of the year, NIS will remain committed to strict financial discipline, particularly keeping in mind the volatility of oil market prices and that the Group might face the effect of higher-cost oil inventories in the upcoming quarter. In this regard, measures will be taken to further optimise operational costs in order to ensure business sustainability and energy stability of the domestic market.

Management Business report

Highlights

January

Drilling of 6 development wells completed
6 new development wells commissioned (5 oil wells and 1 gas well)
An addendum to the contract signed with Banatski Dvor Underground Storage Facility for drilling 8 additional wells
The Drilling Brigades competition was organised with the aim of promoting and motivating employees at drilling rigs, as well as raising awareness of HSE culture and occupational safety during drilling operations
After obtaining the specific license authorising NIS transactions from the U.S. Treasury Department on 31 December 2025, crude oil was delivered to the Pančevo Oil Refinery in January 2026
In the Pančevo Oil Refinery, after the suspension of operations due to sanctions, the commercial operation of production units was restored
Implementation of the project for preparing Smederevska Palanka 1 PS to be reintegrated into the network
Upon the Company's request, on 23 January 2026, OFAC issued a specific license, valid until 20 February 2026.

February

Drilling of 5 development wells, including 2 horizontal wells completed
3 new development wells commissioned
The project of Tošin bunar PS renovation continued
In complex circumstances, NIS remained a reliable partner for retail clients, ensuring steady supply and innovative services
NIS Group's performance results in 2025 published
The Grammar School in Aleksinac presented a certificate of appreciation to NIS for improving the conditions for education and a long-term support to bilingual Serbian-Russian classes
Upon the Company's request, on 20 February 2026, OFAC issued a specific license, valid until 20 March 2026.

March

Drilling of 6 development wells, including 2 horizontal wells completed. 10 new development wells: 9 oil wells and 1 gas well commissioned.
The Production Service Center was modernised by purchasing a contemporary cementing unit
A promotional campaign offering lower retail fuel prices for IPS payments (5 RSD/l) launched. In cooperation with partners NIS continued to promote innovative and digital fuel payment methods, offering benefits to clients when using the IPS payment method
Upon the Company's request, on 19 March 2026, OFAC issued a specific license, valid until 17 April 2026.

April

Completed drilling of 4 development wells, out of which 3 horizontal wells
4 new development wells commissioned, 3 oil wells and 1 gas well
The 1st phase of the K1 Drilling Rig Overhaul Project was completed on schedule
In the Exploration and Production Block, specialised training courses were delivered using internal resources, including "Lean Six Sigma", "Well Control", and "Corrosion 360", which were attended by over 100 employees
The GHG emissions report for the Pančevo Oil Refinery was verified, in accordance with new legal obligations of the Republic of Serbia
A record sales of EBMB 95 and 100, despite the fact that the cooperation with certain customers has not yet been continued
The project of retail area refurbishment at Novo Mirijevo PS and Sevojno 2 PS completed
The Pančevo Oil Refinery significantly increased the volume of crude oil and semi-finished products– a total of 336 thousand tons of crude oil was refined in April, which higher than in March of the current year by 11.3 percent more whereby NIS contributed to the stability of the domestic market
Applications were open for the tenth season of the "NIS Calling" youth internship programme
The NIS Group's performance results for the first quarter of 2026 published
On the request of the Company, on 17 April 2026, OFAC issued a specific license, valid until 16 June 2026.

May

Completed drilling of 6 development wells, out of which 5 horizontal wells
5 new development wells commissioned: 4 oil wells and 1 gas well
NIS traditionally participated in the 93rd International Agricultural Fair in Novi Sad and presented the benefits of the programme for farmers
Representatives of NIS and the Serbian Orthodox Church signed the Donation Agreement, which stipulates the donation of land with the associated building of the Vojlovica Monastery in Pančevo to the Serbian Orthodox Church.

June

Completed drilling of 3 horizontal development wells. 6 new development oil wells commissioned. In the first six months completed drilling of 30 development wells in Serbia and 34 wells were put into operation.
Regular and ongoing operation of The Refinery contines, with steady supply of the market with all oil petroleum products, in the conditions of a short-term license, while adapting to changes in the imported oil basket, contingent upon spot market trends and procurement opportunities.
Start of operation of Smederevska Palanka 1 PS – return to the retail network following a long-term lease
The 18th regular session of the NIS Shareholders' Assembly was held.
NIS published its 16th consecutive Sustainable Development Report for 2025.
On the Company's request, OFAC issued a specific license on 16 June 2026, valid until 1 July 2026, followed by a specific license issued on 30 June, 2026, valid until 31 July, 2026.

Group NIS

The NIS Group is one of the largest vertically integrated energy systems in Southeast Europe. The most significant resource of NIS is its team of more than 13,500 employees, including the employees of HIP-Petrohemija d.o.o. Pančevo. The core business activities of the NIS Group are exploration, production, and refining of oil and natural gas, sale of a wide range of petroleum products and gas products, as well as implementation of projects in the petrochemical and energy sector. The registered seat of NIS and its main production capacities are located in the Republic of Serbia. In addition to Serbia, NIS is also present in the neighbouring countries of the Balkan region, in the field of oil and gas exploration and production, as well as in the field of retail.

The goal of NIS is to ensure stable operations and implementation of key projects in a highly volatile macroeconomic environment. In addition, NIS' priority is to contribute to energy stability in the markets in which it operates, primarily in the market of the Republic of Serbia.

The NIS project portfolio considers the energy transition as a priority in Serbia. The NIS Group is committed to improving environmental protection and allocates significant funds for the implementation of environmental projects that contribute to environmental protection. The Company implements projects that, among other things, contribute to reducing carbon emissions in order to reach the goals of the Paris Agreement. One of NIS' priorities is occupational health and safety. In this field, NIS sets the most ambitious goal - zero injuries at work and occupational diseases, and no negative impact on the working and living environment.

In addition to its business activities, NIS continuously implements numerous social responsibility projects that aimed at community development and enhancing the quality of life for citizens. The focus of the company in this field is to support young people as the driver of future development.

Business activities

Business activities of the NIS Group are organised within the parent company NIS j.s.c. Novi Sad, through the Exploration and Production Block and the Downstream Divison, which are supported by Functions in the parent company.

Exploration and Production Block

Exploration and Production

NIS is the only company in Serbia engaged in oil and gas exploration and production. The activities of NIS in this segment also include operational support to production, management of oil and gas reserves, management of oil and gas reservoir engineering, and major exploration and production projects.

The majority of NIS's oil and gas fields are located in Serbia, while the Company also engages in this industry in Romania and Bosnia and Herzegovina. The oldest concession abroad is in Angola, where NIS has been operating since 1985.

In Serbia, the company applies all oil production methods used in the oil industry worldwide, with environmental protection as a priority.

The plant for the natural gas conditioning, LPG and gasoline production, and CO_2 stripping, based in Elemir, near Zrenjanin, operates as part of the Exploration and Production Block. The amine unit for natural gas processing using the high pressure acidgas capture technology is also located in Elemir. The method of gas processing employed in this unit completely prevents carbon dioxide emissions into the atmosphere, providing significant environmental benefits in addition to the business effects.

The Company also has a modern training centre in Elemir dedicated to training workers in the oil industry. It is a unique complex equipped with state of the art equipment that creates realistic conditions, allowing simulation of all the tasks that oil workers encounter in the process of production, preparation and shipment of oil and gas.

In previous period, NIS continued to implement digital projects in the field of oil and gas exploration and production and improved the work of the Production Management Center with investments worth more than EUR 2 million.

In the field of exploration and production, the NIS Group receives scientific and technological support from the Scientific and Technological Centre (STC NIS – Naftagas LLC Novi Sad). NIS thus continued to use innovative technologies in the field of oil and gas exploration and production and carried out drone surveying of the well stock and aboveground infrastructure in the Kikinda and Elemir oil fields. This method enables fast and efficient collection of data from the field, and the obtained data will serve geologists as a basis for further geological and exploration works and the development of detailed models of the location.

Oil Services

NIS has its own service capacities, which fully meet the needs of the Group and provide services to third parties. Services in the field of exploration and production of oil and gas include geophysical well testing, construction, completion and workover, as well as special operations and well measurements. Another part of the service portfolio is maintenance of equipment and construction and maintenance of oil and gas systems and facilities. In order to strengthen the market presence, efforts are made to modernize the equipment, ensure the best possible quality of services provided, increase the technical and technological efficiency, and improve work efficiency in NIS and other companies.

Downstream

The Downstream business consists of the Refining Block, Sales and Distribution Block, Energy Block, petrochemistry and technical services.

Refining

NIS operates the Pančevo Oil Refinery which has been producing since 1968 and is now one of the most contemporary and environmentally most developed processing plants in the region, with a maximum designed capacity of 4.8 million tonnes per year. Since 2009, more than EUR 1.4 billion have been invested in the modernisation of the Refinery, with significant funds allocated for environmental protection projects. The Pančevo Oil Refinery produces: motor fuels meeting the Euro-5 standard, aviation fuel, liquefied petroleum gas, petroleum coke, fuel oil, bitumen, propylene, aromatics, straight-run gasoline for pyrolysis and other petroleum products (sulphur and other hydrocarbons).

The year 2026 marks six years since the commissioning of the Bottom-of-the-Barrel Unit with the delayed coking technology at the Pančevo Oil Refinery. This project, worth over EUR 300 million, enabled NIS to boost production of most valuable fuels – diesel, gasoline and liquified petroleum gas, and also to start domestic production of petroleum coke. In addition, the implementation of this project created numerous environmental benefits. These primarily include the cessation of the production of high-sulphur heavy fuel oil and the reduction of emissions of gases and particulate matter into the air. In this way, the environmental conditions improved not only in Pančevo, but also in the entire Serbia.

Sales and Distribution

NIS operates a network of more than 400[1] petrol stations in Serbia and the countries of the region. NIS operates the largest retail network in the country, and also engages in retail sales in the neighbouring countries - Bosnia and Herzegovina, Bulgaria and Romania.

NIS is present in the market under two retail brands, and petrol stations of the NIS Group are known for the high quality fuel and non-fuel portfolio, as well as modern services that meet the consumers' demands. NIS continually invests in the development of its retail network and in improving the quality of its goods and services. One of the priorities is digital projects, which provides consumers with services in line with modern trends, such as pay at the pump, digitisation of loyalty programmes, introduction of self-service cash registers inside petrol station facilities, etc.

In addition to the retail sale of finished petroleum products, liquefied petroleum gas and a range of related products, the sales structure of NIS also includes the export and domestic wholesale of gas and petroleum products. In addition, NIS is developing the supply of aviation and bunkering fuel, and the sales of bitumen and coke as special business lines.

All types of fuel undergo strict and regular laboratory control and meet the highest Serbian and international standards.

In addition to the initially planned reconstruction of the oil depot, NIS has simultaneously built three new tanks (5,000 m^3 each), enabling the oil depot to fully meet the requirements of the southern Serbian market and the Constantine the Great Airport. Four new tank trucks have been introduced at the Belgrade Aviation Services. Part

[1] Notwithstanding the fact that NIS j.s.c. obtained the specific licence as of 31 December 2025 - to be subsequently extended for 6 times in 2026, as of 9 October 2025, when the full-scale sanctions entered into force, the operation of petrol stations in Bulgaria has been temporarily suspended.

of the works has been carried out simultaneously with the Pančevo Refinery turnaround; therefore, NIS has made additional efforts to ensure smooth market supply. In order to continue developing services at NIS retail stores, Post of Serbia parcel lockers have been set up at 150 petrol stations across Serbia.

Energy

This business segment includes the production of electricity and thermal energy from conventional and renewable energy sources, centralised management of the entire natural gas portfolio (including the production and sale of compressed natural gas and the sale of natural gas), electricity trade, development and introduction of strategically important energy projects, as well as the development and implementation of projects to increase energy efficiency and use of renewable energy sources.

The Energy Block is primarily focused on expanding the scope of work in the field of electricity production and trading, managing the Company's energy resources, more efficient and cost-effective operation of TE-TO Pančevo, as well as improving energy efficiency and reliability within the NIS Group. The task of the Energy Block, is to accelerate the Company’s energy transition and the process of decarbonisation.

The modern gas-steam combined cycle power plant in Pančevo (TE-TO Pančevo) powered by natural gas was constructed and started up in 2022. The main advantage of TE-TO Pančevo is that it uses natural gas, as a more environmentally friendly fuel, to simultaneously produce electricity, which is sold on the the commercial market, and thermal energy in the form of process steam for the purposes of the Pančevo Refinery.

Starting in 2013, NIS built small gas-fired power plants with an installed capacity of 16.5 MWe in its oil and gas fields at nine locations in Serbia. The environmental advantage of these plants lies in electricity and thermal energy generation from gas that was not previously used due to poor quality, large content of carbon dioxide and nitrogen, or could not be valorised due to the lack of gas infrastructure. The heat and electricity produced are used for the needs of NIS, while the electricity is also sold on the market. Continuous investments are being made in increasing the number of small gas power plants. The last one put into operation was the small gas power plant Banatsko Miloševo.

In 2022, NIS started the construction of solar photovoltaic power plants (SPPs) first at NIS petrol stations, and then on the roofs and ground of other company facilities, thereby achieving significant financial savings and contributing to the reduction of carbon dioxide emissions. Currently, the total of 78 NIS petrol stations have solar power plants as a prosumer. Solar power plants are also built at the Jazak Drinking Water Production Unit, the Pančevo Oil Refinery, and one of the office buildings in Novi Sad. In 2025, NIS put in operation the first ground-mounted solar power plant at the Novi Sad Oil Depot, delivering all the produced electricity directly to the distribution system under commercial conditions.

Currently, the Company's total active solar capacity is 11.3 MW. The expected savings in greenhouse gas emissions from these projects will exceed 15,000 tonnes of CO_2 equivalent annually.

HIP-Petrohemija

The largest producer of petrochemical products in the Republic of Serbia, HIP-Petrohemija has been a part of NIS Group since 2023. The strategy of further development of HIP-Petrohemija involves the modernisation of basic production capacities and the construction of new facilities, increasing energy efficiency and business efficiency, as well as the implementation of environmental protection projects. The key project is the construction of a polypropylene production plant.

The integrated production complex of HIP-Petrohemija is currently able to produce over 600 thousand tonnes of petrochemical products per year. The production process in Pančevo includes five production and service facilities, with a laboratory and the necessary supporting services. Ethylene with its co-products and HIPTEN® and HIPLEX® polyethylene are produced here. The polyethylene pipes and fittings factory is also located within the Pančevo complex.

The Synthetic Rubber Factory in Elemir near Zrenjanin uses a co-product from Pančevo - the C4 fraction - as feedstock. It is processed to produce monomer 1,3-butadiene, and then HIPREN® polymer synthetic styrene-butadiene rubber. Methyl tertiary butyl ether (MTBE), an additive for motor gasoline, is also produced at this location. Raffinate 1, the residue after processing the C4 fraction, is used as raw material for MTBE production.

HIPTEN®, HIPLEX® and HIPREN® polymer products are intended for plastic and rubber processors and are incorporated into a large number of everyday objects, making them higher quality, safer and more comfortable.

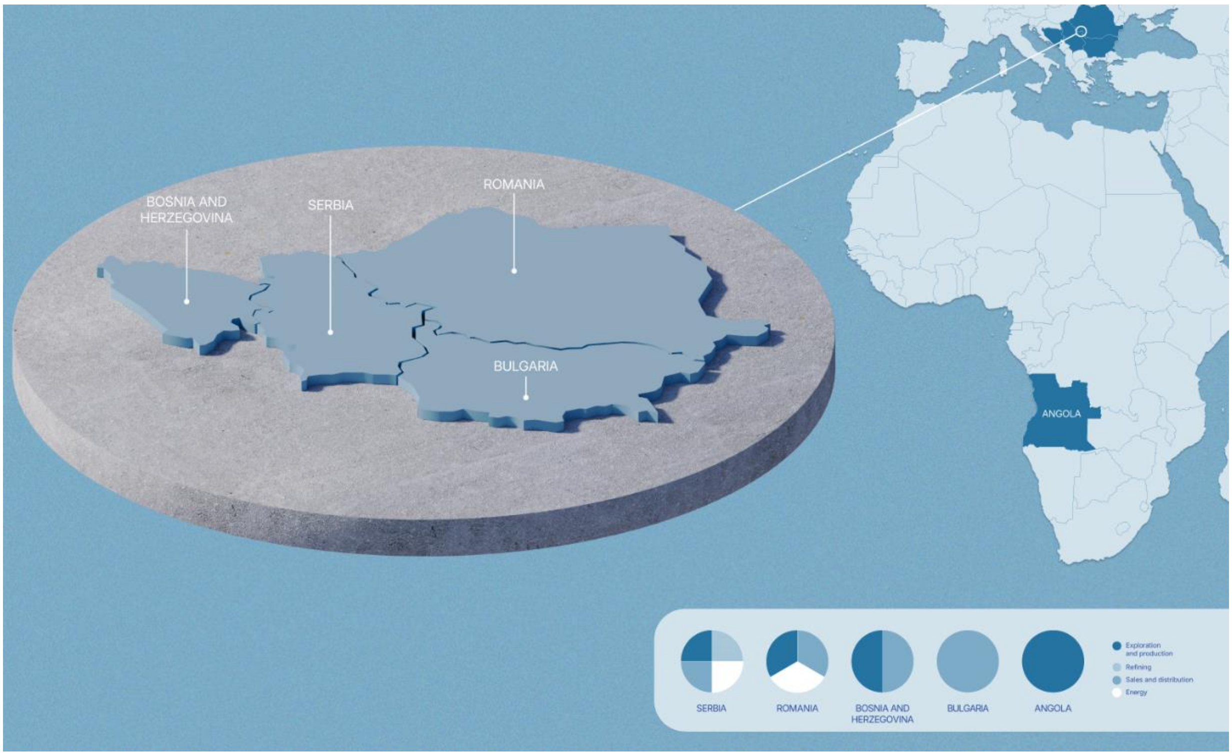
Base products that are not processed in the “HIPPetrohemija” (propylene, pyrolysis oil, pyrolysis gasoline) are the starting point for numerous other uses in the chemical and processing industry.

Technical Services

The Technical Services provides facilities and equipment maintenance and repair, pipeline construction, installation of oil and gas process systems, as well as certified testing and inspection services, calibration and metrology services, and production of parts and equipment for oil industry and other related industries.

NIS worldwide

Apart from Serbia, NIS also operates oil and gas exploration and production facilities in the neighbouring Romania and Bosnia and Herzegovina, and carries out retail activity in Bosnia and Herzegovina, Bulgaria[2], and Romania. Moreover, NIS has expanded its activities in the field of electricity trading to regional markets.



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Risk management

Integrated risk management system

Risk management is a continuous and systematic business process which serves to support management decision-making and the achievement of the Company's objectives in a risk exposed environment. A risk has a negative impact on the Company's objectives if the risk event is realised. In its business operations, the Company is exposed to different risks which, if realised, may affect fulfilment of the set objectives.

The Company has the Risk and Internal Control Monitoring Sector which performs continuous monitoring and control of the risk management process and coordinates and improves this business process. The basic principle underpinning this system is that the responsibility for managing risks is assigned to risk owners, , i.e., business process owners in the Company. Such an approach ensures that the responsibility for risk management and monitoring is identified for all processes of the Company, and that risks response and action plans are prepared in order to manage risks at the level of individual business processes and the Company as a whole.

In its operations, the Company is exposed to the following most important risks:

Non-financial risks

RISK DESCRIPTION	*RISK MANAGEMENT MEASURES*
Operational risks	
HSE risks	
Due to the nature of its activity, the Company is exposed to health, safety and environmental risks.	With a view to protecting its employees, equipment, facilities, and environment, as well as meeting legal obligations, the Company continuously monitors its work processes, workforce, assets, and working and living conditions. In addition, the Company amends its normative and methodological documents in a timely manner, to ensure they reflect changes in the legislation of the Republic of Serbia and monitors their enforcement. The Company timely implements corrective measures ensuing from HSE incident investigations, through the system of observations, corporate oversight, and external inspections. HSE training courses are provided to employees.
HR risks	
Highly qualified personnel is key for efficient operations of the Company.	The Company is implementing a broad range of activities aimed at attracting and retaining qualified staff. Some of the measures to attract qualified personnel include: early recruitment programmes (cooperation with educational institutions, scholarships) and "NIS Calling" programme. The employee retention programmes include: talent management programme, talent development programme, professional training of employees, performance- and potential-based employee assessment – identifying talents and defining the succession plan for key positions in the Company, training for managers, and introduction of a unique talent management system.
IT risks	
Due to the growing reliance of the Company's business processes on information technologies, automation and telecommunications, the Company is exposed to risks of ensuring expected service availability and business continuity.	The Company manages these risks through a series of measures, including IT standards and system monitoring tools, performs data backups and tests the service recovery process. In addition, the Company strives to monitor and implement new technologies and renew equipment in order to increase quality and continuity of service availability.

Information security risks	
The Company is exposed to business risks stemming from potential breaches of integrity, confidentiality, and availability of information.	Information protection within the Company comprises activities that, through information handling, have a positive impact on business operations by maintaining continuity of business processes and minimising operational risks. The Company's information protection system is a comprehensive set of rules prescribed by regulatory and normative-methodological documents, specific organisational and technical measures, and activities aimed at provision and monitoring enforcement of the prescribed security measures.
Project risks	
A consistent and transparent risk management process has been established within the NIS Group for the implementation of investment projects, fully aligned with the PMI (*Project Management Institute*) standards. Effective project risk management is reflected in maximising the probability and impact of positive events and minimising the probability and impact of negative events on the projects, resulting in the development of more realistic project management plans and increasing the likelihood of achieving the defined project objectives.	A detailed risk management plan is developed within the planning and preparation phase for each investment project. Special attention is paid to the identification of risks that are of material importance to a particular investment project, analysis of identified risks (qualitative and quantitative analysis), planning of the “response strategy”, or adequate measures (by defining preventive activities, corrective and contingency action plans), determination of the tolerance level for identified risks, and appointment of persons responsible for the implementation of these measures and persons responsible for the regular review of project risks. All of the above is consolidated into a dedicated Project Risk Register.
Political risks	
Frequent changes and the tightening of sanction regimes may further impact the Group's operations. On 10 January, 2025, the Company was placed on the SDN (Specially Designated Nationals) list by *OFAC* (*Office of Foreign Assets Control*).	In the first six months of 2026, the Company received six specific licenses from OFAC, which enabled smooth business operations. However, the future effects are difficult to predict, and management's current expectations and estimates may differ from actual results. The Group has adopted internal procedures to ensure sanctions compliance, in order to eliminate risks and potential negative consequences for the Company's operations arising from activities contrary to the prohibitions and restrictions imposed by international sanctions.

Financial risks

RISK DESCRIPTION	***RISK MANAGEMENT MEASURES***
Credit risks	
Credit risk arise in connection with cash funds, deposits with banks and financial institutions, intercompany loans/loans to third parties, and in the sale of petroleum products with deferred payment.	Credit risk management is established at the level of the NIS Group. With respect to credit limits, banks are ranked according to adopted methodologies applicable to major and other banks, in order to determine the Company's maximum exposure limit to the bank at any given time (through deposits, documentary instruments: bank guarantees, Letters of Credit, etc. issued for the benefit of NIS j.s.c. Novi Sad). With regard to accounts receivable, there is a credit limit methodology in place, which serves to define the level of exposure in relation to individual customers, relative to their financial indicators.
Liquidity risks	
Liquidity risk is a risk of NIS Group encountering difficulty in meeting its due liabilities. It is the risk of not having sufficient funds to finance the NIS Group's business operations.	NIS Group continually monitors liquidity in order to provide sufficient cash for its operational, investment and financial activities. To this end, the Group continually contracts and secures sufficient lines of credit and security instruments, ensuring that the internally defined maximum allowable credit debt level is not exceeded and that all its obligations under commercial bank arrangements (covenants) are met.
Commodity-price risks	
Due to its core activity, NIS Group is exposed to risks associated with price volatility, specifically changers in the price of crude oil, petroleum and petrochemical products, which affects the value of inventories and margins in oil refining and the production of petrochemical products, which further affects the future cash flows.	These risks are partly offset by adjusting petroleum product selling prices to the changes in oil and petroleum product prices. In addition, the following actions are undertaken to reduce a potentially negative effects of this risk on the financial result of the Company: • Annual planning based on multiple scenarios, monitoring and timely adjustment of operational plans for crude oil procurement; • Regular sessions of Company's Commission in charge of crude oil purchase/sale to discuss all major topics; • Continuous, intensive check of new potential suppliers through procedural verification based on inquiries and letters of interest submitted to NIS; • Maximum effort to ensure a continuous supply of crude oil despite the restrictive conditions, providing both the required quantities and the type of crude oil that would correspond to refining plans and the product portfolio; • Continuous efforts to optimise processes and striving for the best possible economic effects and indicators; • Monitoring market conditions throughout the calendar year and collecting information from foreign companies that are established and reliable traders in the European market and beyond, in order to better understand the potential conditions for the implementation and execution of spot purchases.

Foreign exchange risks

The Company operates in an international setting and is thus exposed to the risk of fluctuating foreign-exchange rates arising from business transactions being made in different currencies, primarily EUR and USD. The risk involves future trade transactions and recognised assets and liabilities.

The risks relating to fluctuations in the exchange rate of the national currency against the US dollar and the impact of this factor on the prices of petroleum products are partly offset through the natural hedging of petroleum product selling prices, which are adjusted to these fluctuations. Risk management instruments are also used, such as forward transactions and successive purchases of foreign currency on the foreign exchange market, which help reduce the impact of foreign currency losses in the event of depreciation of the national currency against the EUR (the currency in which the majority of the Company's foreign liabilities are settled following the imposition of sanction-related restrictions). Other measures include balancing of the foreign exchange sub-balance in terms of adjusting the export collection currencies to the currencies of foreign liabilities, managing the currency structure of the credit portfolio, etc.

Interest rate risks

The Company is exposed to the risk of interest rate volatility, both in terms of borrowing from banks and and placement of funds.

The Company borrows from commercial banks at either floating or fixed interest rates, depending on the forecasts of base interest rates in the monetary market and the business banks' capability to offer fixed interest rates on loans. Funds in the form of intercompany loans to third parties are placed at floating or fixed interest rates, whereas monetary funds in the form of term or sight deposits are mostly placed at fixed interest rates. Funds in the form of deposits are placed in accordance with the credit limit methodologies of commercial banks (funds are reciprocally placed only with major commercial banks from which Company obtains loans and/or lines of credit/security instruments). In this respect, income and cash flows from bank deposits and intercompany loans do not largely depend on changes in base interest rates. On the other hand, liabilities towards banks and intercompany liabilities contracted at variable interest rates depend on changes in base interest rates.

In order to reduce the uncertainties associated with interest rate risk, when collecting offers from banks for financing, the Company insists on offers with fixed interest rates in order to compare them with variable and fixed interest rates and make a selection in accordance with the current policy for managing interest related expenditures. In addition, the analysis of interest rate movements in the financial market is continuously carried out, as well as the analysis of restrictions and possibilities of using interest rate hedging instruments (interest rate swaps, options, etc.).

Business environment[3]

World

The energy crisis has pushed the global energy market into a period of instability due to the war in Iran and disruptions to the transportation of crude oil and LNG through the Strait of Hormuz. The crisis significantly contributed to rising crude oil and petroleum product prices, while simultaneously reducing global demand as a result of high prices and increasing inflation worldwide. Following the conclusion of the peace agreement (in mid-June) between the United States and Iran, the market stabilised rapidly, oil prices declined, and expectations of increased oil supply from Iran eased market pressures and reduced the risk of supply shortages.

The IEA states that global oil inventories declined at a record pace during March and April by approximately 246 million barrels, followed by a further reduction of around 164 million barrels during the first week of May. Faster inventory drawdowns have been driven primarily by the spring agricultural season and the summer holiday season, as demand for diesel, petrol, jet fuel and fertilisers increases.

The continued release of oil to stabilise the market, together with previous government interventions, resulted in US Strategic Petroleum Reserve inventories declining to approximately 325 million barrels in the last week of June, the lowest level recorded in the past forty years.

The IEA forecasts that, due to the ongoing military conflicts, total global oil supply in 2026 will decline by approximately 3.9 million barrels per day (the previous forecast projected a decline of 1.5 million barrels per day).

During the April–June period, OPEC+ decided to increase production quotas by approximately 0.8 million barrels per day, which could help ease market pressures in the event of a lasting reopening of the Strait of Hormuz and a return to pre-crisis conditions, when tankers were able to transit the strait without disruption.

The IMF estimates that geopolitical tensions, higher energy prices and uncertainty in international trade will continue to constrain economic activity, thereby slowing the growth in oil demand. At the same time, the anticipated gradual recovery in supply, primarily through increased production by OPEC+ and non-OPEC countries, is expected to alleviate market pressures and contribute to the stabilisation of oil prices. The baseline scenario of IMF assumes a gradual normalisation of supply and an average oil price of approximately USD 89 per barrel during 2026, while any deterioration in the geopolitical situation could trigger a renewed increase in oil prices and weaker global oil demand.

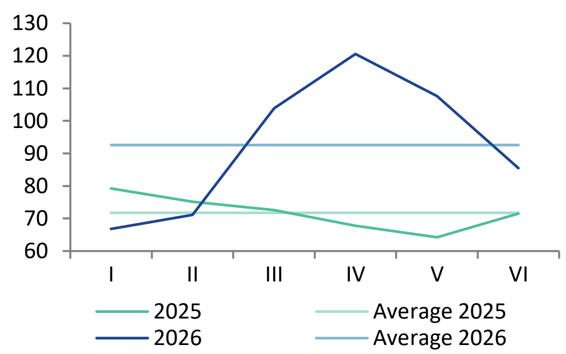
Oil and petroleum products markets

The average Brent (Brent Dated) crude oil price during the second quarter was approximately USD 103.8 per barrel. At the beginning of April, it reached a peak of USD 144,4 per barrel, while the average monthly price stood at approximately USD 120.5 per barrel. The average price of Brent crude oil in May amounted to USD 107.6 per barrel, while in June the average Brent price fell to approximately USD 85.5 per barrel following the peace agreement reached in the Middle East (having started the month at approximately USD 100 per barrel, the Brent price had fallen to around USD 71.5 per barrel by the end of June).

The average price in the first six months was 29% higher than the average in the same period of 2025, while the maximum price was also 74% higher.

Analysts expect shipping through the Strait of Hormuz to be gradually normalised, although not fully restored to pre-conflict levels. The normalisation of transport, the recovery of crude

Brent Dtd[4] price trends, $/bbl



[3] Data sources for the World, Oil price and Macroeconomic trends: reports by IMF, *World Oil, BCG, Bloomberg, Reuters*, EU Commission, IEA, EIA, OPEC, Oil&Gas Journal, Semafor net Zero, Hydrocarbon Processing. Data sources for Serbia: Reports of the National Bank of Serbia, Chamber of Commerce and Industry of Serbia, newspaper articles: Danas, Bliz Biznis, NIN.

[4] Source: Platts.

oil exports from the Persian Gulf countries, and the removal of the geopolitical risk premium are expected to contribute to lower oil prices during the second half of 2026.

The IEA reports that Dated Brent oil prices declined to approximately USD 82 per barrel in the second half of June following the reopening of the Gulf. It further states that, provided the agreement remains in force and oil exports from the Persian Gulf continue, the market is expected to move into surplus by the end of 2026, with oil prices maintaining a downward trend.

According to the US EIA forecast published in June, the average Brent crude oil price is expected to be approximately USD 95 per barrel in 2026. During the summer months, prices are expected to remain at around USD 105 per barrel, assuming that unrestricted passage for all vessels through the Gulf is not restored. However, in the final quarter, with the normalisation of shipping through the Strait of Hormuz and the stabilisation of supply, oil prices are expected to decline (to USD 89 per barrel in the fourth quarter).

While crude oil prices are expected to stabilise gradually, analysts believe that diesel and kerosene prices could remain disproportionately high, even if Brent prices weaken during the second half of the year. US middle distillate inventories are 13% below the five-year average for this time of year, and the EIA expects the global deficit of middle distillates to persist throughout most of the year. The demand for aviation fuel also remains strong, particularly in Asia and the Middle East, and kerosene is therefore expected to maintain a significant premium over crude oil throughout the year.

Natural gas markets

According to the IEA report, disruptions to transit through the Strait of Hormuz threatened nearly 20% of the global LNG supply. This triggered a sharp increase in gas prices in Europe and Asia (by more than 50% in March compared with February) and delayed the expected market stabilisation. At the beginning of June, European LNG storage facilities were only around 40% full, significantly below the five-year average (approximately 60% for this time of year).

The slow replenishment of European gas inventories contributed to a moderate increase in European gas prices (TTF) during the second quarter, from approximately EUR 45/MWh at the beginning of April to around EUR 50/MWh during June.

According to the US EIA forecast, both natural gas supply and demand in the United States are expected to continue growing throughout the year.

Russian gas exports increased by 11.5% (to 14.5 million tonnes) during the January–May period compared with the same period last year, while total Russian LNG exports in May alone rose by 23% compared with May 2025. Russian gas exports to Europe increased by nearly 17% during the January–May period compared with the corresponding period of the previous year, despite the European Union's plans to completely phase out imports of Russian gas by the end of 2027.

The European agency ACER (Agency for the Cooperation of Energy Regulators) reported that the European Union had increased imports of Russian gas since the beginning of the year, despite the implementation of measures aimed at its gradual phase-out. Imports of Russian pipeline gas increased by 7%, while imports of Russian LNG rose by 11% compared with the same period last year. Russian gas currently accounts for approximately 12% of total EU gas demand. The increase in imports reflects existing contractual obligations and the efforts of Member States to ensure security of supply amid ongoing geopolitical risks.

Petrochemical market

The global petrochemical market during the second quarter of 2026 was characterised by rising feedstock prices and supply chain disruptions caused by the conflict in the Middle East, against the backdrop of an imbalance between supply and demand. Supply disruptions and the surge in crude oil prices drove polyethylene and polypropylene prices to their highest levels in several years. Additional pressure on the market resulted from disruptions in the supply of petrochemical feedstocks (virgin naphtha), leading to higher production costs and increased uncertainty throughout supply chains. Consequently, any continued restrictions in the Strait of Hormuz would prolong the recovery of the petrochemical market, given that more than 45% of global virgin naphtha trade passed through the strait last year.

Producers have warned that a significant portion of global polyethylene production capacity has either been taken offline or is operating under restrictions. As a result, many companies have increased their selling prices to offset higher feedstock costs.

Unlike Europe, the US petrochemical industry operated under more favourable market conditions, benefiting from lower feedstock costs based on ethane and natural gas, as well as increased export activity, particularly following supply disruptions in the Middle East.

Higher polyethylene and polypropylene prices, together with increased exports to Europe, Latin America and Asia, contributed to improved profitability among producers. In June, the first signs of market stabilisation emerged in the form of weaker export demand and price corrections for certain petrochemical products.

Other significant developments in the energy sector

The European Banking Federation estimates that Europe faces an annual investment gap of approximately EUR 1.4 trillion, with a substantial share of the additional investment required for energy transition projects, including renewable energy sources, electricity infrastructure and energy storage. At the same time, at the end of April, the European Commission launched a EUR 600 million funding programme for cross-border energy infrastructure projects. The programme is intended to support projects related to electricity networks, hydrogen, CO_2 storage and smart energy systems, with the objective of strengthening energy security and energy market integration while accelerating the energy transition.

The IEA estimates that global energy investment will reach USD 3.4 trillion in 2026, with the largest share directed towards electricity grids, renewable energy sources, energy storage, nuclear energy and electrification. The IEA estimates that investment in natural gas will reach its highest level in the past ten years, driven by the diversification of supply sources and the need to enhance energy security.

The Western Balkans – Energy Developments and Perspectives (EHWB) report concludes that the energy sector in the Western Balkans continues to be heavily influenced by geopolitical and economic factors. The EU remains the region's most important partner through financial and technical support for the energy transition. However, the Western Balkan countries continue to rely heavily on coal and imports of fossil fuels. At the same time, Russia maintains a significant role as a supplier of natural gas, while China continues to strengthen its presence in the energy sector through infrastructure investments. The region's energy security will depend on the development of renewable energy sources, the modernisation of infrastructure and stronger regional cooperation.

Macroeconomic trends

Despite the gradual easing of inflationary pressures, the global economy in 2026 continues to face heightened uncertainty as a result of geopolitical risks and slowing economic growth.

According to IMF projections, the global economy is expected to grow by 3.1% in 2026, with significant differences across regions. As reported by IMF, global inflation is projected at approximately 3.6%. Inflation is expected to reach 3.2% in the United States, 3.0% in the Eurozone, and 1.2% in China.

In its publications, Eurostat points to stagnating economic activity within the European Union, characterised by very modest growth or a slight decline in GDP, alongside inflation stabilising around the European Central Bank's (ECB) target levels. The European Commission expects the Eurozone economy to record marginal growth of approximately 0.9% in 2026 (2025: 1.3%), while inflation is expected to remain elevated at around 3%. According to Eurostat, the unemployment rate declined slightly: in May it stood at 5.9% in the EU (May 2025: 6.0%) and 6.2% in the Eurozone (May 2025: 6.3%).

World Bank projections indicate a continued slowdown in global economic activity in 2026. The projected global GDP for 2026 is about 2.5%, due to high energy prices and increased borrowing costs. The World Bank expects global inflation to rise by up to 4% in the current year.

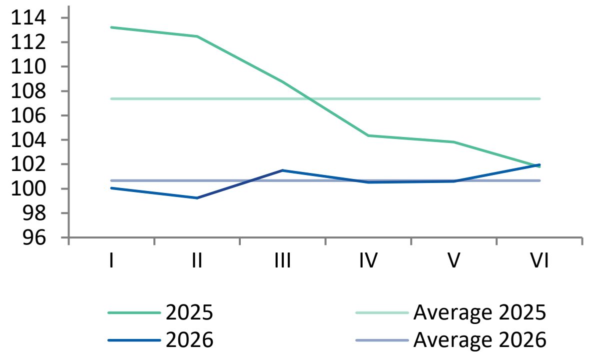
Serbia[5]

Economic activity in Serbia continued to grow at a moderate pace during the second quarter, supported by private consumption, increased retail trade turnover and the recovery of industrial production. According to IMF projections, the Serbian economy is expected to grow by 2.8% in 2026, with further acceleration anticipated in the following year. The IMF assesses that economic growth will be supported by the recovery of agriculture, infrastructure investment, strengthened export capacity and preparations for EXPO, while recognising risks arising from the international environment. At the same time, the IMF estimates that average annual inflation will stand at 5.2%, while consumer price growth is expected to reach 7% by the end of the year.

The NBS forecasts average annual inflation at 3.6%, while real GDP growth is projected at approximately 3.0%. Inflation and economic growth in Serbia will be influenced by domestic demand, as well as developments in international energy and food prices. Foreign exchange reserves remained at a high level, providing substantial support to the country's macroeconomic and financial stability. The benchmark interest rate is still at 5.75%, and the NBS expects a gradual decrease in interest rates on loans (in April 6.9% for RSD and 5.2% for foreign currency corporate loans). The average gross salary in April amounted to RSD 168 thousand. During the January–April period, average gross salaries increased by 11.6% in nominal terms and by 8.6% in real terms compared with the corresponding period of the previous year.

On 5 May, Serbia joined the Single Euro Payments Area (SEPA), enabling faster and simpler international payment transactions and delivering substantial savings to both citizens and businesses through significantly lower transaction fees for financial transfers.

Exchange rate trend, USD/RSD[6]



- Average USD/RSD exchange rate during the first six months of 2026 was lower by RSD 6.7, which is a 6% drop compared to the same period in 2025.
- During the first six months of 2026, USD/RSD exchange rate increased by RSD 3.1 or 3%.
- During the first six months of 2025, USD/RSD exchange rate decreased by RSD 12.6 or 11%.

[5]Source: National Bank of Serbia, Republican Bureau of Statistics, Chamber of Commerce and Industry of Serbia, newspaper articles.
[6]Source: National Bank of Serbia

Performance analyses

Market share[7]

The general regional trend is growth in consumption.

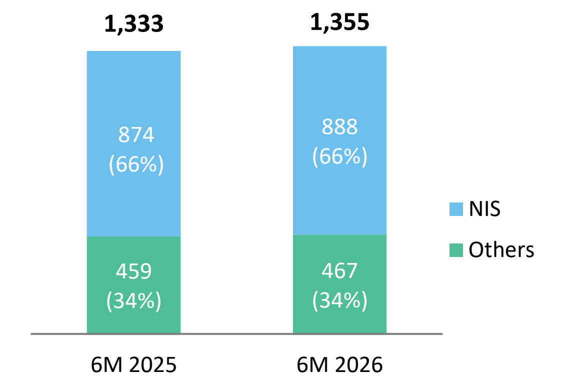
Market share on the Serbian market

In the first half of 2026, an increase of 1.7% of in motor fuel consumption was recorded on the domestic market, while retail motor fuel consumption rose by 3.3% compared to the same period in 2025.

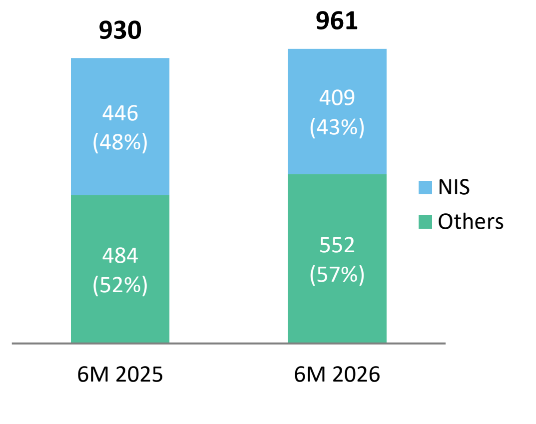
The increased sales in March, driven by increased customer purchasing due to fears of shortages, created internal stocks that gradually depleted during the second quarter, particularly within the agricultural segment.

During April and May, the retail price gap between Serbia and Bosnia and Herzegovina was significantly smaller than usual due to rising prices in Bosnia and Herzegovina and measures implemented by the Government of Serbia (excise duty reductions, price controls). This briefly shifted a portion of cross-border purchasing back to stations, primarily in western Serbia. However, price stabilisation at the end of May and throughout June, along with the partial reinstatement of excise duties, widened the price gap once again.

Volume of the Serbian motor fuels market[8], in thousand tonnes



Volume of the Serbian motor fuels[9] retail[10] market, in thousand tonnes



NIS's retail market share is 5.4 percentage points lower compared to the same period last year; nevertheless, the Company continues to maintain a strong position amid complex and volatile market conditions.

[7] Sources of information underlying the projections: for Serbia – internal analyses and estimates of the Sales and Distribution Block. Any possible deviations in aggregate values in the graphs are due to rounding.
[8] Data for 6M 2026 are based on estimates.
[9] Retail of other market participants is supplied through the wholesale of NIS and other participants in the Serbian wholesale market.
[10] The sales of NIS and other competitors include motor fuels (LPG, CNG – motor fuel, motor gasoline and diesel). LPG cylinders are not included. Data for 6M 2026 are based on estimates.

Key performance indicators

Q2 2026	Q2 2025	Indicator	Unit of measurement	6M 2026	6M 2025
104.5	67.8	**Brent Dtd**	$/bbl	**92.6**	71.7
105.5	73.5	**Sales revenues**	RSD billion	**171.7**	145.8
7.0	-5.1	**Net profit/loss**	RSD billion	**9.8**	-3.6
24.1	1.7	**EBITDA**[11]	RSD billion	**35.1**	10.2
-0.1	7.9	**OCF**	RSD billion	**16.6**	1.7
5.4	6.9	**CAPEX**[12]	RSD billion	**11.8**	12.4
57.4	52.4	**Accrued liabilities for taxes and other public revenues**[13]	RSD billion	**101.4**	104.7
364.9	515.6	**Total bank indebtedness**[14]	EUR million	**364.9**	515.6
2.6	1.8	**LTIF**[15]	number	**2.6**	1.8

[11] EBITDA = Sales revenues (exclusive of excise duties) – costs of inventories (oil, petroleum products and other products) – operating expenses (OPEX) – other costs that may be controlled by the management.
[12] CAPEX amounts are exclusive of VAT.
[13] Taxes, fees, charges and other public revenue calculated for the reporting period. The overview is inclusive of the liabilities of NIS for taxes and other public revenue in Serbia and other countries of operation.
[14] Total bank indebtedness = total debt to banks + letters of credit. As at 30 June 2026, total debt to banks amounted to EUR 364.9 million, while there was no debt based on letters of credit.
[15] Lost Time Injury Frequency – Ratio of employee injuries with sick leaves divided by the total number of working hours multiplied by one million. The said indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of 30 June, 2026.

Operational indicators

Exploration and production

Key indicators

Q2 2026	Q2 2025	Indicator	Unit of measurement	6M 2026	6M 2025
274.1	278.4	**Oil and gas output [16]**	thousand t.o.e.	**554.4**	556.0
0.9	0.0	**LTIF[17]**	number	**0.9**	0.0
10.9	6.3	**EBITDA**	RSD billion	**18.0**	14.9
4.3	4.2	**CAPEX[18]**	RSD billion	**9.2**	6.9

The main goal of the Exploration and Production Block in 2026 is to meet the hydrocarbon production targets implements geological research projects and increase the efficiency of geological and technical activities.

In the second quarter of 2026, a total production volume of oil and gas from Serbian reservoirs was 264.2 thousand t.o.e. The total production in the second quarter of 2026 including concessions was 274.1 thousand t.o.e.

The total production volume of oil and gas in the first six months of 2026 including concessions was 554.4 thousand t.o.e.

In the field of geology and reservoir development, the emphasis is on maintaining the high quality of the well interventions aimed at increasing oil and gas output.

Geological exploration and field engineering

In the second quarter of 2026, 13 new oil wells were put into operation, with an average increase of 17.2 t/day, or an additional 7.7 thousand tonnes of oil.

In the second quarter, 7 horizontal well were successfully commisioned, leading to a production increase of 31.3 t/day.

In the second quarter of 2026, geological and technical activities were successfully carried out on 37 wells with a satisfactory average increment.

In 2026, the implementation of well workover and isolation technology will continue. In the second quarter after the application of this technology, 5 wells were put into operation, resulting in an average increase of 2.5 t/day.

In the second quarter of 2026, 16 wells were put into operation after switching to a new production layer with an average increase of 4.3 t/day. In addition, 14 intensifications were carried out, with an increase of 1.6 t/day, while a total of 2 wells were commisioned from the inactive well stock, with an increase of 3.9 t/day.

All well interventions completed in the second quarter, contributed to an additional oil output of 12.2 thousand tonnes.

2D/3D seismics

The reprocessing and detailed reinterpretation of previously acquired seismic data across the North Banat and Middle Banat areas are in progress, with the objective of expanding the exploration portfolio by identifying new candidates for exploration drilling in the coming years.

[16] Domestic oil output also includes gasoline, whereas gas output includes commerical production of gas and light condensate.
[17] Lost Time Injury Frequency – Ratio of employee injuries with sick leaves divided by the total number of working hours multiplied by one million. The data pertain to the Exploration and Production Block. The said indicator is calculated cumulatively from the beginning of the year, and the displayed data represent the current situation as of 30 June, 2026.
[18] Financing, exclusive of VAT.

License obligations

In the first six months of 2026, groundwater reserves for one deposit were determined and officially certified.

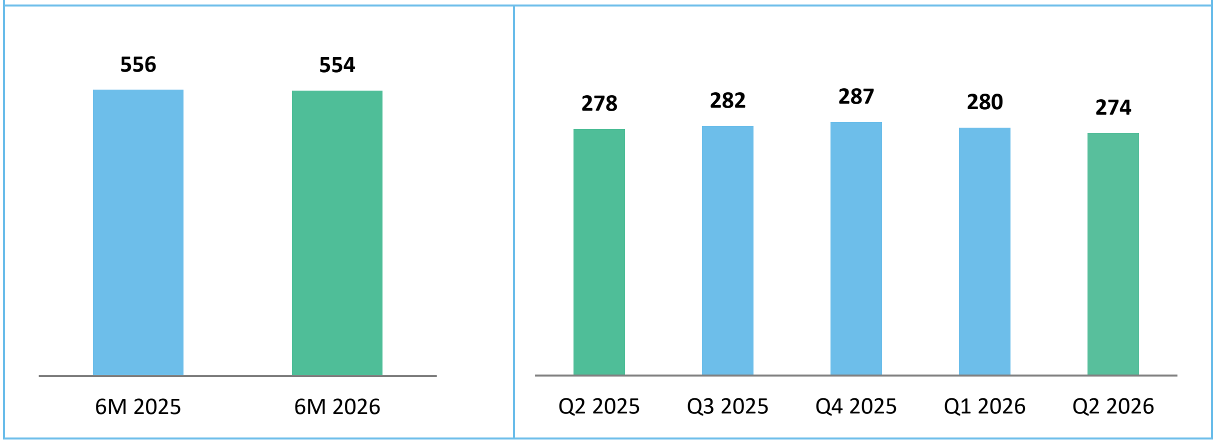
During the first six months of 2026, the following documents were prepared and submitted to the competent state authority:

- reports on the status of hydrocarbon and groundwater reserves and resources as at 31 December 2025,
- Annual Operating Report of NIS j.s.c. Novi Sad in the process of oil, gas and groundwater exploitation for 2025,
- Annual Operational Plan for mining works in the exploitation process for 2026, and
- Four annual reports on the results of geological oil and gas exploration in the exploration areas (North Banat, Middle Banat, North Bačka and South Bačka), two final reports on the results of geological explorations in the exploration qrea (South Banat and Danube Region), as well as three final reports on the results of geological oil and gas explorations in the exploitation felds of Banat.

Oil and gas output

In the first six months of 2026, a total of 554 thousand t.o.e. of oil and gas was produced, which is 0.3% lower than in the same period last year. In the second quarter of 2026, a total of 274 thousand t.o.e. of oil and gas was produced, which is 1.6% lower than in the same period last year.

Oil and gas output[19], thousand t.o.e.



[19]Any deviations and aggregate values result from rounding.

Downstream

Key indicators

Q2 2026	Q2 2025	Key indicators	Unit of measurement	6M 2026	6M 2025
972.1	824.1	**Volume of refining of crude oil and semi-finished products**[20]	thous. tonnes	**1,614.9**	1,677.1
807.4	805.3	**Total sales volume of petroleum products**[21]	thous. tonnes	**1,399.6**	1,524.4
232.8	276.8	*Retail*	thous. tonnes	**441.2**	514.2
343.2	292.1	Wholesale[22]	thous. tonnes	**558.2**	585.4
188.2	195.9	*Transit, export and BU*[23]	thous. tonnes	**315.4**	345.8
43.2	40.5	*HIPP Sales*[24]	thous. tonnes	**84.8**	79.0
643.4	650.1	**Motor fuels sales volumes**[25]	thous. tonnes	**1,093.1**	1,194.5
40.0	26.0	**Electricity output**[26]	thous. MWh	**80.5**	60.8
14.8	-3.9	**EBITDA DWS**[27]	bln RSD	**21.5**	-1.4
12.0	-2.8	EBITDA *Refining*[28]	bln RSD	**22.2**	-0.7
1.5	1.2	EBITDA *Sales and Distribution*[29]	bln RSD	**1.2**	3.6
0.9	2.6	**CAPEX DWS**[30]	bln RSD	**2.2**	5.1
0.4	0.9	*CAPEX Refining*	bln RSD	**1.2**	2.0
0.3	1.0	*CAPEX Sales and distribution*	bln RSD	**0.6**	2.3
1.4	1.2	**LTIF DWS**[31]	number	**1.4**	1.2
1.7	1.0	*LTIF Refining*	number	**1.7**	1.0
0.8	1.5	*LTIF Sales and distribution*	number	**0.8**	1.5

[20] The presented refining volume includes the refining volume of HIP-Petrohemija. Any deviations in aggregate values result from rounding.
[21] Any deviations in aggregate values result from rounding.
[22] Includes the sale of oils and lubricants to the Lubricant Production Plant.
[23] Business unit includes the sale of bitumen, bunkering and aviation fuel channels. As of 2026, the sale of lubricants are presented within the BU, whereas in previous periods it was reported within Wholesale sales.
[24] The presented sales volume of HIPP is consolidated and does not include sales made in internal relations.
[25] Total motor fuels sales volumes in Serbia and in foreign assets.
[26] The volume of electricity produced includes the electricity produced by Pančevo Power Plant, small power plants and photovoltaic power plants.The total volume of electricity produced at PVPP for the period January – June is 7,391.7 MWh.
[27] EBITDA Downstream includes EBITDA of the Refining Block, Sales and Distribution Block, Energy Block, rest of Downstream and EBITDA of HIP-Petrohemija.
[28] EBITDA of the Refining Block includes the Energy Plant in Pančevo Oil Refinery.
[29] EBITDA of the Sales and Distribution Block.
[30] Financing, excluding VAT. The Downstream CAPEX includes CAPEX of Refining Block, Sales and Distribution Block, Energy Block, HIP-Petrohemija and the rest of Downstream.
[31] Lost Time Injury Frequency – The ratio of employee injuries with sick divided by the total number of working hours multiplied by one million. The indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of 30 June, 2026.

Refining

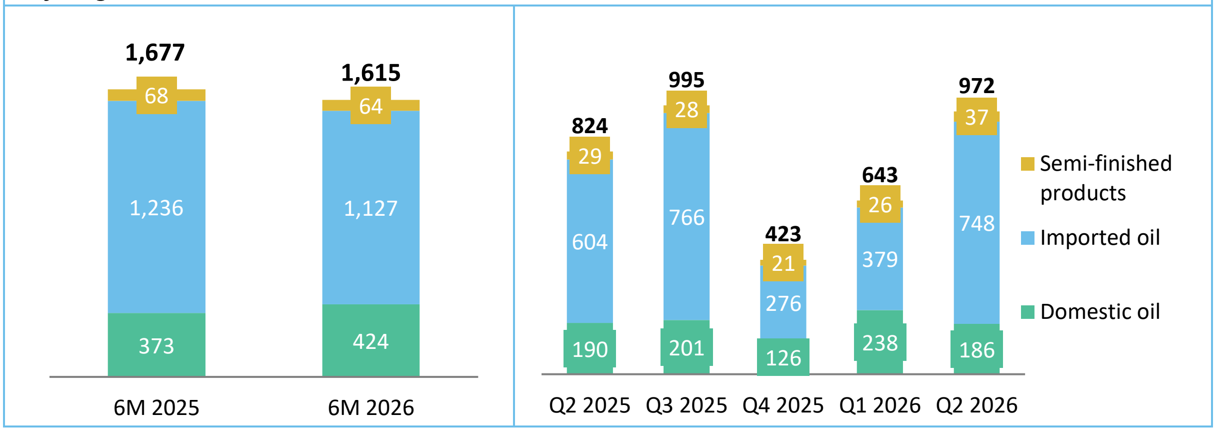
During the first six months of 2026, Refining Block operations faced a volatile business environment – NIS being subject to the US sanctions and operating under short-term licenses, including the geopolitical situation that brought about changes in the oil supply market in terms of availability for supply and rising prices and premiums.

Due to the current circumstances, during the first half of 2026, a total of 1,615 thousand tonnes of raw material[32] were processed at the level of the NIS Group, while the Refining Block processed 1,666 thousand tonnes of raw material.

During the second quarter, the Refinery processed 1,003 thousand tonnes of crude oil and semi-finished products[33], which is 19% higher compared to the second quarter of the previous year.

Refining activities and volume

Refining volume[34], thousand tonnes



After NIS obtained the U.S. Treasury Department's specific license on 31 December 2025, crude oil was delivered to the Pančevo Oil Refinery in January 2026.

The Refinery downtime was used for turnaround activities aimed to improving reliability of the plants – overhaul of the S-4700 plant and catalyst replacement on the DC-4302 reactor of the DHT plant.

After more than a month of downtime of the Pančevo Oil Refinery, start up activities were carried out and the plants successfully started commercial operation. Given that the production plants were commissioned during the winter, this process entailed a lot of risk.

The Refinery start-up, after the shutdown exceeding one month, was successful and in accordance with the adopted schedule and Company procedures, while adhering to the highest environmental and safety standards.

Once the plant were put into operation, the Refining Block adapted to changes in the basket of imported oil for refining, driven by movements in the spot market and procurement opportunities in the current circumstances.

The priority remains the uninterrupted continuation of refinery processing, along with the implementation of activities to increase operational efficiency. During the first six months of 2026, the effect of efficiency measures worth RSD 0.2 billion was achieved.

Given that new legal obligations in the field of GHG emissions have been introduced in the Republic of Serbia, the Company prepared and verified annual reports for the first time.

[32]The presented refining volume represents the consolidated refining volume of the NIS Group (Refining Block and HIP-Petrohemija). At the level of the Refining Block, the total refining volume is 1,665.9 thousand tonnes, of which the volume of imported oil refining is 1,127.2 thousand tonnes, the volume of domestic oil refining is 424.0 thousand tonnes, while the volume of semi-finished products refining is 114.8 thousand tonnes.

[33]The presented refining volume represents the refining volume of the Refining Block. At the level of the Refinery Block during second quarter of 2026 the total refining volume is 972.1 thousand tonnes, which is 18% more comparing to the same period last year.

[34]The presented refining volume represents the consolidated refining volume of the NIS Group (Refining Block and HIP-Petrohemija). At the level of the Refining Block, the total refining volume is 1,665.9 thousand tonnes, of which the volume of imported oil refining is 1,127.2 thousand tonnes, the volume of domestic oil refining is 424.0 thousand tonnes, while the volume of semi-finished products refining is 114.8 thousand tonnes.

GHG emission reports were prepared for facilities at five locations, and the biggest challenge was the verification of emissions for the Pančevo Oil Refinery and “HIP-Petrohemija” Plant. Annual GHG emission reports were prepared based on previous Monitoring Plans (and other technical documentation), as well as obtained GHG emission permits. After preparation, the reports undergo independent verification by accredited companies, confirming that the data are accurate and reliable, the methodologies in line with applicable regulations, and the calculations performed correctly.

Projects

The following projects aimed at increasing the efficiency and reliability of the Pančevo Oil Refinery are underway:

- “Project for the Reconstruction of the Industrial Track in the Pančevo Oil Refinery“ – during the fourth quarter of 2025 the reconstruction of the existing tracks was completed (Stage B). The technical inspection was performed. The usage permit was obtained in the second quarter of 2026.
- “Project for the Installation of the System for Automatic Marker and Additive Dosing and Injection to Motor Fuels at the Pančevo Oil Refinery Loading Terminal“ – the project was fully approved and, the contract for equipment and services delivery was signed. Construction and installation works were completed. After functional testing, the new additive injection system was started up. The technical solution for the marking system is undergoing revisions.
- “Project of Reconstruction of the Fire Suppression System in the Pančevo Oil Refinery“ – Work on the reconstruction of the FB-1701/1702 reservoir is underway, as well as construction of an electrical substation, a fire water pumping station, and a fire foam concentrate storage station. In addition, work is performed on the construction of manholes, the installation of a hydrant network and the distribution of foam concentrate to several locations in the Pančevo Oil Refinery, in accordance with the approved scope, schedule and the building permit.
- “Replacement of Critical Rotating Equipment in the Refining Block“ – The project passport was approved for the replacement of critical rotating equipment on S-100 and S-2400. For the procurement of equipment under LOTs 1, 7, 8 and 9, contracts were signed with suppliers for the delivery of 16 pieces of equipment on S-100 and S-2400, with delivery deadline before the plant shutdown in 2027. The general contractor selection procedure has been initiated. An addendum to the contract for the preparation of the “Detailed Design” was signed with the selected designer.
- The scheduled activities for the preparation of technological plants for operation in the summer months and under extreme ambient temperatures were completed. A thorough preventive inspection of equipment was carried out, inspection, testing and chemical cleaning of rotary equipment cooling microsystems, hydro-blasting and cleaning of air coolers of the plant, inspection and regular repair of industrial cooling devices and regular repair of the cooling water mist system. These activities ensured smooth, reliable and efficient operation of the plant even in extreme summer conditions.
- The S-2400 plant underwent scheduled maintenance activities and switched to the summer operation mode. All planned activities under the project to increase the capacity of the spent sulfuric acid processing plant S-4700 were completed, ensuring reliable operation of the plant with a higher capacity.

Sales and distribution

Points of Sale[35] and Logistics

The NIS Group owns 384[36] active petrol stations. Most of them, precisely, 327 stations are located in the Republic of Serbia.

Reconstruction work on R6 and R7 tanks at the Novi Sad fuel depot commenced in mid June.

The completion of project works for the reconstruction of 3 PSs “Sokobanja 2”, “Novi Sad 5” and “Saobracajna skola” is underway, and the implementation is planned for 2027.

The implementation of the Aeroservis reconstruction and modernization project has begun. The project plans for investments in new equipment to automate filling of jet fuel tankers, ensure compliance with the applicable legal regulations, and ensure further continuous operation of Aeroservis, including receipt and transport of jet fuel.

During June, five new fuel tank trucks were delivered for the needs of Sales and distribution Block.

Loyalty programmes and marketing activities

In the first six months of 2026, marketing activities were carried out in Serbia to develop consumer brands, loyalty programmes, improve fuel sales and the additional assortment at petrol stations.

These are the most important marketing activities that stood out in the period January – June 2026 in Serbia:

- After the complete reconstruction of the Aerodrom Surčin petrol station in the first quarter, a promotional campaign was conducted with through a CRM campaign and the corporate website. The campaign lasted until January 31, 2026. The goal was to increase the attractiveness of the product range, support sales, and attract new customers. Following interior upgrades at the Novo Mirijevo, Tošin Bunar, and Sevojno 2 petrol stations, there were month-long promotional campaigns, offering customers a coffee of their choice for 1 dinar with the purchase of 20 liters of fuel. Under the campaign, all customers purchasing G-Drive 100 petrol or G-Drive diesel received a RSD 10 per litre discount throughout the promotional period. The campaign was aimeda at increasing (maintaining) the sale of petroleum products in the Serbian retail market, activating and attracting new consumers, and sustaining competitiveness in response to the increased activity of other oil companies on the domestic market.
- With regard to expanding the network of petrol stations that feature self-service cash registers for payment of fuel, and products from the store and the restaurant, the promotion of new cash registers continued on social media and within the “On the road with us” loyalty programme application. In addition to self-service cash registers, “Cash withdrawal”, “IPS – Show”, “Monthly Bill Payment" and “Deferred Payment by Dina Cards” were communicated on social media.
- “On the Road with Us” loyalty programme – The total recorded number of active users in the first half of 2026 is 710,431, out of which 233,159 are virtual. The number of new virtual members since the beginning of the year is 14,574, whereas the number of active mobile application users is 405,317. In the first six months, monthly CRM campaigns were conducted with the aim of reactivation of inactive programme members, increasing purchase of branded petroleum products, and increasing non-fuel sales.
- Social media/online content partners/website – During the first quarter of 2026, the focus was on marketing activities offering a RSD 5 per litre discount for payments made via banking applications. The promotion was conducted two times. During the second quarter of 2026, the focus shifted to the campaign offering RSD 10 per litre discount for G-Drive fuels.

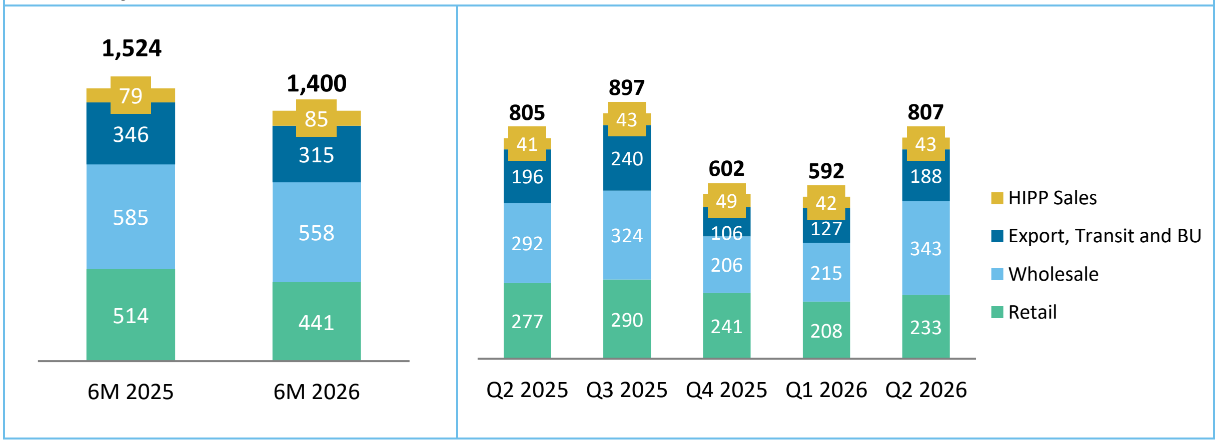
[35]As at 30 June 2026.
[36]Notwithstanding the fact that NIS j.s.c. obtained the specific licence as of 31 December 2025 - to be subsequently extended for 6 times in 2026, as of 9 October 2025, when the full-scale sanctions entered into force, the operation of petrol stations in Bulgaria has been temporarily suspended.

Volume of sales

In the first six months of 2026, an 8% sales drop was recorded compared to the same period in 2025, with the total sales of 1,400 thousand tonnes.

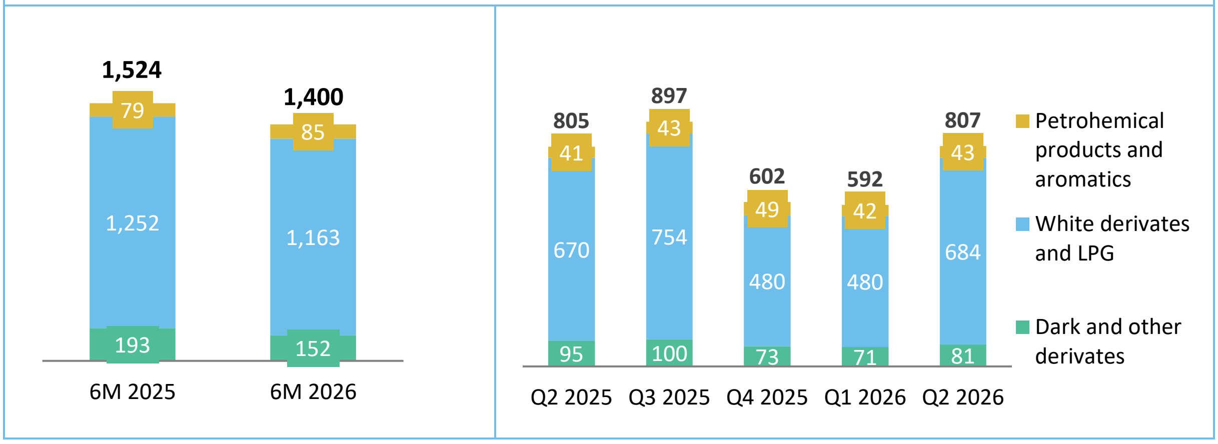
- Retail – decrease of 14% due to:
  - A decrease of sales in Serbia caused by sanctions imposed on NIS, which lead to payment difficulties at petrol stations;
  - A reduction in sales to corporate clients due to the termination of cooperation with certain customers as a result of sanctions imposed on NIS in 2026;
  - The decline of sales in foreign assets as a consequence of the current geopolitical situation.
- Wholesale[37] – decrease of 5%:
  - The decline in wholesale is a consequence of the decrease of sales in the foreign assets, with an additional impact of the introduction of the Ban on Export from Serbia Regulation.
- Export, transit and BU [38]:
  - An increase in transit sales volumes by 24% primarily due to an increase in demand for heavy fuel oil,
  - A decrease of the sales of aviation fuel by 29% compared to the same period in 2025 resulting from the introduction of sanctions,
  - A 26% decrease in sales in the bunkering channel segment due to further difficulties in dealing with foreign clients, and termination of contracts with certain clients as a result of sanctions imposed on NIS,
  - A 27% decrease in bitumen and coke sales, due to the optimisation of crude oil consumption that led to lower availability in the Pančevo Oil Refinery and a decrease in sales as a result of sanctions imposed on NIS.

Volume of sales[39], thousand tonnes



[37]Including the sale of oils and lubricants of the Downstream Lubricants Production Unit.
[38] BU includes the sale of petroleum products through the bitumen channel, bunkering and aviation fuels. As of 2026, the sale of lubricants is reported within the BU, whereas in the previous periods it was reported within the Wholesale sales volume.
[39]The sales volume shown represents the consolidated sales volumes of the NIS Group (Sales and Distribution Block and HIP-Petrohemija). At the level of the Sales and Distribution Block, the sales volume amounts to 1,507.2 thousand tonnes: retail sales volume is 441.3 thousand tonnes, wholesale sales volume is 562.4 thousand tonnes, while transit, technological export, and BU (business units) amount to 503.6 thousand tonnes. Any deviations in aggregate values result from rounding.

Structure of sales[40] , thousand tonnes



[40]The sales volume shown represents the consolidated sales volumes of the NIS Group (Sales and Distribution Block and HIP-Petrohemija). At the level of the Sales and Distribution Block, the sales volume amounts to 1,507.2 thousand tonnes: retail sales volume is 441.3 thousand tonnes, wholesale sales volume is 562.4 thousand tonnes, while transit, technological export, and BU (business units) amount to 503.6 thousand tonnes. Any deviations in aggregate values result from rounding.

Energy

Natural gas

For the purpose of organising and balancing the natural gas portfolio of NIS j.s.c. Novi Sad, in the second quarter of 2026, preparations were made and requirements were gathered, for booking natural gas transmission capacities for the Gas Year 2026/2027. In addition, an addendum to the natural gas distribution contract for 2026 was signed. A natural gas energy supply contract was concluded at the end of the second quarter of 2026.

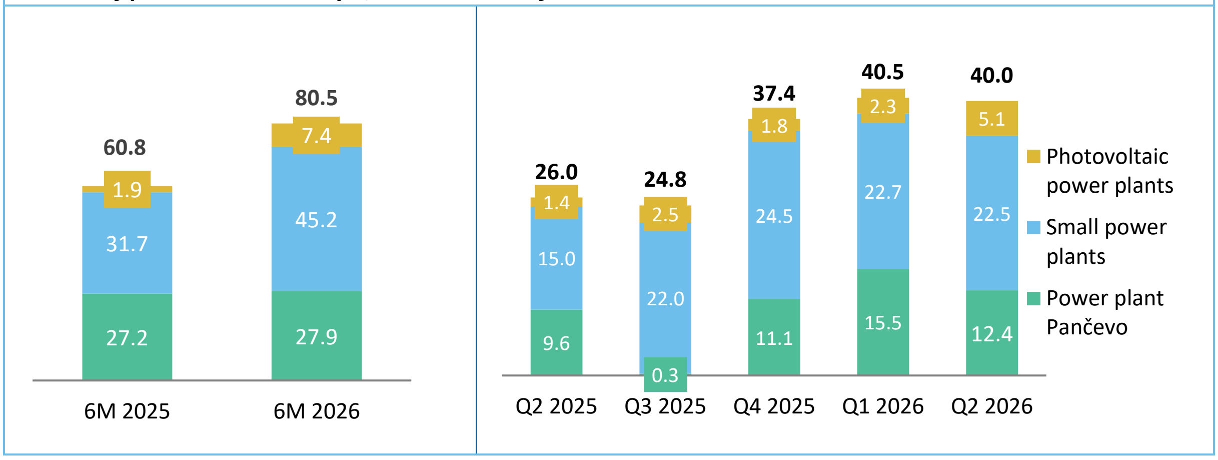
Production of electricity

In the second quater of 2026, electricity production amounted to 40.0 thousand MWh, which is 54% higher compared to the same period in 2025.

Small power plants produced 50% more electricity than in the second quarter last year.

Production from solar panels amounted to 5.1 thousand MWh in the second quarter of 2026, and 7.4 thousand MWh in the first six months of 20266, which is 4 times higher than in the same period in 2025.

Volume of produced electricity[41], in thousands of MWh



Implementation of the Programme of Energy Efficiency Measures in NIS j.s.c. Novi Sad

Through the programme of measures for reducing energy consumption and increasing energy efficiency in the second quarter of 2026, the expected effect of energy savings is about 743 t.o.e and the expected financial value of the savings is about RSD 68 million.

Renewable energy sources

The largest solar photovoltaic power plant owned by the Company, installed on 10 hectares of free space in the Novi Sad Oil Depot, began operating in 2025. Considering its capacity of 6.8 MWp, and its commissioning tripled the production capacity of solar power plants owned by NIS.

The construction of Smederevo PVPP with a battery energy storage system (BESS) is planned for 2027.

A project for the construction of a ground-mounted Elemir solar power plant, with an installed capacity of 1.8 MWp, has beend prepared. This will be the Company's first solar power plant to have photovoltaic panels mounted on a rotating structure for automatic daily tracking of the sun's trajectory, leading to a significantly higher production and increased financial effects of the project. A tender for the procurement of "turnkey" construction services is underway.

The positive trend of construction of small PPVP at NIS petrol stations continues. A tender for the procurement of "turnkey" construction services in progress at additional 19 petrol stations owned by the company, with a total capacity of approximately 0.51 MWp.

[41] The presented volume of produced electricity also includes the electricity produced in Power plant Pancevo, small power plants and photovoltaic power plants.

HIP-Petrohemija

Key indicators

Q2 2026	Q2 2025	Key indicators	Unit of measurement	6M 2026	6M 2025
96.9	74.5	**Production of petrochemical products**	thous. tonnes	**141.0**	127.1
121.7	95.3	**Refining of primary gasoline**	thous. tonnes	**180.0**	162.2
82.4	64.8	**Petrochemical product sales**	thous. tonnes	**146.8**	122.0
0.6	-2.3	**EBITDA**	RSD billion	**-0.9**	-4.1
0.2	-2.7	**Net result (net profit/net loss)**	RSD billion	**-1.5**	-4.7
0.07	0.37	**CAPEX**[42]	RSD billion	**0.14**	0.48
5.8	8.1	**LTIF**	number	**5.8**	8.1

In the first six months of 2026, the EBITDA indicator was negative and amounted to RSD -0.9 billion, which is an increase compared to the same period of the previous year. In the first six months of 2025, EBITDA amounted to RSD -4.1 billion.

In the first six months of 2026, the net loss was RSD 1.5 billion, which is an increase compared to the same period of the previous year.

As for operational indicators, in the first six months of 2026, the production volume of petrochemical products amounted to 141 thousand tonnes, which is 11% more than in the same period of last year, while the refining of primary gasoline was 180 thousand tonnes, which is 11% more than in the same period of the last year.

The sales of petrochemical products in the first six months of 2026 amounted to 146.8 thousand tonnes, which is 20% more compared to the same period of last year.

During the second quarter of 2026, RSD 0.07 billion was allocated for investment funding, which is 81% less than in the second quarter of 2025. Total investment funding for the first six months of 2026 historical stands at RSD 0.14 billion, representing a 71% decrease compared to the same period in 2025.

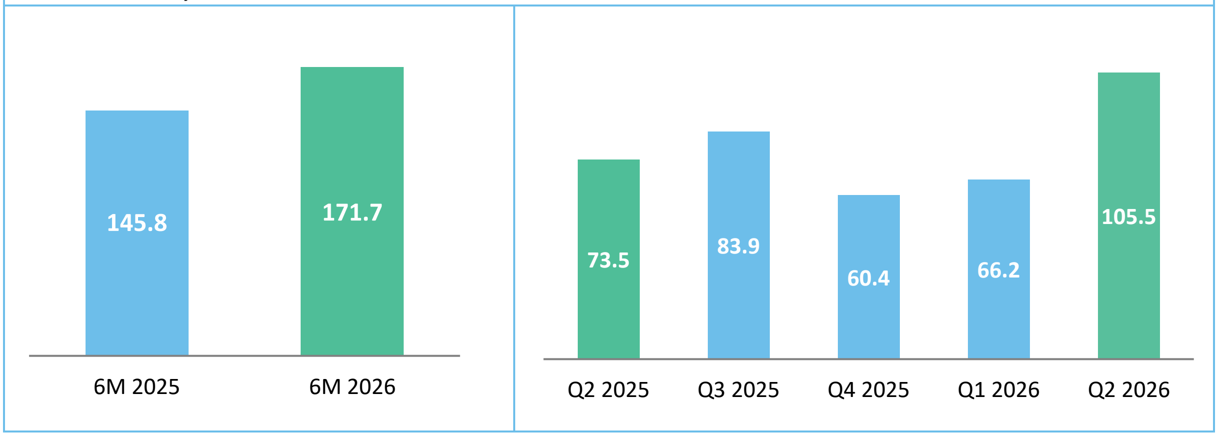
[42] Financing, excluding VAT.

Financial indicators

Sales revenues

During the first six months of 2026, a decrease in sales revenues was recorded compared to the same period of the previous year and amounted to RSD 171.7 billion.

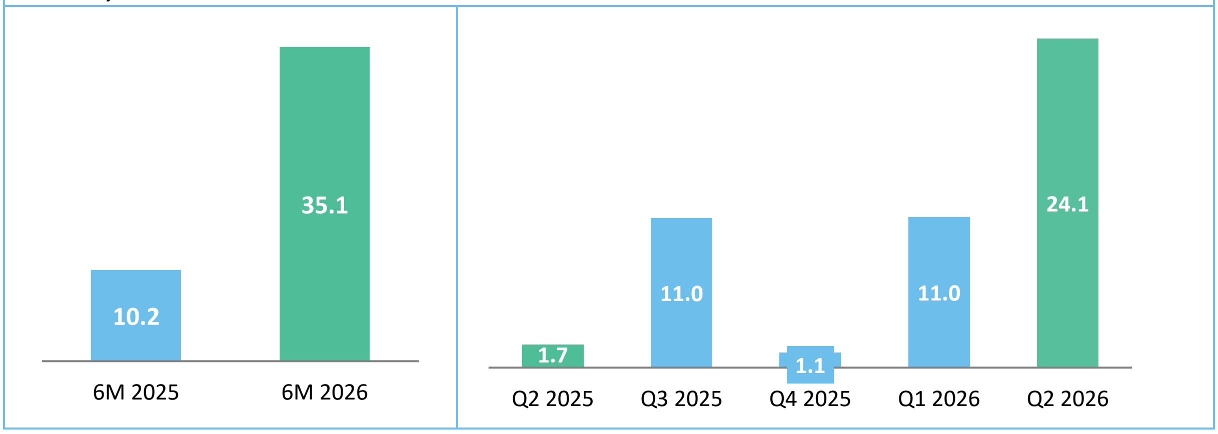
Sales revenue, RSD billion



EBITDA

The EBITDA indicator in the first six months of 2026 recorded an increase compared to the same period last year and amounted to RSD 35.1 billion.

EBITDA, RSD billion



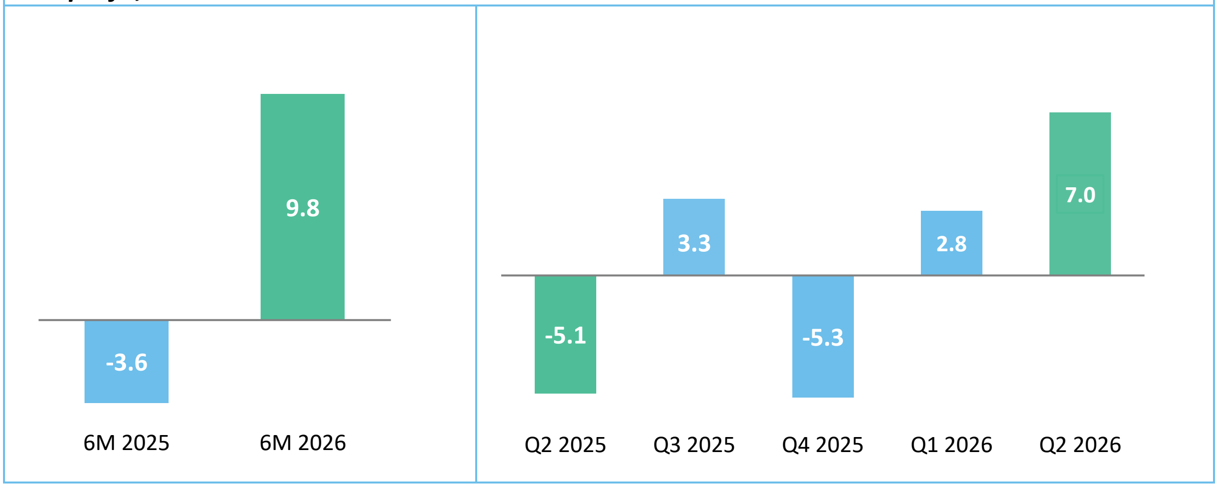
The improvement in the EBITDA indicator in the first six months of 2026 compared to the same period last year is the consequence of the increase in the price of oil and oil derivatives on the world market, with a positive effect of the impact of "cheaper" supplies and cost optimization, as well as an increase in revenue through the return of some customers (wholesale and retail customers) and due to the implemented measures and activities (pricing policy, committee work).

In addition to positive effects, the results were affected by negative effects of the exchange-rate, changes in the product range and sales structure of petroleum product, oil production, unfavourable crude oil premiums, and the price caps effect.

Net profit

In the first six months of 2026, the net profit amounts to RSD 9.8 billion, which is an increase compared to the same period last year when the indicator amounted to RSD -3.6 billion.

Net profit, RSD billion



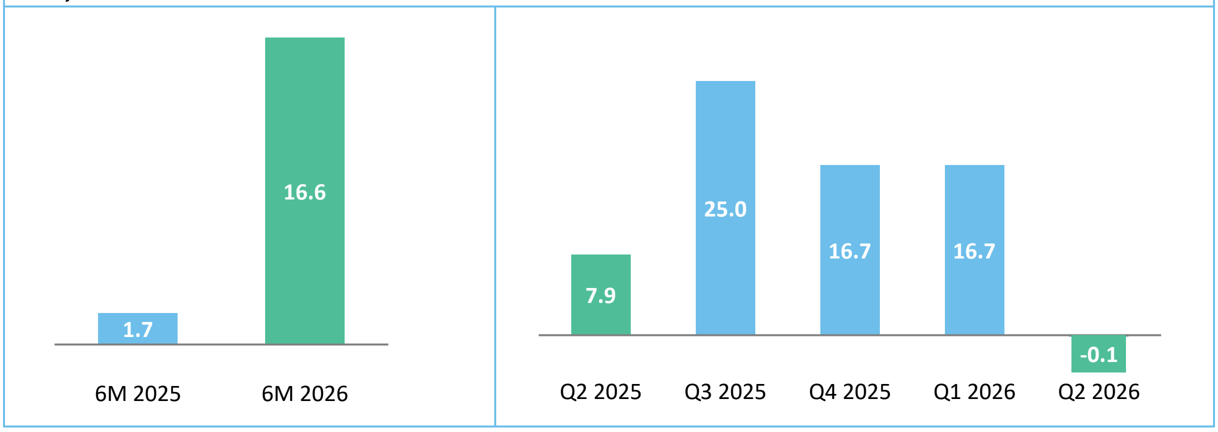
Increase in net profit indicator for the first six months of 2026 compared to the same period last year was caused by the growth in EBITDA.

Despite the positive contribution of EBITDA, depreciation expenses increased in June 2026 due to the recognition of impairment losses on assets in Romania and Bulgaria (the effect of impairment[43] amounts to RSD 6.3 bilion).

OCF

In the first six months of 2026, the operating cash flow amounts to RSD 16.6 billion, and it is higher compared to the same period last year.

OCF, RSD billion



The increase of the OCF indicator in the first six months of 2026 was influenced by:

- Lower outflows from operating activities;
- Higher inflows from operating activities

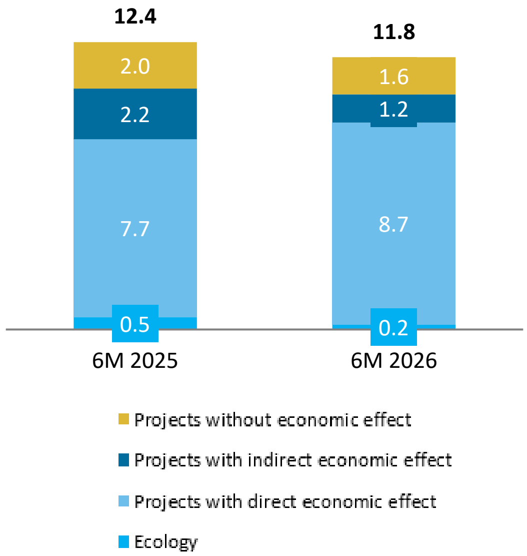
[43]Without effect on corporate income tax. Impairment with effect on corporate income tax amounts to RSD 5.2 bilion.

CAPEX

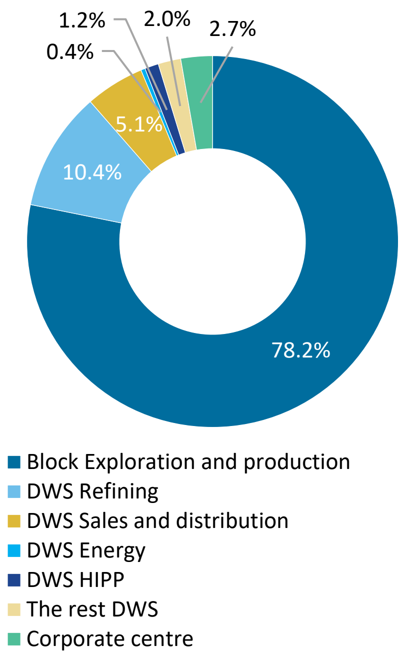
In the first six months of 2026, the main areas of investment were projects aimed at oil and gas production. A significant part of the investment belongs to investments in drilling, followed by oil refining projects, as well as transport and logistic projects. In addition, NIS invested in projects in the field of energy and services, as well as in a certain number of projects in the corporate center.

In the first six months of 2026, RSD 11.8 billion was allocated for investment.

CAPEX by type of project[44], RSD billion



Investments by segments in the first six months of 2026



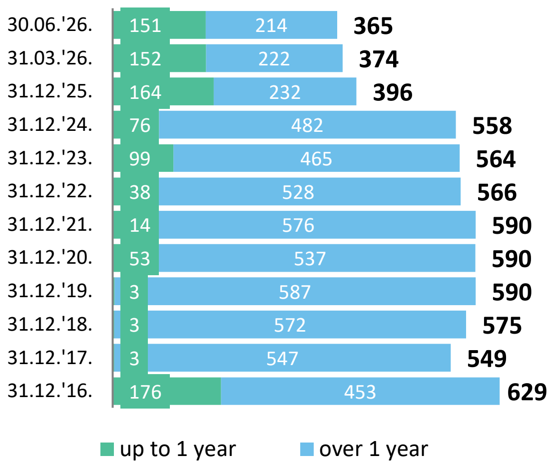
[44]All amounts are expressed in RSD billion, excluding VAT. Any deviations in aggregate values result from rounding.

Organisation unit	Major projects in the first six months of 2026
Exploration and Production	• drilling of development wells • investing in geological and technical activities • infrastructure projects
Services	• equipment procurement and investment maintenance
Refining	• projects aimed at ensuring compliance with legal norms and regulations • investment maintenance projects • environmental projects • reconstruction of the fire protection system • reconstruction of the industrial railway track
Sales and Distribution	• financing of the reconstructed Mrčajevci and Surčin Airport Petrol Stations • financing of leasing of tank cars
Rest of Downstream projects (Energy, Technical services and HIPP)	• solar photovoltaic projects • energy efficiency projects • activities on the HIPP project – Polypropylene • procurement of scaffolding for THS
Corporate Centre	• projects related to maintenance of software solutions and process digitalisation

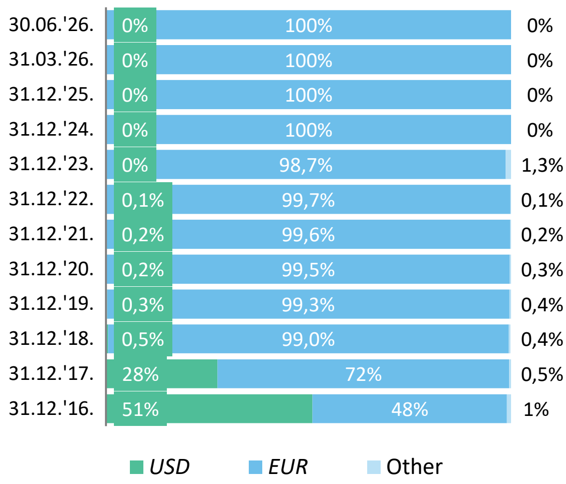
Debt based on bank loans

At the end of the second quarter of 2026, as a result of regular repayments the debt to banks is lower than at the end of 2025 and amounts to EUR 364.9 million.

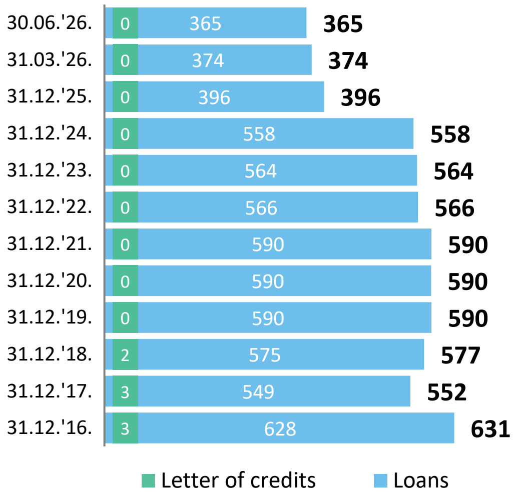
Total bank debt trends with maturity structure[45], EUR million



Total bank debt structure, by currency, in %



Total bank indebtedness[46], EUR million



[45] Any deviations in aggregate values result from rounding.

[46] In addition to the bank debt and Letters of Credit as at 30 June 2026, NIS j.s.c. Novi Sad holds issued bank guarantees in the amount of EUR 22.6 million, corporate guarantees in the amount of EUR 187.0 million and financial leasing in the amount of EUR 19.8 million. Any deviations in aggregate values result from rounding.

Taxes and Other Public Revenue[47]

NIS j.s.c. Novi Sad	6M 2026	6M 2025
Social insurance contributions paid by employer	1.39	1.31
Energy efficiency fee	0.18	0.17
Corporate tax	2.57	-0.95
Value-added tax	15.21	12.69
Excise duties	69.86	77.56
Fee for Mandatory Commodity Reserves	3.06	3.03
Customs duties	1.07	0.77
Royalty	0.98	0.92
Other taxes	0.97	0.88
Total	**95.27**	**96.39**
NIS subsidiaries in Serbia and the region		
Social insurance contributions paid by employer	1.36	1.27
Energy efficiency fee	0.00	0.01
Corporate tax	0.25	0.01
Value-added tax	1.87	1.45
Excise duties	1.45	4.23
Customs duties	1.51	1.51
Royalty	0.01	0.01
Other taxes	0.16	0.21
Total	**6.61**	**8.70**
Deferred taxes (total for Group)	-0.46	-0.44
Total NIS Group[48]	**101.42**	**104.65**

The amount of accrued liabilities for public revenues for NIS Group in the first six months of 2026 totalled RSD 101.4 billion, which is a decrease of 3% on the same period in 2025.

[47] In RSD billion.

[48] Including taxes and other liabilities for public revenues for subsidiaries in the region, corporate tax in Angola and deferred taxes.

Securities

Share capital structure

NIS j.s.c. Novi Sad share capital is RSD 81.53 billion and is divided into a total of 163,060,400 shares with a nominal value of RSD 500. All issued shares are ordinary shares, vesting their holders with the following rights:

- right to participate and vote at the assembly meetings, according to one-share-one-vote rule;
- right to receive dividends in compliance with applicable legislation;
- right to participate in the distribution of the company assets remaining after liquidation or of a bankrupt's estate in compliance with the bankruptcy law;
- pre-emptive right to buy ordinary shares of a new issue and other financial instruments tradable for ordinary shares, of a new issue and
- other rights in accordance with the Company Law and corporate documents.

All shares issued by the Company are included in trading on a regulated market.

Share trading and indicators per share

By decision of the Belgrade Stock Exchange, and at the request of the Securities Commission, trading in shares of NIS j.s.c. Novi Sad was temporarily suspended on 14 January 2025. Based on the decision of the Securities Commission, the Belgrade Stock Exchange issued a decision on January 21, 2025, to extend the temporary suspension of share trading. The suspension will remain in effect until the underlying reasons are no longer present

During the first six months of 2026, the Company did not acquire its own shares.

Dividends

NIS j.s.c. Novi Sad dividend policy is based on a balanced approach, which takes into account the necessity to retain earnings for the purposes of future investment, the rate of return on invested capital and the amount for dividend payment. The long-term dividend policy stipulates a minimum of 15% of net profit is to be paid to shareholders in dividends.

When deciding on profit distribution and dividend payment, the corporate management takes into consideration a number of factors, including the financial standing, investment plans, loan repayment obligations, the macroeconomic environment and legislation. Each of these factors, either individually or combined, if significant, may affect the proposed dividend payment.

Pursuant to the decisions of the 18th ordinary meeting of the NIS j.s.c. Novi Sad Shareholders' Assembly, held on 25 June 2026, the dividends for 2025 will not be paid out.

	Net profit (loss), RSD bn[49]	Total amount of dividend, RSD bn	Payment ratio	Earnings per share, RSD	Dividend per share, gross, RSD	Share price as at 31 December, RSD	Shareholders' dividend yield, in %[50]
2009	(4.4)	0.0	-	-	0	-	-
2010	16.5[51]	0.0	-	101.1	0	475	-
2011	40.6[52]	0.0	-	249	0	605	-
2012	49.5	12.4	25%	303.3	75.83	736	10.3
2013	52.3	13.1	25%	320.9	80.22	927	8.7
2014	30.6	7.6	25%	187.4	46.85	775	6.0
2015	16.1	4.0	25%	98.8	24.69	600	4.1
2016	16.1	4.0	25%	98.6	24.66	740	3.3
2017	27.8	6.9	25%	170.43	42.61	724	5.9
2018	26.1	6.5	25%	159. 86	39.97	690	5.8
2019	17.7	4.4	25%	108.55	27.14	749	3.6
2020	(5.9)	1.0	-	(36.24)	6.14	644	1.0
2021	23.1	5.8	25%	141.85	35.46	620	5.7
2022	93.5	23.4	25%	573.14	143.29	675	21.2
2023	41.9	10.5	25%	257.05	64.26	812	7.9
2024	18.4	4.6	25%	112.72	28.18	754	3.7
2025	(12.2)	-	-	(75.02)	-	-	-

[49] Net profit of NIS j.s.c. Novi Sad.
[50] Calculated as the ratio of gross dividend to share price at the end of the year for which the dividend is paid.
[51] Net profit used for coverage of accumulated losses.
[52] Net profit used for coverage of accumulated losses.

Bonds

Bonds are financial instruments, i.e. debt securities issued by a state, a company or another legal entity in order to raise certain financial resources. On the basis of the bond, the bond issuer undertakes to return a certain amount of money to the investor and pay interest for a defined period of time.

A legal holder of bonds issued by NIS has the following rights:

- the right to payment of the principal upon maturity,
- the right to payment of interest,
- in the event of the Company's delay in paying the coupon or principal, the right to payment of the value of the due coupon or principal together with default interest calculated for the period of delay in dinars at the rate of the statutory default interest rate valid in the Republic of Serbia on the date of calculation of the default interest
- the right to dispose of the bonds and the right to transfer ownership of the bonds to third parties without restrictions in accordance with applicable regulations.

Basic information about bonds of NIS j.s.c. Novi Sad	
Nominal value	RSD 10,000
CFI code	DBFUFR
ISIN no.	RSNISHD82111
Bond issue designation	I (first) issue
Posting date to proprietary accounts	December 20, 2024
Due date	5 years or 1,825 days
Due date	December 19, 2029
Interest rate	Fixed interest rate of 6.50% per annum and quarterly payment of an interest coupon starting from the issuance date.
Method of calculation of interest	The formula for calculating the amount of interest for the interest period is as follows: K = Nk *x* pk *x* 0.25 where the following letters shall have the following meanings: K: the amount of quarterly interest to be paid pk: the amount of the interest rate on an annual basis Nk: EUR equivalent of the nominal value of an individual bond at the middle exchange rate of the NBS on the date of issuance.

In the second quarter of 2026, the sixth coupon payment was made, based on the first issue of corporate bonds of the Company.

Human resources

As one of the best employers in Serbia, NIS strives to constantly adapt to the labour market, employees' expectations and the needs of the business. The greatest effort is invested in the stability of the company as an employer, programmes focused on the recruitment and development of the young, new models of motivation, learning and development, and the promotion of a corporate culture of respect in the Company.

NIS' HR strategy, new company values, and employer value proposition (diversity and inclusion initiative, employer brand strategy and learning and development strategy) have produced a large number of HR projects and initiatives. They will improve the experience of both candidates and employees of NIS, starting from recruitment to rewarding, remuneration and benefits, development and promotion.

NIS' long-term goal is to strengthen employee engagement and improve HR practices to offer the best possible employee experience. During the first quarter, preparations were made for a new concept of the First Time Manager Programme. This programme helps employees who have just taken over a management position improve their managerial and leadership skills. The implementation of the new concept of the First-Time Manager programme for 93 employees started in the second quarter, and during that time participants attended 16 workshops, where they learned about different parts of the HR process, HSE leadership as well as with the Company's strategy.

Recognising the need to reduce bureaucracy in all processes, at the beginning of 2024, the Company launched the "Debureaucratisation" project at NIS, aimed at reducing documentation, shortening process steps, and automating and digitalising processes throughout all parts of the company. NIS also strives to digitize HR processes and thus provide faster and more efficient support to its employees. To that end, the Company has introduced a digital platform, supporting all key HR processes. The Company has also introduced a digital assistant, a chatbot, which provides employees with answers to basic HR questions.

As part of the implementation of the young talent agenda, NIS completed the 9th season of the NIS Calling programme for young people, and 8 participants were employed in key positions. In addition, a the company carried out promotional campaign for the jubilee 10th season of this programme, collecting over 1,000 applications. During the promotional campaign and selection process, the company implemented a new concept titled Calling Support, within which interested candidates could directly contact NIS regarding all their concerns. In order to provide useful experience to the largest possible number of candidates, in partnership with Career Launch NIS held 4 workshops, where more than 120 rejected candidates had the opportunity to gain knowledge that might be useful in their further search for internship or job.

As part of the internship programme for operators, a promotional campaign of the 5th season of the programme was organised. It included workshops that were attended by more than 180 high school graduates and 160 second and third year students from a total of 6 vocational technical schools.

The TalentX survey, the largest employer brand survey in Serbia with over 11,000 participants, that is being conducted by Infostud every two years, was carried out. Company managed to maintain its position in the top 5 most attractive employers. As part of HR digitalisation, NIS created its HR digital transformation.

Employee number[53] and structure

At the end of the first six months of 2026, the total number of employees was 13,504, while the average number was 13,040.

	Total number of employees as at:	
Organisational unit	**06/30/2026**	**06/30/2025**
NIS j.s.c. Novi Sad	5,276	5,314
Subsidaries	8,228	8,587
TOTAL[54]:	**13,504**	**13,901**

[53] The number of employees does not include employees hired through the Contract of Services. On June 30, 2026 there are 88 employees hired through the Contract of Services with the NIS j.s.c. Novi Sad.
[54] Employees with shared working hours are shown as whole units in the associated Company.

Research and development

In all segments of its business, NIS is dedicated to continuous technological development and introduction of innovations into business.

The Scientific and Technological Centre (STC NIS – Naftagas LLC Novi Sad) provides the business with scientific, technical and innovation support in the field of exploration and production of oil and gas. Implementation and development of new technologies, scientific research and increasing the efficiency of oil and gas exploration, production and refining are a constant focus of management and employees of the Science and Technology Centre.

In the second quarter of 2026 the STC (STC NIS – Naftagas LLC Novi Sad) worked on the following activities in the area of geological research, geology, reservoir engineering and production in Serbia:

- Completed updating the hydrodynamic model, geological model and reservoir;
- Prepared the drilling rating for 2027;
- Prepared 22 simplified field development projects for drilling.

The DWS Laboratory carried out the following activities during the second quarter:

- Procured laboratory equipment for the Company’s facilites in Niš;
- Procured laboratory aboratory equipment for the Company’s facilites in Belgrade;
- Organized and fully implemented a set of different interlaboratory tests divided by test subject (liquefied petroleum gas-butane, jet fuel JET A-1, petroleum coke and motor oil) with laboratories from the country and the region. The goal of the interlaboratory comparisons is to confirm the technical competence of a laboratory, as well as to test and continuously ensure quality, accuracy and analytical reliability of test results.

Corporate governance

Corporate governance system

The Company has established a one-tier governance system, where the Board of Directors has the central role in the corporate governance. The Board of Directors is responsible for the implementation of the objectives and the achievement of results, while the shareholders exercise their rights and control primarily through the Shareholders' Assembly.

The provisions of the Articles of Association fully and clearly differentiate between the scope of work of the Board of Directors and the scope of work of the Shareholders' Assembly, the CEO of the Company and the bodies set up by the corporate governance bodies.

Shareholders' Assembly and Shareholders' rights

As the highest authority of the Company, the Shareholders' Assembly is made up of all shareholders. All NIS j.s.c. Novi Sad shares are ordinary shares that give their owners the same rights, wherein one share carries one vote.

Board of Directors

The Board of Directors has a central role in corporate governance. It is collectively responsible for the long-term success of the Company, for setting main business objectives and identifying the company's further courses of development, as well as for identifying and controlling the effectiveness of the corporate business strategy.

Board of Directors' Committees

In order to complete its obligations more efficiently, the Board of Directors founded 3 permanent committees as advisory and professional bodies, which support its work, especially in terms of consideration of the questions under its jurisdiction, preparation and supervision of implementation of the decisions and acts adopted by BoD, as well as conduction of certain expert activities necessary for the Board of Directors. The Board of Directors has formed the following Committees:

- Audit Committee,
- Remuneration Committee,
- Nomination Committee.

The Board of Directors will appoint new members of its Committees and, is necessary, establish new regular or ad hoc committees to support the activities of the Board.

Shareholders' Assembly Board

The Shareholders' Assembly Board for the Supervision of Operations and the Procedure for Reporting to Company Shareholders (hereinafter 'The Shareholders' Assembly Board') is a body of advisors and experts providing assistance to the Shareholder's Assembly with respect to its activities and consideration of issues within its scope of competence. Members of the Shareholders' Assembly Board report to the Shareholders' Assembly, which appoints them and relieves them of duty.

Chief Executive Officer

The Board of Directors appoints one of its executive members to act as the Chief Executive Officer. The CEO coordinates the activities of the executive members of the Board of Directors and organizes the Company's activities. In addition to this, the CEO performs daily management activities and is authorized to decide on matters which do not fall under the competence of the Shareholders' Assembly and the Board of Directors. The Chief Executive Officer is a legal representative of NIS j.s.c. Novi Sad.

CEO Advisory Board

The CEO Advisory Board is a professional body that helps the CEO in their activities and in the consideration of matters within their responsibilities. The members of the Advisory Board are determined by the Decision of CEO. The Advisory Board deals with the issues of strategy and development policy, the basis of which is set by the Shareholders' Assembly and the Board of Directors of the Company.

Related-party transactions

In the first six months of 2026 the Group entered into business transactions with its related parties. An outline of related-party transactions is part of the Notes to the Financial Statements[55].

[55] Information on related party transactions can be found on page 83 under note number 28 of the Consolidated Financial Statements.

Financial Statements[56]

Interim Condensed Financial Statements (Unaudited)

Interim Condensed Statement of Financial Position

Assets	Note	30 June 2026	31 December 2025
Current assets		*(unaudited)*	*(unaudited)*
Cash and cash equivalents	4	26,635,053	26,887,921
Short-term financial assets	5	24,399,103	24,131,064
Trade and other receivables	6	25,046,840	33,660,332
Inventories	7	62,997,267	30,207,455
Current income tax prepayments		-	2,160,746
Other current assets	8	10,336,735	7,376,629
Assets classified as held for sale		148,104	139,187
Total current assets		**149,563,102**	**124,563,334**
Non-current assets			
Property, plant and equipment	9	299,924,621	302,189,726
Right-of-use assets	10	2,613,236	2,820,839
Investment property		1,613,129	1,660,263
Intangible assets		4,388,965	4,483,372
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries	11	35,719,697	31,016,682
Trade and other non-current receivables		240,678	322,372
Long-term financial assets	12	4,253,012	6,467,852
Deferred tax assets		5,958,681	5,530,178
Other non-current assets	13	1,671,572	1,992,203
Total non-current assets		**357,422,391**	**357,522,287**
Total assets		**506,985,493**	**482,085,621**
Liabilities and shareholders' equity			
Current liabilities			
Short-term debt and current portion of long-term debt	14	21,446,576	21,897,240
Current lease liabilities	19	565,641	588,832
Trade and other payables	15	22,751,500	20,565,506
Other current liabilities	16	7,421,429	5,485,789
Current income tax payable		2,687,904	-
Other taxes payable	17	14,531,519	6,322,102
Provisions for liabilities and charges		2,347,103	2,384,277
Current portion of other non-current financial liabilities	20	2,376,962	29,176
Total current liabilities		**74,128,634**	**57,272,922**
Non-current liabilities			
Long-term debt	18	26,914,299	29,024,464
Non-current lease liabilities	19	923,011	1,203,313
Other non-current financial liabilities	20	10,019,823	12,313,561
Long-term trade and other payables		134,424	-
Provisions for liabilities and charges		13,410,009	12,999,305
Total non-current liabilities		**51,401,566**	**55,540,643**
Equity			
Share capital		81,530,200	81,530,200
Reserves		57,374	40,863
Retained earnings		299,867,719	287,700,993
Total equity		**381,455,293**	**369,272,056**
Total liabilities and shareholders' equity		**506,985,493**	**482,085,621**

in 000 RSD

[56] The financial statements, standalone and consolidated, have not been audited.

Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

	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		99,455,357	63,005,056	158,253,816	126,124,589
Other revenues		6,763,865	5,165,471	10,008,141	9,896,201
Total revenue from sales	**3**	**106,219,222**	**68,170,527**	**168,261,957**	**136,020,790**
Purchases of oil, gas and petroleum products		(63,111,862)	(45,048,337)	(94,683,770)	(83,573,771)
Production, manufacturing and cost of other sales	21	(9,799,746)	(9,107,502)	(18,066,963)	(19,016,177)
Selling, general and administrative expenses	22	(10,089,723)	(8,608,289)	(17,931,706)	(16,457,903)
Transportation expenses		(314,878)	(350,528)	(571,210)	(745,900)
Depreciation, depletion and amortization		(6,638,405)	(6,699,581)	(13,260,635)	(13,271,965)
Taxes other than income tax		(1,550,673)	(1,525,894)	(3,212,162)	(3,047,047)
Exploration expenses		(32)	-	(32)	(10)
Total operating expenses		**(91,505,319)**	**(71,340,131)**	**(147,726,478)**	**(136,112,773)**
Other (expenses)/income, net	23	(5,866,002)	(10,255)	(5,728,742)	132,788
Operating profit/(loss)/		**8,847,901**	**(3,179,859)**	**14,806,737**	**40,805**
Net foreign exchange loss	24	(1,072)	(53,172)	(50,214)	(178,895)
Finance income	25	510,188	496,022	1,066,978	1,030,651
Finance expenses	26	(876,384)	(790,249)	(1,499,039)	(1,654,201)
Total other expenses		**(367,268)**	**(347,399)**	**(482,275)**	**(802,445)**
Profit/(loss) before income tax		**8,480,633**	**(3,527,258)**	**14,324,462**	**(761,640)**
Current income tax		(1,624,720)	1,714,491	(2,569,728)	951,291
Deferred tax income		207,957	230,750	428,503	507,689
Total income tax	**27**	**(1,416,763)**	**1,945,241**	**(2,141,225)**	**1,458,980**
Profit/(loss) for the period		**7,063,870**	**(1,582,017)**	**12,183,237**	**697,340**
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/ expenses) for the period		**7,063,870**	**(1,582,017)**	**12,183,237**	**697,340**
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		43.32	(9.70)	74.72	4.28
Weighted average number of ordinary shares in issue (in millions)		163	163	163	163

in 000 RSD

Interim Condensed Statement of Changes in Shareholders' Equity

Six month period ended 30 June 2026 and 2025

(unaudited)	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	-	-	697,340	697,340
Other comprehensive income				
Gain from investments in equity instruments	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**697,340**	**697,340**
Dividend distribution	-	-	(4,595,042)	(4,595,042)
Balance as at 30 June 2025	**81,530,200**	**41,960**	**300,684,696**	**382,256,856**

in 000 RSD

(unaudited)	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	-	-	12,183,237	12,183,237
Other comprehensive income				
Gain from investments in equity instruments	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**12,183,237**	**12,183,237**
Other	-	16,511	(16,511)	-
Balance as at 30 June 2026	**81,530,200**	**57,374**	**299,867,719**	**381,455,293**

in 000 RSD

Interim Condensed Statement of Cash Flows[57]

	Note	Six month period ended 30 June 2026	2025
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit/(loss) before income tax		**14,324,462**	**(761,640)**
Adjustments for:			
Finance expenses	26	1,499,039	1,654,201
Finance income	25	(1,066,978)	(1,030,651)
Unrealised foreign exchange losses, net		43,763	146,587
Depreciation, depletion and amortization		13,260,635	13,271,965
Impairment of financial assets		5,915,742	-
Allowance for doubtful accounts		1,786,797	(36,523)
Other non-cash items		640,959	438,739
Operating cash flow before changes in working capital		**36,404,419**	**13,682,678**
Changes in working capital:			
Trade and other receivables		4,997,681	253,729
Inventories		(32,853,664)	(13,034,096)
Other current assets		(2,904,324)	1,444,041
Trade payables and other current liabilities		5,852,516	(5,348,023)
Other taxes payable		10,898,475	5,468,500
Total effect on working capital changes		**(14,009,316)**	**(11,215,849)**
Income taxes paid		(413,716)	(927,760)
Interest paid		(1,134,290)	(1,464,016)
Interest received		941,935	800,058
Net cash generated by operating activities		**21,789,032**	**875,111**
Cash flows from investing activities			
Loans issued		(25,259,490)	(15,382,188)
Loan proceeds received		18,594,689	12,767,257
Capital expenditures[58]		(12,383,764)	(12,686,352)
Proceeds from sale of property, plant and equipment		25,745	628,037
Net cash used in investing activities		**(19,022,820)**	**(14,673,246)**
Cash flows from financing activities			
Proceeds from borrowings	14,18	7,073,171	4,644,725
Repayment of borrowings	14,18	(9,719,864)	(9,642,810)
Repayment of lease liabilities	19	(342,588)	(344,905)
Net cash used in financing activities		**(2,989,281)**	**(5,342,990)**
Net decrease in cash and cash equivalents		(223,069)	(19,141,125)
Effect of foreign exchange on cash and cash equivalents		(29,799)	(121,044)
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**	**26,635,053**	**19,559,541**

in 000 RSD

[57] Company's policy is to present cash flow inclusive of related VAT.
[58] CF from investing activities includes VAT in the amount of 1.5 bln RSD (2025: 1.5 bln RSD)

Notes to the Interim Condensed Financial Statements[59]

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 six month period ended 30 June 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 29) due to the geopolitical situation. Due to that during the half 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. Under current conditions it turned out to be impossible to evaluate how long the volatility will persist and at what level the key financial indicators will ultimately stabilise.

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

[59] All amounts are in 000 RSD, unless otherwise stated

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

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

The amendments to existing standards, which became effective on January 1, 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 and six month period ended 30 June 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.

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.

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 Company'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 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 six month period ended 30 June 2026 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	26,729,224	168,807,416	(27,274,683)	168,261,957
Intersegment	25,736,586	1,538,097	(27,274,683)	-
External	992,638	167,269,319	-	168,261,957
Adjusted EBITDA (Segment results)	**17,696,904**	**16,440,976**	**-**	**34,137,880**
Depreciation, depletion and amortization	(7,028,405)	(6,232,230)	-	(13,260,635)
Impairment of financial assets (note 23)	-	(5,915,742)	-	(5,915,742)
Net foreign exchange gain/(loss)	426	(50,640)	-	(50,214)
Finance expenses, net	(223,091)	(208,970)	-	(432,061)
Income tax	-	(2,141,225)	-	(2,141,225)
Segment profit	10,332,255	1,850,982	-	12,183,237

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

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

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	7,063,870	(1,582,017)	12,183,237	697,340
Income tax	1,416,763	(1,945,241)	2,141,225	(1,458,980)
Finance expenses	876,384	790,249	1,499,039	1,654,201
Finance income	(510,188)	(496,022)	(1,066,978)	(1,030,651)
Depreciation, depletion and amortization	6,638,405	6,699,581	13,260,635	13,271,965
Net foreign exchange loss	1,072	53,172	50,214	178,895
Other expenses/(income), net	5,866,002	10,255	5,728,742	(132,788)
Other non-operating expense, net	174,032	22,855	341,766	150,206
Adjusted EBITDA	**21,526,340**	**3,552,832**	**34,137,880**	**13,330,188**

Impact of major one-off items on the Company result

For the purpose of providing a better understanding of the Company underlying performance, the table below presents an analysis of the Company result for the six month period ended 30 June 2026 and 2025. The analysis shows the Company result before one-off items related to impairment losses recorded in accordance with IFRS 9.

	Six month period ended 30 June	
	2026	2025
Company profit for the period	**12,183,237**	**697,340**
Impairment of Investments in subsidiaries NIS Petrol Bulgaria (note 11,23)	598,796	-
Impairment of Loans issued to NIS Petrol Romania (note 5,12 and 23)	5,313,288	-
Impairment of Trade and other receivables- NIS Petrol Romania (note 6,22)	1,795,083	-
Income tax effect	(1,156,075)	-
Company profit for the period before impairment loss	**18,734,329**	**697,340**

The Company is in the process of disposing of its investments in NIS Petrol Bulgaria and NIS Petrol Romania. During the second quarter of 2026, the Company entered into a share purchase agreement in respect of NIS Petrol Romania. Completion of both transactions is subject to the fulfilment of the applicable conditions precedent, including obtaining the requisite licenses from the U.S. Office of Foreign Assets Control ("OFAC"). As at 30 June 2026, the conditions precedent were in the process of being fulfilled and neither transaction had been completed.

During the six-month period ended 30 June 2026, the Company recognised an impairment loss of 598,796 RSD in respect to its investment in NIS Petrol Bulgaria and impairment allowances of 5,313,288 RSD and 1,795,083 RSD in respect of a loan receivable from and trade receivables due from NIS Petrol Romania, respectively.

The recognised losses reflect updated assessments based on the applicable transaction terms, the current status of the planned disposals and the information available as at the reporting date. The estimates may be revised as the transactions progress and the final consideration is determined.

Oil, gas and petroleum 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	4,214,889	-
Sale of gas	387,798	97,179
Wholesale activities	387,798	97,179
Sale of petroleum products	153,651,129	126,027,410
Through a retail network	50,114,462	45,086,457
Wholesale activities	103,536,667	80,940,953
Sale of electricity	485,943	259,866
Lease revenue	252,258	203,510
Other sales	9,269,940	9,432,825
Total sales	**168,261,957**	**136,020,790**

Other sales mainly relate to sales of non-fuel products at petrol stations for 5,350,110 RSD (2025: 6,256,319 RSD).

All performance obligations related to customers are satisfied at the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation.

4. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Cash in bank and in hand	5,841,574	4,862,972
Deposits with original maturity of less than three months	20,790,588	22,021,563
Cash equivalents	2,891	3,386
	26,635,053	**26,887,921**

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

5. SHORT-TERM FINANCIAL ASSETS

	30 June 2026	31 December 2025
Short-term loans to subsidiaries (centrally managed)	23,137,141	16,392,618
Current portion of long-term investments to subsidiaries (note 12)	22,898,277	33,556,277
Less impairment loss provision	(21,636,315)	(25,817,831)
	24,399,103	**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, 19,481,587 RSD (31 December 2025: 12,303,489 RSD) and Naftagas-Naftni servisi 3,507,265 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 the amount of 7,886,061 RSD) (note 11). In June 2026, the Company recognized an impairment allowance on short-term loans granted to NIS Petrol Romania in the amount of 3,686,570 RSD (note 3 and 23).

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 - third parties	22,994,130	26,148,323
Trade receivables - subsidiaries and other related parties (note 30)	10,561,628	14,463,553
Other receivables – third parties	67,545	73,346
Other receivables – subsidiaries and other related parties (note 30)	13,243	10,796
Less impairment provision for trade receivables – third parties	(6,550,882)	(6,791,244)
Less impairment provision for trade receivables – subsidiaries *and other related parties (note 30)*	(2,010,756)	(214,477)
Less impairment provision for other receivables	(28,068)	(29,965)
	25,046,840	**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 the amount of RSD 1,899,543 RSD (note 11).

In June 2026, the Company recognized an impairment allowances on trade receivables from subsidiaries and other related parties relating to NIS Petrol Romania, in the amount of 1,795,083 RSD (note 3 and 23).

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

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

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

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

7. INVENTORIES

	30 June 2026	31 December 2025
Crude oil	35,460,282	13,920,927
Petroleum products	24,695,003	13,336,420
Materials and supplies	5,948,814	5,975,477
Other	1,176,521	1,271,360
Less impairment provision	(4,283,353)	(4,296,729)
	62,997,267	**30,207,455**

8. OTHER CURRENT ASSETS

	30 June 2026	31 December 2025
Advances paid	329,904	2,468,579
Deferred VAT	2,723,940	1,159,384
Prepaid expenses	295,529	218,675
Prepaid custom duties	102,666	99,957
Prepaid excise	6,479,035	3,084,278
Other current assets	7,889,745	7,825,756
Less impairment provision	(7,484,084)	(7,480,000)
	10,336,735	**7,376,629**

Deferred VAT as at 30 June 2026 amounting to 2,723,940 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 30 June 2026 amounting to 6,479,035 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.

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 30 June 2026						
Additions	10,983,932	1,241,132	3,345,884	328,660	(5,376,343)	10,523,265
Changes in decommissioning obligations	149,327	-	-	-	-	149,327
Impairment, net	-	-	-	-	(109,187)	(109,187)
Depreciation	(6,946,129)	(4,236,869)	(1,282,703)	(240,712)	-	(12,706,413)
Transfer to non-current assets held for sale	-	-	-	(2,457)	-	(2,457)
Transfer from investment property	-	-	-	28,621	-	28,621
Disposals and write-off	-	(39)	(4,874)	(10)	(36,479)	(41,402)
Other transfers	(44,125)	(173)	(558)	669	(62,672)	(106,859)
	149,293,571	**85,907,910**	**36,248,619**	**6,993,323**	**21,481,198**	**299,924,621**
As at 30 June 2026						
Cost	279,695,145	182,803,388	75,081,230	16,802,540	21,815,142	576,197,445
Depreciation and impairment	(130,401,574)	(96,895,478)	(38,832,611)	(9,809,217)	(333,944)	(276,272,824)
Net book value	**149,293,571**	**85,907,910**	**36,248,619**	**6,993,323**	**21,481,198**	**299,924,621**

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	**8,208**	**819,873**	**513,420**	**1,479,338**	**2,820,839**
Additions	5,982	441	34,392	1,209	42,024
Depreciation	(1,739)	(55,906)	(95,396)	(64,785)	(217,826)
Disposals	-	-	(61)	(30,437)	(30,498)
Effect of contract modifications and changes in estimates	-	(1,303)	-	-	(1,303)
As at 30 June 2026	**12,451**	**763,105**	**452,355**	**1,385,325**	**2,613,236**

11. INVESTMENTS IN SUBSIDIARIES

	30 June 2026	31 December 2025
Investments in subsidiaries:		
- In shares	3,457,576	3,457,576
- In stakes	53,495,537	40,303,566
	56,953,113	43,761,142
Less: Provision	(21,233,416)	(12,744,460)
	35,719,697	**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 the 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.

In June 2026, the Company recognized an impairment loss on Investments in subsidiaries NIS Petrol Bulgaria, in the amount of RSD 598,796 RSD (note 3 and 23).

12. LONG-TERM FINANCIAL ASSETS

	30 June 2026	31 December 2025
LT loans issued to subsidiaries	30,741,479	41,986,243
Financial assets at FVTPL	840,340	839,712
Other LT placements	20,275	20,087
Available for sale financial assets	124,168	124,212
Less current portion of LT loans issued (note 5)	(22,898,277)	(33,556,277)
Less provision of LT financial assets (note 5)	(4,574,973)	(2,946,125)
	4,253,012	**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 30 June 2026 and 31 December 2025 are presented in the tables below:

As at 30 June 2026	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provison	Net amount
NIS Petrol srl	19,672,323	1,626,718	21,299,041	(21,299,041)	-
NIS Petrol doo Banja Luka	3,013	3,711,552	3,714,565	(2,744,976)	969,589
NIS Petrol a.d. Belgrade	1,143,593	2,068,948	3,212,541	-	3,212,541
Jadran-Naftagas d.o.o.	2,079,348	435,984	2,515,332	(2,125,266)	390,066
	22,898,277	**7,843,202**	**30,741,479**	**(26,169,283)**	**4,572,196**

As at 31 December 2025	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provison	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.

In June 2026, the Company recognized an impairment allowance on Long-term loans granted to Petrol Romania in the amount of 1,626,718 RSD and on short-term loans granted to NIS Petrol Romania in the amount of 3,686,570 RSD (note 3 and 23).

13. OTHER NON-CURRENT ASSETS

	30 June 2026	31 December 2025
Advances paid for PPE	1,019,474	1,304,517
Prepaid expenses	47,808	55,739
Other assets	880,811	909,523
Less impairment provision for other assets	(269,359)	(270,414)
Less impairment provision for advances paid	(7,162)	(7,162)
	1,671,572	**1,992,203**

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

	30 June 2026	31 December 2025
Short-term loans	3,554,602	2,512,460
Interest liabilities	181,639	139,625
Current portion of long-term loans (note 18)	17,710,335	19,245,155
	21,446,576	**21,897,240**

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

	Six month period ended 30 June 2026	2025
As at 1 January	**2,512,460**	**2,387,513**
Proceeds	6,180,517	4,644,725
Repayment	(5,138,375)	(4,673,151)
As at 30 June	**3,554,602**	**2,359,087**

15. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
Trade payables – third parties	5,992,557	4,978,739
Trade payables – subsidiaries and other related partiers (note 30)	10,892,679	9,741,158
Dividends payable	5,844,191	5,844,191
Other accounts payable	22,073	1,418
	22,751,500	**20,565,506**

16. OTHER CURRENT LIABILITIES

	30 June 2026	31 December 2025
Contract liabilities arising from contracts with customers:		
- Advances received	3,355,448	2,138,699
- Customer loyalty	860,184	746,954
- Deferred income	50,354	38,003
Payables to employees	3,000,041	2,156,108
Other current non-financial liabilities	155,402	406,025
	7,421,429	**5,485,789**

Revenue in the amount of 1,900,528 RSD (30 June 2025: 4,416,803 RSD) recognized in the current reporting period related to the contract liabilities as at 1 January 2026, of which 1,649,133 RSD (30 June 2025: 3,975,437 RSD) related to advances and 251,395 RSD (30 June 2025: 441,366 RSD) to the customer loyalty programme.

17. OTHER TAXES PAYABLE

	30 June 2026	31 December 2025
Mineral extraction tax	483,920	498,409
VAT	4,908,015	1,760,731
Excise tax	7,369,137	3,402,482
Contribution for State commodity reserves	318,936	128,631
Custom duties	181,958	5,468
Energy efficiency fee	36,267	14,636
Other taxes	1,233,286	511,745
	14,531,519	**6,322,102**

18. LONG-TERM DEBT

	30 June 2026	31 December 2025
Bank loans	42,746,016	46,392,416
Other Long-term borrowings	1,878,618	1,877,203
Less current portion (note 14)	(17,710,335)	(19,245,155)
	26,914,299	**29,024,464**

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

	Six month period ended 30 June 2026	2025
As at 1 January	**46,392,416**	**65,159,107**
Proceeds	892,654	-
Repayment	(4,581,489)	(4,969,659)
Non-cash transactions	8,072	17,791
Foreign exchange difference	34,363	88,338
As at 30 June	**42,746,016**	**60,295,577**

Bank loans

	30 June 2026	31 December 2025
Total bank loans	42,746,016	46,392,416
Current portion	(17,710,335)	(19,245,155)
	25,035,681	**27,147,261**

The maturity of bank loans was as follows:

	30 June 2026	31 December 2025
Between 1 and 2 years	9,621,464	6,323,799
Between 2 and 5 years	15,296,162	20,578,503
Over 5 years	118,055	244,959
	25,035,681	**27,147,261**

The carrying amounts of bank loans in the amount of 42,746,016 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 30 June 2026 and 31 December 2025, respectively.

Other long-term borrowings in the amount of 1,878,618 RSD (31 December 2025: 1,877,203 RSD) mainly relate to the corporate bonds.

19. LEASE LIABILITIES

	30 June 2026	31 December 2025
Non-current lease liabilities	923,011	1,203,313
Current lease liabilities	565,641	588,832
	1,488,652	**1,792,145**

Amounts recognized in profit and loss:

	Six month period ended 30 June 2026	2025
Interest expense (included in finance cost) (note 26)	29,612	36,922
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	1,004	3,193
Expense relating to leases of low-value assets that are not shown above as short-term leases	305	2,301
Expense relating to variable lease payments not included in lease liabilities	691,992	606,598

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

	Six month period ended 30 June 2026	2025
As at 1 January	**1,792,145**	**1,986,400**
Repayment	(342,588)	(344,905)
Non-cash transactions	39,589	122,956
Foreign exchange difference	(494)	7,868
As at 30 June	**1,488,652**	**1,772,319**

20. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 10,019,823 RSD (2025: 12,313,561 RSD) represents deferred consideration in the amount of 849,616 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 9,170,207 RSD (2025: 11,448,599 RSD). The Current portion of other non-current financial liabilities in the amount of 2,376,962 RSD (2025 29,176 RSD) mainly relates to HIP Petrohemija in the amount of 2,345,474 RSD (2025: 0 RSD).

21. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 30 June 2026	2025	Six month period ended 30 June 2026	2025
Employee costs	1,242,356	1,173,820	2,419,043	2,331,348
Materials and supplies (other than O&G and petroleum products)	340,146	299,225	615,916	627,444
Repair and maintenance services	1,563,472	1,399,990	3,037,497	2,816,597
Electricity for resale	19,480	21,696	24,405	44,953
Electricity and utilities	2,035,112	1,892,203	3,970,286	4,671,639
Safety and security expense	169,180	134,314	248,879	422,713
Transportation services for production	325,722	378,978	666,652	770,609
Other	4,104,278	3,807,276	7,084,285	7,330,874
	9,799,746	**9,107,502**	**18,066,963**	**19,016,177**

Other expenses mainly relate to cost of other goods that have been sold at the petrol stations in the amount of 4,446,349 RSD (2025: 5,190,804 RSD).

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2026	2025	2026	2025
Employee costs	3,853,651	3,751,229	7,674,878	7,362,503
Commission and agency fees	1,662,772	1,528,868	3,246,538	2,981,554
Legal, audit and consulting services	444,538	517,775	758,223	877,974
Current repair and maintenance cost	600,906	667,947	1,020,317	1,202,844
Cost of advertising, marketing and sponsorship	193,513	251,526	332,469	420,070
Electricity and utilities	190,249	174,608	519,773	460,264
Rent expense	1,455	8,784	8,220	10,355
Business trips expense	26,789	28,229	47,593	60,529
Safety and security expense	307,246	294,763	579,032	541,722
Insurance expense	19,620	13,451	39,473	41,508
Transportation and storage	76,549	96,981	156,495	194,904
Allowance for doubtful accounts	1,787,607	(48,533)	1,786,797	(36,523)
Other	924,828	1,322,661	1,761,898	2,340,199
	10,089,723	**8,608,289**	**17,931,706**	**16,457,903**

Other expenses in the amount of 1,761,898 RSD (2025: 2,340,199 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

23. OTHER INCOME, NET

	Three month period ended 30 June		Six month period ended 30 June	
	2026	2025	2026	2025
Penalties	115,053	63,512	302,679	122,659
Provisions	(5,814)	(5,955)	(42,131)	(18,268)
Impairment of non financial assets	(111,050)	(75,493)	(112,510)	(75,493)
Impairment of financial assets	(5,914,273)	-	(5,915,742)	-
Charity and social payments	(6,748)	(845)	(7,335)	(10,254)
Others	56,830	8,526	46,297	114,144
	(5,866,002)	**(10,255)**	**(5,728,742)**	**132,788**

24. 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	30,460	118,442	30,529	132,514
- foreign exchange loss	394	(94,763)	(73,249)	(248,315)
Net foreign exchange loss on operating activities	(31,926)	(76,851)	(7,494)	(63,094)
	(1,072)	**(53,172)**	**(50,214)**	**(178,895)**

25. FINANCE INCOME

	Three month period ended 30 June		Six month period ended 30 June	
	2026	2025	2026	2025
Interest on bank deposits	242,058	207,876	502,326	453,623
Gains on restructuring of borrowings	3,225	-	3,225	-
Interest income on loans issued	264,905	288,146	561,427	577,028
	510,188	**496,022**	**1,066,978**	**1,030,651**

26. FINANCE EXPENSES

	Three month period ended 30 June		Six month period ended 30 June	
	2026	2025	2026	2025
Interest expense	660,249	708,845	1,213,064	1,482,320
Losses on restructuring of borrowings	5,558	7,619	12,769	17,792
Decommissioning provision: unwinding of the present value discount	186,470	34,767	221,095	69,095
Provision of trade and other non-current receivables: discount	(6,048)	9,177	(8,121)	33,884
Revaluation of equity investment at fair value - expense	30,155	29,841	60,232	59,604
Less: amounts capitalised on qualifying assets	-	-	-	(8,494)
	876,384	**790,249**	**1,499,039**	**1,654,201**

Interest expense includes expenses on lease liabilities in the amount of 29,612 RSD for the six months ended 30 June 2026 (36,922 RSD for the six months ended 30 June 2025, accordingly) (note 19).

27. INCOME TAXES

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

As a result of the tax consolidation, the Company was able to utilize accumulated tax losses of certain subsidiaries to offset the consolidated taxable base, leading to a significant tax credit. This tax benefit, relating to the 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	(2,569,728)	(601,549)
Effect of tax consolidation (2024)	-	1,455,629
Other adjustments of prior year	-	97,211
Deferred income tax	428,503	507,689
Total income tax	**(2,141,225)**	**1,458,980**

28. 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 30 June 2026 the carrying value of financial assets approximates their fair value.

29. 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 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 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 279,981 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 30 June 2026 the Company 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 contingencies and commitments of the Company.

30. RELATED PARTY TRANSACTIONS

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

In the six month period ended 30 June 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.

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

As at 30 June 2026	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
Short-term financial assets	24,399,103	-	-
Trade and other receivables	8,031,717	-	532,398
Other current assets	78,769	-	1,477
Right-of-use assets	120,564	-	(642)
Investments accounted for using equity method	-	-	1,038,800
Trade and other non-current receivables	-	-	174,270
Investments in subsidiaries	35,719,697	-	-
Long-term financial assets	4,148,555	-	-
Other non-current assets	1,589	-	-
Trade and other payables	(8,820,521)	-	(2,072,158)
Current portion of other non-current financial liabilities	(2,345,474)	-	-
Other current liabilities	(77,852)	-	(746,050)
Short-term debt	(3,570,056)	-	-
Current lease liabilities	(11,928)	-	-
Long-term debt	(1,175,011)	-	-
Non-current lease liabilities	(115,662)	-	-
Other non-current financial liabilities	(9,170,207)	-	-
	47,213,283	**-**	**(1,071,905)**

As at 31 December 2025	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
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 six month period ended 30 June 2026 and 30 June 2025 the following transactions occurred with the related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Six month period ended 30 June 2026			
Revenues from sales of products and services	18,898,579	-	1,004,787
Expenses based on procurement of products and services	(15,345,137)	-	(366,087)
Other income/(loss), net	(5,557,523)	-	2,488
	(2,004,081)	**-**	**641,188**

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

31. EVENTS AFTER THE REPORTING DATE

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

Interim Condensed Consolidated Financial Statements (Unaudited)

Interim Condensed Consolidated Statement of Financial Position

	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**

in 000 RSD

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

	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

in 000 RSD

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

Six month period ended 30 June 2026 and 2025

	Equity attributable to the Company's owners					
(unaudited)	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**

	Equity attributable to the Company's owners					
(unaudited)	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**

in 000 RSD

Interim Condensed Consolidated Statement of Cash Flows[60]

	Note	Six month period ended 30 June 2026	2025
		(unaudited)	*(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[61]		(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**

in 000 RSD

[60] Group policy is to present cash flow inclusive of related VAT.

[61] CF from investing activities includes VAT in the amount of 1.68 bln RSD (2025: 1.61 bln RSD)

Notes to the Interim Condensed Financial Statements[62]

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.

[62] All amounts are in 000 RSD, unless otherwise stated.

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

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

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

The amendments to existing standards, which became effective on January 1, 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.

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:

	Upstream	DWS Downstream	DWS 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 2026	Three month period ended 30 June 2025	Six month period ended 30 June 2026	Six month period ended 30 June 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**

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	Six month period ended 30 June 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.

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**

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.

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.

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.

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.

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**

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)**

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.

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)**
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.

Statement of individuals responsible for the preparation of report

We hereby declare that, to the best of our knowledge, the quarterly report has been prepared in accordance with applicable accounting standards and that it provides a true and objective overview of data on assets, liabilities, profits and losses, revenues and expenditures, the financial position of the Company, including all companies included in the group with which it forms an economic entity, and that the quarterly management report contains an objective overview of the information required in accordance with the Law on the Capital Market.

The financial statements, which are an integral part of the Quarterly Report, have not been audited.

Anton Cherepanov

Deputy CEO,
Head of Function for Finance, Economics, Planning and Accounting
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Glossary

Abbreviation	Meaning
3D	Three-dimensional
2D	Two-dimensiosl
a.d.o.	Insurance joint stock company
B&H	Bosnia and Herzegovina
bn	billion
BoD	Board of Directors
BV	Book Value
CAPEX	Capital Expenditures
CCPP	Combined-Cycle Power Plant
CNG	Compressed natural gas
CO_2	Carbon Dioxide
DWS	Downstream
EBITDA	Earnings before interest, Taxes, depreciation and amortisation
EPS	Earnings per share
EU	European Union
EUR	Euro
HR	Human Resources
HSE	Health, Safety and the Environment
IRMS	Integrated Risk Management System
IT	Information Technology
j.s.c. or JSC	Joint Stock Company
LLC or llc	Limited Liability Company
LPG	Liquefied Petroleum Gas
LTIF	Lost Time Injury Frequency
m^2	Square meter
m^3	Cubic meter
MW	Megawatt, SI unit of electricity
OCF	Operating Cash Flow
OPEC	Organization of the Petroleum Exporting Countries
OPEX	Operational Expenditure
P/BV	Price/Book Value
P/E	Price/EPS
RSD	Serbian Dinar
SDN	Specially Designated Nationals
SNNP	Sa nama na putu cart (On the road with us card)
STC	Scientific and Technological Centre (STC NIS – Naftagas LLC Novi Sad)
t.o.e.	Tonnes of oil equivalent
USD	US dollar
USD/bbl	US dollars per barrel
VAT	Value Added Tax

The Report contains statements on uncertain future events. Statements on uncertain future events involve statements which are not historical facts, statements with regard to the NIS Group's intentions, beliefs or current expectations related to, inter alia, the NIS Group's business results, financial standing and liquidity, prospects, growth, strategies and industrial sectors in which the NIS Group does business. For the reason that they relate to the events and depend on the circumstances which may or may not realize in the future, statements on uncertain future events by their nature involve risks and uncertainty, including, but without limitation to risks and uncertainties that the NIS Group has identified in other publicly available documents. NIS Group hereby warns that there are no guarantees that the statements on uncertain future events will be realized in the future and that actual business results, financial standing and liquidity, as well as the development of the industrial sector in which the NIS Group does business, may considerably differ from the ones represented or assumed by statements on uncertain future events. In addition, even if the NIS Group's business results, its financial standing and liquidity, and the development of the industrial sector in which the NIS Group does business happen to comply with the statements on uncertain future events contained herein, the results and development are not indicative of the results and development in upcoming periods. The information contained herein has been presented on the date of the Report and may be changed without prior announcement.