



# QUARTERLY REPORT FOR FOURTH QUARTER OF 2025



The Quarterly Report for Fourth Quarter of 2025 presents a factual overview of NIS Group's activities, development and performance in fourth quarter and in FY 2025.

The Report covers and presents data for NIS Group, comprising NIS j.s.c. Novi Sad and its subsidiaries. If the data pertain only to certain individual subsidiaries or only NIS j.s.c. Novi Sad, it is so 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' pertain to NIS j.s.c. Novi Sad with its subsidiaries.

The Quarterly Report for Fourth Quarter of 2025 is compiled in Serbian, English and Russian. In case of any discrepancy, the Serbian version shall be given precedence.

The Quarterly Report for Fourth Quarter of 2025 is available online on the corporate website. For any additional information on NIS Group, visit the corporate website [www.nis.rs](http://www.nis.rs).

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## ***Foreword***

In the fourth quarter of 2025, the NIS Group operated under very challenging circumstances, given that this period was marked by the entry into force of the full range of the US Treasury sanctions (as of October 9, 2025). At the very end of the reporting period, on December 31, the Office of Foreign Assets Control (OFAC) issued a special license to NIS, allowing the company to carry out operational activities until January 23, 2026. Previously, OFAC had also issued a license allowing negotiations on changing the ownership structure of NIS with a deadline of March 24, 2026.

In the above circumstances, the priority of the NIS Group was to preserve stability in the domestic petroleum products market, as well as the jobs and social stability of employees. Both priorities were met due to efforts within the company, shareholder support and consumer trust. However, the aforementioned situation affected the financial and operational performance of the NIS Group, especially considering that due to the shortage of crude oil for processing, as a result of sanctions imposed by the US Treasury Department, the Pančevo Oil Refinery suspended production in early December.

The financial results of the NIS Group were also affected by lower oil prices, given that the average price of Brent crude oil in the fourth quarter of 2025 was 63.7 dollars per barrel, which is 15 percent lower compared to the period October-December 2024. The performance of the NIS Group were also affected by the results of HIP-Petrohemija, which recorded a loss of 2.8 billion dinars in the last three months of 2025, and a total loss of 10.3 billion dinars for the entire 2025.

Nevertheless, in 2025, the EBITDA indicator of the NIS Group remained at a positive level and amounted to 22.2 billion dinars. In 2025, a loss of 5.6 billion dinars was recorded, while in the fourth quarter alone, in the most difficult circumstances for the company, the loss amounted to 5.3 billion dinars. It should be noted that, in 2025, the NIS Group continued to invest in capital projects and invested 28.1 billion dinars, mostly in the field of oil and gas exploration and production. The construction of solar power plants at the company's facilities also continued, and a use permit was granted for a ground-based solar power plant in the Novi Sad Petroleum Product Depot.

As regards the crude oil and semi-finished products refining output, it amounted to 423.1 million tonnes in the fourth quarter of 2025, which is a 61 percent decrease compared to the same period in 2024 and is directly related to the downtime of the Pančevo Oil Refinery. Oil and gas production in the period October-December 2025 amounted to 286.5 thousand tonnes of oil equivalent, which is one percent less than in the corresponding reporting period. The total petroleum product sales volume was 602 thousand tonnes, which is 43 percent less than in the last quarter of 2024.

In the fourth quarter of 2025, NIS paid out dividends to shareholders from the profit generated in 2024, except for shareholders for whom, in accordance with the decision of the Board of Directors of NIS j.s.c. Novi Sad, the payment was temporarily postponed until their exclusion from the SDN list of the US Treasury Department.

Despite the complex operating conditions, in the last three months of 2025 NIS continued to support socially responsibility projects and invest in the well-being of the community, especially its youngest members. Within the 2025 cycle of the Common Cause - Community social responsibility programme, NIS selected 24 projects in 13 partner cities and municipalities across Serbia and, allocated 144.5 million dinars in order to contribute to the creation of a healthy, safe and stimulating environment for children to grow up. The ninth season of the NIS Calling internship programme for young people has begun at the company. As part of the "Energy of Knowledge" programme, NIS has established cooperation with the Academy of Technical and Artistic Applied Studies in Belgrade.

## Management Business report

### Highlights

#### First quarter

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The construction of the standard part of the worksite is complete as part of the the Banatski Dvor underground gas storage expansion project and drilling of the first of four wells has begun

The parcel machines project implemented in cooperation with the Serbian Postal Services

As part of the big prize draw at NIS Petrol and Gazprom gas stations, the main prizes were awarded - three Hyundai Tucson cars

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#### Second quarter

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The Bradarac Maljurevac – Sirakovo gas pipeline was commissioned, and the third generator was started up at Sirakovo to monetize the gas from the Bradarac Maljurevac field

Construction of the gathering gas pipeline completed, followed by connection and commissioning of the wells at the Ada gas field

The ID-6 and ID-7 rigs were put back in operation after an overhaul

This year's first session of the HSE Council was held at the Pančevo Oil Refinery

NIS Group's business results for the first quarter of 2025 were presented

NIS participated in the 92<sup>nd</sup> International Agricultural Fair

NIS's Sustainable Development Report for 2024 was published, marking 15 years of sustainability reporting

Preparation of the training ground for practical knowledge testing for working at height and depth at the Elemir Training Centre completed

The project for installing self-service-checkouts at retail facilities completed

Two new aircraft refuellers, with capacities of 32,000 and 22,000 litres respectively, commissioned at Aero-Service Belgrade

At the beginning of June, the Niš Warehouse was officially commissioned

NIS Shareholders' Assembly held its 17<sup>th</sup> regular session, at which, among other things, the Decision on profit distribution for 2024, payment of dividends and determination of the total amount of the Company's retained earnings was adopted and members of the Board of Directors were appointed

The 17th cycle of the social responsibility programme "Common Cause Community" launched, dedicated to projects for children

New vehicles for petroleum products shipment were purchased - an investment worth EUR 9.5 million

NIS and the Serbian Red Cross established cooperation by signing a Memorandum on strengthening emergency response capacities

NIS volunteers marked World Environment Day with an environmental campaign in the area of Fruška Gora National Park

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#### Third quarter

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The annual turnaround of the Gas Refinery and the Amine Unit completed

Small gas power plants at the Banatsko Miloševo gas gathering station were put into trial operation

In August, aircraft refuelling volume reached a record level of 20,648 tonnes, with the total monthly sales of aviation fuel reaching the record volume of 23,967 tonnes

NIS Group business results in the first six months and the second quarter of 2025 were presented

More than EUR 2 million invested in the Production Management Centre, in an effort to improved its operational performance

The Svrljig petrol station commissioned after the completion of reconstruction

Two new 60,000 litre capacity tank trucks were delivered and commissioned at Aeroservis Belgrade

On 19 September 2025, a change was introduced in the ownership structure of NIS j.s.c. Novi Sad, whereupon Gazprom Public Joint Stock Company transferred 11.30% of NIS j.s.c. Novi Sad shares to Intelligence, pursuant to a contract of non-cash cession/transfer of shares

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## Fourth quarter

### October

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For NAFTAGAS-Oil Services LLC., the scope of accreditation was confirmed by the Accreditation Body of Serbia, and the certification was confirmed by the Institute for Prevention

A campaign was launched for Regional Wholesale Department customers to introduce the new online business model – the Wholesale WEB PORTAL

NIS paid dividends to shareholders from the profit generated in 2024<sup>1</sup>

NIS Group results for 9 months of 2025 were presented.

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### November

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Due to a shortage of crude oil for processing, resulting from the sanctions imposed by the US Treasury Department on NIS, the Pančevo Oil Refinery has suspended production facilities.

Commencement of operation at the Majdanpek 2 PS.

As part of the 2025 cycle of the "Common Cause Community" social responsibility programme, 24 projects have been selected across 13 partner cities and municipalities in Serbia, for which the company allocated 144.5 million RSD.

The ninth season of the NIS Calling internship programme for young professionals has launched.

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### December

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In 2025, 59 development wells and 4 exploratory wells were drilled in Serbia. In 2025, 53 development and 6 exploratory wells were commissioned in Serbia. In the fourth quarter, 20 development wells and 1 exploratory well were drilled, and the 20 development wells were commissioned in Serbia.

The reconstruction of the Kraljevo and Kula petrol stations was completed

The US Treasury Department issued a special license to NIS on December 31, allowing the company to resume operations through January 23, 2026.<sup>2</sup>

The Office of Foreign Assets Control (OFAC) issued a new license to NIS, allowing negotiations on the change in ownership structure, with an extension until March 24

The Serbian Chemical Society presented a certificate of appreciation to NIS as a token of recognition for supporting the participation of the Serbian representatives in the 57th International Chemistry Olympiad in 2025

NIS signed a Memorandum of Cooperation with the Academy of Technical and Artistic Vocational Studies Belgrade

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<sup>1</sup> Except for shareholders for whom, in accordance with the decision of the Board of Directors of NIS j.s.c Novi Sad, the payment was temporarily postponed until their exclusion from the SDN list of the US Department of the Treasury.

<sup>2</sup> On January 23, 2026, The US Treasury Department issued a special license to NIS, allowing the company to resume operations as of February 20, 2026.

## ***Group NIS***

NIS Group is one of the largest vertically integrated energy systems in Southeast Europe. The most significant resource of NIS is its team more than 13,500 employees, including the employees of HIP-Petrohemija d.o.o. Pančevo. The core business activities of 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 the highly volatile macroeconomic environment. A priority for NIS is also 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. 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, inter alia, contribute to the achievement of the goals of reducing carbon emissions to the Paris Agreement level. One of NIS' priorities occupational health and safety, where the main goal is work processes without injuries and harmful impacts on the environment. 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 socially responsible projects that contribute to the development of the community and the improvement of the quality of life of 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 organized within the parent company NIS j.s.c. Novi Sad, through the Exploration and Production Block and the Downstream Division, 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 the activity of 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<sub>2</sub> 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 and, in addition to the business effects, provides significant environmental benefits.

In addition, NIS has set up 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 2025, 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, NIS Group receives scientific and technological support from the Scientific and Technological Centre (NTC). NIS thus continued to use innovative technologies in the field of oil and gas exploration and production and carried out drone survey of the well stock and aboveground

infrastructure in 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 measurements in wells. Another part of the service portfolio is maintenance of equipment and construction and maintenance of oil and gas systems and facilities. In this business segment, the Company strives to strengthen its presence in the international market. For this reason, the priority is 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 in operation 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 900 million have been invested in the modernization of the Refinery, with significant funds allocated for environmental protection projects. During 2024, this plant underwent the most complex turnaround in the refinery's history, which was a significant step towards increasing the efficiency and reliability of the plant's operation. 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 2025 marked five years since the commissioning of the Bottom-of-the-Barrel Unit with the delayed coking technology at the Pančevo Oil Refinery. The implementation of this project also created numerous environmental benefits. These primarily include the cessation of the production of high-sulphur 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 country of Serbia.

### **Sales and Distribution**

NIS operates a network of more than 400<sup>3</sup> petrol stations in Serbia and the countries of the region. NIS operates the largest retail network in the country, and simultaneously carries out its operations 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 fuel payments without going to the cashier, digitization 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 2025, NIS modernized its petroleum product transport fleet.

Also, the Petroleum Products Warehouse in Niš was officially put into trial operation. Four new aircraft refuelling tanks were put into operation at Aeroservice Belgrade. As part of the further development of services at NIS

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<sup>3</sup> With the entry into force of sanctions in full, on 09.10. 2025, the operation of petrol stations in Bulgaria was temporarily suspended.

retail facilities, Post of Serbia installed at parcel lockers at 150 NIS Petrol and Gazprom petrol stations throughout Serbia.

### **Energy**

This business segment includes the production of electricity and thermal energy from conventional and renewable energy sources, centralized 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.

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 the TE-TO Pančevo, as well as improving energy efficiency and reliability within the NIS Group. The task of the Energy Block, among other things, 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 and thermal energy in the form of process steam for the purposes of the Pančevo Refinery.

Since 2013, NIS has built mini power plants with the installed capacity of 14.5 MWe in its oil and gas fields at eight 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. In 2025, the Banatsko Miloševo power plant was put into operation.

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. So far, the total of 78 NIS petrol stations have solar power plants as a prosumer. Solar power plants were also built at the Jazak Drinking Water Production Unit, the Pančevo Oil Refinery, and one of the office buildings in Novi Sad. This year, 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.

Now 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<sub>2</sub> equivalent annually.

### **HIP-Petrohemija**

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

### **Technical services**

The Technical Services provides facilities and equipment maintenance and repair services, 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, and Romania. Moreover, NIS has expanded its activities in the field of electricity trading to regional markets.



## ***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 a Company's objectives in a risk exposed environment. Risk has a negative impact on the Company's objectives in the case of realisation of the risk event. 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., owners of business processes 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***

<b><i>RISK DESCRIPTION</i></b>	<b><i>RISK MANAGEMENT MEASURES</i></b>
<b><i>Operational risks</i></b>	
<b><i>HSE risks</i></b>	
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.
<b><i>HR risks</i></b>	
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), "NIS Calling" and „NIS Energy" programmes.  The programmes implemented for employee retention 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.
<b><i>IT risks</i></b>	
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, which include 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 the handling of information, 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, 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 January 10, 2025, the Company was placed on the SDN (Specially Designated Nationals) list by OFAC (*Office of Foreign Assets Control*).

In the period ending on 9 October 2025, the Company obtained eight operating licenses issued by OFAC, which enabled uninterrupted business operations.

Management has taken all necessary measures to ensure the business sustainability of the Group during the period from October 9, 2025, to December 31, 2025, when the ninth operating license<sup>4</sup> was issued. However, the future effects are difficult to predict, and management's current expectations and estimates may differ from actual results.

The Group has been implementing internal procedures to ensure sanctions compliance, to eliminate risks and potential negative consequences for the Company's operations arising from activities contrary to the prohibitions and restrictions established by international sanctions.

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<sup>4</sup> The US Treasury Department issued a special license to NIS on December 31, allowing the company to resume operations through January 23, 2026. On January 23, 2026, The US Treasury Department issued a special license to NIS, allowing the company to resume operations as of February 20, 2026.

## Financial risks

RISK DESCRIPTION	RISK MANAGEMENT MEASURES
<b>Credit risks</b>	
<p>They arise in connection with cash funds, deposits with banks and financial institutions, intercompany loans/loans to third parties, and in the sale petroleum products with deferred payment.</p>	<p>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).</p> <p>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.</p>
<b>Liquidity risks</b>	
<p>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.</p>	<p>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.</p>
<b>Commodity-price risks</b>	
<p>Due to its core activity, NIS Group is exposed to risks associated with price volatility, specifically changes 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.</p>	<p>These risks are partly offset by adjusting petroleum product selling prices to the changes in oil and petroleum product prices.</p> <p>In addition, the following actions are undertaken to reduce a potentially negative effects of this risk on the financial result of the Company:</p> <ul style="list-style-type: none"> <li>• Annual planning based on multiple scenarios, monitoring and timely adjustment of operational plans for crude oil procurement;</li> <li>• Regular sessions of Company's Commission in charge of crude oil purchase/sale to discuss all major topics;</li> <li>• Continuous, intensive check of new potential suppliers through procedural verification based on inquiries and letters of interest submitted to NIS;</li> <li>• Maximum effort to ensure a continuous supply of crude oil despite the restrictive conditions, which have been strongly evident since the end of the first quarter of 2022, providing both the required quantities and the type of crude oil that would correspond to refining plans and the product portfolio;</li> <li>• Continuous efforts to optimize processes and striving for the best possible economic effects and indicators;</li> <li>• 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.</li> </ul>

### 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 is 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 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<sup>5</sup>***

### **World**

In 2025, global oil production was relatively high.

According to EIA reports, average global oil production exceeded consumption by 2.24 million barrels per day in 2025, which led to a decline in oil prices and an increase in market inventories.

In the fourth quarter of 2025, the increase in oil production by OPEC+ countries was significantly smaller than earlier in the year. After an increase of 411,000 barrels a day in the second quarter and 547,000 barrels a day in the third quarter, production grew more moderately (by 137,000 barrels a day) in the fourth quarter to avoid oversupply. Given the slower economic growth and effects of the energy transition, and the increasing reserves as a consequence of the production increase by OPEC and non-OPEC countries, the imbalance in oil production and consumption was particularly pronounced in the last quarter, when oil production significantly exceeded consumption (by 3 million barrels a day), implying pressure on prices.

The US remains one of the largest oil producers (primarily from shale) with around 13.5 million barrels per day in 2025 and a slight further increase can be expected.

The dizzying growth in electricity consumption due to the spread of artificial intelligence has fueled a global trend of starting up nuclear power plants. This trend is visible around the world.

Natural gas plays a key role in the energy transition, as the most flexible source of electricity generation. In 2025, global natural gas consumption increased by about 1.6% compared to the previous year. This trend is expected to continue in the coming years.

Coal's share in power generation in less developed parts of the world remains high.

The International Renewable Energy Agency (IRENA) says that global renewable electricity generation is growing at a record pace, but not fast enough to meet the target agreed upon in 2023.

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<sup>5</sup> Data sources for the World, Oil price and Macroeconomic trends: reports by IMF, *World Oil*, *BCG*, *Bloomberg*, *Reuters*, EU Commission, EIA, OPEC, *Oil&Gas Journal*, *Semafor net Zero*, *Hydrocarbon Processing*. Data sources for Serbia: Report National bank of Serbia, Chamber of commerce and industry of Serbia, articles in newspapers: *Danas*, *Bliz Biznis*, *NIN*.

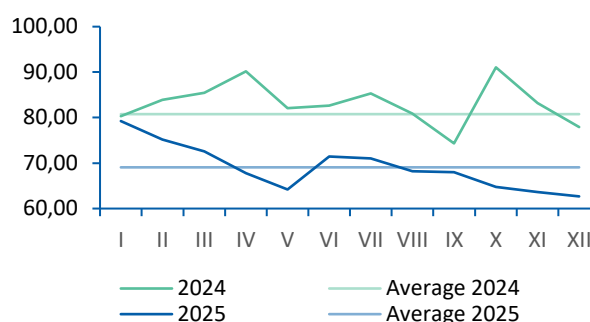
## Oil price

At the end of 2025, oil prices fell by more than 18% compared to the beginning, which is the biggest drop since 2020. The average price of Brent crude oil (\$69.1 per barrel) is 14% lower than the average price in 2024 (\$80.8 per barrel).

Looking at the quarter-by-quarter, the average price of Brent crude oil fell the most in the second quarter compared to the same period in 2024, by as much as 20%.

During the fourth quarter, Brent crude oil prices experienced slight fluctuations (from the high of \$68.3 per barrel in early October to the low of \$60.2 per barrel in mid-December), resulting in a decline in oil prices of around 7% in the fourth quarter. Compared to the same period last year, the average price of Brent crude oil is 15% lower (2024: 74.7 USD/bbl; 2025: 63.7 USD/bbl).

**Brent Dtd<sup>6</sup> price trends, \$/bbl**



Global crude oil prices, are expected to continue to fall, after the previous surge due to the geopolitical situation. The expected price decrease is the result of the growth in global oil inventories at the end of 2025, given that global oil production is growing faster than demand for oil derivatives.

Goldman Sachs estimates that the average price of Brent oil will be around \$56 per barrel, while WTI oil will most likely reach around \$52 per barrel in 2026.

## Macroeconomic trends

Global economic growth is uneven, with developed countries such as the US (around 2.7%) and the EU (around 1.1%) experiencing slower growth due to high interest rates and reduced consumption. On the other hand, emerging economies (China, India and Southeast Asian countries) are still growing at around 4-5% thanks to rising consumption and strong investments in industry and infrastructure.

Global inflation is gradually easing in most developed countries, but remains high in developing countries. It is expected to fall from 4.3% in 2025 to 3.6% next year.

Due to the calming of inflation, reference interest rates are gradually being reduced, with a tendency for further decline in 2026.

The significant decline of the US dollar against major currencies surprised foreign exchange markets. The euro jumped 14% against the dollar (now worth \$1.17). The Russian ruble, despite lower oil prices and sanctions, experienced its highest jump in the previous year – as much as 45% against the dollar (80 rubles for one dollar).

## Serbia<sup>7</sup>

The slowdown in global economic growth and changes in energy prices in 2025 directly affected exports, inflation and the GDP, which indicates the dependence of the country's macroeconomic stability on the global economy.

According to the IMF, Serbia has GDP growth, which slowed down in 2025 (2% instead of the projected 4%). The lower-than-estimated GDP growth was influenced by external and domestic factors: reduced exports, slower investment inflows, high interest rates, reduced domestic consumption, but also reduced activity in construction and agriculture.

The share of public debt in the GDP at the end of October 2025 is significantly down compared to the previous year and amounts to 43.1%, or EUR 38.17 billion.

The NBS expects inflation to remain within the target range and estimates the inflation rate at 2.8%, as a result of the implementation of the Regulation limiting trade margins, while the year-on-year core inflation is 4.1%. The reference interest rate was maintained at 5.75%.

<sup>6</sup>Source: Platts.

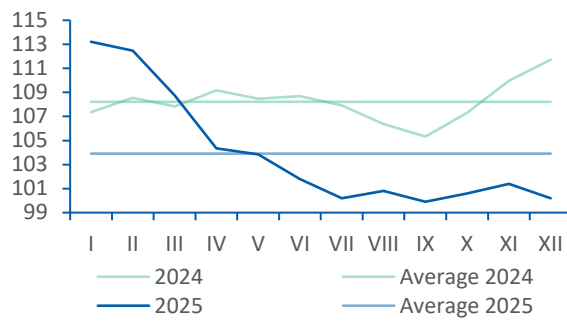
<sup>7</sup>Source: National Bank of Serbia, Republican Bureau of Statistics, Chamber of Commerce Serbia, newspaper articles.

Industrial production in Serbia during 2025, with monthly oscillations, shows slightly positive growth compared to the previous year. In the period January-November 2025, it was 1.5% higher compared to the same period last year (the impact of the manufacturing industry and the supply of electricity, gas, steam and air conditioning).

The real growth of average wages without taxes and contributions in 2025 is 7.1% compared to 2024.

In order to meet international climate obligations to reduce air pollution and CO<sub>2</sub> emissions, from January 1, 2026, "green taxes" will come into effect in Serbia - a tax on greenhouse gas emissions and a tax on the import of carbon products in the amount of EUR 4/t, based on the annual amount of CO<sub>2</sub> emitted.

**Exchange rate trend, USD/RSD<sup>8</sup>**



- Average USD/RSD exchange rate during 2025 was lower by RSD 4.3, which is 4% lower compared to the average exchange rate in 2024.
- During 2025 USD/RSD exchange rate decreased by RSD 12.5 or 11%.
- During 2024 USD/RSD exchange rate decreased by RSD 6.6 or 6%.

<sup>8</sup>Source: National Bank of Serbia

## Performance analyses

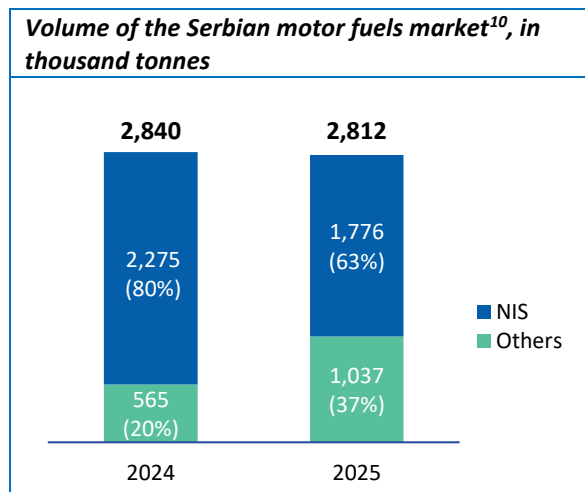
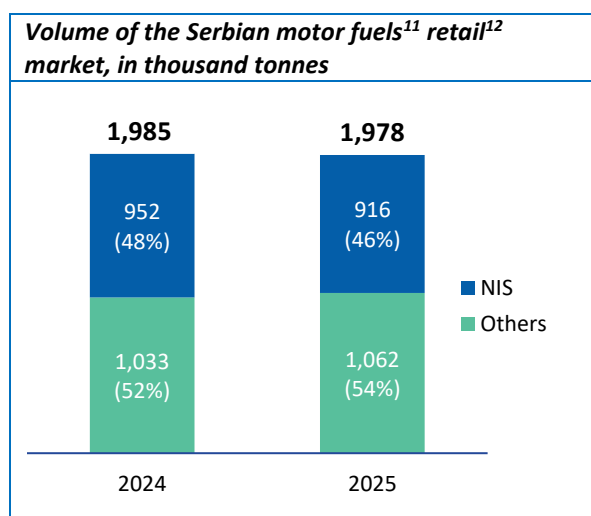
### Market share<sup>9</sup>

Contrary to the general regional trend of 2% consumption growth, there was a slight decrease in motor fuel consumption of about 1% in our country in 2025.

### Market share on the Serbian market

During 2025, there was a slight decrease of 1.0% in motor fuel consumption in the domestic market.

The decline in diesel and LPG consumption was partially compensated by the increase in gasoline consumption, which resulted in a minimal reduction in the total consumption of motor fuels. Consumption is lower primarily due to a decrease in diesel consumption.



In 2025, consumption was at almost the same level as in the equivalent period of 2024. NIS's share of the retail market remains high in complex and dynamic market conditions.

<sup>9</sup>Sources of information underlying the projections: for Serbia - internal analyses and estimates of the Sales and Distribution Block. Any possible deviations in percentage amounts and aggregate values in the following graphs are due to rounding.

<sup>10</sup>Data for 12M 2025 are based on estimates. Any deviations in percentages and aggregate values result from rounding.

<sup>11</sup>Retail of other market participants is supplied through the wholesale of NIS and other participants in the Serbian wholesale market.

<sup>12</sup>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 12M 2025 are based on estimates. Any deviations in percentages and aggregate values result from rounding.

## Key performance indicators

Q4 2025	Q4 2024	Indicator	Unit of measurement	2025	2024
63,7	74,7	Brent Dtd	\$/bbl	69,1	80,8
60,4	103,5	Sales revenue	RSD billion	290,1	408,1
-5,3	2,0	Net result (loss/profit)	RSD billion	-5,6	10,1
1,1	9,9	EBITDA <sup>13</sup>	RSD billion	22,2	44,4
16,7	21,0	OCF	RSD billion	43,4	61,0
9,1	15,9	CAPEX <sup>14</sup>	RSD billion	28,1	53,2
39,3	68,5	Accrued liabilities for taxes and other public revenues <sup>15</sup>	RSD billion	207,0	260,4
396,3	558,0	Total bank indebtedness <sup>16</sup>	EUR million	396,3	558,0
2,08	2,13	LTIF <sup>17</sup>	number	2,08	2,13

<sup>13</sup>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.

<sup>14</sup>CAPEX amounts are exclusive of VAT.

<sup>15</sup>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.

<sup>16</sup>Total bank indebtedness = Total debt to banks + letters of credit. As at 31 December 2025, this was EUR 396.3 million of total debt to banks, while there was no debt based on letters of credit.

<sup>17</sup>Lost Time Injury Frequency – Ratio of employee injuries with sick leaves to the total number of working hours multiplied by one million. The indicated indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of December 31, 2025.

## Operational indicators

### Exploration and production

#### Key indicators

Q4 2025	Q4 2024	Indicator	Unit of measurement	2025	2024
<b>286.5</b>	290.0	<b>Oil and gas output</b> <sup>18</sup>	thousand t.o.e.	<b>1,124.3</b>	1,146.7
<b>1.4</b>	1.0	<b>LTIF</b> <sup>19</sup>	number	<b>1.4</b>	1.0
<b>4.1</b>	10.2	<b>EBITDA</b>	RSD billion	<b>25.9</b>	40.0
<b>5.1</b>	7.7	<b>CAPEX</b> <sup>20</sup>	RSD billion	<b>16.6</b>	24.3

The main goal in 2025 in the Exploration and Production Block was to meet the hydrocarbon production targets implements geological research projects and increase the efficiency of geological and technical activities.

In the fourth quarter of 2025, a total production volume of oil and gas in Serbia was 275.6 t.o.e. The total production in the fourth quarter of 2025 including concessions was 286.5 t.o.e.

In the field of geology and deposit development, the emphasis is on maintaining the high quality of the geological and technological activities aimed at increasing oil and gas production.

#### **Geological exploration and field engineering**

In the fourth quarter of 2025, 20 new oil wells were put into operation, with an average increase of 7.1 t/day, or an additional 6.2 thousand tonnes of oil.

This includes one horizontal well successfully drilled in the fourth quarter of the year, yielding a production increase of 35.0 t/day.

In the fourth quarter of 2025, geological and technical activities were successfully carried out on 34 wells with a satisfactory average increment.

In 2025, the implementation of RIW technology will continue. In the fourth quarter after the implementation of RIW technology, 4 wells were commissioned and an average increase of 1.1 t/day was achieved in oil fields in Vojvodina.

Also, in the fourth quarter of 2025, 16 wells were put into operation after switching to a new production layer with an average increase of 7.2 t/day, and a total of 12 intensifications were carried out, an increase of 1.6 t/day, while a total of 2 wells were made operational from the inactive fund, with an increase of 1.2 t/day.

When all GTAs completed in the fourth quarter are taken into account, additional oil production of 12.6 thousand tonnes was achieved.

#### **Exploratory drilling and well testing**

In the fourth quarter of 2025, one exploratory well was tested.

#### **2D/3D seismics**

A complex seismological interpretation of the data recorded in the exploration area of Srednji Banat is currently underway, with the aim of strengthening the portfolio with new candidates for exploratory drilling.

<sup>18</sup> Domestic oil output includes natural gasoline, whereas gas output takes into account commercial gas output and light condensate.

<sup>19</sup> Lost Time Injury Frequency – Ratio of employee injuries with sick leaves to the total number of working hours multiplied by one million. The data refers for the Exploration and production Block. The indicated indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of December 31, 2025.

<sup>20</sup> Financing, exclusive of VAT.

### ***License obligations***

Groundwater reserves for one field were established and certified in the fourth quarter of 2025.

During 2025, in accordance with the provisions of the Mining and Geological Exploration Law, the company prepared and submitted to the competent state authorities:

- Reports on the status of hydrocarbon reserves and resources and groundwater as of December 31, 2024,
- Annual report on the operations of NIS j.s.c. Novi Sad in the process of exploitation of oil, gas and groundwater for 2024 and
- The Annual operational plan for the performance of mining works in the process of exploitation for 2025

During 2025, the following requests and amendments to the requests were submitted and delivered to the Provincial Secretariat for Energy, Construction and Transport:

- Request for the issuance of approval for proceeding with geological exploration at the oil block of Northern Banat Region (as per Annex 2 of the project), for proceeding with geological exploration in the oil block of North Bačka Region, as per Annex 3 of the Project, and for proceeding with geological explorations at the oil block of Central Banat region, as per Annex 1 of the Project, for which the Provincial Secretariat issued Resolutions for Geological Exploration.
- Amendments to the request for issuing a permit for carrying out mining works under the Main Mining Project on exploitation fields, of the production facilities of the North Banat and Central Banat
- Request for issuing a permit for carrying out mining works under the Supplementary Mining Project for five exploitation fields of the production facility of the North Banat
- Request for performing a technical inspection of mining facilities and issuing a permit for the use of mining facilities built on exploitation fields of the production facilities of the North Banat and Central Banat.

in order to carry out the geological exploration of oil and gas at the operational sections of NIS j.s.c Novi Sad, the works as per geological exploration projects at the operational sections in the regions of Bačka and Banat, were registered.

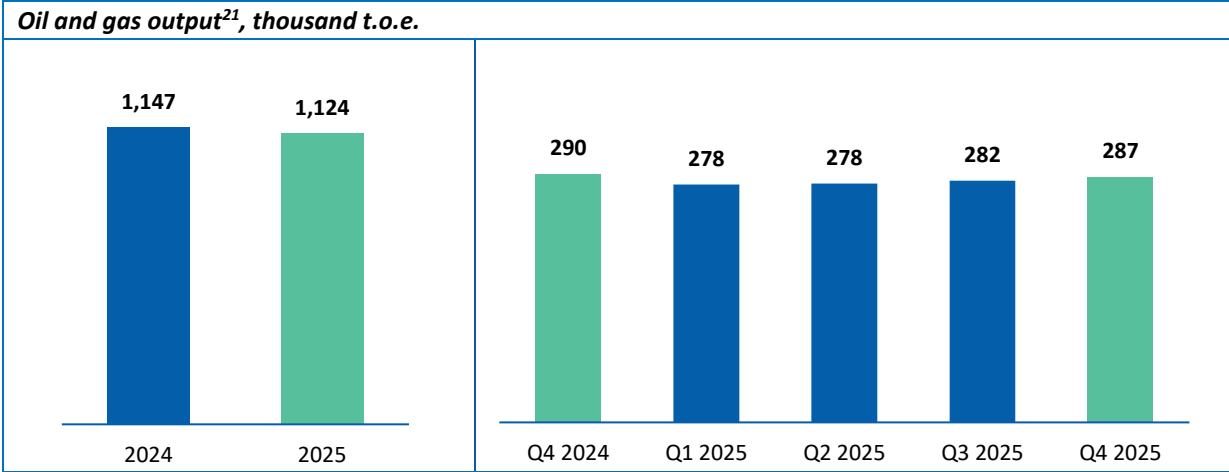
Also, in 2025, 4 Final and 10 Annual Reports on Geological Exploration Results at License Blocks and Oil and Gas Operational Sections were submitted to the competent government authority.

In 2025, the Provincial Secretariat for Energy, Construction and Transportation issued the Resolution allowing NIS j.s.c. Novi Sad to carry out mining works according to the Main Mining Project on two operating sections in the regions production facilities northern Banat and central Banat.

During 2025, the Ministry of Mining and Energy based on the prepared Annex 1 of the Geological Research Project for the approved research period May 2023–May 2026, an application for permission to carry out geological research was submitted in the research area in the Danube region, for which the Ministry of Mining and Energy issued a Decision for the performance of works.

**Oil and gas output**

In 2025, the total of 1,124 thousand t.o.e. of oil and gas was produced, which is 2% less than last year.



<sup>21</sup>Any deviations in percentages and aggregate values result from rounding.

## Downstream

## Key indicators

Q4 2025	Q4 2024	Key indicators	Unit of measure	2025	2024
423.1	1,080.3	<b>Volume of refining of crude oil and semi-finished products</b> <sup>22</sup>	thous. tonnes	<b>3,094.9</b>	3,619.7
602.0	1,056.3	<b>Total sales volume of petroleum products</b> <sup>23</sup>	thous. tonnes	<b>3,023.2</b>	3,749.6
240.6	282.4	<i>Retail</i>	thous. tonnes	<b>1,044.6</b>	1,105.0
206.3	468.8	<i>Wholesale</i> <sup>24</sup>	thous. tonnes	<b>1,115.5</b>	1,667.0
106.1	253.1	<i>Transit, export and BU</i> <sup>25</sup>	thous. tonnes	<b>692.2</b>	791.7
48.9	51.9	<i>HIPP Sales</i>	thous. tonnes	<b>170.9</b>	185.9
460.6	752.7	<b>Motor fuels sales volumes</b> <sup>26</sup>	thous. tonnes	<b>2,382.0</b>	2,867.4
37.4	35.8	<b>Electricity output</b> <sup>27</sup>	thous. MWh	<b>123.0</b>	124.2
0.7	2.5	<b>EBITDA DWS</b> <sup>28</sup>	bln RSD	<b>5.0</b>	12.4
-0.001	-0.9	<i>EBITDA Refining</i> <sup>29</sup>	bln RSD	<b>4.4</b>	-1.4
2.7	6.4	<i>EBITDA Sales and Distribution</i> <sup>30</sup>	bln RSD	<b>10.3</b>	21.8
3.5	7.7	<b>CAPEX DWS</b> <sup>31</sup>	bln RSD	<b>10.6</b>	27.6
1.8	3.8	<i>CAPEX Refining</i>	bln RSD	<b>5.0</b>	18.7
1.1	3.4	<i>CAPEX Sales and distribution</i>	bln RSD	<b>3.92</b>	6.13
1.8	1.9	<b>LTIF DWS</b> <sup>32</sup>	number	<b>1.8</b>	1.9
1.4	1.8	<i>LTIF Refining</i>	number	<b>1.4</b>	1.8
1.4	1.9	<i>LTIF Sales and distribution</i>	number	<b>1.4</b>	1.9

<sup>22</sup>The presented refining volume includes the refining volume of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.

<sup>23</sup>Any deviations in percentages and aggregate values result from rounding.

<sup>24</sup>Includes the sale of CNG of the Energy Block (as of June 2024) and the sale of oils and lubricants to the Lubricant Production Plant.

<sup>25</sup>Business unit includes the sale of bitumen, bunkering and aviation fuel channels.

<sup>26</sup>Total motor fuels sales volumes in Serbia and in foreign assets.

<sup>27</sup>The volume of electricity produced includes the electricity produced by Power plant Pančevo, small power plants and photovoltaic power plants. The total volume of electricity produced at PVPP for the period January – December is 6,163.9 MWh, while for Q4 2025 is 1,782.4.

<sup>28</sup>EBITDA Downstream includes the EBITDA of Block Refining, Block Sales and distribution, Block Energy, rest of Downstream and EBITDA of HIPP.

<sup>29</sup>EBITDA of the Refining Block includes the Energy Plant in Pančevo Refinery.

<sup>30</sup>EBITDA of the Sales and Distribution Block.

<sup>31</sup>Financing, excluding VAT. The shown CAPEX Of Downstream includes CAPEX of Refining Block, Sales and distribution Block, Block Energy, HIP-Petrohemija and the rest of Downstream.

<sup>32</sup>Lost Time Injury Frequency – The ratio of employee injuries with sick leaves to 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 December 31, 2025.

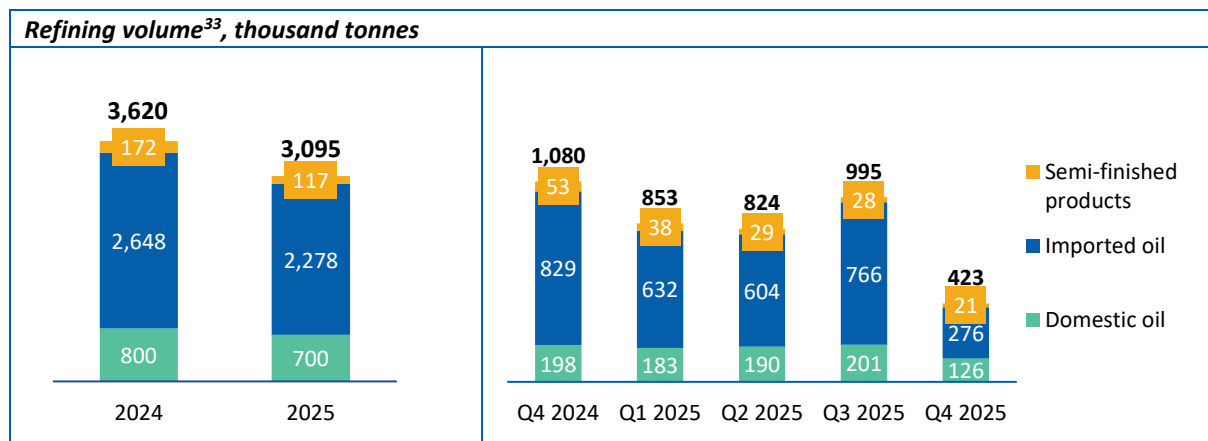
## Refining

The Refining Block's operations in 2025 were conducted in an unstable business environment, due to NIS' exposure to the US sanctions.

Due to the current situation, the decline in demand for oil derivatives and problems in the procurement of crude oil, the volume of refining was reduced.

During 2025, a total of 3.09 million tonnes of raw material were processed at the level of the NIS Group, while 3.16 million tonnes of raw material were processed in the "Refining" Block.

### Refining activities and volume



Adapting to the changes, especially in connection with the US sanctions regime, the Refinery maintained regular and continuous operation until the end of November 2025, when the Refinery was suspended due to a lack of crude oil for processing, however, regular supply to the market continued throughout the year.

Refining adapts to changes in the basket of imported oil for processing, conditioned by movements in the spot market and procurement opportunities in the current circumstances.

In order to achieve the maximum effect of technical, technological and organizational measures to increase efficiency and reduce costs, the Refining Block developed and implemented a set of additional measures to improve business results in 2025.

As a result of these activities, during the fourth quarter of 2025, the effect of the efficiency improvement measures 56.4 million dinars was achieved.

### Projects

The implementation of projects aimed at increasing the efficiency and reliability of the Pančevo Oil Refinery is underway:

- “Project for the Reconstruction of the Industrial Track in Pančevo Oil Refinery” – during the fourth quarter, at the end of November, the reconstruction of the existing tracks was completed (Stage B).
- “Project for the Installation of the System for Automatic Dosing and Adding of Markers and Additives to Motor Fuels at the Pančevo Oil Refinery Truck Loading Facility” – the project was approved in its entirety, the Contract on the Delivery of Equipment and Services was signed. Construction and installation works have been completed. The new additives system has passed functional testing and is now in operation. Technical solution for the marking system is in progress.
- “Project for the Reconstruction of the Fire Protection System at Pančevo Oil Refinery” - the project passport was revised. The contract annexes are being negotiated with the selected contractors for hydro-construction, civil engineering, mechanical-assembly and E&I works in accordance with the new scope and dynamics of the work. The contract annexes have been signed with the selected contractors for civil, hydro-construction and mechanical-assembly works. All the necessary main equipment has arrived at the RNP. Work is underway to dig wells and install hydrants to expand the hydrant network on the refinery grounds, taking into account the new scope and deadlines under the construction permit.

<sup>33</sup>The presented refining volume includes the refining volume of HIP-Petrohemija.

- “Replacement of critical rotating equipment in the Refining Block” – The technical assessment and selection of Suppliers for the delivery of critical rotating equipment (7 slots) and for the selection of the General Contractor who will procure the necessary materials and install the equipment during the operation of the plant and during the overhaul have been completed.
- "Ensuring reliable, safe and economical operation of the plant in the winter period 2025/2026 - Within the framework of the project, activities were implemented to ensure reliable operation of the installations (where steam or electric trace heating was replaced), without freezing and failure during the winter period, in the next 2 years.
- Replacement of segments of the EC-2101 air cooler - Activities were implemented on the project so that the new segments are expected to ensure reliable operation of the ES-2101 air cooler (operation without downtime between two planned shutdowns), as well as better cooling of the top flow of the main distillation column DA-2101 and reducing the risk of possible accidents.

## **Sales and distribution**

### **Points of Sale<sup>34</sup> and Logistics**

NIS Group owns 388<sup>35</sup> active retail sites. Most of them, i.e. 331 retail sites are located in the Republic of Serbia.

In Serbia, the reconstruction of 5 petrol station (the Svrljig PS, Kula, Kraljevo, Mrčajevci and Surčin Airport PSs) and the purchase and construction and rebranding of PS – Majdanpek 2 were completed in 2025.

A key logistics development project has been completed - the purchase of 39 new tractor units and 22 semi-trailers for the transport of petroleum products. 17 tugboats for the transport of oil derivatives were replaced.

Four new aviation fuel tankers were put into operation at Aeroservice Belgrade.

The Niš Warehouse was officially put into trial operation in early June.

### **Loyalty programme and marketing activities**

In the last quarter of 2025, marketing activities were carried out in Serbia to develop consumer brands, loyalty programmes, improve fuel sales and the additional assortment at petrol stations.

We would like to highlight the following most important marketing activities in the period from October to December 2025 in Serbia:

- Fuels - In the last quarter, the implementation of the G-Drive fuel campaign - a discount of 10 dinars per liter. The MES Championship of Serbia was also completed in the fourth quarter with the support of G-Drive premium fuel.
- Innovative services – On the occasion of the expansion of the network of refuelling stations with self-service cash registers, where fuel can be paid for, as well as products from stores and restaurants, the promotion of new cash registers continued. At all refuelling stations where they were introduced, a campaign of 1 additional bonus point per liter was implemented for all "With us on the road" card users who pay at a self-service cash register. The campaign was promoted through a CRM campaign and lasted until 31.12.2025. In the last quarter, 6 self-service cash registers were put into operation, which represents a total of 56 active self-service cash registers.
- Loyalty programme „On the Road with Us” – The total number of active users for the fourth quarter of 2025 was 701,729, of which 231,296 were virtual. Permanent CRM campaigns were implemented with the aim of reactivating inactive programme members, increasing the share of branded derivatives, as well as increasing sales of the supplementary assortment segment.
- Social networks / partners for creating online content / website – In the fourth quarter of 2025, two episodes were created within the content "Together with us on the roads in Serbia", through which the monasteries of the Ovčar-Kablar Gorge on both sides of the coast were shown, and a visit to Mount Athos is also planned. A series about the lakes of Fruška Gora was launched in collaboration with Jazak Voda's friend Aleksandra Bogdanović ("History Frolicking Book") and 5 texts were created with posts on social networks.

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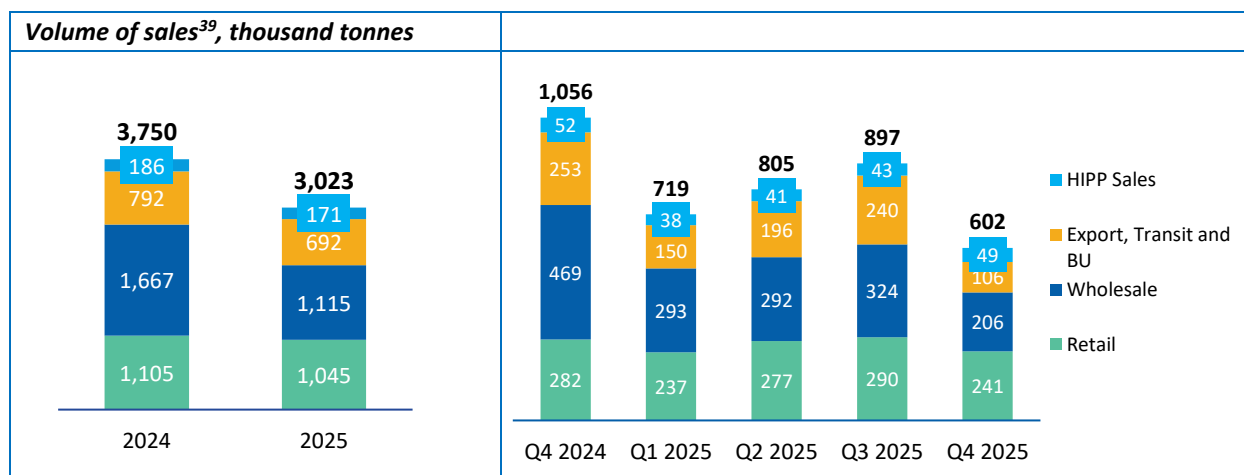
<sup>34</sup>As at 31 December 2025.

<sup>35</sup> With the entry into force of sanctions in full, on 09.10. 2025, the operation of petrol stations in Bulgaria was temporarily suspended.

### Volume of sales

In the fourth quarter of 2025, sales reduced by 43% compared to the same period in 2024, bringing the total sales<sup>36</sup> to 602 thousand tonnes.

- Retail – down 15% due to:
  - The decline in sales in Serbia was caused by a decline in consumption and sanctions on NIS;
  - Decrease in sales to corporate customers due to the termination of cooperation with certain customers due to sanctions against NIS in 2025,
  - The decline in sales in foreign assets was caused by the impact of the current geopolitical situation.
- Wholesale<sup>37</sup> – down 56% primarily due to:
  - reduced sales of petroleum products due to sanctions against NIS.
- Export, transit and BU<sup>38</sup>:
  - Decrease in transit traffic volume by 38% primarily due to the decrease in demand for fuel oil
  - Decrease of the sales of aviation fuel by 9% compared to the fourth quarter of 2024, due to changes in consumption dynamics by domestic airlines,
  - A 30% decrease in sales within the bunkering channel due to the additional difficulty of operating with foreign clients, caused by the termination of contracts with certain clients due to sanctions against NIS,
  - A 67% decrease in bitumen and coke sales, due to the optimization of crude oil consumption, which led to lower availability in the Pančevo Refinery, as well as a decrease in sales due to sanctions against NIS.

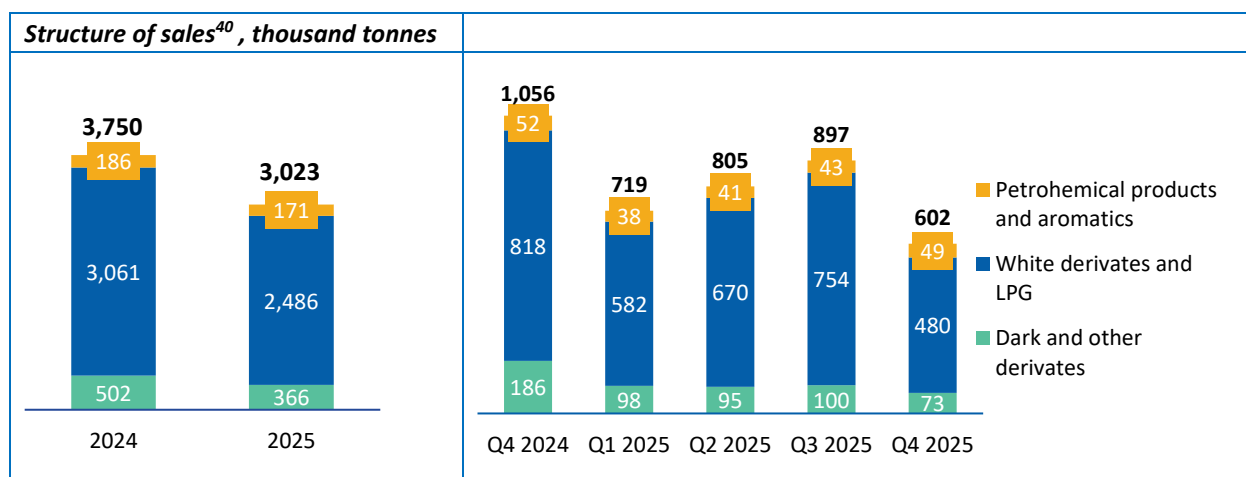


<sup>36</sup>The presented volume includes the volume of petrochemical products of HIP-Petrohemija.

<sup>37</sup>It includes the sale of CNG of the Energy Block (as of June 2024) and the sale of oils, lubricants and technical fluids of the Downstream Lubricants Production Plant.

<sup>38</sup>Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels.

<sup>39</sup> The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.



<sup>40</sup> The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.

## Energy

### Natural gas

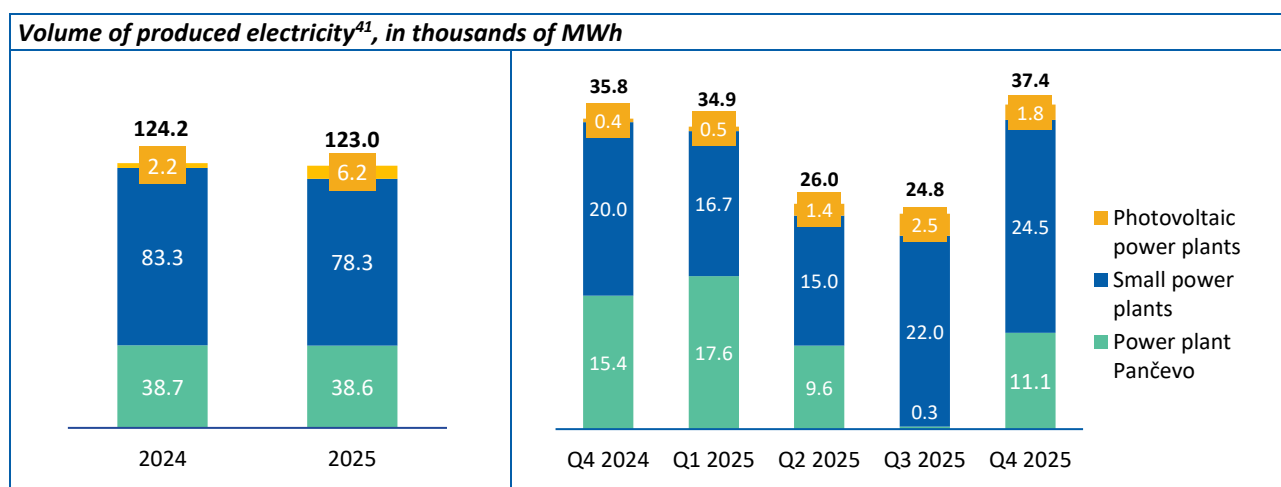
In the fourth quarter of 2025, NIS j.s.c. Novi Sad initiated the conclusion of the Contract on Natural Gas Distribution for 2026 with the natural gas transport system operator to organize and balance the natural gas portfolio. The company also concluded the contract on the supply of energy from natural gas for the first quarter of 2026.

### Production of electricity

In 2025, electricity production amounted to 123.0 thousand MWh, which is 1% lower compared to the same period in 2024.

In the fourth quarter of 2025, electricity production amounted to 37.4 thousand MWh, which is 4% more compared to the fourth quarter of 2024. Small power plants produced 23% more electricity than in the fourth quarter last year.

Production on solar panels amounted to 6.2 thousand MWh for 2025, which is 2.7 times more than in 2024, when production amounted to 2.2 thousand 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 fourth quarter of 2025, the expected effect of energy savings is about 1,658 toe and the expected financial value of the savings is about RSD 132 million.

### Renewable energy sources

In 2025, the company put in operation its largest solar photovoltaic power plant. It was installed on the free 10 hectares at the Novi Sad oil depot. The plant has the capacity of 6.8 MWp and is the first NIS solar power plant to supply all the produced electricity directly to the grid under commercial conditions.

As part of the preparation for the construction of a photovoltaic power plant with battery electricity storage in Smederevo, in the fourth quarter the company prepared a Preliminary Feasibility Study, a waste management plan and a connection plan, received location conditions, as well as the necessary permits and licenses. Key equipment for photovoltaic power plant and battery storage already arrived.

A project passport and an economic model for the construction of a 5 MWp photovoltaic power plant in the Synthetic Rubber Factory for the needs of HIPP have been prepared and approved internally.

<sup>41</sup>The presented volume of produced electricity also includes the electricity produced in Power plant Pancevo, small power plants and photovoltaic power plants. h

**HIP-Petrohemija**

Key indicators

Q4 2025	Q4 2024	Key indicators	Unit of measurement	2025	2024
46.4	89.4	Production of petrochemical products	thous. tonnes	257.9	298.1
57.2	119.5	Refining of primary gasoline <sup>42</sup>	thous. tonnes	326.2	399.6
53.0	83.1	Petrochemical product sales	thous. tonnes	248.4	288.0
-2.6	-2.3	EBITDA	RSD billion	-9.1	-7.2
-2.8	-2.6	Net result	RSD billion	-10.3	-7.7
0.1	0.2	CAPEX <sup>43</sup>	RSD billion	0.7	1.5
5.6	5.8	LTIF	number	5.6	5.8

In the fourth quarter of 2025, the EBITDA indicator was negative and amounted to -2.6 billion RSD, which is a decline compared to the same period of the previous year. In the fourth quarter of 2024, EBITDA amounted to RSD -2.3 billion.

The net result for the fourth quarter of 2025 was RSD -2.8 billion, which is a decrease compared to the same period of the previous year.

As for investments, 0.1 billion RSD was allocated in the fourth quarter of 2025, which is 45% less than in the same period last year.

As for operational indicators, in the fourth quarter of 2025, the production volume of petrochemical products amounted to 46 thousand tonnes, which is the decrease compared to the same period of the previous year.

The refining of primary gasoline in the fourth quarter of 2025 amounted to 57 thousand tonnes, which is 52% less compared to the same period of the previous year.

The sales of petrochemical products in the fourth quarter of 2025 recorded the decline of 36% compared to the same period of last year and amounted to 53 thousand tonnes.

At the end of 2025, HIP-Petrohemija completed one of the key projects of the Remediation Plan – the disposal of historical waste containing mercury and mercury-contaminated sludge from the Electrolysis plant that has been out of operation since 2014, as well as the disposal of liquid hydrocarbon waste residues. The Remediation Plan is an important component of the Strategic Partnership Agreement between HIP-Petrohemija and NIS.

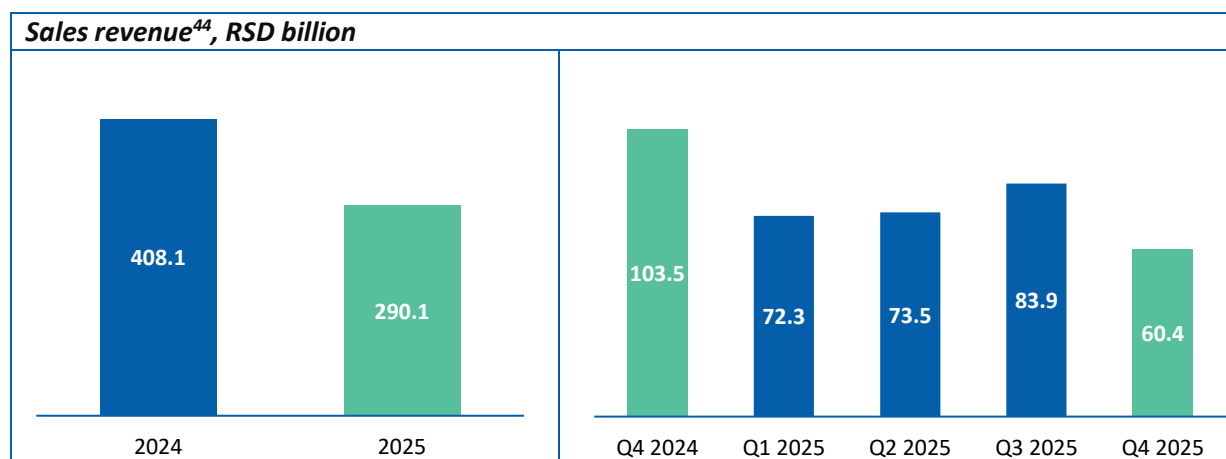
<sup>42</sup> Refining of straight-run gasoline includes both straight-run gasoline and debutanized gasoline

<sup>43</sup> Financing, excluding VAT.

## Financial indicators

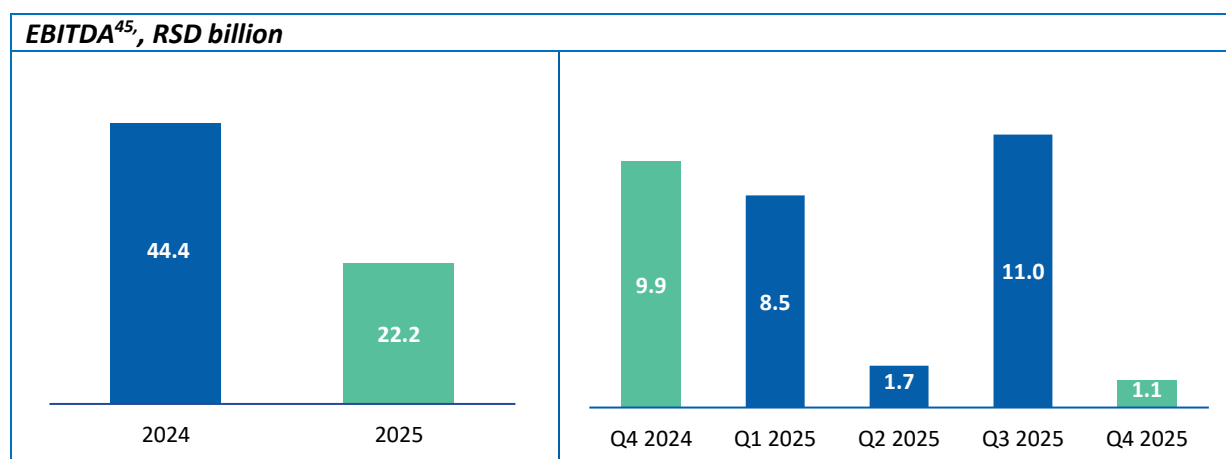
### Sales revenues

During 2025 sales revenues are 29% lower compared to the previous year, and the total amount of sales revenues is RSD 290.1 billion.



### EBITDA

The EBITDA indicator in 2025 is 50% lower than the same period last year and amounted to RSD 22.2 billion.



The decrease in the EBITDA indicator in 2025 compared to the last year is the consequence of:

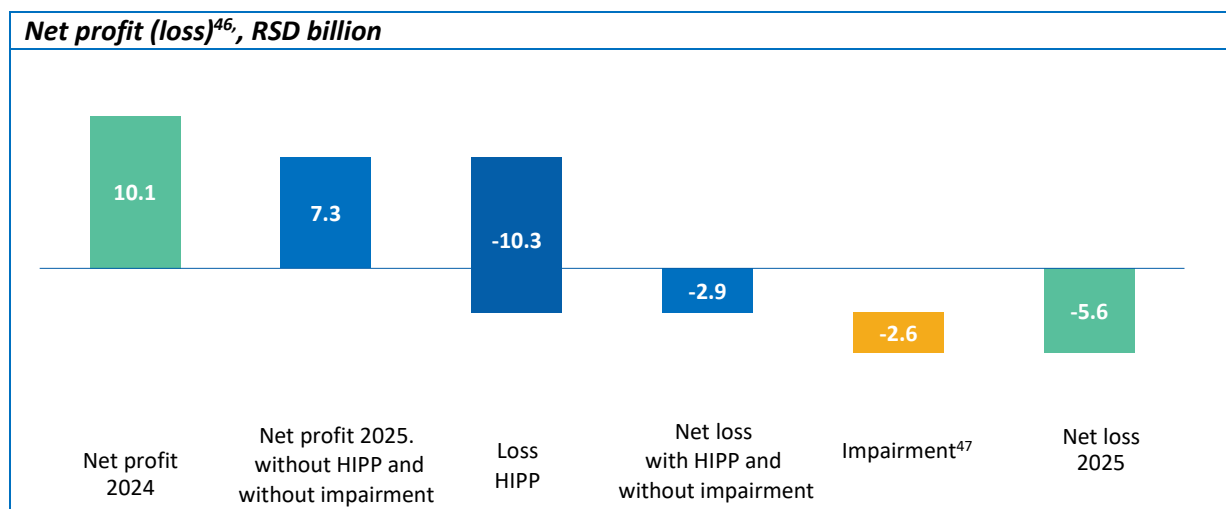
- The impact of the “expensive” stock
- A decrease in the volume of oil and gas production compared to the comparable period last year, partly due to sanctions
- A decrease in sales volume with a deterioration in margins, a decrease in the volume of oil and oil derivatives refining mainly due to sanctions, partially offset by the positive effect of the absence of a major overhaul in 2025
- An increase in costs compared to the same period due to market trends in the Republic of Serbia (inflation trends and wage growth in the Republic of Serbia)
- The negative impact of the accounting effect of foreign asset impairment

<sup>44</sup> Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

<sup>45</sup> Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

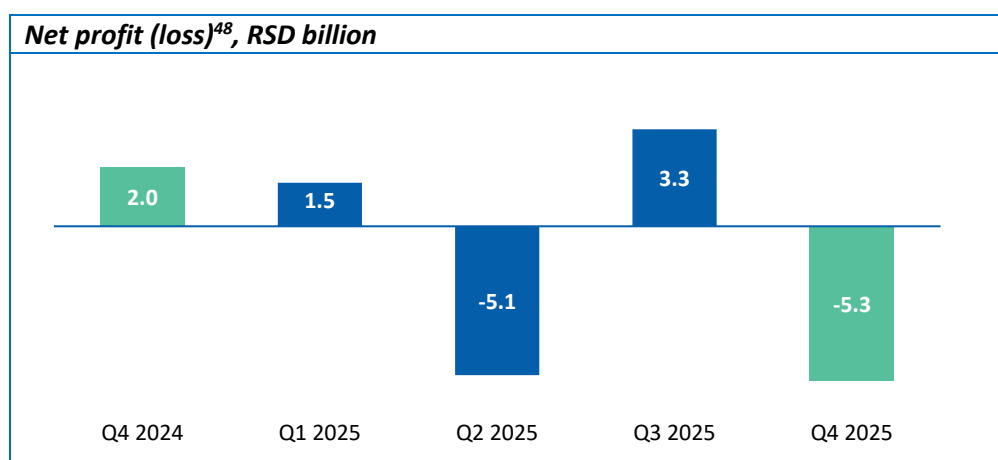
### Net profit (loss)

In 2025, the net result is negative and amounts to RSD -5.6 billion, which is decrease compared to the same period last year.



Decline in net profit indicator for 2025 compared to the 2024 was caused by:

- the decrease in EBITDA as a result of the impact of "high-cost" inventories, the reduction in refining and sales volumes due to sanctions and the negative impact of the accounting effect of foreign asset impairment, and
- higher depreciation costs



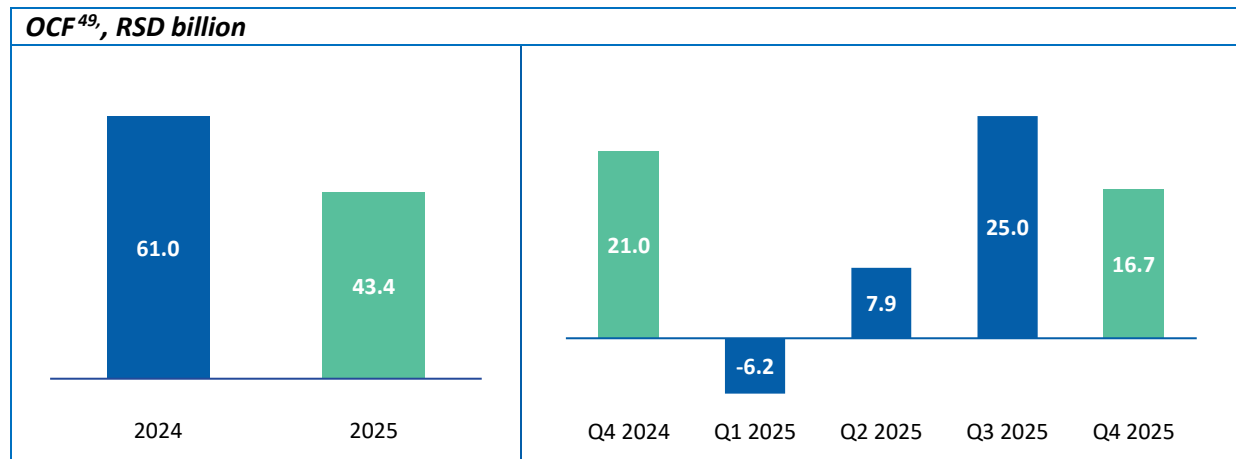
<sup>46</sup> Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

<sup>47</sup> Impairment of goodwill in NIS Petrol e.o.o.d. Sofia (Bulgaria) RSD 0.5 bln; Impairment of marketing and distribution asset in NIS Petrol e.o.o.d. Sofia (Bulgaria) RSD 0.76 bln; Impairment of O&G asset in NIS Petrol s.r.l. Bucharest (Romania) RSD 1.62 bln; Income tax effect of impairment loss RSD 0.3 bln

<sup>48</sup> Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD

**OCF**

In 2025, the operating cash flow amounts to RSD 43.4 billion, and it is lower compared to the same period last year.



The decline of the OCF indicator in 2025 was influenced by:

- Lower inflows.

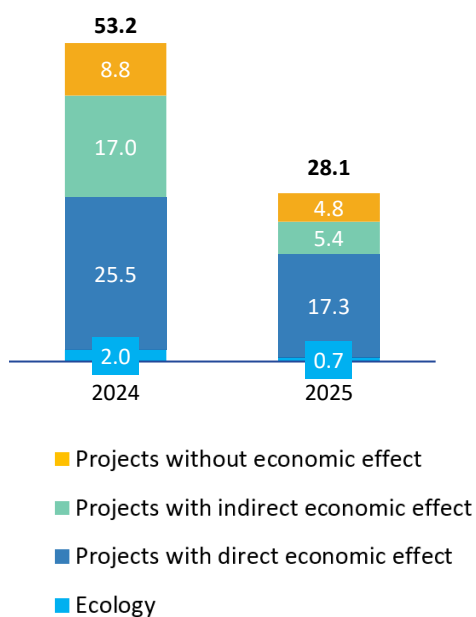
<sup>49</sup> Any deviations aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

## CAPEX

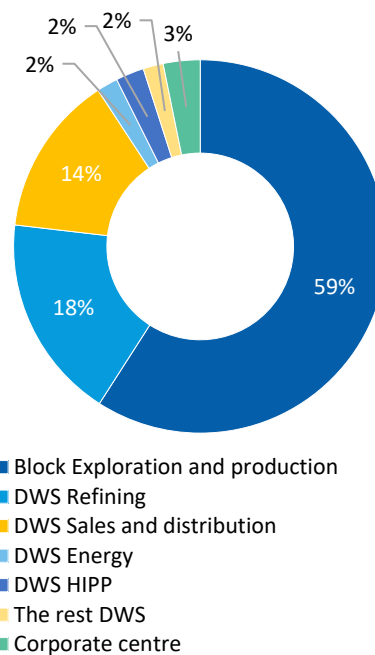
In 2025, the main areas of investment were projects aimed at oil and gas production. A significant part of the investment belongs to investments in drilling, followed by oil refining projects, as well as transport and logistic projects. In addition, NIS invested in projects in the field of energy and services, as well as in a certain number of projects in the corporate center.

In 2025, RSD 28.1 billion was allocated for investment.

**CAPEX by type of project<sup>50</sup>,  
RSD billion**



**Investments by segments in 2025**



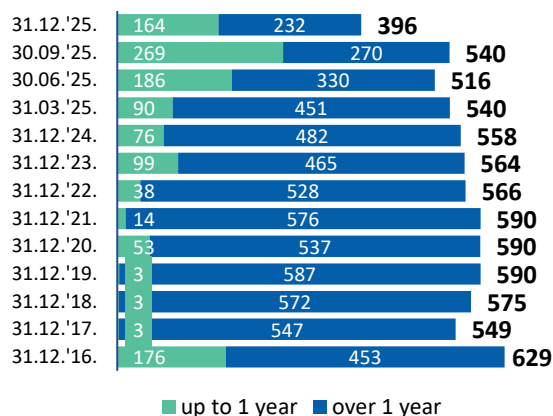
<sup>50</sup> All amounts are expressed in RSD billion, excluding VAT. Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

Organisation unit	Major projects in the fourth quarter of 2025
<b>Exploration and Production</b>	<ul style="list-style-type: none"> <li>• drilling of development wells</li> <li>• investing in geological and technical activities</li> <li>• infrastructure projects</li> </ul>
<b>Services</b>	<ul style="list-style-type: none"> <li>• procurement of machinery for construction and reclamation of sites</li> </ul>
<b>Refining</b>	<ul style="list-style-type: none"> <li>• projects aimed at ensuring compliance with legal norms and regulations</li> <li>• investment maintenance projects</li> <li>• environmental projects</li> <li>• reconstruction of the fire protection system</li> <li>• reconstruction of the industrial track</li> </ul>
<b>Sales and Distribution</b>	<ul style="list-style-type: none"> <li>• commissioning of reconstructed PS Mrčajevci, Kula, Kraljevo 1 and Surčin Airport</li> <li>• commissioning of new PS Majdanpek 2</li> </ul>
<b>Rest of Downstream projects (Energy and Technical services and HIPP)</b>	<ul style="list-style-type: none"> <li>• solar photovoltaic projects</li> <li>• energy efficiency projects</li> <li>• activities on the HIPP project – Polypropylene</li> </ul>
<b>Corporate Centre</b>	<ul style="list-style-type: none"> <li>• projects related to maintenance of software solutions and process digitalisation</li> <li>• corporate security projects</li> </ul>

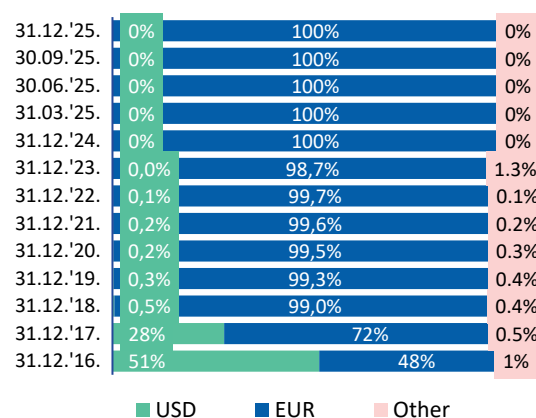
### Debt based on bank loans

At the end of 2025, the debt to banks is lower than at the end of 2024 and amounts to EUR 396.3 million.

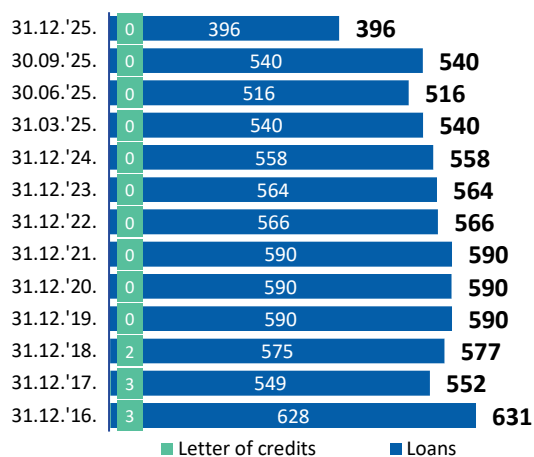
#### Total bank debt trends with maturity structure<sup>51</sup>, EUR million



#### Total bank debt structure, by currency, in %



#### Total bank indebtedness<sup>52</sup>, EUR million



<sup>51</sup> Any deviations in aggregate values result from rounding.

<sup>52</sup> In addition to the bank debt and Letters of Credit as at 31 December 2025, NIS j.s.c. Novi Sad holds issued bank guarantees in the amount of EUR 26.5 million, corporate guarantees in the amount of EUR 187.0 million and financial leasing in the amount of EUR 27.4 million. Any deviations in aggregate values result from rounding.

*Taxes and Other Public Revenue<sup>53</sup>*

Q4 2025	Q4 2024	NIS j.s.c. Novi Sad	2025	2024
0.68	0.66	Social insurance contributions paid by employer	2.67	2.53
0.06	0.12	Energy efficiency fee	0.33	0.44
-0.82	0.73	Corporate tax	-1.55	4.19
7.24	9.05	Value-added tax	29.17	33.02
26.99	49.33	Excise duties	149.66	185.80
1.06	2.01	Commodity reserves fee	5.78	7.60
0.13	0.56	Customs duties	1.32	1.98
0.50	0.45	Royalty	1.91	1.78
0.30	0.36	Other taxes	1.57	1.51
<b>36.14</b>	<b>63.25</b>	<b>Total</b>	<b>190.85</b>	<b>238.85</b>
<b>NIS subsidiaries in Serbia and the region</b>				
0.69	0.64	Social insurance contributions paid by employer	2.65	2.40
0.00	0.01	Energy efficiency fee	0.005	0.03
0.02	0.32	Corporate tax	0.09	0.62
1.49	0.91	Value-added tax	3.93	3.62
0.66	2.43	Excise duties	7.38	8.92
0.74	1.28	Customs duties	3.00	6.48
0.00	0.00	Royalty	0.02	0.06
0.06	0.06	Other taxes	0.32	0.30
<b>3.67</b>	<b>5.66</b>	<b>Total</b>	<b>17.40</b>	<b>22.42</b>
-0.49	-0.41	Deferred taxes (total for Group)	-1.23	-0.84
<b>39.32</b>	<b>68.50</b>	<b>Total NIS Group<sup>54</sup></b>	<b>207.02</b>	<b>260.43</b>

The amount of accrued liabilities for public revenues for NIS Group in the fourth quarter of 2025 totalled RSD 39.32 billion, which is a decrease of 43% on the same period in 2024. The amount of accrued liabilities for public revenues for NIS Group in 2025 totalled RSD 207.2 billion, which is a decrease of 21% on the same period in 2024.

<sup>53</sup> In RSD billion.

<sup>54</sup> 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;
- preemptive 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 2025, 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.

At the XVII regular session of the Shareholders' Assembly, which was held on 20.06.2025., it was decided to allocate 25% of the net profit generated in 2024 for the payment of dividends. It was decided that the dividend would be paid to shareholders in cash, in the total gross amount of 4,595,042,072 RSD, i.e. in the gross amount of 28.18 RSD per share. Shareholders who were registered in the Central Register, Depository and Clearing of Securities on the Shareholders' Day of the XVII regular session of the Shareholders' Assembly, which was on 10.06.2025. (Dividend Day) are entitled to the dividend. The dividend for 2024 was paid on 22.10.2025.

Given the fact that NIS began the process of removal from OFAC's SDN list in March, a decision was adopted not to pay dividends to persons on the SDN list.

	<i>Net profit (loss), RSD bn<sup>55</sup></i>	<i>Total amount of dividend, RSD bn</i>	<i>Payment ratio</i>	<i>Earnings per share, RSD</i>	<i>Dividend per share, gross, RSD</i>	<i>Share price as at 31 December, RSD</i>	<i>Shareholder s' dividend yield, in %<sup>56</sup></i>
<b>2009</b>	(4.4)	0.0	-	-	0	-	-
<b>2010</b>	16.5 <sup>57</sup>	0.0	-	101.1	0	475	-
<b>2011</b>	40.6 <sup>58</sup>	0.0	-	249	0	605	-
<b>2012</b>	49.5	12.4	25%	303.3	75.83	736	10.3
<b>2013</b>	52.3	13.1	25%	320.9	80.22	927	8.7
<b>2014</b>	30.6	7.6	25%	187.4	46.85	775	6.0
<b>2015</b>	16.1	4.0	25%	98.8	24.69	600	4.1
<b>2016</b>	16.1	4.0	25%	98.6	24.66	740	3.3
<b>2017</b>	27.8	6.9	25%	170.43	42.61	724	5.9
<b>2018</b>	26.1	6.5	25%	159.86	39.97	690	5.8
<b>2019</b>	17.7	4.4	25%	108.55	27.14	749	3.6
<b>2020</b>	(5.9)	1.0	-	(36.24)	6.14	644	1.0
<b>2021</b>	23.1	5.8	25%	141.85	35.46	620	5.7
<b>2022</b>	93.5	23.4	25%	573.14	143.29	675	21.2
<b>2023</b>	41.9	10.5	25%	257.05	64.26	812	7.9
<b>2024</b>	18.4	4.6 <sup>59</sup>	25%	112.72	28.18	754	3.7

<sup>55</sup> Net profit of NIS j.s.c. Novi Sad.

<sup>56</sup> Calculated as the ratio of gross dividend to share price at the end of the year for which the dividend is paid.

<sup>57</sup> Net profit used for coverage of accumulated losses.

<sup>58</sup> Net profit used for coverage of accumulated losses.

<sup>59</sup> The Company paid dividends to shareholders from the profit generated in 2024, except for shareholders for whom, in accordance with the decision of the Board of Directors of NIS j.s.c Novi Sad, the payment was temporarily postponed until their exclusion from the SDN list of the US Department of the Treasury. NIS paid RSD 2.5 billion to shareholders in dividends from the profit generated in 2024.

## 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	
<b>Nominal value</b>	<i>RSD 10,000</i>
<b>CFI code</b>	<i>DBFUFR</i>
<b>ISIN no.</b>	<i>RSNISHD82111</i>
<b>Bond issue designation</b>	I (first) issue
<b>Posting date to proprietary accounts</b>	December 20, 2024
<b>Due date</b>	5 years or 1,825 days
<b>Due date</b>	December 19, 2029
<b>Interest rate</b>	Fixed interest rate of 6.50% per annum and quarterly payment of an interest coupon starting from the issuance date.
<b>Method of calculation of interest</b>	The formula for calculating the amount of interest for the interest period is as follows: $K = N_k \times p_k \times 0.25$ where the following letters shall have the following meanings: K: the amount of quarterly interest to be paid p <sub>k</sub> : the amount of the interest rate on an annual basis N <sub>k</sub> : 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 fourth quarter of 2025, the fourth coupon payment was made, based on the first issue of corporate bonds of the Company.

## ***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 2025 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<sup>60</sup>.

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<sup>60</sup> Information on related party transactions can be found on page 83 under note number 28 of the Consolidated Financial Statements.

## ***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. For this reason, NIS has continued to invest in employee engagement in 2025 and has initiated the implementation of various activities based on the results of the latest employee engagement survey and company's strategic plans. The company is implementing and regularly updating its Engagement Academy programme. It is dedicated to developing highly engaged and motivated teams through active involvement of the top, middle, and, since last year, lower management. NIS has restarted the "First-Time Managers" Programme, that consists of several education modules helping employees who have just taken on managerial functions to become the best possible managers and leaders.

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 steps, and automating and digitalising processes throughout all parts of the company. NIS also strives to digitize our HR processes and thus provide faster and more efficient support to our employees. In this regard, it has been implemented the digital platform and thus connected key HR processes. Company also introduced a digital assistant, a chatbot, which provides employees with answers to the basic HR questions.

As part of the implementation of the agenda for young talents, the fifth season of the one-year NIS Energy mentoring programme has been completed. The average satisfaction rating with the entire programme is 9.2 out of 10, and 19 out of 26 participants will continue their careers in our company. Also, the ninth season of the NIS Calling internship programme has begun with a total of 40 participants. So far, there has been a ceremonial opening and an educational workshop and a tour of the oil refinery in Pančevo. Operator intership programme is going on at the same time, this year with 25 participants.

### ***Employee number<sup>61</sup> and structure***

At the end of 2025, the total number of employees was 13,732, while the average number of was 13,326.

<b>Organisational unit</b>	<b>Total number of employees as at:</b>	
	<b>12/31/2025</b>	<b>12/31/2024</b>
NIS j.s.c. Novi Sad	5,273	5,314
Subsidiaries	8,459	8,456
<b>TOTAL<sup>62</sup>:</b>	<b>13,732</b>	<b>13,770</b>

<sup>61</sup> The number of employees does not include employees hired through the Contract of Services. On December 31, 2025 within the NIS a. d. Novi Sad, we have 92 employees hired through the Contract of Services.

<sup>62</sup> 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 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.

During the fourth quarter of 2025 the STC worked on the following activities in the area of geological research, geology, reservoir engineering third production:

- Work on zonal projects has been completed. According to the results, promising localities have been identified, their hydrocarbon potential has been assessed and ranked
- An analytical calculation tool for calculating base production has been prepared. Base production has been calculated for the Company's three top fields
- Six new reports on reserves for oil and gas fields prepared.

As part of the project team for chemical oil recovery methods, the STC has developed several important technological solutions for this project. They include a solution for mobile chemical treatment equipment, which allows to do the treatments quickly and avoid large investments in the infrastructure, a technical assignment for the chemical design of an alternative surfactant for use in the Velebit field, and other technological matters important for the project.

The STC has completed an analysis of technological challenges in the field of reservoir development and oil production.

During the fourth quarter, the DWS laboratory purchased two new units of laboratory equipment:

1. A unit for Euro diesel quality control
2. A unit for jet fuel quality control (determination of water separation).

The Downstream Laboratory organized and completed a set of interlaboratory tests (for gasoline, diesel fuel, heating oil, liquefied petroleum gas, jet fuel, bitumen, crude oil and industrial oil) with various other laboratories from Serbia and the region.

The goal of these tests is an interlaboratory comparison in the most general sense of determining the degree of equivalence between laboratories and confirming their competence.

## Financial Statements<sup>63</sup>

### Interim condensed financial statements of NIS j.s.c. Novi Sad (unaudited)

#### Interim Condensed Statement of Financial Position

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

*in 000 RSD*

<sup>63</sup> 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 31 December		Year ended 31 December	
		2025 <i>(unaudited)</i>	2024 <i>(unaudited)</i>	2025 <i>(unaudited)</i>	2024 <i>(unaudited)</i>
Sales of petroleum products, oil and gas		51,210,790	93,955,108	250,823,684	371,734,008
Other revenues		4,146,497	4,782,548	20,360,673	19,267,812
<b>Total revenue from sales</b>	<b>3</b>	<b>55,357,287</b>	<b>98,737,656</b>	<b>271,184,357</b>	<b>391,001,820</b>
Purchases of oil, gas and petroleum products		(29,835,808)	(65,471,346)	(160,008,126)	(264,931,664)
Production, manufacturing and cost of other sales	20	(8,782,395)	(10,494,400)	(37,806,265)	(38,117,886)
Selling, general and administrative expenses	21	(10,057,659)	(9,587,809)	(35,181,875)	(33,126,413)
Transportation expenses		(236,284)	(508,199)	(1,351,153)	(1,709,826)
Depreciation, depletion and amortization		(6,070,121)	(5,999,169)	(26,066,835)	(24,232,857)
Taxes other than income tax		(1,421,121)	(1,468,733)	(6,036,740)	(5,763,310)
Exploration expenses		(219,359)	-	(219,369)	(187)
<b>Total operating expenses</b>		<b>(56,622,747)</b>	<b>(93,529,656)</b>	<b>(266,670,363)</b>	<b>(367,882,143)</b>
Other (expenses)/income, net	22	(18,503,811)	154,637	(18,452,106)	852,742
<b>Operating profit/(loss)</b>		<b>(19,769,271)</b>	<b>5,362,637</b>	<b>(13,938,112)</b>	<b>23,972,419</b>
Net foreign exchange loss	23	(53,856)	(136,090)	(264,898)	(721,825)
Finance income	24	633,792	720,479	2,347,616	2,713,432
Finance expenses	25	(746,020)	(927,203)	(3,173,639)	(3,797,844)
<b>Total other expenses</b>		<b>(166,084)</b>	<b>(342,814)</b>	<b>(1,090,921)</b>	<b>(1,806,237)</b>
<b>Profit/(loss) before income tax</b>		<b>(19,935,355)</b>	<b>5,019,823</b>	<b>(15,029,033)</b>	<b>22,166,182</b>
Current income tax		823,877	(1,049,873)	1,552,840	(4,523,958)
Deferred tax income		467,910	367,501	1,242,788	738,354
<b>Total income tax</b>	<b>26</b>	<b>1,291,787</b>	<b>(682,372)</b>	<b>2,795,628</b>	<b>(3,785,604)</b>
<b>Profit/(loss) for the period</b>		<b>(18,643,568)</b>	<b>4,337,451</b>	<b>(12,233,405)</b>	<b>18,380,578</b>
<b>Other comprehensive income/(loss):</b>					
<b>Items that will not be reclassified to profit/(loss)</b>					
Losses on remeasurements of defined benefit plans		(53,253)	(79,961)	(53,253)	(72,023)
Gain/(loss) from investments in equity instruments		16	-	(88)	52
Revaluation of property, plant and equipment transferred to investment property		-	240	-	3,400
<b>Other comprehensive losses for the period</b>		<b>(53,237)</b>	<b>(79,721)</b>	<b>(53,341)</b>	<b>(68,571)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(18,696,805)</b>	<b>4,257,730</b>	<b>(12,286,746)</b>	<b>18,312,007</b>
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (loss) (RSD per share)		(114.34)	26.60	(75.02)	112.72
Weighted average number of ordinary shares in issue (in millions)		163	163	163	163

*in 000 RSD*

*Interim Condensed Statement of Changes in Shareholders' Equity*

Year ended 31 December 2025 and 2024

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

*In 000 RSD*

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

*in 000 RSD*

Interim Condensed Statement of Cash Flows<sup>64</sup>

	Note	Year ended 31 December	
		2025 (unaudited)	2024 (unaudited)
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		(15,029,033)	22,166,182
<b>Adjustments for:</b>			
Finance expenses	25	3,173,639	3,797,844
Finance income	24	(2,347,616)	(2,713,432)
Unrealised foreign exchange losses, net		245,183	732,508
Depreciation, depletion and amortization		26,066,835	24,232,857
Impairment of financial assets	22	18,671,958	-
Impairment of exploration works		219,369	187
Adjustments for other provisions		1,254,382	425,265
Other non-cash items		84,168	(363,000)
<b>Operating cash flow before changes in working capital</b>		<b>32,338,885</b>	<b>48,278,411</b>
<b>Changes in working capital:</b>			
Trade and other receivables		5,294,941	5,397,214
Inventories		11,631,844	17,147,808
Other current assets		5,108,170	(3,605,399)
Trade payables and other current liabilities		(6,018,403)	4,048,526
Other taxes payable		1,874,345	1,572,346
<b>Total effect on working capital changes</b>		<b>17,890,897</b>	<b>24,560,495</b>
Income taxes paid		(1,743,788)	(4,703,104)
Interest paid		(2,789,590)	(3,479,357)
Interest received		1,866,104	3,141,175
<b>Net cash generated by operating activities</b>		<b>47,562,508</b>	<b>67,797,620</b>
<b>Cash flows from investing activities</b>			
Loans issued		(40,901,599)	(28,672,831)
Loan proceeds received		32,374,649	22,374,473
Capital expenditures <sup>65</sup>		(29,441,072)	(53,606,816)
Proceeds from sale of property, plant and equipment		695,499	774,284
Bank deposits proceeds, net		-	25,000,000
Dividends received		-	58,599
<b>Net cash used in investing activities</b>		<b>(37,272,523)</b>	<b>(34,072,291)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	13,17	14,451,314	36,597,922
Repayment of borrowings	13,17	(33,285,764)	(37,696,807)
Repayment of lease liabilities	18	(693,174)	(684,903)
Dividends paid		(2,534,166)	(10,478,261)
Other inflows of cash		-	1,871,610
<b>Net cash used in financing activities</b>		<b>(22,061,790)</b>	<b>(10,390,439)</b>
Net increase/(decrease) in cash and cash equivalents		(11,771,805)	23,334,890
Effect of foreign exchange on cash and cash equivalents		(161,984)	(783,673)
<b>Cash and cash equivalents as of the beginning of the period</b>		<b>38,821,710</b>	<b>16,270,493</b>
<b>Cash and cash equivalents as of the end of the period</b>	<b>4</b>	<b>26,887,921</b>	<b>38,821,710</b>

in 000 RSD

<sup>64</sup> Company's policy is to present cash flow inclusive of related VAT.

<sup>65</sup> CF from investing activities includes VAT in the amount of 3.5 bln RSD (2024: 6.2 bln RSD)

## Notes to the Interim Condensed Standalone Financial Statements<sup>66</sup>

### 1. GENERAL INFORMATION

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

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

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

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

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

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 2.1. Basis of preparation

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

These Interim Condensed Financial Statements have been prepared on a going concern basis. In making this assessment, management considered the Company's current and projected liquidity position, access to financing, operational performance and the broader regulatory and geopolitical environment.

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

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

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

In 2025 the volatility in commodity and financial markets is seen rising while the RSD remained stable relative to EUR and appreciated to USD (information on the economic environment in the Republic of Serbia is detailed in Note 28) due to the geopolitical situation. Under current conditions it turned out to be impossible to evaluate how long the volatility will persist and at what level the key financial indicators will ultimately stabilise.

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

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.

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<sup>66</sup> All amounts are in 000 RSD, unless otherwise stated.

The amendments to existing standards, which became effective on January 1, 2025, did not have a material impact on the Condensed Interim Financial Statements.

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

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

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. Significant estimates and judgments include the assessment of expected credit losses on loans and receivables in accordance with IFRS 9 (note 11). Detailed disclosures are provided in the Company's annual financial statements.

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

## **2.2. Changes in significant accounting policies**

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Financial Statements are consistent with those applied during the preparation of the Financial Statements as of and for the year ended 31 December 2024.

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

On 10 January 2025, the Company was included in the U.S. Treasury's Specially Designated Nationals and Blocked Persons ("SDN") List.

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

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

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

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

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

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

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

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

### 3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the year ended 31 December 2025 and 2024. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The Company manages its operations in 2 operating segments: Upstream and Downstream.

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

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

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

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

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

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

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

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

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Profit/(loss) for the period	(18,643,568)	4,337,451	(12,233,405)	18,380,578
Income tax	(1,291,787)	682,372	(2,795,628)	3,785,604
Finance expenses	746,020	927,203	3,173,639	3,797,844
Finance income	(633,792)	(720,479)	(2,347,616)	(2,713,432)
Depreciation, depletion and amortization	6,070,121	5,999,169	26,066,835	24,232,857
Net foreign exchange loss	53,856	136,090	264,898	721,825
Other expenses/(income), net	18,503,811	(154,637)	18,452,106	(852,742)
Other non-operating expense, net	155,001	91,890	249,546	602,661
<b>Adjusted EBITDA</b>	<b>4,959,662</b>	<b>11,299,059</b>	<b>30,830,375</b>	<b>47,955,195</b>

Impact of major one-off items on the Company result

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

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

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

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

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

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

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

#### 4. CASH AND CASH EQUIVALENTS

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

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

#### 5. SHORT-TERM FINANCIAL ASSETS

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

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

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

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

#### 6. TRADE AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
Trade receivables - third parties	26,148,323	36,022,252
Trade receivables - subsidiaries and other related parties (note 29)	14,463,553	10,461,435
Other receivables – third parties	73,346	81,779
Other receivables – subsidiaries and other related parties (note 29)	10,796	16,950
<i>Less impairment provision for trade receivables – third parties</i>	(6,791,244)	(6,962,133)
<i>Less impairment provision for trade receivables – subsidiaries and other related parties (note 29)</i>	(214,477)	(214,477)
<i>Less impairment provision for other receivables</i>	(29,965)	(27,827)
	<b>33,660,332</b>	<b>39,377,979</b>

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

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

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

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

## 7. INVENTORIES

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

## 8. OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Advances paid	2,468,579	1,341,449
Deferred VAT	1,159,384	3,599,608
Prepaid expenses	218,675	460,521
Prepaid custom duties	99,957	75,447
Prepaid excise	3,084,278	6,683,336
Other current assets	7,825,756	7,936,113
<i>Less impairment provision</i>	<i>(7,480,000)</i>	<i>(7,485,657)</i>
	<b>7,376,629</b>	<b>12,610,817</b>

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

Deferred VAT as at 31 December 2025 amounting to 1,159,384 RSD (31 December 2024: 3,599,608 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 December 2025 amounting to 3,084,278 RSD (31 December 2024: 6,683,336 RSD) relates to the excise paid for the finished products stored in the non-excise warehouse.

Other current assets mainly relate to claims in dispute, which are impaired.

**9. PROPERTY, PLANT AND EQUIPMENT**

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
<b>As at 1 January 2025</b>						
Cost	248,033,301	181,088,848	66,121,557	17,227,220	28,956,223	541,427,149
Depreciation and impairment	(110,269,454)	(86,230,092)	(35,478,947)	(10,030,457)	(207,411)	(242,216,361)
<b>Net book value</b>	<b>137,763,847</b>	<b>94,858,756</b>	<b>30,642,610</b>	<b>7,196,763</b>	<b>28,748,812</b>	<b>299,210,788</b>
<b>Period ended 31 December 2025</b>						
Additions	20,354,705	2,636,291	5,992,003	281,932	(721,933)	28,542,998
Changes in decommissioning obligations	577,584	-	-	193	-	577,777
Impairment, net	-	-	(11,684)	-	(36,977)	(48,661)
Depreciation	(13,537,517)	(8,555,326)	(2,415,229)	(497,370)	-	(25,005,442)
Transfer to non-current assets held for sale	-	-	(2,986)	(119,429)	-	(122,415)
Disposals and write-off	(8,374)	(34,671)	(4,612)	(959)	(220,791)	(269,407)
Other transfers	321	(1,191)	(9,232)	17,422	(703,232)	(695,912)
	<b>145,150,566</b>	<b>88,903,859</b>	<b>34,190,870</b>	<b>6,878,552</b>	<b>27,065,879</b>	<b>302,189,726</b>
<b>As at 31 December 2025</b>						
Cost	268,436,891	181,585,886	71,875,655	16,595,861	27,290,636	565,784,929
Depreciation and impairment	(123,286,325)	(92,682,027)	(37,684,785)	(9,717,309)	(224,757)	(263,595,203)
<b>Net book value</b>	<b>145,150,566</b>	<b>88,903,859</b>	<b>34,190,870</b>	<b>6,878,552</b>	<b>27,065,879</b>	<b>302,189,726</b>

**10. RIGHT-OF-USE ASSETS**

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

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

**11. LONG-TERM FINANCIAL ASSETS**

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

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

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

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

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

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

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

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

## 12. OTHER NON-CURRENT ASSETS

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

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

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

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

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

## 14. TRADE AND OTHER PAYABLES

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

The dividends payable declared for the year ended 31 December 2024, amounted to 4,595,042 RSD or 28.18 RSD per share (31 December 2023: 10,478,261 RSD or 64.26 RSD per share). The dividend distribution was approved on the General Assembly Meeting held on 20 June 2025 and paid on 22 October 2025, with dividend payments to certain shareholders deferred in line with the decision of the General Assembly due to applicable sanctions.

## 15. OTHER CURRENT LIABILITIES

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

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

#### 16. OTHER TAXES PAYABLE

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

#### 17. LONG-TERM DEBT

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

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

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

#### Bank loans

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

The maturity of bank loans was as follows:

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

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

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

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

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

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

## 18. LEASE LIABILITIES

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

Amounts recognized in profit and loss:

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

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

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

## 19. OTHER NON-CURRENT FINANCIAL LIABILITIES

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

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

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Employee costs	1,210,962	1,186,259	4,705,383	4,392,571
Materials and supplies (other than O&G and petroleum products)	320,906	384,540	1,254,892	1,283,785
Repair and maintenance services	1,740,719	1,815,591	5,996,342	5,633,557
Electricity for resale	521	48,783	74,288	120,995
Electricity and utilities	1,674,559	2,470,765	8,770,194	9,202,359
Safety and security expense	233,750	310,064	809,149	767,838
Transportation services for production	375,528	388,360	1,489,323	1,565,051
Other	3,225,450	3,890,038	14,706,694	15,151,730
	<b>8,782,395</b>	<b>10,494,400</b>	<b>37,806,265</b>	<b>38,117,886</b>

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

Other expenses mainly relate to cost of other goods that have been sold at the petrol stations in the amount of 10,351,123 RSD (2024: 10,652,110 RSD).

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

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

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

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

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

**23. NET FOREIGN EXCHANGE LOSS**

	Three month period ended 31 December		Year ended 31 December	
	2025	2024	2025	2024
Foreign exchange gain (loss) on financing activities including:				
- foreign exchange gain (note 17,18,19)	40,131	89,839	257,089	261,008
- foreign exchange loss (note 17,18,19)	(35,992)	(40,111)	(384,322)	(151,039)
Net foreign exchange loss on operating activities	(57,995)	(185,818)	(137,665)	(831,794)
	<b>(53,856)</b>	<b>(136,090)</b>	<b>(264,898)</b>	<b>(721,825)</b>

**24. FINANCE INCOME**

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

**25. FINANCE EXPENSES**

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

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

## 26. INCOME TAXES

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

As a result of the tax consolidation, the Company was able to utilize accumulated tax losses of certain subsidiaries to offset the consolidated taxable base, leading to a significant tax credit. This tax benefit, relating to the previous tax year (2024) in amount 1,455,629 RSD, was recognized in the current financial year (2025) upon receipt of the final tax assessment. The effect of this tax benefit has been accounted for in accordance with IAS 12 – Income Taxes and is reflected in the income tax expense line item in the statement of profit and loss.

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

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

## 27. FAIR VALUE MEASUREMENT

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

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

## 28. CONTINGENCIES AND COMMITMENTS

### *Taxes*

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Company's management. As a result, some transactions may be disputed by tax authorities and the Company may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Company has paid all tax liabilities as of 31 December 2025.

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

The exacerbation of the geopolitical situation as a result of further developments of the situation with Ukraine led to amplified volatility in the commodity and financial markets. It is not possible to determine how long this increased volatility will last.

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

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

#### *Environmental protection*

Based on an internal assessment of compliance with the Republic of Serbia's environmental legislation as at the reporting date, the Company's management recognised an environmental provision in the amount of 290,132 RSD (31 December 2024: 373,479 RSD).

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

#### *Capital commitments*

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

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

## **29. RELATED PARTY TRANSACTIONS**

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

For the year ended 31 December 2025 and in the same period in 2024, the Company entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to sale of petroleum products and energy.

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

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)	-	-
	<b>52,786,672</b>	-	<b>(885,272)</b>

As at 31 December 2024	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
Short-term financial assets	32,871,239	-	-
Trade and other receivables	10,213,376	-	50,532
Other current assets	1,919	-	540,205
Right-of-use assets	95,917	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	7,123,387	-	-
Other non-current assets	39,898	-	-
Trade and other payables	(5,773,742)	-	(542,822)
Other current liabilities	(56,815)	-	(389)
Short-term debt	(2,400,033)	-	-
Current lease liabilities	(7,574)	-	-
Long-term debt	(1,171,459)	-	-
Non-current lease liabilities	(92,279)	-	-
Other non-current financial liabilities	(11,302,368)	-	-
	<b>60,558,148</b>	-	<b>1,086,326</b>

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

For the year ended 31 December 2025	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Revenues from sales of products and services	38,920,831	-	1,742,274
Expenses based on procurement of products and services	(22,061,442)	-	(2,038,793)
Other expenses, net	(17,872,528)	-	(29,643)
	<b>(1,013,139)</b>	-	<b>(326,162)</b>
For the year ended 31 December 2024	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Revenues from sales of products and services	53,454,485	-	279,212
Expenses based on procurement of products and services	(23,269,805)	-	(3,576,553)
Other income (expenses), net	627,381	-	(338)
	<b>30,812,061</b>	-	<b>(3,297,679)</b>

### **Transactions with subsidiaries in Romania and Bulgaria**

The companies are currently facing significant challenges in their operations in Bulgaria (DWS operations) and Romania (DWS and UPS operations), which are affecting the overall performance and future prospects in these markets. As a result, management is considering both the possibility of further development and the option of exit from these markets.

Considering the aforementioned in June 2025, the Board of Directors passed a decision to convert the total outstanding receivables, including the subordinated and financial loans as well as the commercial receivables, into the share capital of the subsidiary NIS Petrol Bulgaria. The conversion procedure has been initiated.

In addition, the Board of Directors has approved the sale of the subsidiary NIS Petrol Bulgaria, subject to the terms of the offer and the satisfaction of the defined conditions precedent. The transaction relates to the disposal of the Company's full equity interest in the subsidiary. Further details will be disclosed once the outcome becomes sufficiently certain.

### **30. EVENTS AFTER THE REPORTING DATE**

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

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

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

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

All events occurring after the reporting date from 31 December 2025 to 30 January 2026, when these Interim Condensed Financial Statements were approved, have been taken into account.

**Interim Condensed Consolidated financial statements of NIS Group (unaudited)**
**Interim Condensed Consolidated Statement of Financial Position**

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

in 000 RSD

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

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

in 000 RSD

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

Year ended 31 December 2025 and 2024

Equity attributable to the Company's owners							
	Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2024</b>		<b>81,530,200</b>	<b>694,603</b>	<b>288,345,242</b>	<b>370,570,045</b>	<b>517,608</b>	<b>371,087,653</b>
Profit/(loss) for the period		-	-	10,844,835	10,844,835	(765,398)	10,079,437
<b>Other comprehensive income/(loss)</b>							
Loss on remeasurements of defined benefit plans		-	-	(169,514)	(169,514)	(6,431)	(175,945)
Gain from investments in equity instruments		-	52	-	52	-	52
Revaluation of property, plant and equipment transferred to investment property		-	3,400	-	3,400	-	3,400
Currency translation differences		-	39,677	-	39,677	-	39,677
<b>Total comprehensive income/(loss) for the period</b>		-	<b>43,129</b>	<b>10,675,321</b>	<b>10,718,450</b>	<b>(771,829)</b>	<b>9,946,621</b>
Dividend distribution	13	-	-	(10,478,261)	(10,478,261)	-	(10,478,261)
Other		-	4,100	(4,152)	(52)	-	(52)
<b>Balance as at 31 December 2024</b>		<b>81,530,200</b>	<b>741,832</b>	<b>288,538,150</b>	<b>370,810,182</b>	<b>(254,221)</b>	<b>370,555,961</b>

*in 000 RSD*

Equity attributable to the Company's owners							
		Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2025</b>		<b>81,530,200</b>	<b>741,832</b>	<b>288,538,150</b>	<b>370,810,182</b>	<b>(254,221)</b>	<b>370,555,961</b>
Loss for the period		-	-	(4,551,547)	(4,551,547)	(1,026,595)	(5,578,142)
<b>Other comprehensive income/(loss)</b>							
Losses on remeasurements of defined benefit plans		-	-	(68,316)	(68,316)	(1,261)	(69,577)
Loss from investments in equity instruments		-	(88)	-	(88)	-	(88)
Currency translation differences		-	293,513	-	293,513	-	293,513
<b>Total comprehensive income/(loss) for the period</b>		-	<b>293,425</b>	<b>(4,619,863)</b>	<b>(4,326,438)</b>	<b>(1,027,856)</b>	<b>(5,354,294)</b>
Dividend distribution	13	-	-	(4,595,042)	(4,595,042)	-	(4,595,042)
Internal transfer		-	(296)	296	-	-	-
Other		-	(714)	-	(714)	-	(714)
<b>Balance as at 31 December 2025</b>		<b>81,530,200</b>	<b>1,034,247</b>	<b>279,323,541</b>	<b>361,887,988</b>	<b>(1,282,077)</b>	<b>360,605,911</b>

*in 000 RSD*

**Interim Condensed Consolidated Statement of Cash Flows<sup>67</sup>**

	Note	2025	Year ended 31 December 2024
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		<b>(8,266,954)</b>	<b>14,053,038</b>
<b>Adjustments for:</b>			
Share of (profit)/loss in joint ventures		(771,424)	105,918
Finance expenses	23	3,008,216	3,694,804
Finance income	22	(1,208,069)	(1,931,920)
Unrealised foreign exchange loss, net		584,625	635,167
Depreciation, depletion and amortization		28,846,898	27,119,878
Impairment/(Reversal) of non-current assets	20	2,829,200	(160,492)
Other non-cash items		539,032	182,699
<b>Operating cash flow before changes in working capital</b>		<b>25,561,524</b>	<b>43,699,092</b>
<b>Changes in working capital:</b>			
Trade and other receivables		11,213,739	1,180,535
Inventories		12,909,032	15,840,856
Other current assets		5,288,884	(3,288,385)
Trade payables and other current liabilities		(9,920,307)	7,175,036
Other taxes payable		1,681,196	1,378,293
<b>Total effect on working capital changes</b>		<b>21,172,544</b>	<b>22,286,335</b>
Income taxes paid		(1,998,034)	(4,944,656)
Interest paid		(2,601,019)	(3,302,313)
Interest received		1,279,680	3,238,079
		<b>(3,319,373)</b>	<b>(5,008,890)</b>
<b>Net cash generated by operating activities</b>		<b>43,414,695</b>	<b>60,976,537</b>
<b>Cash flows from investing activities</b>			
Capital expenditures <sup>68</sup>		(31,717,930)	(60,281,791)
Proceeds from sale of property, plant and equipment		587,491	211,748
Dividends received		-	58,599
Bank deposits repayment, net		215,300	30,823,737
Other outflow		(15,282)	-
<b>Net cash used in investing activities</b>		<b>(30,930,421)</b>	<b>(29,187,707)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	12,16	4,464,639	12,055,368
Repayment of borrowings	12,16	(23,424,038)	(12,755,484)
Repayment of lease liabilities	17	(992,820)	(1,206,983)
Dividends paid		(2,534,166)	(10,478,261)
Other inflows of cash		-	700,609
<b>Net cash used in financing activities</b>		<b>(22,486,385)</b>	<b>(11,684,751)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(10,002,111)</b>	<b>20,104,079</b>
Effect of foreign exchange on cash and cash equivalents		(214,120)	(852,015)
<b>Cash and cash equivalents as of the beginning of the period</b>		<b>40,736,335</b>	<b>21,484,271</b>
<b>Cash and cash equivalents as of the end of the period</b>	<b>4</b>	<b>30,520,104</b>	<b>40,736,335</b>

in 000 RSD

<sup>67</sup> Group policy is to present cash flow inclusive of related VAT.

<sup>68</sup> CF from investing activities includes VAT in the amount of 3.8 bln RSD (2024: 7.5 bln RSD)

## *Notes to the Interim Condensed Consolidated Financial Statements*<sup>69</sup>

### **1. GENERAL INFORMATION**

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

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

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

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

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

### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

#### **2.1. Basis of preparation**

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

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

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

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

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

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

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

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<sup>69</sup> All amounts are in 000 RSD, unless otherwise stated.

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

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

The amendments to existing standards, which became effective on January 1, 2025, did not have a material impact on the condensed Interim Consolidated Financial Statements.

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

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

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

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

## **2.2. Changes in significant accounting policies**

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Consolidated Financial Statements are consistent with those applied during the preparation of the Consolidated Financial Statements as of and for the year ended 31 December 2024.

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

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

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

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

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

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

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

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

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

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

### 3. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the year ended 31 December 2025 and 2024. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The Group manages its operations in 2 operating segments: Upstream and Downstream.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 4. CASH AND CASH EQUIVALENTS

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

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

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

#### 5. SHORT-TERM FINANCIAL ASSETS

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

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

#### 6. TRADE AND OTHER RECEIVABLES

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

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

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

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

## 7. INVENTORIES

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

## 8. OTHER CURRENT ASSETS

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

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

Deferred VAT as at 31 December 2025 amounting to 1,298,915 RSD (31 December 2024: 4,115,321 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

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

**9. PROPERTY, PLANT AND EQUIPMENT**

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

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

As at 31 December 2025, the Group assessed indicators of impairment for its cash-generating units ("CGUs"). Based on this assessment, the Group recognized impairment losses of 2,425,837 RSD. The impairment in 2025 mainly relates to the Marketing asset 769,727 RSD and Assets under Construction within the Oil & Gas segment 1,624,819 RSD and reflects indications that the expected recoverable amounts of these assets are lower than their carrying.

These assessments involve significant judgment and are subject to ongoing reassessment. Detailed disclosures will be provided in the Group's consolidated financial statements for the year ended 31 December 2025.

## 10. RIGHT-OF-USE ASSETS

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

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

## 11. OTHER NON-CURRENT ASSETS

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

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

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

## 13. TRADE AND OTHER PAYABLES

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

The dividends payable declared for the year ended 31 December 2024, amounted to 4,595,042 RSD or 28.18 RSD per share (31 December 2023: 10,478,261 RSD or 64.26 RSD per share). The dividend distribution was approved on the General Assembly Meeting held on 20 June 2025 and paid on 22 October 2025, with dividend payments to certain shareholders deferred in line with the decision of the General Assembly due to applicable sanctions.

## 14. OTHER CURRENT LIABILITIES

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

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

#### 15. OTHER TAXES PAYABLE

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

#### 16. LONG-TERM DEBT

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

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

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

#### Bank loans

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

The maturity of bank loans was as follows:

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

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

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

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

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

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

## 17. LEASE LIABILITIES

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

Amounts recognized in profit and loss:

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

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

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

## 18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

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

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

## 19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

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

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

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

## 21. NET FOREIGN EXCHANGE LOSS

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

## 22. FINANCE INCOME

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

## 23. FINANCE EXPENSES

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

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

## 24. INCOME TAX

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

As a result of the tax consolidation, the Group was able to utilize accumulated tax losses of certain subsidiaries to offset the consolidated taxable base, leading to a significant tax credit. This tax benefit, relating to the previous tax year (2024) in amount 1,455,629 RSD, was recognized in the current financial year (2025) upon receipt of the final tax assessment. The effect of this tax benefit has been accounted for in accordance with IAS 12 – Income Taxes and is reflected in the income tax expense line item in the consolidated statement of profit and loss.

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

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

## 25. FAIR VALUE MEASUREMENT

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

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

## 26. CONTINGENCIES AND COMMITMENTS

### *Taxes*

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As a result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 December 2025.

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

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

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

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

### *Environmental protection*

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

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

### *Capital commitments*

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

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

## 27. GROUP STRUCTURE

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

### Operations in Bulgaria and Romania

The Group is facing significant challenges in its operations in Bulgaria (DWS operations) and Romania (DWS and UPS operations), which are affecting the overall performance and future prospects in these markets. As a result, management is considering both the possibility of further development and the option of exit from these markets.

Considering the aforementioned, in June 2025, the Board of Directors passed a decision to convert the total outstanding receivables, including the subordinated and financial loans as well as the commercial receivables, into the share capital of the subsidiary NIS Petrol Bulgaria. The conversion procedure has been initiated.

In addition, the Board of Directors has approved the sale of the subsidiary NIS Petrol Bulgaria, subject to the terms of the offer and the satisfaction of the defined conditions precedent. The transaction relates to the disposal of the Company's full equity interest in the subsidiary. Further details will be disclosed once the outcome becomes sufficiently certain.

## 28. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

## 29. EVENTS AFTER THE REPORTING DATE

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

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

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

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

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

## 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



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Deputy CEO,  
Head of Function for Finance, Economics,  
Planning and Accounting  
NIS j.s.c. Novi Sad

Branko Mitrović



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## Glossary

Abbreviation	Meaning
3D	Three-dimensional
2D	Two-dimensional
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 <sub>2</sub>	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 <sup>2</sup>	Square meter
m <sup>3</sup>	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
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.