



QUARTERLY REPORT FOR THIRD QUARTER OF 2025



The Quarterly Report for Third Quarter of 2025 presents a factual overview of NIS Group's activities, development and performance in third quarter and the first nine months of 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 Third 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 Third Quarter of 2025 is available online on the corporate website. For any additional information on NIS Group, visit the corporate website www.nis.rs.

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Foreword

During the first nine months of 2025, NIS Group operated under exceptionally complex circumstances, particularly in view of the fact that, pursuant to the decision of the US Ministry of Finance, the Company was included on the SDN (Specially Designated Nationals) List on 10 January, as part of broader sanctions targeting the Russian petroleum sector. Although the full implementation of the sanctions was postponed eight times, they ultimately came into effect on 9 October, further complicating the operations of NIS Group. On 14 March, NIS submitted a formal request for removal from the SDN List, which was supplemented on 28 September of the current year. The delisting procedure is lengthy and complex, and the Company remains fully committed to its completion.

In response to the newly emerged circumstances, NIS Group's priorities were to ensure consistent supply of all categories of petroleum products to the domestic market, maintain business continuity, and safeguard the social stability of its employees. However, these developments had an impact on both financial and operational performance. Financial results of NIS Group were also affected by lower oil prices, with the average price of Brent crude in the period January-September 2025 amounting to USD 70.9 per barrel, representing a 14 per cent decrease compared to the same period in 2024. Additionally, NIS Group performance was impacted by the results of HIP-Petrohemija, which recorded a loss of RSD 7.4 billion in the first nine months of the current year, coupled with higher overall costs of the Group and the accumulation of crude oil and petroleum product inventories aimed at preserving market stability.

In the reporting period, NIS' EBITDA amounted to RSD 21.1 billion, representing a 39 per cent decrease year-over-year. A net loss of RSD 0.3 billion was recorded over the first nine months of 2025, however in the third quarter of 2025, NIS achieved a net profit of RSD 3.3 billion, which is a 22 per cent increase compared to the corresponding period in 2024. - this result was achieved due to the reduction of costs, increase in sales, but also higher income from the share in the net profit of joint ventures, which fully compensated for the negative effect of EBITDA.

During the reporting period, NIS Group invested RSD 19 billion in capital projects, mainly in the field of exploration and production. The total bank indebtedness was reduced by 8 per cent compared to the same period last year, amounting to EUR 539.5 million.

Oil and gas production volumes in the first nine months of 2025 reached 837.7 thousand tonnes of oil equivalent, representing a two per cent decrease year-over-year. The volume of crude oil and semi-finished products refining increased by five per cent compared to the same period last year, totalling 2.672 million tonnes. Total sales volumes of petroleum products amounted to 2.421 million tonnes, which is 10 per cent lower than the same period last year.

NIS continued to implement social responsibility programmes and activities, with a particular focus on the young people. The fourth season of the operator internship programme has launched in the Pančevo Oil Refinery and HIP Petrohemija. The contest for the ninth season of the "NIS Calling" youth internship programme was opened. Furthermore, as part of the "Energy of Knowledge" Programme, the Company traditionally supported participation of the Serbian teams in the International Knowledge Olympiad in mathematics, physics, and chemistry.

Management Business report

Highlights

January

Drilling of 2 development wells completed

5 new oil wells (4 development wells and 1 exploration well) commissioned

Construction of the general purpose area of the site completed as part of the project for expansion of the Banatski Dvor underground gas storage

The parcel machines project implemented in cooperation with the Post of Serbia

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

February

Drilling of 2 development wells completed

6 oil development wells commissioned

Acquisition of a new petrol station Majdanpek 2, scheduled for rebranding under NIS brand in the coming period

March

Drilling of 3 development wells and 1 exploratory well completed. 2 new oil development wells commissioned

Drilling of the first of 4 wells initiated under the Banatski Dvor project

Implementation of the project for installing self-service-checkouts at retail facilities in accordance with the defined schedule (a total of 34 petrol stations)

April

Drilling of 5 development wells completed

Three new development oil wells commissioned

Activation of the ID-6 unit / following completed workover

Modern NIS Firefighting Training Centre opened in Novi Sad

First racing weekend of the Open Championship of the Serbian Sports Karting held in Jagodina with support of G-Drive premium fuels

May

Drilling of 5 development wells and 1 exploratory well completed

2 new development oil wells and 1 exploratory gas well commissioned

The Bradarac Maljurevac – Sirakovo gas pipeline was commissioned and gas monetization from these fields (Bradarac Maljurevac) at Sirakovo began by starting the third generator

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

Start-up of the ID-7 drilling rig following the completed workover

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

The G-Drive campaign was launched – offering discounts with the aim of boosting (maintaining) petroleum products retail sales on the domestic market, with additional marketing activities implemented to support NIS liquidity, focusing on the activation and attraction of new consumers

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

NIS participated in the 92nd International Agricultural Fair

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

June

Drilling of 5 development wells completed

5 new development oil wells (4 directional and 1 horizontal) and 1 exploratory gas well commissioned

2 new mobile steam units (PPU) commissioned

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

Project for installing self-service-checkouts at retail facilities completed in line with the defined schedule. 5 out of a total of 55 self-service checkouts remain to be installed, which will be carried out as part of the petrol station renovation project

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

On 4 June 2025, the Niš Warehouse was officially commissioned

NIS Shareholders' Assembly held its 17th 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

July

Drilling of 4 development and 1 exploratory well completed

7 new wells (4 development and 3 exploratory wells) commissioned

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

Within the framework of the "Energy of Knowledge" programme, NIS supported participation of the Serbian teams in the International Knowledge Olympiad in mathematics, physics and chemistry

August

Drilling of 6 development wells completed

3 development oil wells commissioned

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

In August, a record monthly sales of aviation fuel "in the wing" were achieved 20,648 tonnes, a long with a record total monthly sales of aviation fuel 23,967 tonnes

Despite challenging conditions due to inclusion of NIS on the sanctions list, continuous shipments of benzene (benzole), and liquid and granular sulphur were ensured in the first nine months to maintain uninterrupted operation of the refinery

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

The fourth season of operator internship commenced at the Pančevo Oil Refinery and HIP Petrohemija

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

September

Drilling of 7 development wells completed

4 new development wells (3 oil wells and 1 gas well) commissioned

During the first nine months, 39 development wells and 3 exploratory wells were drilled in Serbia, as well as 4 wells under the Banatski Dvor project, whit a total of 33 development wells and 6 exploratory wells commissioned in Serbia

During the first nine months, the Refinery maintained regular and continuous operation with a consistent supply of all petroleum products to the market, in the conditions of NIS's exposure to the US sanctions

The G-Drive campaign was launched, offering a discount of 10 RSD per litre on G-Drive fuels, with the aim of: boosting (maintaining) the petroleum product retail sales on the domestic market, with additional marketing activities implemented to support the NIS liquidity, focusing on the activation and attraction of new consumers

and maintaining competitiveness in response to the increased activity of other oil companies on the domestic market

Reconstruction of Kula and Kraljevo 1 petrol stations began, and Svrljig petrol station was commissioned following reconstruction

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

The range of self-service checkouts was expanded at petrol stations in Serbia. As of 30 September, a total of 50 self-service checkouts are available at the Company's retail facilities

The contest for the ninth season of "NIS Calling" youth internship programme launched

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

On 28 September 2025, NIS submitted to OFAC an amendment to the request for removal from the SDN list (so-called De-listing petition). In addition, on 28 September 2025, NIS submitted to OFAC a request for issuing a special license that would postpone the entry into force of the full sanctions. On 30 September 2025, OFAC issued a special license with a validity period until 8 October 2025¹

¹ On 3 October 2025, NIS submitted a petition to OFAC for the issuance of a specific licence that would postpone the full enforcement of sanctions. On 8 October 2025, OFAC rejected the petition for a new specific licence, followed by the full enforcement of the U.S. sanctions.

Group NIS

NIS Group is one of the largest vertically integrated energy systems in Southeast Europe, whose core activities include exploration, production and refining of crude oil and natural gas, sale and distribution of a wide range of petroleum and gas products and the implementation of energy and petrochemistry projects. The headquarters of NIS and its main assets are located in the Republic of Serbia, with representative offices and subsidiaries operating in several countries of the world, primarily in neighbouring countries. Most valuable resource is a team of about 14,000 employees, including employees of HIP-Petrohemija LLC Pančevo.

NIS aims to create new value for its shareholders, employees and the community, despite the challenging macroeconomic environment, as well as to contribute to energy stability in the markets where it operates. The NIS project portfolio considers the energy transition as a priority in Serbia, and the Company implements projects that, inter alia, contribute to the achievement of the goals of reducing carbon emissions to the Paris Agreement level. NIS Group is committed to improving environmental protection and allocates significant funds for the implementation of environmental projects and projects that contribute to environmental protection. One of NIS' priorities is the area of occupational safety, where the main goal is work processes without injuries and harmful impacts on the environment.

In addition to its business activities, NIS also runs a number of socially responsible projects aimed at contributing to community development and the improving the quality of life. NIS' efforts in this area are especially focused on young people, who are the bearers 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 Downstream, which are supported by Functions in the parent company.

Exploration and Production Block

Exploration and production

NIS is the only company in Serbia engaged in oil and gas exploration and production. In this business segment, NIS performs the activities of operational support to production, management of oil and gas reserves, management of oil and gas reservoir engineering, and implementation of large-scale projects in the field of exploration and production.

The majority of oil and gas fields owned by NIS are located in Serbia. The Company also engages in exploration activities in Romania and Bosnia and Herzegovina. The oldest concession abroad is in Angola, where NIS has been operating since 1985.

The plant for the natural gas conditioning, LPG and gasoline production, and CO₂ stripping, based in Elemir, near Zrenjanin, operates as part of the Exploration and Production Block. The amine unit of natural gas processing using the high pressure acid gas 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 in which the training is performed in real conditions, allowing simulation of all the tasks that oil workers encounter in the process of production, preparation and shipment of oil and gas.

In the field of exploration and production, NIS Group receives scientific and technological support from the Scientific and Technological Centre (NTC).

Oil Services

NIS has its own service capacities, which fully meet the needs of the Group and provide services to third parties. The Services provide services in the field of exploration and production of oil and gas through geophysical well testing, construction, completion and workover, as well as through conducting special operations and measurements in wells. As part of their portfolio, the Services also provide maintenance of equipment, 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.

In 2024, NIS acquired two new robotic drilling rigs that will bring significant financial and environmental benefits in the oil and gas exploration and production segment. These two units, named after prominent Serbian scientists “Tesla” and “Pupin”, are worth around EUR 33 million and are one of the largest investments by NIS in the oil services segment in the company's history.

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 began producing in 1968, which is today 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).

In 2020, a deep conversion unit with delayed coking technology was officially commissioned. The project worth more than EUR 300 million enables NIS to increase the output of the most valuable fuels – diesel, gasoline and liquefied petroleum gas and to start the domestic production of petroleum coke. NIS continuously works on the modernization of the Pančevo Oil Refinery where extensive activities are carried out for defining additional measures to increase efficiency and reduce costs, as well as digitization projects.

Sales and Distribution

NIS operates a network of more than 400 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 synonymous with the high quality fuel and non-fuel portfolio, as well as with 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 includes digital projects that provide consumers with services in line with contemporary trends, such as pay at the pump, digitalization of loyalty programmes, 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 deliveries of gas and petroleum products. In addition, NIS is developing the supply of aviation fuel, fuel for floating vessels and sales of bitumen and coke as special business lines.

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

Energy

This business segment includes the production of electricity and thermal energy from conventional and renewable energy sources, centralized management of the natural gas portfolio for the entire NIS (production and sale of compressed natural gas, sale of natural gas), electricity trade, development and introduction of strategically important energy projects, as well as 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 TE-TO Pančevo, as well as improving energy efficiency and reliability within 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 Pančevo (TE-TO Pančevo) using 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 thermal energy, in the form of process steam for the purposes of the Pančevo Refinery and electricity.

Since 2013, in oil and gas fields at eight locations in Serbia, NIS started up mini power plants with an installed power of 14.5 MWe. The environmental advantage of these plants lies electricity and thermal energy generation from gas that was not previously used due to poor quality, large amounts 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 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.

HIP-Petrohemija

The largest producer of petrochemical products in the Republic of Serbia, HIP-Petrohemija became a part of NIS Group. The strategy of further development of HIP-Petrohemija involves the modernization of basic production capacities and the construction of new facilities, then 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

In addition to Serbia, in the field of oil and gas exploration and production, NIS also operates in neighbouring countries - in Romania and Bosnia and Herzegovina, while it 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

<i>RISK DESCRIPTION</i>	<i>RISK MANAGEMENT MEASURES</i>
<i>Operational risks</i>	
<i>HSE risks</i>	
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.
<i>HR risks</i>	
Highly qualified personnel is a key to efficient operations of the Company.	<p>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.</p> <p>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.</p>
<i>IT risks</i>	
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, 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 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 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

On 10 January 2025, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury placed NIS j.s.c. Novi Sad on the SDN List. At the same time, OFAC issued General License No. 117, delaying the full implementation of sanctions until 27 February 2025. After that, OFAC issued eight specific licences delaying the full enforcement of sanctions. The last of these licences expired on 8 October 2025²

Since the date of placing NIS j.s.c. on the SDN list to the present, the Company has undertaken the following actions:

- On 29 January 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full enforcement of sanctions. The specific licence was granted on 26 February 2025, with a validity period until 28 March 2025.
- On 14 March 2025: a petition was sent to OFAC for removal of NIS j.s.c. from the SDN list (so-called Delisting Petition).
- On 17 March 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. The specific licence was granted on 28 March 2025, with a validity period until 28 April 2025.
- On 21 April 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. The specific licence was granted on 25 April 2025, with a validity period until 27 June 2025.
- On 19 June 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. The specific licence was granted on 26 June 2025, with a validity period until 29 July 2025.
- On 17 July 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. The specific licence was

² On 8 October 2025, OFAC rejected the petition for a new specific licence, followed by the full enforcement of the U.S. sanctions.

granted on 28 July 2025, with a validity period until 27 August 2025.

- On 21 August 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. This license was granted on 26 August 2025, with a validity period until 26 September 2025.
- On 18 September 2025, NIS submitted a petition to OFAC requesting a specific licence to delay the full implementation of sanctions. The specific licence was granted on 25 September 2025, with a validity period until 1 October 2025.
- On 28 September 2025, NIS submitted a supplemental petition to OFAC for the removal NIS j.s.c. from the SDN list (the so-called Delisting Petition).
- On 28 September 2025, NIS filed a petition with OFAC for the issuance of a specific licence to delay the full implementation of sanctions. On 30 September 2025, OFAC issued a specific licence valid until 8 October 2025.
- On 3 October 2025, NIS submitted a petition to OFAC requesting a specific license to delay the full implementation of sanctions³.

The Company is actively working with OFAC in the procedure of removal of NIS from the SDN. Activities are underway to provide the licence that would enable the Company's operations until the final removal of NIS from the SDN list.

The Company continuously assessing the impact of new sanctions' on its operations.

The management is taking necessary measures to ensure 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 may differ from actual results.

Financial risks

RISK DESCRIPTION	RISK MANAGEMENT MEASURES
Credit risks	
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>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>

³On 8 October 2025, OFAC notified the Company that the petition for a specific licence had been rejected, followed by the full enforcement of the U.S. sanctions

Liquidity risks

Liquidity risk denotes a risk of NIS Group encountering difficulty in meeting its due liabilities. It is the risk of not having suitable funds to finance the NIS Group's business operations.

NIS Group continually monitors liquidity in order to provide sufficient cash for its operational, investment and financial activities. To this end, the Group continually contracts and secures sufficient lines of credit and security instruments, ensuring that the internally defined maximum allowable credit debt level is not exceeded and that all its obligations under commercial bank arrangements (covenants) are met.

Commodity-price risks

Due to its core activity, NIS Group is exposed to risks associated with price volatility, specifically the price of crude oil, petroleum and petrochemical products, which affects the value of inventories and margins in oil refining and the production of petrochemical products, which further affects the future cash flows.

These risks are partly offset by adjusting petroleum product selling prices to the changes in oil and petroleum product prices.

In addition, the following actions are undertaken to reduce a potentially negative effects of this risk on the financial result of the Company:

- Annual planning based on multiple scenarios, monitoring and timely adjustment of operational plans for crude oil procurement;
- Regular sessions of Company's Commission in charge of crude oil purchase/sale to discuss all major topics;
- Continuous, intensive check of new potential suppliers through their procedural verification based on inquiries and letters of interest submitted to NIS;
- Maximum effort to ensure a continuous supply of crude oil in restrictive conditions, which have been very evident since the end of the first quarter of 2022, both in the required quantities and by the type of crude oil that would correspond to refining plans and planned production/basket of petroleum products;
- Continuous efforts to optimize processes and striving for the best possible economic effects and indicators;
- Monitoring market conditions throughout the calendar year and collecting information from foreign companies that are eminent, reliable traders in the European market and beyond, in order to better understand the potential conditions for the implementation and execution of spot purchases.

Foreign exchange risks

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

The risks relating to fluctuations in the exchange rate of the national currency against the US dollar and the impact of this factor on the prices of petroleum products 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 environment⁴

World

Against the backdrop of a slower demand growth and rapid increase in oil reserves, since the beginning of the year, there has been a global oil surplus of 1.9 mb/d per day. Still, OPEC+ member states expect oil demand to grow by the end of the year, especially in Asian and African countries. At the meeting in early August, they agreed to increase production by 547,000 barrels per day from September and by another 137,000 barrels per day in October. This decision marked the beginning of the reversal of the second phase of 1.65 billion barrels per day production cap more than a year ahead of schedule (compared to the plan announced in April 2023, which referred to the gradual withdrawal of voluntary production cuts by OPEC+ members).

The United States also continued boosting production, and in the last week of September, they reached the average of more than 13.6 million barrels per day, the highest level since 1920. The U.S. energy production is also expected to remain high, despite risks related to volatile prices in global markets, the Federal Reserve's monetary policy decisions, and investments in clean energy.

Energy priorities vary across regions of the world. The U.S. encourages the development of domestic oil and gas resources, while supporting alternative energy sources such as nuclear, geothermal, and hydropower. China has emerged as a dominant force in global low-carbon energy, both in deployment and production and technological value chains, using its significant coal reserves while rapidly increasing its solar and wind power capacities. The EU, meanwhile, has explicitly linked decarbonisation to energy security, relying on natural gas and nuclear energy.

The global "nuclear renaissance" is in full swing – as evidenced by companies dealing with advanced nuclear technologies. The dramatic increase in power consumption is further driven by AI data centres powered by electricity from nuclear sources.

Lifting the World Bank's ban on nuclear power is a vital opportunity for developing economies to position themselves as leaders rather than followers in advanced electricity technology.

The biofuel industry is going through a turning point, with some large projects temporarily suspended and others cancelled. Shell has abandoned the construction of the planned biofuels facility in its energy and chemical park in Rotterdam, after a detailed assessment concluded that it would not be competitive. The project started in 2021 and the plant was expected to begin operation in 2025. The construction of the project was suspended in July 2024 due to unfavourable market conditions. BP is also scaling back on biofuel, suspending the Rotterdam project, continuing to abandon previous ambitions for renewable energy sources and redirecting investments in the oil and gas sector.

Global sales of fully electric and plug-in hybrid vehicles in August rose by 15% year-over-year (to 1.7 million units) - the slowest increase since January 2025, according to Rho Motion market research firm. The world's largest producer of electric vehicles, BYD, at the beginning of September, reduced its global sales target for 2025 by 16%.

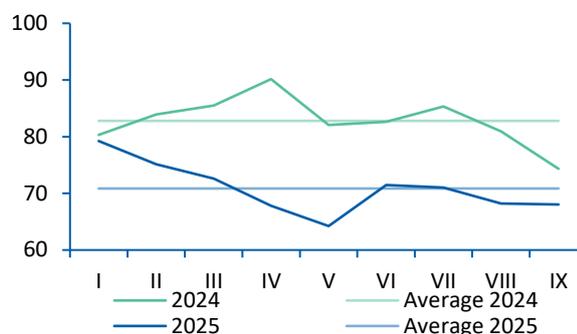
⁴ Data sources for the World, Oil price and Macroeconomic trends: reports by IMF, *World Oil*, *BCG*, *Bloomberg*, *Reuters*, EU Commission, EIA, OPEC, *Oil&Gas Journal*, Semafor net Zero, Hydrocarbon Processing. Data sources for Serbia: Report National bank of Serbia, Chamber of commerce and industry of Serbia, articles in newspapers: *Danas*, *Bliz Biznis*, *NIN*.

Oil price

The oil market has been in surplus since the beginning of the year, but the increase in inventories until September was mainly concentrated on crude oil in China and liquid gas in the US. The increase in production in the Middle East, which coincided with seasonally lower regional demand for crude oil, increased exports to their highest levels in the last two and a half years. Together with a large inflow of oil from the US, it led to an increase in “water-borne” oil inventories, which in September reached the highest level since the Covid-19 pandemic. The additional wave of tankers at sea and the announcement of new trade measures brought prices down by almost \$3 per barrel in September, so the average price this month is 4% below the 2025 average.

Brent Dtd⁵ price trends, \$/bbl

↓ -14%



The price of Brent oil fluctuated around \$71 per barrel for the first nine months, and on average was about 14% lower compared to the price in the same period in 2024 (\$70.9 versus 82.8 per barrel). The highest price in 2025 (\$83.1 per barrel) was recorded in the first half of January and the lowest (\$61.1 per barrel) in early May. The maximum price is 11% lower than the maximum price in the first nine months of last year, while the minimum is 13% lower.

The highest price in Q3 2025 (\$73.6 per barrel) was recorded in late July, and the lowest (\$65.4 per barrel) in early September. The third-quarter average was 14% lower year-over-year (\$69 vs. 80 per barrel), while the maximum price in this period was 17% lower year-over-year.

Most consultants expect a further drop in oil prices by the end of the year: the EIA forecasts the average price of Brent oil at \$59 per barrel in the fourth quarter of 2025 while S&P Global expects the price to be \$55 per barrel at the end of the year. Lower prices are also expected in 2026: Goldman Sachs forecasts the average price of Brent oil at around \$52-56 per barrel, similar to FGE, which expects an average price at \$55 per barrel.

Macroeconomic trends

The yearly IMF and the World Bank meetings emphasized that the global economy is undergoing a deep transformation and the uncertainty is high, which increases the risks in terms of economic growth. All countries going through such transformations prioritize macroeconomic and financial stability, and it is crucial to ensure cooperation for the sake of the reliability of the global economy. Countries must demonstrate fiscal agility to ensure debt sustainability, and to rebuild fiscal buffers, and restore growth.

The global economy is also adapting to the environment reshaped by new political measures. The extremely high tariffs have been alleviated through additional agreements and adjustments to plans. Nonetheless, the overall situation remains unstable, and the temporary factors that caused increased global activity in the first half of the 2025 (like advanced product shipment to avoid higher tariffs) are waning.

As a result, the IMF has increased its global growth projections in the latest World Economic Outlook (WEO) compared to the WEO of April 2025. The forecast is that the global growth will slow down from 3.3% in 2024 to 3.2% in 2025 and to 3.1% in 2026, with developed economies demonstrating a growth of about 1.5%, and developing countries slightly over 4%.

The IMF cautions that world public debt could exceed global GDP by 2029, which would be the highest debt since 1948. Rising debt servicing costs weigh on state budgets, as does population ageing. Interest rates in the global markets have grown significantly, with a large part of public spending going towards wages: 25% on average in developed countries, and as much as 28% in developing countries.

At the same time, the euro rose to \$1.18052 in mid-September, the highest level since 2021. The European Central Bank has kept interest rates unchanged. Inflation in the Eurozone in September rose to 2.2% from 2% in August, with the largest increase affecting services (3.2%), food, alcohol, and tobacco (3%), as well as non-energy industrial goods (0.8%). The consumer price index in the eurozone in September 2025 increased by 0.1% compared to August 2025 (same as in August vs. July).

⁵Source: Platts.

In the European Union, the unemployment rate remained stable at 5.9%, while the unemployment rate in the eurozone in August increased to 6.3% from 6.2% in July.

*Serbia*⁶

Serbia's GDP growth slowed in the first half of 2025 to 2.1% due to a sharp decline in construction and a weaker agricultural result, affected by climate shocks.

In the first half of 2025, the fiscal deficit share in the annual GDP remained at 0.2%. The public debt continued to fall, reaching 45% of the GDP, and the current account deficit increased to 2.3% of GDP, as imports of both goods and services grew faster than exports. According to the NBS, new infrastructure projects will drive GDP growth to 2.75% by the end of the year, with agricultural production most likely lower than estimated.

Consumer prices in August 2025 increased on average by 0.2% Month-over-month, by 4.7% year-over-year, and by 3.5% compared to December 2024.

In September, consumer prices increased on average by 2.9% year-over-year and by 1.9% compared to December 2024.

Industrial production in the Republic of Serbia was 0.4% higher year-over-year in August 2025 and 2.7% higher year-over-year in the period January-August 2025.

According to the Labour Survey, the unemployment rate in the second quarter of 2025 was 8.5%, with 22.8% in the age group from 15 to 24. The employment rate was 51.5%, with the participation rate (15-64) of 73.2%. From January to August 2025 there was a slight year-on-year employment growth (0.1%), so the total number of employees was 2.37 million persons, and the number of employees in the private sector was about 1.76 million persons (0.2% year-over-year growth).

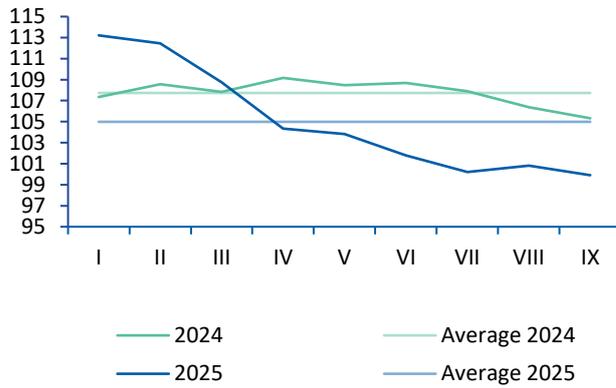
The average gross salary calculated for July 2025 was RSD 150,646, while the average salary net of taxes and contributions (net) was RSD 109,071. Compared to the same month of the previous year, the average gross and net earnings for July 2025 were higher by 11.0% nominally and by 6.3% actually. Median net earnings for July 2025 were 85,000 dinars, which means that 50% of employees earned earnings up to the specified amount. Nominal average net wage in the period January-July 2025 was 107,449, which is 11.0% higher year-over-year in nominal terms and 6.3% higher in actual terms.

Serbia and the European Union have signed an agreement to finance a multi-year Operational Programme for Environment and Energy, worth EUR 325.2 million. Out of that, EUR 240 million are grants from the Instrument for Pre-Accession Assistance (IPA), and the rest is provided by Serbia. The programme covers the period from 2024 to 2027 and will be implemented from 2025 to 2032, covering the following: strengthening the capacities for renewable energy sources, waste and wastewater management, energy efficiency measures and other environmental activities. The governing body for the Programme is the Ministry of Mining and Energy of the Republic of Serbia.

⁶Source: National Bank of Serbia, Republican Bureau of Statistics, Chamber of Commerce Serbia, newspaper articles.

Exchange rate trend, USD/RSD⁷

↓ -3%



- Average USD/RSD exchange rate in the first nine months of 2025 was lower by RSD 2.7, which is 3% lower compared to the average exchange rate in the same period of 2024.
- During the first nine months of 2025 USD/RSD exchange rate decreased by RSD 12.5 or 11%.
- During the first nine months of 2024 USD/RSD exchange rate decreased by RSD 1 or 1%.

⁷Source: National Bank of Serbia

Performance analyses

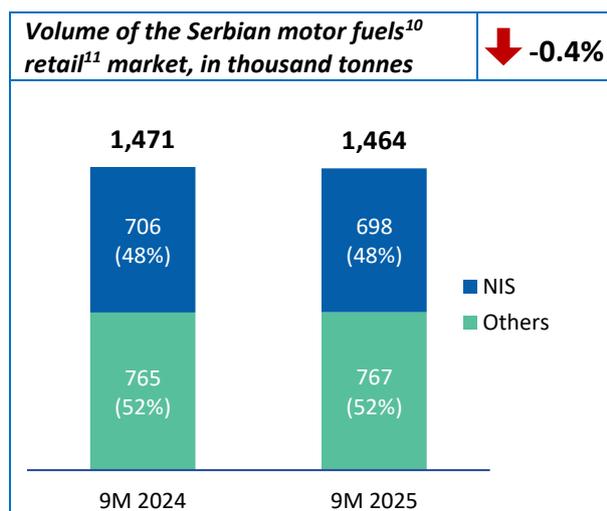
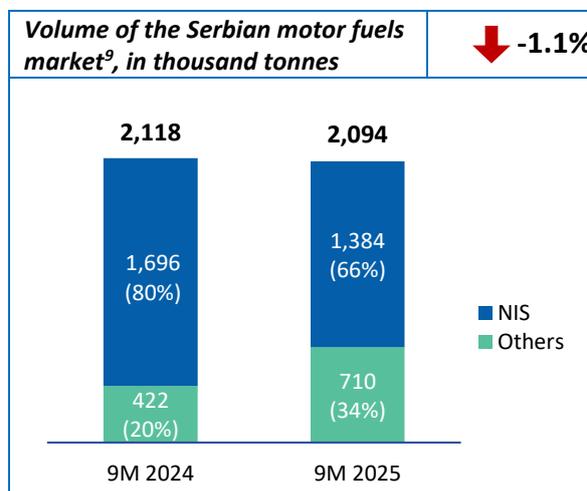
Market share⁸

In the first nine months of the current year, all countries of the region recorded a growth in consumption between 1-2%, while in our country, a slight drop of about 1% in motor fuel consumption is still observed in the same period.

Market share on the Serbian market

The first nine months of 2025 was characterized by a 1.1% decrease in the consumption of motor fuels in Serbia compared to the same period last year.

The increase in gasoline consumption was mitigated by the drop in sales of motor fuels in Serbia, with sales of diesel fuels and LPG decreasing. The lower consumption is primarily driven by diesel fuel, mainly due to the high base in the previous year when the purchase of agrodiesel was significantly higher in the first half of the year as a result of the introduction of limits on agrocards. The decrease is also recorded in sales of LPG due to a reduced vehicle fleet and substitution with CNG.



In the first nine months of 2025, the consumption is almost at the same level compared to the same period of 2024. NIS' share significant and at the level of planned indicators for the nine-month period. The preferential price for supplying farmers, regulated by a Decree, is currently in effect.

⁸Sources 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.

⁹Data for 9M 2025 are based on estimates. Any deviations in percentages and aggregate values result from rounding.

¹⁰Retail of other market participants is supplied through the wholesale of NIS and other participants in the Serbian wholesale market.

¹¹The sales of NIS and other competitors include motor fuels (LPG, CNG – motor fuel, motor gasoline and diesel). LPG cylinders are not included. Data for 9M 2025 are based on estimates. Any deviations in percentages and aggregate values result from rounding.

Key performance indicators

Q3 2025	Q3 2024	Δ^{12}	Indicator	Unit of measurement	9M 2025	9M 2024	Δ^{13}
69.1	80.2	-14%	Brent Dtd	\$/bbl	70.9	82.8	-14%
83.9	106.2	-21%	Sales revenue	RSD billion	229.7	304.6	-25%
3.3	2.7	+22%	Net result (loss/profit)	RSD billion	-0.3	8.0	decrease
11.0	11.7	-7%	EBITDA ¹⁴	RSD billion	21.1	34.5	-39%
25.0	30.1	-17%	OCF	RSD billion	26.7	40.0	-33%
6.6	12.9	-49%	CAPEX ¹⁵	RSD billion	19.0	37.3	-49%
63.0	73.8	-15%	Accrued liabilities for taxes and other public revenues ¹⁶	RSD billion	167.7	191.9	-13%
539.5	585.3	-8%	Total bank indebtedness ¹⁷	EUR million	539.5	585.3	-8%
2.0	1.8	+8%	LTIF ¹⁸	number	2.0	1.8	+8%

¹²Any 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.

¹³Any 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.

¹⁴EBITDA = 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.

¹⁵CAPEX amounts are exclusive of VAT.

¹⁶Taxes, 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.

¹⁷Total bank indebtedness = Total debt to banks + letters of credit. As at 30 September 2025, this was EUR 540 million of total debt to banks, while there was no debt based on letters of credit.

¹⁸Lost 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 September 30, 2025.

Operational indicators

Exploration and production

Key indicators

Q3 2025	Q3 2024	Δ^{19}	Indicator	Unit of measurement	9M 2025	9M 2024	Δ^{20}
281.8	281.6	+0.1%	Oil and gas output ²¹	thousand t.o.e.	837.7	856.7	-2%
0.7	1.3	decrease	LTIF ²²	number	0.7	1.3	decrease
6.9	9.4	-26%	EBITDA	RSD billion	21.8	29.8	-27%
4.5	6.1	-26%	CAPEX ²³	RSD billion	11.5	16.6	-31%

The main goal in the first nine months of 2025 in the Exploration and Production Block was to fulfill the planned production of hydrocarbons, the realization of geological research projects and increase the efficiency of geological and technical activities.

In the third quarter of 2025, a total production volume of oil and gas 270.2 t.o.e. was achieved at reservoirs in Serbia, i.e., including concessions 281.8 t.o.e.

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

Geological exploration and field engineering

In the third quarter of 2025, 10 new oil wells were put into operation, with an average increase of 13.0 t/day, or an additional 6.0 thousand tonnes of oil.

Within the framework of the aforementioned wells, in the third quarter, 3 horizontal wells were successfully drilled, with an increase of 53.1 t/day. Also, in the third quarter of 2025, 4 new gas wells were put into operation (1 development and 3 exploratory).

In the third quarter of 2025, geological and technical activities were successfully carried out on 48 wells with a satisfactory average increment.

In 2025, the implementation of RIW technology will continue. In the third quarter after the implementation of RIW technology, 11 wells were commissioned and an average increase of 1.4 t/day was achieved in oil fields in Vojvodina.

Also, in the third quarter of 2025, 13 wells were put into operation after switching to a new production layer with an average increase of 3.9 t/day, and a total of 19 intensifications were carried out, an increase of 3.0 t/day, while a total of 5 wells were made operational from the inactive fund, with an increase of 1.2 t/day.

When all GTAs completed in the third quarter are taken into account, additional oil production of 11.9 thousand tonnes was achieved.

Exploratory drilling and well testing

In the third quarter of 2025, two gas exploratory wells were tested, and gas was obtained. Three gas wells were put into operation.

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.

¹⁹Any deviations in percentages and aggregate values result from rounding.

²⁰Any deviations in percentages and aggregate values result from rounding.

²¹Domestic oil output includes natural gasoline, whereas gas output takes into account commercial gas output and light condensate.

²²Lost 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 September 30, 2025.

²³Financing, exclusive of VAT.

License obligations

During this year, 2025, in accordance with the provisions of the Mining and Geological Exploration Law, the following were prepared and submitted to the competent state authority:

- 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
- Annual operational plan for the performance of mining works in the process of exploitation for 2025

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

- amendment to the request for issuing a permit for the performance of mining works according to the GRP in the exploitation field in North Bačka area
- request for issuing a permit for the continuation of geological research in the exploration area of North Banat area (according to Annex 2 of the project)
- amendments to the request for issuing a permit for the performance of mining works according to the main mining project in the exploitation fields in Bačka area and Banat area
- request for issuing a permit for the performance of mining works under the supplementary mining project for exploitation fields in northern Bačka area and northern Banat area
- request for technical inspection of mining facilities and issuance of a permit for use
- supplement to the request for issuance of a permit for mining works under the main mining project in the Banat area exploitation field
- request for issuance of a permit for the continuation of geological exploration in the northern Bačka exploration area according to Annex 3 of the GEP

while for the purpose of conducting geological exploration of oil and gas in the exploitation fields of NIS j.s.c.. Novi Sad:

- reported works based on the Geological Exploration Project in the exploitation fields in Banat area.
- a request was submitted for issuing a permit to continue conducting geological surveys in the North Bačka exploration area under Annex 3 of the GEP,

also, during the second quarter, final reports on the geological surveys conducted in four exploitation fields in Banat area were submitted, while at the end of August, the Annual Report on the geological surveys conducted in the exploitation field in the North Banat District was submitted.

In February 2025, a Decision was received from the Provincial Secretariat for Energy, Construction and Transport, approving the performance of mining works under the GRP in the exploitation field in the North Banat District by NIS j.s.c.. Novi Sad, and a Decision was also issued in August to continue conducting geological surveys in the in the exploitation field in the North Bačka District under Annex 2 of the GEP.

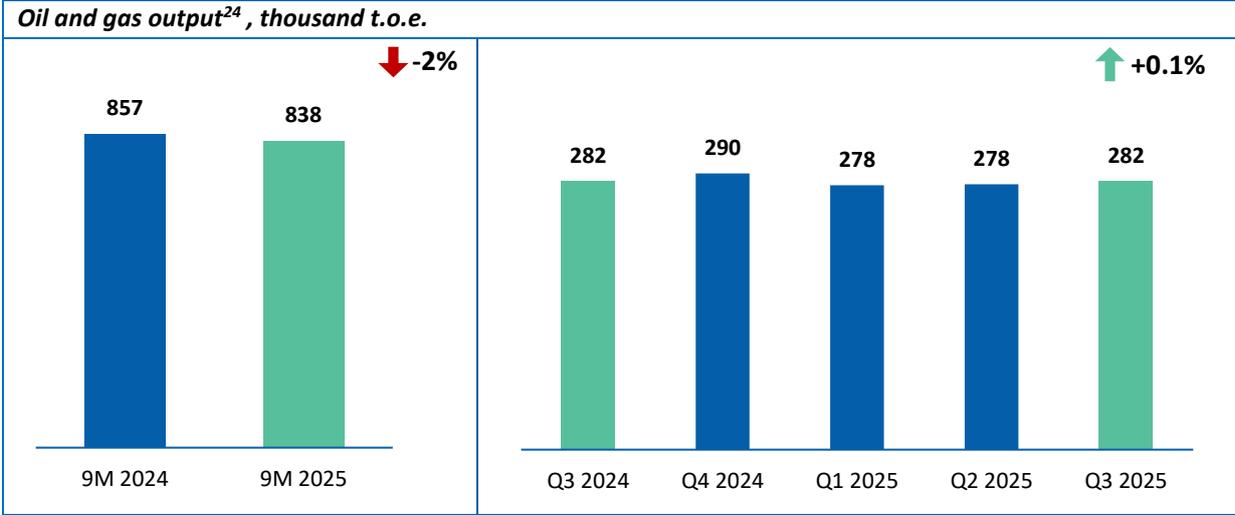
During the first nine months, the Ministry of Mining and Energy:

- based on the completed Annex 1 of the Geological Exploration Project for the approved exploration period May 2023–May 2026, an application was submitted for approval to conduct geological exploration in exploration field in Podunavlje area
- an annual report on the results of geological exploration in exploration field in Podunavlje area (for the second exploration year) was submitted.

while in the second quarter, the Ministry of Mining and Energy issued approval for the continuation of geological exploration work in the Podunavlje exploration area (according to Annex 1 of the project).

Oil and gas output

In the first nine months of 2025, the total of 837.7 thousand t.o.e. of oil and gas was produced, which is 2% less than the same period last year.



²⁴Any deviations in percentages and aggregate values result from rounding.

Downstream

Key indicators

Q3 2025	Q3 2024	Δ^{25}	Key indicators	Unit of measure	9M 2025	9M 2024	Δ^{26}
994.8	1,136.1	-12%	Volume of refining of crude oil and semi-finished products ²⁷	thous. tonnes	2,671.8	2,539.4	+5%
896.8	1,042.5	-14%	Total sales volume of petroleum products ²⁸	thous. tonnes	2,421.2	2,693.3	-10%
289.7	288.9	+0.3%	<i>Retail</i>	thous. tonnes	803.9	822.5	-2.3%
323.8	465.3	-30%	Wholesale ²⁹	thous. tonnes	909.2	1,198.2	-24%
240.3	231.4	+4%	<i>Transit, export and BU</i> ³⁰	thous. tonnes	586.1	538.6	+9%
726.9	803.6	-10%	Motor fuels sales volumes ³¹	thous. tonnes	1,921.4	2,114.7	-9%
24.8	30.6	-19%	Electricity output ³²	thous. MWh	85.6	88.4	-3%
5.7	2.6	increase	EBITDA DWS ³³	bln RSD	4.3	9.8	-57%
5.0	-3.4	increase	EBITDA Refining ³⁴	bln RSD	4.4	-0.5	increase
3.9	7.0	-44%	EBITDA Sales and Distribution ³⁵	bln RSD	7.6	15.4	-51%
1.9	6.6	-71%	CAPEX DWS ³⁶	bln RSD	7.1	19.9	-65%
1.1	4.4	-74%	CAPEX Refining	bln RSD	3.2	14.9	-79%
0.5	1.1	-51%	CAPEX Sales and distribution	bln RSD	2.80	2.76	+2%
1.5	1.7	-13%	LTIF DWS ³⁷	number	1.5	1.7	-13%
1.6	1.3	+19%	LTIF Refining	number	1.6	1.3	+19%
1.0	2.0	-50%	LTIF Sales and distribution	number	1.0	2.0	-50%

²⁵Any deviations in percentages and aggregate values result from rounding.

²⁶Any deviations in percentages and aggregate values result from rounding.

²⁷The presented refining volume includes the refining volume of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.

²⁸The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.

²⁹Includes the sale of CNG of the Energy Block and the sale of oils and lubricants to the Lubricant Production Plant.

³⁰Business unit includes the sale of bitumen, bunkering and aviation fuel channels.

³¹Total motor fuels sales volumes in Serbia and in foreign assets.

³²The 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 – September is 4,381.6 MWh.

³³EBITDA Downstream includes the EBITDA of Block Refining, Block Sales and distribution, Block Energy, rest of Downstream and EBITDA of HIPP.

³⁴EBITDA of the Refining Block includes the Energy Plant in Pančevo Refinery.

³⁵EBITDA of the Sales and Distribution Block.

³⁶Financing, 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.

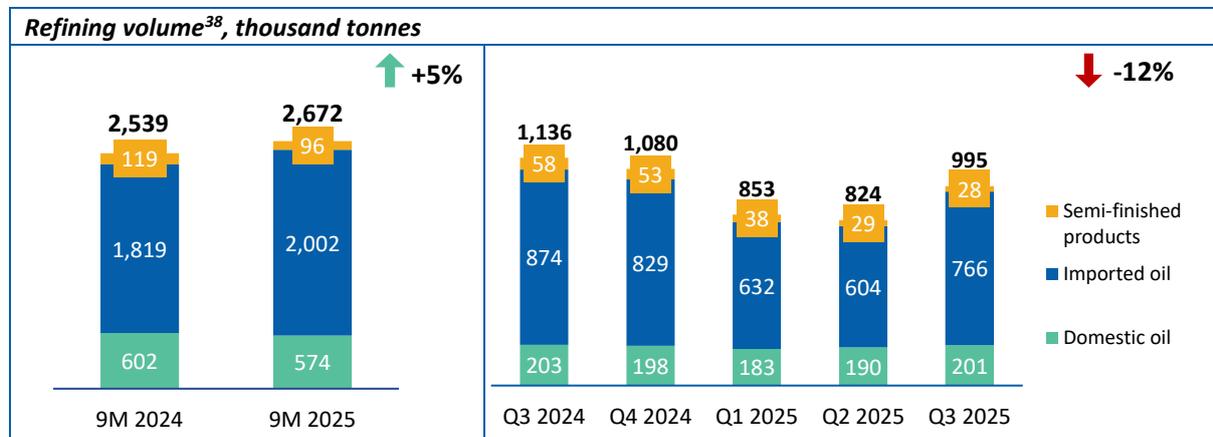
³⁷Lost Time Injury Frequency – The ratio of employee injuries with sick leaves to the total number of working hours multiplied by one million. The indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of September 30, 2025.

Refining

The first nine months of 2025 in the Refining Block was marked by operations in an unstable business environment, due to NIS's exposure to the US sanctions regime.

The total volume of refining for the first 9 months is 2.67 million tonnes of raw material, while 2.73 million tonnes of raw material were processed in the "Refining" Block.

Refining activities and volume



In the context of adapting to changes, and in connection with the US sanctions regime, the Refinery has maintained regular and continuous operation and the market has been supplied with all oil derivatives.

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

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

As a result of these activities, in the first nine months of 2025, the effect of efficiency measures in the amount of 0.62 billion dinars was achieved.

The first session of HSE Council of the year was held at the Pančevo Oil Refinery. This session, in addition to current HSE topics, was also dedicated to key projects of the Refining and Downstream Blocks. The HSE performance in our company and the positive dynamics of improving HSE KPIs since the beginning of 2025 were presented. Among the key topics was equipment reliability - one of the priorities of our company in 2025.

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” – The project was approved in its entirety, the Contract on the Delivery of Equipment and Services was signed, the implementation is ongoing. Project stage A was implemented in June 2024. Works on the stage B implementation are ongoing.
- “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. 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 due to changes in the scope, schedule and budget of the project. 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 company has signed supplementary agreements to the construction contract for the foam extract.

³⁸The presented refining volume includes the refining volume of HIP-Petrohemija.

Filtration equipment and GA-1310 water intake pump have been delivered to the refinery. 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.

- "Replacement of critical rotating equipment in the Refining Block" – A technical assessment for the selection of a supplier for key rotating equipment and a general contractor responsible for material procurement and the installation of live equipment and the equipment for capital overhaul is in progress.
- "Replacement of tubes on the BA-2201 furnace" - A project was implemented, which aims to increase the level of reliability and safety of the equipment, as well as save energy consumption. This project was carried out at the Vacuum Distillation Plant (S-2200). The BA-2201 furnace is a key equipment for the operation of the S-2200 series, which is part of the Vacuum Distillation Plant. This project was extremely important and challenging, both due to the preparation of the conditions for the implementation and the scope of the work itself, and because of the key role that the BA-2201 furnace plays in the refining process.

Sales and distribution

Points of Sale³⁹ and Logistics

NIS Group owns 409 active retail sites. Most of them, i.e. 327 retail sites are located in the Republic of Serbia.

In Serbia, the reconstruction of 5 fuel supply stations and the construction/acquisition of 1 fuel supply station – Majdanpek 2 (purchased in February), whose rebranding is underway. The Svrlijig petrol station commissioned, after reconstruction in September. Works commenced on the reconstruction of the Kula petrol station and the Kraljevo petrol station.

By the end of March, the delivery of new tractors (39 units) and semi-trailers (22 units) for the transport of oil derivatives was completed.

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 first nine months 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 that marked period January-September 2025 in Serbia:

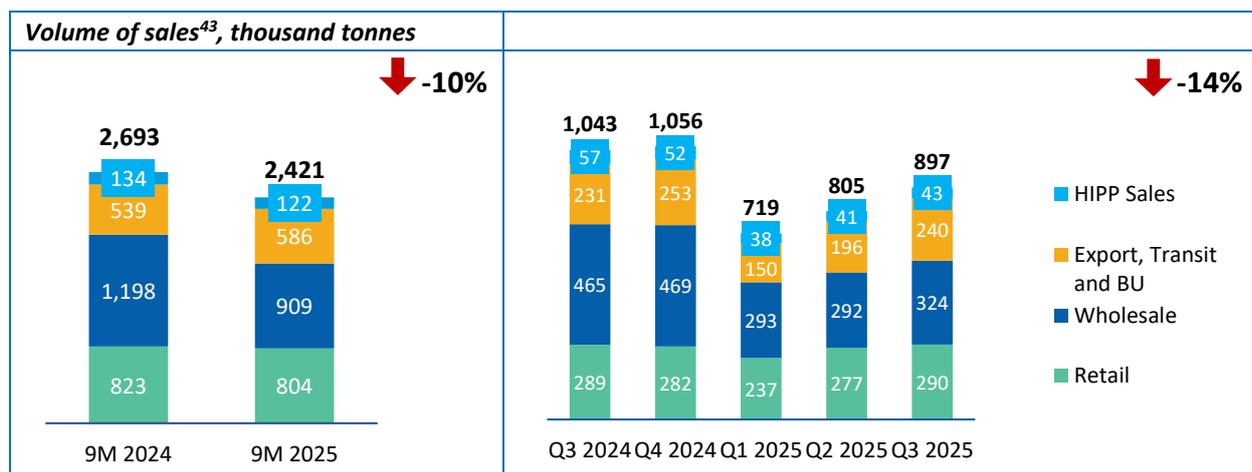
- Fuels – In the first quarter, an image campaign was implemented to promote G-Drive winter diesel fuel, via PR channels (social networks), radio, as well as advertising on portals. The first nine months highlighted the implementation of the G-Drive fuel campaign. During the first 9 months of the year, the 2025 Karting Championship was held with the support of G-Drive premium fuel. The promotion of the championship and G-Drive fuel was implemented via BTL, POS materials and social networks.
- Agro programme - In the first nine months, several promotional campaigns were implemented for Agro users who do not have a preferential price by Government Decree (livestock farmers, beekeepers and others who do not have available hectares in E-Agrar), as well as for users who have reached the limits in fuel consumption at a preferential price. In May, Agro programme participated in the 92nd International Agricultural Fair in Novi Sad, where the promotion of the new electronic method of registration in the programme was implemented. In the third quarter, in September, an action was implemented for Agro users, for whom the price of Euro diesel, for the purchase of 200 litres or more, was 175 dinars/l.
- Innovative services – On the occasion of the expansion of the network of petrol stations with self-service cash registers, where you can pay for fuel, as well as for products from stores and restaurants, the promotion of new cash registers continued. At all petrol stations where cash registers are being introduced, a campaign is underway to grant 1 additional bonus point per litre is for all SNNP (On the Road with Us) card users who pay at a self-service cash register. The campaign is being promoted through a CRM campaign and will last until 31 December 2025. So far, 50 self-service cash registers have been put into operation, and the introduction and promotion of this new service will continue throughout the year. Self-service cash registers were also promoted through a PR campaign, a story in the "On the Road with Us" mobile application, an influencer campaign and an announcement on social networks. In addition to self-service checkouts, influencers and partners also promoted the services of "cash withdrawal", "monthly bill payment" and "deferred payment with Dina cards" during September.
- Loyalty programme „On the Road with Us” – The total number of active users in the first nine months of 2025 was 908,290, of which 334,661 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 – During the first nine months of 2025, six episodes were created as part of the content "With us on the road through Serbia", where readers of our website and followers on social networks could read detailed recommendations about locations in Serbia that they could visit. In addition, one episode "Monasteries of Fruška Gora" was produced for the needs of the Jazak blog section, as well as the episode "Church-People's Assembly", for which Jazak provided support.

³⁹As at 30 September 2025.

Volume of sales

In the first nine months of 2025, the sales reduced by 10% compared to the same period in 2024, bringing the total sales⁴⁰ to 2,421 thousand tonnes.

- Retail – down 2% due to:
 - The decline in sales in Serbia was caused by a decline in consumption due to the creation of diesel stocks by farmers due to the announcement of a limit on quantities per hectare in 2024,
 - Decrease in sales to corporate customers due to the termination of cooperation with certain customers due to the announcement of sanctions against NIS in 2025,
 - The decline in sales in foreign assets was caused by the impact of the current geopolitical situation.
- Wholesale⁴¹ – down 24% primarily due to:
 - reduced sales of derivatives due to sanctions against NIS.
- Export, transit and BU⁴²:
 - Decrease in transit traffic volume by 35% primarily due to the decrease in demand for fuel oil
 - Increase of the sales of aviation fuel by 10% compared with the first nine months of 2024, due to changes in consumption dynamics by domestic airlines,
 - A 17% 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 3% decrease in bitumen and coke sales compared to the first nine months of 2024, due to the optimization of crude oil consumption, which led to lower availability in the Pancevo Refinery, as well as a decrease in sales due to sanctions against NIS

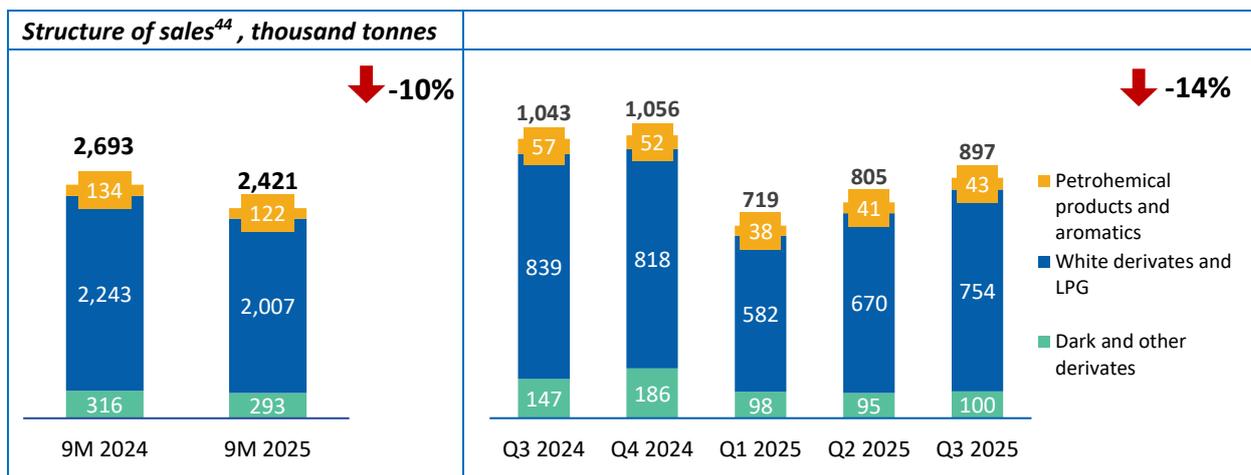


⁴⁰The presented volume includes the volume of petrochemical products of HIP-Petrohemija.

⁴¹It includes the sale of CNG of the Energy Block and the sale of oils, lubricants and technical fluids of the Downstream Lubricants Production Plant.

⁴²Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels.

⁴³ The presented volume includes the volume of petrochemical products of HIP-Petrohemija. Any deviations in percentages and aggregate values result from rounding.



⁴⁴ 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

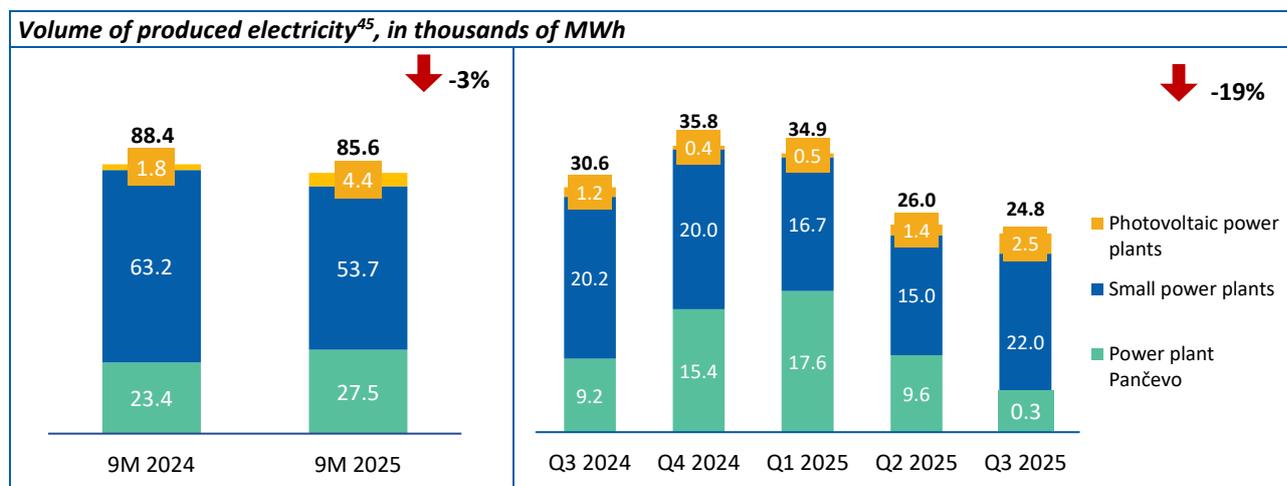
For the purposes of organizing and balancing the natural gas portfolio of NIS j.s.c. Novi Sad, a lease of annual transport capacities for the gas year 2025/2026 was agreed with the operator of the natural gas transport system. Negotiations are underway regarding the Contract on the Supply of Energy from Natural Gas for the Gas Year 2025/2026.

Production of electricity

In the first nine months of 2025, electricity production amounted to 85.6 thousand MWh, which is 3% less compared to the same period in 2024.

In the third quarter of 2025, the total volume was 24.8 thousand MWh, which is 19% lower than the same period last year. Small power plants produced 9% more than in the third quarter last year.

Production on solar panels amounted to 4.4 thousand MWh for the first nine months in 2025, which is 2.4 times more compared to the same period in 2024, when production amounted to 1.8 thousand MWh.



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

The programme of measures for reducing energy consumption and increasing energy efficiency in the third quarter of 2025 ought to result in energy savings around 1,235 thousands t.o.e. Expected financial value of the savings amounts to about RSD 85 million.

Renewable energy sources

The activities implemented in the third quarter of 2025 are shown below:

- As a continuation of the successfully built power plants on the total of 45 petrol stations in the period 2022-2024, the project for the construction of a photovoltaic power plants at petrol stations, with a total capacity of 1 MWp was approved. By 30 June 2025, 15 photovoltaic power plants at petrol stations were put into trial operation, while another 16 photovoltaic power plants at petrol stations were put into trial operation by 30 September. The total capacity of the launched photovoltaic power plants is 941.3 kWp.
- The 6.8 MWp PPS at the Petroleum Product Storage Facility in Novi Sad was put into trial operation in August 2025. Final activities to issue the operating permit are underway, after which the permanent operation of the power plant will begin.
- In December 2024, the rooftop solar photovoltaic power plant at the Pančevo Oil Refinery was put into trial operation at 5 of the planned 6 facilities with a total capacity of 375 kWp. The replacement of the roof covering on the sixth facility was completed and the last rooftop power plant with a capacity of 235 kWp was put into trial operation on 23 July. The procedure for obtaining operating permit is underway.

⁴⁵The presented volume of produced electricity also includes the electricity produced in Power plant Pancevo, small power plants and photovoltaic power plants.

- For the project to build a solar power plant in Smederevo, a detailed regulation plan was adopted in March and the conditions for design and connection were determined by the ED. The site development works were completed. Contracts were signed with the contractor for the construction of the photovoltaic power plants, the contractor for the construction of the BESS and the contractor for technical control and expert supervision. Location conditions were determined.
- Preparations are underway for the implementation of the project to build a solar power plant in the Elemir Central Warehouse.

HIP-Petrohemija

Key indicators

Q3 2025	Q3 2024	Δ^{46}	Key indicators	Unit of measurement	9M 2025	9M 2024	Δ^{47}
84.4	97.2	-13%	Production of petrochemical products	thous. tonnes	211.5	208.7	+1%
106.8	126.1	-15%	Refining of primary gasoline⁴⁸	thous. tonnes	269.0	280.1	-4%
73.4	91.0	-19%	Petrochemical product sales	thous. tonnes	195.4	204.9	-5%
-2.4	-1.7	decrease	EBITDA	RSD billion	-6.5	-4.9	decrease
-2.8	-1.9	decrease	Net result	RSD billion	-7.4	-5.1	decrease
0.1	0.6	decrease	CAPEX⁴⁹	RSD billion	0.6	1.2	-54%

In the first nine months of 2025, the EBITDA indicator was negative and amounted to -6.5 billion RSD, and also recorded a decline compared to the same period of the previous year. In the first nine months of 2024, EBITDA was negative and amounted to RSD -4.9 billion.

The net result for the first nine months of 2025 was RSD -7.4 billion, which represents a decrease compared to the same comparative period of the previous year.

As regards investments, 0.6 billion RSD was allocated in the first nine months of 2025, which is 54% less than in the same period last year.

Regarding to operational indicators, in the first nine months of 2025, the production volume of petrochemical products amounted to 211.5 thousand tonnes, which is the increase compared to the same period of the previous year.

The refining of primary gasoline in the first nine months amounted to 269 thousand tonnes, which is 4% less compared to the same period of the previous year.

The sales of petrochemical products in the first nine months of 2025 recorded the decline of 5% when compared to the same comparative period last year. The total volume of petrochemical products in the first nine months of 2025 amounted to 195.4 thousand tonnes.

⁴⁶ Any deviations in percentages and aggregate values result from rounding.

⁴⁷ Any deviations in percentages and aggregate values result from rounding.

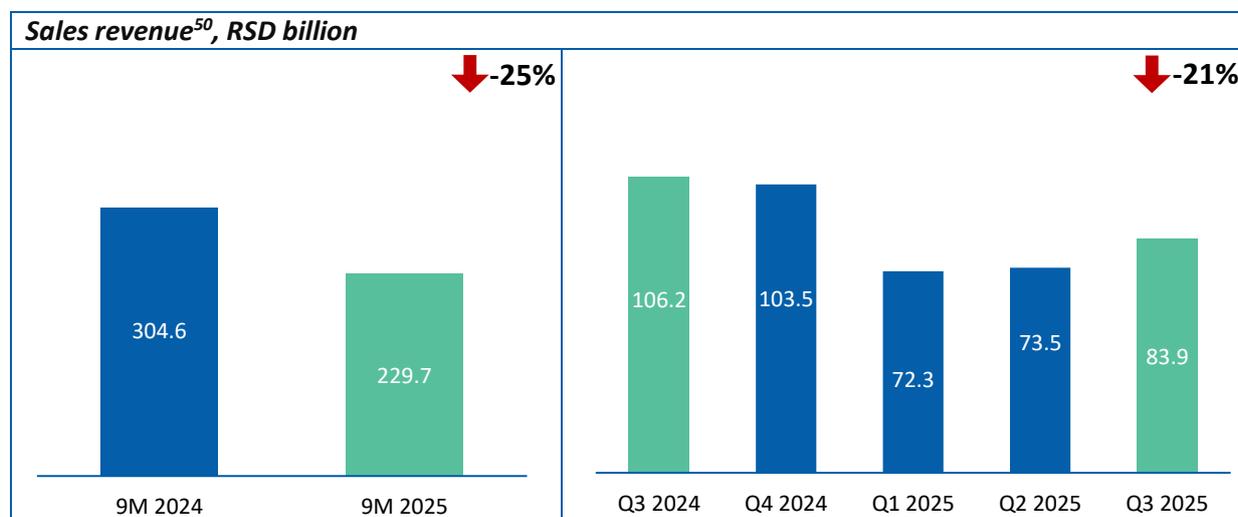
⁴⁸ Refining of straight-run gasoline includes both straight-run gasoline and debutanized gasoline

⁴⁹ Financing, excluding VAT.

Financial indicators

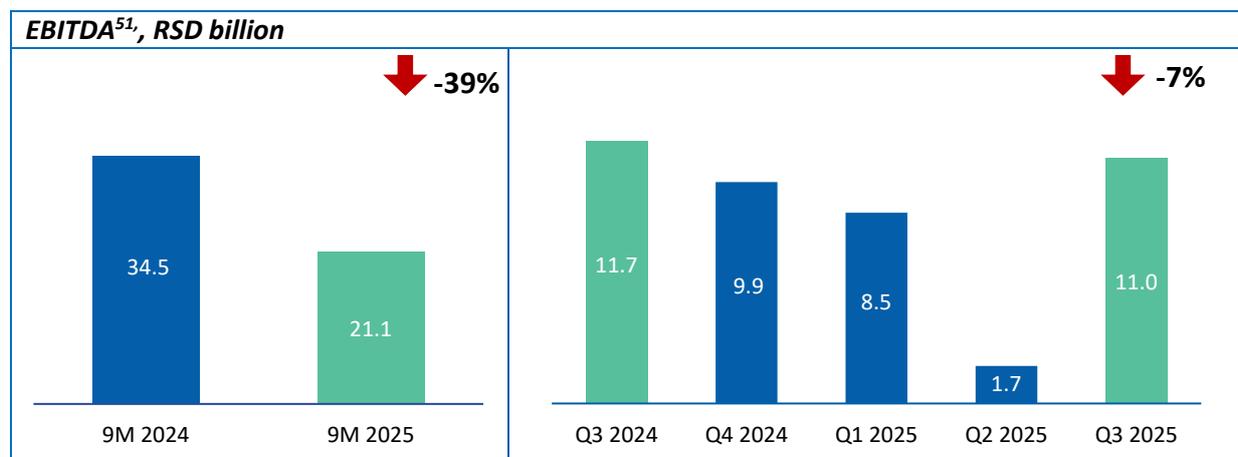
Sales revenues

During the first nine months of 2025 sales revenues are 25% lower compared to the previous year, and the total amount of sales revenues is RSD 229.7 billion.



EBITDA

The EBITDA indicator in the first nine months of 2025 is 39% lower than the same period last year and amounted to RSD 21.1 billion.



The decrease in EBITDA indicator in the first nine months of 2025 compared to the same period last year is the consequence of:

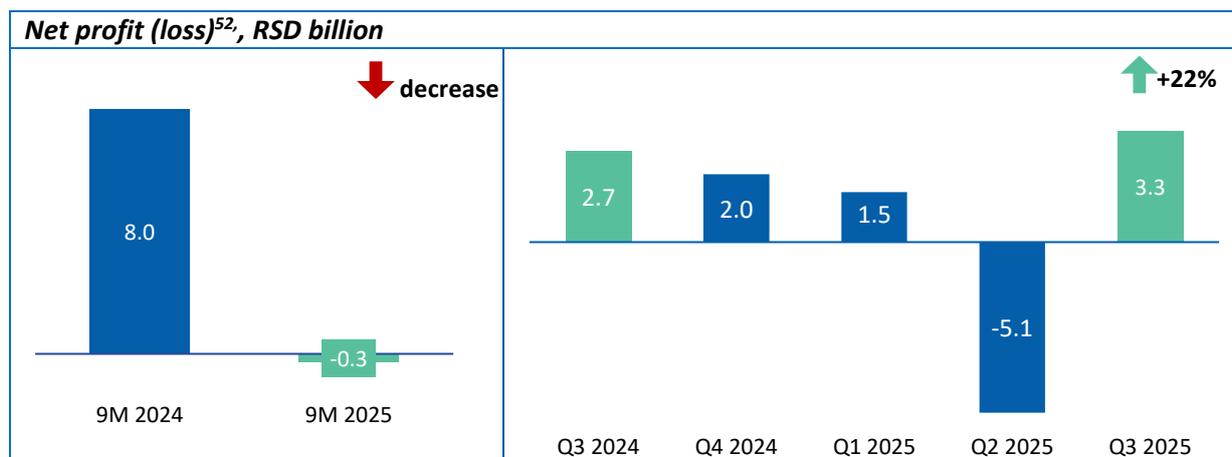
- The negative impact of changes in macro parameters on the world market
- The impact of the “expensive” stock
- Decrease in the volume of oil and gas production compared to the comparative period last year
- Deterioration of the margin and reduction in the volume of oil and oil derivatives processing mainly due to sanctions, which is compensated by the positive effect of the absence of capital overhaul in 2025.

⁵⁰ 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.

⁵¹ 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 the first nine months of 2025, the net result is negative and amounts to RSD -0.3 billion, which is decrease compared to the same period last year.

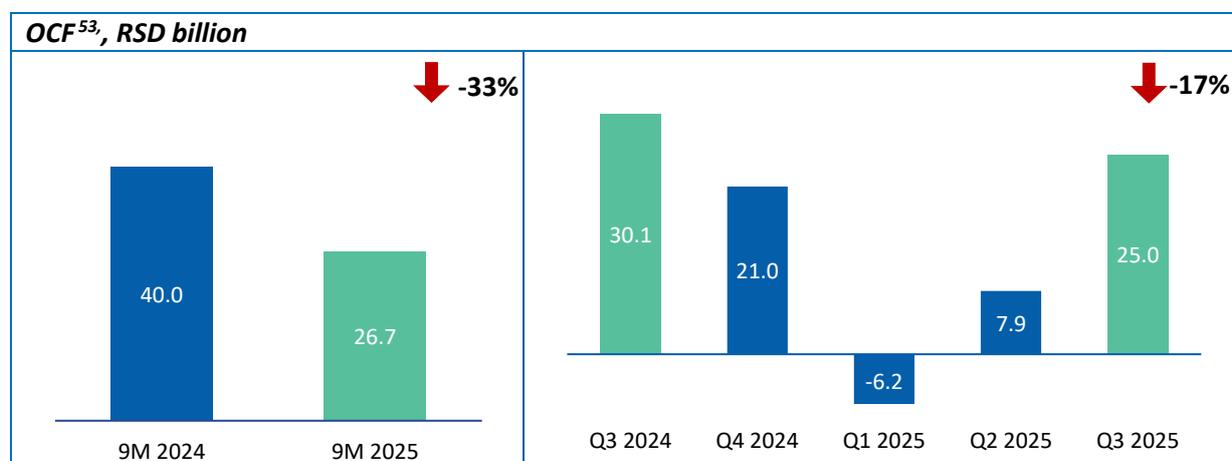


Decline in net profit indicator for 9M 2025 compared to 9M 2024 was influenced by:

- a decrease in EBITDA (mostly due to expensive inventories and a drop in oil prices on the world market, as well as lower sales volumes due to sanctions),
- higher depreciation costs (due to the realization of investments).

OCF

In the first nine months of 2025, the operating cash flow amounts to RSD 26.7 billion, and it is lower compared to the same period last year.



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

- Lower inflows.

⁵² 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.

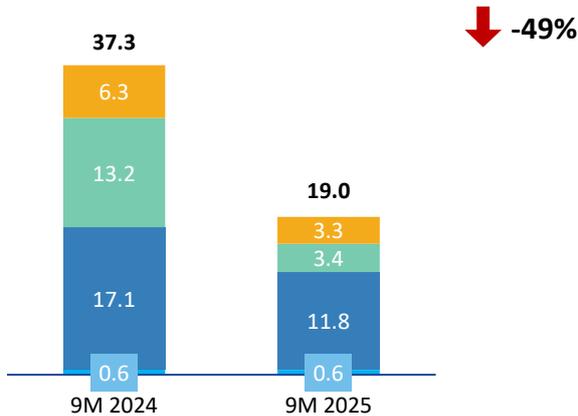
⁵³ Any deviations aggregate values result from rounding.

CAPEX

In the first nine months of 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 reconstruction, construction and rebranding projects of petrol stations. In addition, NIS invested in projects in the field of energy and services, as well as in a certain number of projects in the corporate center.

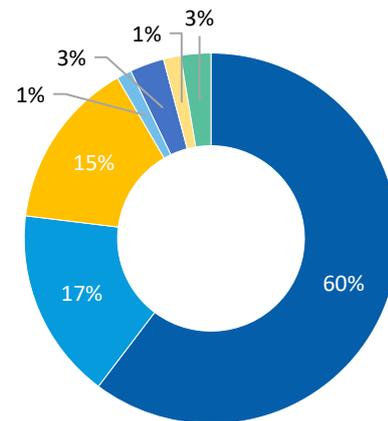
In the first nine months of 2025, RSD 19.0 billion was allocated for investment.

**CAPEX by type of project⁵⁴,
RSD billion**



- Projects without economic effect
- Projects with indirect economic effect
- Projects with direct economic effect
- Ecology

**Investments by segments in the first
nine months of 2025**



- Block Exploration and production
- DWS Refining
- DWS Sales and distribution
- DWS Energy
- DWS HIPP
- The rest DWS
- Corporate centre

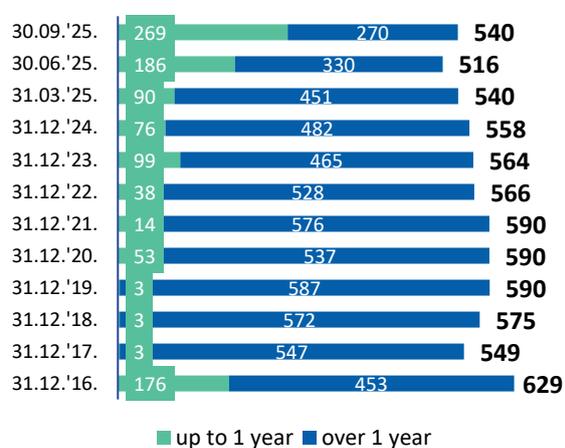
⁵⁴ All amounts are expressed in RSD billion, excluding VAT. Any deviations in percentages and aggregate values result from rounding. The displayed percentages of change were obtained based on values that were not rounded to billions of RSD.

Organisation unit	Major projects in the first nine months of 2025
Exploration and Production	<ul style="list-style-type: none"> • drilling of development wells • investing in geological and technical activities • infrastructure projects
Services	<ul style="list-style-type: none"> • procurement of 2 fire extinguishers for transport
Refining	<ul style="list-style-type: none"> • projects aimed at ensuring compliance with legal norms and regulations • investment maintenance projects • environmental projects • reconstruction of the fire protection system • reconstruction of the industrial track
Sales and Distribution	<ul style="list-style-type: none"> • reconstruction of the Niš warehouse and officially putting into trial operation • procurement of a fleet of transport vehicles • vehicles for supplying aircraft with fuel
Rest of Downstream projects (Energy and Technical services and HIPP)	<ul style="list-style-type: none"> • solar photovoltaic projects • technical services projects • activities during the planned shutdown of HIPP
Corporate Centre	<ul style="list-style-type: none"> • projects related to maintenance of software solutions and process digitalisation • development and implementation of NISDoc

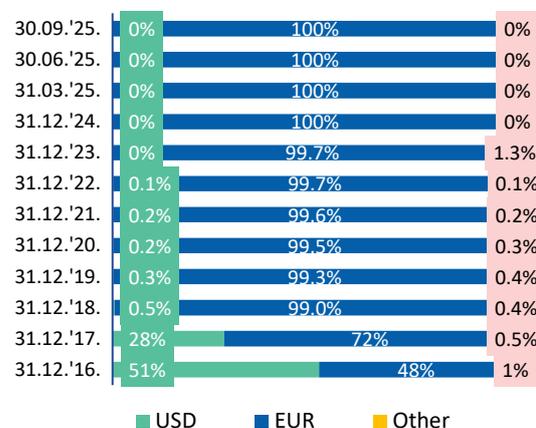
Debt based on bank loans

At the end of the third quarter of 2025, the debt to banks is lower than at the end of 2024 and amounts to EUR 539.5 million.

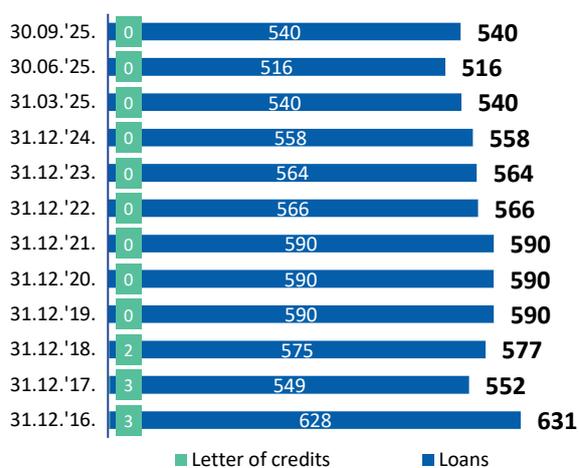
Total bank debt trends with maturity structure⁵⁵, EUR million



Total bank debt structure, by currency, in %



Total bank indebtedness⁵⁶, EUR million



⁵⁵ Any deviations in aggregate values result from rounding.

⁵⁶ In addition to the bank debt and Letters of Credit as at 30 September 2025, NIS j.s.c. Novi Sad holds issued bank guarantees in the amount of EUR 28.3 million, corporate guarantees in the amount of EUR 187.0 million and financial leasing in the amount of EUR 26.9 million. Any deviations in aggregate values result from rounding.

Taxes and Other Public Revenue⁵⁷

NIS j.s.c. Novi Sad	9M 2025	9M 2024	% ⁵⁸
Social insurance contributions paid by employer	1.99	1.87	+6%
Energy efficiency fee	0.27	0.32	-16%
Corporate tax	-0.73	3.46	decrease
Value-added tax	21.93	23.97	-9%
Excise duties	122.66	136.47	-10%
Commodity reserves fee	4.72	5.59	-15%
Customs duties	1.19	1.43	-17%
Royalty	1.41	1.34	+5.4%
Other taxes	1.27	1.16	+9.6%
Total	154.71	175.60	-12%
NIS subsidiaries in Serbia and the region			
Social insurance contributions paid by employer	1.96	1.76	+11%
Energy efficiency fee	0.00	0.01	decrease
Corporate tax	0.07	0.30	decrease
Value-added tax	2.44	2.71	-10.3%
Excise duties	6.72	6.48	+4%
Customs duties	2.26	5.20	decrease
Royalty	0.02	0.05	decrease
Other taxes	0.27	0.24	+12%
Total	13.73	16.76	-18%
Deferred taxes (total for Group)	-0.74	-0.43	decrease
Total NIS Group⁵⁹	167.70	191.93	-13%

The amount of accrued liabilities for public revenues for NIS Group in the first nine months of 2025 totalled RSD 167.70 billion, which is an decrease of 13% on the same period in 2024.

⁵⁷ In RSD billion.

⁵⁸ 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.

⁵⁹ 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 first nine months of 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.

On 20 June 2025, the Shareholders' Assembly of NIS j.s.c. Novi Sad has adopted the Decision on distribution of profit for 2024, dividend payment⁶⁰ and determining the total amount of retained profit of NIS j.s.c. Novi Sad. This decision determines that the dividends will be paid to the shareholders in cash, in the gross amount of RSD 4,595,042,072 or RSD 28.18 per share. The shareholders registered in the Central Securities Depository and Clearing House as legal owners of NIS j.s.c. Novi Sad shares on the Record date (Dividend Day) i.e. on 10 June 2025 entitle to dividend payment.

Given the fact that NIS began the process of being removed 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 bn⁶¹</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 %⁶²</i>
2009	(4.4)	0.0	-	-	0	-	-
2010	16.5 ⁶³	0.0	-	101.1	0	475	-
2011	40.6 ⁶⁴	0.0	-	249	0	605	-
2012	49.5	12.4	25%	303.3	75.83	736	10.3
2013	52.3	13.1	25%	320.9	80.22	927	8.7
2014	30.6	7.6	25%	187.4	46.85	775	6.0
2015	16.1	4.0	25%	98.8	24.69	600	4.1
2016	16.1	4.0	25%	98.6	24.66	740	3.3
2017	27.8	6.9	25%	170.43	42.61	724	5.9
2018	26.1	6.5	25%	159.86	39.97	690	5.8
2019	17.7	4.4	25%	108.55	27.14	749	3.6
2020	(5.9)	1.0	-	(36.24)	6.14	644	1.0
2021	23.1	5.8	25%	141.85	35.46	620	5.7
2022	93.5	23.4	25%	573.14	143.29	675	21.2
2023	41.9	10.5	25%	257.05	64.26	812	7.9
2024	18.4	4.6	25%	112.72	28.18	754	3.7

⁶⁰ Based on the decision of the Shareholders Assembly, on 22 October 2025 NIS j.s.c. Novi Sad paid the dividend for the year 2024.

⁶¹ Net profit of NIS j.s.c. Novi Sad.

⁶² Calculated as the ratio of gross dividend to share price at the end of the year for which the dividend is paid.

⁶³ Net profit used for coverage of accumulated losses.

⁶⁴ Net profit used for coverage of accumulated losses.

Bonds

Bonds are financial instruments, i.e. debt securities issued by the state, company or other legal entities 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.

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

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

Basic information about bonds of NIS j.s.c. Novi Sad	
Nominal value	<i>RSD 10,000</i>
CFI code	<i>DBFUFR</i>
ISIN no.	<i>RSNISHD82111</i>
Bond issue designation	I (first) issue
Posting date to proprietary accounts	December 20, 2024
Due date	5 years or 1,825 days
Due date	December 19, 2029
Interest rate	Fixed interest rate of 6.50% per annum and quarterly payment of an interest coupon starting from the issuance date.
Method of calculation of interest	The formula for calculating the amount of interest for the interest period is as follows: $K = N_k \times p_k \times 0.25$ where the following letters shall have the following meanings: K: the amount of quarterly interest to be paid p _k : the amount of the interest rate on an annual basis N _k : 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 third quarter of 2025, the third 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 his activities and in the consideration of matters within his responsibilities. The members of the Advisory Board were determined by the Decision of CEO. The Advisory Board deals with the issues of strategy and development policy, the basis of which is set by the Shareholders' Assembly and the Board of Directors of the Company.

Related-party transactions

In the first nine months of 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 Statements⁶⁵.

⁶⁵ Information on related party transactions can be found on page 85 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 was 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, development and promotion of respectful corporate culture in 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. Company continued with the implementation of and upgraded the Engagement Academy Programme, which aims to develop highly dedicated and motivated teams through the active role of senior and middle management in Company and from last year also lower management. NIS has restarted the "First-Time Managers" Programme, within which, through several education modules helped colleagues who have just taken on managerial functions to be as better managers and leaders as possible.

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 company's youth outreach agenda, the company continues its NIS Energy programme for young professionals. During the fifth season of the programme, 25 participants had the opportunity to take part in a number of training seminars and visit the premises of Technical Services at the Pančevo Refinery. In addition, the company held the fourth season of its internship programme for operators at the Pančevo Refinery, the Scientific and Technological Center and HIP Petrohemija, which included 25 people. The promo campaign for the ninth season of the NIS Calling programme attracted 751 applications.

Employee number⁶⁶ and structure

At the end of the period of the first nine months of 2025, the total number of employees was 13,947, while the average number of employees in the first nine months of 2025 was 13,340.

Organisational unit	Total number of employees as at:	
	09/30/2025	09/30/2024
NIS j.s.c. Novi Sad	5,312	5,312
Subsidiaries	8,635	8,497
TOTAL⁶⁷:	13,947	13,809

⁶⁶ The number of employees does not include employees hired through the Contract of Services. On September 30, 2025 within the NIS a. d. Novi Sad, we have 92 employees hired through the Contract of Services.

⁶⁷ 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.

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

- Finalized two zonal projects.
- Completed the revision of hydrocarbon potential for three oilfields.
- Completed and delivered drilling and well equipment projects for the purposes of the strategically important Banatski Dvor project.
- Developed and implemented a special training course for specialists and experts in the analysis and interpretation of well materials.

Completed pilot testing of drones for remote inspection of energy facilities and detection of gas leaks at Upstream facilities. Continued the analysis of the obtained data and proposals for further work organisation.

Completed the study for the assessment of the application of solar panels at Downstream facilities. The study included the assessment of technical feasibility, technology selection, economic evaluation and the plan for future work. This is the first project of this kind for the Science and Technology Centre to gain experience for the further development of green energy services.

Completed the drone survey of two fields to estimate the condition of the wells and the surface infrastructure. Continues drone survey at another field.

Developed the programme for increasing efficiency and developing the Downstream Laboratory with process automation in the Refining and the Sales and Distribution Blocks. Evaluated the option of implementing workshops as a methodological model for the development and efficiency increase of the laboratory for oil petroleum product testing with conclusions regarding the benefits for the Refining Block and the Sales and Distribution Block and the plans of the STC' Downstream Laboratory.

Acquired new laboratory equipment as part of the new cycle of critical laboratory equipment modernization in the Downstream Laboratory.

Financial Statements⁶⁸

Interim Condensed Standalone financial statements (unaudited)

Interim Condensed Statement of Financial Position

Assets	Note	30 September 2025 <i>(unaudited)</i>	31 December 2024 <i>(unaudited)</i>
Current assets			
Cash and cash equivalents	4	41,188,890	38,821,710
Short-term financial assets	5	42,202,393	32,871,239
Trade and other receivables	6	34,276,583	39,377,979
Inventories	7	44,548,951	42,037,198
Current income tax prepayments		716,287	7,549,680
Other current assets	8	11,007,297	12,610,817
Assets classified as held for sale		147,969	17,915
Total current assets		174,088,370	173,286,538
Non-current assets			
Property, plant and equipment	9	298,988,392	299,210,788
Right-of-use assets	10	2,648,076	2,822,458
Investment property		1,504,873	1,512,766
Intangible assets		4,210,643	3,968,112
Investments in joint venture		1,038,800	1,038,800
Investments in subsidiaries		31,016,682	31,016,682
Long-term financial assets	11	7,131,116	7,228,512
Deferred tax assets		5,053,568	4,278,690
Other non-current assets	12	2,465,755	3,474,598
Total non-current assets		354,057,905	354,551,406
Total assets		528,146,275	527,837,944
Liabilities and shareholders' equity			
Current liabilities			
Short-term debt and current portion of long-term debt	13	34,243,658	11,426,713
Current lease liabilities	18	476,596	488,755
Trade and other payables	14	24,739,491	20,440,011
Other current liabilities	15	6,802,184	10,525,538
Other taxes payable	16	12,664,109	13,139,353
Provisions for liabilities and charges		1,026,359	1,155,490
Total current liabilities		79,952,397	57,175,860
Non-current liabilities			
Long-term debt	17	33,460,485	58,216,807
Non-current lease liabilities	18	1,226,830	1,497,645
Other non-current financial liabilities	19	12,249,569	12,140,168
Provisions for liabilities and charges		13,287,419	12,652,906
Total non-current liabilities		60,224,303	84,507,526
Equity			
Share capital		81,530,200	81,530,200
Reserves		41,856	41,960
Retained earnings		306,397,519	304,582,398
Total equity		387,969,575	386,154,558
Total liabilities and shareholders' equity		528,146,275	527,837,944

in 000 RSD

⁶⁸ The financial statements, standalone and consolidated, have not been audited.

Interim Condensed Statement of Profit and Loss and Other Comprehensive

	Note	Three month period ended 30 September		Nine month period ended 30 September	
		2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Sales of petroleum products, oil and gas		73,488,305	98,788,268	199,612,894	277,778,900
Other revenues		6,317,975	5,261,362	16,214,176	14,485,264
Total revenue from sales	3	79,806,280	104,049,630	215,827,070	292,264,164
Purchases of oil, gas and petroleum products		(46,598,547)	(71,959,029)	(130,172,318)	(199,460,318)
Production, manufacturing and cost of other sales	20	(10,007,693)	(9,896,511)	(29,023,870)	(27,623,486)
Selling, general and administrative expenses	21	(8,666,313)	(8,241,275)	(25,124,216)	(23,538,604)
Transportation expenses		(368,969)	(476,010)	(1,114,869)	(1,201,627)
Depreciation, depletion and amortization		(6,724,749)	(6,436,181)	(19,996,714)	(18,233,688)
Taxes other than income tax		(1,568,572)	(1,484,633)	(4,615,619)	(4,294,577)
Exploration expenses		-	-	(10)	(187)
Total operating expenses		(73,934,843)	(98,493,639)	(210,047,616)	(274,352,487)
Other income / (expenses), net	22	(81,083)	184,231	51,705	698,105
Operating profit		5,790,354	5,740,222	5,831,159	18,609,782
Net foreign exchange loss	23	(32,147)	(289,112)	(211,042)	(585,735)
Finance income	24	683,173	736,043	1,713,824	1,992,953
Finance expenses	25	(773,418)	(1,003,682)	(2,427,619)	(2,870,641)
Total other expenses		(122,392)	(556,751)	(924,837)	(1,463,423)
Profit before income tax		5,667,962	5,183,471	4,906,322	17,146,359
Current income tax		(222,328)	(1,107,776)	728,963	(3,474,085)
Deferred tax income		267,189	94,851	774,878	370,853
Total income tax	26	44,861	(1,012,925)	1,503,841	(3,103,232)
Profit for the period		5,712,823	4,170,546	6,410,163	14,043,127
Other comprehensive income / (loss):					
Items that will not be reclassified to profit / (loss)					
Gain on remeasurements of defined benefit plans		-	7,938	-	7,938
Gain / (loss) from investments in equity instruments		(104)	-	(104)	52
Revaluation of property, plant and equipment transferred to investment property		-	3,160	-	3,160
Other comprehensive income / (loss) for the period		(104)	11,098	(104)	11,150
Total comprehensive income for the period		5,712,719	4,181,644	6,410,059	14,054,277
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		35.04	25.58	39.31	86.12
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

Nine month period ended 30 September 2025 and 2024

<i>(unaudited)</i>	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2024	81,530,200	34,408	296,756,256	378,320,864
Profit for the period	-	-	14,043,127	14,043,127
Other comprehensive income				
Gain on remeasurements of defined benefit plans	-	-	7,938	7,938
Gain from investments in equity instruments	-	52	-	52
Revaluation of property, plant and equipment transferred to investment property	-	3,160	-	3,160
Total comprehensive income for the period	-	3,212	14,051,065	14,054,277
Dividend distribution	-	-	(10,478,261)	(10,478,261)
Balance as at 30 September 2024	81,530,200	37,620	300,329,060	381,896,880

in 000 RSD

<i>(unaudited)</i>	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2025	81,530,200	41,960	304,582,398	386,154,558
Profit for the period	-	-	6,410,163	6,410,163
Other comprehensive loss				
Loss from investments in equity instruments	-	(104)	-	(104)
Total comprehensive income / (loss) for the period	-	(104)	6,410,163	6,410,059
Dividend distribution	14	-	(4,595,042)	(4,595,042)
Balance as at 30 September 2025	81,530,200	41,856	306,397,519	387,969,575

in 000 RSD

Interim Condensed Statement of Cash Flows⁶⁹

	Note	Nine month period ended 30 September	
		2025 (unaudited)	2024 (unaudited)
Cash flows from operating activities			
Profit before income tax		4,906,322	17,146,359
Adjustments for:			
Finance expenses	25	2,427,619	2,870,641
Finance income	24	(1,713,824)	(1,992,953)
Unrealised foreign exchange losses, net		161,700	586,820
Depreciation, depletion and amortization		19,996,714	18,233,688
Other non-cash items		794,377	146,813
Operating cash flow before changes in working capital		26,572,908	36,991,368
Changes in working capital:			
Trade and other receivables		4,973,576	3,161,820
Inventories		(2,646,643)	416,496
Other current assets		1,662,291	(4,685,740)
Trade payables and other current liabilities		(3,726,172)	13,160,240
Other taxes payable		8,224,756	3,123,417
Total effect on working capital changes		8,487,808	15,176,233
Income taxes paid		(1,123,215)	(4,386,321)
Interest paid		(2,163,131)	(2,524,118)
Interest received		1,223,829	2,620,650
Net cash generated by operating activities		32,998,199	47,877,812
Cash flows from investing activities			
Loans issued		(30,302,014)	(18,107,418)
Loan proceeds received		21,552,315	12,849,629
Capital expenditures ⁷⁰		(19,901,811)	(36,816,437)
Proceeds from sale of property, plant and equipment		668,701	676,173
Bank deposits proceeds, net		-	25,000,000
Net cash used in investing activities		(27,982,809)	(16,398,053)
Cash flows from financing activities			
Proceeds from borrowings	13,17	11,678,319	31,899,636
Repayment of borrowings	13,17	(13,718,636)	(29,548,187)
Repayment of lease liabilities	18	(475,643)	(528,875)
Dividends paid		-	(10,478,261)
Net cash used in financing activities		(2,515,960)	(8,655,687)
Net increase in cash and cash equivalents		2,499,430	22,824,072
Effect of foreign exchange on cash and cash equivalents		(132,250)	(688,844)
Cash and cash equivalents as of the beginning of the period		38,821,710	16,270,493
Cash and cash equivalents as of the end of the period	4	41,188,890	38,405,721

in 000 RSD

⁶⁹ Company's policy is to present cash flow inclusive of related VAT.

⁷⁰ CF from investing activities includes VAT in the amount of 2.4 bln RSD (2024: 4.3 bln RSD)

Notes to the Interim Condensed Standalone Financial Statements⁷¹

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).

The Interim Condensed Financial Statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, management reviews forecasts of future cash inflows. Based on these reviews, management believes that the Company will be able to continue to operate as a going concern in the foreseeable future (refer to note 2.3. Implication of imposed US Sanctions) and therefore, this principle should be applied in the preparation of these Interim Condensed Financial Statements.

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

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

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

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

The Company does not disclose information, which would substantially duplicate the disclosures contained in its audited Financial Statements for 2024, 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 2024.

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. Due to that during the third quarter of 2025 the Company didn't review

⁷¹ All amounts are in 000 RSD, unless otherwise stated.

the critical accounting estimates which are used by the Company in the Interim Condensed Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rates. In particular as of 30 September 2025 the Company didn't review estimation of the recoverable amount of the non-current assets that is determined for the purpose of the impairment testing. Under current conditions it turned out to be impossible to evaluate how long the volatility will remain 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 of the indicators mentioned above with reasonable certainty.

The results in these Interim Condensed Financial Statements for the three and nine month period ended 30 September 2025 are not necessarily indicative of the Company's results expected for the full year.

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

2.2 Changes in significant accounting policies

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

2.3 Implication of imposed US Sanctions

On 10 January 2025 the Company was included in the US Treasury Specially Designated Nationals and Blocked Persons (SDN) List. This designation imposes prohibitions on transactions by US persons or entities with the Company. Additionally, the designation may trigger secondary sanctions for non-US entities that engage in certain types of transactions with the Company starting from the date of designation.

Management has conducted an assessment of the potential implications of these sanctions. However, due to the inherent uncertainties surrounding:

- The scope and enforcement of the sanctions,
- Their duration, and
- The evolving geopolitical and economic environment

the full impact of the Company's financial position, operations, and performance remains unclear.

As a result, no adjustments have been recognised in these Interim Condensed Financial Statements for the reporting period ended 30 September 2025. This includes any impairments, provisions or changes in estimates related to the sanctions.

Although no adjustments have been made, management has identified the following areas where sanctions could have a material impact in the future:

1. **Financial transactions:** Restricted access to US dollar transactions and potential limitations on dealings with international financial institutions.
2. **Business relationship:** Potential disruption to relationships with key suppliers, customers, and partners who may be reluctant to engage with the Company due to sanctions compliance.
3. **Revenue and Profitability:** A reduction in revenue if trade activities are constrained or contracts with international counterparties are terminated.
4. **Operational challenges:** Potential delays or additional costs related to supply chain disruptions and sourcing of critical inputs (crude oil, critical equipment etc.)

Management of the Company is actively monitoring these restrictions and is exploring alternative solutions to mitigate any potential adverse effects on its operations and financial performance.

A Working group has been formed, involving all key shareholders of the Company, to explore possible solutions aimed at eliminating or reducing the impact of the imposed sanctions while ensuring the long-term sustainability of the company's operations as priority.

On 26 February 2025, OFAC (Office for Foreign Assets Control) issued a specific license (Licence No. MUL-2025-1335128-1) that postpones the full implementation of sanctions until 28 March 2025.

On 28 March 2025, OFAC (Office for Foreign Assets Control) issued second specific license (Licence No. MUL-2025-1355297-1) that postpones the full implementation of sanctions until 28 April 2025.

On 25 April 2025, OFAC (Office for Foreign Assets Control) issued third specific license (Licence No. MUL-2025-1355297-2) that postpones the full implementation of sanctions until 27 June 2025.

On 26 June 2025, OFAC (Office for Foreign Assets Control) issued fourth specific license (Licence No. MUL-2025-1355297-3) that postpones the full implementation of sanctions until 29 July 2025.

On 28 July 2025, OFAC (Office for Foreign Assets Control) issued fifth specific license (Licence No. MUL- 2025-1355297-4) that postpones the full implementation of sanctions until 27 August 2025.

On 26 August 2025, OFAC (Office for Foreign Assets Control) issued sixth specific license (Licence No. MUL- 2025-1355297-5) that postpones the full implementation of sanctions until 26 September 2025.

On 25 September 2025, OFAC (Office for Foreign Assets Control) issued seventh specific license (Licence No. MUL- 2025-1355297-6) that postpones the full implementation of sanctions until 1 October 2025.

On 30 September 2025, OFAC (Office for Foreign Assets Control) issued eighth specific license (Licence No. MUL-2025-1355297-7) that postpones the full implementation of sanctions until 8 October 2025.

This license allows U.S. persons, as well as other individuals, to engage in business activities with NIS or its operational subsidiaries both on the domestic and international level, which primarily includes transactions necessary for the uninterrupted and regular maintenance of business operations, contracts, and other agreements involving NIS or its operational subsidiaries.

On 14 March 2025, a de-listing petition was submitted to OFAC, requesting the removal of NIS from the SDN List (OFAC Case ID: RUSSIA-EO14024-40179). On 28 September 2025, a supplemental request for the removal from the SDN list was submitted to OFAC.

NIS continues to communicate with OFAC and takes necessary actions to ensure that NIS is fully removed from the U.S. SDN (Specially Designated Nationals) list.

3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the nine month period ended 30 September 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 nine month period ended 30 September 2025 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	34,266,957	216,498,670	(34,938,557)	215,827,070
Intersegment	32,882,061	2,056,496	(34,938,557)	-
External	1,384,896	214,442,174	-	215,827,070
Adjusted EBITDA (Segment results)	21,189,596	4,681,117	-	25,870,713
Depreciation, depletion and amortization	(10,247,747)	(9,748,967)	-	(19,996,714)
Net foreign exchange loss	(7,587)	(203,455)	-	(211,042)
Finance expenses, net	(100,181)	(613,614)	-	(713,795)
Income tax	-	1,503,841	-	1,503,841
Segment profit/(loss)	10,852,931	(4,442,768)	-	6,410,163

Reportable segment results for the nine month period ended 30 September 2024 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	40,528,448	294,277,139	(42,541,423)	292,264,164
Intersegment	40,482,137	2,059,286	(42,541,423)	-
External	46,311	292,217,853	-	292,264,164
Adjusted EBITDA (Segment results)	28,531,136	8,125,000	-	36,656,136
Depreciation, depletion and amortization	(9,752,501)	(8,481,187)	-	(18,233,688)
Net foreign exchange loss	(113,408)	(472,327)	-	(585,735)
Finance expenses, net	(113,355)	(764,333)	-	(877,688)
Income tax	(14,703)	(3,088,529)	-	(3,103,232)
Segment profit / (loss)	18,359,875	(4,316,748)	-	14,043,127

Adjusted EBITDA for the three and nine month period ended 30 September 2025 and 2024 is reconciled below:

	Three month period ended 30 September		Nine month period ended 30 September	
	2025	2024	2025	2024
Profit for the period	5,712,823	4,170,546	6,410,163	14,043,127
Income tax	(44,861)	1,012,925	(1,503,841)	3,103,232
Finance expenses	773,418	1,003,682	2,427,619	2,870,641
Finance income	(683,173)	(736,043)	(1,713,824)	(1,992,953)
Depreciation, depletion and amortization	6,724,749	6,436,181	19,996,714	18,233,688
Net foreign exchange loss	32,147	289,112	211,042	585,735
Other expenses/(income), net	81,083	(184,231)	(51,705)	(698,105)
Other non-operating (income) / expense, net	(55,661)	232,587	94,545	510,771
Adjusted EBITDA	12,540,525	12,224,759	25,870,713	36,656,136

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

	Nine month period ended 30 September	
	2025	2024
Sale of gas	124,463	171,046
<i>Wholesale activities</i>	124,463	171,046
Sale of petroleum products	199,488,431	277,607,854
<i>Through a retail network</i>	70,621,250	80,327,841
<i>Wholesale activities</i>	128,867,181	197,280,013
Sale of electricity	478,413	686,762
Lease revenue	318,776	264,825
Other sales	15,416,987	13,533,677
Total sales	215,827,070	292,264,164

Other sales mainly relate to sales of non-fuel products at petrol stations for 9,867,561 RSD (2024: 9,639,611 RSD).

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

4. CASH AND CASH EQUIVALENTS

	30 September 2025	31 December 2024
Cash in bank and in hand	9,934,453	9,955,372
Deposits with original maturity of less than three months	31,250,000	28,862,541
Cash equivalents	4,437	3,797
	41,188,890	38,821,710

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

5. SHORT-TERM FINANCIAL ASSETS

	30 September 2025	31 December 2024
Short-term loans	16,612,885	7,601,578
Current portion of long-term investments (note 11)	32,747,482	35,152,987
<i>Less impairment loss provision</i>	(7,157,974)	(9,883,326)
	42,202,393	32,871,239

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

6. TRADE AND OTHER RECEIVABLES

	30 September 2025	31 December 2024
Trade receivables	41,308,755	46,483,687
Other receivables	85,899	98,729
<i>Less credit loss allowance for trade receivables</i>	(7,077,933)	(7,176,610)
<i>Less credit loss allowance for other receivables</i>	(40,138)	(27,827)
	34,276,583	39,377,979

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.

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

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

7. INVENTORIES

	30 September 2025	31 December 2024
Crude oil	22,155,319	19,942,889
Petroleum products	19,298,902	19,295,703
Materials and supplies	5,805,404	5,771,208
Other	1,591,836	1,353,517
<i>Less impairment provision</i>	(4,302,510)	(4,326,119)
	44,548,951	42,037,198

8. OTHER CURRENT ASSETS

	30 September 2025	31 December 2024
Advances paid	555,249	1,341,449
Deferred VAT	1,053,069	3,599,608
Prepaid expenses	281,347	460,521
Prepaid custom duties	72,855	75,447
Prepaid excise	8,570,980	6,683,336
Other current assets	7,954,954	7,936,113
<i>Less impairment provision</i>	(7,481,157)	(7,485,657)
	11,007,297	12,610,817

Deferred VAT as at 30 September 2025 amounting to 1,053,069 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 30 September 2025 amounting to 8,570,980 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
As at 1 January 2025						
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)
Net book value	137,763,847	94,858,756	30,642,610	7,196,763	28,748,812	299,210,788
Period ended 30 September 2025						
Additions	13,562,640	1,914,647	4,860,125	274,250	(1,064,914)	19,546,748
Changes in decommissioning obligations	175,830	-	-	-	-	175,830
Impairment, net	-	-	-	-	(37,938)	(37,938)
Depreciation	(10,129,012)	(6,981,015)	(1,760,620)	(353,077)	-	(19,223,724)
Transfer to non-current assets held for sale	-	-	(2,986)	(119,451)	-	(122,437)
Disposals and write-off	(8,360)	(33,898)	(1,539)	(777)	-	(44,574)
Other transfers	232	(1,339)	(35,771)	18,124	(497,547)	(516,301)
	141,365,177	89,757,151	33,701,819	7,015,832	27,148,413	298,988,392
As at 30 September 2025						
Cost	261,484,086	181,016,105	70,755,680	16,685,235	27,393,457	557,334,563
Depreciation and impairment	(120,118,909)	(91,258,954)	(37,053,861)	(9,669,403)	(245,044)	(258,346,171)
Net book value	141,365,177	89,757,151	33,701,819	7,015,832	27,148,413	298,988,392

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the nine months ended 30 September 2025 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2025	12,099	885,682	219,392	1,705,285	2,822,458
Additions	-	40,315	69,908	25,929	136,152
Depreciation	(2,918)	(86,115)	(70,293)	(139,643)	(298,969)
Disposals	-	-	(573)	(44,365)	(44,938)
Effect of contract modifications and changes in estimates	-	9,974	23,399	-	33,373
As at 30 September 2025	9,181	849,856	241,833	1,547,206	2,648,076

11. LONG-TERM FINANCIAL ASSETS

	30 September 2025	31 December 2024
LT loans issued	41,839,274	41,601,373
Financial assets at FVTPL	839,128	837,800
Other LT placements	20,088	25,060
Available for sale financial assets	124,211	124,315
<i>Less current portion of LT loans issued (note 5)</i>	(32,747,482)	(35,152,987)
<i>Less provision of LT financial assets</i>	(2,944,103)	(207,049)
	7,131,116	7,228,512

12. OTHER NON-CURRENT ASSETS

	30 September 2025	31 December 2024
Advances paid for PPE	1,795,767	2,810,616
Prepaid expenses	58,323	75,517
Other assets	915,404	901,105
<i>Less allowance for other assets</i>	(269,753)	(278,654)
<i>Less allowance for advances paid</i>	(33,986)	(33,986)
	2,465,755	3,474,598

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

	30 September 2025	31 December 2024
Short-term loans	2,509,820	2,387,513
Interest liabilities	191,175	223,371
Current portion of long-term loans (note 17)	31,542,663	8,815,829
	34,243,658	11,426,713

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

	Nine month period ended 30 September	
	2025	2024
Short-term loans at 1 January	2,387,513	3,606,281
Proceeds	7,213,680	19,844,268
Repayment	(7,091,373)	(20,802,287)
Short-term loans at 30 September	2,509,820	2,648,262

14. TRADE AND OTHER PAYABLES

	30 September 2025	31 December 2024
Trade payables	16,344,065	16,627,827
Dividends payable	8,378,395	3,783,398
Other accounts payable	17,031	28,786
	24,739,491	20,440,011

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.

15. OTHER CURRENT LIABILITIES

	30 September 2025	31 December 2024
Contract liabilities arising from contracts with customers:		
- Advances received	2,980,371	5,055,703
- Customer loyalty	1,046,983	949,116
- Deferred income	51,594	55,648
Payables to employees	2,532,688	4,263,714
Other current non-financial liabilities	190,548	201,357
	6,802,184	10,525,538

Revenue in the amount of 5,054,319 RSD (30 September 2024: 4,733,792 RSD) recognized in the current reporting period related to the contract liabilities as at 1 January 2025, of which 4,486,707 RSD (30 September 2024: 4,242,124 RSD) related to advances and 567,612 RSD (30 September 2024: 491,668 RSD) to the customer loyalty programme.

16. OTHER TAXES PAYABLE

	30 September 2025	31 December 2024
Mineral extraction tax	477,567	438,324
VAT	3,329,016	2,594,634
Excise tax	7,792,232	8,463,280
Contribution for State commodity reserves	294,435	348,084
Custom duties	91,587	73,717
Energy efficiency fee	32,924	39,876
Other taxes	646,348	1,181,438
	12,664,109	13,139,353

17. LONG-TERM DEBT

	30 September 2025	31 December 2024
Bank loans	63,127,259	65,159,107
Other Long-term borrowings	1,875,889	1,873,529
<i>Less current portion (note 13)</i>	<i>(31,542,663)</i>	<i>(8,815,829)</i>
	33,460,485	58,216,807

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

	Nine month period ended	
	30 September 2025	31 December 2024
As at 1 January	65,159,107	65,223,168
Proceeds	4,464,639	12,055,368
Repayment	(6,627,263)	(8,745,900)
Non-cash transactions	28,051	(106,155)
Foreign exchange difference (note 23)	102,725	(47,700)
As at 30 September	63,127,259	68,378,781

Bank loans

	30 September 2025	31 December 2024
Total bank loans	63,127,259	65,159,107
Current portion	(31,542,663)	(8,815,829)
	31,584,596	56,343,278

The maturity of bank loans was as follows:

	30 September 2025	31 December 2024
Between 1 and 2 years	7,789,840	30,987,592
Between 2 and 5 years	23,423,146	24,567,096
Over 5 years	371,610	788,590
	31,584,596	56,343,278

The carrying amounts of bank loans in the amount of 63,127,259 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 30 September 2025 and 31 December 2024, respectively.

The loan agreements also contain prepayment covenants in the event international sanctions are imposed against the Company. Given the current geopolitical environment and the associated sanction-related risks, there is uncertainty regarding the potential future application of this clause. Should the provision be triggered, the Company may be required to prepay the outstanding loan amount of approximately EUR 483 million. The maturity of the provided financing is aligned with the validity of licenses issued by OFAC. The Company is continuously monitoring the situation and conducting assessments in coordination with its legal advisors.

Other long-term borrowings in the amount of 1,875,889 RSD (31 December 2024: 1,873,529 RSD) mainly relate to the corporate bonds.

18. LEASE LIABILITIES

	30 September 2025	31 December 2024
Non-current lease liabilities	1,226,830	1,497,645
Current lease liabilities	476,596	488,755
	1,703,426	1,986,400

Amounts recognized in profit and loss:

	Nine month period ended 30 September	
	2025	2024
Interest expense (included in finance cost) (note 25)	53,165	73,978
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	17,044	66,971
Expense relating to leases of low value assets that are not shown above as short-term leases	2,301	7,326
Expense relating to variable lease payments not included in lease liabilities	902,224	935,137

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

	Nine month period ended 30 September	
	2025	2024
As at 1 January	1,986,400	2,132,016
Repayment	(475,643)	(528,875)
Non-cash transactions	186,868	428,580
Foreign exchange difference (note 23)	5,801	(3,571)
As at 30 September	1,703,426	2,028,150

19. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,249,569 RSD (2024: 12,140,168 RSD) represents deferred consideration in the amount of 839,128 RSD (2024: 837,800 RSD) for O&G exploration project and liabilities for additional capital contribution associated with the new plant construction program in the amount of 11,410,441 RSD (2024: 11,302,368 RSD).

20. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 30 September		Nine month period ended 30 September	
	2025	2024	2025	2024
Employee costs	1,163,073	1,131,252	3,494,421	3,206,312
Materials and supplies (other than O&G and petroleum products)	306,542	338,920	933,986	899,245
Repair and maintenance services	1,439,026	1,411,257	4,255,623	3,817,966
Electricity for resale	28,814	35,425	73,767	72,212
Electricity and utilities	2,423,996	2,213,533	7,095,635	6,731,594
Safety and security expense	152,686	231,492	575,399	457,774
Transportation services for production	343,186	378,437	1,113,795	1,176,691
Other	4,150,370	4,156,195	11,481,244	11,261,692
	10,007,693	9,896,511	29,023,870	27,623,486

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 8,172,578 RSD (2024: 7,964,395 RSD).

21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Employee costs	3,796,629	3,686,130	11,159,132	10,945,979
Commission and agency fees	1,545,004	1,421,963	4,526,558	4,107,114
Legal, audit and consulting services	457,909	559,398	1,335,883	1,295,741
Current repair cost	383,170	367,413	1,188,327	1,028,363
Costs on advertising and marketing	87,099	100,628	246,707	275,487
Electricity and utilities	232,789	200,087	693,053	674,601
Rent expense	14,890	19,885	25,245	77,609
Business trips expense	31,033	98,071	91,562	241,988
Safety and security expense	312,583	271,127	854,305	742,274
Insurance expense	16,499	28,468	58,007	78,207
Transportation and storage	99,742	85,462	294,646	241,438
Allowance for doubtful accounts	30,040	(20,094)	(6,483)	(28,966)
Other	1,658,926	1,422,737	4,657,274	3,858,769
	8,666,313	8,241,275	25,124,216	23,538,604

Other expenses in the amount of 4,657,274 RSD (2024: 3,858,769 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

22. OTHER EXPENSES / INCOME, NET

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Penalties	53,118	151,479	175,777	421,678
Provisions	(88,820)	(32,567)	(107,088)	(55,472)
Impairment of non financial assets	(7,352)	(14,720)	(82,845)	(21,274)
Charity and social payments	(20,477)	(7,054)	(30,731)	(24,735)
Others	(17,552)	87,093	96,592	377,908
	(81,083)	184,231	51,705	698,105

23. NET FOREIGN EXCHANGE LOSS

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Foreign exchange gain (loss) on financing activities including:				
- foreign exchange gain (note 17,18,19)	84,444	36,579	216,958	171,169
- foreign exchange loss (note 17,18,19)	(100,015)	(58,954)	(348,330)	(110,928)
Net foreign exchange loss on operating activities	(16,576)	(266,737)	(79,670)	(645,976)
	(32,147)	(289,112)	(211,042)	(585,735)

24. FINANCE INCOME

	Three month period ended 30 September		Nine month period ended 30 September	
	2025	2024	2025	2024
Interest on bank deposits	402,582	381,933	856,205	1,230,581
Gains on restructuring of borrowings	6,862	117,796	6,862	117,796
Interest income on loans issued	273,729	236,314	850,757	644,576
	683,173	736,043	1,713,824	1,992,953

25. FINANCE EXPENSES

	Three month period ended 30 September		Nine month period ended 30 September	
	2025	2024	2025	2024
Interest expense	703,824	960,296	2,245,748	2,731,647
Losses on restructuring of borrowings	10,748	3,713	28,540	11,643
Decommissioning provision: unwinding of the present value discount	36,679	37,790	105,774	111,019
Provision of trade and other non-current receivables: discount	(7,752)	(5,628)	(33,472)	(12,446)
Revaluation of equity investment at fair value - expense	29,919	29,607	89,523	88,588
Less: amounts capitalised on qualifying assets	-	(22,096)	(8,494)	(59,810)
	773,418	1,003,682	2,427,619	2,870,641

Interest expense includes expenses on lease liabilities in amount of 53,165 RSD for the nine months ended 30 September 2025 (73,978 RSD for the nine months ended 30 September 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), 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:

	Nine month period ended 30 September	
	2025	2024
Current income tax expense	(823,877)	(3,474,085)
Effect of tax consolidation (2024)	1,552,840	-
Deferred income tax	774,878	370,853
Total income tax	1,503,841	(3,103,232)

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 30 September 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 result, some transactions may be disputed by tax authorities and the Company may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Company has paid all tax liabilities as of 30 September 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 338,679 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 30 September 2025 the Company has entered into contracts to purchase property, plant and equipment in the amount of 3,219,194 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.

In the nine month period ended 30 September 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 30 September 2025 and 31 December 2024 the outstanding balances, net of impairment, with the related parties were as follows:

As at 30 September 2025	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
Short-term financial assets	42,202,393	-	-
Trade and other receivables	13,172,509	-	301,153
Other current assets	720	-	28,464
Right-of-use assets	130,206	-	-
Investments accounted for using equity method	-	-	1,038,800
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	7,026,846	-	-
Other non-current assets	5,843	-	-
Trade and other payables	(7,051,386)	-	(424,677)
Other current liabilities	(52,228)	-	(59,606)
Short-term debt	(2,522,292)	-	-
Current lease liabilities	(12,075)	-	-
Long-term debt	(1,173,316)	-	-
Non-current lease liabilities	(123,191)	-	-
Other non-current financial liabilities	(11,410,441)	-	-
	71,210,270	-	884,134

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)	-	-
	60,558,148	-	1,086,326

For the nine month period ended 30 September 2025 and 30 September 2024 the following transactions occurred with the related parties:

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Nine month period ended 30 September 2025			
Revenues from sales of products and services	35,208,131	-	1,481,839
Expenses based on procurement of products and services	(16,899,812)	-	(1,707,646)
Other income, net	576,461	-	2,694
	18,884,780	-	(223,113)

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Nine month period ended 30 September 2024			
Revenues from sales of products and services	38,431,559	-	194,700
Expenses based on procurement of products and services	(16,759,208)	-	(2,671,444)
Other income (expenses), net	415,881	-	(253)
	22,088,232	-	(2,476,997)

Transactions with subsidiaries in Romania and Bulgaria

The companies are currently 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.

At the date of authorization of these financial statements, the conditions precedent had not yet been fulfilled.

30. EVENTS AFTER THE REPORTING DATE

On 9 October 2025, the Office of Foreign Assets Control (OFAC) did not extend the specific license that had previously postponed the full implementation of sanctions until 8 October 2025. As a result, the sanctions became effective, with a potentially adverse impact on the Company's operations.

Throughout the year, the Company has undertaken extensive scenario planning and mitigation efforts to ensure business continuity and secure the uninterrupted supply of petroleum products to the domestic market. These efforts included preparations for a full sanctions regime. However, the full impact of the sanctions on the Company's operations and financial position cannot be reliably estimated at this stage, and operational plans will be adjusted accordingly.

The Company continues to actively cooperate with its shareholders, including the Government of the Republic of Serbia, with the aim of identifying appropriate solutions to exit the current situation and ensure the long-term sustainability of its operations.

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

Assets	Note	30 September 2025 <i>(unaudited)</i>	31 December 2024
Current assets			
Cash and cash equivalents	4	43,565,554	40,736,335
Short-term financial assets	5	93,541	244,085
Trade and other receivables	6	23,202,490	32,328,970
Inventories	7	55,931,037	52,186,791
Current income tax prepayments		907,421	7,595,653
Other current assets	8	12,935,091	14,401,684
Assets classified as held for sale		144,481	14,432
Total current assets		136,779,615	147,507,950
Non-current assets			
Property, plant and equipment	9	335,686,683	336,961,139
Right-of-use assets	10	3,541,367	3,874,056
Investment property		1,507,042	1,514,935
Goodwill and other intangible assets		6,419,061	6,027,593
Investments in joint ventures		3,426,929	2,623,087
Trade and other non-current receivables		835,713	826,117
Long-term financial assets		104,399	105,253
Deferred tax assets		4,840,269	4,102,378
Other non-current assets	11	2,544,878	3,507,398
Total non-current assets		358,906,341	359,541,956
Total assets		495,685,956	507,049,906
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	12	31,721,367	9,026,680
Current lease liabilities	17	1,004,569	934,141
Trade and other payables	13	23,573,912	21,969,434
Other current liabilities	14	9,161,399	13,423,380
Current income tax payable		14,017	13,609
Other taxes payable	15	13,412,633	14,353,823
Provisions for liabilities and charges		1,108,047	1,342,054
Total current liabilities		79,995,944	61,063,121
Non-current liabilities			
Long-term debt	16	32,475,798	57,215,677
Non-current lease liabilities	17	2,148,568	2,620,846
Other non-current financial liabilities		839,128	837,800
Deferred tax liabilities		3,688	3,682
Long-term trade and other payables		9,118	-
Provisions for liabilities and charges		14,277,583	14,752,819
Total non-current liabilities		49,753,883	75,430,824
Equity			
Share capital		81,530,200	81,530,200
Reserves		1,001,034	741,832
Retained earnings		284,401,180	288,538,150
Equity attributable to the Company's owners		366,932,414	370,810,182
Non-controlling interest		(996,285)	(254,221)
Total equity		365,936,129	370,555,961
Total liabilities and shareholder's equity		495,685,956	507,049,906

in 000 RSD

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

	Note	Three month period ended 30 September		Nine month period ended 30 September	
		2025	2024	2025	2024
Sales of petroleum products, oil and gas		(unaudited) 76,628,773	(unaudited) 99,680,892	(unaudited) 211,019,102	(unaudited) 287,170,407
Other revenues		7,239,927	6,527,995	18,666,123	17,441,413
Total revenue from sales	3	83,868,700	106,208,887	229,685,225	304,611,820
Purchases of oil, gas and petroleum products		(47,871,718)	(70,515,270)	(136,819,287)	(202,891,128)
Production, manufacturing and cost of other sales	18	(13,199,984)	(12,672,248)	(37,689,728)	(34,409,700)
Selling, general and administrative expenses	19	(9,040,936)	(8,661,143)	(26,390,165)	(25,486,967)
Transportation expenses		(392,233)	(484,003)	(1,177,332)	(1,292,004)
Depreciation, depletion and amortization		(7,482,101)	(7,180,437)	(22,222,840)	(20,440,273)
Taxes other than income tax		(2,369,300)	(2,391,833)	(6,899,205)	(6,594,495)
Exploration expenses		-	-	(10)	(187)
Total operating expenses		(80,356,272)	(101,904,934)	(231,198,567)	(291,114,754)
Other income/(expenses), net	20	(107,132)	115,781	1,133,317	360,724
Operating profit		3,405,296	4,419,734	(380,025)	13,857,790
Share of profit/(loss) in joint ventures		276,366	16,837	803,842	(541,055)
Net foreign exchange loss	21	(59,992)	(160,687)	(673,843)	(616,694)
Finance income	22	407,017	507,304	871,756	1,469,665
Finance expenses	23	(727,978)	(979,741)	(2,303,652)	(2,792,436)
Total other expenses		(104,587)	(616,287)	(1,301,897)	(2,480,520)
Profit/(loss) before income tax		3,300,709	3,803,447	(1,681,922)	11,377,270
Current income tax		(277,902)	(1,209,023)	660,039	(3,760,365)
Deferred income tax income		299,416	120,416	737,891	432,104
Total income tax	24	21,514	(1,088,607)	1,397,930	(3,328,261)
Profit/(loss) for the period		3,322,223	2,714,840	(283,992)	8,049,009
Other comprehensive income/(loss):					
Items that will not be reclassified to profit/(loss)					
Gain on remeasurements of defined benefit plans		-	2,458	-	2,458
Gain/(Loss) from investments in equity instruments		(104)	-	(104)	52
Revaluation of property, plant and equipment transferred to investment property		-	3,160	-	3,160
		(104)	5,618	(104)	5,670
Items that may be subsequently reclassified to profit/(loss)					
Currency translation differences		(15,497)	(24,619)	259,306	27,799
		(15,497)	(24,619)	259,306	27,799
Other comprehensive income/(loss) for the period		(15,601)	(19,001)	259,202	33,469
Total comprehensive income/(loss) for the period		3,306,622	2,695,839	(24,790)	8,082,478
Profit/(loss) attributable to:					
- Shareholders of Naftna Industrija Srbije		3,597,919	2,900,047	458,072	8,555,702
- Non-controlling interest		(275,696)	(185,207)	(742,064)	(506,693)
Profit/(loss) for the period		3,322,223	2,714,840	(283,992)	8,049,009
Total comprehensive income/(loss) attributable to:					
- Shareholders of Naftna Industrija Srbije		3,582,318	2,881,046	717,274	8,589,171
- Non-controlling interest		(275,696)	(185,207)	(742,064)	(506,693)
Total comprehensive income/(loss) for the period		3,306,622	2,695,839	(24,790)	8,082,478
Earnings per share attributable to shareholders of Naftna Industrija Srbije					
Basic earnings (RSD per share)		22.06	17.79	2.81	52.47
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

Nine month period ended 30 September 2025 and 2024

<i>(unaudited)</i>	Equity attributable to the Company's owners					Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Total			
Balance as at 1 January 2024	81,530,200	694,603	288,345,242	370,570,045	517,608	371,087,653	
Profit/(loss) for the period	-	-	8,555,702	8,555,702	(506,693)	8,049,009	
Other comprehensive income							
Gain from investments in equity instruments	-	52	-	52	-	52	
Gain on remeasurements of defined benefit plans	-	-	2,458	2,458	-	2,458	
Revaluation of property, plant and equipment transferred to investment property	-	3,160	-	3,160	-	3,160	
Currency translation differences	-	27,799	-	27,799	-	27,799	
Total comprehensive income/(loss) for the period	-	31,011	8,558,160	8,589,171	(506,693)	8,082,478	
Dividend distribution	-	-	(10,478,261)	(10,478,261)	-	(10,478,261)	
Balance as at 30 September 2024	81,530,200	725,614	286,425,141	368,680,955	10,915	368,691,870	

in 000 RSD

<i>(unaudited)</i>	Equity attributable to the Company's owners					Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Total			
Balance as at 1 January 2025	81,530,200	741,832	288,538,150	370,810,182	(254,221)	370,555,961	
Profit/(loss) for the period	-	-	458,072	458,072	(742,064)	(283,992)	
Other comprehensive income/(loss)							
Loss from investments in equity instruments	-	(104)	-	(104)	-	(104)	
Currency translation differences	-	259,306	-	259,306	-	259,306	
Total comprehensive income/(loss) for the period	-	259,202	458,072	717,274	(742,064)	(24,790)	
Dividend distribution	13	-	(4,595,042)	(4,595,042)	-	(4,595,042)	
Balance as at 30 September 2025	81,530,200	1,001,034	284,401,180	366,932,414	(996,285)	365,936,129	

in 000 RSD

Interim Condensed Consolidated Statement of Cash Flows⁷²

	Note	Nine month period ended 30 September	
		2025	2024
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit/(loss) before income tax		(1,681,922)	11,377,270
Adjustments for:			
Share of (profit)/loss in joint ventures		(803,842)	541,055
Finance expenses	23	2,303,652	2,792,436
Finance income	22	(871,756)	(1,469,665)
Unrealised foreign exchange loss, net		458,468	839,762
Depreciation, depletion and amortization		22,222,840	20,440,273
Other non-cash items		(302,061)	193,475
Operating cash flow before changes in working capital		21,325,379	34,714,606
Changes in working capital:			
Trade and other receivables		8,980,171	(116,904)
Inventories		(3,826,910)	(1,529,776)
Other current assets		1,510,810	(5,649,101)
Trade payables and other current liabilities		(6,518,291)	13,507,638
Other taxes payable		7,758,693	3,146,086
Total effect on working capital changes		7,904,473	9,357,943
Income taxes paid		(1,336,724)	(4,570,070)
Interest paid		(2,021,945)	(2,379,337)
Interest received		814,786	2,838,877
		(2,543,883)	(4,110,530)
Net cash generated by operating activities		26,685,969	39,962,019
Cash flows from investing activities			
Capital expenditures ⁷³		(21,510,993)	(42,423,053)
Proceeds from sale of property, plant and equipment		560,812	111,623
Bank deposits proceeds, net		145,967	31,059,893
Other outflow		-	(161,714)
Net cash used in investing activities		(20,804,214)	(11,413,251)
Cash flows from financing activities			
Proceeds from borrowings	12,16	4,464,639	12,055,367
Repayment of borrowings	12,16	(6,627,264)	(9,565,902)
Repayment of lease liabilities	17	(711,356)	(898,433)
Dividends paid		-	(10,478,261)
Net cash used in financing activities		(2,873,981)	(8,887,229)
Net increase in cash and cash equivalents		3,007,774	19,661,539
Effect of foreign exchange on cash and cash equivalents		(178,555)	(745,287)
Cash and cash equivalents as of the beginning of the period		40,736,335	21,484,271
Cash and cash equivalents as of the end of the period	4	43,565,554	40,400,523

in 000 RSD

⁷² Group policy is to present cash flow inclusive of related VAT.

⁷³ CF from investing activities includes VAT in the amount of 2.61 bln RSD (2024: 5.43 bln RSD)

*Notes to the Interim Condensed Consolidated Financial Statements*⁷⁴

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, which assumes that the Group will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, management reviews forecasts of future cash inflows. Based on these reviews, management believes that the Group will be able to continue to operate as a going concern in the foreseeable future (refer to note 2.3. Implication of imposed US Sanctions) and, therefore, this principle should be applied in the preparation of these Interim Condensed Consolidated Financial Statements.

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 Condensed Interim Consolidated Financial Statements, when they become effective. The Group does not expect the amendments to existing standards to have a material impact on the Condensed Interim 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 2024, 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

⁷⁴ All amounts are in 000 RSD, unless otherwise stated.

if these Interim Condensed Consolidated Financial Statements are read in conjunction with the Group's Consolidated Financial Statements for 2024.

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. Due to that during the third quarter 2025 the Group didn't review the critical accounting estimates which are used by the Group in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rates. In particular as of 30 September 2025 the Group didn't review estimation of the recoverable amount of the non-current assets that is determined for the purpose of the impairment testing.

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

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. This designation imposes prohibitions on transactions by US persons or entities with the Group. Additionally, the designation may trigger secondary sanctions for non-US entities that engage in certain types of transactions with the Group starting from the date of designation.

Management has conducted an assessment of the potential implications of these sanctions. However, due to the inherent uncertainties surrounding:

- The scope and enforcement of the sanctions,
- Their durations, and
- The evolving geopolitical and economic environment,

the full impact of the Group's financial position, operations, and performance remains unclear.

As a result, no adjustments have been recognised in these Interim Condensed Consolidated Financial Statements for the reporting period ended 30 September 2025. This includes any impairments, provisions or changes in estimates related to the sanctions.

Although no adjustments have been made, management has identified the following areas where sanctions could have a material impact in the future:

1. **Financial transactions:** restricted access to US dollar transactions and potential limitations on dealings with international financial institutions.
2. **Business relationship:** Potential disruption to relationships with key suppliers, customers, and partners who may be reluctant to engage with the Group due to sanctions compliance.
3. **Revenue and Profitability:** A reduction in revenue if trade activities are constrained or contracts with international counterparties are terminated.
4. **Operational challenges:** Potential delays or additional costs related to supply chain disruptions and sourcing of critical inputs (crude oil, critical equipment etc.)

Management of the Group is actively monitoring these restrictions and is exploring alternative solutions to mitigate any potential adverse effects on its operations and financial performance.

A working group has been formed, involving all key shareholders of the Group, to explore possible solutions aimed at eliminating or reducing the impact of the imposed sanctions while ensuring the long-term sustainability of the Group's operations as a priority.

On 26 February 2025, OFAC (Office for Foreign Assets Control) issued a specific license (Licence No. MUL-2025-1335128-1) that postpones the full implementation of sanctions until 28 March 2025.

On 28 March 2025, OFAC (Office for Foreign Assets Control) issued a second specific license (Licence No. MUL-2025-1355297-1) that postpones the full implementation of sanctions until 28 April 2025.

On 25 April 2025, OFAC (Office for Foreign Assets Control) issued a third specific license (Licence No. MUL-2025-1355297-2) that postpones the full implementation of sanctions until 27 June 2025.

On 26 June 2025, OFAC (Office for Foreign Assets Control) issued fourth specific license (Licence No. MUL-2025-1355297-3) that postpones the full implementation of sanctions until 29 July 2025.

On July 28, 2025, OFAC (Office of Foreign Assets Control) issued the fifth specific license (License No. MUL-2025-1355297-4), that postpones the full implementation of sanctions until August 27, 2025.

On 26 August 2025, OFAC (Office of Foreign Assets Control) issued the sixth specific license (License No. MUL-2025-1355297-5), that postpones the full implementation of sanctions until 26 September 2025.

On 25 September 2025, OFAC (Office of Foreign Assets Control) issued the seventh specific license (License No. MUL-2025-1355297-6), that postpones the full implementation of sanctions until 1 October 2025.

On 30 September 2025, OFAC (Office of Foreign Assets Control) issued the eighth specific license (License No. MUL-2025-1355297-7), that postpones the full implementation of sanctions until 8 October 2025.

This license allows U.S. persons, as well as other individuals, to engage in business activities with NIS or its operational subsidiaries both on the domestic and international level, which primarily includes transactions necessary for the uninterrupted and regular maintenance of business operations, contracts, and other agreements involving NIS or its operational subsidiaries.

On 14 March 2025, a de-listing petition was submitted to OFAC, requesting the removal of NIS from the SDN List (OFAC Case ID: RUSSIA-EO14024-40179). On 28 September 2025, a supplemental request for the removal from the SDN list was submitted to OFAC.

NIS continues to communicate with OFAC and takes necessary actions to ensure that NIS is fully removed from the U.S. SDN (Specially Designated Nationals) list.

3. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the nine month period ended 30 September 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 nine month period ended 30 September 2025 are shown in the table below:

	DWS				Total
	Upstream	Downstream	Petrochemical	Eliminations	
Segment revenue	35,421,337	216,814,176	13,714,156	(36,264,444)	229,685,225
Intersegment	33,844,177	2,420,267	-	(36,264,444)	-
External	1,577,160	214,393,909	13,714,156	-	229,685,225
Adjusted EBITDA (Segment results)	21,780,515	5,869,326	(6,505,339)	-	21,144,502
Depreciation, depletion and amortization	(11,560,448)	(10,033,278)	(629,114)	-	(22,222,840)
Share of profit in joint ventures	-	803,842	-	-	803,842
Net foreign exchange loss	(265,571)	(388,112)	(20,160)	-	(673,843)
Finance expenses, net	(446,031)	(981,944)	(3,921)	-	(1,431,896)
Income tax	(14,466)	1,425,001	(12,605)	-	1,397,930
Segment profit/(loss)	10,348,462	(3,211,815)	(7,420,639)	-	(283,992)

Reportable segment results for the nine month period ended 30 September 2024 are shown in the table below:

	DWS				Total
	Upstream	Downstream	Petrochemical	Eliminations	
Segment revenue	42,551,395	289,721,825	16,421,223	(44,082,623)	304,611,820
Intersegment	41,699,577	2,383,046	-	(44,082,623)	-
External	851,818	287,338,779	16,421,223	-	304,611,820
Adjusted EBITDA (Segment results)	29,754,666	9,639,930	(4,898,649)	-	34,495,947
Depreciation, depletion and amortization	(11,177,645)	(8,727,430)	(535,198)	-	(20,440,273)
Share of loss in joint ventures	-	(541,055)	-	-	(541,055)
Net foreign exchange loss	(108,239)	(493,103)	(15,352)	-	(616,694)
Finance income/(expenses), net	(432,994)	(974,469)	84,692	-	(1,322,771)
Income tax	(180,999)	(3,177,718)	30,456	-	(3,328,261)
Segment profit/(loss)	17,544,478	(4,428,543)	(5,066,926)	-	8,049,009

Adjusted EBITDA for the three and nine month period ended 30 September 2025 and 2024 is reconciled below:

	Three month period ended 30 September		Nine month period ended 30 September	
	2025	2024	2025	2024
Profit/(loss) for the period	3,322,223	2,714,840	(283,992)	8,049,009
Income tax	(21,514)	1,088,607	(1,397,930)	3,328,261
Finance expenses	727,978	979,741	2,303,652	2,792,436
Finance income	(407,017)	(507,304)	(871,756)	(1,469,665)
Depreciation, depletion and amortization	7,482,101	7,180,437	22,222,840	20,440,273
Share of profit/(loss) in joint ventures	(276,366)	(16,837)	(803,842)	541,055
Net foreign exchange loss	59,992	160,687	673,843	616,694
Other expenses/(income), net	107,132	(115,781)	(1,133,317)	(360,724)
Other non-operating expense/(income), net	(41,641)	230,998	435,004	558,608
Adjusted EBITDA	10,952,888	11,715,388	21,144,502	34,495,947

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

	Nine month period ended 30 September	
	2025	2024
Sale of crude oil	74,751	265,671
Sale of gas	105,784	157,906
<i>Wholesale activities</i>	105,784	157,906
Sale of petroleum products	197,178,760	270,484,599
<i>Through a retail network</i>	81,383,107	93,511,290
<i>Wholesale activities</i>	115,795,653	176,973,309
Sale of petrochemical products	13,659,807	16,262,231
Sale of electricity	490,199	761,086
Lease revenue	310,320	271,145
Other sales	17,865,604	16,409,182
Total sales	229,685,225	304,611,820

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 12,392,874 RSD (2024: 12,196,731 RSD).

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

4. CASH AND CASH EQUIVALENTS

	30 September 2025	31 December 2024
Cash in bank and in hand	10,910,414	10,853,600
Deposits with original maturity of less than three months	32,650,701	29,878,687
Cash held on escrow account	-	252
Cash equivalents	4,439	3,796
	43,565,554	40,736,335

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

5. SHORT-TERM FINANCIAL ASSETS

	30 September 2025	31 December 2024
Short-term loans	35,797	31,328
Deposits with original maturity more than 3 months less than 1 year	59,924	214,937
<i>Less impairment loss provision</i>	(2,180)	(2,180)
	93,541	244,085

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

6. TRADE AND OTHER RECEIVABLES

	30 September 2025	31 December 2024
Trade receivables	30,515,942	39,722,066
Other receivables	99,636	92,455
<i>Less impairment provision for trade receivables</i>	(7,367,796)	(7,457,724)
<i>Less impairment provision for other receivables</i>	(45,292)	(27,827)
	23,202,490	32,328,970

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

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

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

7. INVENTORIES

	30 September 2025	31 December 2024
Crude oil	22,207,577	20,006,952
Petroleum products	27,367,716	25,577,057
Materials and supplies	9,518,662	10,035,547
Other	1,875,273	1,697,901
<i>Less impairment provision</i>	<i>(5,038,191)</i>	<i>(5,130,666)</i>
	55,931,037	52,186,791

8. OTHER CURRENT ASSETS

	30 September 2025	31 December 2024
Advances paid	1,191,549	1,868,542
VAT receivables	595,884	380,208
Deferred VAT	1,234,418	4,115,321
Prepaid expenses	341,756	491,889
Prepaid custom duties	74,301	76,332
Prepaid excise	8,601,524	6,724,022
Other current assets	8,404,267	8,262,099
<i>Less impairment provision</i>	<i>(7,508,608)</i>	<i>(7,516,729)</i>
	12,935,091	14,401,684

Deferred VAT as at 30 September 2025 amounting to 1,234,418 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 30 September 2025 amounting to 8,601,524 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
As at 1 January 2025						
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)
Net book value	152,891,475	97,666,003	41,576,889	7,913,740	36,913,032	336,961,139
Period ended 30 September 2025						
Additions	14,227,417	2,659,453	4,914,196	290,636	(1,395,313)	20,696,389
Changes in decommissioning obligations	175,830	-	-	-	-	175,830
Depreciation	(11,059,237)	(7,594,222)	(2,130,614)	(385,337)	-	(21,169,410)
Impairment	-	-	-	-	(38,341)	(38,341)
Transfer to intangible assets	-	-	-	-	(703)	(703)
Transfer to non-current assets held for sale	-	-	(2,986)	(119,451)	-	(122,437)
Disposals and write-off	(11,598)	(33,931)	(43,099)	(777)	(5,447)	(94,852)
Other transfers	232	(758)	(13,107)	18,126	(508,727)	(504,234)
Translation differences	(90,739)	-	(25,898)	-	(100,061)	(216,698)
	156,133,380	92,696,545	44,275,381	7,716,937	34,864,440	335,686,683
As at 30 September 2025						
Cost	291,963,144	195,115,877	88,937,120	17,724,617	35,581,824	629,322,582
Depreciation and impairment	(135,829,764)	(102,419,332)	(44,661,739)	(10,007,680)	(717,384)	(293,635,899)
Net book value	156,133,380	92,696,545	44,275,381	7,716,937	34,864,440	335,686,683

10. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the nine months ended 30 September 2025 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2025	112,221	1,263,250	283,430	2,215,155	3,874,056
Additions	-	53,664	84,612	87,005	225,281
Depreciation	(8,113)	(173,924)	(87,058)	(263,616)	(532,711)
Transfers	-	-	293	(293)	-
Disposals	-	(49,109)	(1,249)	(6,194)	(56,552)
Effect of contract modifications and changes in estimates	-	9,974	23,397	(770)	32,601
Foreign currency translation	(1,861)	559	4	(10)	(1,308)
As at 30 September 2025	102,247	1,104,414	303,429	2,031,277	3,541,367

11. OTHER NON-CURRENT ASSETS

	30 September 2025	31 December 2024
Advances paid for PPE	2,042,381	3,033,702
Prepaid expenses	59,368	76,833
Other assets	928,857	911,737
<i>Less allowance for other assets</i>	<i>(273,235)</i>	<i>(282,135)</i>
<i>Less allowance for advances paid</i>	<i>(212,493)</i>	<i>(232,739)</i>
	2,544,878	3,507,398

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

	30 September 2025	31 December 2024
Interest liabilities	178,704	210,851
Current portion of long-term loans (note 16)	31,542,663	8,815,829
	31,721,367	9,026,680

13. TRADE AND OTHER PAYABLES

	30 September 2025	31 December 2024
Trade payables	13,498,890	18,141,740
Dividends payable	8,378,395	3,783,398
Other accounts payable	1,696,627	44,296
	23,573,912	21,969,434

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.

14. OTHER CURRENT LIABILITIES

	30 September 2025	31 December 2024
Contract liabilities arising from contracts with customers:		
- Advances received	3,746,549	5,462,225
- Customer loyalty	1,133,258	1,032,331
- Deferred income	109,088	115,376
Payables to employees	3,930,457	6,517,437
Other current non-financial liabilities	242,047	296,011
	9,161,399	13,423,380

Revenue in the amount of 5,489,852 RSD recognized in the current reporting period (30 September 2024: 5,127,589 RSD) related to the contract liabilities as at 1 January 2025, of which 4,863,422 RSD (30 September 2024: 4,581,981 RSD) related to advances and 626,430 RSD (30 September 2024: 545,608 RSD) to the customer loyalty programme.

15. OTHER TAXES PAYABLE

	30 September 2025	31 December 2024
Mineral extraction tax	477,567	445,228
VAT	3,659,844	2,913,503
Excise tax	7,911,621	8,614,381
Contribution for State commodity reserves	294,435	348,237
Custom duties	109,921	86,287
Energy efficiency fee	34,192	45,956
Other taxes	925,053	1,900,231
	13,412,633	14,353,823

16. LONG-TERM DEBT

	30 September 2025	31 December 2024
Bank loans	63,127,258	65,159,107
Other long-term borrowings	891,203	872,399
<i>Less current portion (note 12)</i>	<i>(31,542,663)</i>	<i>(8,815,829)</i>
	32,475,798	57,215,677

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

	Nine month period ended 30 September	
	2025	2024
Long-term loans at 1 January	65,159,107	65,223,168
Proceeds	4,464,639	12,055,367
Repayment	(6,627,264)	(8,745,902)
Non-cash transactions	28,051	(106,152)
Foreign exchange difference (note 21)	102,725	(47,700)
Long-term loans at 30 September	63,127,258	68,378,781

Bank loans

	30 September 2025	31 December 2024
Total bank loans	63,127,258	65,159,107
Current portion	(31,542,663)	(8,815,829)
	31,584,595	56,343,278

The maturity of bank loans was as follows:

	30 September 2025	31 December 2024
Between 1 and 2 years	7,789,840	30,987,592
Between 2 and 5 years	23,423,146	24,567,096
Over 5 years	371,609	788,590
	31,584,595	56,343,278

The carrying amounts of bank loans in the amount of 63,127,258 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. Management believes the Group is in compliance with these covenants as of 30 September 2025 and 31 December 2024, respectively.

The loan agreements also contain prepayment covenants in the event international sanctions are imposed against the Group. Given the current geopolitical environment and the associated sanction-related risks, there is uncertainty regarding the potential future application of this clause. Should the provision be triggered, the Group may be required to prepay the outstanding loan amount of approximately EUR 483 million. The maturity of the provided financing is aligned with the validity of licenses issued by OFAC. The Group is continuously monitoring the situation and conducting assessments in coordination with its legal advisors.

Other long-term borrowings in the amount of 891,203 RSD (31 December 2024: 872,399 RSD) mainly relate to the corporate bonds.

17. LEASE LIABILITIES

	30 September 2025	31 December 2024
Non-current lease liabilities	2,148,568	2,620,846
Current lease liabilities	1,004,569	934,141
	3,153,137	3,554,987

Amounts recognized in profit and loss:

	Nine month period ended 30 September	
	2025	2024
Interest expense (included in finance cost) (note 23)	107,484	126,674
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	96,262	141,579
Expense relating to leases of low value assets that are not shown above as short-term leases	52,829	75,197
Expense relating to variable lease payments not included in lease liabilities	1,808,293	1,848,114

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

	Nine month period ended 30 September	
	2025	2024
As at 1 January	3,554,987	3,935,015
Repayment	(711,356)	(898,433)
Non-cash transactions	304,859	693,872
Foreign exchange difference (note 21)	4,647	(5,521)
As at 30 September	3,153,137	3,724,933

18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Employee costs	3,822,648	3,630,518	11,290,307	10,439,404
Materials and supplies (other than O&G and petroleum products)	1,077,755	947,857	3,037,333	2,724,838
Repair and maintenance services	1,331,642	1,371,188	3,518,444	4,563,913
Electricity for resale	28,856	36,811	74,141	73,872
Electricity and utilities	4,456,708	4,189,297	12,609,168	12,331,709
Safety and security expense	131,624	160,187	574,573	248,179
Transportation services for production	200,193	142,916	562,811	485,046
Other	2,150,558	2,193,474	6,022,951	3,542,739
	13,199,984	12,672,248	37,689,728	34,409,700

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

19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Employee costs	6,014,828	5,781,306	17,695,650	17,023,057
Commission and agency fees	195,663	188,781	588,765	550,014
Legal, audit and consulting services	261,331	224,913	721,994	611,414
Current repair cost	384,030	372,239	1,198,372	1,061,048
Costs on advertising and marketing	95,883	113,985	270,761	304,831
Electricity and utilities	271,527	235,757	817,651	793,334
Rent expense	24,457	30,507	53,728	103,799
Business trips expense	44,787	114,649	126,064	287,353
Safety and security expense	333,333	323,179	931,111	871,007
Insurance expense	21,190	32,882	71,744	105,381
Transportation and storage	54,141	65,148	180,648	229,514
Allowance for doubtful accounts	40,562	(161,935)	(16,832)	(292,336)
Other	1,299,204	1,339,732	3,750,509	3,838,551
	9,040,936	8,661,143	26,390,165	25,486,967

Other expenses in the amount of 3,750,509 RSD (2024: 3,838,551 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

20. OTHER INCOME/(EXPENSE), NET

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2025	2024	2025	2024
Penalties	61,436	154,507	96,482	431,732
(Charge)/release of provisions (legal, environmental, etc.), net	(91,244)	(143,808)	1,065,734	(397,997)
Impairment of non-financial assets	(7,756)	(15,867)	(83,249)	(22,488)
Gain from write-off of accounts payable	2,030	46,743	5,407	256,287
ARO - Change in estimate	5,637	-	5,637	-
Charity and social payments	(20,478)	(6,755)	(31,121)	(25,005)
Other	(56,757)	80,961	74,427	118,195
	(107,132)	115,781	1,133,317	360,724

Release of provision mainly relates to a legal assessment, supported by external counsel, indicating that the obligation, originally recognised in prior years, is no longer expected to be settled.

21. NET FOREIGN EXCHANGE LOSS

	Three month period ended		Nine month period ended	
	30 September 2025	2024	30 September 2025	2024
Foreign exchange gain/(loss) on financing activities including:				
- foreign exchange gain (note 16 and 17)	84,709	143,897	219,056	251,146
- foreign exchange loss (note 16 and 17)	(97,037)	(163,007)	(326,428)	(197,925)
Net foreign exchange loss on operating activities	(47,664)	(141,577)	(566,471)	(669,915)
	(59,992)	(160,687)	(673,843)	(616,694)

22. FINANCE INCOME

	Three month period ended		Nine month period ended	
	30 September 2025	2024	30 September 2025	2024
Interest on bank deposits	404,535	386,253	862,472	1,343,597
Interest income on loans issued	2,482	3,255	9,284	8,272
Gains on restructuring of borrowings	-	117,796	-	117,796
	407,017	507,304	871,756	1,469,665

23. FINANCE EXPENSES

	Three month period ended		Nine month period ended	
	30 September 2025	2024	30 September 2025	2024
Interest expense	687,721	967,258	2,211,468	2,721,903
Losses on restructuring of borrowings	10,259	3,713	28,051	11,643
Decommissioning provision: unwinding of the present value discount	38,172	39,215	110,211	114,130
Provision of trade and other non-current receivables: discount	(8,174)	(6,775)	(37,584)	8,922
Less: amounts capitalised on qualifying assets	-	(23,670)	(8,494)	(64,162)
	727,978	979,741	2,303,652	2,792,436

Interest expense includes expenses on lease liabilities in the amount of 107,484 RSD for the nine months ended 30 September 2025 (126,674 RSD for the nine months ended 30 September 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), 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:

	Nine month period ended	
	30 September 2025	2024
Current income tax expense	(1,008,128)	(3,760,365)
Effect of tax consolidation (2024)	1,668,167	-
Deferred income tax	737,891	432,104
Total income tax	1,397,930	(3,328,261)

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 30 September 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 result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 30 September 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 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 350,951 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 30 September 2025 the Group has entered into contracts to purchase property, plant and equipment in the amount of 3,219,194 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.

At the date of authorization of these financial statements, the conditions precedent had not yet been fulfilled.

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 nine month period ended 30 September 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 30 September 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
As at 30 September 2025			
Short-term financial assets	-	33,778	-
Trade and other receivables	-	296,277	20,174
Investments in joint venture	-	-	3,426,929
Trade and other non-current receivables	-	-	835,713
Other current assets	-	28,464	-
Trade and other payables	-	(10,924)	(421,143)
Other current liabilities	-	(60,740)	(241)
	-	286,855	3,861,432
As at 31 December 2024			
Short-term financial assets	-	29,309	-
Trade and other receivables	-	262,268	51,017
Investments in joint venture	-	-	2,623,087
Trade and other non-current receivables	-	-	826,117
Other current assets	-	70,492	469,713
Trade and other payables	-	(166,304)	(510,158)
Other current liabilities	-	(117)	(389)
	-	195,648	3,459,387

For the nine month period ended 30 September 2025 and 2024 the following transactions occurred with the related parties:

	Parent	Parent's subsidiaries and associates	Joint venture
Nine month period ended 30 September 2025			
Revenues from sales of products and services	-	437,710	90,067
Expenses based on procurement of products and services	-	(161,353)	(1,129,822)
Other income, net	-	1,828	1,640
	-	278,185	(1,038,115)
Nine month period ended 30 September 2024			
Revenues from sales of products and services	-	158,502	197,685
Expenses based on procurement of products and services	-	(625,411)	(2,070,514)
Other income/(expenses), net	-	2,827	(17,283)
	-	(464,082)	(1,890,112)

29. EVENTS AFTER THE REPORTING DATE

On 9 October 2025, the Office of Foreign Assets Control (OFAC) did not extend the specific license that had previously postponed the full implementation of sanctions until 8 October 2025. As a result, the sanctions became effective, with a potentially adverse impact on the Group's operations.

Throughout the year, the Group has undertaken extensive scenario planning and mitigation efforts to ensure business continuity and secure the uninterrupted supply of petroleum products to the domestic market. These efforts included preparations for a full sanctions regime. However, the full impact of the sanctions on the Group's operations and financial position cannot be reliably estimated at this stage, and operational plans will be adjusted accordingly.

The Group continues to actively cooperate with its shareholders, including the Government of the Republic of Serbia, with the aim of identifying appropriate solutions to exit the current situation and ensure the long-term sustainability of its operations.

Statement of individuals responsible for the preparation of report

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

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

Anton Cherepanov



Deputy CEO,
Head of Function for Finance, Economics,
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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 ₂	Carbon Dioxide
DWS	Downstream
EBITDA	Earnings before interest, Taxes, depreciation and amortisation
EPS	Earnings per share
EU	European Union
EUR	Euro
HR	Human Resources
HSE	Health, Safety and the Environment
IRMS	Integrated Risk Management System
IT	Information Technology
j.s.c. or JSC	Joint Stock Company
LLC or llc	Limited Liability Company
LPG	Liquefied Petroleum Gas
LTIF	Lost Time Injury Frequency
m ²	Square meter
m ³	Cubic meter
MW	Megawatt, SI unit of electricity
OCF	Operating Cash Flow
OPEC	Organization of the Petroleum Exporting Countries
OPEX	Operational Expenditure
P/BV	Price/Book Value
P/E	Price/EPS
RSD	Serbian Dinar
SDN	Specially Designated Nationals
SNNP	Sa nama na putu cart (On the road with us card)
STC	Scientific and Technological Centre
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.