

A low-angle photograph of an industrial facility, likely a refinery or chemical plant, with several tall distillation columns and complex piping. The image is overlaid with a large, thick white arc that curves across the middle. The entire scene is tinted with a blue color.

**QUARTERLY REPORT FOR
FIRST QUARTER OF 2026**

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

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

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

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

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Foreword

In the first quarter of 2026, the NIS Group operated under highly complex conditions, particularly in view of the newly emerging circumstances on the global oil and gas market. During this period, the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury issued three specific licenses to NIS for the performance of operational activities, with the latest operational licence valid until 16 June of the current year. OFAC also issued a licence permitting negotiations on changes to the ownership structure of NIS, valid until 22 May 2026.

The operations of the NIS Group in the reporting period were also affected by global developments affecting the oil industry, especially with regard to the procurement of crude oil. Under such conditions, the priority of the NIS Group was the preservation of stability in the domestic market of petroleum products and the social stability of its employees. The NIS Group continued with cost-saving measures and optimisation at all levels, while not abandoning strategic projects essential for the safe and stable operation of the Company. Given the complex conditions in which NIS operates, maintaining financial discipline will remain one of the Group's key focuses until the end of the year, alongside efforts to secure a long-term operational licence.

In the first three months of 2026, the NIS Group managed to maintain EBITDA at a positive level of RSD 11 billion. At the same time, a net profit of RSD 2.8 billion was achieved, partly due to the effect of lower-cost oil inventories and rising oil prices on the global market. Operating cash flow amounted to RSD 16.7 billion.

It is important to point out that the NIS Group continued investing in capital projects during the first quarter of 2026. A total of RSD 6.3 billion was invested, primarily in the exploration and production of oil and gas.

Following the shutdown of the Pančevo Oil Refinery at the beginning of December 2025 due to sanctions, start-up activities commenced in January, enabling the re-establishment of commercial operation of production facilities. The shutdown affected the reduction of crude oil and semi-finished product refining volumes, which amounted to 642.8 thousand tonnes in the first quarter of 2026. As expected, the total sales volume of petroleum products also decreased compared to the first quarter of 2025, amounting to 592.2 thousand tonnes. Oil and gas production amounted to 280.3 thousand tonnes of oil equivalent, representing a slight increase compared to the comparative reporting period.

Even under these complex conditions, in cooperation with partners, NIS continued to promote innovative and digital fuel payment methods, enabling consumers to benefit from payments via the IPS method.

At the same time, in the first quarter of 2026, NIS continued to support socially responsible projects and to invest in young people.

Management Business report

Highlights

January

Drilling of 6 development wells completed

6 new development wells commissioned (5 oil wells and 1 gas well)

An addendum to the contract signed with Banatski Dvor Underground Gas Storage Facility for drilling 8 additional wells

The Drilling Brigades competition was organised with the aim of promoting and motivating employees at drilling rigs, as well as raising awareness of HSE culture and occupational safety during drilling operations

After obtaining the specific license authorising NIS transactions from the U.S. Treasury Department on 31 December 2025, crude oil was delivered to the Pančevo Oil Refinery in January 2026

In the Pančevo Oil Refinery, after the suspension of operations due to sanctions, the commercial operation of production units was restored

Implementation of the project for preparing Smederevska Palanka 1 PS to be reintegrated into the network

Upon the Company's request, on 23 January 2026, OFAC issued a specific license, valid until 20 February 2026

February

Drilling of 5 development wells, including 2 horizontal wells completed

3 new development wells commissioned

The project of Tošin bunar PS renovation continued

In complex circumstances, NIS remained a reliable partner for retail clients, ensuring steady supply and innovative services

NIS Group's performance results in 2025 published

The Grammar School in Aleksinac presented a certificate of appreciation to NIS for improving the conditions for education and a long-term support to bilingual Serbian-Russian classes

Upon the Company's request, on 20 February 2026, OFAC issued a specific license, valid until 20 March 2026

March

Drilling of 6 development wells, including 2 horizontal wells completed.

10 new development wells: 9 oil wells and 1 gas well commissioned.

In the first quarter, a total of 17 development wells were drilled in Serbia, while 19 development wells were commissioned.

The Production Service Center was modernised by purchasing a contemporary cementing unit

A promotional campaign offering lower retail fuel prices for IPS payments (5 RSD/l) launched. In cooperation with partners NIS continued to promote innovative and digital fuel payment methods, offering benefits to clients when using the IPS payment method

The large-scale NISOTEC campaign, running from mid-March to mid-April, continues. Over 40 NISOTEC products are 20% off. The campaign is promoted via online communication channels

Upon the Company's request, on 19 March 2026, OFAC issued a specific license, valid until 17 April 2026¹.

¹ Upon the Company's request, OFAC issued a special operating license on 17 April 2026, valid until 16 June 2026.

Group NIS

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

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

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

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

Business activities

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

Exploration and Production Block

Exploration and Production

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

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

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

The plant for the natural gas conditioning, LPG and gasoline production, and CO₂ stripping, based in Elemir, near Zrenjanin, operates as part of the Exploration and Production Block. The amine unit for natural gas processing using the high pressure acidgas capture technology is also located in Elemir. The method of gas processing employed in this unit completely prevents carbon dioxide emissions into the atmosphere, providing significant environmental benefits in addition to the business effects.

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

In 2025, NIS continued to implement digital projects in the field of oil and gas exploration and production and improved the work of the Production Management Center with investments worth more than EUR 2 million.

In the field of exploration and production, the NIS Group receives scientific and technological support from the Scientific and Technological Centre (STC NIS – Naftagas LLC Novi Sad). NIS thus continued to use innovative technologies in the field of oil and gas exploration and production and carried out drone surveying of the well stock and aboveground infrastructure in the Kikinda and Elemir oil fields. This method enables fast and efficient

collection of data from the field, and the obtained data will serve geologists as a basis for further geological and exploration works and the development of detailed models of the location.

Oil Services

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

Downstream

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

Refining

NIS operates the Pančevo Oil Refinery which has been producing since 1968 and is now one of the most contemporary and environmentally most developed processing plants in the region, with a maximum designed capacity of 4.8 million tonnes per year. Since 2009, more than EUR 900 million have been invested in the modernisation of the Refinery, with significant funds allocated for environmental protection projects. The Pančevo Oil Refinery produces: motor fuels meeting the Euro-5 standard, aviation fuel, liquefied petroleum gas, petroleum coke, fuel oil, bitumen, propylene, aromatics, straight-run gasoline for pyrolysis and other petroleum products (sulphur and other hydrocarbons).

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

Sales and Distribution

NIS operates a network of more than 400² petrol stations in Serbia and the countries of the region. NIS operates the largest retail network in the country, and also engages in retail sales in the neighbouring countries - Bosnia and Herzegovina, Bulgaria and Romania.

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

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

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

In 2025, NIS modernised its petroleum product transport fleet.

After successful functional tests, the Niš Oil Depot was put into trial operation in June 2025. The total value of the investment is around EUR 44 million.

² With the entry into force of sanctions in full, on 09.10.2025, the operation of petrol stations in Bulgaria was temporarily suspended.

In addition to the initially planned reconstruction of the oil depot, NIS has simultaneously built three new tanks (5,000 m³ each), enabling the oil depot to fully meet the requirements of the southern Serbian market and the Constantine the Great Airport. Four new tank trucks have been introduced at the Belgrade Aviation Services. Part of the works has been carried out simultaneously with the Pančevo Refinery turnaround; therefore, NIS has made additional efforts to ensure smooth market supply. In order to continue developing services at NIS retail stores, Post of Serbia parcel lockers have been set up at 150 petrol stations across Serbia.

Energy

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

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

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

Starting in 2013, NIS built small gas-fired power plants with an installed capacity of 16.5 MWe in its oil and gas fields at nine locations in Serbia. The environmental advantage of these plants lies in electricity and thermal energy generation from gas that was not previously used due to poor quality, large content of carbon dioxide and nitrogen, or could not be valorised due to the lack of gas infrastructure. The heat and electricity produced are used for the needs of NIS, while the electricity is also sold on the market. Following the positive trend and experience gained, the Banatsko Miloševo small gas-fired power plant was put into operation in 2025.

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

Currently, the Company's total active solar capacity is 11.3 MW. The expected savings in greenhouse gas emissions from these projects will exceed 15,000 tonnes of CO₂ equivalent annually.

HIP-Petrohemija

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

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

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

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

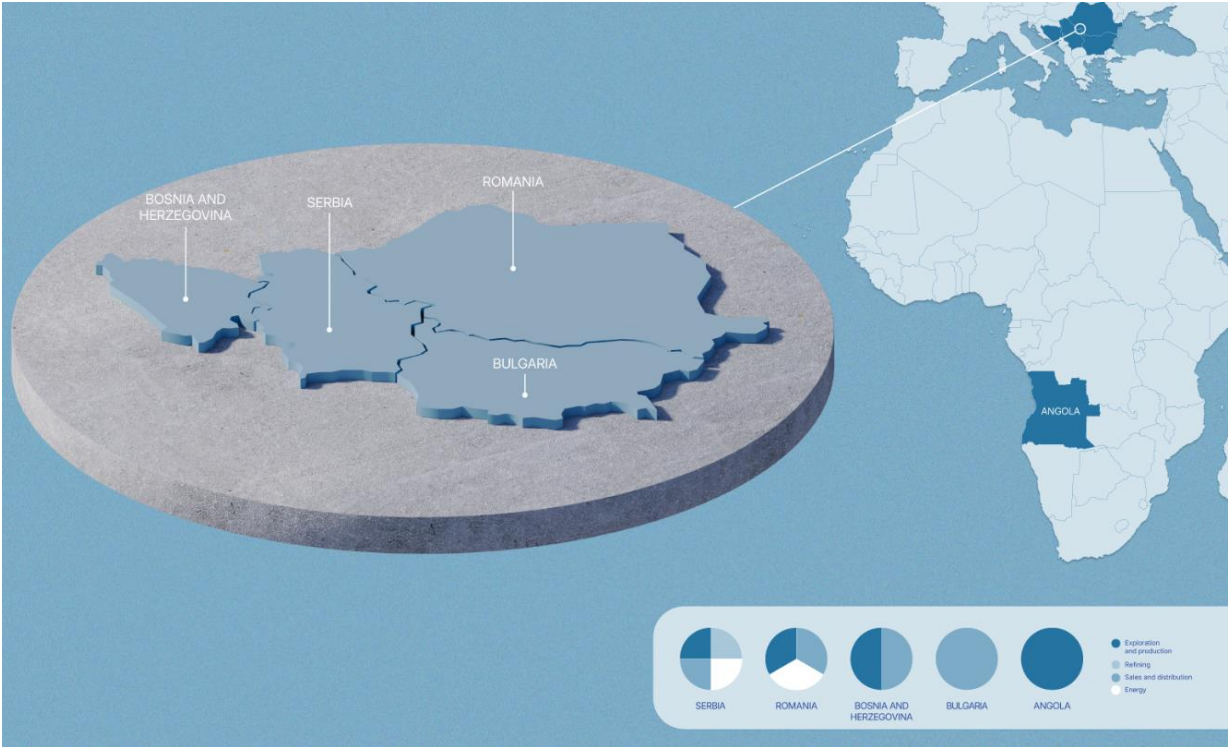
Base products that are not processed in the “HIP Petrohemija” (propylene, pyrolysis oil, pyrolysis gasoline) are the starting point for numerous other uses in the chemical and processing industry.

Technical Services

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

NIS worldwide

Apart from Serbia, NIS also operates oil and gas exploration and production facilities in the neighbouring Romania and Bosnia and Herzegovina, and carries out retail activity in Bosnia and Herzegovina, Bulgaria³, and Romania. Moreover, NIS has expanded its activities in the field of electricity trading to regional markets.



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

Risk management

Integrated risk management system

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

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

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

Non-financial risks

<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 key for efficient operations of the Company.	The Company is implementing a broad range of activities aimed at attracting and retaining qualified staff. Some of the measures to attract qualified personnel include: early recruitment programmes (cooperation with educational institutions, scholarships), "NIS Calling" and "NIS Energy" programmes. The employee retention programmes include: talent management programme, talent development programme, professional training of employees, performance- and potential-based employee assessment – identifying talents and defining the succession plan for key positions in the Company, training for managers, and introduction of a unique talent management system.
<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, including IT standards and system monitoring tools, performs data backups and tests the service recovery process. In addition, the Company strives to monitor and implement new technologies and renew equipment in order to increase quality and continuity of service availability.

Information security risks

The Company is exposed to business risks stemming from potential breaches of integrity, confidentiality, and availability of information.

Information protection within the Company comprises activities that, through information handling, have a positive impact on business operations by maintaining continuity of business processes and minimising operational risks.

The Company's information protection system is a comprehensive set of rules prescribed by regulatory and normative-methodological documents, specific organisational and technical measures, and activities aimed at provision and monitoring enforcement of the prescribed security measures.

Project risks

A consistent and transparent risk management process has been established within the NIS Group for the implementation of investment projects, fully aligned with the PMI (*Project Management Institute*) standards.

Effective project risk management is reflected in maximising the probability and impact of positive events and minimising the probability and impact of negative events on the projects, resulting in the development of more realistic project management plans and increasing the likelihood of achieving the defined project objectives.

A detailed risk management plan is developed within the planning and preparation phase for each investment project. Special attention is paid to the identification of risks that are of material importance to a particular investment project, analysis of identified risks (qualitative and quantitative analysis), planning of the "response strategy", or adequate measures (by defining preventive activities, corrective and contingency action plans), determination of the tolerance level for identified risks, and appointment of persons responsible for the implementation of these measures and persons responsible for the regular review of project risks. All of the above is consolidated into a dedicated Project Risk Register.

Political risks

Frequent changes and the tightening of sanction regimes may further impact the Group's operations. On 10 January, 2025, the Company was placed on the SDN (Specially Designated Nationals) list by OFAC (*Office of Foreign Assets Control*).

In the first quarter of 2026, the Company received three specific licenses from OFAC, which enabled smooth business operations⁴.

However, the future effects are difficult to predict, and management's current expectations and estimates may differ from actual results.

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

⁴ On 17 April 2026, OFAC also issued the fourth special license for the Company in 2026, which enables operations until 16 June 2026.

Financial risks

RISK DESCRIPTION	RISK MANAGEMENT MEASURES
Credit risks	
<p>Credit risk arise in connection with cash funds, deposits with banks and financial institutions, intercompany loans/loans to third parties, and in the sale of petroleum products with deferred payment.</p>	<p>Credit risk management is established at the level of the NIS Group. With respect to credit limits, banks are ranked according to adopted methodologies applicable to major and other banks, in order to determine the Company's maximum exposure limit to the bank at any given time (through deposits, documentary instruments: bank guarantees, Letters of Credit, etc. issued for the benefit of NIS j.s.c. Novi Sad).</p> <p>With regard to accounts receivable, there is a credit limit methodology in place, which serves to define the level of exposure in relation to individual customers, relative to their financial indicators.</p>
Liquidity risks	
<p>Liquidity risk is a risk of NIS Group encountering difficulty in meeting its due liabilities. It is the risk of not having sufficient funds to finance the NIS Group's business operations.</p>	<p>NIS Group continually monitors liquidity in order to provide sufficient cash for its operational, investment and financial activities. To this end, the Group continually contracts and secures sufficient lines of credit and security instruments, ensuring that the internally defined maximum allowable credit debt level is not exceeded and that all its obligations under commercial bank arrangements (covenants) are met.</p>
Commodity-price risks	
<p>Due to its core activity, NIS Group is exposed to risks associated with price volatility, specifically changes in the price of crude oil, petroleum and petrochemical products, which affects the value of inventories and margins in oil refining and the production of petrochemical products, which further affects the future cash flows.</p>	<p>These risks are partly offset by adjusting petroleum product selling prices to the changes in oil and petroleum product prices.</p> <p>In addition, the following actions are undertaken to reduce a potentially negative effects of this risk on the financial result of the Company:</p> <ul style="list-style-type: none"> • Annual planning based on multiple scenarios, monitoring and timely adjustment of operational plans for crude oil procurement; • Regular sessions of Company's Commission in charge of crude oil purchase/sale to discuss all major topics; • Continuous, intensive check of new potential suppliers through procedural verification based on inquiries and letters of interest submitted to NIS; • Maximum effort to ensure a continuous supply of crude oil despite the restrictive conditions, providing both the required quantities and the type of crude oil that would correspond to refining plans and the product portfolio; • Continuous efforts to optimise processes and striving for the best possible economic effects and indicators; • Monitoring market conditions throughout the calendar year and collecting information from foreign companies that are established and reliable traders in the European market and beyond, in order to better understand the potential conditions for the implementation and execution of spot purchases.

Foreign exchange risks

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

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

Interest rate risks

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

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

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

Business environment

World

As a result of the geopolitical situation and conflicts in the Middle East, the global market is facing a potential stagflation scenario. Energy prices, inflation, and interest rates are rising, while, at the same time, economic activity at the global level is stagnating or weakening. The effects of the Middle East crisis are most felt in Asia, Europe is most exposed in the long term due to energy dependence, while the US is relatively more resilient due to its own energy production but is still feeling the consequences through higher price of petroleum products, financial impacts, and weakening global demand.

Oil production of OPEC+ members in January 2026 decreased by 439,000 barrels per day compared to December 2025. This was, among other things, attributable to a decline in oil production in Kazakhstan. Iran and Venezuela also recorded a significant drop in production in January compared to December 2025. In February, the oil production of the OPEC+ countries increased by 445,000 barrels per day compared to January, while in March, compared to February, it dropped drastically by 7.3 million barrels per day, as a result of the armed conflicts in the Middle East and the blockade of the Strait of Hormuz. The relatively small crude oil storage capacities in the Middle East countries forced producers to cut output further.

Since the beginning of March, the passage of tankers through the Strait of Hormuz has been closed, through which about 20% of the world's oil and gas passed, as well as other commodities such as artificial fertilisers and helium. This caused significant shortages on the market and led to price increases.

Emergency measures were undertaken, and the International Energy Agency (IEA) coordinated the release of around 400 million barrels of oil from the strategic reserves of member states, in order to alleviate market shortages and contain price growth.

Goldman Sachs estimates that the market has experienced one of the largest oil supply disruptions in history, particularly in oil transportation, but a gradual stabilisation of the market is expected in the remainder of the year.

After reducing its forecast of global oil demand growth at the beginning of the year, the US EIA revised its growth forecast to about 1.1 mb/d in the latest report (the total consumption in 2026 is estimated at around 105 mb/d). OPEC traditionally has more optimistic forecasts of oil demand growth of around 1.4 mb/d, despite uncertainties in energy markets and slowing economic growth. The International Energy Agency, which has provided the most accurate projections in recent years, currently has the lowest growth forecast of 0.9 mb/d. It is important to note that not all forecasts include the impact of the Middle East crisis, which could further reduce oil demand.

The IMF estimates that the rise in energy prices represents a key risk – in the short term it raises inflation, and if prolonged, it may significantly slow down global economic growth. The final effect depends on the duration and intensity of the shock on the energy market.

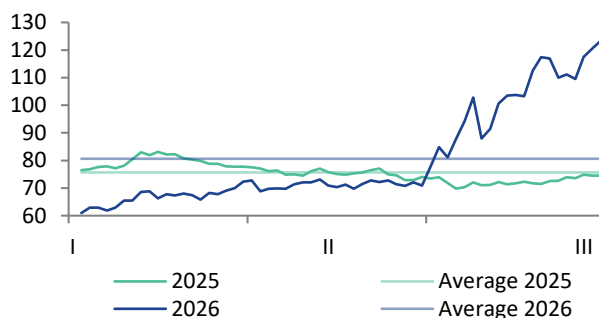
Oil and petroleum products markets

In the first quarter, the oil market went through two phases: initial stability in January and February with average Brent oil prices around 67–71 USD/bbl and sharp growth in March, when prices exceeded 100 USD/bbl due to geopolitical tensions in the Middle East and disruptions in supply, with short-term spikes above 110 USD/bbl. Despite this strong increase, the average oil price in the first quarter of 2026 was at the level of about 81 USD/bbl. The highest price in this quarter was recorded in late March (127 USD/bbl), and the lowest in early January (61 USD/bbl). The average oil price was by 6.5% higher than the average in the same period of 2025, while the maximum price was also higher by 53%.

⁵ 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*.

According to Goldman Sachs estimates, although oil prices rose sharply during the first quarter, they are expected to stabilise during the remainder of the year, with an average Brent oil price of about 85 USD/bbl, and WTI of 79 USD/bbl. They state that Brent prices could peak at 135 USD/bbl in the event of prolonged supply disruption due to the blockade of the Strait of Hormuz and reduced production in Middle East countries.

Brent Dtd⁶ price trends, \$/bbl



The EIA estimates that oil prices will remain at the level of about 95 USD/bbl for about two more months, but will stabilise during the year at 80 USD/bbl (in the third quarter) and about 70 USD/bbl by the end of the year.

Prices of petroleum products on the market increased more than crude oil, as the transport of ~3.3 mb/d of refined products from the Strait of Hormuz was also blocked. Middle distillates (diesel and jet fuel) were disproportionately affected, given the current shortage of Gulf and Russian crudes with high middle distillate yields.

Thus, for example, the petrol crack spread in March remained the same compared to the January–February average (1.24 versus 1.27), while for diesel it increased significantly from 1.3 in January and February to 1.5 in March, and for jet fuel from 1.38 to 1.88.

Natural gas markets

After Qatar temporarily suspended LNG production during March, due to armed conflicts, gas prices rose sharply in European and Asian markets. For example, the European, TTF gas price recorded an increase of nearly 45% in a single day. Prior to the Iranian crisis, the gas market expected a surplus, and the average TTF price for January and February was 27.6 EUR/MWh, while on 16 March it reached 61.3 EUR/MWh. Europe remains dependent on gas imports (primarily from the United States, Qatar, Norway, etc.). The futures market expects the European TTF gas price in the second half of 2026 to be around 51.9 EUR/MWh).

The extremely cold January in the United States led to a strong increase in natural gas demand which pushed natural gas prices up to 7.7 USD/MMBtu. In February, the situation stabilised and the gas price was more moderate compared to January, with an average of 3.6 USD/MMBtu, while in March the situation returned to previous levels, with prices around 3.05 USD/MMBtu, confirming that the Middle Eastern crisis did not significantly affect gas prices in the United States.

Petrochemical market

The petrochemical market was also strongly affected by geopolitical disruptions and changes in supply chains. Concerns increased regarding the availability of key raw materials and exports from the crisis region, which is significant for the global supply of petroleum products and petrochemical raw materials.

The aforementioned conflicts in the Middle East also caused significant disruptions in the supply of feedstocks and polymers. The inability to export ethylene and polyethylene from the region increased market prices. The price of ethylene in the United States rose by 7% at the beginning of January. In Europe, in March, margins for the production of low-density and high-density polyethylene recorded a sharp increase of over 80% compared to February, as a consequence of the Middle East conflicts. More precisely, low-density polyethylene increased by 81%, while high-density polyethylene increased by 82% compared to February margins.

In a broader sense, the market showed uneven dynamics: some regions had relatively more stable and competitive production thanks to domestic raw materials (USA), while others were exposed to higher cost pressure, especially in Europe and Asia. Manufacturers faced rising input costs, while customers in the supply chain accepted higher prices due to limited supply. The impact on the United States is small due to the availability of domestic raw materials (natural gas), but economically significant as they benefit from rising prices. Europe is

⁶Source: Platts.

under pressure from increasing costs of raw materials and transport, while rising prices of straight-run gasoline deviate from contracted prices, forcing producers to pass on costs to customers.

Other significant developments in the energy sector

The installation of battery energy storage systems in the EU increased sharply (by around 45%) and reached record levels (in 2025 around 27.1 GWh of new capacity, with a total of around 77 GWh of installed batteries), according to the report of SolarPower Europe. Further growth in battery installations is expected in 2026, supported by European incentive financing programmes, although further development may slow due to regulatory barriers, grid constraints and revenue uncertainty.

The International Renewable Energy Agency (IRENA) states that a fair energy transition is crucial for the global reduction of CO₂ emissions, as political and technological implementation must have a social and economic support (new jobs for workers from fossil sectors – training and retraining, economic support for communities – local investments and development, etc.).

Due to the severe energy crisis, Europe is forced to import significant amounts of energy products (almost 60% of energy products are imported). The European Commission has adopted a new clean energy investment strategy. Within this strategy, investments of EUR 75 billion are planned over the next three years by the European Investment Bank, through loans, guarantees, and investments in green projects to accelerate the energy transition in Europe.

Macroeconomic trends

The global macroeconomic conditions in the first quarter were shaped by a combination of increased energy prices, geopolitical tensions, and restrictive monetary policies. Economic growth is moderate, but uneven – developed countries such as the United States (about 3%) and the EU (about 1%) are recording slower growth according to estimates, while, on the other hand, developing economies are recording higher growth thanks to strong investment in industry and infrastructure (China up to 5%, India up to 7%).

The World Bank identifies rising energy prices (particularly oil) as the main inflationary risk, as they increase production and transport costs. A permanent energy shock could raise global inflation again, especially in energy-importing countries.

Global inflation is expected to fall to 3.8% this year, around 2% in the euro area, while in China, according to the IMF, a moderate increase in inflation is expected. Energy and food prices, as well as geopolitical developments, represent the main risks.

According to Eurostat estimates, the annual inflation rate in the euro area in March rose above the European Central Bank's target (2%) to 2.5%, compared to 1.9% in February.

Rising inflation triggers a tightening of monetary policy, manifested through increases in benchmark interest rates, with the aim of curbing inflation expectations and limiting credit expansion. The US Central Bank (Federal Reserve) maintained the benchmark interest rate in the range of 3.50–3.75%, while mortgage interest rates are significantly higher at 6.46%, reflecting the impact of monetary policy on borrowing. The European Central Bank maintained the benchmark interest rate at 2%, while mortgage rates did not increase significantly, but stabilised at around 3.4%.

Serbia⁷

According to the IMF projection at the beginning of the year, Serbia's economic growth in 2026 is estimated at 3.6%, with expected inflation of around 4%, which represents an improvement compared to the previous forecast (growth 3%, inflation 4.6%), indicating strengthening macroeconomic prospects of the country.

According to the National Bank of Serbia's Inflation Report from February, macroeconomic developments in Serbia at the beginning of 2026 are characterised by inflation stabilisation at around 3%, with a slight increase towards the end of the year to around 4%, due to movements in energy and food prices. The NBS confirmed the GDP growth projection for 2026 at around 3.5% supported by growth in private consumption (increase in wages and pensions) and investments (EXPO 2027). The report states that foreign exchange reserves are at a high level,

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

that the exchange rate is stable, with the assessment that inflation risks are still present. The benchmark interest rate was maintained at 5.75%, with unchanged rates on deposit and credit facilities, keeping monetary policy restrictive. Growth in real wages is expected, which the NBS notes is sustainable as it is accompanied by productivity growth.

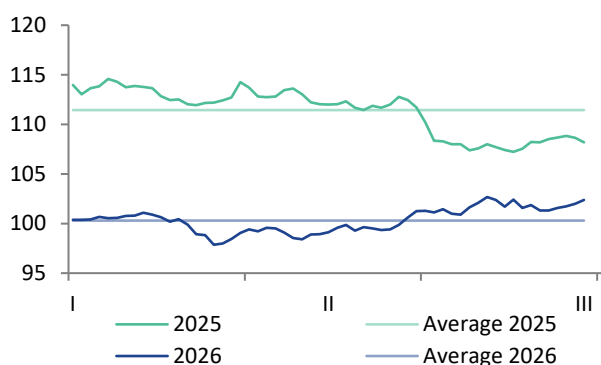
The average gross salary in January 2026 amounted to RSD 163,385, while the average net salary amounted to RSD 118,429. Compared to the same month of the previous year, they are higher in real terms by 7.5% and 7.6%, respectively.

The debt-to-GDP ratio at the end of February 2026 amounted to 41.5%, i.e. EUR 39.1 billion.

The implementation of the CBAM mechanism (Carbon Border Adjustment Mechanism) from the beginning of the year, in addition to CO₂ emission reporting, also imposes a financial cost, which directly affects domestic exporters emitting significant amounts of gases to EU countries. Considering that emissions in Serbia are more intensive than in the EU, domestic producers bear a higher CBAM, directly affecting price competitiveness, consequently leading to a decline in exports.

From 5 May, Serbia will join the SEPA (Single Euro Payments Area) system, which will enable faster and simpler cross-border transactions and bring significant savings to citizens and companies due to substantially lower fees in financial transactions.

Exchange rate trend, USD/RSD⁸



- Average USD/RSD exchange rate during the first three months of 2026 was lower by RSD 11.1, which is 10% lower compared to the same period in 2025.
- During the first three months of 2026 USD/RSD exchange rate increased by RSD 2.4 or 2%.
- During the first three months of 2025 USD/RSD exchange rate decreased by RSD 4.3 or 4%.

⁸Source: National Bank of Serbia

Performance analyses

Market share⁹

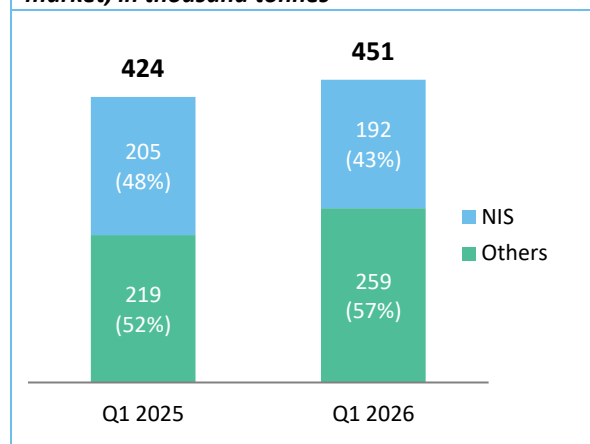
The general regional trend is growth in consumption.

Market share on the Serbian market

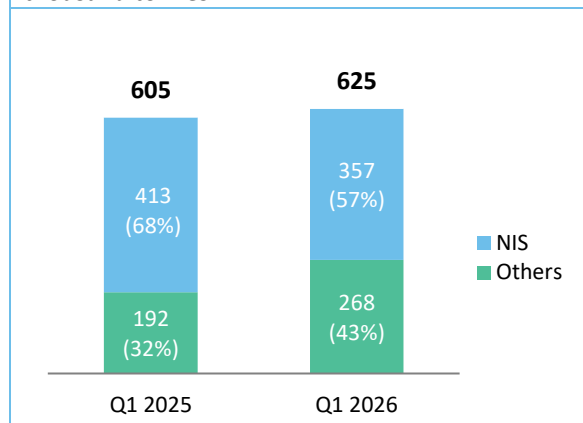
In the first quarter of 2026, motor fuel consumption in Serbia shows two opposite trends. A decrease of around 3.3% was recorded during January and February, while in March, following the outbreak of conflict in the Middle East, consumption grew by 15.3%, compared to the same month last year.

For the entire quarter, the total motor fuel consumption on the domestic market increased by 3.4%, while retail consumption recorded an even more pronounced increase of 6.1%, compared to the first quarter of 2025.

Volume of the Serbian motor fuels¹¹ retail¹² market, in thousand tonnes



Volume of the Serbian motor fuels market¹⁰, in thousand tonnes



Although NIS' retail market share is lower by 5.6 percentage points compared to the same period last year, the Company still maintains a high-ranking position despite complex and dynamic market conditions.

⁹Sources 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.

¹⁰Data for 3M 2026 are based on estimates. Any deviations in aggregate values result from rounding.

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

¹²The sales of NIS and other competitors include motor fuels (LPG, CNG – motor fuel, motor gasoline and diesel). LPG cylinders are not included. Data for 3M 2026 are based on estimates. Any deviations in aggregate values result from rounding.

Key performance indicators

Indicator	Unit of measurement	Q1 2026	Q1 2025
Brent Dtd	\$/bbl	80.6	75.7
Sales revenues	RSD billion	66.2	72.3
Net profit	RSD billion	2.8	1.5
EBITDA¹³	RSD billion	11.0	8.5
OCF	RSD billion	16.7	-6.2
CAPEX¹⁴	RSD billion	6.3	5.5
Accrued liabilities for taxes and other public revenues¹⁵	RSD billion	44.0	52.3
Total bank indebtedness¹⁶	EUR million	373.7	540.4
LTIF¹⁷	number	3.2	1.2

¹³EBITDA = 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.

¹⁴ CAPEX amounts are exclusive of VAT.

¹⁵ Taxes, fees, charges and other public revenue calculated for the reporting period. The overview is inclusive of the liabilities of NIS for taxes and other public revenue in Serbia and other countries of operation.

¹⁶Total bank indebtedness = total debt to banks + letters of credit. As at 31 March 2026, total debt to banks amounted to EUR 373.7 million, while there was no debt based on letters of credit.

¹⁷ Lost Time Injury Frequency – Ratio of employee injuries with sick leaves divided by the total number of working hours multiplied by one million. The said indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of 31 March, 2026.

Operational indicators

Exploration and production

Key indicators

Indicator	Unit of measurement	Q1 2026	Q1 2025
Oil and gas output ¹⁸	thousand t.o.e.	280.3	277.5
LTIF ¹⁹	number	1.9	0.0
EBITDA	RSD billion	7.0	8.5
CAPEX ²⁰	RSD billion	4.9	2.7

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

In the first quarter of 2026, a total production volume of oil and gas from Serbian reservoirs was 270.0 thousand t.o.e. The total production in the first quarter of 2026 including concessions was 280.3 thousand t.o.e.

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

Geological exploration and field engineering

In the first quarter of 2026, 17 new oil wells were put into operation, with an average increase of 16.5 t/day, or an additional 9.9 thousand tonnes of oil.

4 horizontal well successfully were put into operation in the first quarter of the year, yielding a production increase of 48.2 t/day.

In the first quarter of 2026, geological and technical activities were successfully carried out on 36 wells with a satisfactory average increment.

In 2026, the implementation of remedial and isolation work technology will continue. In the first quarter after the implementation of remedial and isolation work technology, 7 wells were put into operation, resulting in an average increase of 1.6 t/day.

Also, in the first quarter of 2026, 12 wells were put into operation after switching to a new production layer with an average increase of 4.4 t/day. In addition, 13 intensifications were carried out, with an increase of 1.0 t/day, while a total of 4 wells were made operational from the inactive well stock, with an increase of 2.3 t/day.

All well interventions completed in the first quarter, contributed to an additional oil output of 13.5 thousand tonnes.

2D/3D seismics

The reprocessing and detailed reinterpretation of previous seismological data in the North and Middle Banat are continuing, with an aim of strengthening the portfolio of new candidates for exploration drilling in the coming years.

¹⁸ Domestic oil output also includes gasoline, whereas gas output includes commercial production of gas and light condensate.

¹⁹ Lost Time Injury Frequency – Ratio of employee injuries with sick leaves divided by the total number of working hours multiplied by one million. The data pertain to the Exploration and Production Block. The said indicator is calculated cumulatively from the beginning of the year, and the displayed data represent the current situation as of 31 March, 2026.

²⁰ Financing, exclusive of VAT.

License obligations

In the first quarter of 2026, groundwater reserves were determined and confirmed for one field.

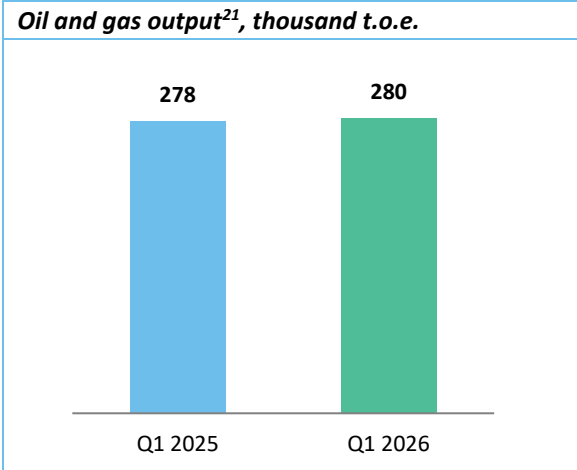
During the first quarter of 2026, in accordance with the Law on Mining and Geological Research, the following documents were created and delivered to the competent government authority:

- Reports on the state of hydrocarbon and groundwater reserves and resources as at 31 December 2025,
- Annual Report of NIS j.s.c. Novi Sad in the process of oil, gas and groundwater exploitation for 2025,
- 2026 annual operational plan for mining operations in the exploitation process;
- Four annual reports on the results of geological exploration of oil and gas in the exploration blocks (North Banat, Middle Banat, North Bačka, and South Bačka), as well as one final report on geological exploration results in an exploration block (South Banat).

In the first quarter of 2026, the Provincial Secretariat for Energy, Construction and Transport received amendments to the request for approval of mining works based on the Main Mining Project for three production fields of North Banat and Central Banat production units.

Oil and gas output

In the first quarter of 2026, a total of 280 thousand t.o.e. of oil and gas was produced, which is 1% more than in the same period of the last year.



²¹Any deviations in percentages and aggregate values result from rounding.

Downstream

Key indicators

Key indicators	Unit of measure	Q1 2026	Q1 2025
Volume of refining of crude oil and semi-finished products²²	thous. tonnes	642.8	853.0
Total sales volume of petroleum products²³	thous. tonnes	592.2	719.1
<i>Retail</i>	thous. tonnes	208.4	237.4
<i>Wholesale²⁴</i>	thous. tonnes	215.0	293.3
<i>Transit, export and BU²⁵</i>	thous. tonnes	127.2	149.9
<i>HIPP Sales²⁶</i>	thous. tonnes	41.6	38.4
Motor fuels sales volumes²⁷	thous. tonnes	449.7	544.4
Electricity output²⁸	thous. MWh	40.5	34.9
EBITDA DWS²⁹	bln RSD	6.7	2.5
<i>EBITDA Refining³⁰</i>	bln RSD	10.3	2.1
<i>EBITDA Sales and Distribution³¹</i>	bln RSD	-0.3	2.5
CAPEX DWS³²	bln RSD	1.3	2.6
<i>CAPEX Refining</i>	bln RSD	0.8	1.1
<i>CAPEX Sales and distribution</i>	bln RSD	0.3	1.2
LTIF DWS³³	number	2.0	1.2
<i>LTIF Refining</i>	number	3.2	1.0
<i>LTIF Sales and distribution</i>	number	1.1	1.5

²²The presented refining volume includes the refining volume of HIP-Petrohemija. Any deviations in aggregate values result from rounding.

²³Any deviations in aggregate values result from rounding.

²⁴Includes the sale of CNG of the Energy Block and the sale of oils and lubricants to the Lubricant Production Plant.

²⁵Business unit includes the sale of bitumen, bunkering and aviation fuel channels. As of 2026, the sale of lubricants are presented within the BU, whereas in previous periods it was reported within Wholesale sales.

²⁶The presented sales volume of HIPP is consolidated and does not include sales made in internal relations.

²⁷Total motor fuels sales volumes in Serbia and in foreign assets.

²⁸The volume of electricity produced includes the electricity produced by Pančevo Power Plant, small power plants and photovoltaic power plants. The total volume of electricity produced at PVPP for the period January – March is 2,304.3 MWh.

²⁹EBITDA Downstream includes EBITDA of the Refining Block, Sales and Distribution Block, Energy Block, rest of Downstream and EBITDA of HIP-Petrohemija.

³⁰EBITDA of the Refining Block includes the Energy Plant in Pančevo Oil Refinery.

³¹EBITDA of the Sales and Distribution Block.

³²Financing, excluding VAT. The Downstream CAPEX includes CAPEX of Refining Block, Sales and Distribution Block, Energy Block, HIP-Petrohemija and the rest of Downstream.

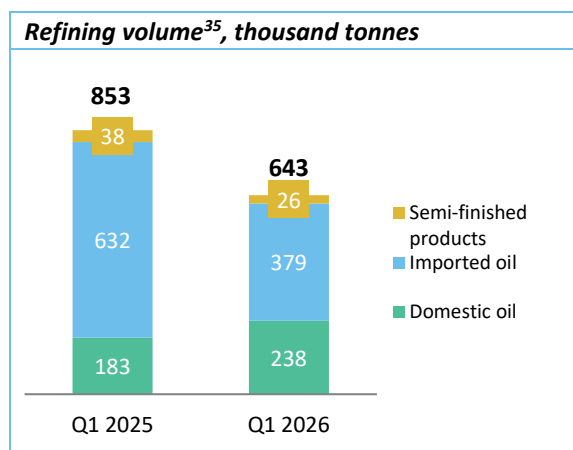
³³Lost Time Injury Frequency – The ratio of employee injuries with sick divided by the total number of working hours multiplied by one million. The indicator is calculated cumulatively from the beginning of the year, and the displayed data represents the current situation as of 31 March, 2026.

Refining

During the first quarter in 2026, the Refining Block operations faced a volatile business environment - NIS subjected the US-imposed sanctions and operating under short-term licenses, including the geopolitical situation that brought about changes in the oil supply market in terms of availability for supply and price and premium growth.

As the consequence of the current circumstances, during the first quarter of 2026, a total of 642.8 thousand tonnes of raw material³⁴ were processed at the level of the NIS Group, while the Refining Block processed 662.7 thousand tonnes of raw material.

Refining activities and volume



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

During the Refinery's shutdown, turnaround activities were carried out to increase the reliability of the plants – overhaul of the S-4700 plant and catalyst replacement on the DC-4302 reactor of the DHT plant. The shutdown period was used to complete this important catalyst replacement project, which ensures reliable operation of the refinery units, and therefore stable supply of petroleum products to the market.

Start-up activities were carried out following the Pančevo Refinery shutdown due to US sanctions. After more than

a month of downtime, the plants successfully started commercial operation. Given that the production plants were started up during the winter, this process entailed a lot of risk.

After more than a month of downtime, the Refinery was started up successfully and in accordance with the adopted schedule and company procedures, while applying the highest environmental and safety standards.

Once the plant is put into operation, the Refining Block adapted to changes in the basket of imported oil for refining, driven by movements in the spot market and procurement opportunities in the current circumstances. As a result of these activities, during the first quarter of 2026, the effect of the efficiency improvement measures was RSD 100.1 million.

Projects

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

- Project for the Reconstruction of the Industrial Track in the Pančevo Oil Refinery – during the fourth quarter, at the end of November, the reconstruction of the existing tracks was completed (Stage B). The technical inspection was performed. The usage permit issuance procedure is in progress.
- Project for the Installation of the System for Automatic Marker and Additive Dosing and Injection to Motor Fuels at the Pančevo Oil Refinery Loading Terminal – the project was fully approved and, the Equipment and Services Delivery Contract was signed. Construction and installation works were completed. The additive injection system underwent functional testing and started up. The technical solution for the marking system is undergoing revisions.
- Project of Fire Suppression System Reconstruction in the Pančevo Oil Refinery – the Project Charter has been prepared. The entire scope of the project has been approved with a new deadline for completion. Reconstruction of FB-1701/1702 tanks, and construction of the power distribution unit, fire water pumping station, and firefighting foam storage station are in progress. In addition, manhole

³⁴The presented refining volume represents the consolidated refining volume of the NIS Group (Refining Block and HIP-Petrohemija). At the level of the Refining Block, the total refining volume is 662.7 thousand tonnes, of which the volume of imported oil refining is 378.9 thousand tonnes, the volume of domestic oil refining is 237.6 thousand tonnes, while the volume of semi-finished products refining is 46.3 thousand tonnes

³⁵The presented refining volume represents the consolidated refining volume of the NIS Group (Refining Block and HIP-Petrohemija). At the level of the Refining Block, the total refining volume is 662.7 thousand tonnes, of which the volume of imported oil refining is 378.9 thousand tonnes, the volume of domestic oil refining is 237.6 thousand tonnes, while the volume of semi-finished products refining is 46.3 thousand tonnes

construction and hydrant network installation on several locations at the Pančevo Oil Refinery are underway, accordance with the new scope and work schedule, as well as the construction permit.

- Replacement of Critical Rotating Equipment in the Refining Block – The supplier selection procedure for S-100 and S-2400 (16 equipment units from LOTs 1, 7, 8, and 9) has been initiated. The EPC contractor selection procedure has been initiated.

The technical assessment of offers for LOT 8 is underway. Project charters for replacement of critical rotating equipment at S-100 and S-2400 units have been prepared (16 equipment units in total). The Project Charter for the replacement of CRE at the S-100 unit has been approved.

- Ensuring Reliable, Safe and Optimised Plant operation During Winter 2025/2026 - Within the framework of the project, activities were undertaken to ensure reliable operation of equipment and installations, prevent the impact of cold weather during plant downtime and the occurrence of failures during the winter period. Activities were carried out to increase the efficiency of the reactor operation at the DHT plant.

Plant equipment was inspected and tested, all maintenance opportunities for scheduled repairs and improvements that were possible during the plant downtime were used. All plants were started up in accordance with the technological start-up sequence and based on the production plan safely, reliably and efficiently, without problems and incidents. The market of the Republic of Serbia was supplied with products and petroleum products meeting the market demand.

- Replacement of EC-2101 air cooler segments- Project activities have been implemented to ensure that the new segments provide reliable and efficient operation of the ES-2101 air cooler, as well as better cooling of the top flow of the DA-2101 main distillation column during the upcoming summer months and operation in conditions of high external temperatures, i.e. increasing the cost-effectiveness of primary refining.

Planned overhauls of the bitumen and polymer-bitumen production plant (S-0250/0290) and small atmospheric distillation plant (S-100) were completed. These overhauls ensure increased reliability of refinery operations, provision of necessary petroleum products and other products in accordance with market needs after the winter period.

Sales and distribution

Points of Sale³⁶ and Logistics

The NIS Group owns 384³⁷ active retail sites. Most of them, i.e. 327 retail sites are located in the Republic of Serbia.

In Serbia, three petrol stations are planned for reconstruction in 2026 – Sokobanja 2, Novi Sad 5, Traffic school.

In addition, it is planned to reconstruct and modernise Airservices in order to continue uninterrupted operation of the oil depot without the risk of closure. The project plans for investments in new equipment to automate filling of jet fuel tankers, ensure compliance with the applicable legal regulations, and ensure further continuous operation of Airservices, including receipt and transport of jet fuel.

In 2026, due to funding limitations caused by the sanctions, in terms of the project of the reconstruction of the Novi Sad oil depot it is planned to carry out priority investments for the reconstruction of R6 and R7 tanks and to suspend main operations.

Loyalty programmes and marketing activities

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

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

- A marketing activation was initiated on the occasion of the total reconstruction of Airport Surčin petrol station – for 15 l of any fuel, customers choose one of the promotional products: (Drive Cafe coffee, or a small hot drink, or G-Drive chewing gums, or non-carbonated Jazak water 0.5l). We communicated this activation through a CRM campaign and the website.
- On the occasion of expanding the network of petrol stations that feature self-service cash registers with the ability to pay for fuel, as well as products from the store and the restaurant, the promotion of new cash registers continued on social media and in “On the road with us” loyalty program app. In addition to self-service cash registers, “cash withdrawal”, “IPS – Pokaži payment”, “monthly bill payment” and “deferred payment by Dina Cards” were communicated on social media.
- Loyalty programme „On the Road with Us” – The total recorded number of active users in the first quarter of 2026 is 631,595, out of which 202,571 are virtual. The number of new virtual members since the beginning of the year is 6,750, whereas the number of active mobile application users is 356,710. In the first quarter, monthly CRM campaigns were conducted with the aim of reactivation of inactive program members, increasing purchase of branded petroleum products, and increase of non-fuel sales in January and February.
- Social networks / partners for creating online content / website – In the first quarter of 2026, the focus was on the campaign for a discount of 5 RSD/l when paying by bank app, which was organised on two occasions.

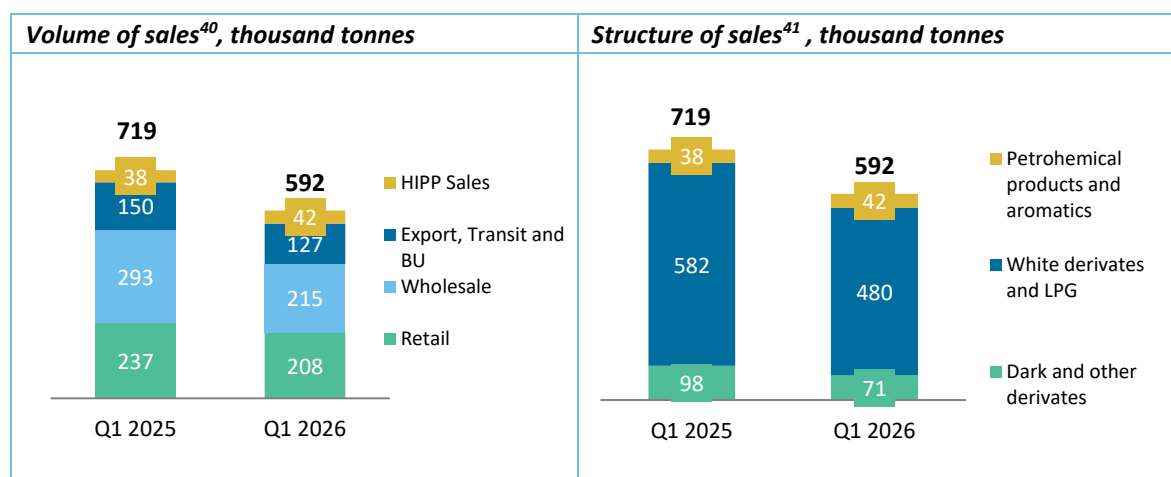
³⁶As at 31 March 2026.

³⁷ With the entry into force of sanctions in full, on 09.10. 2025, the operation of petrol stations in Bulgaria was temporarily suspended.

Volume of sales

In the first quarter of 2026, sales reduced by 18% compared to the same period in 2025, bringing the total sales to 592.2 thousand tonnes.

- Retail – down 12% due to:
 - A decrease in sales in Serbia caused by a drop in consumption and sanctions imposed on NIS, which made payment at petrol stations difficult;
 - A reduction in sales to corporate clients due to the termination of cooperation with certain customers caused by sanctions imposed on NIS in 2026;
 - The decline in sales in foreign assets was caused by the impact of the current geopolitical situation.
- Wholesale³⁸ – down 27% primarily due to:
 - Termination of cooperation with companies important for NIS’s business, which do not yet cooperate with us, regardless of us having an operating license. The difference and delay in sales has been partially compensated for with existing and new clients.
- Export, transit and BU³⁹:
 - Decrease in transit traffic volume by 89% primarily due to an increase in demand for heavy fuel oil,
 - Decrease of the sales of aviation fuel by 50% compared to the same quarter of 2025 as a consequence of the introduction of sanctions,
 - A 32% decrease in sales within the bunkering channel due to additional difficulties in business with foreign clients, because of the termination of contracts with certain clients as a result of sanctions imposed on NIS,
 - A 42% decrease in bitumen and coke sales, due to optimization of crude oil consumption that led to lower availability in Pančevo Oil Refinery and a decrease in sales as a result sanctions imposed on NIS.



³⁸It includes the sale of CNG of the Energy Block (as of June 2024) and the sale of oils, lubricants and technical fluids of the Downstream Lubricants Production Plant.

³⁹Business unit includes the sale in petroleum products of bitumen, bunker and jet fuels. As of 2026, the sale of lubricants is presented within the BU, whereas in previous periods it was reported within Wholesale sales.

⁴⁰The sales volume shown represents the consolidated sales volumes of the NIS Group (Sales and Distribution Block and HIP-Petrohemija). At the level of the Sales and Distribution Block, the sales volume amounts to 612.7 thousand tonnes: retail sales volume is 208.5 thousand tonnes, wholesale sales volume is 217.1 thousand tonnes, while transit, technological export, and BU (business units) amount to 187.2 thousand tonnes. Any deviations in aggregate values result from rounding.

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Energy

Natural gas

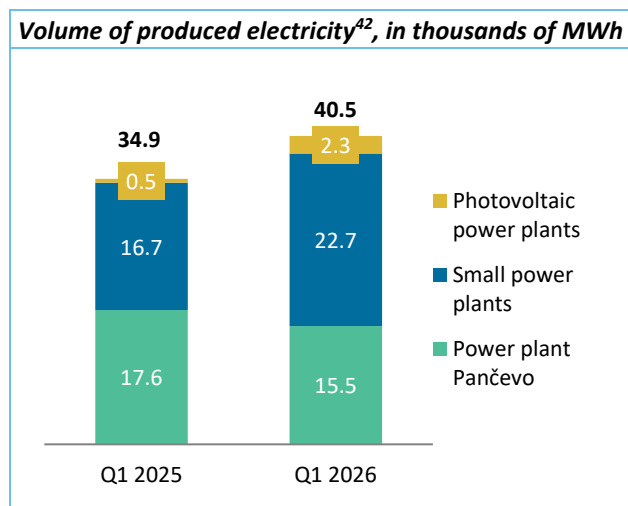
For the purposes of organizing and balancing the natural gas portfolio of NIS j.s.c. Novi Sad, a contract on the distribution of natural gas for 2026 was signed in the first quarter of 2026. A contract on the supply of energy from natural gas by the end of the second quarter of 2026 has been signed.

Production of electricity

In the first quarter of 2026, electricity production amounted to 40.5 thousand MWh, which is 16% higher compared to the same period in 2025.

Small power plants produced 35% more electricity than in the first quarter last year.

Production on solar panels amounted to 2.3 thousand MWh for the first quarter of 2026, which is 4.6 times more than in the first quarter of 2025.



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

Through the programme of measures for reducing energy consumption and increasing energy efficiency in the first quarter of 2026, the expected effect of energy savings is about 561 t.o.e and the expected financial value of the savings is about RSD 37 million.

Renewable energy sources

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

Construction of Smederevo PVPP with battery storage system (BESS), for which the construction permit and energy permit were obtained and the equipment was delivered in the previous quarter, is being postponed – the status of the project is being resolved.

A project has been prepared for the construction of the ground-mounted Elemir solar power plant, with an installed capacity of 1.8 MWp. This will be the first solar power plant in the company to have photovoltaic panels mounted on a rotating structure for automatic daily tracking of the sun's trajectory, which will achieve significantly higher production and better financial effects of the project.

A positive trend towards construction of small PPVP at NIS petrol stations continues, so the preparation of the project for the installation of new PVPPs at another 23 petrol stations owned by the company, with the total capacity of approximately 0.6 MWp, is in its final phase.

⁴²The presented volume of produced electricity also includes the electricity produced in Power plant Pancevo, small power plants and photovoltaic power plants.

HIP-Petrohemija

Key indicators

Key indicators	Unit of measurement	Q1 2026	Q1 2025
Production of petrochemical products	thous. tonnes	44.1	52.6
Refining of primary gasoline⁴³	thous. tonnes	58.4	66.8
Petrochemical product sales	thous. tonnes	64.4	57.1
EBITDA	RSD billion	-1.5	-1.8
Net result	RSD billion	-1.7	-2.0
CAPEX⁴⁴	RSD billion	0.07	0.11
LTIF	number	8.3	7.0

In the first quarter of 2026, the EBITDA indicator was negative and amounted to RSD -1.5 billion, which is an increase compared to the same period of the previous year. In the first quarter of 2025, EBITDA amounted to RSD -1.8 billion.

The net loss for the first quarter of 2026 was RSD -1.7 billion, which is an increase compared to the same period of the previous year.

As for operational indicators, in the first quarter of 2026, the production volume of petrochemical products amounted to 44.1 thousand tonnes, which is 16% lower than in the same period of last year, while the refining of primary gasoline was 58.4 thousand tonnes, which is 13% lower than in the same period of the last year.

A decrease in production and refining volumes compared to the same period of last year is mainly caused by a lack of key feedstock due to US sanctions.

The sales of petrochemical products in the first quarter of 2026 amounted to 64.4 thousand tonnes, which is 13% more compared to the same period of last year.

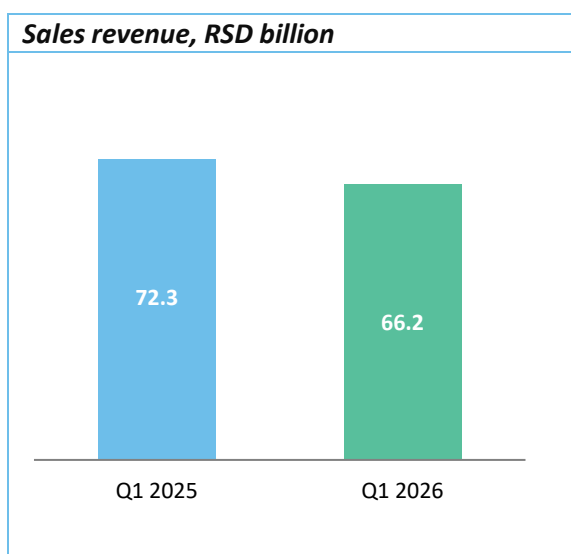
⁴³ Refining of straight-run gasoline includes both straight-run gasoline and debutanized gasoline.

⁴⁴ Financing, excluding VAT.

Financial indicators

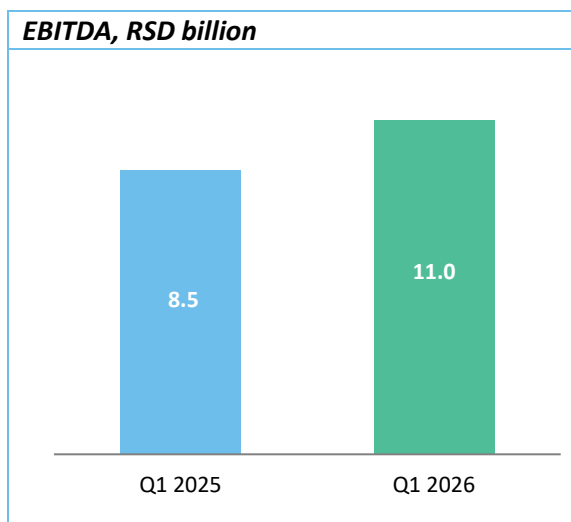
Sales revenues

During the first quarter of 2026, a decrease in sales revenues of 8% was recorded compared to the same period of the previous year and amounted to RSD 66.2 billion.



EBITDA

The EBITDA indicator in the first quarter of 2026 is 29% higher than the same period last year and amounted to RSD 11 billion.

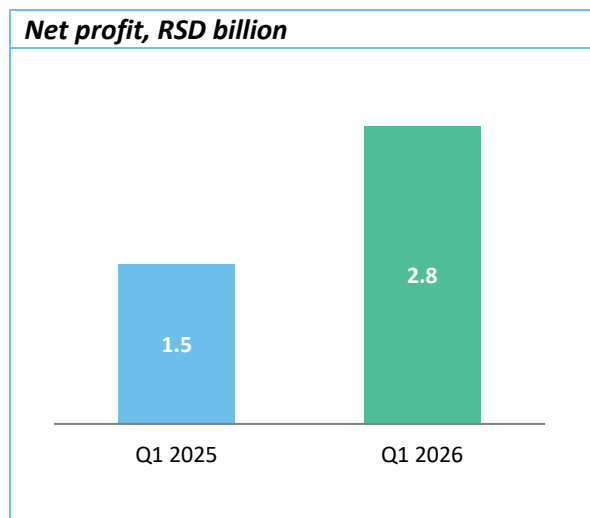


The improvement in the EBITDA indicator in the first quarter of 2026 compared to the same period last year is the consequence of the increase in the price of oil and oil derivatives on the world market, with a positive effect of the impact of "cheaper" supplies and cost optimization.

In addition to the positive effects, the result was also affected by the negative effects of state regulation of prices, exchange rates, a decrease in the volume of sales of derivatives, oil production, as well as a worse purchase premium for crude oil.

Net profit

In the first quarter of 2026, the net profit amounts to RSD 2.8 billion, which is an increase of 86% compared to the same period last year.

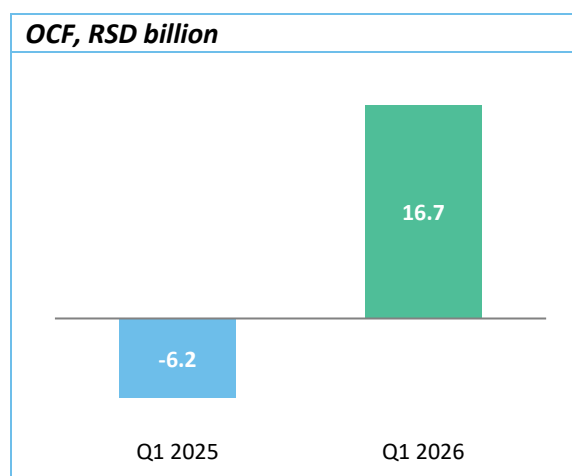


Increase in net profit indicator for the first quarter of 2026 compared to the same period last year was caused by the growth in EBITDA.

In addition to the positive impact of EBITDA, negative effects were also realized due to the lower TE-TO result.

OCF

In the first quarter of 2026, the operating cash flow amounts to RSD 16.7 billion, and it is higher compared to the same period last year.



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

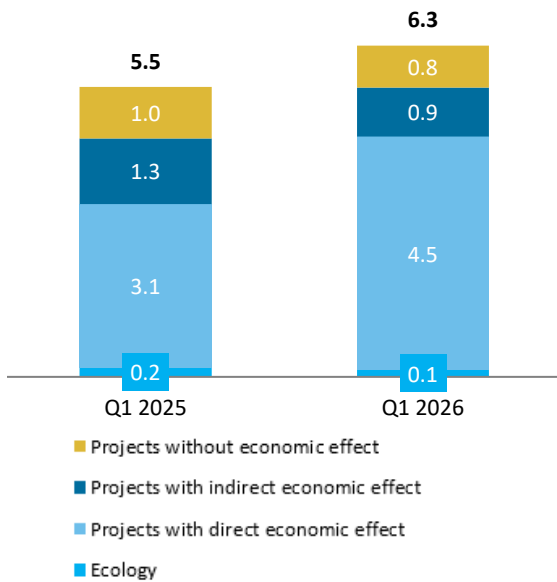
- Lower outflows from operating activities (lower liabilities for crude oil, OPEX and fiscal liabilities).

CAPEX

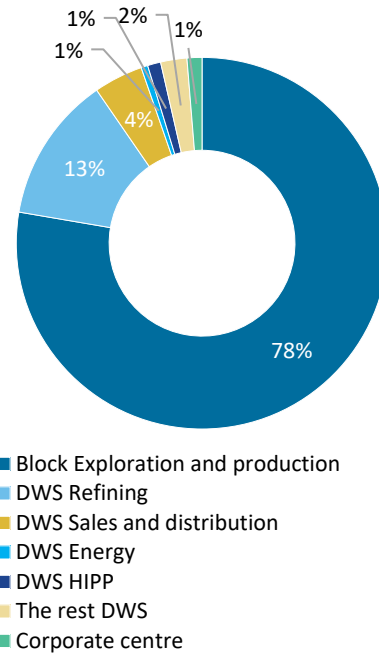
In the first quarter of 2026, the main areas of investment were projects aimed at oil and gas production. A significant part of the investment belongs to investments in drilling, followed by oil refining projects, as well as transport and logistic projects. In addition, NIS invested in projects in the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

In the first quarter of 2026, RSD 6.3 billion was allocated for investment.

CAPEX by type of project⁴⁵, RSD billion



Investments by segments in the first quarter of 2026



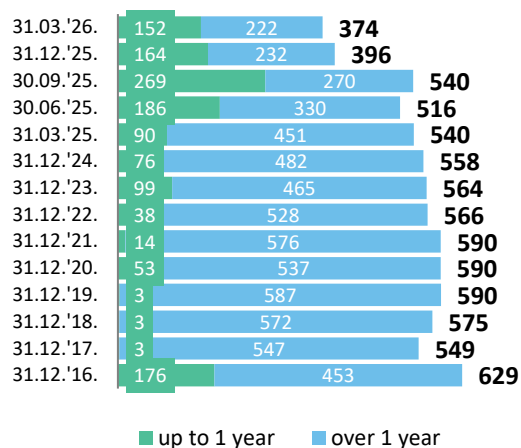
⁴⁵ All amounts are expressed in RSD billion, excluding VAT. Any deviations in aggregate values result from rounding.

Organisation unit	Major projects in the first quarter of 2026
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"> • equipment procurement and investment maintenance
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 railway track
Sales and Distribution	<ul style="list-style-type: none"> • financing of the reconstructed Mrčajevci and Surčin Airport Petrol Stations • financing of leasing of tank cars from the previous period
Rest of Downstream projects (Energy and Technical services and HIPP)	<ul style="list-style-type: none"> • solar photovoltaic projects • energy efficiency projects • activities on the HIPP project – Polypropylene
Corporate Centre	<ul style="list-style-type: none"> • procurement of scaffolding for THS • projects related to maintenance of software solutions and process digitalisation

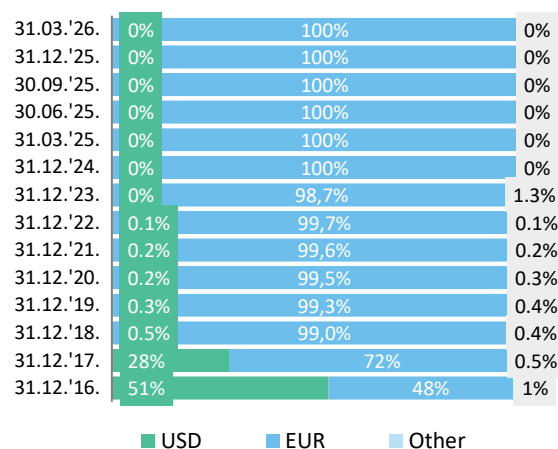
Debt based on bank loans

At the end of the first quarter of 2026, as a result of regular repayments the debt to banks is lower than at the end of 2025 and amounts to EUR 373.7 million.

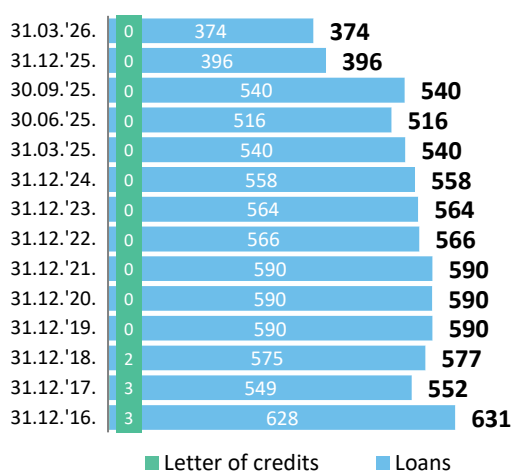
Total bank debt trends with maturity structure⁴⁶, EUR million



Total bank debt structure, by currency, in %



Total bank indebtedness⁴⁷, EUR million



⁴⁶ Any deviations in aggregate values result from rounding.

⁴⁷ In addition to the bank debt and Letters of Credit as at 31 March 2026, NIS j.s.c. Novi Sad holds issued bank guarantees in the amount of EUR 20.1 million, corporate guarantees in the amount of EUR 187.0 million and financial leasing in the amount of EUR 23.6 million. Any deviations in aggregate values result from rounding.

*Taxes and Other Public Revenue*⁴⁸

NIS j.s.c. Novi Sad	Q1 2026	Q1 2025
Social insurance contributions paid by employer	0.69	0.65
Energy efficiency fee	0.07	0.09
Corporate tax	0.95	0.76
Value-added tax	6.76	5.34
Excise duties	29.77	38.67
Fee for Mandatory Commodity Reserves	1.20	1.53
Customs duties	0.28	0.42
Royalty	0.52	0.47
Other taxes	0.58	0.50
Total	40.81	48.42
NIS subsidiaries in Serbia and the region		
Social insurance contributions paid by employer	0.66	0.62
Energy efficiency fee	0.00	0.00
Corporate tax	0.04	0.04
Value-added tax	0.92	0.79
Excise duties	0.91	1.92
Customs duties	0.82	0.70
Royalty	0.00	0.01
Other taxes	0.07	0.09
Total	3.43	4.17
Deferred taxes (total for Group)	-0.23	-0.29
Total NIS Group ⁴⁹	44,01	52,30

The amount of accrued liabilities for public revenues for NIS Group in the first quarter of 2026 totalled RSD 44.01 billion, which is a decrease of 16% on the same period in 2025.

⁴⁸ In RSD billion.

⁴⁹ Including taxes and other liabilities for public revenues for subsidiaries in the region, corporate tax in Angola and deferred taxes.

Securities

Share capital structure

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

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

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

Share trading and indicators per share

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

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

Dividends

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

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

	<i>Net profit (loss), RSD bn⁵⁰</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 %⁵¹</i>
2009	(4.4)	0.0	-	-	0	-	-
2010	16.5 ⁵²	0.0	-	101.1	0	475	-
2011	40.6 ⁵³	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

⁵⁰ Net profit of NIS j.s.c. Novi Sad.

⁵¹ Calculated as the ratio of gross dividend to share price at the end of the year for which the dividend is paid.

⁵² Net profit used for coverage of accumulated losses.

⁵³ Net profit used for coverage of accumulated losses.

Bonds

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

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

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

Basic information about bonds of NIS j.s.c. Novi Sad	
Nominal value	RSD 10,000
CFI code	DBFUFR
ISIN no.	RSNISHD82111
Bond issue designation	I (first) issue
Posting date to proprietary accounts	December 20, 2024
Due date	5 years or 1,825 days
Due date	December 19, 2029
Interest rate	Fixed interest rate of 6.50% per annum and quarterly payment of an interest coupon starting from the issuance date.
Method of calculation of interest	The formula for calculating the amount of interest for the interest period is as follows: $K = N_k \times p_k \times 0.25$ 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 first quarter of 2026, the fifth coupon payment was made, based on the first issue of corporate bonds of the Company.

Human resources

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

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

NIS' long-term goal is to strengthen employee engagement and improve HR practices to offer the best possible employee experience. During the first quarter, preparations were made for a new concept of the First Time Manager Program that helps colleagues who have just taken over a management position to be the best managers and leaders possible. The start of the new concept of the First Time Manager Program is scheduled for the beginning of the second quarter.

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

As part of the implementation of the agenda for young talents, the fourth season of the Young Operators Internship Program was completed, and 18 out of 31 trainees were hired after the program. In addition, the ninth season of the NIS Calling Program for 40 participants has been completed, while the promotional campaign for the new, jubilee tenth season of the same program for 20 participants is underway. Furthermore, the regular research of the employer's brand study, conducted every two years by the partner organization Infostud, is also underway. Through this research, we will learn attitudes of the target groups that are relevant for the company on various topics essential for the employer's brand. In addition, the procedure of creating a new comprehensive HR digital solution for the needs of various organizational units is underway.

Employee number⁵⁴ and structure

At the end of the first quarter of 2026, the total number of employees was 13,590, while the average number of was 13,101.

Organisational unit	Total number of employees as at:	
	03/31/2026	03/31/2025
NIS j.s.c. Novi Sad	5,275	5,348
Subsidiaries	8,315	8,464
TOTAL⁵⁵:	13,590	13,812

⁵⁴ The number of employees does not include employees hired through the Contract of Services. On March 31, 2026 within the NIS j.s.c. Novi Sad, we have 89 employees hired through the Contract of Services.

⁵⁵ Employees with shared working hours are shown as whole units in the associated Company.

Research and development

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

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

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

- 2 studies were completed and submitted for review to the government authorities,
- 4 annexes to the study on oilfields were completed and submitted for review to the government authorities,
- 23 simplified field development projects for drilling were prepared.

As part of the team for implementation of projects of chemical methods of oil recovery improvement, STC (STC NIS – Naftagas LLC Novi Sad) has developed the methodology for testing the applicability of the Smart Water technologies, based on which tests are currently being conducted for two candidate oil fields.

In the DWS Laboratory, the following activities were carried out during the first quarter:

- Procurement of laboratory equipment for determining Euro Diesel quality parameters;
- Procurement of laboratory equipment for determining jet fuel quality parameters;
- The Downstream Laboratory organised and fully conducted a set of different interlaboratory tests per test subject (propylene, crude oil and NSGS fuel oil) with local laboratories;
- The reports on cooperation with the following clients have been approved: Refining Block, Sales and Distribution Block, and Downstream Division. In the most general sense, the goal of these tests is an interlaboratory comparison of methods for determining the degree of equivalence between laboratories, and verifying their competence;
- Based on the external audit of the Factory Control of Polymer Modified Bitumen Production Process (FBC PMB), as required by the EN 14023 Standard, the opinion is that there are no discrepancies regarding laboratory tests;
- Based on the external audit verification of the GHG-POR Emission Report in the field of greenhouse gas emissions – fulfilment of legal obligations regarding environmental protection – the following opinion was stated: There are no discrepancies regarding laboratory tests;
- Regarding internal IMS inspection as per the requirements of ISO 9001/ISO 14001/ISO 45001 – there are also no discrepancies regarding laboratory tests.

The Audit Committee is currently reviewing the Conceptual Design (IDP) for the Serbia-Hungary Oil Pipeline Project, while the Client has developed and approved the Preliminary Design Documentation for Construction Permit (PGD).

Corporate governance

Corporate governance system

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

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

Shareholders' Assembly and Shareholders' rights

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

Board of Directors

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

Board of Directors' Committees

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

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

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

Shareholders' Assembly Board

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

Chief Executive Officer

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

CEO Advisory Board

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

Related-party transactions

In the first quarter of 2026 the Group entered into business transactions with its related parties. An outline of related-party transactions is part of the Notes to the Financial Statements⁵⁶.

⁵⁶ Information on related party transactions can be found on page 80 under note number 27 of the Consolidated Financial Statements.

Financial Statements⁵⁷

Interim Condensed Financial Statements (Unaudited)

Interim Condensed Statement of Financial Position

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

in 000 RSD

⁵⁷ The financial statements, standalone and consolidated, have not been audited.

Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

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

in 000 RSD

Interim Condensed Statement of Changes in Shareholders' Equity

Three month period ended 31 March 2026 and 2025

<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	-	-	2,279,357	2,279,357
Other comprehensive income				
Gain from investments in equity instruments	-	-	-	-
Total comprehensive income for the period	-	-	2,279,357	2,279,357
Balance as at 31 March 2025	81,530,200	41,960	306,861,755	388,433,915

in 000 RSD

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

in 000 RSD

Interim Condensed Statement of Cash Flows⁵⁸

	Note	Three month period ended	
		31 March	
		2026	2025
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit before income tax		5,843,829	2,765,618
Adjustments for:			
Finance expenses	26	622,655	863,952
Finance income	25	(556,790)	(534,629)
Unrealised foreign exchange loss, net		41,936	133,989
Depreciation, depletion and amortization		6,622,230	6,572,384
Other non-cash items		281,763	179,120
Operating cash flow before changes in working capital		12,855,623	9,980,434
Changes in working capital:			
Trade and other receivables		3,620,168	5,120,456
Inventories		(13,807,681)	(14,467,101)
Other current assets		1,079,760	(989,142)
Trade payables and other current liabilities		4,463,953	(7,376,033)
Other taxes payable		9,948,097	3,669,041
Total effect on working capital changes		5,304,297	(14,042,779)
Income taxes paid		(413,716)	-
Interest paid		(524,952)	(688,292)
Interest received		433,933	402,063
Net cash (used in)/generated by operating activities		17,655,185	(4,348,574)
Cash flows from investing activities			
Loans issued		(10,983,344)	(9,966,296)
Loan proceeds received		9,720,432	5,293,162
Capital expenditures ⁵⁹		(6,605,081)	(5,845,246)
Proceeds from sale of property, plant and equipment		2,620	36,637
Net cash used in investing activities		(7,865,373)	(10,481,743)
Cash flows from financing activities			
Proceeds from borrowings	14,18	3,146,065	2,954,212
Repayment of borrowings	14,18	(4,944,156)	(5,248,696)
Repayment of lease liabilities	19	(186,390)	(148,092)
Net cash used in financing activities		(1,984,481)	(2,442,576)
Net (decrease)/increase in cash and cash equivalents		7,805,331	(17,272,893)
Effect of foreign exchange on cash and cash equivalents		(29,122)	(63,612)
Cash and cash equivalents as of the beginning of the period		26,887,921	38,821,710
Cash and cash equivalents as of the end of the period	4	34,664,130	21,485,205

in 000 RSD

⁵⁸ Company's policy is to present cash flow inclusive of related VAT.

⁵⁹ CF from investing activities includes VAT in the amount of 0.8 bln RSD (2025: 0.7 bln RSD)

Notes to the Interim Condensed Financial Statements⁶⁰

1. GENERAL INFORMATION

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

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

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

For the three month period ended 31 March 2026, the Company recorded a net profit. The Company maintained a high level of positive EBITDA, reflecting the resilience of its core operations and the ability to generate operational cash flows. Management has considered this performance in its assessment of the Company's ability to continue as a going concern and in planning mitigating actions to address potential operational and financial challenges arising from sanctions and supply disruptions (refer to note 2.3. Implication of imposed US Sanctions).

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

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

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

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

⁶⁰ All amounts are in 000 RSD, unless otherwise stated.

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

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

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

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

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

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

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

2.2. Changes in significant accounting policies

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

2.3. Implication of imposed US Sanctions

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

Following the designation, the U.S. Office of Foreign Assets Control ("OFAC") issued a series of specific licenses which allowed the Company to continue operating while negotiations regarding potential changes in the ownership structure.

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

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

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

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

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

3. SEGMENT INFORMATION

Presented below is information about the Company's operating segments for the three month period ended 31 March 2026 and 2025. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

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

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

5. SHORT-TERM FINANCIAL ASSETS

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

The short-term loans represent loans provided to subsidiaries on a needs basis as part of the group's central cash management. These loans allow subsidiaries to maintain sufficient liquidity while the parent company centrally monitors and manages cash. The most significant portion of short-term loans at the reporting date relates to the subsidiary HIP Petrohemija, 14,601,523 RSD (31 December 2025: 12,303,489 RSD) and Naftagas-Naftni servisi 2,960,627 RSD (31 December 2025: 3,974,457 RSD). Other subsidiaries' balances are not individually material.

Loans are unsecured, denominated in RSD, bear interest at average of BEONIA and 6m BELIBOR, and are repayable on demand.

The decrease in Current portion of long-term investments to subsidiaries and Impairment loss provision is mainly due to conversion of total investment in NIS Petrol Bulgaria and related provision into Investment in subsidiaries in total net amount of RSD 3,402,267 RSD (Current portion of LT Investments decrease of 11,288,328 RSD and Impairment provision loss in amount of 7,886,061 RSD) (note 11).

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

6. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

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

7. INVENTORIES

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

8. OTHER CURRENT ASSETS

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

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

Prepaid excise as at 31 March 2026 amounting to 4,104,677 RSD (31 December 2025: 3,084,278 RSD) relates to the excise paid for the finished products stored in the non-excise warehouse.

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

9. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2026						
Cost	268,436,891	181,585,886	71,875,655	16,595,861	27,290,636	565,784,929
Depreciation and impairment	(123,286,325)	(92,682,027)	(37,684,785)	(9,717,309)	(224,757)	(263,595,203)
Net book value	145,150,566	88,903,859	34,190,870	6,878,552	27,065,879	302,189,726
Period ended 31 March 2026						
Additions	6,414,026	171,640	208,470	139,314	(2,070,579)	4,862,871
Changes in decommissioning obligations	69,316	-	-	-	-	69,316
Impairment, net	-	-	-	-	(1,460)	(1,460)
Depreciation	(3,443,185)	(2,127,470)	(642,909)	(118,485)	-	(6,332,049)
Transfer from non-current assets held for sale	-	-	-	4,610	-	4,610
Disposals and write-off	-	(25)	(4,713)	(10)	-	(4,748)
Other transfers	(44,193)	(21)	(677)	872	(49,931)	(93,950)
	148,146,530	86,947,983	33,751,041	6,904,853	24,943,909	300,694,316
As at 31 March 2026						
Cost	275,129,474	181,755,198	72,064,970	16,740,483	25,170,126	570,860,251
Depreciation and impairment	(126,982,944)	(94,807,215)	(38,313,929)	(9,835,630)	(226,217)	(270,165,935)
Net book value	148,146,530	86,947,983	33,751,041	6,904,853	24,943,909	300,694,316

10. RIGHT-OF-USE ASSETS

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

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

11. INVESTMENTS IN SUBSIDIARIES

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

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

12. LONG-TERM FINANCIAL ASSETS

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

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

Long-term loans issued to subsidiaries (including current portion and impairment loss provision) as at 31 March 2026 and 31 December 2025 are presented in the tables below:

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

As at 31 December 2025	Current portion (note 5)	Long term part	Total loans issued	Impairment loss provision (note 5,12)	Net amount
NIS Petrol srl	19,037,639	2,157,985	21,195,624	(15,973,808)	5,221,816
NIS Petrol eood	11,280,029	-	11,280,029	(7,881,497)	3,398,532
NIS Petrol doo Banja Luka	39,605	3,768,921	3,808,526	(2,742,925)	1,065,601
NIS Petrol a.d. Belgrade	1,121,209	2,067,402	3,188,611	-	3,188,611
Jadran-Naftagas d.o.o.	2,077,795	435,658	2,513,453	(2,123,678)	389,775
	33,556,277	8,429,966	41,986,243	(28,721,908)	13,264,335

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

13. OTHER NON-CURRENT ASSETS

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

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

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

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

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

15. TRADE AND OTHER PAYABLES

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

16. OTHER CURRENT LIABILITIES

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

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

17. OTHER TAXES PAYABLE

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

18. LONG-TERM DEBT

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

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

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

Bank loans

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

The maturity of bank loans was as follows:

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

The carrying amounts of bank loans in the amount of 43,798,634 RSD (31 December 2025: 46,392,416 RSD) are denominated in EUR.

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

The loan agreements contain financial covenants that require the Company to maintain a ratio of Indebtedness to EBITDA. Management believes the Company is in compliance with these covenants as of 31 March 2026 and 31 December 2025, respectively.

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

19. LEASE LIABILITIES

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

Amounts recognized in profit and loss:

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

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

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

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities in the amount of 12,358,724 RSD (2025: 12,313,561 RSD) represents deferred consideration in the amount of 865,999 RSD (2025: 864,962 RSD) for O&G exploration project and liabilities for additional capital contribution associated with the new plant construction program in HIP Petrohemija in the amount of 11,492,725 RSD (2025: 11,448,599 RSD).

21. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

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

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

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

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

23. OTHER INCOME, NET

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

24. NET FOREIGN EXCHANGE LOSS

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

25. FINANCE INCOME

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

26. FINANCE EXPENSES

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

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

27. FAIR VALUE MEASUREMENT

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

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

28. CONTINGENCIES AND COMMITMENTS

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Company's management. As a result, some transactions may be disputed by tax authorities and the Company may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Company has paid all tax liabilities as of 31 March 2026.

Economic environment in the Republic of Serbia

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

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

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

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia's environmental legislation as at the reporting date, the Company's management recognised an environmental provision in the amount of 284,866 RSD (31 December 2025: 290,132 RSD).

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

Capital commitments

As of 31 March 2026 the Company has entered into contracts to purchase property, plant and equipment in the amount of 3,386,306 RSD (31 December 2025: 3,177,738 RSD).

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

29. RELATED PARTY TRANSACTIONS

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

In the three month period ended 31 March 2026 and in the same period in 2025, the Company entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to sale of petroleum products and energy.

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

			Joint ventures, associates and parent's subsidiaries and associates
As at 31 March 2026	Subsidiaries	Parent company	
Short-term financial assets	22,401,416	-	-
Trade and other receivables	9,834,269	-	89,349
Other current assets	77,613	-	1,477
Right-of-use assets	122,933	-	(642)
Investments accounted for using equity method	-	-	1,038,800
Trade and other non-current receivables	-	-	173,095
Investments in subsidiaries	36,318,492	-	-
Long-term financial assets	6,049,869	-	-
Other non-current assets	3,782	-	-
Trade and other payables	(8,132,477)	-	(2,108,037)
Other current liabilities	(109,767)	-	(994,979)
Short-term debt	(3,383,622)	-	-
Current lease liabilities	(11,124)	-	-
Long-term debt	(1,175,540)	-	-
Non-current lease liabilities	(118,076)	-	-
Other non-current financial liabilities	(11,492,725)	-	-
	50,385,043	-	(1,800,937)
As at 31 December 2025	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries and associates
Short-term financial assets	24,131,064	-	-
Trade and other receivables	14,096,519	-	163,353
Other current assets	-	-	1,477
Right-of-use assets	127,194	-	-
Investments accounted for using equity method	-	-	1,038,800
Trade and other non-current receivables	-	-	171,654
Investments in subsidiaries	31,016,682	-	-
Long-term financial assets	6,363,582	-	-
Other non-current assets	3,782	-	-
Trade and other payables	(7,481,027)	-	(2,260,131)
Other current liabilities	(191,958)	-	(425)
Short-term debt	(2,523,513)	-	-
Current lease liabilities	(12,228)	-	-
Long-term debt	(1,174,133)	-	-
Non-current lease liabilities	(120,694)	-	-
Other non-current financial liabilities	(11,448,598)	-	-
	52,786,672	-	(885,272)

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

	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Three month period ended 31 March 2026			
Revenues from sales of products and services	6,664,059	-	31,040
Expenses based on procurement of products and services	(5,442,449)	-	(377,727)
Other income, net	159,279	-	1,236
	1,380,889	-	(345,451)
	Subsidiaries	Parent company	Joint ventures, associates and parent's subsidiaries, and associates
Three month period ended 31 March 2025			
Revenues from sales of products and services	11,590,855	-	51,440
Expenses based on procurement of products and services	(5,073,242)	-	(960,131)
Other income, net	170,033	-	2,828
	6,687,646	-	(905,863)

30. EVENTS AFTER THE REPORTING DATE

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

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

Interim Condensed Consolidated Financial Statements (Unaudited)**Interim Condensed Consolidated Statement of Financial Position**

	Note	31 March 2026 <i>(unaudited)</i>	31 December 2025
Assets			
Current assets			
Cash and cash equivalents	4	37,094,572	30,520,104
Short-term financial assets	5	23,971	34,985
Trade and other receivables	6	19,192,205	20,672,647
Inventories	7	51,764,461	39,147,248
Current income tax prepayments		1,002	2,371,203
Other current assets	8	7,704,195	8,987,071
Assets classified as held for sale		131,093	135,697
Total current assets		115,911,499	101,868,955
Non-current assets			
Property, plant and equipment	9	334,536,376	336,511,853
Right-of-use assets	10	3,517,801	3,663,603
Investment property		1,668,061	1,664,931
Goodwill and other intangible assets		6,223,250	6,249,956
Investments in joint ventures		3,482,293	3,394,511
Trade and other non-current receivables		1,134,808	1,163,843
Long-term financial assets		104,545	104,398
Deferred tax assets		5,570,287	5,336,771
Other non-current assets	11	1,857,084	2,048,680
Total non-current assets		358,094,505	360,138,546
Total assets		474,006,004	462,007,501
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	12	17,920,753	19,373,727
Current lease liabilities	17	999,829	1,150,161
Trade and other payables	13	19,688,423	18,731,371
Other current liabilities	14	9,987,510	7,043,254
Current income tax payable		864,898	12,877
Other taxes payable	15	14,868,399	7,345,094
Provisions for liabilities and charges		2,359,739	2,538,201
Current portion of other non-current financial liabilities		20,255	29,176
Total current liabilities		66,709,806	56,223,861
Non-current liabilities			
Long-term debt	16	26,916,292	28,045,208
Non-current lease liabilities	17	1,772,699	2,063,674
Other non-current financial liabilities		865,999	864,962
Deferred tax liabilities		3,979	3,975
Long-term trade and other payables		9,135	9,125
Provisions for liabilities and charges		14,350,297	14,190,785
Total non-current liabilities		43,918,401	45,177,729
Equity			
Share capital		81,530,200	81,530,200
Reserves		1,014,021	1,034,247
Retained earnings		282,287,350	279,323,541
Equity attributable to the Company's owners		364,831,571	361,887,988
Non-controlling interest		(1,453,774)	(1,282,077)
Total equity		363,377,797	360,605,911
Total liabilities and shareholder's equity		474,006,004	462,007,501

in 000 RSD

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

	Note	Three month period ended 31 March	
		2026 (unaudited)	2025 (unaudited)
Sales of petroleum products, oil and gas		62,542,589	66,815,103
Other revenues		3,628,834	5,487,737
Total revenue from sales	3	66,171,423	72,302,840
Purchases of oil, gas and petroleum products		(33,955,997)	(40,613,320)
Production, manufacturing and cost of other sales	18	(10,335,424)	(12,393,021)
Selling, general and administrative expenses	19	(8,314,975)	(8,587,137)
Transportation expenses		(270,401)	(416,067)
Depreciation, depletion and amortization		(7,329,647)	(7,258,892)
Taxes other than income tax		(2,417,412)	(2,249,505)
Exploration expenses		-	(10)
Total operating expenses		(62,623,856)	(71,517,952)
Other income, net	20	243,963	1,290,253
Operating profit		3,791,530	2,075,141
Share of profit in joint ventures		87,782	575,972
Net foreign exchange loss	21	(21,695)	(66,641)
Finance income	22	265,984	252,037
Finance expenses	23	(581,649)	(824,849)
Total other expense		(249,578)	(63,481)
Profit before income tax		3,541,952	2,011,660
Current income tax expense		(983,356)	(806,654)
Deferred tax income		233,516	292,676
Total income tax		(749,840)	(513,978)
Profit for the period		2,792,112	1,497,682
Other comprehensive income/(loss):			
Items that will not be reclassified to profit/(loss)			
Gain/(Loss) from investments in equity instruments		-	-
		-	-
Items that may be subsequently reclassified to loss			
Currency translation differences		(20,226)	(28,844)
		(20,226)	(28,844)
Other comprehensive loss for the period		(20,226)	(28,844)
Total comprehensive income for the period		2,771,886	1,468,838
Profit/(loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		2,963,809	1,698,302
- Non-controlling interest		(171,697)	(200,620)
Profit for the period		2,792,112	1,497,682
Total comprehensive income/(loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		2,943,583	1,669,458
- Non-controlling interest		(171,697)	(200,620)
Total comprehensive income for the period		2,771,886	1,468,838
Earnings per share attributable to shareholders of Naftna Industrija Srbije			
Basic earnings (RSD per share)		18.18	10.42
Weighted average number of ordinary shares in issue (in millions)		163	163

in 000 RSD

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

Three month period ended 31 March 2026 and 2025

Equity attributable to the Company's owners						
<i>(unaudited)</i>	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2025	81,530,200	741,832	288,538,150	370,810,182	(254,221)	370,555,961
Profit/(loss) for the period	-	-	1,698,302	1,698,302	(200,620)	1,497,682
Other comprehensive loss						
Currency translation differences	-	(28,844)	-	(28,844)	-	(28,844)
Total comprehensive income/(loss) for the period	-	(28,844)	1,698,302	1,669,458	(200,620)	1,468,838
Balance as at 31 March 2025	81,530,200	712,988	290,236,452	372,479,640	(454,841)	372,024,799

in 000 RSD

Equity attributable to the Company's owners						
<i>(unaudited)</i>	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2026	81,530,200	1,034,247	279,323,541	361,887,988	(1,282,077)	360,605,911
Profit/(loss) for the period	-	-	2,963,809	2,963,809	(171,697)	2,792,112
Other comprehensive loss						
Currency translation differences	-	(20,226)	-	(20,226)	-	(20,226)
Total comprehensive income/(loss) for the period	-	(20,226)	2,963,809	2,943,583	(171,697)	2,771,886
Balance as at 31 March 2026	81,530,200	1,014,021	282,287,350	364,831,571	(1,453,774)	363,377,797

in 000 RSD

Interim Condensed Consolidated Statement of Cash Flows⁶¹

	Note	Three month period ended	
		31 March	
		2026	2025
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit before income tax		3,541,952	2,011,660
Adjustments for:			
Share of profit in joint ventures		(87,782)	(575,972)
Finance expenses	23	581,649	824,849
Finance income	22	(265,984)	(252,037)
Unrealised foreign exchange (income)/loss, net		(147,252)	135,687
Depreciation, depletion and amortization		7,329,647	7,258,892
Other non-cash items		345,843	(987,394)
Operating cash flow before changes in working capital		11,298,073	8,415,685
Changes in working capital:			
Trade and other receivables		1,524,262	8,514,559
Inventories		(12,647,926)	(15,147,074)
Other current assets		1,413,198	(1,123,136)
Trade payables and other current liabilities		5,625,304	(9,767,636)
Other taxes payable		10,212,422	3,260,545
Total effect on working capital changes		6,127,260	(14,262,742)
Income taxes paid		(453,055)	(51,269)
Interest paid		(475,650)	(639,844)
Interest received		220,062	300,549
Net cash (used in)/generated by operating activities		16,716,690	(6,237,621)
Cash flows from investing activities			
Capital expenditures ⁶²		(7,059,533)	(6,180,625)
Proceeds from sale of property, plant and equipment		2,012	14,457
Bank deposits repayment, net		-	(2,007,450)
Other outflow		(11,714)	-
Net cash used in investing activities		(7,069,235)	(8,173,618)
Cash flows from financing activities			
Repayment of borrowings	12,16	(2,654,277)	(2,061,297)
Repayment of lease liabilities	17	(378,685)	(238,220)
Net cash used in financing activities		(3,032,962)	(2,299,517)
Net increase/(decrease) in cash and cash equivalents		6,614,493	(16,710,756)
Effect of foreign exchange on cash and cash equivalents		(40,025)	(81,100)
Cash and cash equivalents as of the beginning of the period		30,520,104	40,736,335
Cash and cash equivalents as of the end of the period	4	37,094,572	23,944,479

in 000 RSD

⁶¹ Group policy is to present cash flow inclusive of related VAT.

⁶² CF from investing activities includes VAT in the amount of 0.8 bln RSD (2025: 0.7 bln RSD)

Notes to the Interim Condensed Consolidated Financial Statements ⁶³

1. GENERAL INFORMATION

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

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

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

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

For the three month period ended 31 March 2026, the Group recorded a net profit. The Group maintained a high level of positive EBITDA, reflecting the resilience of its core operations and the ability to generate operational cash flows. Management has considered this performance in its assessment of the Group’s ability to continue as a going concern and in planning mitigating actions to address potential operational and financial challenges arising from sanctions and supply disruptions (refer to note 2.3. Implication of imposed US Sanctions).

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

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

In 2026 the volatility in commodity and financial markets is seen rising while the RSD remained stable relative to EUR and depreciated to USD (information on the economic environment in the Republic of Serbia is detailed in Note 25) due to the geopolitical situation. Due to that during the first quarter 2026 the Group didn’t review the critical accounting estimates which are used by the Group in the Interim Condensed Consolidated Financial Statements preparation and which are assessed based on oil prices forecasts, inflation and market borrowing rate. In particular as of 31 March 2026 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. Under current conditions it turned

⁶³ All amounts are in 000 RSD, unless otherwise stated.

out to be impossible to evaluate how long the volatility will persist and at what level the key financial indicators will ultimately stabilise.

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

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

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

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

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

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

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

2.2. Changes in significant accounting policies

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

2.3. Implication of imposed US Sanctions

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

Following the designation, the U.S. Office of Foreign Assets Control ("OFAC") issued a series of specific licenses which allowed the Group to continue operating while negotiations regarding potential changes in the ownership structure.

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

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

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

The Group continues to actively monitor developments, engage with OFAC and other relevant authorities, and implement mitigation measures aimed at maintaining business continuity. The Group is also cooperating with its

shareholders, including the Government of the Republic of Serbia, with the objective of identifying appropriate solutions to address the current situation and ensure the long-term sustainability of its operations.

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

3. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the three month period ended 31 March 2026 and 2025. Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The 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 three month period ended 31 March 2026 are shown in the table below:

	DWS				Total
	Upstream	Downstream	Petrochemical	Eliminations	
Segment revenue	11,584,860	62,081,796	4,771,018	(12,266,251)	66,171,423
Intersegment	11,428,621	837,630	-	(12,266,251)	-
External	156,239	61,244,166	4,771,018	-	66,171,423
Adjusted EBITDA (Segment results)	7,028,266	5,498,903	(1,499,003)	-	11,028,166
Depreciation, depletion and amortization	(3,917,544)	(3,221,168)	(190,935)	-	(7,329,647)
Share of profit in joint ventures	-	87,782	-	-	87,782
Net foreign exchange loss	(795)	(9,180)	(11,720)	-	(21,695)
Finance expenses, net	(148,443)	(165,226)	(1,996)	-	(315,665)
Income tax	(10,304)	(743,665)	4,129	-	(749,840)
Segment profit/(loss)	2,957,099	1,551,986	(1,716,973)	-	2,792,112

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

	DWS				Total
	Upstream	Downstream	Petrochemical	Eliminations	
Segment revenue	12,713,974	68,205,561	4,705,935	(13,322,630)	72,302,840
Intersegment	12,546,060	776,570	-	(13,322,630)	-
External	167,914	67,428,991	4,705,935	-	72,302,840
Adjusted EBITDA (Segment results)	8,525,568	1,764,433	(1,771,701)	-	8,518,300
Depreciation, depletion and amortization	(3,804,620)	(3,290,151)	(164,121)	-	(7,258,892)
Share of profit in joint ventures	-	575,972	-	-	575,972
Net foreign exchange gain/(loss)	41,335	(103,456)	(4,520)	-	(66,641)
Finance expenses, net	(140,342)	(431,365)	(1,105)	-	(572,812)
Income tax	6,499	(524,305)	3,828	-	(513,978)
Segment profit/(loss)	5,466,066	(1,962,184)	(2,006,200)	-	1,497,682

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

	Three month period ended 31 March	
	2026	2025
Profit for the period	2,792,112	1,497,682
Income tax	749,840	513,978
Finance expenses	581,649	824,849
Finance income	(265,984)	(252,037)
Depreciation, depletion and amortization	7,329,647	7,258,892
Share of profit in joint ventures	(87,782)	(575,972)
Net foreign exchange loss	21,695	66,641
Other income, net	(243,963)	(1,290,253)
Other non-operating expense, net	150,952	474,520
Adjusted EBITDA	11,028,166	8,518,300

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

	Three month period ended 31 March	
	2026	2025
Sale of crude oil	2,718,185	66,684
Sale of gas	221,401	51,252
<i>Wholesale activities</i>	221,401	51,252
Sale of petroleum products	54,923,784	62,013,489
<i>Through a retail network</i>	22,147,186	25,421,727
<i>Wholesale activities</i>	32,776,598	36,591,762
Sale of petrochemical products	4,679,219	4,683,678
Sale of electricity	234,400	130,886
Lease revenue	110,629	79,239
Other sales	3,283,805	5,277,612
Total sales	66,171,423	72,302,840

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 2,848,351 RSD (2025: 3,657,442 RSD).

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

4. CASH AND CASH EQUIVALENTS

	31 March	31 December
	2026	2025
Cash in bank and in hand	15,389,002	7,205,585
Deposits with original maturity of less than three months	21,346,869	22,956,223
Cash equivalents	3,134	3,386
Restricted cash	355,567	354,910
	37,094,572	30,520,104

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

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

5. SHORT-TERM FINANCIAL ASSETS

	31 March 2026	31 December 2025
Short-term loans	26,151	37,165
<i>Less impairment loss provision</i>	(2,180)	(2,180)
	23,971	34,985

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

6. TRADE AND OTHER RECEIVABLES

	31 March 2026	31 December 2025
Trade receivables	26,219,601	27,908,744
Other receivables	79,048	81,967
<i>Less impairment provision for trade receivables</i>	(7,078,513)	(7,287,871)
<i>Less impairment provision for other receivables</i>	(27,931)	(30,193)
	19,192,205	20,672,647

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

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

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

7. INVENTORIES

	31 March 2026	31 December 2025
Crude oil	27,299,591	13,981,138
Petroleum products	19,277,626	19,341,142
Materials and supplies	8,758,905	9,512,526
Other	1,556,286	1,455,893
<i>Less impairment provision</i>	(5,127,947)	(5,143,451)
	51,764,461	39,147,248

8. OTHER CURRENT ASSETS

	31 March 2026	31 December 2025
Advances paid	1,267,139	3,415,521
VAT receivables	89,330	120,031
Deferred VAT	971,181	1,298,915
Prepaid expenses	458,238	251,405
Prepaid custom duties	103,746	101,351
Prepaid excise	4,127,912	3,107,734
Other current assets	8,191,257	8,195,797
<i>Less impairment provision</i>	(7,504,608)	(7,503,683)
	7,704,195	8,987,071

Deferred VAT as at 31 March 2026 amounting to 971,181 RSD (31 December 2025: 1,298,915 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 March 2026 amounting to 4,127,912 RSD (31 December 2025: 3,107,734 RSD) relates to the excise paid for the finished products stored in the non-excise warehouse and the excise paid for the imported products used in the further production process, which will be refunded in the near future.

9. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2026						
Cost	299,265,216	195,730,709	90,057,695	17,638,578	35,444,290	638,136,488
Depreciation and impairment	(139,354,096)	(103,927,380)	(46,114,466)	(10,066,808)	(2,161,885)	(301,624,635)
Net book value	159,911,120	91,803,329	43,943,229	7,571,770	33,282,405	336,511,853
Period ended 31 March 2026						
Additions	6,539,339	202,929	210,465	139,314	(2,108,800)	4,983,247
Changes in decommissioning obligations	69,316	-	-	-	-	69,316
Impairment (note 20)	-	-	-	-	(1,460)	(1,460)
Depreciation	(3,741,503)	(2,313,052)	(757,159)	(129,666)	-	(6,941,380)
Transfer from non-current assets held for sale	-	-	-	4,610	-	4,610
Disposals and write-off	-	(25)	(4,713)	(10)	-	(4,748)
Other transfers	(44,192)	(23)	(676)	871	(60,940)	(104,960)
Translation differences	4,682	-	11,498	-	3,718	19,898
	162,738,762	89,693,158	43,402,644	7,586,889	31,114,923	334,536,376
As at 31 March 2026						
Cost	306,208,040	195,968,178	90,268,585	17,783,194	33,241,379	643,469,376
Depreciation and impairment	(143,469,278)	(106,275,020)	(46,865,941)	(10,196,305)	(2,126,456)	(308,933,000)
Net book value	162,738,762	89,693,158	43,402,644	7,586,889	31,114,923	334,536,376

10. RIGHT-OF-USE ASSETS

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

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2026	99,340	1,051,238	571,782	1,941,243	3,663,603
Additions	-	6,495	16,209	44,450	67,154
Depreciation	(2,684)	(51,958)	(53,206)	(83,018)	(190,866)
Disposals	-	-	-	(22,600)	(22,600)
Foreign currency translation	59	423	-	28	510
As at 31 March 2026	96,715	1,006,198	534,785	1,880,103	3,517,801

11. OTHER NON-CURRENT ASSETS

	31 March 2026	31 December 2025
Advances paid for PPE	1,357,500	1,527,977
Prepaid expenses	50,836	56,818
Other assets	908,305	921,728
<i>Less allowance for other assets</i>	<i>(275,603)</i>	<i>(273,895)</i>
<i>Less allowance for advances paid</i>	<i>(183,954)</i>	<i>(183,948)</i>
	1,857,084	2,048,680

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

	31 March 2026	31 December 2025
Interest liabilities	133,549	128,572
Current portion of long-term loans (note 16)	17,787,204	19,245,155
	17,920,753	19,373,727

13. TRADE AND OTHER PAYABLES

	31 March 2026	31 December 2025
Trade payables	12,222,869	11,240,739
Dividends payable	5,844,191	5,844,191
Other accounts payable	1,621,363	1,646,441
	19,688,423	18,731,371

14. OTHER CURRENT LIABILITIES

	31 March 2026	31 December 2025
Contract liabilities arising from contracts with customers:		
- Advances received	3,986,929	2,092,821
- Customer loyalty	846,368	804,379
- Deferred income	88,322	75,828
Payables to employees	4,765,347	3,615,606
Other current non-financial liabilities	300,544	454,620
	9,987,510	7,043,254

Revenue in the amount of 1,331,756 RSD recognized in the current reporting period (31 March 2025: 4,291,009 RSD) related to the contract liabilities as at 1 January 2026, of which 1,170,916 RSD (31 March 2025: 3,954,690 RSD) related to advances and 160,840 RSD (31 March 2025: 336,319 RSD) to the customer loyalty programme.

15. OTHER TAXES PAYABLE

	31 March 2026	31 December 2025
Mineral extraction tax	526,555	501,157
VAT	4,020,677	2,464,268
Excise tax	7,825,540	3,403,527
Contribution for State commodity reserves	352,741	128,631
Custom duties	21,934	7,499
Energy efficiency fee	38,745	15,063
Other taxes	2,082,207	824,949
	14,868,399	7,345,094

16. LONG-TERM DEBT

	31 March 2026	31 December 2025
Bank loans	43,798,634	46,392,417
Other long-term borrowings	904,862	897,946
<i>Less current portion (note 12)</i>	<i>(17,787,204)</i>	<i>(19,245,155)</i>
	26,916,292	28,045,208

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

	Three month period ended 31 March	
	2026	2025
Long-term loans at 1 January	46,392,417	65,159,107
Repayment	(2,654,277)	(2,061,297)
Non-cash transactions	6,481	10,174
Foreign exchange difference	54,013	107,734
Long-term loans at 31 March	43,798,634	63,215,718

Bank loans

	31 March 2026	31 December 2025
Total bank loans	43,798,634	46,392,417
Current portion	(17,787,204)	(19,245,155)
	26,011,430	27,147,262

The maturity of bank loans was as follows:

	31 March 2026	31 December 2025
Between 1 and 2 years	6,335,246	6,323,800
Between 2 and 5 years	19,430,931	20,578,503
Over 5 years	245,253	244,959
	26,011,430	27,147,262

The carrying amounts of bank loans in the amount of 43,798,634 RSD (31 December 2025: 46,392,417 RSD) are denominated in EUR.

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

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

Other long-term borrowings in the amount of 904,862 RSD (31 December 2025: 897,946 RSD) mainly relate to the corporate bonds.

17. LEASE LIABILITIES

	31 March 2026	31 December 2025
Non-current lease liabilities	1,772,699	2,063,674
Current lease liabilities	999,829	1,150,161
	2,772,528	3,213,835

Amounts recognized in profit and loss:

	Three month period ended 31 March	
	2026	2025
Interest expense (included in finance cost) (note 23)	32,415	37,998
Expense relating to short-term leases and other lease contracts excluded from IFRS 16	19,235	27,750
Expense relating to leases of low value assets that are not shown above as short-term leases	19,517	16,426
Expense relating to variable lease payments not included in lease liabilities	642,886	617,851

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

	Three month period ended 31 March	
	2026	2025
As at 1 January	3,213,835	3,554,987
Repayment	(378,685)	(238,220)
Non-cash transactions	(66,081)	148,612
Foreign exchange difference	3,459	11,050
As at 31 March	2,772,528	3,476,429

18. PRODUCTION, MANUFACTURING AND COST OF OTHER SALES

	Three month period ended 31 March	
	2026	2025
Employee costs	3,834,180	3,633,271
Materials and supplies (other than O&G and petroleum products)	880,072	953,768
Repair and maintenance services	990,606	1,146,720
Electricity for resale	4,925	23,605
Electricity and utilities	3,563,175	4,345,837
Safety and security expense	40,677	268,062
Transportation services for production	159,312	174,658
Other	862,477	1,847,100
	10,335,424	12,393,021

19. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended	
	31 March	
	2026	2025
Employee costs	6,010,185	5,729,498
Commission and agency fees	132,884	199,120
Legal, audit and consulting services	146,324	235,441
Current repair cost	284,805	388,823
Costs on advertising and marketing	34,355	77,586
Electricity and utilities	377,112	336,837
Rent expense	11,298	11,084
Business trips expense	22,492	47,166
Safety and security expense	302,125	286,115
Insurance expense	22,465	31,795
Transportation and storage	54,636	66,111
Allowance for doubtful accounts	965	14,552
Other	915,329	1,163,009
	8,314,975	8,587,137

Other expenses in the amount of 915,329 RSD (2025: 1,163,009 RSD) mainly relate to bank charges, IT services, telecommunication services and other services.

20. OTHER INCOME, NET

	Three month period ended	
	31 March	
	2026	2025
Penalties	182,698	(29,351)
(Charge)/release of provisions (legal, environmental, etc.), net	(68,079)	1,165,194
Impairment of non-financial assets	(1,460)	-
Gain from write-off of accounts payable	125,414	2,101
ARO - Change in estimate	(4,207)	-
Charity and social payments	(587)	(9,499)
Other	10,184	161,808
	243,963	1,290,253

21. NET FOREIGN EXCHANGE LOSS

	Three month period ended	
	31 March	
	2026	2025
Foreign exchange gain/(loss) on financing activities including:		
- foreign exchange gain	11,560	30,226
- foreign exchange loss	(71,585)	(149,010)
Net foreign exchange gain on operating activities	38,330	52,143
	(21,695)	(66,641)

22. FINANCE INCOME

	Three month period ended	
	31 March	
	2026	2025
Interest on bank deposits	263,990	248,440
Interest income on loans issued	1,994	3,597
	265,984	252,037

23. FINANCE EXPENSES

	Three month period ended 31 March	
	2026	2025
Interest expense	530,847	794,060
Losses on restructuring of borrowings	6,481	10,173
Decommissioning provision: unwinding of the present value discount	45,008	35,835
Provision of trade and other non-current receivables: discount	(687)	(6,725)
<i>Less: amounts capitalised on qualifying assets</i>	-	(8,494)
	581,649	824,849

Interest expense includes expenses on lease liabilities in the amount of 32,415 RSD for the three months period ended 31 March 2026 (37,998 RSD for the three months period ended 31 March 2025 accordingly) (Note 17).

24. FAIR VALUE MEASUREMENT

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

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

25. CONTINGENCIES AND COMMITMENTS*Taxes*

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As a result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have the right to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 March 2026.

Economic environment in the Republic of Serbia

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

Currently the 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 297,138 RSD (31 December 2025: 302,404 RSD).

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

Capital commitments

As of 31 March 2026 the Group has entered into contracts to purchase property, plant and equipment in the amount of 3,386,306 RSD (31 December 2025: 3,177,738 RSD).

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

26. 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.

27. RELATED PARTY TRANSACTIONS

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

In the three month period ended 31 March 2026 and in the same period in 2025, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to the supply/delivery, petroleum products and energy.

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

	Parent company	Parent's subsidiaries and associates	Joint venture
As at 31 March 2026			
Short-term financial assets	-	24,131	-
Trade and other receivables	-	108,634	2,578
Other current assets	-	1,477	-
Investments in joint venture	-	-	3,482,293
Trade and other non-current receivables	-	-	1,025,938
Trade and other payables	-	(2,078,785)	(36,516)
Other current liabilities	-	(994,771)	(326)
	-	(2,939,314)	4,473,967
As at 31 December 2025			
Short-term financial assets	-	35,145	-
Trade and other receivables	-	164,416	17,759
Other current assets	-	1,477	-
Investments in joint venture	-	-	3,394,511
Trade and other non-current receivables	-	-	1,013,125
Trade and other payables	-	(2,078,671)	(188,575)
Other current liabilities	-	(329)	(213)
	-	(1,877,962)	4,236,607

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

	Parent	Parent's subsidiaries and associates	Joint venture
Three month period ended 31 March 2026			
Revenues from sales of products and services	-	9,801	28,281
Expenses based on procurement of products and services	-	-	(377,727)
Other income/(expenses), net	-	552	(143)
	-	10,353	(349,589)
Three month period ended 31 March 2025			
Revenues from sales of products and services	-	47,647	52,480
Expenses based on procurement of products and services	-	(124,847)	(843,127)
Other income, net	-	856	2,829
	-	(76,344)	(787,818)

28. EVENTS AFTER THE REPORTING DATE

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

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

Statement of individuals responsible for the preparation of report

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

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

Anton Cherepanov



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

Abbreviation	Meaning
3D	Three-dimensional
2D	Two-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 (STC NIS – Naftagas LLC Novi Sad)
t.o.e.	Tonnes of oil equivalent
USD	US dollar
USD/bbl	US dollars per barrel
VAT	Value Added Tax

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