



Naftna industrija Srbije A.D.

**Interim Condensed Consolidated Financial
Statements (Unaudited)**

31 March 2021

This version of the financial statements is a translation from the original, which is prepared in Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Serbian language version of the document takes precedence over this translation

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Interim Condensed Consolidated Statement of Financial Position

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

Assets	Note	31 March 2021	31 December 2020
		<i>(unaudited)</i>	
Current assets			
Cash and cash equivalents	5	8,033,400	8,488,302
Short-term financial assets	6	248,968	266,224
Trade and other receivables	7	22,188,254	20,898,742
Inventories	8	29,781,146	27,748,226
Current income tax prepayments		247,236	1,012,225
Other current assets	9	6,234,259	6,117,761
Non-current assets held for sale		40,452	39,146
Total current assets		66,773,715	64,570,626
Non-current assets			
Property, plant and equipment	10	304,394,835	306,479,078
Right-of-use assets	11	2,675,797	2,660,794
Investment property		1,581,741	1,574,329
Goodwill and other intangible assets		4,485,747	4,485,734
Investments in associates and joint ventures	12	1,710,607	1,747,430
Trade and other non-current receivables		2,822	78,459
Long-term financial assets		110,834	110,571
Deferred tax assets		2,233,942	2,313,438
Other non-current assets	13	1,276,002	1,209,728
Total non-current assets		318,472,327	320,659,561
Total assets		385,246,042	385,230,187
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	14	10,377,016	11,662,083
Current lease liabilities	19	617,924	610,725
Trade and other payables	15	18,502,492	23,501,690
Other current liabilities	16	8,425,303	9,887,618
Other taxes payable	17	10,088,895	10,110,787
Provisions for liabilities and charges		2,379,461	2,382,745
Total current liabilities		50,391,091	58,155,648
Non-current liabilities			
Long-term debt	18	77,295,760	71,269,506
Non-current lease liabilities	19	1,743,260	1,868,666
Other non-current financial liabilities		846,400	841,847
Provisions for liabilities and charges		10,608,168	10,332,213
Total non-current liabilities		90,493,588	84,312,232
Equity			
Share capital		81,530,200	81,530,200
Reserves		456,813	383,186
Retained earnings		162,354,672	160,829,243
Equity attributable to the Company's owners		244,341,685	242,742,629
Non-controlling interest		19,678	19,678
Total equity		244,361,363	242,762,307
Total liabilities and shareholder's equity		385,246,042	385,230,187

Kirill Tyurdenev
Chief Executive Officer
26 April 2021

Anton Cherepanov
Chief Financial Officer

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

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

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

	Note	Three month period ended 31 March	
		2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Sales of petroleum products, oil and gas		44,470,701	49,778,153
Other revenues		3,707,584	2,788,785
Total revenue from sales	4	48,178,285	52,566,938
Purchases of oil, gas and petroleum products		(25,180,998)	(34,021,960)
Production and manufacturing expenses	20	(6,051,488)	(5,548,634)
Selling, general and administrative expenses	21	(5,857,760)	(6,211,630)
Transportation expenses		(267,645)	(278,455)
Depreciation, depletion and amortization		(6,224,670)	(5,490,034)
Taxes other than income tax		(1,453,094)	(1,340,564)
Exploration expenses		-	(3,579)
Total operating expenses		(45,035,655)	(52,894,856)
Other expenses, net		(57,771)	(76,080)
Operating profit (loss)		3,084,859	(403,998)
Share of loss of associates and joint ventures		(36,823)	(55,738)
Net foreign exchange gain (loss)	22	(230,708)	(318,764)
Finance income	23	15,048	36,454
Finance expenses	24	(420,055)	(436,375)
Total other expense		(672,538)	(774,423)
Profit (loss) before income tax		2,412,321	(1,178,421)
Current income tax expense		(807,681)	(52,347)
Deferred tax income (expense)		(79,211)	168,968
Total income tax		(886,892)	116,621
Profit (loss) for the period		1,525,429	(1,061,800)
Other comprehensive income (loss):			
Items that will not be reclassified to profit (loss)			
Gains (loss) from investments in equity instruments		(22)	(981)
		(22)	(981)
Items that may be subsequently reclassified to profit (loss)			
Currency translation differences		73,649	62,638
		73,649	62,638
Other comprehensive income (loss) for the period		73,627	61,657
Total comprehensive income (loss) for the period		1,599,056	(1,000,143)
Profit (loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		1,525,429	(1,061,800)
- Non-controlling interest		-	-
Profit (loss) for the period		1,525,429	(1,061,800)
Total comprehensive income (loss) attributable to:			
- Shareholders of Naftna Industrija Srbije		1,599,056	(1,000,143)
- Non-controlling interest		-	-
Total comprehensive income (loss) for the period		1,599,056	(1,000,143)
Earnings (loss) per share attributable to shareholders of Naftna Industrija Srbije			
Basic earnings (RSD per share)		9.35	(6.51)
Weighted average number of ordinary shares in issue (in millions)		163	163

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

NIS Group
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
 Three month period ended 31 March 2021 and 2020

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

	Equity attributable to the Company's owners					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<i>(unaudited)</i>						
Balance as at 1 January 2020	81,530,200	271,614	173,153,889	254,955,703	(260,911)	254,694,792
Profit (loss) for the period	-	-	(1,061,800)	(1,061,800)	-	(1,061,800)
Other comprehensive income (loss)						
Loss from investments in equity instruments	-	(981)	-	(981)	-	(981)
Currency translation differences	-	62,638	-	62,638	-	62,638
Total comprehensive income (loss) for the period	-	61,657	(1,061,800)	(1,000,143)	-	(1,000,143)
New investments in shares	-	-	(280,589)	(280,589)	280,589	-
Total transactions with owners	-	-	(280,589)	(280,589)	280,589	-
Balance as at 31 March 2020	81,530,200	333,271	171,811,500	253,674,971	19,678	253,694,649

	Equity attributable to the Company's owners					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
<i>(unaudited)</i>						
Balance as at 1 January 2021	81,530,200	383,186	160,829,243	242,742,629	19,678	242,762,307
Profit (loss) for the period	-	-	1,525,429	1,525,429	-	1,525,429
Other comprehensive income (loss)						
Loss from investments in equity instruments	-	(22)	-	(22)	-	(22)
Currency translation differences	-	73,649	-	73,649	-	73,649
Total comprehensive income (loss) for the period	-	73,627	1,525,429	1,599,056	-	1,599,056
Balance as at 31 March 2021	81,530,200	456,813	162,354,672	244,341,685	19,678	244,361,363

NIS Group
Interim Condensed Consolidated Statement of Cash Flows¹
(All amounts are in 000 RSD, unless otherwise stated)

	Note	Three month period ended	
		31 March	
		2021	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities			
Profit (loss) before income tax		2,412,321	(1,178,421)
Adjustments for:			
Share of loss of associates and joint ventures		36,823	55,738
Finance expenses	24	420,055	436,375
Finance income	23	(15,048)	(36,454)
Net unrealised foreign exchange (loss) gain, net		(55,984)	83,610
Depreciation, depletion and amortization		6,224,670	5,490,034
Other non-cash items		96,693	131,919
Operating cash flow before changes in working capital		9,119,530	4,982,801
Changes in working capital:			
Accounts receivable		(1,227,687)	2,666,301
Inventories		(2,011,779)	7,090,131
Other assets		(118,434)	(1,233,739)
Accounts payables and other current liabilities		(5,830,067)	(13,206,458)
Taxes payable		(21,683)	(430,634)
Total effect on working capital changes		(9,209,650)	(5,114,399)
Income taxes paid		(50,055)	(1,099,279)
Interest paid		(327,278)	(367,384)
Interest received		12,764	38,980
Net cash (used in)/generated from operating activities		(454,689)	(1,559,281)
Cash flows from investing activities			
Net cash outflow on acquisition of subsidiaries		-	(41)
Capital expenditures ²		(4,674,543)	(8,621,734)
Proceeds from sale of property, plant and equipment		159,801	88,416
Bank deposits repayment, net		17,449	1,598,297
Other outflow		(17,638)	(17,638)
Net cash used in investing activities		(4,514,931)	(6,952,700)
Cash flows from financing activities			
Proceeds from borrowings	14, 18	8,008,901	3,465,953
Repayment of borrowings	14, 18	(3,325,505)	(1,201,932)
Repayment of lease liabilities	19	(166,514)	(96,626)
Net cash generated from (used in) financing activities		4,516,882	2,167,395
Net decrease in cash and cash equivalents		(452,738)	(6,344,586)
Effect of foreign exchange on cash and cash equivalents		(2,164)	(66,638)
Cash and cash equivalents as of the beginning of the period		8,488,302	15,295,810
Cash and cash equivalents as of the end of the period		8,033,400	8,884,586

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

¹ Group policy is to present cash flow inclusive of related VAT.

² CF from investing activities includes VAT in the amount of 0,5 bln RSD (2020: 0,9 bln RSD)

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije (the "Company") and its subsidiaries (together refer to as the "Group") is 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 and
- Electricity generation and trading.

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

The Company was established in accordance with the Decision of Government of Republic of Serbia on 7 July 2005. On 2 February 2009 PJSC Gazprom Neft ("Gazprom Neft") acquired a 51% of the share capital of Naftna Industrija Srbije which became a subsidiary of Gazprom Neft. In March 2011, under the Company's Share Sale and Purchase Agreement, Gazprom Neft acquired an additional 5.15% of shares, thereby increasing its percentage of ownership to 56.15%. PJSC Gazprom, owns 95.7% of the shares in the Gazprom Neft. The Russian Federation is the ultimate controlling party.

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 Chief Executive Officer and will be presented to Board of Directors for approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by 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 International Financial Reporting Standards (IFRS).

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.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2020, 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 2020.

The Group continues to monitor the impact of the coronavirus pandemic (COVID-19) and the related preventive measures which lead to decrease in the economic activity of market participants, as well as persistent volatility in the currency and commodity markets on the critical accounting estimates which are used by the Group in the Condensed Interim Consolidated Financial Statements preparation. In the first quarter of 2021, the specified macroeconomic factors did not result in change of these estimates by the Group.

The results for the three month period ended 31 March 2021 are not necessarily indicative of the results expected for the full year.

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

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

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 Consolidated Financial Statements as of and for the year ended 31 December 2020, except for those described in the Application of new IFRS paragraph.

3. NEW ACCOUNTING STANDARDS

Application of amendments to the existing standards

The following amendments to the existing standards which became effective did not have any material impact on the Condensed Interim Consolidated Financial Statements:

- Interest Rate Benchmark Reform (Phase 2) – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued in August 2020 and effective for annual periods beginning on or after 1 January 2021).

New standards and amendments to the existing standards that are not yet effective

The following new standards and amendments to the existing standards are not expected to have any material impact on the Condensed Interim Consolidated Financial Statements when adopted:

- IFRS 17 – Insurance Contracts (issued on 18 May 2017 and amended in June 2020, effective for annual periods beginning on or after 1 January 2023);
- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 (issued in January 2020 and amended in July 2020, effective for annual periods beginning on or after January 2023);
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Updating References to the Conceptual Framework – Amendments to IFRS 3 (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (issued in May 2020 and effective for annual periods beginning on or after 1 January 2022):
 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities – Amendments to IFRS 9;
 - Subsidiary as a First-time Adopter – Amendment to IFRS 1;
 - Taxation in Fair Value Measurements – Amendment to IAS 41;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued in September 2014 and effective for annual periods beginning on or after a date to be determined by IASB);
- Disclosure of Accounting Policies – Amendments to IAS 1 (issued in February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Definition of Accounting Estimates – Amendments to IAS 8 (issued in February 2021 and effective for annual periods beginning on or after 1 January 2023).

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

4. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the three month periods ended 31 March 2021 and 2020. 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.

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

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 2021 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	8,994,949	48,179,098	(8,995,762)	48,178,285
Intersegment	8,866,806	128,956	(8,995,762)	-
External	128,143	48,050,142	-	48,178,285
EBITDA (Segment results)	5,957,374	3,401,101	-	9,358,475
Depreciation, depletion and amortization	(3,368,638)	(2,856,032)	-	(6,224,670)
Share of loss of associates and joint ventures	-	(36,823)	-	(36,823)
Net foreign exchange loss	(138,489)	(92,219)	-	(230,708)
Finance (expenses) income, net	722	(405,729)	-	(405,007)
Income tax	(92,089)	(794,803)	-	(886,892)
Segment profit (loss)	2,265,620	(740,191)	-	1,525,429

Reportable segment results for the three month period ended 31 March 2020 are shown in the table below:

	Upstream	Downstream	Eliminations	Total
Segment revenue	9,789,657	52,284,778	(9,507,497)	52,566,938
Intersegment	9,341,420	166,077	(9,507,497)	-
External	448,237	52,118,701	-	52,566,938
EBITDA (Segment results)	5,276,808	(105,091)	-	5,171,717
Depreciation, depletion and amortization	(3,055,082)	(2,434,952)	-	(5,490,034)
Share of loss of associates and joint ventures	-	(55,738)	-	(55,738)
Net foreign exchange loss	(131,312)	(187,452)	-	(318,764)
Finance expenses, net	(20,688)	(379,233)	-	(399,921)
Income tax	(44,834)	161,455	-	116,621
Segment profit (loss)	1,892,562	(2,954,362)	-	(1,061,800)

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

EBITDA for the three month period ended 31 March 2021 and 2020 is reconciled below:

	Three month period ended 31 March	
	2021	2020
Profit (Loss) for the period	1,525,429	(1,061,800)
Income tax	886,892	(116,621)
Finance expenses	420,055	436,375
Finance income	(15,048)	(36,454)
Depreciation, depletion and amortization	6,224,670	5,490,034
Share of loss of associates and joint ventures	36,823	55,738
Net foreign exchange (gain) loss	230,708	318,764
Other expense, net	57,771	76,080
Other non-operating expense (income), net	(8,825)	9,601
EBITDA	9,358,475	5,171,717

Oil, gas and petroleum products sales comprise the following (based on the country of customer incorporation):

	Three month period ended 31 March 2021		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	-	-
Sale of gas	113,927	-	113,927
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	113,927	-	113,927
Sale of petroleum products	32,931,361	11,425,413	44,356,774
<i>Through a retail network</i>	12,323,514	2,912,764	15,236,278
<i>Wholesale activities</i>	20,607,847	8,512,649	29,120,496
Sale of electricity	516,527	93,707	610,234
Lease revenue	78,369	2,927	81,296
Other sales	2,230,470	785,584	3,016,054
Total sales	35,870,654	12,307,631	48,178,285

	Three month period ended 31 March 2020		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	416,925	416,925
Sale of gas	50,928	-	50,928
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	50,928	-	50,928
Sale of petroleum products	36,982,975	12,327,325	49,310,300
<i>Through a retail network</i>	14,165,063	3,565,133	17,730,196
<i>Wholesale activities</i>	22,817,912	8,762,192	31,580,104
Sale of electricity	192,663	45,223	237,886
Lease revenue	75,097	1,054	76,151
Other sales	1,792,161	682,587	2,474,748
Total sales	39,093,824	13,473,114	52,566,938

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

Out of the amount of 29,120,496 thousand RSD (2020: 31,580,104 thousand RSD) revenue from sale of petroleum products (wholesale), the amount of 4,869,587 thousand RSD (2020: 4,873,751 thousand RSD) are derived from a single domestic customer HIP Petrohemija. These revenue are attributable to wholesale activities within Downstream segment.

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 2,272,640 thousand RSD (2020: 1,914,541 thousand RSD).

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

The Group is domiciled in the Republic of Serbia. The revenue from external customers in the Republic of Serbia is 35,870,654 thousand RSD (2020: 39,093,824 thousand RSD), and the total revenue from external customer from other countries is 12,307,631 thousand RSD (2020: 13,473,114 thousand RSD).

The breakdown of the major component of the total revenue from external customers from other countries is disclosed below:

	Three month period ended	
	31 March	
	2021	2020
Sale of crude oil	-	416,925
Sale of petroleum products (retail and wholesale)		
Bulgaria	2,643,145	2,962,760
Bosnia and Herzegovina	4,455,227	3,724,476
Romania	2,217,032	2,551,924
Switzerland	289,249	154,486
Croatia	317,253	536,471
Northern Macedonia	121,343	272,431
Hungary	73,056	335,237
Great Britain	449,071	361,929
All other markets	860,037	1,427,611
	11,425,413	12,327,325
Sale of electricity	93,707	45,223
Lease revenue	2,927	1,054
Other sales	785,584	682,587
	12,307,631	13,473,114

Revenues from the individual countries included in all other markets are not material.

Non-current assets, other than financial instruments and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts), by country:

	31 March	31 December
	2021	2020
Serbia	286,752,447	288,696,880
Romania	12,391,045	12,430,336
Bosnia and Herzegovina	7,653,128	7,649,494
Bulgaria	6,341,500	6,423,225
	313,138,120	315,199,935

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

5. CASH AND CASH EQUIVALENTS

	31 March 2021	31 December 2020
Cash in bank and in hand	2,901,999	5,576,619
Deposits with original maturity of less than three months	4,823,605	2,643,210
Cash held on escrow account	7,856	8,329
Cash equivalents	299,940	260,144
	8,033,400	8,488,302

6. SHORT-TERM FINANCIAL ASSETS

	31 March 2021	31 December 2020
Short-term loans	2,019	2,019
Deposits with original maturity more than 3 months less than 1 year	248,968	266,224
Less impairment loss provision	(2,019)	(2,019)
	248,968	266,224

As at 31 March 2021 deposits with original maturity more than 3 months less than 1 year amounting to 248,968 thousand RSD (31 December 2020: 266,224 thousand RSD) relates to bank deposits placements with interest rates to 0.50% to 2.40% p.a. denominated in RSD and EUR (31 December 2020: 0.50% to 2.80% p.a. denominated in RSD and EUR).

7. TRADE AND OTHER RECEIVABLES

	31 March 2021	31 December 2020
Trade receivables	31,011,848	29,709,881
Other receivables	90,034	91,781
Accrued assets	37,082	55,204
<i>Less credit loss allowance for trade receivables</i>	(8,906,535)	(8,912,085)
<i>Less credit loss allowance for other receivables</i>	(44,175)	(46,039)
Total trade and other receivables	22,188,254	20,898,742

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

Management believes that not impaired trade and other receivables and other current assets are fully recoverable.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 March 2021	31 December 2020
RSD	18,886,718	18,381,025
EUR	874,617	833,832
USD	256,113	245,377
Other	2,170,806	1,438,508
	22,188,254	20,898,742

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021***(All amounts are in 000 RSD, unless otherwise stated)***8. INVENTORIES**

	31 March 2021	31 December 2020
Crude oil	15,080,222	14,118,415
Petroleum products	12,162,039	11,279,391
Materials and supplies	6,126,289	5,904,420
Other	1,135,988	1,203,773
Less impairment provision	(4,723,392)	(4,757,773)
	29,781,146	27,748,226

9. OTHER CURRENT ASSETS

	31 March 2021	31 December 2020
Advances paid	521,103	515,693
VAT receivables	84,235	117,430
Deferred VAT	2,270,772	2,111,479
Prepaid expenses	369,396	248,940
Prepaid custom duties	73,491	77,694
Prepaid excise	2,050,395	2,271,345
Other current assets	8,436,010	8,344,888
Less impairment provision	(7,571,143)	(7,569,708)
	6,234,259	6,117,761

Deferred VAT as at 31 March 2021 amounting to 2,270,772 thousand RSD (31 December 2020: 2,111,479 thousand 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 2021 amounting to 2,050,395 thousand RSD (31 December 2020: 2,271,345 thousand RSD) relates to the excise paid for finished products stored in non-excise warehouse.

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

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

10. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2020						
Cost	185,208,089	119,078,761	70,157,189	19,406,385	69,075,268	462,925,692
Depreciation and impairment	(58,573,177)	(51,705,166)	(34,354,810)	(10,321,625)	(2,036,347)	(156,991,125)
Net book value	126,634,912	67,373,595	35,802,379	9,084,760	67,038,921	305,934,567
Period ended 31 March 2020						
Additions	-	-	-	-	6,700,315	6,700,315
Changes in decommissioning obligations	65,848	-	-	-	-	65,848
Transfer from assets under construction	4,257,704	1,333,748	745,777	100,279	(6,437,508)	-
Impairment	-	-	(3,031)	-	(10,411)	(13,442)
Depreciation	(2,969,420)	(1,459,296)	(604,760)	(187,259)	(1,182)	(5,221,917)
Disposals and write-off	(207)	(4,431)	(26,218)	(4,087)	(10,322)	(45,265)
Other transfers	(43,603)	(272,780)	34,666	211,001	4,202	(66,514)
Translation differences	(3)	-	(36,162)	(13)	(91,927)	(128,105)
	127,945,231	66,970,836	35,912,651	9,204,681	67,192,088	307,225,487
As at 31 March 2020						
Cost	189,437,548	120,095,527	70,855,460	19,501,064	69,226,846	469,116,445
Depreciation and impairment	(61,492,317)	(53,124,691)	(34,942,809)	(10,296,383)	(2,034,758)	(161,890,958)
Net book value	127,945,231	66,970,836	35,912,651	9,204,681	67,192,088	307,225,487
As at 1 January 2021						
Cost	201,221,015	160,908,071	72,666,132	19,440,677	29,971,204	484,207,099
Depreciation and impairment	(70,509,519)	(57,807,804)	(36,316,450)	(10,542,208)	(2,552,040)	(177,728,021)
Net book value	130,711,496	103,100,267	36,349,682	8,898,469	27,419,164	306,479,078
Period ended 31 March 2021						
Additions	-	-	-	-	4,188,142	4,188,142
Changes in decommissioning obligations	163,183	-	-	-	-	163,183
Transfer from assets under construction	7,782,273	1,006,911	227,704	101,691	(9,118,579)	-
Impairment	-	-	-	-	(717)	(717)
Depreciation	(3,174,191)	(1,979,661)	(589,796)	(167,467)	(1,171)	(5,912,286)
Disposals and write-off	(867)	(4,902)	(19,684)	(285)	-	(25,738)
Transfer to right of use assets	-	-	(153,427)	-	-	(153,427)
Other transfers	(2,492)	496,015	(361,992)	(138,302)	(148,229)	(155,000)
Translation differences	(31,590)	-	(29,916)	1	(19,477)	(80,982)
	135,447,812	102,618,630	35,422,571	8,694,107	22,219,133	304,402,253
As at 31 March 2021						
Cost	209,074,969	162,786,136	71,778,266	19,230,076	24,765,328	487,634,775
Depreciation and impairment	(73,627,157)	(60,167,506)	(36,355,695)	(10,535,969)	(2,553,613)	(183,239,940)
Net book value	135,447,812	102,618,630	35,422,571	8,694,107	22,211,715	304,394,835

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

11. RIGHT-OF-USE ASSETS

Movements in right-of-use assets for the three months ended 31 March 2021 and 2020 are as follows:

	Land	Property	Plant and equipment	Vehicles	Total
As at 1 January 2020	148,676	1,023,199	438,495	263,429	1,873,799
Additions	7,509	86,155	-	601,560	695,224
Depreciation of right-of-use assets	(626)	(60,425)	(17,938)	(25,633)	(104,622)
Disposals	-	(1,897)	-	(4,518)	(6,415)
Foreign currency translation	(1,531)	1,694	(1,995)	(63)	(1,895)
As at 31 March 2020	154,028	1,048,726	418,562	834,775	2,456,091
As at 1 January 2021	143,732	1,299,970	338,324	878,768	2,660,794
Additions	-	29,632	2,900	684	33,216
Depreciation of right-of-use assets	(2,410)	(65,862)	(23,490)	(73,711)	(165,473)
Transfer from PPE	-	153,427	-	-	153,427
Disposals	-	(361)	-	(1,933)	(2,294)
Foreign currency translation	1,127	(574)	(4,376)	(50)	(3,873)
As at 31 March 2021	142,449	1,416,232	313,358	803,758	2,675,797

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The carrying values of the investments in associates and joint ventures as of 31 March 2021 and 31 December 2020 are summarised below:

		Ownership percentage	31 March 2021	31 December 2020
NIS MET Energowind d.o.o. Beograd	Joint venture	50%	909,019	915,921
Gazprom Energoholding Serbia d.o.o. Novi Sad	Joint venture	49%	801,588	831,509
HIP Petrohemija a.d. Pančevo	Associate	20.86%	11,572,197	11,572,197
Less Impairment provision			(11,572,197)	(11,572,197)
Total investments			1,710,607	1,747,430

The principal place of business of joint ventures disclosed above is Republic of Serbia.

There are no contingent liabilities relating to the Group's interest in the joint venture, and no contingent liabilities of the venture itself.

NIS MET Energowind d.o.o. Beograd

In 2013 the Group acquired 50% of interest in a joint venture Energowind d.o.o. which was intended to be used as a vehicle for operation of future wind farm "Plandiste" with total capacity of 102 MW. During March 2019, MET Renewables AG acquired from third parties 50% of share in the project and became a joint partner on the project that has been renamed to NIS MET Energowind d.o.o. Beograd. On the date of the issuance of these Interim Condensed Consolidated Financial Statements there has been no significant business activity. NIS MET Energowind d.o.o. is a private company and there is no available quoted market price.

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

Gazprom Energoholding Serbia d.o.o. Novi Sad

In 2015, the Group and Centrenergoholding OAO Russian Federation established the holding company Gazprom Energoholding Serbia LLC, through which they would jointly operate with the Thermal and Heating Power Plant Gazprom Energoholding Serbia "TE-TO" Pancevo with a projected capacity of 208 MW. In October 2017 the contract with Shanghai Electric Group Co., Ltd. was signed on a "turnkey" basis and the design phase started. The project is mostly financed from the loan from Gazprombank (140 mln EUR) with the loan tenor of 12 years and corporate loan from CEH in amount of 41 mln EUR. Handing over CHP TE-TO Pancevo is expected to be completed during 2021. Analysis of the influence of the coronavirus pandemic (COVID-19) to completion of the project is in progress. A significant extension is not expected.

HIP Petrohemija

In accordance with the laws in force in the Republic of Serbia, at the beginning of October 2017 all the conditions were met for the full implementation of the earlier prepared plan for restructuring of the company HIP Petrohemija a.d. Pancevo. In accordance with the adopted plan, the structure of the share capital of the company HIP Petrohemija has been changed, whereby NIS increased its equity interest. After conversion, NIS holds, directly 20.86% of the voting power of the HIP Petrohemija. Also, NIS has representatives on the BoD and Supervisory boards.

The summarised financial information for the joint ventures as of 31 March 2021 and 31 December 2020 and for the years ended 31 March 2021 and 31 March 2020 is presented in the table below:

	NIS MET Energowind	Gazprom Energoholding Serbia
31 March 2021		
Current assets	44,670	456,703
Non-current assets	3,162,299	17,353,506
Current liabilities	(973,686)	(163,952)
Non-current liabilities	-	(16,019,621)
31 December 2020		
Current assets	36,102	399,874
Non-current assets	3,162,171	16,016,723
Current liabilities	(951,167)	(211,951)
Non-current liabilities	-	(14,563,190)
	NIS MET Energowind	Gazprom Energoholding Serbia
31 March 2021		
Other income	1,115	3,955
Loss for the year	(13,804)	(61,063)
31 March 2020		
Other income	1,014	1,583
Loss for the year	(14,992)	(98,454)

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021***(All amounts are in 000 RSD, unless otherwise stated)***13. OTHER NON-CURRENT ASSETS**

	31 March 2021	31 December 2020
Advances paid for PPE	429,160	365,823
Prepaid expenses	113,494	126,564
Other assets	1,150,358	1,126,857
<i>Less allowance of other assets</i>	<i>(390,269)</i>	<i>(382,775)</i>
<i>Less allowance for advances paid</i>	<i>(26,741)</i>	<i>(26,741)</i>
	1,276,002	1,209,728

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

	31 March 2021	31 December 2020
Interest liabilities	99,665	76,094
Current portion of long-term loans (note 18)	10,277,351	11,585,989
	10,377,016	11,662,083

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

	Three month period ended 31 March	
	2021	2020
Short-term loans at 1 January	-	-
Proceeds	500,000	3,000,000
Repayment	<i>(500,000)</i>	-
Short-term loans at 31 March	-	3,000,000

15. TRADE AND OTHER PAYABLES

	31 March 2021	31 December 2020
Trade payables	14,527,288	19,497,552
Dividends payable	3,784,555	3,785,017
Other accounts payable	190,649	219,121
	18,502,492	23,501,690

As at 31 March 2021 trade payables amounting to 14,527,288 thousand RSD (31 December 2020: 19,497,552 thousand RSD) mainly relate to payables for crude oil in the amount of 4,400,476 thousand RSD to the supplier Petraco Oil Company LLP, London (31 December 2020 2,641,621 thousand RSD).

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

16. OTHER CURRENT LIABILITIES

	31 March 2021	31 December 2020
Contract liabilities arising from contracts with customers:		
- Advances received	1,948,885	4,164,685
- Customer loyalty	761,257	770,993
Payables to employees	5,700,370	4,933,413
Other current non-financial liabilities	14,791	18,527
	8,425,303	9,887,618

Revenue in the amount of 3,672,598 thousand RSD was recognized in the current reporting period (31 March 2020: 1,648,542 thousand RSD) related to the contract liabilities as at 1 January 2020, of which of 3,437,269 thousand RSD (31 March 2020: 1,406,163 thousand RSD) related to advances and 235,329 thousand RSD (31 March 2020: and 242,379 thousand RSD) to customer loyalty programme.

17. OTHER TAXES PAYABLE

	31 March 2021	31 December 2020
Mineral extraction tax	268,283	214,971
VAT	3,674,449	2,333,069
Excise tax	4,116,853	5,713,647
Contribution for buffer stocks	178,959	266,499
Custom duties	244,591	63,541
Energy efficiency fee	20,077	30,687
Other taxes	1,585,683	1,488,373
	10,088,895	10,110,787

18. LONG-TERM DEBT

	31 March 2021	31 December 2020
Long-term loan - Gazprom Neft	12,304,894	13,672,117
Bank loans	75,185,136	69,109,887
Other long-term borrowings	83,081	73,491
Less Current portion (note 14)	(10,277,351)	(11,585,989)
	77,295,760	71,269,506

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

	Three month period ended	
	31 March	
	2021	2020
Long-term loans at 1 January	82,782,004	89,044,212
Proceeds	7,508,901	465,953
Repayment	(2,825,505)	(1,201,932)
Non-cash transactions	21,627	(693,188)
Foreign exchange difference (note 22)	3,003	(57,584)
Long-term loans at 31 March	87,490,030	87,557,461

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

(a) Long-term loan - Gazprom Neft

As at 31 March 2021 long-term loan - Gazprom Neft amounting to 12,304,894 thousand RSD (31 December 2020: 13,672,117 thousand RSD), with current portion of 5,468,841 thousand RSD (31 December 2020: 5,468,847 thousand RSD), relate to loan from Gazprom Neft granted based on the Agreement for Sale and Purchase of shares signed on 24 December 2008. The stated liabilities shall be settled in quarterly instalments starting from December 2012 until 15 May 2023.

(b) Bank loans

	31 March 2021	31 December 2020
Domestic	52,598,372	51,785,438
Foreign	22,586,764	17,324,449
	75,185,136	69,109,887
Current portion of long-term loans	(4,808,510)	(6,117,142)
	70,376,626	62,992,745

The maturity of bank loans was as follows:

	31 March 2021	31 December 2020
Between 1 and 2 years	12,967,572	9,920,841
Between 2 and 5 years	45,529,318	41,197,751
Over 5 years	11,879,736	11,874,153
	70,376,626	62,992,745

The carrying amounts of bank and other long-term loans are denominated in the following currencies:

	31 March 2021	31 December 2020
USD	146,583	157,858
EUR	74,856,351	68,740,978
RSD	299	373
JPY	181,903	210,678
	75,185,136	69,109,887

The Group repays loans in accordance with 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 and Libor. Management expects that the Group will be able to fulfil its obligations within agreed timeframe.

The loan agreements contain financial covenants that require the Group's ratio of Consolidated Indebtedness to Consolidated EBITDA. Management believes the Group is in compliance with these covenants as of 31 March 2021 and 31 December 2020, respectively.

19. LEASE LIABILITIES

	31 March 2021	31 December 2020
Non-current lease liabilities	1,743,260	1,868,666
Current lease liabilities	617,924	610,725
	2,361,184	2,479,391

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

Amounts recognized in profit and loss:

	Three month period ended	
	31 March	
	2021	2020
Interest expense (included in finance cost)	23,710	20,584
Expense relating to short-term leases	130,837	250,116
Expense relating to leases of low value assets that are not shown above as short-term leases	13,385	57,125
Expense relating to variable lease payments not included in lease liabilities	383,707	436,886

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

	Three month period ended	
	31 March	
	2021	2020
As at 1 January	2,479,391	1,703,441
Repayment	(166,514)	(96,626)
Non-cash transactions	49,038	704,073
Foreign exchange difference (note 22)	(731)	(7,630)
As at 31 March	2,361,184	2,303,258

20. PRODUCTION AND MANUFACTURING EXPENSES

	Three month period ended	
	31 March	
	2021	2020
Employee costs	2,150,800	1,922,943
Cost of service organization	8,776	414,883
Materials and supplies (other than oil and gas and petroleum products)	411,980	508,833
Repair and maintenance services	780,851	959,161
Electricity and utilities	1,327,550	1,051,192
Safety and security expense	82,352	116,103
Transportation services for production	345,713	428,160
Other	943,466	147,359
	6,051,488	5,548,634

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021***(All amounts are in 000 RSD, unless otherwise stated)***21. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	Three month period ended 31 March	
	2021	2020
Employee costs	3,961,949	3,573,367
Cost of service organization	1,668	673,519
Commission and agency fees	189,119	228,235
Legal, audit and consulting services	163,541	223,677
Current repair cost	180,818	208,017
Costs on advertising and marketing	53,280	55,063
Rent expense	46,017	55,602
Business trips expense	16,572	37,060
Safety and security expense	136,535	139,147
Insurance expense	18,253	20,500
Transportation and storage	34,823	41,866
Allowance for doubtful accounts	(4,484)	(120,102)
Other	1,059,669	1,075,679
	5,857,760	6,211,630

22. NET FOREIGN EXCHANGE GAIN (LOSS)

	Three month period ended 31 March	
	2021	2020
Foreign exchange gain (loss) on financing activities including:		
- foreign exchange gain (note 18 and 19)	205,946	272,366
- foreign exchange loss (note 18 and 19)	(208,218)	(207,152)
Net foreign exchange gain (loss) on operating activities	(228,436)	(383,978)
	(230,708)	(318,764)

23. FINANCE INCOME

	Three month period ended 31 March	
	2021	2020
Interest on bank deposits	12,836	33,774
Interest income on loans issued	2,212	2,680
	15,048	36,454

24. FINANCE EXPENSES

	Three month period ended 31 March	
	2021	2020
Interest expense	409,112	471,265
Losses on restructuring of borrowings	22,037	-
Decommissioning provision: unwinding of the present value discount	19,419	20,803
Financial assets: unwinding of discount	(30,513)	(19,443)
Less: interest expense capitalised on qualifying assets	-	(36,250)
	420,055	436,375

Interest expense includes expenses on lease liabilities in the amount of 23,710 thousand RSD for the three months ended 31 March 2021 (20,584 thousand RSD for the three months ended 31 March 2020 accordingly).

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

25. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Consolidated Financial Statements: investment properties, financial investments classified as available for sale and other non-current financial asset 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 2020. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 March 2021 the carrying value of financial assets approximates their fair value.

26. CONTINGENCIES AND COMMITMENTS

Taxes

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights 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 2021.

Economic environment in the Republic of Serbia

The Group operates primarily in the Republic of Serbia and is therefore exposed to risks related to the state of the economy and financial markets of the Republic of Serbia. Before the pandemic crisis, the country's credit rating was at BB+ level with stabile national currency rate. The development of the coronavirus pandemic (COVID-19) in 2020 and the measures taken in this regard to prevent the spread of coronavirus infection lead to negative economic consequences. The Government of the Republic of Serbia has prepared a set of measures to mitigate these negative impacts through delays in payment of tax liabilities, grants and credit arrangements. The situation in the financial markets is currently stable. This operating environment has a significant impact on the Group's operations and financial position.

The management is taking necessary measures to ensure 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 actual results.

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia environmental legislation as at the reporting date, the Group's management recognised an environmental provision in the amount of 415,059 thousand RSD (31 December 2020: 428,813 thousand RSD).

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

Capital commitments

As of 31 March 2021 the Group has entered into contracts to purchase property, plant and equipment 1,706,738 thousand RSD (31 December 2020: 1,531,697 thousand RSD) and drilling and exploration works estimated to 57.59 USD million (31 December 2020: 57.89 USD million).

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

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021***(All amounts are in 000 RSD, unless otherwise stated)***27. RELATED PARTY TRANSACTIONS**

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

The majority owner of the Group is Gazprom Neft, St Petersburg, Russian Federation, with 56.15% shares of the Company. The second largest shareholder with 29.87% interest is Republic of Serbia, while remaining 13.98% of interest owned by various minority shareholders are traded on the Belgrade Stock Exchange and are owned by various shareholders. The Russian Federation is the ultimate controlling party.

In the three month period ended 31 March 2021 and in the same period in 2020, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to supply/delivery of crude oil, petroleum products and energy.

As at 31 March 2021 and 31 December 2020 the outstanding balances, presented net of impairment, with related parties were as follows:

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
As at 31 March 2021			
Trade and other receivables	-	197,479	220,956
Investments in joint venture and associates	-	-	1,710,607
Other current assets	-	482,076	-
Right of use assets	-	78	-
Trade and other payables	-	(77,632)	(970,593)
Other current liabilities	-	(41)	(4,376)
Short-term debt and current portion of long-term debt	(5,468,841)	-	-
Current lease liabilities	-	(50)	-
Long-term debt	(6,836,053)	-	-
	(12,304,894)	601,910	956,594

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
As at 31 December 2020			
Trade and other receivables	-	184,545	1,462,758
Investments in joint venture and associates	-	-	1,747,430
Other current assets	-	25,095	-
Right of use assets	-	125	-
Trade and other payables	(3,204,199)	(216,612)	(942,413)
Other current liabilities	-	(37)	(4,493)
Short-term debt and current portion of long-term debt	(5,468,847)	-	-
Current lease liabilities	-	(84)	-
Long-term debt	(8,203,270)	-	-
	(16,876,316)	(6,968)	2,263,282

NIS Group
Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

For the three month period ended 31 March 2021 and 2020 the following transaction occurred with related parties:

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
Three month period ended 31 March 2021			
Petroleum products and oil and gas sales	-	231,711	4,869,928
Other revenues	1,455	11,814	7,852
Purchases of oil, gas and petroleum products	-	(88,407)	-
Production and manufacturing expenses	-	(58,568)	(55,023)
Depreciation, depletion and amortization	-	(47)	-
Selling, general and administrative expenses	-	-	-
Other expenses, net	-	-	(44)
Finance expense	(50,773)	-	-
	(49,318)	96,503	4,822,713

	Parent company	Parent's subsidiaries and associates	Associates and joint ventures
Three month period ended 31 March 2020			
Petroleum products and oil and gas sales	-	126,586	4,874,154
Other revenues	-	1,341	10,067
Purchases of oil, gas and petroleum products	(14,647,442)	(264,096)	-
Production and manufacturing expenses	-	(48,494)	(43,914)
Selling, general and administrative expenses	-	(1,707)	(594)
Other income (expenses), net	5,233	(104)	-
Finance expense	(82,536)	-	-
	(14,724,745)	(186,474)	4,839,713

Transactions with Key Management Personnel

For the three month period ended on 31 March 2021 and 2020 the Group recognized 232,072 thousand RSD and 228,485 thousand RSD, respectively, as compensation for key management personnel (Chief Executive Officer, members of the Board of Directors and Advisory Board and Corporate Secretary). Key management remuneration includes salaries, bonuses and other contributions.

28. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date.

Subsequent events occurring after 31 March 2021 were evaluated through 26 April 2021, the date these Interim Condensed Consolidated Financial Statements were authorised for issue.

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2021

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

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