

PJSC “RussNeft”

Interim Condensed Consolidated
Financial Statements for the six months
ended 30 June 2025 and Report
on Review (Unaudited)

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of PJSC "RussNeft"

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of PJSC "RussNeft" (OGRN 1027717003467) and its subsidiaries (the Group), which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended and notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2025 (the interim financial information). The President of PJSC "RussNeft" is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The accompanying interim financial information reflects long-term and short-term loans and borrowings of the Group as at 30 June 2025 and 31 December 2024 in the total amount of RUB 66,167 million and RUB 88,282 million, respectively, which may be claimed by creditors ahead of schedule due to the breach of a covenant, as set forth in the respective agreements. As a result of these circumstances, the line "Long-term loans and borrowings" was overstated and the line "Short-term loans and borrowings" was understated in the interim condensed consolidated statement of financial position as at 30 June 2025 and 31 December 2024 by RUB 17,444 million and RUB 80,590 million, respectively.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the interim financial information, which indicates that as at 30 June 2025 the Group's short-term liabilities exceeded its current assets by RUB 116,003 million. As stated in Note 2, this condition, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The Engagement Partner on the review



A.B. Baliakin

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Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: 12006020340

25 August 2025

PJSC "RussNeft"

Interim Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)

for the six months ended 30 June 2025

(in millions of Russian rubles)

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue	9	119,608	147,257
Cost of sales	10	(84,496)	(100,077)
Gross profit		35,112	47,180
Exploration expenses		(789)	(571)
Selling expenses	11	(8,264)	(7,859)
General and administrative expenses	11	(3,182)	(2,335)
Other operating income	13	4,208	6,176
Other operating expenses	13	(5,593)	(3,088)
Operating profit		21,492	39,503
Finance income	12	4,125	11,161
Finance expense	12	(7,416)	(6,773)
Foreign exchange differences, net		(5,079)	(2,294)
Share of loss of associates, net	8	(596)	-
Profit before tax		12,526	41,597
Income tax expense	25	(718)	(4,153)
Profit for the period		11,808	37,444
Other comprehensive income that may be subsequently reclassified to profit or loss			
Foreign currency translation gain		-	9,027
Total comprehensive income, net of tax		11,808	46,471
Profit / (Loss) attributable to:			
Shareholders of the Parent		11,839	38,481
Non-controlling interests		(31)	(1,037)
Total comprehensive income / (loss) attributable to:			
Shareholders of the Parent		11,839	47,213
Non-controlling interests		(31)	(742)
Basic and diluted earnings per share (RUB)	21	18	104
Weighted average number of common shares (millions)	21	227	287

E.V. Tolochev
President

O.E. Prozorovskaya
Senior Vice President
for Economics and Finance

Authorized for issue on 25 August 2025

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC “RussNeft”

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

as at 30 June 2025

(in millions of Russian rubles)

	Notes	30 June 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	14	170,641	156,140
Right-of-use assets	15	281	251
Goodwill	16	9,176	9,176
Investments in associates		18,558	19,155
Long-term trade and other receivables	19	4,003	3,603
Long-term financial assets	17	97,420	126,692
Deferred tax assets		1,411	1,366
Other non-current assets	19	1,182	1,673
Total non-current assets		302,672	318,056
Current assets			
Inventories	18	11,760	14,106
Trade and other receivables	19	10,420	12,167
Short-term financial assets	17	3,322	–
VAT receivable		463	591
Income tax receivable		58	81
Cash and cash equivalents	20	341	2,562
Other current assets	19	827	4,500
Total current assets		27,191	34,007
Total assets		329,863	352,063
Equity and liabilities			
Equity attributable to shareholders of the Parent			
Share capital	21	196	196
Share premium		60,289	60,289
Forward to purchase treasury shares	21	(21,123)	(21,123)
Treasury shares	21	(7,450)	(4,700)
Foreign currency translation reserve	6	–	7,134
Retained earnings		99,441	99,169
Total equity attributable to shareholders of the Parent		131,353	140,965
Non-controlling interests	7	1,102	(9,747)
Total equity		132,455	131,218
Long-term liabilities			
Long-term loans and borrowings	22	17,444	80,590
Decommissioning liability	23	4,470	5,065
Deferred tax liabilities		31,546	33,941
Long-term lease liabilities	15	281	258
Other long-term financial liabilities	24	473	32,355
Total long-term liabilities		54,214	152,209
Short-term liabilities			
Short-term loans and borrowings	22	48,764	7,734
Trade and other payables, other short-term financial liabilities	24	55,517	29,437
Taxes and levies payable (excluding income tax)	24	12,610	20,394
Short-term lease liabilities	15	53	39
Income tax payable		427	892
Advances received and other short-term liabilities	24	25,823	10,140
Total short-term liabilities		143,194	68,636
Total liabilities and equity		329,863	352,063

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC “RussNeft”

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

for the six months ended 30 June 2025

(in millions of Russian rubles)

Equity attributable to shareholders of the Parent									
Notes	Share capital	Share premium	Treasury shares	Forward to purchase treasury shares	Foreign currency translation reserve	Retained earnings/ (loss)	Total equity of PJSC “RussNeft”	Non-controlling interests	Total equity
1 January 2024	196	60,289	–	(21,123)	(1,152)	53,553	91,763	3,282	95,045
Profit / (Loss) for the period	–	–	–	–	–	38,481	38,481	(1,037)	37,444
Foreign currency translation reserve	–	–	–	–	8,732	–	8,732	295	9,027
Total comprehensive income / (loss) for the period	–	–	–	–	8,732	38,481	47,213	(742)	46,471
Dividends	–	–	–	–	–	(8,728)	(8,728)	(96)	(8,824)
Redemption of treasury shares	–	–	(4,700)	–	–	–	(4,700)	–	(4,700)
Disposal of subsidiaries	–	–	–	–	–	–	–	(9,907)	(9,907)
Other transactions	–	–	–	–	–	3	3	–	3
30 June 2024	196	60,289	(4,700)	(21,123)	7,580	83,309	125,551	(7,463)	118,088
31 December 2024	196	60,289	(4,700)	(21,123)	7,134	99,169	140,965	(9,747)	131,218
Profit / (Loss) for the period	–	–	–	–	–	11,839	11,839	(31)	11,808
Foreign currency translation reserve	6	–	–	–	(7,134)	7,134	–	–	–
Total comprehensive income / (loss) for the period	–	–	–	–	(7,134)	18,973	11,839	(31)	11,808
Dividends	6, 21	–	–	–	–	(7,821)	(7,821)	(1)	(7,822)
Dividends refund	–	–	–	–	–	–	–	2	2
Redemption of treasury shares	21	–	–	(2,750)	–	–	(2,750)	–	(2,750)
Changes in non-controlling interests of subsidiaries	7	–	–	–	–	(3)	(3)	(2)	(5)
Changes in non-controlling interests of subsidiaries due to reorganization	6,7	–	–	–	–	(10,881)	(10,881)	10,881	–
Other transactions	–	–	–	–	–	4	4	–	4
30 June 2025	196	60,289	(7,450)	(21,123)	–	99,441	131,353	1,102	132,455

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC “RussNeft”

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

for the six months ended 30 June 2025

(in millions of Russian rubles)

		Six months ended Notes 30 June 2025	Six months ended 30 June 2024
Cash flows – operating activities			
Profit before tax		12,526	41,597
Adjustments to reconcile profit before tax to net cash flows			
Depreciation, depletion and amortization	10	2,610	2,444
Disposal of property, plant and equipment and right-of-use assets, net	13	711	831
Impairment of property, plant and equipment and other assets, net	13	(179)	(156)
Impairment of financial assets, net	13	4,196	1,053
Derivative financial instruments at fair value	13	(3,181)	(1,238)
Financial guarantees	13	(165)	518
Benefit obligations, allowances for expected credit losses and other provisions		1,749	1,041
Disposal of Group companies, net	13	–	(2,284)
Share of loss of associates, net	8	596	–
Change in decommissioning liability	13	(548)	(2,295)
Finance income	12	(4,125)	(11,161)
Finance expense	12	7,416	6,773
Foreign exchange differences, net		5,079	2,294
Other adjustments		(235)	(195)
Net operating cash flows before working capital changes		26,450	39,222
Working capital adjustments			
Decrease in inventories		2,357	1,135
Decrease / (Increase) in trade and other receivables and prepayments		4,948	(4,444)
Decrease in trade and other payables and advances received		(7,480)	(5,834)
Increase in other current assets		(6)	(8)
Interest paid for early payments		(908)	(729)
Income tax paid		(3,653)	(3,122)
Net cash – operating activities		21,708	26,220
Cash flows – investing activities			
Purchase of property, plant and equipment and other non-current assets		(14,442)	(14,199)
Acquisition of subsidiaries		–	(10)
Disposal of Group companies, net		–	4,765
Disposal of property, plant and equipment		191	30
Loans issued		(3,529)	(19,202)
Proceeds from loans issued		2,973	82
Interests received		6	123
Net cash – investing activities		(14,801)	(28,411)
Cash flows – financing activities			
Redemption of treasury shares	7, 21	(2,755)	(4,700)
Proceeds from loans and borrowings received		–	19,178
Repayment of loans and borrowings received	22	(3,028)	(8,747)
Interests paid	22	(3,310)	(4,344)
Dividends paid to non-controlling shareholders		–	(72)
Repayments of lease liabilities	15	(35)	(177)
Net cash – financing activities		(9,128)	1,138
Effect of foreign exchange rate changes on balances of cash and cash equivalents		–	(79)
Change in cash and cash equivalents		(2,221)	(1,132)
Cash and cash equivalents at the beginning of the period		2,562	9,690
Cash and cash equivalents at the end of the period		341	8,558

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

for the six months ended 30 June 2025

(in millions of Russian rubles)

1. Corporate information

The interim condensed consolidated financial statements of Public Joint Stock Company “RussNeft” (“PJSC “RussNeft”, the “Parent” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 were authorized for issue in accordance with a resolution of management on 25 August 2025.

As at the reporting date the Group comprises joint stock companies and limited liability companies as defined in the Civil Code of the Russian Federation. The Group includes limited liability company registered in the United Kingdom of Great Britain and Northern Ireland (“UK”).

The principal activities of the Group are prospecting, exploration, development, production and marketing of oil, gas and oil products. The subsidiaries included in the interim condensed consolidated financial statements and respective ownership interests of the Company as at 30 June 2025 and 31 December 2024 are presented in Note 6.

The Parent was incorporated on 17 September 2002. In November 2016, the Parent made a public placement of common shares on the Moscow Exchange.

As at 30 June 2025, the average number of employees employed by the Group was 6,076 people (30 June 2024: 6,069 people, 31 December 2024: 6,033 people).

2. Basis of preparation

Statement of compliance with IFRS

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for 2024 prepared in accordance with International Financial Reporting Standards (IFRS). Any differences between comparative amounts and amounts recorded in the interim condensed consolidated financial statements for the six months ended 30 June 2025 represent only the result of reclassification for comparative purposes.

Basis of accounting

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. The Group omitted disclosures which would duplicate the information contained in its 2024 audited consolidated financial statements, such as accounting policies, significant estimates and judgments, financial risk disclosures and other disclosures that have not been changed significantly in the amount or composition. Management believes that these interim condensed consolidated financial statements reflect all adjustments required to present fairly the Group’s financial position, performance results, and statements of changes in equity and cash flows for the interim reporting periods. The principal adjustments relate to the consolidation of subsidiaries, goodwill recognition and its impairment assessment, accounting for investments in associates, expense and revenue recognition, allowances for unrecoverable assets, depreciation and valuation of property, plant and equipment, use of fair values, impairment of assets, financial instruments, deferred taxes, right-of-use assets, decommissioning liability and land restoration liability.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

2. Basis of preparation (continued)

Basis of accounting (continued)

The Group’s interim condensed consolidated financial statements are presented in millions of Russian rubles (“RUB million”), unless otherwise indicated.

Functional currency and foreign currency translation

The financial statements of each of the Group’s companies are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The functional currency of the Group’s subsidiaries operating in Russia, the Parent and a foreign subsidiary of the Group incorporated due to the extension of the Parent’s operations is the Russian ruble.

In the Russian Federation, official exchange rates are set daily by the CBR. The exchange rate of the Russian ruble used for the purposes of this interim condensed consolidated financial statements was equal to the official exchange rate of the CBR and is shown in the table below:

Currency	31 December 2024 RUB/Currency	30 June 2025 RUB/Currency	25 August 2025 RUB/Currency
US dollar	101.6797	78.4685	80.7498

Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis that contemplates the sale of assets and the settlement of any liabilities (including contractual) in the normal course of business. This statement was made based on the assessment of the Group’s ability to continue as a going concern for at least 12 months after the end of the reporting period.

As at 30 June 2025, the short-term liabilities exceed Group’s current assets by RUB 116,003 million (as at 31 December 2024 – by RUB 34,629 million). A significant increase in short-term liabilities occurred mainly due to the approaching maturity of the Group’s liabilities in 2026 under the loan agreement (Note 22) and the forward contract for purchase of the Parent’s preference shares (Note 21). These facts, along with the matters as set forth in Note 28 regarding pressure of external sanctions on the Russian fuel and energy complex and current macro parameters, indicate that a significant uncertainty exists that may cast doubt on the Group’s ability to continue as a going concern. The Group’s management plans to hold negotiations with major creditors with a view to restructure the short-term debt.

The Group’s management also reviews, on an ongoing basis, budget scenarios in different price ranges to assess operating risks and takes measures to mitigate liquidity risks, in particular:

- ▶ revising, if necessary, the capital investment programs;
- ▶ attracting prepayments from buyers to cover cash gaps and other borrowings.

The actions taken by the Group’s management aim to ensure the Group’s ability to continue as a going concern.

Notes to the Interim Condensed Consolidated
Financial Statements (Unaudited) (continued)

3. Changes in accounting policies, significant accounting judgments, estimates and assumptions

The accounting principles adopted in the preparation of the interim condensed consolidated financial statements are consistent with the principles applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except taking into account new standards and interpretations that are mandatory for application for the annual periods beginning on or after 1 January 2025.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments to the standard listed below effective for the annual periods beginning on or after 1 January 2025 had no material impact on the interim condensed consolidated financial statements of the Group:

- ▶ Amendments to IAS 21 *Lack of Exchangeability*.

4. New standards and interpretations issued but not yet effective

The complete list of new standards, amendments to and interpretations of the existing standards that become effective after the annual reporting period ended 31 December 2024 is provided in the Group's consolidated financial statements for 2024. The Group estimates the possible future effect of adopting these amendments and those additionally adopted during the reporting period. The Group intends to adopt these standards and interpretations when they become effective.

5. Segment information

Operations of the Group are represented by one segment *Exploration, production and related service* comprising the Parent, production subsidiaries and subsidiaries providing other services, including property lease services relating to oil and gas exploration, development, production and transportation. Operating results of other subsidiaries are generally insignificant and management of the Group does not use them for the purpose of taking operational and financial decisions.

Revenue from external customers broken down by key products and services and geographical segments as well as information about major customers are disclosed in Note 9 *Revenue*. The Group's non-current assets are located in the Russian Federation.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

6. Subsidiaries of the Group

Company	Principal activity	Country of incorporation	Effective ownership	
			30 June 2025	31 December 2024
PJSC Varyeganneft	Extraction and marketing of crude oil and gas	Russian Federation	95%	95%
LLC Valyuninskoe	Property management and leasing	Russian Federation	95%	95%
LLC Novo-Aganskoe	Property management and leasing	Russian Federation	95%	95%
LLC Belye Nochi	Property management and leasing	Russian Federation	100%	100%
JSC ANGG	Property management and leasing	Russian Federation	98%	98%
ST JSC Goloil	Property management and leasing	Russian Federation	100%	100%
JSC Mohtikneft	Property management and leasing	Russian Federation	100%	100%
JSC Chernogorskoe	Property management and leasing	Russian Federation	100%	100%
LLC Alatau-10	Exploration drilling	Russian Federation	100%	100%
OJSC NAK Aki-Otyr	Property management and leasing	Russian Federation	100%	100%
JSC Nazymorskaya NGRE	Property management and leasing	Russian Federation	100%	100%
JSC KhMNK	Property management and leasing	Russian Federation	100%	100%
PJSC Saratovneftegaz	Property management and leasing	Russian Federation	96%	96%
LLC Saratovenergoneft	Other	Russian Federation	96%	96%
PI DOC Rovesnik	Other	Russian Federation	96%	96%
PEI APE Saratovnedra	Other	Russian Federation	96%	–
JSC Ulyanovskneft	Property management and leasing	Russian Federation	100%	100%
LLC KP Neftyanik	Other	Russian Federation	100%	100%
LLC Tomskaya Neft	Property management and leasing	Russian Federation	100%	100%
LLC Sredne-Vasyuganskoe	Oil production	Russian Federation	100%	100%
LLC NK Russneft-Bryansk	Transportation services	Russian Federation	51%	51%
LLC Torgovy Dom Russneft	Other	Russian Federation	100%	100%
LLC M-Trade	Other	Russian Federation	100%	100%
JSC Belkam-Trade	Other	Russian Federation	100%	100%
LLC Rustrade	Other	Russian Federation	100%	100%
Russneft (UK) Limited	Marketing of crude oil and petroleum products	United Kingdom	100%	100%
ILLC RUSSNEFT CYPRUS (Note 7)	Other	Russian Federation	100%	21%

In February 2025, the procedure to redomicile the Group’s subsidiary Russneft Cyprus Limited to the Russian Federation was completed, and an entry on the state registration of ILLC RUSSNEFT CYPRUS was made in the Unified State Register of Legal Entities. As at the reporting date, the functional currency of ILLC RUSSNEFT CYPRUS is the Russian ruble. As a result of the change in the functional currency of the subsidiary, the previously accumulated foreign currency translation reserve in the capital in the amount of RUB 7,134 million was written off. This transaction is reflected in the *Foreign currency translation reserve* in the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of changes in equity.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

6. Subsidiaries of the Group (continued)

Based on the results of 2024, the annual meetings of shareholders of PJSC Varyeganneft and PJSC Saratovneftegaz, within the timeframes established by law, decided to pay dividends to preference shareholders, in connection with which these shares are not voting on the reporting date.

7. Non-controlling interests

Non-controlling interests include:

	30 June 2025		Six months ended 30 June 2025	31 December 2024		Six months ended 30 June 2024
	Non-controlling interests in share capital	Non-controlling interests in net assets	Non-controlling interests in profit / (loss)	Non-controlling interests in share capital	Non-controlling interests in net assets	Non-controlling interests in profit / (loss)
	%	RUB million	RUB million	%	RUB million	RUB million
ILLC RUSSNEFT CYPRUS ¹	0%	–	–	79%	(10,881)	(1,139)
PJSC Varyeganneft and its subsidiaries	5%	1,484	(5)	5%	1,491	24
PJSC Saratovneftegaz and its subsidiaries	4%	567	3	4%	562	(66)
Other	0.1-49%	(949)	(29)	0.4-49%	(919)	144
Non-controlling interests at the end of the period		1,102	(31)		(9,747)	(1,037)

In January 2025, the subsidiary ILLC RUSSNEFT CYPRUS (Note 6) carried out a buyback of non-voting shares and their subsequent cancellation, as a result of which the share of PJSC “RussNeft” in the authorized capital of ILLC RUSSNEFT CYPRUS amounted to 100%. The change in non-controlling interest is reflected in the interim condensed consolidated statement of changes in equity in the amount of RUB 10,881 million.

In May 2025, based on the mandatory offer of the Parent to acquire shares from minority shareholders of PJSC Varyeganneft, 1,978 common shares of PJSC Varyeganneft were acquired, which amounted to 0.007% of the authorized capital. The change in the non-controlling interest is reflected in the interim condensed consolidated statement of changes in equity and amounts to RUB 5 million, the settlements of the transactions were completed as at the reporting date.

As at 30 June 2025 and 31 December 2024, the non-controlling interest in voting shares of JSC ANGG is 2.18%, PJSC Saratovneftegaz is 0.81%, PJSC Varyeganneft is 1.436% and 1.446%, respectively.

¹ The non-controlling interest in profit/(loss) for 6 months of 2024 includes a share in the financial results of subsidiaries and joint ventures of GEA Group until their disposal in June 2024.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

8. Investments in associates

Company	Principal activity	Country of incorporation	Effective ownership	
			30 June 2025	31 December 2024
LLC Smolensky Passage	Investment property	Russian Federation	44.2%	44.2%
LLC Kinson Limited and its subsidiaries	Investment property	Russian Federation	48.67%	48.67%

The Group accounts for these interests as investments in associates using the equity method and are disclosed in aggregate in this note.

	30 June 2025	31 December 2024
	RUB million	RUB million
Non-current assets	39,775	42,184
Current assets	10,363	10,262
<i>including Cash and cash equivalents</i>	426	266
Long-term liabilities	(21,291)	(21,916)
<i>including Long-term loans and borrowings</i>	(14,248)	(14,260)
Short-term liabilities	(730)	(1,216)
<i>including Short-term loans and borrowings</i>	(135)	(241)
Total equity	28,117	29,314

	Six months ended 30 June 2025 ²
	RUB million
Revenue	1,491
Cost of sales	(898)
<i>including Depreciation and amortization</i>	(363)
Other operating expenses	(1,330)
Operating loss	(737)
Finance income	309
Finance expense	(1,227)
Loss before tax	(1,655)
Income tax benefit	458
Loss for the period	(1,197)
The Group's share of loss for the period	(596)

² The results of GEA Group up to the disposal date in the first half of 2024 were recorded off-balance sheet due to the accumulated off-balance sheet loss and were not reflected in the interim condensed consolidated statement of profit or loss and other comprehensive income. The Group's financial investments in Investment property business and their results were reflected from the acquisition date in the second half of 2024.

PJSC "RussNeft"

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

9. Revenue

Revenue from external customers broken down by geographical segments is presented based on the location of customers.

The Group sells in two principal geographical areas: far abroad export and domestic market (the Russian Federation).

The information on revenue is presented in the table below:

	Far abroad export		Domestic market		Total	
	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million	RUB million	RUB million	RUB million	RUB million
Crude oil sales (finished products)	55,542	52,809	60,358	86,536	115,900	139,345
Crude oil sales (commodities)	–	–	1,574	5,943	1,574	5,943
Petroleum products sales (finished products)	–	–	136	211	136	211
Gas sales (finished products, commodities)	–	–	1,759	1,582	1,759	1,582
Other sales	–	–	239	176	239	176
Total revenue	55,542	52,809	64,066	94,448	119,608	147,257

Revenue includes revenue from customers for the reporting period (whereby the revenue from each customer exceeds 10% of the total revenue in the respective reporting period), net of export duty:

		Geographical area	Six months ended 30 June 2025 RUB million	Six months ended 30 June 2024 RUB million
Major customer 1	Crude oil sales	Domestic market	43,044	59,640
Major customer 2	Crude oil sales	Far abroad export	39,044	–
Major customer 3	Crude oil sales	Far abroad export	16,497	–
Major customer 4	Crude oil sales	Far abroad export	–	29,939
Major customer 5	Crude oil sales	Far abroad export	–	21,751
Total revenue from sales to major customers			98,585	111,330

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

10. Cost of sales

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Mineral extraction tax	62,491	75,459
Payroll and related taxes	5,273	4,494
Heat and electricity	3,598	3,203
Depreciation, depletion and amortization	2,583	2,276
Cost of crude oil and petroleum products sold	1,776	6,077
Transportation expenses	1,605	949
Tax on additional income	1,509	1,899
Raw materials and supplies used in production	1,231	1,566
Production services	877	1,008
Equipment repair, operation and maintenance	832	683
Depreciation of right-of-use assets	27	168
Other expenses	2,694	2,295
Total cost of sales	84,496	100,077

11. Selling, general and administrative expenses

Selling expenses comprise:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Pipeline tariffs and transportation expenses	8,121	7,714
Other selling expenses	143	145
Total selling expenses	8,264	7,859

General and administrative expenses comprise the following:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Payroll and related taxes	2,009	1,738
Allowance for expected credit losses	324	(43)
Entertainment and business travel	210	168
Taxes other than income tax, including fines and penalties	205	28
Software	92	99
Consulting services	75	35
Bank services	47	69
Repair and maintenance	46	35
Other expenses	174	206
Total general and administrative expenses	3,182	2,335

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

12. Finance income and expense

Finance income comprises the following:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Interest income on loans	4,125	4,755
Income from discounting of financial liabilities	–	6,296
Interest income for early payments	–	110
Total finance income	4,125	11,161

Finance expense comprises the following:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Interest expense on loans and borrowings	3,384	4,376
Loss from discounting financial liabilities	2,555	1,150
Interest expense for early payments	859	596
Accretion expense (Note 23)	258	581
Interest expense on lease liabilities	18	28
Other finance expense	342	42
Total finance expense	7,416	6,773

13. Other operating income and expenses

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Change in fair value – swaps	3,181	1,238
Change in decommissioning liability	548	2,295
Impairment of property, plant and equipment, net	179	156
Financial guarantees	165	–
Disposal of Group companies, net	–	2,284
Other income	135	203
Total other operating income	4,208	6,176

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Impairment of financial assets, net	4,196	1,053
Disposal of property, plant and equipment, net	711	831
Charity and other gratuitous expenses	440	478
Fines and penalties due to contractual breaches	63	18
Financial guarantees	–	518
Other expenses	183	190
Total other operating expenses	5,593	3,088

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Notes to the Interim Condensed Consolidated
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14. Property, plant and equipment

	Oil and gas properties RUB million	Other property, plant and equipment RUB million	Construction in progress RUB million	Total RUB million
1 January 2024				
Cost	325,729	2,860	–	328,589
Accumulated depreciation and impairment	(171,092)	(2,411)	–	(173,503)
Net book value as at 1 January 2024	154,637	449	–	155,086
Additions	29,630	3,750	2	33,382
Decommissioning liability	(4,505)	–	–	(4,505)
Disposal of subsidiaries and joint operations, net	(18,243)	–	–	(18,243)
Transfer from construction in progress	–	2	(2)	–
Depreciation	(4,650)	(103)	–	(4,753)
Impairment	(2,153)	–	–	(2,153)
Reversal of impairment	411	–	–	411
Disposals, net	(2,891)	–	–	(2,891)
Foreign currency translation, net	(194)	–	–	(194)
31 December 2024				
Cost	314,046	6,610	–	320,656
Accumulated depreciation and impairment	(162,004)	(2,512)	–	(164,516)
Net book value as at 31 December 2024	152,042	4,098	–	156,140
Additions	18,671	–	2	18,673
Acquisition of subsidiaries	–	4	–	4
Decommissioning liability	(279)	–	–	(279)
Transfer from construction in progress	–	1	(1)	–
Depreciation	(2,579)	(1)	–	(2,580)
Impairment	–	–	(1)	(1)
Reversal of impairment	180	–	–	180
Disposals, net	(1,496)	–	–	(1,496)
30 June 2025				
Cost	330,100	6,571	1	336,672
Accumulated depreciation and impairment	(163,561)	(2,469)	(1)	(166,031)
Net book value as at 30 June 2025	166,539	4,102	–	170,641

In February 2025, the state registration of the mortgage agreement for a non-residential building and the right to lease a land plot for a fixed asset with a book value of RUB 3,579 million as at 30 June 2025.

The Group had no other significant amounts of property, plant and equipment pledged as at 30 June 2025.

Impairment losses

No indicators of significant impairment of fixed assets were identified in the reporting period: the Group recognized impairment in the amount of RUB 1 million and simultaneously reversed the previously recognized impairment in the amount of RUB 180 million. As at 30 June 2025 and 31 December 2024, the impairment allowance amounts equal to RUB 13,753 million and RUB 14,000 million, respectively.

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Notes to the Interim Condensed Consolidated
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15. Right-of-use assets and lease liabilities

Right-of-use assets

	Oil and gas right-of-use assets	Other right-of-use assets	Total right-of-use assets
	RUB million	RUB million	RUB million
1 January 2024			
Cost	180	1,298	1,478
Accumulated depreciation and impairment	(37)	(720)	(757)
Net book value as at 1 January 2024	143	578	721
Modification and reassessment, net	(72)	5	(67)
Disposals, net	–	(218)	(218)
Disposal of subsidiaries and joint operations, net	(4)	(4)	(8)
Depreciation	(7)	(161)	(168)
30 June 2024			
Cost	95	248	343
Accumulated depreciation and impairment	(35)	(48)	(83)
Net book value as at 30 June 2024	60	200	260
1 January 2025			
Cost	98	253	351
Accumulated depreciation and impairment	(35)	(65)	(100)
Net book value as at 1 January 2025	63	188	251
Additions	38	30	68
Modification and reassessment, net	2	2	4
Disposals, net	(15)	–	(15)
Depreciation	(8)	(19)	(27)
30 June 2025			
Cost	117	285	402
Accumulated depreciation and impairment	(37)	(84)	(121)
Net book value as at 30 June 2025	80	201	281

Lease liabilities

	30 June 2025	31 December 2024
	RUB million	RUB million
Lease liabilities		
At the beginning of the period	297	747
<i>including short-term lease liabilities</i>	39	408
Recognition of lease liabilities	68	15
Disposals	(19)	(233)
Disposal of subsidiaries and joint operations	–	(10)
Modification and reassessment	5	(55)
Interest on lease liabilities	18	44
Payments of lease liabilities	(35)	(211)
At the end of the period	334	297
<i>including short-term lease liabilities</i>	53	39

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

16. Goodwill

	RUB million
1 January 2024	9,944
Disposal of subsidiaries	(768)
31 December 2024	9,176
30 June 2025	9,176

The carrying amount of goodwill is allocated to the Group’s cash-generating units (CGU) as follows:

CGU	Segment ³	30 June 2025 RUB million	31 December 2024 RUB million
PJSC Saratovneftegaz	Exploration, production and related service	8,256	8,256
PJSC Varyeganneft	Exploration, production and related service	598	598
JSC Ulyanovskneft	Exploration, production and related service	227	227
OJSC NAK Aki-Otyr	Exploration, production and related service	95	95
		9,176	9,176

No potential indication of goodwill impairment was identified in the reporting period.

17. Long-term and short-term financial assets

	Currency	30 June 2025 RUB million	31 December 2024 RUB million
Long-term loans issued to related parties	USD	113,403	146,551
Long-term loans issued to related parties	EUR	23,315	26,247
Long-term loans issued to related parties	RUB	2,661	2,502
Long-term loans issued to other companies	RUB	–	2,954
Allowances for expected credit losses on long-term loans issued		(41,959)	(51,562)
Total long-term financial assets		97,420	126,692
Short-term loans issued to related parties	RUB	3,324	–
Allowances for expected credit losses on short-term loans issued		(2)	–
Total short-term financial assets		3,322	–

³ The segment is defined in Note 5.

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18. Inventories

	30 June 2025	31 December 2024
	RUB million	RUB million
Crude oil	7,565	10,182
Raw materials and components	4,249	3,996
Petroleum products	33	26
Allowance for obsolete inventories ⁴	(87)	(98)
Total inventories	11,760	14,106

19. Other non-current and current assets, trade and other receivables

	30 June 2025	31 December 2024
	RUB million	RUB million
Long-term prepayments for capital construction	1,196	1,539
Long-term prepayments	516	675
Allowance for prepayments	(600)	(572)
Exploration and evaluation assets	19	19
Other non-current assets	51	12
Total other non-current assets	1,182	1,673

	30 June 2025	31 December 2024
	RUB million	RUB million
Other long-term receivables	4,404	4,345
Allowance for expected credit losses	(401)	(742)
Total other long-term receivables	4,003	3,603

	30 June 2025	31 December 2024
	RUB million	RUB million
Trade receivables	9,763	9,312
Other short-term receivables	1,304	3,011
Allowance for expected credit losses	(647)	(156)
Total trade and other receivables	10,420	12,167

⁴ Allowance for obsolete inventories relates to the Raw materials and components.

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19. Other non-current and current assets, trade and other receivables (continued)

	30 June 2025	31 December 2024
	RUB million	RUB million
Short-term prepayments	1,160	4,831
Other current assets ⁵	85	93
Allowance for prepayments	(418)	(424)
Total other current assets	827	4,500

Analysis of movements in allowance for expected credit losses on long-term, trade and other receivables and allowance for prepayments is as follows:

	30 June 2025	31 December 2024
	RUB million	RUB million
At the beginning of the period	(1,894)	(2,100)
Change in allowance	(325)	191
Allowance used	153	10
Disposal of subsidiaries	–	5
At the end of the period	(2,066)	(1,894)

20. Cash and cash equivalents

	30 June 2025	31 December 2024
	RUB million	RUB million
RUB-denominated cash at bank and on hand	327	1,563
Deposits and other cash equivalents	14	997
Foreign currency-denominated cash at bank and on hand	–	2
Total cash and cash equivalents	341	2,562

⁵ In respect of individual bank accounts, there are temporarily blocked amounts of RUB 48 million as at 30 June 2025. In this connection, these amounts are reflected in *Other current assets* of the Group.

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

21. Equity

	30 June 2025	30 June 2025	31 December 2024	31 December 2024
	thousand	RUB million	thousand	RUB million
Common shares (issued and paid) with a nominal value of RUB 0.5 each	294,120	147	294,120	147
Preference shares ⁶ with a nominal value of RUB 0.5 each	98,032	49	98,032	49
Total share capital	392,152	196	392,152	196

The Company does not have a controlling shareholder as at the reporting date.

Under the Russian legislation, basis for the dividend distribution is net profit calculated in accordance with the Russian Accounting Standards.

The General Meeting of Shareholders of the Company on 27 June 2025 decided to allocate USD 100 million or RUB 7,821 million at the exchange rate of the Central Bank of the Russian Federation on the date of distribution for the payment of dividends on preference shares of PJSC “RussNeft”, at the rate of USD 1.0200750775 per preference share of the Company. As at the reporting date, declared dividends have not been paid and the balance payable is reflected in the *Other short-term liabilities* in the interim condensed consolidated statement of financial position (Note 29). Taking into account the decision made to pay dividends on preference shares, these shares are not voting. No dividends were declared or paid on the Parent’s common shares.

Treasury shares

In January 2025, the Group purchased through its subsidiary 50,000,400 common shares of PJSC “RussNeft”, representing 12.75% of the share capital and 17.0% of the Parent’s outstanding common shares. This transaction is recorded within *Treasury shares* in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of changes in equity. The settlement of the redemption of these treasury shares of the Parent was fully completed at the reporting date.

With regard to the previously repurchased common shares, the Group accounts for 18.75% of the share capital and 25% of the Parent’s common shares, respectively.

Forward to purchase treasury shares

ILLC RUSSNEFT CYPRUS (the subsidiary, Note 6) acts as a party to the forward contract to purchase 33,240,827 preference shares of the Parent in 2026. The amount of the forward of RUB 21,123 million is recorded in the equity of the consolidated statement of financial position as *Forward to purchase treasury shares*. The forward liability measured at amortized cost using the effective interest method, is recorded in *Trade and other payables, other short-term financial liabilities* at RUB 21,981 million (Note 27). Simultaneously, ILLC RUSSNEFT CYPRUS acts as a party to the currency interest rate swap during the term of the forward contract.

⁶ The preference shares of PJSC “RussNeft” are not cumulative.

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Notes to the Interim Condensed Consolidated
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21. Equity (continued)

Earnings per share

During the reporting period, the weighted average number of the Company's issued common shares is adjusted for treasury shares redeemed by the Group's companies multiplied by a weighted time factor. No potentially dilutive securities were issued and therefore basic and diluted earnings per share are the same.

		Six months ended 30 June 2025	Six months ended 30 June 2024
Profit attributable to shareholders of the Parent	RUB million	11,839	38,481
Dividends on preference shares	RUB million	(7,821)	(8,728)
Profit attributable to shareholders of the Parent, as adjusted	RUB million	4,018	29,753
Weighted average number of common shares issued	million	227	287
Basic and diluted earnings per share	RUB per share	18	104

22. Loans and borrowings

	Currency	Weighted average interest rate by type of liability as at 30 June 2025 %	30 June 2025 RUB million
Long-term loans and borrowings			
Borrowings	CNY	7.00%	17,444
Total long-term loans and borrowings			17,444
Short-term loans and borrowings			
Bank loans	USD	10.21%	48,723
Borrowings	RUB	6.56%	41
Total short-term loans and borrowings			48,764

	Currency	Weighted average interest rate by type of liability as at 31 December 2024 %	31 December 2024 RUB million
Long-term loans and borrowings			
Bank loans	USD	10.25%	59,242
Borrowings	CNY	7%	21,348
Total long-term loans and borrowings			80,590
Short-term loans and borrowings			
Bank loans	USD	10.25%	7,692
Borrowings	RUB	6.55%	42
Total short-term loans and borrowings			7,734

Notes to the Interim Condensed Consolidated
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22. Loans and borrowings (continued)

The Company has an effective credit agreement with stage-by-stage repayment of the principal debt and maturity in March 2026 with a SOFR overnight rate plus a margin of 5.76%.

The Company repays accrued interest on a quarterly basis, in accordance with the schedule and the interest rate set for the date of payment. In the reporting period, the Company paid the total interest under this loan agreement in the amount of RUB 2,659 million at the exchange rate as at the date of payment (USD 33 million). In the reporting period, principal payments under the credit agreement amounted to RUB 3,026 million at the exchange rate on the date of payment (USD 37 million).

Outstanding principal of the credit agreement payable amounts to RUB 48,629 million or USD 620 million at the exchange rate as at the reporting date. Current interest payable amounts to RUB 94 million (USD 1 million at the exchange rate as at the reporting date).

The Company's credit was secured by pledge of the common shares of the Parent and the equity interests that the Parent holds in certain subsidiaries. At the same time, certain subsidiaries of the Group and other related and third parties are joint guarantors to the creditor with regard to the Parent's liabilities (Note 28).

The credit agreement contains a number of financial and operational covenants that the Company and its related parties shall comply with during the term of the agreement. Non-fulfillment of some of the agreed covenants makes the creditor entitled to claim early repayment of principal amount and accrued interest, including interest penalties.

In the reporting period, the Company has the loan agreement in the amount of CNY 1,579 million or RUB 17,444 million at the exchange rate as at the reporting date (the settlement rate is determined at the rate published on the Moscow Exchange website on the business day preceding the date of interest payment for the period, plus 1%). The loan was issued at a fixed interest rate of 7% per annum and monthly interest payment, with maturity date of the principal in March 2029. The Group's subsidiaries act as joint guarantors for the Parent's obligations under this loan agreement (Notes 28). The Company's loan is secured by a pledge of shares of the Group's associates (Note 8).

The loan agreement contains restrictive covenants in the financial and production areas, which the Company and its related parties are obliged to fulfil during the term of the agreement. At the same time, the covenants under the loan agreement provide for the fulfilment of the corresponding covenants under the credit agreement with the bank. Failure to fulfil or improper fulfilment of the agreed covenants under the credit agreement give the right to early termination of the terms of the loan agreement, including the right of the lender to charge penalties and interest on overdue debts.

Interest accrued on other borrowings is primarily repaid simultaneously with the principal amount, unless otherwise specified in loan agreements.

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23. Decommissioning liability

	30 June 2025		31 December 2024	
	Decommissioning liability	Land restoration liability	Decommissioning liability	Land restoration liability
	RUB million	RUB million	RUB million	RUB million
At the beginning of the period	3,436	1,629	9,100	2,506
Acquisitions	7	7	80	30
Disposals	(441)	(24)	(407)	(9)
Change in estimates	(229)	(173)	(5,792)	(1,189)
Disposal of subsidiaries and joint operations	–	–	(401)	–
Accretion expense	188	70	860	291
Foreign currency translation	–	–	(4)	–
At the end of the period	2,961	1,509	3,436	1,629

The Group makes provision for the future cost of decommissioning oil production facilities and restoring disturbed land on a discounted basis as the facilities are put into operation or sites are damaged. The Group estimated the provision taking into account existing oil extraction technologies and current estimates of decommissioning costs (adjusted for inflation projections) and discounted the provision at the rate of 14.72% (in 2024 – 13.71%).

24. Long-term and short-term financial and other liabilities

Other long-term financial liabilities	30 June 2025	31 December 2024
	RUB million	RUB million
Long-term trade payables	473	404
Derivative financial instruments (Note 27)	–	31,570
Financial guarantees (Note 28)	–	381
Total other long-term financial liabilities	473	32,355

Trade and other payables, other short-term financial liabilities	30 June 2025	31 December 2024
	RUB million	RUB million
Derivative financial instruments (Note 27)	30,083	4,401
Trade payables	19,292	14,170
Other short-term payables	6,142	10,866
Total trade and other payables, other short-term financial liabilities	55,517	29,437

Taxes and levies payable (excluding income tax)	30 June 2025	31 December 2024
	RUB million	RUB million
Mineral extraction tax	8,421	13,417
Value added tax	2,821	5,335
Tax on additional income	554	988
Property tax	424	418
Other taxes and levies (excluding income tax)	390	236
Total taxes and levies payable (excluding income tax)	12,610	20,394

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

24. Long-term and short-term financial and other liabilities (continued)

	30 June 2025	31 December 2024
Advances received and other short-term liabilities	RUB million	RUB million
Advances received	17,732	10,110
Other short-term liabilities	8,091	30
Total advances received and other short-term liabilities	25,823	10,140

25. Income tax

The major components of income tax benefit and income tax expense are:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	RUB million	RUB million
Current income tax		
Current income tax expense	3,282	3,130
Income tax relating to previous years	(124)	12
Deferred income tax		
Relating to origination and reversal of temporary differences	(2,295)	999
Change in deferred income tax relating to previous years	(145)	12
Income tax expense reported in the interim condensed consolidated statement of profit or loss and other comprehensive income	718	4,153

26. Transactions with related parties

The Group's transactions with its subsidiaries that are also related parties are excluded from the interim condensed consolidated financial statements and are not disclosed in this Note. Transactions with associates before consolidation adjustments are fully disclosed herein.

The nature of the related party relations for those related parties with whom the Group entered into significant transactions during the six months ended 30 June 2025 and 30 June 2024 or had significant balances outstanding as at 30 June 2025 and 31 December 2024 is detailed below.

Transactions with related parties for the six months ended 30 June 2025 and 30 June 2024:

Six months ended 30 June 2025	Sales	Other transactions	Acquisitions	Finance income	Finance expense	Other transactions with effect on capital
	RUB million	RUB million	RUB million	RUB million	RUB million	RUB million
Other related parties	43,048	4,807	41	3,672	342	8
Total	43,048	4,807	41	3,672	342	8

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

26. Transactions with related parties (continued)

Six months ended 30 June 2024	Sales	Other transactions	Acquisitions	Finance income	Finance expense
	RUB million	RUB million	RUB million	RUB million	RUB million
Companies/Individuals with significant influence over the Group	–	–	4	–	–
Associates and joint ventures	–	(28,713)	20	2,325	75
Other related parties	59,640	29,692	3,750	7,704	12
Total	59,640	979	3,774	10,029	87

As at 30 June 2025 and 31 December 2024, amounts due to and due from related parties are as follows:

30 June 2025	Receivables	Loans issued	Payables	Guarantees issued to secure liabilities
	RUB million	RUB million	RUB million	RUB million
Associates	–	–	3	–
Other related parties	3,964	100,742	101	24,651
Total	3,964	100,742	104	24,651

31 December 2024	Receivables	Loans issued	Payables	Guarantees issued to secure liabilities
	RUB million	RUB million	RUB million	RUB million
Associates and joint ventures	–	–	2	–
Other related parties	5,517	126,692	7,802	28,344
Total	5,517	126,692	7,804	28,344

Pricing policy

The Group determines prices for related party transactions within the range of market prices. In addition, the Group’s management performs control envisaged by the regulation governing transactions between related parties.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, including directors (executive and other directors) of the Group. There were no significant transactions carried out during the reporting period with directors and key management personnel.

In the first half of 2025, key management personnel compensation expense, consisting of salaries, bonuses and payroll taxes totaled RUB 496 million (in the first half of 2024: RUB 450 million).

Since 2023, the Company has been implementing another three-year long-term motivation program for senior and medium management for the period of 2023-2025. The program recognizes the phantom shares to be paid off in cash as a liability expensed to bonuses during the period of rendering services. Planned payments are calculated upon reaching the target program criteria in each reporting period. At the end of the reporting period, the Company accrued RUB 396 million (including insurance contributions) from calculation for time actually worked for the third year of the program based on the preliminary estimate of planned performance progress. In April 2025, the Company made final payments for the second year in the amount of RUB 125 million (including insurance contributions).

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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

27. Fair value measurement

All financial instruments are measured at fair value using a valuation model based on Level 3 non-market observable inputs that require additional evaluations and corrections. There have been no transfers between the levels of the fair value hierarchy during the reporting period.

Management believes that the fair value of the Group’s cash, short-term financial assets, short-term trade payables and short-term loans and borrowings is equal to their carrying amount. The fair value of long-term loans and borrowings received by the Group, long-term trade payables and receivables and loans issued is determined using a discounted cash flow model based on the discount rates that are equal to the market rates effective at the reporting date.

The accounting classification of each category of financial instruments, their carrying amounts and fair values are as follows below. The fair value of lease liabilities approximates their carrying amount, these items are not included in the disclosure below as the information on their value is presented in Note 15.

	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	RUB million		RUB million	
Financial assets				
Loans issued	100,742	132,540	126,692	166,636
Trade and other receivables	10,737	10,922	12,136	12,136
Cash and cash equivalents	341	341	2,562	2,562
Financial liabilities at amortized cost				
Trade and other payables	24,433	24,172	24,169	23,986
Loans and borrowings	66,208	64,834	88,324	91,222

The Group’s derivative financial instruments are measured at fair value or amortized cost as presented in the following table.

	30 June 2025	31 December 2024
Derivative financial instruments	RUB million	RUB million
Long-term derivative financial liabilities – forward	–	17,355
Long-term derivative financial liabilities – swaps	–	14,215
Long-term derivative financial instruments, net	–	31,570
Short-term derivative financial liabilities – forward	21,981	4,401
Short-term derivative financial liabilities – swaps	8,102	–
Short-term derivative financial instruments, net	30,083	4,401

28. Contingencies, commitments and operating risks

The main business activities of the Group are in the Russian Federation. Russian economy is characterized by significant vulnerability to world prices for crude oil, fluctuations of commodity and financial markets, economic slowdowns elsewhere in the world and involvement in geopolitical risks and conflicts.

Notes to the Interim Condensed Consolidated
Financial Statements (Unaudited) (continued)

28. Contingencies, commitments and operating risks (continued)

During the reporting period, external sanctions continued to apply against the Russian Federation, major Russian projects, certain legal entities and individuals, whose lists are being systematically updated with new participants, considering a new package of sanctions launched by the European Union (hereinafter referred to as the EU) and its partner countries. The new 18th package of the EU sanctions primarily targets the Russian fuel and energy complex: the price cap on Russian crude oil was lowered to USD 47.6 per barrel. The restrictions complicate the transshipment of crude oil due to contraction of available bunkering facilities in the EU ports and establish a ban on operations of oil tankers and other vessels, the list of which has been significantly expanded. Additionally, the 18th package of sanctions imposes a ban on imports from third countries of refined petroleum products made from Russian crude oil. Meanwhile, OPEC maintains its forecast for global oil demand growth in 2025 and 2026. The Government of the Russian Federation regularly updates legislation and packages of measures to protect Russian companies and conducts negotiations to mitigate the consequences of new sanctions.

In the reporting period, the Company was not subject to sanctions or restrictions on doing business.

The length of sanctions depends on future arrangements between Russia and the Western countries on key geopolitical issues. It is currently difficult to predict what arrangements will be put in place. Management is closely monitoring the developments and steps being taken on both sides, to be able to promptly respond to the rapidly changing business environment.

The interim condensed consolidated financial statements have been prepared taking into account management's assessment of the impact of the economic situation in the Russian Federation and on the global market on the financial position and results of the Group's operations. The actual impact of future business conditions may differ from the estimates made by management. The Company's management regularly monitors possible risks, including analysis of country and geopolitical risks, builds new logistics chains with a focus on domestic market operations and expanding its presence in the Asian region and, if necessary, will develop a set of necessary measures to reduce possible adverse consequences for the Group.

Taxation

Russian tax, currency and customs legislation is subject to varying interpretation and changes, including legislative response to possible aggravation of financial, economic, geopolitical, country and other risks. Management interpretation of such legislation as applied to the transactions and activity of the Group's entities may be challenged by the relevant regional and federal authorities. The tax authorities can take a more assertive position in their interpretation of the legislation and tax assessments. It is therefore possible that transactions and accounting methods that have not been challenged in the past may be challenged by the tax authorities. As such, additional taxes, penalties and interest may be assessed.

Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods. The fact that a year has been reviewed does not close that year, or any tax return applicable to that year, from further review during the three-year period.

Where uncertainty exists regarding taxes, the Group accrues tax liabilities based on management's best estimate of the probable outflow of resources embodying economic benefits to settle such liabilities.

Notes to the Interim Condensed Consolidated
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28. Contingencies, commitments and operating risks (continued)

Taxation (continued)

Russian transfer pricing legislation allows the Russian tax authorities to apply transfer pricing adjustments and impose additional profits tax liabilities in respect of all “controlled” transactions if the transaction price differs from the market price. In case a domestic transaction results in an accrual of additional income tax liabilities for one party, the other party may correspondingly adjust its income tax liabilities.

There are control procedures applied to all types of controlled transactions of the Company to ensure consistency between the prices used in the controlled transactions and the level of market prices for the purposes of taxation, which are updated on an annual basis taking into account current legal requirements. When the Company concludes transactions with related parties, it applies control procedures to ensure consistency between the prices used in the controlled transactions and the level of market prices for the purposes of taxation, while establishing the transaction price. The activities performed focus on minimizing tax risks of the Group.

The Company is the Parent of a multinational corporation (MNC). In 2025, the Company, as the Parent of the MNC, has submitted a notification of participation in the MNC and the CbC report for 2024 will be presented to the tax authority within the statutory timeframe.

To ensure compliance with the legislation governing taxation of controlled foreign companies and to mitigate related tax risks, the Group’s management developed a set of internal routine procedures.

The Group takes measures to reduce its tax risks on a regular basis. Management believes that the Group has complied with all regulations, and paid and accrued all taxes that are applicable.

Compliance with the terms and conditions for subsoil use

In accordance with Part 4, art. 12.1 of the Russian Federation Law No. 2395-1 dated 21 February 1992 *On Subsoil Resources*, the authorized agency for the execution, state registration and issuance of hydrocarbon licenses is the Federal Agency for Subsoil Use, its local divisions and state budgetary institutions subordinate to it. Under art. 10 of the Russian Federation Law No. 2395-1 dated 21 February 1992 *On Subsoil Resources*, the Group's companies may request extension to its subsoil license, as necessary, to complete a geological survey or mineral extraction process. The Russian executive authorities exercise oversight and supervision of the Group's companies operations and their compliance with the mandatory conditions attached to the subsoil licenses issued to them. The Group's companies may face administrative charges and withdrawal of the subsoil license in the event of non-compliance. The Group's employees use all reasonable efforts to prevent and mitigate the risks of non-compliance with subsoil license conditions.

Notes to the Interim Condensed Consolidated
Financial Statements (Unaudited) (continued)

28. Contingencies, commitments and operating risks (continued)

Liabilities concerning environmental and safety matters

The Russian environmental and safety legislation complies with the general requirements and practice of applying international legislation in this field.

Management of the Group understands its responsibilities concerning environmental and safety matters and undertakes to comply with the requirements of federal, regional and industry regulations concerning environmental protection, rational use of mineral resources and safety, including international environmental and labor safety management standards. The Group implements the Corporate policy on environmental protection and safety matters that complies with the Russian legislation and international standards on environmental and safety matters. Management believes that, considering existing controls and current legislation, the Group is not imposed to significant risks and liabilities except for those that are recognized in these interim condensed consolidated financial statements and relate to ordinary business operations.

Insurance

The Group applies the Insurance Policy, which describes the Company's key insurance principles and procedures. In accordance with the applied Insurance Policy, the Group insures its major oil and gas extraction facilities. The Group's subsidiaries and the Parent insure especially hazardous facilities pursuant to the Federal Law No. 225-FZ dated 27 July 2010 *On Compulsory Insurance of Civil Liability of the Owner of a Hazardous Facility for Damages Caused by an Accident at a Hazardous Facility*.

The Group also provides selective car insurance for vehicles. In addition, the Group purchases mandatory car liability insurance policies for all automobiles, special purpose equipment, trailers and other vehicles.

The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents at the Group's facilities or relating to the Group's operations.

Retirement obligations

The Group makes contributions to the Pension and Social Fund of the Russian Federation. These payments are calculated by the employer as a percentage of gross salary expense and are expensed as accrued. The Group adheres to its Regulation on non-state pension benefits for the Group's employees. The Group's subsidiaries are parties to pension insurance agreements with a Russian non-state pension fund.

Litigations

Management believes that there are no current claims outstanding which could have a material effect on the results of operations or financial position of the Group and which have not been accrued or disclosed in these interim condensed consolidated financial statements.

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

28. Contingencies, commitments and operating risks (continued)

Guarantees issued

The Group's subsidiaries are joint guarantors with regard to the Parent's liabilities under the credit agreement with the outstanding balance (including interest) of RUB 48,723 million, or USD 621 million, at the exchange rate at the reporting date (Note 22). The agreements on the revenue pledge of several companies of the Group are used as additional security under the credit agreement within the established limits.

The Group's subsidiaries are joint guarantors with regard to the Parent's liabilities under the loan agreement in the amount not exceeding CNY 2,500 million or RUB 27,358 million at the exchange rate at the reporting date, the current debt on which is CNY 1,579 million or RUB 17,444 million at the settlement rate on the reporting date established by the terms of the agreement (Notes 22). At the same time, subsidiaries of the Group act as guarantors of the Parent's obligations under the oil supply contract for the amount not exceeding RUB 502 million (Note 29).

The Parent issued a financial guarantee in the total amount of EUR 267 million or RUB 24,651 million at the exchange rate at the reporting date, the underlying liability is to be repaid by 2027 (Note 29). This financial guarantee is recorded in the interim condensed consolidated statement of financial position in *Other short-term liabilities* in the amount of RUB 74 million.

In March 2024, the Parent issued a financial guarantee to a Russian bank for the obligation of a third party to repurchase 64,791,173 preference shares of PJSC “RussNeft”, valid until December 2026. As at the reporting date, given the partial fulfillment of the main obligation, the amount of the guarantee is USD 43 million (equivalent to RUB 3,369 million at the exchange rate at the reporting date). The balance of the Company's preference shares to be repurchased is 38,267,111 shares. This financial guarantee is recorded in the interim condensed consolidated statement of financial position in *Other short-term liabilities* in the amount of RUB 142 million.

The Parent together with several subsidiaries issued the RUB 72,000 million independent guarantee for ILLC RUSSNEFT CYPRUS (the subsidiary) the forward contract to purchase preference shares of PJSC “RussNeft” in 2026 (Notes 21, 27).

29. Subsequent events

In July 2025, PJSC “RussNeft” made a payment under the issued guarantee in the amount of RUB 24,947 million, which is the rouble equivalent at the contractual settlement rate as at the date of fulfillment of the guarantee obligation in the amount of EUR 267 million (Note 28).

In July 2025, the management of the Group's several subsidiaries approved provision of an independent third party guarantee, amounting in total to no more than RUB 32 billion, regarding the Parent's obligations under the oil purchase and sale agreement. These agreements were signed as at the date the interim condensed consolidated financial statements were issued.

In July 2025, within the time frame prescribed by the Russian legislation, dividends were paid out in full on preference shares of PJSC “RussNeft” for the year 2024 in the amount of RUB 7,886 million at the exchange rate in effect on the payment date (Note 21).

PJSC “RussNeft”

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

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