

PJSC “RussNeft” and its subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2025
and Independent Auditor’s Report

PJSC “RussNeft”
Consolidated Financial Statements
for the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the consolidated financial statements of PJSC "RussNeft" (the Company) (OGRN 1027717003467) and its subsidiaries (the - Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income for 2025, consolidated statement of changes in equity and consolidated statement of cash flows for 2025, and notes to the consolidated financial statements for 2025, comprising material accounting policy information and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for 2025 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The accompanying consolidated financial statements reflect long-term and short-term loans and borrowings of the Group as at 31 December 2025 and 31 December 2024 in the total amount of RUB 87,372 million and RUB 88,282 million, respectively, which may be claimed by creditors ahead of schedule due to the breach of the certain covenants, 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" of the consolidated statement of financial position was understated as at 31 December 2025 by RUB 42,509 million and as at 31 December 2024 by RUB 80,590 million.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Independence Rules for Auditors and Audit Organisations and the Code of Professional Ethics for Auditors adopted in the Russian Federation, and in accordance with the independence requirements contained therein which are applicable to the audit of public interest entities. We have also fulfilled our other responsibilities in accordance with these requirements of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 30 in the consolidated financial statements, which indicates that as at 31 December 2025 the Group's short-term liabilities exceeded its current assets by RUB 88,195 million. As stated in Note 30, this condition, along with other matters as set forth in Note 30, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Allowance for expected credit losses on loans issued to related parties

The estimation of the allowance for expected credit losses on loans issued to related parties is an area of judgment for the Group's management. The determination of expected credit losses represents a process involving the use of assumptions and the analysis of various factors, including the borrower's financial position and expected future cash flows. Due to the materiality of loans issued to related parties and the complexity of judgment with regard to the measurement of expected credit losses in accordance with IFRS 9, *Financial Instruments*, the estimation of allowance for expected credit losses represents one of the key audit matters.

Information on loans issued to related parties is disclosed in Notes 18 and 27 to the consolidated financial statements.

We reviewed the expected credit losses model for loans issued to related parties and analysed the assumptions used by management of the Group as the basis for determining the amount of the allowance for expected credit losses. We reviewed management's expectations of future cash flows and its assessment of the financial condition of the borrowers. During our audit procedures, we analysed the consistency and reasonableness of judgments used by management of the Group in determining the allowance for expected credit losses on loans issued to related parties. We also reviewed the disclosures in the Group's consolidated financial statements regarding the allowance for expected credit losses.

Impairment of non-current assets

At each reporting date the Group assesses whether there is any indication of impairment of non-current assets (items of property, plant and equipment, construction in progress, goodwill, right-of-use assets and exploration and evaluation assets) and performs appropriate testing. That matter was significant for our audit as testing is a complex process that involves the use of significant judgements by management and is based on assumptions impacted by the projected future market and economic conditions which are essentially uncertain.

The results of impairment testing and information about the key assumptions used are provided in Notes 15 and 17 to the consolidated financial statements.

We reviewed the consistency and validity of management's assumptions and assertions underlying the assessment of whether non-current assets were impaired. We compared the price assumptions for oil and gas used in the recoverable amount calculation with a range of relevant market forecasts. We verified the calculation of discount rate, inflation growth rate projections and other available inputs. We also verified the performed sensitivity analysis and checked the consistency of the models application (formulae and calculations), comparing them with those for prior periods. We reviewed the disclosures made in the consolidated financial statements in respect of non-current assets and related impairment testing.

Other Information

The President of the Company (management) is responsible for the other information. The other information comprises the information included in the Annual report and the Issuer's report for the 12 months of 2025, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report and the Issuer's report for the 12 months of 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report and the Issuer's report for the 12 months of 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee of the Company.

Responsibilities of Management and the Audit Committee of the Company for the Consolidated Financial Statements

The President of the Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Auditor in Charge of the audit resulting in this independent auditor's report (Engagement Partner on the audit), principal registration number of the entry in the State Register of Auditors and Audit Organisations 22006037171, acting on behalf of the audit organisation under Power of Attorney No. 2-01/2025-Ю dated 01.01.2025



Andrey Borisovich Baliakin

Audit organisation:
Unicon Joint Stock Company
Suite 50, Office I, 3rd Floor, Section 11, Block 1, Bldg. 125, Warshavskoye Shosse, Moscow, 117587, Russia
Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: 12006020340

25 March 2026

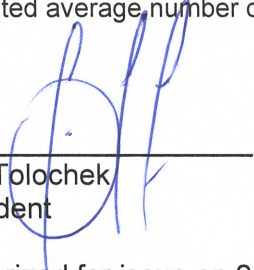
PJSC "RussNeft"

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

(in millions of Russian rubles)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	10	218,242	300,108
Cost of sales	11	(155,732)	(208,869)
Gross profit		62,510	91,239
Exploration expenses		(1,075)	(919)
Selling expenses	12	(16,539)	(15,456)
General and administrative expenses	12	(5,870)	(5,246)
Other operating income	14	8,488	7,774
Other operating expenses	14	(13,487)	(8,088)
Operating profit		34,027	69,304
Finance income	13	10,449	16,507
Finance expense	13	(17,300)	(15,101)
Foreign exchange differences, net		(4,733)	3,644
Share in loss of associates, net	9	(2,802)	(582)
Profit before tax		19,641	73,772
Income tax benefit /(expense)	26	4,165	(21,099)
Profit for the period		23,806	52,673
Other comprehensive income that may be subsequently reclassified to profit or loss			
Foreign currency translation gain		–	6,939
Total comprehensive income, net of tax		23,806	59,612
Profit/(Loss) attributable to:			
Shareholders of the Parent		23,918	54,345
Non-controlling interests		(112)	(1,672)
Total comprehensive income/(loss) attributable to:			
Shareholders of the Parent		23,918	62,631
Non-controlling interests		(112)	(3,019)
Basic and diluted earnings per share (RUB)	22	72	164
Weighted average number of common shares (millions)	22	224	279


 E.V. Tolochek
 President

Authorized for issue on 25 March 2026

PJSC “RussNeft”

Consolidated Statement of Financial Position

as at 31 December 2025

(in millions of Russian rubles)

	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	15	177,903	156,140
Right-of-use assets	16	267	251
Goodwill	17	9,176	9,176
Investments in associates	9	16,353	19,155
Long-term trade and other receivables		4,001	3,603
Long-term financial assets	18	96,701	126,692
Deferred tax assets	26	1,137	1,366
Other non-current assets	20	1,143	1,673
Total non-current assets		306,681	318,056
Current assets			
Inventories	19	11,048	14,106
Trade and other receivables	20	5,698	12,167
Short-term financial assets	18	30,396	–
VAT receivable		804	591
Income tax receivable		193	81
Cash and cash equivalents	21	670	2,562
Other current assets	20	1,070	4,500
Total current assets		49,879	34,007
Total assets		356,560	352,063
Equity and liabilities			
Equity attributable to shareholders of the Parent			
Share capital	22	196	196
Share premium		60,289	60,289
Forward to purchase treasury shares	22	(21,123)	(21,123)
Treasury shares		(7,450)	(4,700)
Foreign currency translation reserve		–	7,134
Retained earnings		111,522	99,169
Total equity attributable to shareholders of the Parent		143,434	140,965
Non-controlling interests		1,029	(9,747)
Total equity		144,463	131,218
Long-term liabilities			
Long-term loans and borrowings	23	42,509	80,590
Decommissioning liability	24	5,807	5,065
Deferred tax liabilities	26	24,958	33,941
Long-term lease liabilities	16	267	258
Other long-term financial liabilities	25	482	32,355
Total long-term liabilities		74,023	152,209
Short-term liabilities			
Short-term loans and borrowings	23	47,865	7,734
Trade and other payables, other short-term financial liabilities	25	51,534	29,437
Taxes and levies payable (excluding income tax)	25	12,396	20,394
Short-term lease liabilities	16	55	39
Income tax payable		84	892
Advances received and other short-term liabilities	25	26,140	10,140
Total short-term liabilities		138,074	68,636
Total liabilities and equity		356,560	352,063

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

PJSC “RussNeft”
Consolidated Statement of Changes in Equity
for the year ended 31 December 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	Total equity of PJSC “RussNeft”	Non-controlling interests	Total equity
31 December 2023	196	60,289	–	(21,123)	(1,152)	53,553	91,763	3,282	95,045
Profit/(Loss) for the period	–	–	–	–	–	54,345	54,345	(1,672)	52,673
Foreign currency translation reserve	–	–	–	–	8,286	–	8,286	(1,347)	6,939
Total comprehensive income/(loss) for the period	–	–	–	–	8,286	54,345	62,631	(3,019)	59,612
Dividends	–	–	–	–	–	(8,728)	(8,728)	(96)	(8,824)
Redemption of treasury shares	–	–	(4,700)	–	–	–	(4,700)	–	(4,700)
Changes in non-controlling interests of subsidiaries due to repurchases of treasury shares by subsidiaries	–	–	–	–	–	(3)	(3)	(7)	(10)
Disposal of subsidiaries	–	–	–	–	–	–	–	(9,907)	(9,907)
Other transactions	–	–	–	–	–	2	2	–	2
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	–	–	–	–	–	23,918	23,918	(112)	23,806
Foreign currency translation reserve	7	–	–	–	(7,134)	7,134	–	–	–
Total comprehensive income/(loss) for the period	–	–	–	–	(7,134)	31,052	23,918	(112)	23,806
Dividends	7, 22	–	–	–	–	(7,821)	(7,821)	(1)	(7,822)
Dividend clawback		–	–	–	–	–	–	2	2
Redemption of treasury shares	22	–	–	(2,750)	–	–	(2,750)	–	(2,750)
Changes in non-controlling interests of subsidiaries	8	–	–	–	–	–	–	6	6
Changes in non-controlling interests of subsidiaries due to reorganization	7, 8	–	–	–	–	(10,881)	(10,881)	10,881	–
Other transactions		–	–	–	–	3	3	–	3
31 December 2025	196	60,289	(7,450)	(21,123)	–	111,522	143,434	1,029	144,463

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

PJSC “RussNeft”
Consolidated Statement of Cash Flows
for the year ended 31 December 2025
(in millions of Russian rubles)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows – operating activities			
Profit before tax		19,641	73,772
Adjustments to reconcile profit before income tax to net cash flows			
Depreciation, depletion and amortization	11	5,146	4,943
Result from disposal of property, plant and equipment and right-of-use assets, net	14	1,635	1,075
Impairment of financial assets, net	14	8,584	1,797
Derivative financial instruments at fair value	14	(4,864)	649
Financial guarantees, net	14	(381)	246
Gain on derivative financial instruments	14	(2,347)	(2,731)
Impairment of property, plant and equipment and exploration assets, net	14	1,275	1,742
Benefit obligations, allowances for expected credit losses and other provisions		3,184	1,708
Disposal of Group companies, net	14	73	(2,284)
Result from the disposal of securities		(14)	–
Share in loss of associates	9	2,802	582
Change in provisions	14	(582)	(2,377)
Finance income	13	(10,449)	(16,507)
Finance expense	13	17,300	15,101
Foreign exchange differences, net		4,733	(3,644)
Other adjustments		(285)	(130)
Net operating cash flows before working capital changes		45,451	73,942
Working capital adjustments			
Decrease/(Increase) in inventories		3,065	(686)
Decrease in trade and other receivables and prepayments		3,242	5,504
Increase/(Decrease) in trade and other payables, advances received		3,892	(14,739)
(Increase)/Decrease in other current assets		(9)	139
Interest paid for early payments		(3,142)	(1,402)
Financial guarantee performance	29	(24,947)	–
Income tax paid		(5,727)	(5,188)
Net cash – operating activities		21,825	57,570
Cash flows – investing activities			
Purchase of property, plant and equipment and other non-current assets		(25,734)	(27,350)
Proceeds from disposal of property, plant and equipment		251	179
Acquisition of subsidiaries and associates		–	(20,611)
Disposal of Group companies, net		(38)	4,765
Loans issued		(3,560)	(51)
Proceeds from loans issued		2,973	82
Interest received		6	126
Net cash – investing activities		(26,102)	(42,860)
Cash flows – financing activities			
Redemption of treasury shares		(2,755)	(4,700)
Proceeds from loans and borrowings received	23	27,947	19,178
Repayment of loans and borrowings received	23	(6,926)	(18,708)
Payments of lease liabilities	16	(82)	(211)
Interest paid	23	(7,892)	(8,805)
Dividends paid to shareholders of the Parent	22	(7,886)	(8,557)
Dividends paid to non-controlling shareholders	7	(1)	(71)
Settlements for derivative financial instruments		(20)	4
Net cash – financing activities		2,385	(21,870)
Effect of foreign exchange rate changes on balances of cash and cash equivalents		–	32
Change in cash and cash equivalents		(1,892)	(7,128)
Cash and cash equivalents at the beginning of the period		2,562	9,690
Cash and cash equivalents at the end of the period		670	2,562

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

PJSC “RussNeft”

Notes to the Consolidated Financial Statements

for the year ended 31 December 2025

(in millions of Russian rubles)

1. Corporate information

The consolidated financial statements of Public Joint Stock Company “RussNeft” (the “Parent”, the “Company” or “PJSC “RussNeft”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 were authorized for issue in accordance with a resolution of management on 25 March 2026.

The principal activities of the Group are prospecting, exploration, development, production and marketing of oil, gas and oil products.

The Parent was incorporated on 17 September 2002. In November 2016, the Parent made a public placement of common shares on the Moscow Exchange. Since November 2024, the Company's common shares are traded on the SPB Exchange.

The average number of employees in the Group's companies as at 31 December 2025 was 6,082 (2024: 6,033).

2. Basis of preparation

Statement of compliance with IFRS

The Group's consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards and Interpretations thereto (“IFRS”) and in compliance with Federal Law No. 208-FZ dated 27 July 2010 *On the Consolidated Financial Statements*. Any differences of comparative amounts from the amounts, recorded in the consolidated financial statements for the year ended 31 December 2025 represent only the result of reclassification for comparative purposes.

Basis of accounting

The Group's companies, incorporated in the Russian Federation, maintain their accounting records in Russian rubles (“RUB”) and prepare their financial statements in accordance with the Regulations on Accounting and Reporting in the Russian Federation. The consolidated financial statements are based on the statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation of information in accordance with IFRS. Management believes that these consolidated financial statements reflect all significant adjustments required to present fairly the Group's financial position, performance results, statements of changes in equity and statements of cash flows for the reporting and comparable periods. The principal adjustments relate to the consolidation of subsidiaries, changes in non-controlling interests, goodwill recognition, investments in associates, expense and revenue recognition, valuation allowances for unrecoverable assets, depreciation and valuation of property, plant and equipment, use of fair values, impairment of assets, foreign currency translation, financial instruments, deferred tax, right-of-use assets and decommissioning liability.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

2. Basis of preparation (continued)

Basis of measurement

These consolidated financial statements are prepared on a historical cost basis, except as disclosed in the *Summary of significant accounting policies* note below.

The consolidated financial statements are presented in Russian rubles, and all values are rounded to the nearest million (“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 located in the Russian Federation, the Parent and the Group’s foreign subsidiary incorporated due to the extension of the Parent’s operations is the Russian ruble.

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency, generally at the official exchange rate set by the Central Bank of Russia (the “CBR”) at the reporting date. All resulting exchange differences are included in the consolidated statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

Assets and liabilities (including related goodwill) of non-RUB functional currency subsidiaries, joint ventures and associates are translated in the consolidated financial statements into the presentation currency of the Group using the rate of exchange effective at the reporting date. The performance results and cash flows of non-RUB functional currency subsidiaries, joint ventures and associates are translated into Russian rubles using the average rates of exchange for the reporting period; in case of significant exchange rate fluctuations, certain significant transactions are translated at the exchange rate ruling at the date of the transaction. The exchange differences arising on such translation are recorded as a separate equity component. On disposal of a company whose functional currency is different from the presentation currency, the deferred cumulative amount of the foreign currency translation reserve recorded within equity and related to that particular company is recognized in the consolidated statement of profit or loss and other comprehensive income.

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 these consolidated financial statements was equal to the official exchange rate of the Central Bank of the Russian Federation and is presented in the table below:

Currency	31 December 2024	31 December 2025	25 March 2026
	RUB/Currency	RUB/Currency	RUB/Currency
USD	101.6797	78.2267	80.9604

Notes to the Consolidated Financial Statements (continued)

2. Basis of preparation (continued)

Going concern

These consolidated financial statements have been prepared on a going concern basis that contemplates the sale of assets and the settlement of liabilities (including contractual) in the normal course of business. This statement was made based on the assessment of Group's ability to continue as a going concern for at least twelve months after the end of the reporting period. The Group's management considers the facts and events described in Note 30 *Financial and other risk management. Liquidity risk.*

Basis of consolidation

Subsidiaries

Subsidiaries are the companies controlled by the Parent. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group has control over the investee when the following conditions are met:

- ▶ The Group has power over the investee;
- ▶ The Group is exposed to, or has rights, to variable returns from its involvement with the investee;
- ▶ The Group has the ability to use its authority over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date when control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. All intercompany transactions, balances and unrealized gains on transactions between the Group entities are eliminated; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

A change in the ownership interest without a loss of control is accounted for as an equity transaction.

In case of a loss of control over a subsidiary, the Group:

- ▶ Derecognizes the assets and liabilities of the subsidiary, including goodwill;
- ▶ Derecognizes the carrying amount of any non-controlling interests;
- ▶ Derecognizes the cumulative foreign currency translation recorded in equity;
- ▶ Recognizes the fair value of the consideration received;
- ▶ Recognizes the fair value of any investment retained;
- ▶ Recognizes profit or loss due to a loss of control related to the controlling interest of the disposed subsidiary in the consolidated statement of profit or loss and other comprehensive income;
- ▶ Reclassifies the Parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings in accordance with IFRS requirements.

Notes to the Consolidated Financial Statements (continued)

2. Basis of preparation (continued)

Basis of consolidation (continued)

Non-controlling interests stand for the equity in subsidiaries not attributable, directly or indirectly, to the Parent. Non-controlling interests are presented in the consolidated statement of financial position of the Group within equity, separately from the Parent's Shareholders' equity. Profit or loss, as well as every component within comprehensive income, are attributable to shareholders of the Parent and non-controlling interests even if that results in a deficit balance of non-controlling interests, except when losses are covered by the Parent's shareholders under existing agreements.

Associates

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not to control or jointly control it.

When deciding whether significant influence, the Group considers the same factors used to evidence the existence of control in subsidiaries.

The Group accounts for investments in associates using the equity method. Under the equity method the investments in associates are initially recognized at cost. The carrying amount of investment is adjusted in subsequent periods for the post-acquisition changes in the Group's share of the net assets of associates. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment; the entire carrying amount is tested for impairment where there is the evidence of impairment of an investment.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share in the results of the associates. Changes in other comprehensive income of such investees are recognized in other comprehensive income of the Group. Besides, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profits or losses of the associate is shown directly in the consolidated statement of profit or loss and other comprehensive income separately from the operating income of the Group. It is represented by profits or losses after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group's financial statements. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of an associate and its carrying amount and recognizes the amount in the consolidated statement of profit or loss and other comprehensive income in line *Share in income/(loss) of associates, net*.

If the significant influence on the associate is lost, the Group assesses and recognizes the investments retained at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Notes to the Consolidated Financial Statements (continued)

2. Basis of preparation (continued)

Changes in accounting policies

The adopted accounting policies are consistent with those of the previous annual reporting period, except for the adoption of new standards and interpretations mandatory for annual periods beginning on or after 1 January 2025. The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

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

- ▶ *Lack of Exchangeability* - amendments to IAS 21 are intended to help entities identify lack of exchangeability and clarify the accounting treatment in such situations. The amendments require entities to:
 - determine whether a currency is exchangeable into another currency. A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations;
 - determine an exchange rate when exchangeability is lacking. If exchangeability between two currencies is temporarily lacking, a spot exchange rate should be determined;
 - improve the quality of disclosures in their financial statements.

- ▶ *Illustrative Examples on Uncertainties in Financial Statements - Disclosures about Uncertainties in the Financial Statements* dated 28 November 2025 amended various IFRS standards to illustrate how entities can apply IFRSs to disclose the effects of uncertainties in their financial statements. As accompanying materials to IFRS Accounting Standards, these illustrative examples do not have an effective date.

3. Significant accounting judgments, estimates and assumptions

Judgments

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described in the following notes:

Note 9 – Investments in associates;

Note 15 – Property, plant and equipment;

Note 16 – Right-of-use assets and lease liabilities;

Note 17 – Goodwill;

Note 18 – Long-term and short-term financial assets;

Note 19 – Inventories;

Note 20 – Other non-current assets, trade and other receivables;

Note 23 – Loans and borrowings;

Note 24 – Decommissioning liability;

Note 25 – Long-term and short-term financial and other liabilities;

Note 26 – Income tax;

Note 28 – Fair value measurement;

Notes to the Consolidated Financial Statements (continued)

3. Significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Note 29 – Contingencies, commitments and operating risks;

Note 30 – Financial and other risk management.

In the process of applying the Group's accounting policies, management has made the following judgments, based on the professional experience, that have the most significant effect on the amounts recognized in the consolidated financial statements.

Reserves base

Oil and gas development and production properties are depreciated on a unit-of-production basis at a rate calculated by reference to reserves, the estimation of which is performed based on the Russian classification of hydrocarbon reserves (hereinafter – HCR), and includes economically recoverable reserves of oil and condensate according to the following categories: A – producing, drilled; B1 – producing, undrilled, explored. These reserves are determined in the process of preparing the prescribed statistical forms of the State Statistics Service of the Russian Federation (Form No. 6-GR of the Group's companies by field at the beginning of the reporting period). The data presented in Form No. 6-GR are reviewed annually.

The time line of field development is determined on the basis of technical field development projects based on the calculation of profit from sale of products and net discounted income of the subsurface user by field. The revision of technical projects for field development is carried out in case of changes in conceptual treatment of the geological structure of layers and site development metrics.

The above indicators are used to calculate depreciation of oil and gas development and production properties, including oil and gas right-of-use assets, and to assess whether there are any signs of impairment of goodwill and cash-generating units, when building discounted future cash flows used as one of the possible asset impairment indicators.

Carrying amount of oil and gas properties

Oil and gas properties and oil and gas right-of-use assets, excluding wells, but including the corresponding decommissioning costs, are depreciated on a unit-of-production basis, proceeding from the volume of economically recoverable reserves in categories A (producing, drilled) and B1 (producing, undrilled, explored) of Form No. 6-GR on the own licensed sites and other infrastructure sites related to oil and gas development and production.

Wells, including the ones accounted for as right-of-use assets, are depreciated based on the volume of economically recoverable reserves in category A (producing, drilled).

The calculation of a unit-of-production rate of depreciation depends on the extent to which actual future production volumes will differ from the current projections based on the volumes of producing, drilled, undrilled, and explored reserves. Such differences usually arise due to significant changes in the factors or assumptions used in estimating economically recoverable reserves, such as: the impact on evaluation of reserves of actual prices for hydrocarbons and assumptions regarding such prices, changes in production technologies, or contingencies arising in the course of business operations.

Notes to the Consolidated Financial Statements (continued)

3. Significant accounting judgments, estimates and assumptions (continued)**Judgments (continued)***Impairment indicators*

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the oil price assumption may change which may then impact the estimated life of the field and may then require a material adjustment to the carrying amount of goodwill and other non-current assets. The Group monitors internal and external indicators of impairment relating to its financial and non-financial assets.

Fair value of financial assets and liabilities

Fair value of financial assets and liabilities, except for financial instruments traded in major markets, is determined using various valuation techniques. Management applies professional judgment in accepting assumptions at each reporting date. The discounted cash flow analysis is applied in relation to financial assets and liabilities not traded in major markets. The effective interest rate is determined based on the market interest rates of financial instruments available to the Group. When such instruments are unavailable, the effective interest rate is determined based on the market interest rates as adjusted by the Group's management for the risks inherent to the Group. Fair values and sensitivity analysis of financial assets and liabilities are disclosed in Notes 28 and 30.

Decommissioning liability

Decommissioning costs will be incurred by the Group mainly at the end of the operating life of the fields. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques and/or experience at other production sites. The expected timing and amount of expenditure may also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be possible adjustments to the provisions recognized which, in turn, would affect future financial results.

The decommissioning liability is the present value of costs for decommissioning of the oil and gas fields, which will be incurred up to 2082, depending on the recovery period of economically recoverable reserves, as a rule, in categories A (producing, drilled), B1 (producing, undrilled, explored), and B2 (producing, undrilled, estimated) for each field group. Management makes assumptions based on the current economic environment and believes that they are a reasonable basis for estimation of the future liability. These estimates are reviewed regularly to take into account any material changes in the assumptions. Actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning work which will reflect specific market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically recoverable rates. This, in its turn, will depend on future oil and gas prices, which are inherently uncertain.

Useful life of other property, plant and equipment

The Group assesses the remaining useful lives of items of other property, plant and equipment at least at each financial year-end. If expectations differ from the previous estimates, the changes are accounted for as a change in the accounting estimates in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These estimates may have a material impact on the carrying amounts of property, plant and equipment and on depreciation recognized in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

3. Significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Allowance for expected credit losses

In accordance with IFRS 9, the Group applies the expected credit losses (ECL) model to determine the amount of allowance for financial instruments. A counterparty's credit risk is assessed at initial recognition of the financial asset using the credit risk assessment matrix as part of its monitoring at each subsequent reporting date. The assessment matrix represents a set of parameters to be individually assessed according to a pre-defined scale, with factors such as settlement terms under agreements, the counterparty's credit rating, its market reputation and credibility, relationship of parties, collateral under agreements, existing and projected unfavorable events, etc., taken into consideration. The counterparty's credit risk is assessed by summing up the scores and may fall into one of the three categories (high, medium or low). The ECL allowance for each risk category is estimated based on certain indicators. If the financial condition of the counterparty were to deteriorate, actual write-offs might be higher than expected at the reporting date.

Income tax

The Group recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on projected cash flows from operating activities and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Contingencies

By their nature, contingencies will be resolved only when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

4. Summary of significant accounting policies

Oil and natural gas exploration and evaluation expenditure

License and property acquisition costs

Exploration license and leasehold property acquisition costs are capitalized within exploration and evaluation assets. Each property is reviewed on an annual basis to confirm that drilling activity is planned and it is not impaired. If no future activity is planned, the balance of the license and property acquisition costs is written off. Upon determination of economically recoverable reserves (profitable reserves), and when development is approved by the Group, the relevant expenditure is transferred to oil and gas properties.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Oil and natural gas exploration and evaluation expenditure (continued)

Exploration and evaluation costs

Prior to acquisition of the legal right to explore, all costs are recorded in the consolidated statement of profit or loss and other comprehensive income as incurred. Once such legal right has been acquired, exploration and evaluation costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. Other exploration and evaluation costs are expensed as incurred.

If extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be developed commercially, the costs continue to be carried as an exploration and evaluation asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

All such carried costs are subject to technical, commercial and management review for impairment at least once a year to confirm the continued intent of the Group to develop or otherwise extract value from the discovery.

When this is no longer the case, the costs are written off. When profitable reserves of oil are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas properties after impairment is assessed and any resulting impairment loss is recognized.

Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells is capitalized within oil and gas properties.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of the decommissioning liability, if applicable. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

At each reporting date, the Group management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management of the Group's entities estimates the recoverable amount which is determined as the higher of an asset's fair value less costs to sell and its value in use.

In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The carrying amount is reduced to the recoverable amount, and the difference is recognized as an expense (impairment loss) in the consolidated statement of profit or loss and other comprehensive income. Impairment losses related to continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income in those expense categories that are consistent with the function of the impaired asset.

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Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such increase amount is recognized in the consolidated statement of profit or loss and other comprehensive income.

Depreciation

Oil and gas properties, excluding wells, but including the corresponding decommissioning costs, are depreciated on a unit-of-production basis, proceeding from the volume of economically viable reserves in categories A (producing, drilled) and B1 (producing, undrilled, explored) of Form No. 6-GR on the own licensed sites and other infrastructure sites related to oil and gas development and production.

Wells are depreciated based on the volume of economically viable reserves in category A (producing, drilled).

The calculation of a unit-of-production rate of depreciation depends on the extent to which actual future production volumes will differ from the current projections based on the volumes of producing, drilled, undrilled and explored reserves. Such differences usually arise due to significant changes in the factors or assumptions used in estimating economically viable reserves, such as: the impact on evaluation of reserves of actual prices for hydrocarbons and assumptions regarding such prices, changes in production technologies, or contingencies arising in the course of business operations.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

The depreciation periods, equal to the estimated useful economic lives of the respective assets, are as follows:

	<u>Years</u>
Buildings	5-30
Plant and machinery	1-30
Equipment and motor vehicles	3-15
Office and other equipment	3-10

Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and inspection costs.

Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. Inspection costs associated with major maintenance programs are capitalized and amortized over the period to the next inspection. All other maintenance costs are expensed as incurred.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Construction in progress

Construction in progress includes all expenses related to acquisition and construction of property, plant and equipment, including respective variable overheads directly attributable to the construction. Accrual of depreciation and amortization of these assets commences when they are actually put into operation. The Group measures the carrying amount of the construction in progress on a regular basis to identify any indication of impairment of construction in progress and to accrue a respective allowance.

Goodwill and other intangible assets

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets of the subsidiary acquired is in excess of the consideration, the difference is recognized in the consolidated statement of profit or loss and other comprehensive income within other operating income.

Goodwill and other intangible assets are carried at the initial cost less any accumulated amortization (excluding goodwill) and any accumulated impairment losses. The initial cost of intangible assets is the aggregate amount paid or the fair value of any other consideration given at the moment of their acquisition or establishment. The cost of intangible assets acquired in a business combination is initially recognized at fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization on a straight-line basis over their useful lives (except goodwill) and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the reporting period in which the expenditure is incurred.

Impairment of non-financial assets

Impairment of intangible assets other than goodwill is determined in a way consistent with that of property, plant and equipment.

The Group conducts reviews of values of goodwill and indefinite life intangible assets annually at 31 December or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income.

The loss recognized in the reporting period on goodwill impairment is not reversible in the next reporting periods.

Goodwill that forms part of the carrying amount of investments in associates or joint ventures is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing goodwill. The entire carrying amount of the investments in such entities is tested for impairment as a single asset, by comparing its recoverable amount with its carrying amount whenever the investment may be impaired. An impairment loss recognised in those circumstances is not allocated to any asset, including goodwill.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the net investment subsequently increases.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party to the contract.

Under IFRS 9, the Group classifies financial assets at initial recognition as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). The Group classifies its financial assets on the basis of a business model used to manage the assets and contractual cash flow characteristics.

The Group classifies most of its financial assets as subsequently measured at amortized cost, as both recognition criteria are satisfied (as part of the SPPI test): the assets are held under a business model to collect contractual cash flows on specified dates and solely through payments of principal and interest on the principal amount outstanding. Loans issued, trade and other receivables, cash and cash equivalents are measured at amortized cost. Certain loans issued and other financial assets may be measured at fair value through profit or loss.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and subject to the impairment requirements. Gains or losses are recognized in profit or loss when such assets are derecognized, modified or impaired.

The Group derecognizes a financial asset only when its contractual rights to the cash flows from the asset expire, or it transfers its contractual rights to receive cash flows from such financial asset to another party, which obtains substantially all the risks and rewards of ownership of the financial asset. The rights and liabilities created or retained upon the transfer may be recognized separately as an asset or a liability.

At each reporting date, the Group recognizes an allowance for expected credit losses (ECL) on all financial assets measured at amortized cost. The allowance represents the difference between the contractual cash flows and the cash flows that the Group expects to receive, discounted at the original effective interest rate or its approximate value. The impairment allowance is estimated based on either 12-month ECL, representing ECL arising from defaults by the counterparty within 12 months after the reporting date, or lifetime ECL, provided the credit risk has significantly increased since the initial recognition of the asset.

Allowances for impairment of trade receivables are assessed using a simplified approach in the amount equal to lifetime ECL. A financial asset is written off if the Group does not have any reasonable expectations regarding the recoverability of contractual cash flows.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date (Level 1 of fair value hierarchy). Inputs which are not quoted prices included within Level 1 and which are observable for the asset or liability, either directly or indirectly, represent Level 2 of fair value hierarchy. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models taking into account the possible adjustments to Level 2 inputs

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Financial instruments (continued)

(Level 3 of fair value hierarchy). Generally, they include unobservable inputs for the asset or liability. Management of the Group uses its own judgment in allocating financial assets to a particular level of the fair value hierarchy. In view of significant adjustments to Level 2 and other inputs, management measures fair value of its financial instruments within Level 3 of fair value hierarchy.

Derivative financial instruments

Derivative financial instruments are recognized in the consolidated statement of financial position at fair value as financial assets when their fair value is positive or financial liabilities when their fair value is negative. Realized and unrealized gains and losses are shown in financial statements on a net basis in profit or loss.

The fair value of derivative financial instruments is determined on the basis of mathematical models, using publicly available market information, forecast values and other valuation methods.

Loans and borrowings and accounts payable

The Group recognizes a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of such a financial instrument. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, derivative financial instruments and financial guarantees.

Loans and borrowings, trade and other payables are the most significant of the Group's financial liabilities. After initial recognition, loans and borrowings are measured at amortized cost using the effective interest rate (EIR) method. Gains and losses related to such financial liabilities are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortization process.

A financial liability is derecognized when it is discharged or canceled (forgiven) or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, such an exchange is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

The Group's financial liabilities classified at initial recognition as at fair value through profit or loss comprise, in particular, derivative financial instruments and financial guarantees.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowings.

Cash and cash equivalents

Cash and cash equivalents recorded in the consolidated statement of financial position comprise cash at banks and on hand, short-term deposits and other short-term highly liquid financial assets with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)**Cash and cash equivalents (continued)**

Restricted cash is disclosed separately in the consolidated statement of financial position or related notes.

Inventories

Finished goods are recorded at the lower of cost and net realizable value. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Raw materials are valued at cost using the weighted average cost method or net realizable value, whichever is the lower. Goods and finished products are accounted for in physical and in monetary terms using the batch-based method. Goods and finished products sold or otherwise disposed are measured at unit cost. In quantitative terms, oil, gas condensate and liquefied petroleum fractions are accounted for in tones, while associated petroleum gas and flammable natural gas are accounted for in cubic meters.

Leases*Right-of-use assets*

The Group recognizes right-of-use assets at the commencement of the lease (i.e., the date at which the underlying asset becomes available for use). The Group applies the historical cost model in which the right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, including by exercising the option to purchase, the recognized other right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (considering the potential renewal options). For oil and gas right-of-use assets, the Group uses the unit-of-production method, applying the rate to the total of economically viable reserves in category A (producing, drilled) and category B1 (producing, undrilled, explored) for leased property other than wells, or to economically viable reserves in category A (producing, drilled) for leased wells. Right-of-use assets are subject to impairment testing; where there is evidence of impairment, the related losses are recognized in the reporting period.

Lease liabilities

At the commencement of the lease, the Group recognizes lease liabilities measured at the present value of future lease payments over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the Group remeasures the carrying amount of lease liabilities if there is a modification of contractual terms, including a change in the lease term, a change in in-substance fixed lease payments or a change in the assessment of the option to purchase the underlying asset.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense.

Decommissioning liability

Decommissioning liability is recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. In accordance with license agreements, the Group has to liquidate wells, oil and gas pipelines and to restore the surface. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value.

Changes in the estimated timing of property, plant and equipment items decommissioning or abandonment cost estimates are dealt with prospectively by recording an adjustment to the provision, and corresponding adjustments to the carrying amount of property, plant and equipment. The unwinding of the discount on the decommissioning provision is accounted for as finance expense.

Taxes

Income tax for the reporting period includes the amount of current tax and deferred tax .

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in each of the countries where the Group operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for consolidated financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except as provided for in IAS 12.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Taxes (continued)

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except as provided for in IAS 12.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Equity

Share capital issued and outstanding

Common and preference shares issued are classified as equity.

Share premium

The excess of the cost of common and preference shares over their nominal value due to the additional emission of shares is recorded as *Share premium* in the consolidated statement of financial position.

Forward to purchase treasury shares

Fair value of the forward to purchase preference shares of the Parent is recorded in the consolidated statement of financial position as *Forward to purchase treasury shares*.

Treasury shares

The Group's purchase of common shares of the Parent is reflected in the consolidated statement of financial position as *Treasury shares* within equity until such shares are cancelled, reissued or sold.

Foreign currency translation reserve

Translation differences arising from translating of items in the financial statements of subsidiaries whose functional currencies are different from the Group's presentation currency are recorded as *Foreign currency translation reserve*.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Equity (continued)

Non-controlling interests

Non-controlling interest is the interest in a subsidiary not held by the Group. Non-controlling interest as at the reporting date is the equity in a subsidiary not attributable, directly or indirectly, to the Parent and the non-controlling shareholders' portion of movements in equity since the date of the business combination. Non-controlling interest is presented within equity, separately from the Parent shareholders' equity.

Revenue and income recognition

Revenue from contracts with customers on the sale of oil, oil products and other products, as well as work or services, is recognized when control of the goods, work or services is transferred to the customer in the amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods, work or services. When determining whether control is transferred, the Group assesses whether there are criteria supporting such transfer of control over goods, work and services.

Revenue represents income that arises in the course of the Group's ordinary activities. The Group recognizes revenue in the amount of consideration it is entitled to in exchange of provided goods and services. A five-step model is applied to test compliance with revenue recognition criteria: contract identification, identification of performance obligations, determination of the transaction price, allocation of the transaction price to performance obligation, revenue recognition when/as performance obligations are fulfilled.

As for advances received from customers in respect of goods to be dispatched, the Group accrues interest for early payments (financing component), except for advances for goods to be delivered and/or services to be provided within one year. For these advances, the Group assesses the effect of a financing component as insignificant.

Interest income is accrued on a regular basis by reference to the outstanding principal amount and the applicable effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income is recognized where the shareholder's right to receive a dividend payment is established. The amount of retained earnings distributable to the shareholders is usually determined on the basis of the financial statements of the subsidiaries prepared in accordance with Russian accounting principles and the financial statements of the foreign subsidiaries of the Group. These amounts may differ significantly from the amounts calculated on the basis of IFRS.

Contract assets

A contract asset represents an entity's right to consideration in exchange for goods or services that will be transferred to a customer. If the Group delivers goods or services to a customer before the customer pays the consideration or the consideration becomes payable, a contract asset is recognized in respect of the contingent consideration received.

Notes to the Consolidated Financial Statements (continued)

4. Summary of significant accounting policies (continued)

Revenue and income recognition (continued)

Contract liabilities

A contract liability is the Group’s obligation to transfer goods or services to a customer, for which the Group has received consideration (or consideration is due) from the customer. If the consideration is paid before the Group delivers goods or services to the customer, the Group recognizes a contract liability when the payment is made or becomes due, whichever comes first. Contract liabilities are recognized as revenue when the Group fulfills its contractual obligations. The Group records its contract liabilities as advances received.

Employee benefits

The Group pays wages and salaries to its employees, quarterly bonuses for achieving key performance indicators by the Group companies, including annual bonuses after the year-end closing period. Vacations and sick leaves are paid in accordance with the existing labor agreements of the Group and labor laws.

The Group makes contributions to the Pension and Social Insurance Fund of the Russian Federation. These payments are calculated by the employer as a percentage from gross salary expense and are expensed as accrued.

The Group provides its employees with various defined retirement benefits in accordance with the labor agreements. The Group uses defined contribution plans. Costs of providing such benefits are recognized in the consolidated statement of profit or loss and other comprehensive income. The Company concludes non-state pension insurance agreements and recognizes them as defined contribution pension plans in the consolidated financial statements.

5. Future changes in accounting policies

New standards and interpretations issued but not yet effective

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. In May 2024, the IASB published amendments to the classification and measurement of financial instruments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and earlier application is permitted.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity. In December 2024, the IASB published amendments that affect entities that enter into contracts for electricity generated from natural sources such as wind and solar.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and earlier application is permitted.

IFRS 18 Presentation and Disclosure in Financial Statements. In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. This new standard supersedes IAS 1 *Presentation of Financial Statements*. The objective of the new standard is to improve the presentation of information in the financial statements. IFRS 18 will affect the complete set of financial statements of an entity.

Notes to the Consolidated Financial Statements (continued)

5. Future changes in accounting policies (continued)

New standards and interpretations issued but not yet effective (continued)

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures. In May 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, a new voluntary IFRS accounting standard that subsidiaries can apply when preparing their own consolidated financial statements.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, while the entity is required to provide comparative information, unless it is permitted or required otherwise. Earlier application of the standard is permitted and special requirements are effective if the entity applies IFRS 19 before it applies IFRS 18 *Presentation and Disclosure in Financial Statements*.

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency. In November 2025, the IASB issued amendments that are relevant for an entity whose presentation currency is the currency of a hyperinflationary economy and its functional currency (or the currency of its foreign operations) is the currency of a non-hyperinflationary economy.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The Group assesses the impact and timing of the application of new standards and amendments to previously issued standards on the amounts and structure of the consolidated financial statements.

6. Segment information

Operations of the Group are represented by the Exploration, production and related service segment comprising the Parent, production subsidiaries and subsidiaries providing other services, including property lease services relating to oil and gas exploration and development of fields, 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 financial and operational decisions.

Revenue from external customers broken down by key products and services and geographical sales segments, as well as information about major customers are disclosed in Note 10 *Revenue*. The Group’s non-current assets are located in the Russian Federation.

7. Subsidiaries of the Group

At the reporting date, the Group comprises joint stock companies and limited liability companies as defined in the Civil Code of the Russian Federation. In addition, the Group includes limited liability companies registered in the United Kingdom of Great Britain and Northern Ireland (the UK) before the date of disposal and the Republic of Cyprus before redomiciliation in the reporting period.

In February 2025, the procedure to redomicile the Group’s subsidiary, previously registered in the Republic of Cyprus, to the Russian Federation was completed. As at the reporting date, the functional currency of the redomiciled subsidiary 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 equity in the amount of RUB 7,134 million was written off. This transaction is reflected in the *Foreign currency translation reserve* in the consolidated statement of financial position and the consolidated statement of changes in equity.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

7. Subsidiaries of the Group (continued)

Based on the results of 2024, the annual meetings of shareholders of the Group's public subsidiaries, within the timeframes established by the law, decided to pay dividends to preference shareholders, in connection with which these shares are not voting on the reporting date. The accrual of dividends on preference shares to non-controlling shareholders is reflected in the consolidated statement of changes in equity.

8. Non-controlling interests

In January 2025, the Group's subsidiary carried out a buyback of non-voting shares and their subsequent cancellation, as a result of which the share of PJSC “RussNeft” in the subsidiary's authorized equity amounted to 100%. The change in non-controlling interest is reflected in the consolidated statement of changes in equity in the amount of RUB 10,881 million.

During 2025, the Group's subsidiaries acquired shares from minority shareholders and sold to the outside their treasury shares previously repurchased from minority shareholders. The net effect of these transactions is reflected within *Change in non-controlling interests of subsidiaries* in the consolidated statement of changes in equity.

9. Investments in associates

The carrying amount of the Group's investments in associates as at the reporting date was RUB 16,353 million, as at 31 December 2024 - RUB 19,155 million.

Company	Principal activity	Country of incorporation	Effective ownership	
			31 December 2025	31 December 2024
Associates	Investment property	Russian Federation	44.2%, 48.67%	44.2%, 48.67%

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

	31 December 2025	31 December 2024
	RUB million	RUB million
Non-current assets	35,666	42,184
Current assets <i>including Cash and cash equivalents</i>	9,780 139	10,262 266
Long-term liabilities <i>including Long-term loans and borrowings</i>	(21,142) (14,296)	(21,916) (14,260)
Short-term liabilities <i>including Short-term loans and borrowings</i>	(790) (99)	(1,216) (241)
Total equity	23,514	29,314

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

9. Investments in associates (continued)

	2025	2024
	RUB million	RUB million
Revenue	2,939	506
Cost of sales	(1,927)	(370)
<i>including Depreciation and amortization</i>	(703)	(141)
Other operating expenses, net	(5,756)	(1,305)
Operating loss	(4,744)	(1,169)
Finance income	581	104
Finance expense	(2,290)	(461)
Loss before tax	(6,453)	(1,526)
Income tax benefit	653	341
Loss for the period	(5,800)	(1,185)
The Group's share in loss for the period, net	(2,802)	(582)

10. Revenue

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

The Group sells in two geographical areas: Export and Domestic market.

The information on revenue is presented in the table below:

	Export		Domestic market		Total	
	2025	2024	2025	2024	2025	2024
	RUB million	RUB million	RUB million	RUB million	RUB million	RUB million
Crude oil sales (finished products)	103,064	111,542	107,094	164,881	210,158	276,423
Crude oil sales (commodities)	–	–	3,407	19,527	3,407	19,527
Petroleum products sales (finished products)	–	–	378	480	378	480
Gas sales (finished products, commodities)	–	–	3,804	3,293	3,804	3,293
Other sales	–	–	495	385	495	385
Total revenue	103,064	111,542	115,178	188,566	218,242	300,108

Revenue includes revenue from customers for the reporting period (where the revenue from each customer exceeds 10% of the total revenue in the respective reporting period):

	Geographical segment	2025		2024	
		RUB million		RUB million	
Major customer 1	Crude oil sales Domestic market	76,034	114,208		
Major customer 2	Crude oil sales Export	55,274	21,941		
Major customer 3	Crude oil sales Export	22,510	20,084		
Major customer 4	Crude oil sales Export	–	43,112		
Total revenue from major customers		153,818	199,345		

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

11. Cost of sales

	2025	2024
	RUB million	RUB million
Mineral extraction tax	112,801	151,345
Payroll and related taxes	10,468	9,064
Utilities	7,192	6,475
Depreciation, depletion and amortization	5,090	4,753
Cost of crude oil and petroleum products sold	3,234	19,477
Transportation expenses	2,973	2,196
Raw materials and supplies used in production	2,533	3,252
Additional income tax	2,424	3,824
Production services	1,800	1,820
Equipment repair, operation and maintenance	1,342	1,401
Depreciation of right-of-use assets	56	190
Other expenses	5,819	5,072
Total cost of sales	155,732	208,869

12. Selling, general and administrative expenses

Selling expenses comprise the following:

	2025	2024
	RUB million	RUB million
Pipeline tariffs and transportation expenses	16,246	15,155
Other selling expenses	293	301
Total selling expenses	16,539	15,456

General and administrative expenses comprise the following:

	2025	2024
	RUB million	RUB million
Payroll and related taxes	4,156	3,725
Entertainment and business travel	445	363
Software	268	308
Taxes other than income tax, including fines and penalties	258	68
Consulting, management and other services	142	281
Repair and maintenance	104	120
Bank services	88	92
Allowance for expected credit losses (Note 20)	(151)	(191)
Other expenses	560	480
Total general and administrative expenses	5,870	5,246

13. Finance income and expense

Finance income comprises the following:

	2025	2024
	RUB million	RUB million
Interest income on loans	10,449	9,985
Income from discounting of financial liabilities	–	6,296
Interest income for early payments	–	226
Total finance income	10,449	16,507

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Notes to the Consolidated Financial Statements (continued)

Finance expense comprises the following:

	2025	2024
	RUB million	RUB million
Interest expense on loans and borrowings	7,953	8,791
Loss from discounting derivative financial instruments	4,414	3,312
Interest expense for early payments	3,413	1,302
Accretion expense (Note 24)	515	1,151
Interest expense on lease liabilities (Note 16)	38	44
Loss from discounting financial assets (Note 18)	967	501
Total finance expense	17,300	15,101

14. Other operating income and expenses¹

Other operating income the following:

	2025	2024
	RUB million	RUB million
Change in fair value – swaps	4,864	–
Gain on derivative financial instruments	2,347	2,731
Change in provisions	582	2,377
Financial guarantees, net	381	–
Fines and penalties for contractual breaches	121	98
Gain from inventories sale	95	57
Disposal of Group companies, net	–	2,284
Result from disposal right-of-use assets, net	–	57
Other income	98	170
Total other operating income	8,488	7,774

Other operating expenses the following:

	2025	2024
	RUB million	RUB million
Impairment of financial assets, net	8,584	1,797
Result from disposal of property, plant and equipment, net	1,635	1,132
Impairment of property, plant and equipment, net (Note 15)	1,275	1,742
Fines and penalties for income tax	544	–
Charity and other non-recoverable expenses	543	1,976
Fines and penalties for contractual breaches	201	137
Disposal of Group companies, net	73	–
Change in fair value – swaps	–	649
Financial guarantees, net	–	246
Other expenses	632	409
Total other operating expenses	13,487	8,088

¹ In accordance with IAS 1 *Presentation of Financial Statements*, certain items are presented net.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

15. Property, plant and equipment

	Oil and gas properties	Other property, plant and equipment	Construction in progress	Total
	RUB million	RUB million	RUB million	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 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 at 31 December 2024	152,042	4,098	–	156,140
Additions	29,939	–	5	29,944
Acquisition of subsidiaries	–	4	–	4
Decommissioning liability	845	–	–	845
Transfer from construction in progress	–	5	(5)	–
Depreciation	(5,081)	(4)	–	(5,085)
Impairment	(1,491)	(3)	–	(1,494)
Reversal of impairment	219	–	–	219
Disposals, net	(2,670)	–	–	(2,670)
31 December 2025				
Cost	340,922	6,574	–	347,496
Accumulated depreciation and impairment	(167,119)	(2,474)	–	(169,593)
Net book value at 31 December 2025	173,803	4,100	–	177,903

The cost of construction in progress included in oil and gas properties is RUB 10,188 million and RUB 10,641 million as at 31 December 2025 and 2024, respectively.

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 3,506 million and a collateral value of RUB 4,508 million as at 31 December 2025.

As at 31 December 2025, the Group had no other significant pledges of property, plant and equipment.

Impairment losses

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Based on the assessment in the reporting period, the Group identified indications of impairment of property, plant and equipment and recorded an allowance of RUB 1,494 million in 2025, and simultaneously reversed the previously recognized allowance of RUB 219 million. The accumulated allowance as at 31 December 2025 and 31 December 2024 was RUB 15,158 million and RUB 14,000 million, respectively.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

15. Property, plant and equipment (continued)

Impairment losses (continued)

Given the specifics of the Group’s activities, in general, the information on assets’ fair value is difficult to obtain, unless there are negotiations with potential buyers. As a result, recoverable amount used for the purposes of assessment of impairment accrued is also determined based on discounted cash flow model the main indicators of which are disclosed in Note 17.

16. Right-of-use assets and lease liabilities

Right-of-use assets	Oil and gas right-of-use assets RUB million	Other right-of-use assets RUB million	Total right-of-use assets RUB million
1 January 2024			
Cost	180	1,298	1,478
Accumulated depreciation and impairment	(37)	(720)	(757)
Net book value at 1 January 2024	143	578	721
Additions	15	–	15
Modification and reassessment, net	(73)	10	(63)
Disposals, net	(7)	(217)	(224)
Disposal of subsidiaries and joint operations, net	(4)	(4)	(8)
Depreciation	(11)	(179)	(190)
31 December 2024			
Cost	98	253	351
Accumulated depreciation and impairment	(35)	(65)	(100)
Net book value at 31 December 2024	63	188	251
Additions	38	37	75
Modification and reassessment, net	10	3	13
Disposals, net	(16)	–	(16)
Depreciation	(18)	(38)	(56)
31 December 2025			
Cost	117	293	410
Accumulated depreciation and impairment	(40)	(103)	(143)
Net book value at 31 December 2025	77	190	267
Lease liabilities	31 December 2025 RUB million	31 December 2024 RUB million	
At the beginning of the period	297	747	
<i>including short-term lease liabilities</i>	<i>39</i>	<i>408</i>	
Recognition of lease liabilities	75	15	
Disposals	(19)	(233)	
Disposal of subsidiaries and joint operations	–	(10)	
Modification and reassessment	13	(55)	
Interest on lease liabilities	38	44	
Payments of lease liabilities	(82)	(211)	
At the end of the period	322	297	
<i>including short-term lease liabilities</i>	<i>55</i>	<i>39</i>	

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

16. Right-of-use assets and lease liabilities (continued)

	31 December 2025	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Lease liabilities	322	55	64	53	150

	31 December 2024	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Lease liabilities	297	39	46	73	139

17. Goodwill

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

The carrying amount of goodwill is allocated to each of the cash-generating units as follows:

CGU	Segment²	31 December 2025	31 December 2024
		RUB million	RUB million
CGU 1	Exploration, production and related service	8,256	8,256
CGU 2	Exploration, production and related service	598	598
CGU 3	Exploration, production and related service	227	227
CGU 4	Exploration, production and related service	95	95
		9,176	9,176

Impairment testing of goodwill

The Group conducts its goodwill impairment test as at 31 December of each reporting annual period or more often if there is evidence of its possible impairment. Based on the testing, no impairment of goodwill was identified as at 31 December 2025.

For goodwill impairment test purposes, the Group uses the discounted cash flow model to determine the value in use. The main assumptions used are represented by estimates made by the Company’s management with regard to the future development trends in oil and gas sector, and are based on the external and internal data sources. Future cash flows are built within a 30-year range based on technical projects for the development of fields of the Group, as approved by the Central Hydrocarbon Commission of the Federal Agency for Subsoil Management, in terms of reserves according to the Russian classification by categories A, B1, B2, cumulative total, and also taking into account the costs updated by the cumulative inflation factor for the period from the date of approval of the technical project to the date of these consolidated financial statements.

² The segment is defined in Note 6.

Notes to the Consolidated Financial Statements (continued)

17. Goodwill (continued)

Impairment testing of goodwill (continued)

The assumptions used in the impairment testing, the sensitivity to which could have a material impact on the assessment results, are presented below:

- ▶ Discount rate (in RUB): determines the current estimates of time value of money and risks – 13.7%.
- ▶ Forecast oil price: price basis for Urals³ oil is in the range of USD 59.0-64.96 per barrel (bbl) which is adjusted for transportation expenses.
- ▶ MET and AIT rates are calculated with account of changes in forecast oil prices.
- ▶ Sales structure by markets (export, domestic market) remains the same during the valuation period.
- ▶ Difference in the netback existing in the markets (export, domestic market) remains unchanged.

An assessment of the impact on profit before tax of a 1% change in the discount rate as at 31 December 2025 and 31 December 2024, respectively, revealed no possible effect. A decrease in the oil price by USD 10 per bbl as at 31 December 2025, would result in an impairment charge of RUB 3,326 million.

18. Long-term and short-term financial assets

	Currency	31 December	31 December
		2025	2024
		RUB million	RUB million
Long-term loans issued to related parties	USD	115,715	146,551
Long-term loans issued to related parties	EUR	23,762	26,247
Long-term loans issued to related parties	RUB	2,624	2,502
Long-term loans issued to other companies	RUB	–	2,954
Allowances for expected credit losses on long-term loans issued		(45,400)	(51,562)
Total long-term financial assets		96,701	126,692
Short-term loans issued to related parties	RUB	30,410	–
Allowances for expected credit losses on short-term loans issued		(14)	–
Total short-term financial assets		30,396	–

Loans issued and repaid are recorded within investing activities in the consolidated statement of cash flows and within long-term and short-term financial assets in the consolidated statement of financial position. The loans issued are recognized in these consolidated financial statements at amortized cost. The Group assesses loans issued using IFRS 9, including the expected credit loss model.

During the reporting period, certain loans were extended, and this modification had no significant effect on the consolidated financial statements (Note 13).

³ The forecast spread values were applied to the forecast price of Brent crude oil to bring it to the forecast price values of Urals crude oil.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

19. Inventories

	31 December 2025	31 December 2024
	RUB million	RUB million
Crude oil	6,743	10,182
Raw materials and components	4,369	3,996
Petroleum products	26	26
Allowance for obsolete inventories ⁴	(90)	(98)
Total inventories	11,048	14,106

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

	31 December 2025	31 December 2024
	RUB million	RUB million
Long-term prepayments for capital projects	1,106	1,539
Long-term prepayments	183	675
Allowance for prepayments	(189)	(572)
Exploration and evaluation assets	17	19
Other non-current assets	26	12
Total other non-current assets	1,143	1,673

	31 December 2025	31 December 2024
	RUB million	RUB million
Other long-term receivables	4,971	4,345
Allowance for expected credit losses	(970)	(742)
Total other long-term receivables	4,001	3,603

	31 December 2025	31 December 2024
	RUB million	RUB million
Trade receivables	5,659	9,312
Other receivables	233	3,011
Allowance for expected credit losses	(194)	(156)
Total trade and other receivables	5,698	12,167

	31 December 2025	31 December 2024
	RUB million	RUB million
Short-term prepayments	1,256	4,831
Other current assets ⁵	56	93
Allowance for prepayments	(242)	(424)
Total other current assets	1,070	4,500

⁴ The allowance for obsolete inventories relates to Raw materials and components.

⁵ In relation to certain bank accounts, there are temporarily blocked amounts of RUB 8 million as at 31 December 2025 and RUB 56 million as at 31 December 2024, in connection with which these amounts are reflected in *Other current assets* of the Group.

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Notes to the Consolidated Financial Statements (continued)

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

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

	31 December 2025	31 December 2024
	RUB million	RUB million
As at 1 January	(1,894)	(2,100)
Reversal of allowance	298	191
Allowance used	1	10
Disposal of subsidiaries	–	5
As at 31 December	(1,595)	(1,894)

21. Cash and cash equivalents

	31 December 2025	31 December 2024
	RUB million	RUB million
RUB-denominated cash at bank and on hand	668	1,563
Deposits and other cash equivalents	2	997
Foreign currency-denominated cash at bank and on hand	–	2
Total cash and cash equivalents	670	2,562

22. Equity

	31 December 2025	31 December 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

As at the reporting date, the Company may place 105,880,000 additional common shares and 98,032,000 additional preference shares with the same nominal value of RUB 0.5 each.

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

The Annual 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 CBR on the date of distribution of dividends on preference shares of PJSC “RussNeft”, or USD 1.0200750775 per preference share of the Company. As at the reporting date, the declared dividends were fully paid, with the payment amounting to RUB 7,886 million at the exchange rate ruling at the payment date. Considering the decision made to pay dividends on preference shares, they are not voting shares. No dividends were declared or paid on the Parent’s common shares.

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

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

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

22. Equity (continued)

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% of the Parent’s outstanding common shares. This transaction is recorded within *Treasury shares* in the consolidated statement of financial position and 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

The subsidiary is a party to the forward contract to purchase 33,240,827 preference shares of the Parent in March 2026 (Note 31). 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 21,769 million (Note 28). Simultaneously, the subsidiary acts as a party to the currency interest rate swap during the term of the forward contract.

Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to common equity holders of the Parent, as adjusted, by the weighted average number of common shares outstanding during the year. As the decision to pay dividends for 2025 under the preference shares was not announced at the reporting date, no adjustment for the forecast amount of these dividends for 2025 was made in the reporting period.

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

		2025	2024
Profit attributable to shareholders of the Parent	RUB million	23,918	54,345
Dividends on preference shares	RUB million	(7,821)	(8,728)
Profit attributable to shareholders of the Parent, as adjusted	RUB million	16,097	45,617
Weighted average number of common shares issued	million	224	279
Basic and diluted earnings per share	RUB per share	72	164

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

23. Loans and borrowings

	Currency	Weighted average interest rate by type of liability as at 31 December 2025 %	31 December 2025 RUB million
Long-term loans and borrowings			
Bank loans	RUB	21.15%	24,947
Borrowings	CNY	7%	17,562
Total long-term loans and borrowings			42,509
Short-term loans and borrowings			
Bank loans	RUB	20.49%	2,977
Bank loans	USD	9.63%	44,849
Borrowings	RUB	6.56%	39
Total short-term loans and borrowings			47,865

	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

The Company has an effective credit agreement in USD with stage-by-stage repayment of the principal debt and maturity in March 2026, using the overnight SOFR rate plus a margin of 5.76% (Note 31).

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 credit agreement in the amount of RUB 5,140 million at the exchange rate as at the date of payment (USD 63 million). Principal payments under the credit agreement in the reporting period amounted to RUB 6,867 million at the exchange rate on the date of payment or USD 85 million, including USD 29 million additionally in excess of the established repayment schedule or RUB 2,295 million at the exchange rate on the date of payment.

Outstanding principal payable of the credit agreement amounts to RUB 44,748 million or USD 572 million at the exchange rate as at the reporting date. Current interest payable amounts to RUB 101 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 and its related parties. 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 29).

The credit agreement contains a number of financial and operational covenants that the Company 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.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

23. Loans and borrowings (continued)

In the reporting period, the Company entered into a ruble loan agreement for RUB 24,947 million with a maturity date in September 2030. Interest is paid monthly at the interest rate set for the date of payment (based on the CBR Key rate plus a margin of 5.15%). In the reporting period, the Company paid interest totalling RUB 1,352 million under this loan agreement. Current interest payable is reflected in short-term loans and borrowings and amounts to RUB 14 million. Several subsidiaries act as joint guarantors for the Parent's obligations under this loan agreement (Note 29).

In the reporting period, the Company has an effective loan agreement in the amount of CNY 1,579 million or RUB 17,562 million at the settlement rate on 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 is provided at a fixed interest rate of 7% per annum, with maturity in March 2029 and monthly interest payments of RUB 1,278 million for 2025. The Group's subsidiaries act as joint guarantors for the Parent's obligations under this loan agreement (Note 29). The Company's loan is secured by a pledge of shares of the Group's associates (Note 9).

The ruble loan agreement concluded in 2025 and the yuan loan agreement contain restrictive covenants in the financial and production areas, which the Company and its related parties are obliged to fulfil during the term of the agreements. At the same time, the covenants under the specified loan agreements provide for the fulfilment of the corresponding covenants under the credit agreement in USD. 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 related loan agreements, 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.

Reconciliation of movements in financing activities from the consolidated statement of cash flows with long-term and short-term loans and borrowings from the consolidated statement of financial position is as follows.

	2025			2024		
	Long-term and short-term loans and borrowings	Other financial liabilities	Total	Long-term and short-term loans and borrowings	Other financial liabilities	Total
	RUB million	RUB million	RUB million	RUB million	RUB million	RUB million
At the beginning of the period	88,324	–	88,324	81,978	–	81,978
Cash flow – financing activities, net returns	13,135	–	13,135	(8,231)	–	(8,231)
Interest accrued	7,953	–	7,953	8,791	–	8,791
Disposal of subsidiaries	–	–	–	(4,475)	–	(4,475)
Foreign exchange difference	(19,038)	–	(19,038)	10,261	–	10,261
At the end of the period	90,374	–	90,374	88,324	–	88,324
Other cash flows – financing activities, including:	–	(10,750)	(10,750)	–	(13,540)	(13,540)
Dividends paid	–	(7,887)	(7,887)	–	(8,628)	(8,628)
Redemption of treasury shares	–	(2,755)	(2,755)	–	(4,700)	(4,700)
Settlements for derivative financial instruments	–	(20)	(20)	–	4	4
Payments of lease liabilities	–	(82)	(82)	–	(211)	(211)
Other movements	–	(6)	(6)	–	(5)	(5)
Net cash – financing activities	13,135	(10,750)	2,385	(8,330)	(13,540)	(21,870)

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

24. Decommissioning liability

	2025		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	31	57	80	30
Disposals	(482)	(109)	(407)	(9)
Change in estimates	395	335	(5,792)	(1,189)
Disposal joint operations	–	–	(401)	–
Accretion expense	376	139	860	291
Foreign currency translation	–	–	(4)	–
At the end of the period	3,756	2,051	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 forecast) and discounted the provision at the rate of 13.79% (2024: 13.71%).

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

Other long-term financial liabilities	31 December 2025	31 December 2024
	RUB million	RUB million
Long-term trade payables	482	404
Derivative financial instruments (Note 28)	–	31,570
Financial guarantees (Note 29)	–	381
Total other long-term financial liabilities	482	32,355

Trade and other payables, other short-term financial liabilities	31 December 2025	31 December 2024
	RUB million	RUB million
Derivative financial instruments (Note 28)	28,155	4,401
Trade payables	17,736	14,170
Other short-term payables	5,643	10,866
Total trade and other payables, other short-term financial liabilities	51,534	29,437

Taxes and levies payable (excluding income tax)	31 December 2025	31 December 2024
	RUB million	RUB million
Mineral extraction tax	5,905	13,417
Value added tax	1,882	5,335
Property tax	460	418
Additional income tax	311	988
Other taxes and levies (excluding income tax)	3,838 ⁷	236
Total taxes and levies payable (excluding income tax)	12,396	20,394

⁷ Including overdue debt to the Federal Tax Service in the amount of RUB 3,616 million, including penalties of RUB 3,9 million (Note 31).

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

Advances received and other short-term liabilities	31 December 2025	31 December 2024
	RUB million	RUB million
Advances received	26,113	10,110
Other short-term liabilities	27	30
Total advances received and other short-term liabilities	26,140	10,140

26. Income tax

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

	2025	2024
	RUB million	RUB million
Current income tax		
Current income tax expense	3,310	5,839
Income tax relating to previous years	1,279	12
Deferred income tax		
Relating to origination and reversal of temporary differences	207	7,992
Change in income tax rate effect	–	5,787
Change in deferred income tax relating to previous years	(8,961)	1,469
Income tax (benefit) / expense reported in the consolidated statement of profit or loss and other comprehensive income	(4,165)	21,099

Reconciliation between tax benefit / tax expense and accounting profit multiplied by the Group’s country of origin official tax rate is as follows:

	2025	2024
	RUB million	RUB million
Accounting profit before tax	19,641	73,772
Income tax at applicable tax rate (25%)	4,910	14,754
Tax effect of non-deductible expense and non-taxable income	(955)	(1,745)
Tax effect of rates other than 25%	45	191
Change in income tax rate effect	–	5,787
Change in unrecognized deferred tax assets	(110)	631
Change in deferred income tax relating to previous years	(8,961)	1,469
Income tax relating to previous years	1,279	12
Investment tax deduction that reduces the amount of income tax	(373)	–
Income tax (benefit) / expense reported in the consolidated statement of profit or loss and other comprehensive income	(4,165)	21,099

From 1 January 2025, in accordance with Federal Law No. 176-FZ of 12 July 2024, the income tax rate in the Russian Federation is 25%. As at 31 December 2024, the effect of the revaluation of the carrying amount of deferred tax assets and liabilities that are expected to be realized and repaid after 1 January 2025, is reflected in the income tax disclosure in the line *Change in income tax rate effect for 2024*.

Generally, the subsidiaries of the Group incorporated in the Russian Federation used 25% tax rate in 2025 and 20% in 2024. The subsidiaries incorporated outside the Russian Federation applied rates and exemptions stipulated by local legislation.

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Notes to the Consolidated Financial Statements (continued)

26. Income tax (continued)

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2025 by line of the consolidated statement of financial position as well as their movements in 2025 are presented below:

	Consolidated statement of financial position 31 December 2024	Consolidated statement of profit or loss and other comprehensive income 2025	Consolidated statement of financial position 31 December 2025
	RUB million	RUB million	RUB million
Deferred tax liabilities			
Property, plant and equipment, oil and gas properties	(20,459)	(4,202)	(24,661)
Inventories	(1,900)	894	(1,006)
Other	(45,878)	11,851	(34,027)
Deferred tax assets			
Tax loss carry forward	16,963	(12,287)	4,676
Property, plant and equipment, oil and gas properties	581	(71)	510
Inventories	58	3	61
Trade and other receivables	50	15	65
Other	21,118	12,441	33,559
Unrecognized tax assets	(3,108)	110	(2,998)
Total deferred tax liabilities and deferred tax assets	(32,575)	8,754	(23,821)
Deferred income tax (benefit)	–	(8,754)	–
Consolidated statement of financial position			
Deferred tax assets	1,366	–	1,137
Deferred tax liabilities	(33,941)	–	(24,958)

Deferred tax assets and liabilities as at 31 December 2024 by line of the consolidated statement of financial position as well as their movements in 2024 are presented below:

	Consolidated statement of financial position 31 December 2023	Consolidated statement of profit or loss and other comprehensive income 2024	Acquisition of subsidiaries	Disposal of subsidiaries	Consolidated statement of financial position 31 December 2024
	RUB million	RUB million	RUB million	RUB million	RUB million
Deferred tax liabilities					
Property, plant and equipment, oil and gas properties	(14,513)	(5,967)	–	21	(20,459)
Inventories	(1,523)	(377)	–	–	(1,900)
Other	(28,759)	(17,119)	–	–	(45,878)
Deferred tax assets					
Tax loss carry forward	18,995	(2,034)	2	–	16,963
Property, plant and equipment, oil and gas properties	409	178	–	(6)	581
Inventories	46	12	–	–	58
Trade and other receivables	63	(13)	–	–	50
Other	10,430	10,690	–	(2)	21,118
Unrecognized tax assets	(2,477)	(631)	–	–	(3,108)
Total deferred tax liabilities and deferred tax assets	(17,329)	(15,261)	2	13	(32,575)
Deferred income tax expense	–	15,261	–	(13)	–
Consolidated statement of financial position					
Deferred tax assets	755	–	–	–	1,366
Deferred tax liabilities	(18,084)	–	–	–	(33,941)

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

26. Income tax (continued)

Deferred income tax (continued)

Deferred tax liabilities in respect of the retained earnings of the subsidiaries are not recognized because the Group has the power to control future distributions among investors and has no intention to do so in the foreseeable future.

27. Transactions with related parties

The Group’s transactions with its subsidiaries that are related parties are excluded from the 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 in 2025 and 2024 or had significant balances outstanding as at 31 December 2025 and 2024 are detailed below.

Transactions with related parties in 2025 and 2024:

2025	Sales	Other transactions	Acquisitions	Finance income	Finance expense	Other transactions with an effect on equity
	RUB million	RUB million	RUB million	RUB million	RUB million	RUB million
Other related parties	76,047	9,062	93	9,634	966	10
Total	76,047	9,062	93	9,634	966	10

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	–	–	5	–	–
Associates and joint ventures	–	(28,399)	20	2,325	75
Other related parties	114,210	30,205	3,802	12,419	12
Total	114,210	1,806	3,827	14,744	87

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

31 December 2025	Receivables	Loans issued	Payables
	RUB million	RUB million	RUB million
Associates	–	–	²
Other related parties	458	127,097	2,091
Total	458	127,097	2,093

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

Notes to the Consolidated Financial Statements (continued)

27. Transactions with related parties (continued)

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 year with directors or key management personnel.

In 2025, key management personnel compensation expense, consisting of salaries and payroll taxes, totaled RUB 1,571 million (2024: RUB 1,417 million).

Since 2023, the Company adopted 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. In April 2025, the Company made final payments for the second year of the program in the amount of RUB 125 million (including insurance contributions). As at 31 December 2025, RUB 611 million (including insurance contributions) were accrued based on the actual time worked for the third year based on a preliminary assessment of the fulfilment of planned indicators (in 2024 - RUB 127 million including insurance contributions).

28. 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.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

28. Fair value measurement (continued)

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 16.

	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	RUB million		RUB million	
Financial assets				
Loans issued	127,097	164,906	126,692	166,636
Trade and other receivables and other financial assets	5,936	6,139	12,136	12,136
Cash and cash equivalents	670	670	2,562	2,562
Financial liabilities measured at amortized cost				
Trade and other payables	20,965	20,712	24,169	23,986
Loans and borrowings	90,374	93,802	88,324	91,222

The sensitivity of fair value of long-term financial instruments to a fluctuation in the discount rate by 1% is disclosed below. This analysis has been based on the assumption that the change in foreign exchange rates had occurred at the reporting date and had been applied to the foreign currency balances, while all other variables, in particular payment schedules, remain constant.

	Change in discount rate	Effect on profit before tax for 2025	Effect on profit before tax for 2024
		RUB million	RUB million
Long-term loans issued	+1%	(6,138)	(5,122)
Long-term loans issued	-1%	6,496	5,355
Long-term trade and other receivables	+1%	(28)	–
Long-term trade and other receivables	-1%	29	–
Long-term loans and borrowings received	+1%	1,080	1,440
Long-term loans and borrowings received	-1%	(1,121)	(1,490)
Long-term trade and other payables	+1%	7	7
Long-term trade and other payables	-1%	(8)	(8)

The measurement of the Group’s derivative financial instruments broken down by fair value or amortized cost is presented in the following table.

Derivative financial instruments	31 December 2025	31 December 2024
	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	–	31,570
Short-term derivative financial liabilities – forward	21,769	4,401
Short-term derivative financial liabilities – swaps	6,386	–
Short-term derivative financial instruments	28,155	4,401

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

29. Contingencies, commitments and operating risks

Operating environment of the Group

The Group's principal activities are in the Russian Federation. The Russian economy is characterised by significant dependence on world prices for crude oil, fluctuations in commodity and financial markets, change in economic growth elsewhere in the world, and active involvement in geopolitical risks and conflicts.

During the reporting period, external sanctions continued to apply against the Russian Federation, strategic Russian projects, and certain legal entities and individuals, whose lists are being systematically updated with new participants, taking into account the issuance of new sanctions packages by the European Union (the EU) and its partner countries during the reporting period. The 18th EU sanctions package primarily targets the Russian fuel and energy sector: the price cap for Russian oil was changed and lowered to USD 47.6 per barrel. The restrictions complicated oil transportation by limiting bunkering opportunities in EU ports and imposed a ban on operations by oil tankers and other vessels whose list has been significantly expanded. Additionally, the 18th sanctions package imposed a ban on the purchase of third country petroleum products produced from Russian oil. The 19th EU sanctions package includes a complete ban on the import of Russian liquefied natural gas (LNG) from 2027, prohibits interaction with the Russian Mir and Fast Payments Systems, and increases the number of Russian banks under sanctions.

The Government of the Russian Federation systematically updates legislation and packages of measures intended to protect Russian companies, conducts ongoing negotiations to minimize the impact of the imposed sanctions, and expands the scope of retaliatory sanctions.

In December 2025, the UK sanctions were imposed on PJSC “RussNeft”. The Group's management is assessing the potential impact of these sanctions on the Group's activities.

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 consolidated financial statements reflect management's assessment of the impact of the Russian and global business environment on the financial position and performance of the Group. The future business environment may differ from management's assessment. The Company's management regularly monitors potential risks, including analysis of country and geopolitical risks, builds new supply chains with an emphasis on operating in the domestic market and expanding its presence in the Asian region, and will develop a set of necessary measures to mitigate potential adverse effects on the Group, as necessary.

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.

PJSC “RussNefl”

Notes to the Consolidated Financial Statements (continued)

29. Contingencies, commitments and operating risks (continued)

Taxation (continued)

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.

In 2025, an on-site tax review of PJSC “RussNefl” for 2021-2022 income tax was completed, resulting in additional income tax assessments of RUB 50.7 million and a fine of RUB 0.9 million. These assessments were fully recognized in 2025 (Note 31).

In the fourth quarter of 2025, a decision by Interdistrict Inspectorate of the Federal Tax Service of Russia for the largest taxpayers (Novosibirsk) No. 3 to hold one of the Group’s public subsidiaries liable for income tax violation came into force. Tax claims totalling RUB 65 million, including income tax, fines, and penalties, were settled (paid). On the date of issue of the consolidated financial statements, the subsidiary filed a claim with the Arbitration court challenging the decision of the Interdistrict Inspectorate of the Federal Tax Service of Russia for the largest taxpayers No. 3.

For calculation of tax liabilities where uncertainty exists, the Group has accrued tax liabilities based on management’s best estimate of the probable outflow of resources embodying economic benefits which will be required to settle these liabilities.

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 symmetrical 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.

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.

In 2025, the Company, as the parent of a multinational corporation (MNC), submitted to the tax authority a notice of participation in the MNC and the country-by-country report for 2024 within the statutory timeframe.

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

Notes to the Consolidated Financial Statements (continued)

29. Contingencies, commitments and operating risks (continued)

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 Company 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 Company's employees use all reasonable efforts to prevent and mitigate the risks of non-compliance with subsoil license conditions.

Liabilities concerning environmental and safety matters

The Russian environmental and safety legislation meets general requirements and international law enforcement practice 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 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 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 and post-retirement benefit obligations

The Group makes contributions to the Pension and Social Insurance 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.

PJSC "RussNeft"

Notes to the Consolidated Financial Statements (continued)

29. Contingencies, commitments and operating risks (continued)

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 consolidated financial statements.

Guarantees and pledges 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 44,849 million, or USD 573 million, at the exchange rate at the reporting date (Note 23). 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 act as joint guarantors for the Parent's obligations under the loan agreement in the amount of no more than CNY 2,500 million, the current debt under which is CNY 1,579 million or RUB 17,562 million at the settlement rate on the reporting date established by the terms of the agreement (Notes 23).

In July 2025, PJSC "RussNeft" made a payment under the issued guarantee in the amount of RUB 24,947 million, which is the ruble equivalent of EUR 267 million at the estimated contractual rate at the due date of the guarantee obligation. Prior to the due date, this guarantee was reflected in the consolidated statement of financial position as "Other long-term financial liabilities" in the amount of RUB 94 million as at 31 December 2024 (Note 25). To enforce this guarantee, PJSC "RussNeft" raised a new loan in the amount of RUB 24,947 million during the reporting period (Note 23). The Group's subsidiaries act as joint guarantors for the Parent's obligations under the new loan agreement in the amount of the final outstanding balance (including interest) of RUB 24,962 million (Note 23).

In March 2024, the Parent issued a third party financial guarantee for its obligation to a Russian bank to repurchase 64,791,173 preference shares of PJSC "RussNeft". The initial amount of the guarantee was no more than USD 172 million or equivalent to RUB 15,811 million at the exchange rate on the date of guarantee issue, valid until December 2026 with partial fulfillment of the principal obligation in 2024 and 2025. As at the reporting date, taking into account the full fulfillment of the principal obligation, this guarantee is closed (Note 25).

The Parent together with several subsidiaries issued the RUB 72,000 million independent guarantee for the subsidiary's forward contract (Note 22) to purchase preference shares of PJSC "RussNeft" in March 2026 (Notes 22, 31).

In July 2025, several subsidiaries of the Group provided independent guarantees totalling no more than RUB 32 billion to a third party for the Parent's obligations under oil purchase and sale agreements. As at the reporting date, these guarantees amounted to RUB 90 million.

30. Financial and other risk management

The Group uses principal financial instruments such as bank loans and borrowings received, and accounts payable to raise finance for its operations. The Group has various financial assets and liabilities, such as trade receivables and trade payables, loans issued and cash and cash equivalents, which arise directly from its operations.

The Group is a party to derivative contracts measured at fair value (currency interest rate swap) or amortized cost through profit or loss (forward to purchase preference shares of the Parent, Note 22).

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

The main risks that could adversely affect the Group’s financial assets, liabilities and future cash flows are market risk (including foreign currency risk, interest rate risk, commodity and service price risk), credit risk and liquidity risk. The Group applies the Risk Management Policy, which includes procedures (performed on a regular basis) to identify and measure risks inherent in the key activities and to assess the possible impact of the identified risks. Based on the annual risk assessment results, the Group’s management can revise its approach to managing each type of risk. The Group’s most significant financial and other risks are disclosed below.

Market risk

Market risk is the risk that the fair value of financial instruments or cash flows will fluctuate as a result of changes in market prices. The Group manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions.

Commodity price risk

Commodity price risk is the risk of changes in prices for hydrocarbons and refining products and their potential influence on the Group’s financial and performance indicators. Reduction in prices may result in decrease in profit and cash flows. If the prices for hydrocarbons remain low during a lengthy period, it may result in reduction of capital spending on exploration, development of fields and subsequent reduction in hydrocarbon production and, thus, negatively affect the Group’s ability to fulfill its contractual obligations. However, stable oil prices and their potential growth will enable the Group to successfully pursue its strategy aimed at increasing production output in the coming years.

The Group’s management calculates budgets by scenario depending on projected oil prices, exchange rates and other indicators in order to assess a potential effect of the risk of changes in the price of main commodities on the Group’s management reports. The Group enters into standard agreements on sale of oil and oil products with customers.

Foreign currency risk

The Group is exposed to transaction foreign currency risks. Foreign currency risk exposure arises from sales, purchases and borrowing in currencies other than the respective functional currency of the Group’s companies. The Group limits foreign currency risk by monitoring changes in exchange rates of the currencies in which its cash and loans and borrowings are denominated. Meanwhile, the Group is a party to export foreign currency contracts for the sale of oil.

As at 31 December 2025 and 2024, the carrying amount of the Group’s financial assets and liabilities denominated in the currency used by the Group’s companies is as follows.

Financial assets	31 December	RUB	USD	EUR
	2025	RUB	RUB	RUB
	RUB million	million	million	million
Trade and other receivables and other financial assets	5,936	1,527	4,403	6
Loans issued	127,097	32,883	79,957	14,257
Cash and cash equivalents	670	670	–	–

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

Foreign currency risk (continued)

Financial liabilities	31 December 2025				
	RUB million	RUB million	USD RUB million	EUR RUB million	CNY ⁸ RUB million
Loans and borrowings received	(90,374)	(27,963)	(44,849)	–	(17,562)
Trade and other payables	(20,965)	(18,207)	(2,753)	(5)	–
Derivative financial instruments	(28,155)	(21,769)	(6,386)	–	–

Financial assets	31 December 2024				Other currencies
	RUB million	RUB million	USD RUB million	EUR RUB million	RUB million
Trade and other receivables and other financial assets	12,136	2,509	9,574	6	47
Loans issued	126,692	2,354	108,590	15,748	–
Cash and cash equivalents	2,562	2,560	–	2	–

Financial liabilities	31 December 2024				
	RUB million	RUB million	USD RUB million	EUR RUB million	CNY RUB million
Loans and borrowings received	(88,324)	(42)	(66,934)	–	(21,348)
Trade and other payables	(24,169)	(16,436)	(7,639)	(94)	–
Derivative financial instruments	(35,971)	(21,756)	(14,215)	–	–

A (-25.00%) strengthening or (25.00%) weakening of the RUB against the USD, the EUR, the CNY as at 31 December 2025 and 31 December 2024, respectively, with all other variables held constant, would have changed profit before tax by the amounts shown below and relates to financial instruments denominated in foreign currency, i.e., the currency other than the functional currency in which they are measured. This analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the foreign currency balances to which the Group has significant exposure, and that all other variables, in particular interest rates, remain constant.

Currency	Relative weakening / (strengthening) of exchange rates	Effect on profit before tax for 2025	Effect on profit before tax for 2024
		RUB million	RUB million
USD	+25.00%	7,591	10,629
USD	-25.00%	(7,591)	(10,629)
EUR	+25.00%	3,563	3,915
EUR	-25.00%	(3,563)	(3,915)
CNY	+25.00%	(4,390)	(5,337)
CNY	-25.00%	4,390	5,337
RUB ⁹	+25.00%	–	3,961
RUB	-25.00%	–	(6,602)

The Group’s exposure to foreign currency risk for other currencies is not material.

⁸ The loan is reflected at the settlement rate on the reporting date (Note 23).

⁹ In the reporting year, a subsidiary whose functional currency in 2024 was different from rubles was redomiciled to the Russian Federation with a revision of its functional currency to rubles.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value and future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group assesses the interest rate risk as related to financial assets and liabilities with floating interest rates.

The Group’s management analyzes risks related to a possible increase of interest rates which are assessed as significant, as the Parent’s borrowings consist of a foreign currency loan with a floating interest rate dependent on the overnight SOFR and ruble credit lines linked to the CBR Key rate. The Parent also has an outstanding loan, which is linked to the CBR Key rate.

Financial instrument		Effect on profit before tax for 2025	Effect on profit before tax for 2024
		RUB million	RUB million
Loans and borrowings received	+2.00%	(1,515)	(1,216)
	-2.00%	1,515	1,216
Loans issued	+2.00%	499	–
	-2.00%	(499)	–

As at 31 December 2025, the Group did not enter into any transactions aimed to reduce its interest rate risk exposure, in particular, any interest rate swaps (except for currency interest rate swap under the forward contract, Note 28).

The Group controls this risk by ongoing monitoring of market expectations in respect of interest rates and adjusting budget as well as expected cash flow to allocate sufficient financial resources for interest repayment.

Credit risk

Credit risk is the risk that a customer or counterparty will fail to meet their obligation under financial assets causing financial loss to the Group. The Group’s credit risk principally arises from cash and cash equivalents, and from financial stability of its customers and loans to related and unrelated parties.

The Group has not used any hedging instruments as a tool for credit risk management in this period.

The Group maintains accounts only with high quality banks and financial institutions and believes that it therefore does not have a material credit risk in relation to its cash or cash equivalents.

The Group trades only with recognized, creditworthy third parties. The individual risk of a counterparty is managed through the assessment of its creditworthiness.

It is the Group’s policy that all customers which wish to trade on credit terms are subject to credit verification procedures. The Group has the policy to negotiate advance payment terms where excessive concentration of credit risk exists. In addition, trade receivable balances are monitored on an ongoing basis to ensure that the Group’s exposure to bad debts is not significant. Although collection of receivables is exposed to economic factors, management believes that there is no significant risk of loss to the Group beyond the allowance for expected credit losses. The details of the allowance for expected credit losses are disclosed in Notes 18 and 20. The information on the major types of financial assets and their maturity is presented below:

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

Credit risk (continued)

Financial assets	31 December 2025	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Loans issued	127,097	30,396	2,124	–	94,577
Trade and other receivables and other financial assets	5,936	5,537	–	–	399

Financial assets	31 December 2024	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Loans issued	126,692	–	25,220	2,083	99,389
Trade and other receivables and other financial assets	12,136	12,136	–	–	–

The Group did not receive any collateral held as security for any financial assets.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s operating cash flow is subject to fluctuations resulting from geopolitical risks, high volatility of oil prices as well as changes in exchange rates and the amounts of taxes and duties paid. The above-mentioned factors can affect the amount of the Group’s cash flow and, thus, its liquidity. In order to manage liquidity risk, the Group monitors and projects liquidity requirements on a regular basis. The Group’s management ensures that sufficient funds are available to meet any commitments as they arise, prepares detailed budgets and plan-to-fact analyses on an annual, quarterly and monthly basis. The Group’s liquidity risk management procedures are centralized. The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and borrowings, including loans from related parties, bank guarantees and advances received for the future oil deliveries, deferral of payments under the current agreements and payments to the budget.

As at 31 December 2025, the Group’s short-term liabilities exceeded its current assets by RUB 88,195 million (31 December 2024: RUB 34,629 million).

In March 2026, the Parent is required to repay the remaining principal amount of USD 554 million under the credit agreement (Notes 23, 31). Additionally, in March 2026, the Group’s subsidiary’s obligation under the forward contract to repurchase preference shares of PJSC “RussNeft” will mature (Notes 22, 28, 31). These facts, against the backdrop of the continued intensification of sanctions pressure 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 continually examines different budget scenarios in various price ranges to assess business risks and takes certain measures to mitigate the liquidity risk, namely:

- ▶ conducting negotiations with the Group’s major creditors on the restructuring of short-term debt and changes to the parameters of restrictive conditions of loan agreements;
- ▶ revising the capital investment program (if necessary);
- ▶ raising prepayments to cover cash shortages and other loans.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

Liquidity risk (continued)

The Group has good credit reputation and focuses on maintaining it. Its debt portfolio mainly contains long-term liabilities. The above measures of the Group’s management are aimed at ensuring the Group’s ability to continue as a going concern.

The Company applies the Insurance Policy and the Risk Management Policy. The application of these policies is aimed to reduce operating cash flow volatility and is intended to have a positive effect on long-term solvency and short-term liquidity.

The Group’s management controls on a regular basis the interest coverage ratio (EBITDA/interest expense) and the debt to EBITDA ratio, as well as the amount of crude oil production and changes in EBITDA in the reporting periods. Meanwhile, the algorithm for calculating EBITDA applied by the Group as required by the creditors can differ from that used by other companies.

The following table shows undiscounted contractual cash flows for non-derivative financial liabilities, including estimated interest liability, as at 31 December 2025 and 2024. Derivative financial liabilities are presented in the 31 December 2025 and 2024 estimates reflected in these consolidated financial statements.

Financial liabilities	31 December 2025	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Trade and other payables	20,965	20,485	3	–	477
Loans and borrowings received	114,417	55,899	9,620	38,817 ¹⁰	10,081
Derivative financial instruments	28,155	28,155	–	–	–

Financial liabilities	31 December 2024	Within one year	1 to 2 years	2 to 4 years	Over 4 years
	RUB million	RUB million	RUB million	RUB million	RUB million
Trade and other payables	24,169	23,384	1	381	403
Loans and borrowings received	102,557	15,614	62,234	2,993	21,716
Derivative financial instruments	35,971	4,401	31,570	–	–

Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to maintain an optimal capital structure to reduce cost of capital and to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

¹⁰ The loan is reflected at the settlement rate on the reporting date (Note 23).

Notes to the Consolidated Financial Statements (continued)

Sustainable Development risks (ESG risks)

Health, safety and environment risks

Safeguarding the lives and health of employees, occupational health, industrial and fire safety, and environmental protection in the areas where the Group operates are key priorities and essential conditions for the Group's successful development. The Group's facilities are exposed to risks associated with process shutdowns, hazardous product emissions, environmental damage, accidents, fires and incidents, which in turn may result in the shutdown of the Group's production facilities.

To minimize these risks, an integrated industrial safety, occupational health and environmental protection management system has been created and is successfully operating, and the necessary measures are being implemented:

- ▶ diagnostics and monitoring of equipment parameters, repair and timely replacement;
- ▶ production control over the operation of hazardous production facilities;
- ▶ development of action plans for localization and elimination of accidents at hazardous production facilities, plans for eliminating oil and oil product spills;
- ▶ creation of workforce and means for eliminating accidents and emergency situations, ensuring employee competence and preparedness to respond to and eliminate the consequences of potential accidents, fires, and emergencies;
- ▶ monitoring, inspections, and special assessments of working conditions to ensure compliance with legislative and other requirements in the areas of industrial and fire safety, occupational health, and environmental protection;
- ▶ rational use of natural resources and energy, implementation of low-waste technologies, technologies for safe accumulation, storage and disposal of production and consumption waste, as well as use of other technologies aimed at reducing the negative impact on the environment;
- ▶ information communication with external stakeholders on industrial and fire safety, occupational health and environmental protection issues.

The Company's management assumes responsibility for the implementation of these activities by setting appropriate goals and objectives, allocating the necessary organizational and financial resources to achieve them, and monitoring and analysing the Group's activities in the areas of industrial and fire safety, occupational health and environmental protection.

Climate change risks

Climate change risks are risks associated with the effects of global warming that are long-term and can not be predicted accurately.

The Company has begun to consider potential risks and opportunities associated with climate change. Regulatory tightening due to climate change and its physical consequences may have a negative impact on the activities of the Group as a producer of fossil fuels and an emitter of greenhouse gases in the form of increased costs and decreased efficiency of hydrocarbon production.

To minimize these risks, the Group considers and plans measures to regulate greenhouse gas emissions and also takes steps to maintain a 95% level of beneficial use of associated petroleum gas, and constantly monitors changes in the related legislation.

Notes to the Consolidated Financial Statements (continued)

30. Financial and other risk management (continued)

Sustainable Development risks (ESG risks) (continued)

Risk of shortage of qualified personnel

Insufficient qualifications and professionalism of employees may have a negative impact on the financial results of the Group. This risk is mitigated through a competent HR policy aimed at the main resource - employees. The Company has an effective remuneration and motivation system, attention is paid to increasing the level of social protection of employees, and measures are taken to improve the efficiency and productivity of labour in all regions of the Group's presence. The Group's management is elaborating a system for the development of human resources, within the framework of which the Company cooperates with the leading industry universities and secondary vocational schools of the country.

31. Subsequent events

In February 2026, the tax arrears outstanding as at 31 December 2025 in the amount of RUB 3,616 million were repaid (Note 25).

Based on the results of the on-site tax review of PJSC "RussNeft" for 2021-2022, conducted by the Interregional Inspectorate of the Federal Tax Service of Russia for Large Taxpayers No. 2, the Decision was received that entered into force in March 2026. Income tax in the amount of RUB 50.7 million and the fine in the amount of RUB 0.9 million were paid to the budget in March 2026 (Note 29).

The Company has received the deferred payment under the credit agreement (Note 23) and the forward contract (Note 22) until the end of April 2026 and is in active negotiations to restructure these agreements with their extension until 2031.

PJSC “RussNeft”

Notes to the Consolidated Financial Statements (continued)

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