



Tatneft Group

**IFRS® ACCOUNTING STANDARDS
CONSOLIDATED INTERIM CONDENSED
FINANCIAL STATEMENTS (UNAUDITED)**

30 JUNE 2025

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CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

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Report on Review of Consolidated Interim Condensed Financial Statements

To the Shareholders and Board of Directors of Public Joint Stock Company TATNEFT named after V.D. Shashin:

Introduction

We have reviewed the accompanying consolidated interim condensed financial statements of Public Joint Stock Company TATNEFT named after V.D. Shashin and its subsidiaries (together – the "Group"), which comprise the consolidated interim condensed statement of financial position at 30 June 2025, the consolidated interim condensed statements of profit or loss and other comprehensive income, of changes in equity and of cash flows for the six months then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

27 August 2025
Moscow, Russian Federation



Kriventsev Evgenii Nikolaevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099944)

TATNEFT
Consolidated Interim Condensed Statement of Financial Position at 30 June 2025 (Unaudited)

(In million of Russian Rubles)

	Note	30 June 2025	31 December 2024
Assets			
Cash and cash equivalents		60,579	117,454
Financial services: Mandatory reserve deposits with the Bank of Russia		930	997
Short-term accounts receivable, net		168,922	215,500
Financial services: Loans to customers		89,220	79,781
Other short-term financial assets		24,277	31,622
Inventories		122,670	125,826
Prepaid expenses and other current assets		46,649	62,879
Prepaid income tax		6,622	924
Non-current assets held for sale		7,891	6,939
Total current assets		527,760	641,922
Long-term accounts receivable, net		11,391	10,839
Financial services: Loans to customers		97,366	116,771
Other long-term financial assets		94,977	102,835
Investments in associates and joint ventures		3,667	3,639
Property, plant and equipment, net	6	1,259,852	1,238,124
Right-of-use assets		25,468	23,417
Deferred income tax assets		19,941	18,778
Intangible assets		28,410	27,366
Other non-current assets		19,036	21,218
Total non-current assets		1,560,108	1,562,987
Total assets		2,087,868	2,204,909
Liabilities and equity			
Short-term debt and current portion of long-term debt		57,175	3,199
Accounts payable and accrued liabilities		127,229	163,202
Dividends payable		69,650	104,851
Financial services: Due to banks and the Bank of Russia		29,949	36,938
Financial services: Customer accounts		187,006	205,127
Financial services: Other financial liabilities at fair value through profit or loss		20,067	19,197
Taxes payable, other than income tax	5	111,018	129,035
Income tax payable		2,060	3,291
Total current liabilities		604,154	664,840
Long-term debt, net of current portion		9,750	10,084
Financial services: Due to banks and the Bank of Russia		-	1,184
Financial services: Customer accounts		1,186	1,127
Decommissioning provision, net of current portion		30,966	28,742
Lease liabilities, net of current portion		20,271	18,130
Deferred income tax liability		102,606	105,659
Other long-term liabilities		43,841	44,899
Total non-current liabilities		208,620	209,825
Total liabilities		812,774	874,665
Equity			
Preferred shares	1	746	746
Ordinary shares	1	11,021	11,021
Additional paid-in capital		84,437	84,437
Accumulated other comprehensive income		5,463	17,076
Retained earnings		1,179,827	1,218,834
Less: Ordinary shares held in treasury, at cost		(10,345)	(10,345)
Total equity owned by shareholders of PJSC Tatneft		1,271,149	1,321,769
Non-controlling interest		3,945	8,475
Total equity		1,275,094	1,330,244
Total liabilities and equity		2,087,868	2,204,909

Approved for issue and signed on 27 August 2025.

CEO Maganov N.U.

Chief Accountant Gaysin A.I.

TATNEFT
Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2025 (Unaudited)

(In million of Russian Rubles)

	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue (excluding financial services)	6	878,148	931,120
Costs and other expenses (excluding financial services)			
Operating expenses		(131,433)	(115,439)
Purchased crude oil and refined products		(190,447)	(193,156)
Exploration		(1,724)	(943)
Transportation		(42,322)	(46,759)
Selling, general and administrative		(57,885)	(52,440)
Depreciation, depletion and amortization	6	(33,203)	(29,791)
Expected credit losses on financial assets net of reversal		(4,434)	(1,075)
Impairment losses on property, plant and equipment and other non-financial assets net of reversals	8	(5,773)	(305)
Taxes other than income taxes	5	(289,374)	(287,837)
Maintenance of social infrastructure and transfer of social assets		(8,159)	(6,371)
Total costs and expenses (excluding financial services)		(764,754)	(734,116)
Other operating expense, net		(2,216)	(28)
Operating profit (excluding financial services)		111,178	196,976
Net interest, fee and commission and other operating income/(expenses) and gains/(losses) from financial services			
Interest, fee and commission income		26,140	20,715
Interest, fee and commission expense		(19,897)	(15,166)
Net (expense)/income on creating/reversal provision for credit losses on financial assets		(521)	172
Operating expenses		(4,175)	(3,840)
Gain arising from dealing in foreign currencies, net		98	312
Other operating expenses, net		(1,848)	(450)
Total net interest, fee, commission and other operating (expenses)/income and (losses)/gains from financial services		(203)	1,743
Other (expenses)/income			
Foreign exchange loss, net	6	(23,150)	(5,347)
Finance income (excluding financial services)		9,951	7,398
Finance expense (excluding financial services)	8	(16,259)	(6,807)
Share of results of associates and joint ventures, net		26	793
Total other expenses, net		(29,432)	(3,963)
Profit before income tax	6	81,543	194,756
Income tax			
Current income tax expense		(31,515)	(33,828)
Deferred income tax income/(expense)		4,182	(9,542)
Total income tax expense		(27,333)	(43,370)
Profit for the period		54,210	151,386

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

TATNEFT**Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2025 (Unaudited)**

(In million of Russian Rubles)

	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Other comprehensive (loss)/income net of income tax:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		(13,036)	113
Income/(loss) on debt financial assets at fair value through other comprehensive income, net		1,851	(1,713)
Items that will not be reclassified to profit or loss:			
Loss on equity financial assets at fair value through other comprehensive income, net		(1)	(4)
Other comprehensive expense		(11,186)	(1,604)
Total comprehensive income for the period		43,024	149,782
Profit/(loss) attributable to:			
- Shareholders of PJSC Tatneft		58,015	151,016
- Non-controlling interest		(3,805)	370
		54,210	151,386
Total comprehensive income/(loss) attributable to:			
- Shareholders of PJSC Tatneft		46,402	149,908
- Non-controlling interest		(3,378)	(126)
		43,024	149,782
Basic and diluted earnings per share (RR)			
Ordinary		25.78	67.10
Preferred		25.78	67.10
Weighted average shares outstanding (millions of shares)			
Ordinary		2,103	2,103
Preferred		148	148

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

TATNEFT
Consolidated Interim Condensed Statement of Changes in Equity for the six months ended 30 June 2025 (Unaudited)

(In million of Russian Rubles)

	Total equity owned by shareholders of PJSC Tatneft								Non-controlling interest	Total equity
	Share capital	Additional paid-in capital	Treasury shares	Actuarial loss on employee benefit plans	Foreign currency translation adjustments	Gain/(loss) on financial assets at fair value through other comprehensive income, net	Retained earnings	Total		
Balance at 1 January 2024	11,767	84,437	(10,345)	(318)	8,938	1,913	1,094,451	1,190,843	6,327	1,197,170
Profit for the six months	-	-	-	-	-	-	151,016	151,016	370	151,386
Other comprehensive income/(loss) for the six months	-	-	-	-	113	(1,221)	-	(1,108)	(496)	(1,604)
Total comprehensive income/(loss) for the six months	-	-	-	-	113	(1,221)	151,016	149,908	(126)	149,782
Other movements	-	-	-	-	-	-	-	-	(16)	(16)
Dividends declared	-	-	-	-	-	-	(56,647)	(56,647)	(96)	(56,743)
Balance at 30 June 2024	11,767	84,437	(10,345)	(318)	9,051	692	1,188,820	1,284,104	6,089	1,290,193
Balance at 1 January 2025	11,767	84,437	(10,345)	(395)	16,960	511	1,218,834	1,321,769	8,475	1,330,244
Profit/(loss) for the six months	-	-	-	-	-	-	58,015	58,015	(3,805)	54,210
Other comprehensive (loss)/income for the six months	-	-	-	-	(12,929)	1,316	-	(11,613)	427	(11,186)
Total comprehensive (loss)/income for the six months	-	-	-	-	(12,929)	1,316	58,015	46,402	(3,378)	43,024
Other movements	-	-	-	-	-	-	-	-	(988)	(988)
Dividends declared (Note 1)	-	-	-	-	-	-	(97,022)	(97,022)	(164)	(97,186)
Balance at 30 June 2025	11,767	84,437	(10,345)	(395)	4,031	1,827	1,179,827	1,271,149	3,945	1,275,094

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

TATNEFT
Consolidated Interim Condensed Statement of Cash Flows for the six months ended 30 June 2025 (Unaudited)

(In million of Russian Rubles)

	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Operating activities			
Profit for the period		54,210	151,386
Adjustments:			
Net interest, fee and commission and other operating expenses/(income) and losses/(gains) from financial services		203	(1,743)
Depreciation, depletion and amortization	6	33,203	29,791
Income tax expense		27,333	43,370
Expected credit losses on financial assets net of reversal		4,434	1,075
Impairment losses on property, plant and equipment and other non-financial assets net of reversal		5,773	305
Loss on disposals of interests in subsidiaries and associates, net		28	60
Effects of foreign exchange		(675)	41
Share of results of associates and joint ventures, net		(26)	(793)
Finance income (excluding financial services)		(9,951)	(7,398)
Finance expense (excluding financial services)		16,259	6,807
Other, net		3,170	2,879
Changes in working capital related to operating activities, excluding cash:			
Accounts receivable		45,550	37,041
Inventories		3,057	(21,146)
Prepaid expenses and other current assets		20,354	9,363
Securities at fair value through profit or loss		679	530
Accounts payable and accrued liabilities		(34,283)	(15,388)
Taxes payable, other than income tax		(18,092)	(10,583)
Net cash provided by operating activities before income tax and interest (excluding financial services)		151,226	225,597
Net interest, fee and commission and other operating (expenses)/income and (losses)/gains from financial services		(203)	1,743
Adjustments:			
Net expense/(income) on creating/reversal of provision for credit losses on financial assets		521	(172)
Other		49	(13)
Changes in working capital related to financial services, excluding cash:			
Mandatory reserve deposits with the Bank of Russia		67	(94)
Due from banks		238	(889)
Loans to customers		6,205	(9,263)
Due to banks and the Bank of Russia		(8,053)	8,677
Customer accounts		(17,084)	968
Promissory notes issued		101	(175)
Securities at fair value through profit or loss		2,365	(1,300)
Other financial liabilities at fair value through profit or loss		1,043	2,253
Net cash (used in)/provided by operating activities from financial services before income tax		(14,751)	1,735
Income taxes paid		(38,444)	(32,669)
Finance expenses paid (excluding financial services)		(1,757)	(1,539)
Finance income received (excluding financial services)		8,391	6,086
Net cash provided by operating activities		104,665	199,210

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

TATNEFT**Consolidated Interim Condensed Statement of Cash Flows for the six months ended 30 June 2025 (Unaudited)**

(In million of Russian Rubles)

	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Investing activities			
Additions to property, plant and equipment	6	(65,617)	(77,832)
Acquisition of intangible assets		(2,162)	(2,639)
Proceeds from disposal of property, plant and equipment		62	80
Acquisition of interest in associate		-	(1,664)
Net cash flow from acquisitions of subsidiaries	8	(796)	-
Purchase of securities at fair value through other comprehensive income		(1,735)	(4,480)
Proceeds from disposal of securities at fair value through other comprehensive income		3,398	2,880
Proceeds from redemption of securities at amortised cost		292	2,466
Proceeds from sale of non-current assets held for sale		855	284
Proceeds from redemption of bank deposits measured at amortised cost		8	12,190
Placement of bank deposits measured at amortised cost		(12,212)	(21,552)
Proceeds from redemption of loans		6,923	4,526
Issuance of loans		(7,292)	(8,301)
Proceeds from disposal of other non-current assets		60	840
Proceeds from government grants		55	184
Net cash used in investing activities		(78,161)	(93,018)
Financing activities			
Proceeds from issuance of debt (excluding financial services)		73,664	27,166
Repayment of debt (excluding financial services)		(17,517)	(28,045)
Repayment of principal portion of lease liabilities		(1,359)	(1,662)
Redemption of bonds		(1)	-
Dividends paid to shareholders		(132,314)	(79,716)
Unclaimed dividends		91	12,240
Dividends paid to non-controlling interest		(164)	(96)
Net cash used in financing activities		(77,600)	(70,113)
Net change in cash and cash equivalents		(51,096)	36,079
Effect of foreign exchange on cash and cash equivalents		(5,779)	(796)
Cash and cash equivalents at the beginning of the period		117,454	84,115
Cash and cash equivalents at the end of the period		60,579	119,398

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

Note 1: Organisation

PJSC TATNEFT n.a. V.D. Shashin (the “Company” or PJSC Tatneft) and its controlled subsidiaries (jointly referred to as the “Group”) are engaged in crude oil exploration, development and production principally in the Republic of Tatarstan (“Tatarstan”), a republic within the Russian Federation. The Group also engages in refining of crude oil and associated petroleum gas processing, marketing of crude oil and refined products, production and sale of tires, financial services (Note 6).

The Company does not have an ultimate controlling party. As at 30 June 2025 and 31 December 2024 the government of Tatarstan controls about 36% of the Company’s voting stock. Tatarstan also holds a “Golden Share”, a special governmental right, in the Company.

At 30 June 2025 and 31 December 2024, the authorised, issued and paid share capital of PJSC Tatneft consists of 2,178,690,700 voting ordinary shares and 147,508,500 non-voting preferred shares; both classes of shares have a nominal value of RR 1.00 per share. At 30 June 2025 and 31 December 2024 treasury shares include 75.6 million ordinary shares of the Company owned by wholly-owned subsidiaries of the Group.

In May 2025, the shareholders of the Company approved the payment of dividends for the year ended 31 December 2024, in the amount of RR 98.70 per preferred and ordinary share, including previously paid interim dividends for the six and nine months of 2024, in the amount of RR 55.59 per preferred and ordinary share.

The Company is operating primarily in the Russian Federation. The address of its registered office is Lenina St., 75, Almetyevsk, Republic of Tatarstan, Russian Federation.

Note 2: Basis of preparation

The consolidated interim condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The consolidated interim condensed financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies used in preparing these consolidated interim condensed financial statements were the same as those that applied to the consolidated financial statements for the previous financial year, except for the income tax accounting policy, which is reflected in these consolidated interim condensed financial statements based on an analysis of the weighted average annual income tax rate expected for the full financial year.

Use of estimates in the preparation of financial statements. The Group makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements that have the most significant effect on the amounts recognised in the consolidated interim condensed financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

- Estimation of oil and gas reserves;
- Useful life of property, plant and equipment;
- Decommissioning provisions;
- Impairment of property, plant and equipment;
- Accounting of investments in JSC “National Non-State Pension Fund”;
- Sale and purchase of oil under contracts for counter oil deliveries;
- Financial assets impairment;
- Financial instruments fair value estimation;
- Presentation of excise tax, including reverse excise.

Note 2: Basis of preparation (continued)

The significant estimates and judgements used by The Group's management in the preparation of the consolidated interim condensed financial statements, are consistent with those that disclosed in the consolidated financial statements for the year ended 31 December 2024.

During the six months ended 30 June 2025 and 2024 sales of crude oil under counter-delivery contracts in the amount of RR 224,843 million and RR 233,362 million respectively are presented net in the consolidated interim condensed statement of profit or loss and other comprehensive income of the Group in accordance with the IFRS 15 requirements for exchange of products of similar quality.

Changes in consolidated financial statement presentation. In 2024, the Group changed the presentation of excise taxes levied on import of petroleum products by a foreign subsidiary in the consolidated statement of profit or loss and other comprehensive income. Before the change, excise taxes levied on import of petroleum products by a foreign subsidiary were included in the line item "Purchased crude oil and refined products". After the change, these excise taxes are reflected in the line item "Taxes other than income taxes". The Group's management believes that this change allows a better assessment of the Group's cost structure and provides more relevant information about the impact on financial performance. The consolidated interim condensed statement of profit or loss and other comprehensive income for the six months ended 30 June 2024 have been reflected in accordance with the presented approach to presentation.

Impact of the changes in presentation for the six months ended 30 June 2024 is disclosed in the table below:

Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	Items before changes	Changes	Items after changes
Purchased crude oil and refined products	(211,245)	18,089	(193,156)
Taxes other than income taxes	(269,748)	(18,089)	(287,837)

Note 3: Adoption of new or revised standards and interpretations

New standards and amendments to existing standards effective from 1 January 2025 did not have a material impact on the Group's consolidated interim condensed financial statements. In addition, the Management of the Group does not expect that the amendments to current standards issued in 2025 prior to the date of signing of these consolidated interim condensed financial statements will have a material impact on the Group's consolidated financial statements.

Note 4: Operating Environment of the Group

The economy of the Russian Federation displays certain characteristics of an emerging market. It is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. Continued political tension in the region, as well as sanctions imposed by a number of countries against certain sectors of the Russian economy, Russian companies and citizens, continue to have a negative impact on the Russian economy.

Ban imposed in 2022 by a number of countries on new investments by citizens and legal entities of such countries in the energy industry of Russia, as well as on the supply of certain nomenclatures of goods, equipment and a number of technologies continues. Since December 2022, some countries, including EU countries, have banned their citizens and legal entities from importing Russian oil, as well as from providing brokerage, transport, insurance and other services in relation to Russian oil transported by tankers and sold at a price above the price threshold set by these countries. In February 2023, similar restrictive measures came into force for Russian oil products. In June 2024, the United States imposed sanctions on the Moscow Exchange, as well as the National Clearing Center and the National Settlement Depository that are part of its group. In this regard, from June 2024, trading in dollars and euros, as well as instruments that involve the use of these currencies in settlements, were suspended on the Moscow Exchange. At the same time, transactions with the US dollar and euro continue to be conducted on the over-the-counter market. In January 2025, the United States imposed new large-scale sanctions against the Russian energy sector.

Further restrictions on the foreign business activities of Russian organizations, as well as further negative consequences for the Russian economy as a whole, cannot be ruled out, but it is not possible to fully assess the duration, extent and scale of possible consequences.

The Group is characterized by a low level of debt and, although the current uncertainty may affect the Group's future profitability and cash flows in the near future, management believes this will not affect the Group's ability to continue as a going concern and meet its obligations for the foreseeable future.

The Group's management takes the necessary measures to ensure its sustainable operation. However, the future impact of the current economic and geopolitical situation is difficult to predict and the Group's management's current expectations and estimates may differ from actual results.

Note 5: Taxes

The Group's effective income tax rate differs from the statutory tax rate primarily due to non-deductible expenses, including social expenses.

The Group is subject to a number of taxes other than income taxes, which are detailed as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Mineral extraction tax	226,724	289,127
Tax on additional income from hydrocarbon extraction	74,620	85,155
Excise	(21,283)	(95,496)
incl. reverse excise	(105,169)	(165,413)
Property tax	8,187	7,782
Other	1,126	1,269
Total taxes, other than income taxes	289,374	287,837

Taxes payable, other than income taxes were as follows:

	At 30 June 2025	At 31 December 2024
Mineral extraction tax	32,833	49,583
Tax on additional income from hydrocarbon extraction	30,537	28,470
Value Added Tax	25,076	29,117
Excise	13,198	12,321
Property tax	4,128	4,225
Other	5,246	5,319
Total taxes payable, other than income taxes	111,018	129,035

Note 6: Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Board of Directors and the Management Committee and for which discrete financial information is available.

Segments whose revenue, result or assets are 10% or more of all the segments are reported separately.

The Group's business activities are conducted predominantly through four main operating segments:

- Exploration and production consists of exploration, development, extraction and sale of own crude oil. Intersegment sales consist of transfer of crude oil to refinery and other goods and services provided to other operating segments;
- Refining and marketing comprises purchases and sales of crude oil and refined products from third parties, own refining activities and retailing operations;
- The tire business segment includes the production and sale of tires;
- Financial services.

The Group evaluates performance of its reportable operating segments and allocates resources based on segment earnings, defined as profit before income tax not including finance income and expense (excluding financial services), gains from equity investments, other income (expenses). Intersegment sales are at prices that approximate market. The Group uses an export netback calculated based on average Urals quotes less freight and transportation costs to calculate the cost of its own oil for refining. The Group financing including finance expenses and income (excluding financial services) and income taxes are managed on a Group basis and are not allocated to operating segments.

For the six months ended 30 June 2025, revenues of RR 108,043 million or 12% of the total sales and operating revenues are derived from one external customer. For the six months ended 30 June 2024, revenues of RR 131,710 million or 14% respectively of the Group's total sales and operating revenues are derived from one external customer. These revenues represent sales of crude oil and are attributable to the exploration and production segment. Management does not believe the Group is dependent on any particular customer.

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

(In million of Russian Rubles)

Note 6: Segment information (continued)
Segment sales

	Six months ended 30 June 2025	Six months ended 30 June 2024
Exploration and production		
Domestic sales of own crude oil	136,460	155,298
Own crude oil sales to far abroad countries	121,184	176,448
Other	3,961	4,267
Intersegment sales	220,996	266,683
Total exploration and production	482,601	602,696
Refining and marketing		
Refined products – domestic sales	315,155	303,774
Refined products – near abroad countries sales	28,088	10,071
Refined products – far abroad countries sales	198,246	208,027
Other	16,237	13,579
Intersegment sales	3,201	3,328
Total refining and marketing	560,927	538,779
Tires business		
Tires – domestic sales	22,755	21,434
Tires – near abroad countries sales	1,747	967
Tires – far abroad countries sales	6	-
Other	384	155
Intersegment sales	6	6
Total tires business	24,898	22,562
Financial services		
Interest income	24,532	18,997
Fee and commission income	1,608	1,718
Total financial services	26,140	20,715
Total segment sales	1,094,566	1,184,752
Segments that are not reportable	33,925	37,100
Elimination of intersegment sales	(224,203)	(270,017)
Total sales	904,288	951,835

Segments result

	Six months ended 30 June 2025	Six months ended 30 June 2024
Exploration and production	80,222	137,414
Refining and marketing	50,949	71,724
Tires business	(1,088)	7,051
Financial services	(171)	1,327
Segments result	129,912	217,516
Segments that are not reportable	(42,087)	(24,144)
Other (expenses)/income, net (without foreign exchange differences)	(6,282)	1,384
Profit before income tax	81,543	194,756

Note 6: Segment information (continued)

Segment result includes foreign exchange gain/(loss), net. For the six months ended 30 June 2025, the Group recorded a foreign exchange gain of RR 39,458 million and a foreign exchange loss of RR 62,608 million (for the six months ended 30 June 2024: RR 16,030 million and RR 21,377 million, respectively).

"Segments that are not reportable" line includes impairment losses on financial assets net of reversal, profit/(loss) on exchange rate differences at the Head Office, charity expenses, maintenance of social infrastructure and transfer of social assets, Head Office administrative expenses. The result of the tire business for the six months ended 30 June 2025 includes impairment loss on goodwill (Note 8).

Segment assets

	At 30 June 2025	At 31 December 2024
Exploration and production	559,776	602,924
Refining and marketing	804,021	843,912
Tires business	100,742	94,255
Financial services	278,412	302,749
Segments that are not reportable	344,917	361,069
Total assets	2,087,868	2,204,909

As at 30 June 2025 assets of segments that are not reportable includes RR 184,371 million of property, plant and equipment, RR 26,028 million of securities, RR 1,211 million loans receivable, RR 29,070 million of bank deposits, RR 5,157 million of cash, RR 26,346 million of inventories.

As at 31 December 2024 assets of segments that are not reportable include RR 175,881 million of property, plant and equipment, RR 26,053 million of securities, RR 4,782 million loans receivable, RR 60,669 million of bank deposits, RR 3,206 million of cash, RR 26,781 million of inventories.

The Group's assets and operations are primarily located and conducted in the Russian Federation.

Segment depreciation, depletion and amortisation and additions to property, plant and equipment

	Six months ended 30 June 2025	Six months ended 30 June 2024
Depreciation, depletion and amortization		
Exploration and production	15,735	12,563
Refining and marketing	14,582	13,745
Tires business	849	1,406
Financial services	170	203
Segments that are not reportable	1,867	1,874
Total depreciation, depletion and amortization	33,203	29,791
Additions to property, plant and equipment		
Exploration and production	26,731	38,326
Refining and marketing	20,100	20,555
Tires business	6,253	764
Financial services	140	9
Segments that are not reportable	13,083	14,793
Total additions to property, plant and equipment	66,307	74,447

Additions of property, plant and equipment in tires business for the six months ended 30 June 2025 generally resulted from the acquisition of a business (Note 8).

Note 7: Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions are entered into in the normal course of business with associates, joint ventures, government related companies, key management personnel and other related parties. These transactions include sales and purchases of refined products, purchases of electricity, transportation services and financial services. The Group enters into transactions with related parties based on market or regulated prices, except for loans to associates, the rates of which may be determined taking into account the agreements of the shareholders of the relevant companies.

Associates, joint ventures and other related parties

The amounts of transactions for each period with associates, joint ventures and other related parties are as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenues and income	299	1,187
Costs and expenses	1,230	780
Finance expenses	268	3,924

The outstanding balances with associates, joint ventures and other related parties were as follows:

	At 30 June 2025	At 31 December 2024
Short-term assets	4,816	19,188
Loans	3,916	18,128
Other	900	1,060
Long-term assets	12,814	31,203
Loans	2,844	19,934
Other	9,970	11,269
Short-term liabilities	(1,469)	(3,816)

Government related companies

The amounts of transactions for each period with Government related companies are as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Sales of refined products	20,149	24,041
Other sales	8,429	2,440
Finance income	8,552	6,368
Finance expenses	1,417	169
Purchases of refined products and natural gas	9,732	9,059
Purchases of electricity	15,551	12,589
Purchases of transportation and compounding services	20,143	19,334
Other purchases	4,503	2,126

Note 7: Related party transactions (continued)

The outstanding balances with Government related companies were as follows:

	At 30 June 2025	At 31 December 2024
Assets		
Cash and cash equivalents	13,018	47,435
Financial services: Mandatory reserve deposits with the Bank of Russia	930	997
Accounts receivable	16,158	15,488
Financial services: Loans to customers	9,215	3,887
Other short-term financial assets		
Bank deposits	12,175	-
Securities measured at amortised cost	3,443	3,717
Other	729	3,528
Prepaid expenses and other current assets	3,347	6,506
Total short-term assets	59,015	81,558
Financial services: Loans to customers	2,676	2,813
Accounts receivable	9,938	9,362
Other long-term financial assets		
Securities measured at fair value through other comprehensive income	42,410	39,527
Securities measured at amortised cost	6,697	8,422
Advances for the acquisition of non-current assets	5,586	5,588
Total long-term assets	67,307	65,712
Liabilities		
Accounts payable and accrued liabilities	(1,800)	(4,259)
Financial services: Due to banks and the Bank of Russia	(14,852)	(19,655)
Financial services: Customer accounts	(674)	(6,610)
Debt	(34,309)	(13)
Total short-term liabilities	(51,635)	(30,537)
Financial services: Due to banks and the Bank of Russia	-	(1,184)
Government grants	(37,889)	(38,361)
Other long-term liabilities	(478)	(478)
Total long-term liabilities	(38,367)	(40,023)

As at 30 June 2025 guarantees issued to government related parties amounted to RR 5,141 million (at 31 December 2024: RR 5,461 million).

As at 30 June 2025 and 31 December 2024 the Group's key management personnel accounts in the customer accounts amounted to RR 19,878 million and RR 19,370 million, respectively. For the six months ended 30 June 2025, finance expenses accrued to key management personnel amounted to RR 1,735 million (for the six months ended 30 June 2024: RR 1,142 million).

During the six months ended 30 June 2025, there were no significant changes in the terms and conditions of remuneration for key management personnel.

Note 8: Business combinations

In January of 2025, by acquiring 5% interest in the authorised capital of the Kazakhstan tire manufacture Tengri Tyres LLP, the Group increased its share in the company to 51% and obtained control over it.

The purchase price of the 5% interest amounted RR 1,010 million and the cash consideration was fully paid in 1st quarter 2025.

Details of the acquisition are as follows:

	On date of obtaining control
Carrying amount of investment in the associate	-
Fair value of investment in the associate	-
Carrying amount of loans issued to the associate	17,868
Fair value of loans issued to the associate	6,548
Loss from revaluation of loans (as part of finance expenses)	(11,320)

	On date of obtaining control
Fair value of identifiable net assets of the subsidiary, excluding loans issued	4,418
Less fair value of loans issued to the associate	(6,548)
Less non-controlling interest	1,044
Acquisition-related goodwill	2,096
Total purchase consideration and previously owned interest in the acquired organization	1,010
Cash and cash equivalents of the subsidiary acquired	(214)
Net cash flow from acquisition of the subsidiary	796

The carrying amount of goodwill related to the acquired entity was reduced to zero as a result of the impairment test, and amount of impairment loss of RR 2,096 million was recorded.

In June 2025, the Group signed an agreement to establish a joint venture for hydrocarbon processing and assumed obligations in the total amount of approximately RR 80 billion, mainly to provide guarantees for the joint venture borrowings.

Note 9: Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The estimated fair values of financial instruments are determined with reference to various market information and other valuation techniques as considered appropriate.

The different levels of fair value hierarchy have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that Group has the ability to assess at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability. These inputs reflect the Group's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Recurring fair value measurements

The levels in the fair value hierarchy for investment property, financial assets and liabilities carried at fair value to which the recurring fair value measurements are categorised are presented below:

	Fair value			At 30 June 2025
	Level 1	Level 2	Level 3	Carrying value
Investment property	-	-	1,284	1,284
Other financial assets				
Securities measured at fair value through profit or loss	125	216	-	341
Derivatives measured at fair value through profit or loss	-	-	273	273
Securities measured through other comprehensive income	36,152	8,389	20,154	64,695
Financial services: Other financial liabilities measured at fair value through profit or loss	(20,067)	-	-	(20,067)
Total	16,210	8,605	21,711	46,526

	Fair value			At 31 December 2024
	Level 1	Level 2	Level 3	Carrying value
Investment property	-	-	1,431	1,431
Other financial assets				
Securities measured at fair value through profit or loss	1,327	158	-	1,485
Loans measured at fair value through profit or loss	-	-	1,758	1,758
Securities measured through other comprehensive income	36,116	8,791	20,113	65,020
Money market funds, measured at fair value through profit or loss	-	953	-	953
Financial services: Other financial liabilities measured at fair value through profit or loss	(19,196)	(1)	-	(19,197)
Total	18,247	9,901	23,302	51,450

There were no changes in valuation technique for Level 2 and Level 3 recurring fair value measurements during the six months ended 30 June 2025 and year ended 31 December 2024. There have been no transfers between Level 1, Level 2 and Level 3 during these periods.

TATNEFT**Notes to the Consolidated Interim Condensed Financial Statements (Unaudited)**

(In million of Russian Rubles)

Note 9: Fair value (continued)**Assets and liabilities not measured at fair value but for which fair value is disclosed**

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values as of 30 June 2025 and 31 December 2024, with the Group primarily classifying cash as Level 2 of the hierarchy and accounts receivable and accounts payable as Level 3.

	At 30 June 2025				At 31 December 2024			
	Fair value			Carrying value	Fair value			Carrying value
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets								
Financial services: Loans to customers measured at amortised cost	-	-	184,799	186,586	-	-	195,511	196,552
Other financial assets								
Loans measured at amortised cost	-	-	27,319	27,319	-	-	38,052	47,741
Securities measured at amortised cost	9,426	3,843	-	13,692	9,454	5,318	-	16,204
Other	-	12,175	759	12,934	-	516	793	1,296
Total	9,426	16,018	212,877	240,531	9,454	5,834	234,356	261,793
Liabilities								
Debt								
Bonds issued	-	-	-	-	-	1	-	1
Subordinated debt	-	14	-	14	-	22	-	23
Promissory notes issued	-	355	1,240	1,605	-	251	1,607	1,874
Other debt	-	-	65,306	65,306	-	-	11,385	11,385
Financial services: Due to banks and the Bank of Russia	211	29,445	-	29,949	374	37,425	-	38,122
Financial services: Customer accounts	-	39,288	146,839	188,192	-	37,040	166,230	206,254
Total	211	69,102	213,385	285,066	374	74,739	179,222	257,659

The fair values in Level 2 and Level 3 fair value hierarchy were estimated using the model of discounted cash flows. The fair value of instruments that do not have a quoted market price in an active market was estimated based on estimated future cash flows, discounted using prevailing market interest rates for new instruments with similar credit risk and maturity.

Note 10: Subsequent events

In August 2025, the Board of Directors of the Company decided to convene an extraordinary general meeting of shareholders on 24 September 2025, and also recommended that shareholders approved the payment of interim dividends for the six months of 2025, in the amount of RR 14.35 per preferred and ordinary share.