



Tatneft Group

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

30 JUNE 2024

Contents

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

| | |
|---|---|
| Consolidated Interim Condensed Statement of Financial Position (unaudited)..... | 1 |
| Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income (unaudited)..... | 2 |
| Consolidated Interim Condensed Statement of Changes in Equity (unaudited) | 4 |
| Consolidated Interim Condensed Statement of Cash Flows (unaudited)..... | 5 |

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

| | |
|--|----|
| Note 1: Organisation..... | 7 |
| Note 2: Basis of preparation | 7 |
| Note 3: Adoption of new or revised standards and interpretations | 8 |
| Note 4: Operating Environment of the Group | 8 |
| Note 5: Taxes..... | 9 |
| Note 6: Segment information..... | 9 |
| Note 7: Related party transactions | 12 |
| Note 8: Fair value | 14 |
| Note 9: Subsequent events..... | 15 |

TATNEFT
Consolidated Interim Condensed Statement of Financial Position (Unaudited)

(In million of Russian Rubles)

| | Note | 30 June 2024 | 31 December 2023 |
|--|------|------------------|------------------|
| Assets | | | |
| Cash and cash equivalents | | 119,398 | 84,115 |
| Financial services: Mandatory reserve deposits with the Bank of Russia | | 997 | 903 |
| Short-term accounts receivable, net | | 181,341 | 219,905 |
| Financial services: Loans to customers | | 64,422 | 62,582 |
| Other short-term financial assets | | 43,041 | 37,868 |
| Inventories | | 141,483 | 121,157 |
| Prepaid expenses and other current assets | | 48,952 | 58,315 |
| Prepaid income tax | | 3,216 | 4,034 |
| Non-current assets held for sale | | 2,281 | 744 |
| Total current assets | | 605,131 | 589,623 |
| Long-term accounts receivable, net | | 10,825 | 9,519 |
| Financial services: Loans to customers | | 133,825 | 127,811 |
| Other long-term financial assets | | 103,518 | 103,515 |
| Investments in associates and joint ventures | | 7,259 | 5,018 |
| Property, plant and equipment, net | 6 | 1,167,574 | 1,131,481 |
| Right-of-use assets | | 25,776 | 27,529 |
| Deferred income tax assets | | 8,326 | 7,332 |
| Other non-current assets | | 45,970 | 43,345 |
| Total non-current assets | | 1,503,073 | 1,455,550 |
| Total assets | | 2,108,204 | 2,045,173 |
| Liabilities and equity | | | |
| Short-term debt and current portion of long-term debt | | 5,939 | 4,809 |
| Accounts payable and accrued liabilities | | 141,246 | 159,845 |
| Dividends payable | | 108,308 | 119,137 |
| Financial services: Due to banks and the Bank of Russia | | 36,713 | 27,014 |
| Financial services: Customer accounts | | 203,593 | 202,048 |
| Financial services: Other financial liabilities at fair value through profit or loss | | 17,866 | 14,983 |
| Taxes payable, other than income tax | 5 | 131,291 | 141,874 |
| Income tax payable | | 1,856 | 1,515 |
| Other short-term liabilities | | 812 | 687 |
| Total current liabilities | | 647,624 | 671,912 |
| Long-term debt, net of current portion | | 16,046 | 18,048 |
| Financial services: Due to banks and the Bank of Russia | | 1,541 | 3,737 |
| Financial services: Customer accounts | | 1,042 | 1,531 |
| Decommissioning provision, net of current portion | 2 | 21,870 | 30,771 |
| Lease liabilities, net of current portion | | 18,448 | 20,344 |
| Deferred income tax liability | | 71,942 | 61,430 |
| Other long-term liabilities | | 39,498 | 40,230 |
| Total non-current liabilities | | 170,387 | 176,091 |
| Total liabilities | | 818,011 | 848,003 |
| 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 | | 9,425 | 10,533 |
| Retained earnings | | 1,188,820 | 1,094,451 |
| Less: Ordinary shares held in treasury, at cost | | (10,345) | (10,345) |
| Total equity owned by shareholders of PJSC Tatneft | | 1,284,104 | 1,190,843 |
| Non-controlling interest | | 6,089 | 6,327 |
| Total equity | | 1,290,193 | 1,197,170 |
| Total liabilities and equity | | 2,108,204 | 2,045,173 |

Approved for issue and signed on 20 August 2024.



CEO Maganov N.U.



Chief Accountant Matyeev O.M.

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

(In million of Russian Rubles)

| | Note | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|--|------|----------------------------------|----------------------------------|
| Revenue (excluding financial services) | 6 | 931,120 | 623,863 |
| Costs and other expenses (excluding financial services) | | | |
| Operating expenses | | (115,439) | (94,032) |
| Purchased crude oil and refined products | | (211,245) | (85,903) |
| Exploration | | (943) | (1,053) |
| Transportation | | (46,759) | (33,353) |
| Selling, general and administrative | | (52,440) | (44,276) |
| Depreciation, depletion and amortization | 6 | (29,791) | (30,626) |
| Expected credit losses on financial assets net of reversal | | (1,075) | 129 |
| Impairment losses on property, plant and equipment and other non-financial assets net of reversals | | (305) | (14,286) |
| Taxes other than income taxes | 5 | (269,423) | (166,123) |
| Export duties | | (325) | (6,391) |
| Maintenance of social infrastructure and transfer of social assets | | (6,371) | (6,835) |
| Total costs and expenses (excluding financial services) | | (734,116) | (482,749) |
| Other operating (expense)/income, net | 6 | (28) | 16,287 |
| Operating profit (excluding financial services) | | 196,976 | 157,401 |
| Net interest, fee and commission and other operating income/(expenses) and gains/(losses) from financial services | | | |
| Interest, fee and commission income | | 20,715 | 12,590 |
| Interest, fee and commission expense | | (15,166) | (6,406) |
| Net income/(expense) on reversal/creating provision for credit losses associated with debt financial assets | | 172 | (4,053) |
| Operating expenses | | (3,840) | (4,873) |
| Gain/(loss) arising from dealing in foreign currencies, net | | 312 | (26) |
| Other operating expenses, net | | (450) | (181) |
| Total net interest, fee, commission and other operating income/(expense) and gain/(loss) from financial services | | 1,743 | (2,949) |
| Other (expenses)/income | | | |
| Foreign exchange (loss)/gain, net | 6 | (5,347) | 29,643 |
| Interest income (excluding financial services) | | 7,398 | 4,031 |
| Interest expense, net of amounts capitalised (excluding financial services) | | (6,807) | (4,951) |
| Share of results of associates and joint ventures, net | | 793 | (170) |
| Total other (expenses)/income, net | | (3,963) | 28,553 |
| Profit before income tax | 6 | 194,756 | 183,005 |
| Income tax | | | |
| Current income tax expense | | (33,828) | (31,091) |
| Deferred income tax expense | | (9,542) | (4,243) |
| Total income tax expense | | (43,370) | (35,334) |
| Profit for the period | | 151,386 | 147,671 |

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 (Unaudited)**

(In million of Russian Rubles)

| | Note | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|--|------|----------------------------------|----------------------------------|
| Other comprehensive income/(loss) net of income tax: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation adjustments | | 113 | 428 |
| (Loss)/gain on debt financial assets at fair value through other comprehensive income, net | | (1,713) | 136 |
| Items that will not be reclassified to profit or loss: | | | |
| Loss on equity financial assets at fair value through other comprehensive income, net | | (4) | (29) |
| Other comprehensive (loss)/income | | (1,604) | 535 |
| Total comprehensive income for the period | | 149,782 | 148,206 |
| Profit/(loss) attributable to: | | | |
| - Shareholders of PJSC Tatneft | | 151,016 | 147,830 |
| - Non-controlling interest | | 370 | (159) |
| | | 151,386 | 147,671 |
| Total comprehensive income/(loss) attributable to: | | | |
| - Shareholders of PJSC Tatneft | | 149,908 | 148,326 |
| - Non-controlling interest | | (126) | (120) |
| | | 149,782 | 148,206 |
| Basic and diluted earnings per share (RR) | | | |
| Ordinary | | 67.10 | 65.69 |
| Preferred | | 67.10 | 65.69 |
| 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 (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 | (Loss)/gain on financial assets at fair value through other comprehensive income, net | Retained earnings | | | Total |
| Balance at 1 January 2023 | 11,767 | 84,437 | (10,359) | (1,150) | 1,090 | (189) | 1,010,027 | 1,095,623 | 8,821 | 1,104,444 |
| Profit for the six months | - | - | - | - | - | - | 147,830 | 147,830 | (159) | 147,671 |
| Other comprehensive income for the six months | - | - | - | - | 428 | 68 | - | 496 | 39 | 535 |
| Total comprehensive income for the six months | - | - | - | - | 428 | 68 | 147,830 | 148,326 | (120) | 148,206 |
| Dividends declared | - | - | - | - | - | - | (62,363) | (62,363) | (93) | (62,456) |
| Balance at 30 June 2023 | 11,767 | 84,437 | (10,359) | (1,150) | 1,518 | (121) | 1,095,494 | 1,181,586 | 8,608 | 1,190,194 |
| 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 (Note 1) | - | - | - | - | - | - | (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 |

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

TATNEFT
Consolidated Interim Condensed Statement of Cash Flows (Unaudited)

(In million of Russian Rubles)

| | Note | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|---|------|----------------------------------|----------------------------------|
| Operating activities | | | |
| Profit for the period | | 151,386 | 147,671 |
| Adjustments: | | | |
| Net interest, fee and commission and other operating (income)/expenses/ and losses/(gains) from financial services | | (1,743) | 2,949 |
| Depreciation, depletion and amortization | 6 | 29,791 | 30,626 |
| Income tax expense | | 43,370 | 35,334 |
| Expected credit losses on financial assets net of reversal | | 1,075 | (129) |
| Impairment losses on property, plant and equipment and other non-financial assets net of reversal | | 305 | 14,286 |
| Loss on disposals of interests in subsidiaries and associates, net | | 60 | 131 |
| Income from changes in the fair value of financial assets measured at fair value through profit or loss, net | | - | (48) |
| Gain from purchase | | - | (17,834) |
| Effects of foreign exchange | | 41 | 1,714 |
| Share of results of associates and joint ventures, net | | (793) | 170 |
| Interest income (excluding financial services) | | (7,398) | (4,031) |
| Interest expense, net of amounts capitalised (excluding financial services) | | 6,807 | 4,951 |
| Other, net | | 2,879 | (8,152) |
| Changes in working capital related to operating activities, excluding cash: | | | |
| Accounts receivable | | 37,041 | (23,826) |
| Inventories | | (21,146) | (13,101) |
| Prepaid expenses and other current assets | | 9,363 | (26,364) |
| Securities at fair value through profit or loss | | 530 | 59 |
| Accounts payable and accrued liabilities | | (15,388) | (3,379) |
| Taxes payable, other than income tax | | (10,583) | 15,225 |
| Net cash provided by operating activities before income tax and interest (excluding financial services) | | 225,597 | 156,252 |
| Net interest, fee and commission and other operating income/(expenses) and gains/(losses) from financial services | | 1,743 | (2,949) |
| Adjustments: | | | |
| Net (income)/expense on creating/reversal of provision for credit losses associated with debt financial assets (Reversal of provision)/provision for losses on credit related commitments | | (172) | 4,053 |
| Other | | (13) | 51 |
| Other | | - | 13 |
| Changes in working capital related to financial services, excluding cash: | | | |
| Mandatory reserve deposits with the Bank of Russia | | (94) | (525) |
| Due from banks | | (889) | (1,860) |
| Loans to customers | | (9,263) | 616 |
| Due to banks and the Bank of Russia | | 8,677 | 11,336 |
| Customer accounts | | 968 | (37,706) |
| Promissory notes issued | | (175) | (105) |
| Securities at fair value through profit or loss | | (1,300) | 966 |
| Other financial liabilities at fair value through profit or loss | | 2,253 | (53) |
| Net cash provided by/(used in) operating activities from financial services before income tax | | 1,735 | (26,163) |
| Income taxes paid | | (32,669) | (35,461) |
| Interest paid (excluding financial services) | | (1,539) | (1,174) |
| Interest received (excluding financial services) | | 6,086 | 3,421 |
| Net cash provided by operating activities | | 199,210 | 96,875 |

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

TATNEFT**Consolidated Interim Condensed Statement of Cash Flows (Unaudited)**

(In million of Russian Rubles)

| | Note | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|---|------|----------------------------------|----------------------------------|
| Investing activities | | | |
| Additions to property, plant and equipment | 6 | (77,832) | (97,674) |
| Proceeds from disposal of property, plant and equipment | | 80 | 66 |
| Acquisition of interest in associate | | (1,664) | - |
| Net cash flow from acquisitions of subsidiaries | | - | (39,378) |
| Purchase of securities at fair value through other comprehensive income | | (4,480) | (5,720) |
| Purchase of securities at amortised cost | | - | (2,563) |
| Proceeds from disposal of securities at fair value through other comprehensive income | | 2,880 | 1,817 |
| Proceeds from redemption of securities at amortised cost | | 2,466 | 7,482 |
| Proceeds from sale of non-current assets held for sale | | 284 | 203 |
| Proceeds from redemption of bank deposits measured at amortised cost | | 12,190 | - |
| Placement of bank deposits measured at amortised cost | | (21,552) | - |
| Proceeds from redemption of bank deposits measured at fair value through profit or loss | | - | 1,726 |
| Proceeds from redemption of loans | | 4,526 | 662 |
| Issuance of loans | | (8,301) | (7,948) |
| Advance payment for acquisition of other non-current assets | | - | (8,203) |
| (Acquisition)/proceeds from disposal of other non-current assets | | (1,799) | 473 |
| Proceeds from government grants | | 184 | 511 |
| Net cash used in investing activities | | (93,018) | (148,546) |
| Financing activities | | | |
| Proceeds from issuance of debt (excluding financial services) | | 27,166 | 2,569 |
| Repayment of debt (excluding financial services) | | (28,045) | (5,789) |
| Repayment of principal portion of lease liabilities | | (1,662) | (1,860) |
| Redemption of bonds | | - | (2,008) |
| Dividends paid to shareholders | 1 | (79,716) | (16,196) |
| Unclaimed dividends | | 12,240 | 19,868 |
| Dividends paid to non-controlling shareholders | | (96) | (93) |
| Net cash used in financing activities | | (70,113) | (3,509) |
| Net change in cash and cash equivalents | | 36,079 | (55,180) |
| Effect of foreign exchange on cash and cash equivalents | | (796) | 11,883 |
| Cash and cash equivalents at the beginning of the period | | 84,115 | 167,864 |
| Cash and cash equivalents at the end of the period | | 119,398 | 124,567 |

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

TATNEFT

Notes to the Consolidated Interim Condensed Financial Statements (Unaudited)

(In million of Russian Rubles)

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 2024 and 31 December 2023 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 2024 and 31 December 2023, 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 2024 and 31 December 2023 treasury shares include 75.6 million ordinary shares of the Company owned by wholly-owned subsidiaries of the Group.

In June 2024, the shareholders of the Company approved dividends for the year ended 31 December 2023, in the amount of RR 87.88 per preferred and ordinary share, including previously paid interim dividends for the six and nine months of 2023, in the amount of RR 62.71 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 2023, 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.

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 2023.

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

(In million of Russian Rubles)

Note 2: Basis of preparation (continued)

During the six months ended 30 June 2024 and 2023 sales of crude oil under counter-delivery contracts in the amount of RR 233,362 million and RR 97,862 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.

The following table summarizes changes in the Group's decommissioning provision for the year:

| | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|---|----------------------------------|----------------------------------|
| Balance at the beginning of period | 31,076 | 54,177 |
| Unwinding of discount | 1,784 | 2,674 |
| New obligations | 120 | 223 |
| Expenses on current obligations | (15) | (1) |
| Changes in estimates effected on assets | (7,928) | (25,373) |
| Changes in estimates effected on financial results | (2,877) | - |
| Balance at the end of period | 22,160 | 31,700 |
| Less: current portion of decommissioning provisions | (290) | (183) |
| Long-term balance at the end of period | 21,870 | 31,517 |

Decrease in estimate for oil and gas properties decommissioning was primarily due to increase in the discount rate. The gain from a decrease in the provision as a result of changes in estimates effected on financial result is recorded in other operating (expense)/income, net of the consolidated interim condensed statement of profit or loss and other comprehensive income.

Note 3: Adoption of new or revised standards and interpretations

New standards and amendments to existing standards effective from 1 January 2024 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 2024 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, have a negative impact on the Russian economy.

Prohibitions 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 prohibited 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.

Further restrictions on the 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.

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

(In million of Russian Rubles)

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 2024 | Six months ended 30 June 2023 |
|--|--|--|
| Mineral extraction tax | 289,127 | 178,044 |
| Tax on additional income from hydrocarbon extraction | 85,155 | 33,734 |
| Excise | (113,585) | (53,950) |
| incl. reverse excise | (165,413) | (103,185) |
| Property tax | 7,782 | 7,052 |
| Other | 944 | 1,243 |
| Total taxes, other than income taxes | 269,423 | 166,123 |

Taxes payable, other than income taxes were as follows:

| | At 30 June 2024 | At 31 December 2023 |
|--|----------------------------|--------------------------------|
| Mineral extraction tax | 45,911 | 54,952 |
| Tax on additional income from hydrocarbon extraction | 45,794 | 46,611 |
| Value Added Tax | 22,641 | 21,170 |
| Excise | 7,091 | 8,979 |
| Export duties | - | 311 |
| Property tax | 3,873 | 3,966 |
| Other | 5,981 | 5,885 |
| Total taxes payable, other than income taxes | 131,291 | 141,874 |

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 interest 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 interest expense and interest 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 2024, revenues of RR 131,710 million or 14% of the total sales and operating revenues are derived from one external customer. For the six months ended 30 June 2023, revenues of RR 68,530 million or 11% 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 2024 | Six months ended 30 June 2023 |
|---|----------------------------------|----------------------------------|
| Exploration and production | | |
| Domestic sales of own crude oil | 155,298 | 92,381 |
| Own crude oil sales to far abroad countries | 176,448 | 119,648 |
| Other | 4,267 | 4,820 |
| Intersegment sales | 266,683 | 162,368 |
| Total exploration and production | 602,696 | 379,217 |
| Refining and marketing | | |
| <i>Domestic sales</i> | | |
| Refined products | 303,774 | 250,460 |
| Total Domestic sales | 303,774 | 250,460 |
| <i>Near abroad countries sales</i> | | |
| Refined products | 10,071 | 11,804 |
| Total near abroad countries sales | 10,071 | 11,804 |
| <i>Far abroad countries sales</i> | | |
| Refined products | 208,027 | 97,472 |
| Total far abroad countries sales | 208,027 | 97,472 |
| Other | 13,579 | 10,637 |
| Intersegment sales | 3,328 | 3,182 |
| Total refining and marketing | 538,779 | 373,555 |
| Tires business | | |
| Tires – domestic sales | 21,434 | 5,199 |
| Tires – near abroad countries sales | 967 | 1,068 |
| Other | 155 | 135 |
| Intersegment sales | 6 | - |
| Total tires business | 22,562 | 6,402 |
| Financial services | | |
| Interest income | 18,997 | 10,681 |
| Fee and commission income | 1,718 | 1,909 |
| Total financial services | 20,715 | 12,590 |
| Total segment sales | 1,184,752 | 771,764 |
| Corporate and other sales | 37,100 | 30,239 |
| Elimination of intersegment sales | (270,017) | (165,550) |
| Total sales | 951,835 | 636,453 |

Segments result

| | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|---|----------------------------------|----------------------------------|
| Exploration and production | 137,414 | 78,344 |
| Refining and marketing | 71,724 | 102,913 |
| Tires business | 7,051 | 13,658 |
| Financial services | 1,327 | (1,028) |
| Segments result | 217,516 | 193,887 |
| Corporate and other | (24,144) | (9,792) |
| Other income/(expenses), net (w/o foreign exchange differences) | 1,384 | (1,090) |
| Profit before income tax | 194,756 | 183,005 |

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

(In million of Russian Rubles)

Note 6: Segment information (continued)

Segment result includes foreign exchange (loss)/gain, net. For the six months ended 30 June 2024, the Group recorded a foreign exchange gain of RR 16,030 million and a foreign exchange loss of RR 21,377 million (for the six months ended 30 June 2023: RR 46,758 million and RR 17,115 million, respectively).

"Corporate and other" line includes Head Office administrative expenses, impairment losses on property, plant and equipment and other non-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, income from changes in the fair value of financial assets measured at fair value through profit or loss. The result of the tire business for the six months ended 30 June 2023 includes gain from purchase, included in other operating (expenses)/income, net in the consolidated interim condensed statement of profit or loss and other comprehensive income.

Segment assets

| | At 30 June 2024 | At 31 December 2023 |
|----------------------------|------------------------|----------------------------|
| Assets | | |
| Exploration and production | 558,603 | 593,254 |
| Refining and marketing | 799,618 | 784,760 |
| Tires business | 98,490 | 82,421 |
| Financial services | 311,826 | 303,800 |
| Corporate and other | 339,667 | 280,938 |
| Total assets | 2,108,204 | 2,045,173 |

As at 30 June 2024 corporate and other includes RR 153,302 million of property, plant and equipment, RR 25,805 million of securities, RR 7,945 million loans receivable, RR 70,918 million of bank deposits, RR 5,426 million of cash, 27,849 million of inventories.

As at 31 December 2023 corporate and other includes RR 137,400 million of property, plant and equipment, RR 26,336 million of securities, RR 4,354 million loans receivable, RR 32,489 million of bank deposits, RR 4,848 million of cash, RR 22,339 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 2024 | Six months ended 30 June 2023 |
|---|--|--|
| Depreciation, depletion and amortization | | |
| Exploration and production | 12,563 | 16,521 |
| Refining and marketing | 13,745 | 10,349 |
| Tires business | 1,406 | 1,348 |
| Financial services | 203 | 234 |
| Corporate and other | 1,874 | 2,174 |
| Total depreciation, depletion and amortization | 29,791 | 30,626 |
| Additions to property, plant and equipment | | |
| Exploration and production | 38,326 | 47,414 |
| Refining and marketing | 20,555 | 36,148 |
| Tires business | 764 | 27,704 |
| Financial services | 9 | 60 |
| Corporate and other | 14,793 | 19,804 |
| Total additions to property, plant and equipment | 74,447 | 131,130 |

Additions of property, plant and equipment in tires business for the six months ended 30 June 2023 resulted from the acquisition of a business.

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

(In million of Russian Rubles)

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.

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 2024 | Six months ended 30 June 2023 |
|---------------------|--|--|
| Revenues and income | 1,187 | 637 |
| Costs and expenses | 780 | 595 |

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

| | At 30 June 2024 | At 31 December 2023 |
|------------------------|------------------------|----------------------------|
| Short-term assets | 14,803 | 19,065 |
| Loans | 14,048 | 17,414 |
| Other | 755 | 1,651 |
| Long-term assets | 30,519 | 24,633 |
| Loans | 19,453 | 15,656 |
| Other | 11,066 | 8,977 |
| Short-term liabilities | (2,182) | (2,659) |

Government related companies

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

| | Six months ended 30 June 2024 | Six months ended 30 June 2023 |
|--|--|--|
| Sales of crude oil | - | 10,279 |
| Sales of refined products | 24,041 | 16,990 |
| Other sales | 2,440 | 2,366 |
| Interest income | 6,368 | 4,900 |
| Interest expense | 169 | 204 |
| Purchases of refined products and natural gas | 9,059 | 8,605 |
| Purchases of electricity | 12,589 | 13,457 |
| Purchases of transportation and compounding services | 19,334 | 16,830 |
| Other purchases | 2,126 | 4,618 |

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

(In million of Russian Rubles)

Note 7: Related party transactions (continued)

The outstanding balances with Government related companies were as follows:

| | At 30 June 2024 | At 31 December 2023 |
|--|------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | 72,711 | 28,733 |
| Financial services: Mandatory reserve deposits with the Bank of Russia | 997 | 903 |
| Accounts receivable | 6,272 | 4,312 |
| Financial services: Loans to customers | 5,364 | 3,192 |
| Other short-term financial assets | | |
| Bank deposits | 8,043 | - |
| Securities measured at amortised cost | 5,725 | 5,584 |
| Other | 4,174 | 4,256 |
| Prepaid expenses and other current assets | 3,794 | 4,852 |
| Total short-term assets | 107,080 | 51,832 |
| Financial services: Loans to customers | 3,132 | 3,281 |
| Accounts receivable | 8,922 | 8,841 |
| Other long-term financial assets | | |
| Securities measured at fair value through other comprehensive income | 40,040 | 40,863 |
| Securities measured at amortised cost | 10,229 | 13,059 |
| Advances for the acquisition of non-current assets | 7,994 | 7,771 |
| Total long-term assets | 70,317 | 73,815 |
| Liabilities | | |
| Accounts payable and accrued liabilities | (4,108) | (5,531) |
| Financial services: Due to banks and the Bank of Russia | (2,903) | (1,014) |
| Financial services: Customer accounts | (11,796) | (2,062) |
| Debt | (50) | (50) |
| Total short-term liabilities | (18,857) | (8,657) |
| Financial services: Due to banks and the Bank of Russia | (1,541) | (3,737) |
| Government grants | (35,354) | (35,762) |
| Other long-term liabilities | (392) | (373) |
| Total long-term liabilities | (37,287) | (39,872) |

As at 30 June 2024 guarantees issued to government related parties amounted to RR 5,755 million (at 31 December 2023: RR 5,959 million).

As at 30 June 2024 and 31 December 2023 the Group's key management personnel accounts in the customer accounts amounted to RR 16,833 million and RR 19,068 million, respectively.

During the six months ended 30 June 2024, there were no significant changes in the terms and conditions of remuneration for key management personnel.

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

(In million of Russian Rubles)

Note 8: 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 2024 |
|---|---------------------|--------------|---------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Carrying value |
| | Investment property | - | - | 1,288 |
| Other financial assets | | | | |
| Securities measured at fair value through profit or loss | 3,864 | 127 | 158 | 4,149 |
| Loans measured at fair value through profit or loss | - | - | 1,945 | 1,945 |
| Securities measured through other comprehensive income | 39,068 | 8,961 | 21,025 | 69,054 |
| Financial services: Other financial liabilities measured at fair value through profit or loss | (17,848) | (18) | - | (17,866) |
| Total | 25,084 | 9,070 | 24,416 | 58,570 |

| | Fair value | | | At 31 December 2023 |
|---|---------------------|---------------|---------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Carrying value |
| | Investment property | - | - | 827 |
| Other financial assets | | | | |
| Securities measured at fair value through profit or loss | 2,903 | 152 | 177 | 3,232 |
| Derivatives measured at fair value through profit or loss | - | 19 | - | 19 |
| Loans measured at fair value through profit or loss | - | - | 2,021 | 2,021 |
| Securities measured through other comprehensive income | 36,262 | 12,525 | 21,710 | 70,497 |
| Financial services: Other financial liabilities measured at fair value through profit or loss | (14,983) | - | - | (14,983) |
| Total | 24,182 | 12,696 | 24,735 | 61,613 |

There were no changes in valuation technique for Level 2 and Level 3 recurring fair value measurements during the six months ended 30 June 2024 and year ended 31 December 2023. 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 8: 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 2024 and 31 December 2023, with the Group primarily classifying cash as Level 2 of the hierarchy and accounts receivable and accounts payable as Level 3.

| | At 30 June 2024 | | | | At 31 December 2023 | | | |
|---|-----------------|---------------|----------------|----------------|---------------------|---------------|----------------|----------------|
| | 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 | - | - | 194,960 | 198,247 | - | - | 193,751 | 190,393 |
| Other financial assets | | | | | | | | |
| Loans measured at amortised cost | - | - | 36,524 | 42,223 | - | - | 41,839 | 41,839 |
| Securities measured at amortised cost | 14,056 | 3,135 | 1,402 | 19,575 | 14,885 | 5,244 | 1,942 | 22,883 |
| Other | - | 8,859 | 756 | 9,613 | - | - | 892 | 892 |
| Total | 14,056 | 11,994 | 233,642 | 269,658 | 14,885 | 5,244 | 238,424 | 256,007 |
| Liabilities | | | | | | | | |
| Debt | | | | | | | | |
| Bonds issued | - | 1 | - | 1 | - | 2 | - | 2 |
| Subordinated debt | - | 22 | - | 22 | - | 22 | - | 22 |
| Promissory notes issued | - | 10,955 | - | 13,128 | - | 11,341 | - | 12,790 |
| Other debt | - | - | 8,834 | 8,834 | - | - | 10,043 | 10,043 |
| Financial services: Due to banks and the Bank of Russia | 336 | 37,470 | - | 38,254 | 186 | 30,251 | - | 30,751 |
| Financial services: Customer accounts | - | 41,604 | 159,996 | 204,635 | - | 36,953 | 163,088 | 203,579 |
| Total | 336 | 90,052 | 168,830 | 264,874 | 186 | 78,569 | 173,131 | 257,187 |

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 9: Subsequent events

In July 2024, amendments were made to the Tax Code of the Russian Federation, as a result of which, from 1 January 2025, the income tax rate will increase from 20% to 25%. Management analyses the impact of the rate revision on the Group's consolidated financial position.

In August 2024, the Board of Directors of the Company decided to convene an extraordinary general meeting of shareholders on 19 September 2024, and also recommended that shareholders approve the amount of interim dividends for the six months ended 30 June 2024 in the amount of RR 38.2 per preferred and ordinary share.