



Tatneft Group

**IFRS® ACCOUNTING STANDARDS
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Public Joint Stock Company TATNEFT named after V.D. Shashin and its subsidiaries (together – the "Group") at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the ethical requirements of Federal Law of 30 December 2008 No. 307-FZ "On Auditing Activity", the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to audits of financial statements of public interest entities in the Russian Federation. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Estimation of oil and gas reserves</i></p> <p>We focused on this matter due to significant impact of the estimate of oil and gas reserves on the results of impairment testing, depreciation, depletion and amortisation of property, plant and equipment related to the oil and gas exploration and production, and the amount of decommissioning provisions. Also, the estimate of oil and gas reserves is an area of significant judgement due to geological, technical and commercial uncertainties.</p> <p>Information about the estimation of oil and gas reserves is provided in Note 29 “Critical accounting estimates and judgements in applying accounting policies” to the consolidated financial statements.</p>	<p>Regarding the estimate of oil and gas reserves performed during 2025 we (on a sample basis):</p> <ul style="list-style-type: none"> critically assessed the competence, capabilities and objectivity of the internal experts performing the estimation; critically assessed appropriateness of the methodology and key assumptions and estimates applied, among other things, in the context of the macroeconomic information, including forecasts, and historical production information; obtained an understanding of reasons for the changes in the estimate of oil and gas reserves compared to the previous estimate.
<p><i>Impairment of property, plant and equipment</i></p> <p>We focused on this matter due to significance of the carrying amount of property, plant and equipment, significance of judgements and estimates applied in analysis of impairment of these assets, and the effect of the current geopolitical environment and economic situation on the recoverable amount of these assets.</p> <p>Information on property, plant and equipment, analysis of impairment of these assets and results of such analysis is disclosed in Note 9 “Property, Plant and Equipment” to the consolidated financial statements.</p>	<p>In respect of certain cash-generating units the Group identified indications of impairment and prepared calculations of recoverable amount based on expected discounted cash flows. Regarding these calculations we (on a sample basis):</p> <ul style="list-style-type: none"> critically assessed appropriateness of the methodology and key assumptions and estimates applied, including consistency of the discount rates used with the range of acceptable values considering current economic conditions and the business of the Group; tested input data, including consistency of the used information about oil and gas reserves related to the upstream assets with the estimates of the Group; tested mathematical accuracy of the calculations; compared carrying amount of the assets with their recoverable amount.

Other information

Management is responsible for the other information. The other information comprises Management’s discussion and analysis of financial condition and results of operations for the years ended 31 December 2025 and 2024 (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Integrated Annual Report for 2025 and Securities Issuer’s Report for the 12 months of 2025, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Integrated Annual Report for 2025 and Securities 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 those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.

Those charged with governance are 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 scepticism 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 group financial statements. 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 those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, 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 certified auditor responsible for the audit resulting in this independent auditor's report is Kriventsev Evgenii Nikolaevich.

10 March 2026
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 Statement of Financial Position at 31 December 2025

(In million of Russian Rubles)

	Note	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	3	66,949	117,454
Financial services: Mandatory reserve deposits with the Bank of Russia		930	997
Short-term accounts receivable, net	4	176,805	215,500
Financial services: Loans to customers	5	95,698	79,781
Other short-term financial assets	6	25,181	31,622
Inventories	7	118,211	125,826
Prepaid expenses and other current assets	8	42,493	62,879
Prepaid income tax		1,169	924
Non-current assets held for sale		7,983	6,939
Total current assets		535,419	641,922
Long-term accounts receivable, net	4	15,547	10,839
Financial services: Loans to customers	5	105,928	116,771
Other long-term financial assets	6	90,839	102,835
Investments in associates and joint ventures		12,089	3,639
Property, plant and equipment, net	9	1,283,493	1,238,124
Right-of-use assets	10	25,473	23,417
Deferred income tax assets	11	19,427	18,778
Intangible assets	25	31,783	27,366
Other non-current assets	26	13,860	21,218
Total non-current assets		1,598,439	1,562,987
Total assets		2,133,858	2,204,909
Liabilities and equity			
Short-term debt and current portion of long-term debt	12	24,904	3,199
Accounts payable and accrued liabilities	13	165,297	163,202
Dividends payable	17	72,932	104,851
Financial services: Due to banks and the Bank of Russia	14	27,258	36,938
Financial services: Customer accounts	15	203,695	205,127
Financial services: Other financial liabilities at fair value through profit or loss	3	11,092	19,197
Taxes payable, other than income tax	11	81,800	129,035
Income tax payable		4,022	3,291
Total current liabilities		591,000	664,840
Long-term debt, net of current portion	12	10,052	10,084
Financial services: Due to banks and the Bank of Russia	14	-	1,184
Financial services: Customer accounts	15	43	1,127
Decommissioning provision, net of current portion	9	34,962	28,742
Lease liabilities, net of current portion	10	20,323	18,130
Deferred income tax liability	11	109,028	105,659
Other long-term liabilities	16	43,772	44,899
Total non-current liabilities		218,180	209,825
Total liabilities		809,180	874,665
Equity			
Preferred shares	17	746	746
Ordinary shares		11,021	11,021
Additional paid-in capital		84,437	84,437
Accumulated other comprehensive income		6,701	17,076
Retained earnings		1,229,842	1,218,834
Less: Ordinary shares held in treasury, at cost		(10,345)	(10,345)
Total equity owned by shareholders of PJSC Tatneft		1,322,402	1,321,769
Non-controlling interest		2,276	8,475
Total equity		1,324,678	1,330,244
Total liabilities and equity		2,133,858	2,204,909

Approved for issue and signed on 10 March 2026.

CEO Maganov N.U.

Chief Accountant Gaysin A.I.

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

TATNEFT
**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2025**

(In million of Russian Rubles)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Revenue (excluding financial services)	21	1,818,134	2,030,371
Costs and other expenses (excluding financial services)			
Operating expenses		(275,838)	(279,350)
Purchased crude oil and refined products		(408,412)	(444,536)
Exploration		(3,732)	(4,019)
Transportation		(82,182)	(93,932)
Selling, general and administrative expenses		(117,197)	(114,552)
Depreciation, depletion and amortization	9,21	(73,207)	(62,238)
Expected credit losses on financial assets net of reversals	4,6	(11,310)	759
Impairment losses on property, plant and equipment and other non-financial assets net of reversals	9	(16,537)	(6,576)
Taxes other than income taxes	11	(548,652)	(602,979)
Maintenance of social infrastructure and transfer of social assets		(22,618)	(16,811)
Total costs and expenses (excluding financial services)		(1,559,685)	(1,624,234)
Other operating expenses, net		(4,141)	(3,130)
Operating profit (excluding financial services)		254,308	403,007
Net interest, fee and commission and other operating income/(expenses) and gains/(losses) from financial services			
Interest, fee and commission income	20,21	50,688	46,108
Interest, fee and commission expense	20	(36,456)	(34,178)
Net (expense)/income on creating/recovery provision for credit losses on debt financial assets	5,6	(1,040)	8,503
Operating expenses		(9,239)	(8,475)
Gain arising from dealing in foreign currencies, net		200	377
Other operating expenses, net		(2,904)	(2,282)
Total net interest, fee, commission and other operating income and gains from financial services		1,249	10,053
Other income/(expenses)			
Foreign exchange (loss)/gain, net	27	(25,076)	12,121
Financial income (excluding financial services)		14,212	18,982
Financial expense (excluding financial services)	19	(22,821)	(20,052)
Share of results of associates and joint ventures, net		68	(2,963)
Total other (expenses)/income, net		(33,617)	8,088
Profit before income tax		221,940	421,148
Income tax			
Current income tax expense		(68,522)	(79,871)
Deferred income tax expense		(1,370)	(32,348)
Total income tax expense	11	(69,892)	(112,219)
Profit for the year		152,048	308,929

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

TATNEFT
**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2025**

(In million of Russian Rubles)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Other comprehensive (loss)/income net of income tax:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		(13,681)	8,022
Income/(loss) on debt financial assets at fair value through other comprehensive income, net		2,452	(2,243)
Items that will not be reclassified to profit or loss:			
Gain on equity financial assets at fair value through other comprehensive income, net		1,438	192
Actuarial gain/(loss) on employee benefit plans		112	(77)
Other comprehensive (loss)/income		(9,679)	5,894
Total comprehensive income for the period		142,369	314,823
Profit/(loss) attributable to:			
- Shareholders of PJSC Tatneft		158,623	306,140
- Non-controlling interest		(6,575)	2,789
		152,048	308,929
Total comprehensive income/(loss) attributable to:			
- Shareholders of PJSC Tatneft		148,248	312,683
- Non-controlling interest		(5,879)	2,140
		142,369	314,823
Basic and diluted earnings per share (RR)			
Ordinary	17	70.48	136.03
Preferred		70.48	136.03
Weighted average shares outstanding (millions of shares)			
Ordinary	17	2,103	2,103
Preferred		148	148

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

TATNEFT
Consolidated Statement of Changes in Equity for the year ended 31 December 2025

(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)/gain 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 year	-	-	-	-	-	-	306,140	306,140	2,789	308,929
Other comprehensive (loss)/income for the year	-	-	-	(77)	8,022	(1,402)	-	6,543	(649)	5,894
Total comprehensive (loss)/income for the year	-	-	-	(77)	8,022	(1,402)	306,140	312,683	2,140	314,823
Other movements	-	-	-	-	-	-	-	-	135	135
Dividends declared (Note 17)	-	-	-	-	-	-	(181,757)	(181,757)	(127)	(181,884)
Balance at 31 December 2024	11,767	84,437	(10,345)	(395)	16,960	511	1,218,834	1,321,769	8,475	1,330,244
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 year	-	-	-	-	-	-	158,623	158,623	(6,575)	152,048
Other comprehensive income/(loss) for the year	-	-	-	112	(13,669)	3,182	-	(10,375)	696	(9,679)
Total comprehensive income/(loss) for the year	-	-	-	112	(13,669)	3,182	158,623	148,248	(5,879)	142,369
Other movements	-	-	-	-	-	-	-	-	(93)	(93)
Dividends declared (Note 17)	-	-	-	-	-	-	(147,615)	(147,615)	(227)	(147,842)
Balance at 31 December 2025	11,767	84,437	(10,345)	(283)	3,291	3,693	1,229,842	1,322,402	2,276	1,324,678

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

TATNEFT
Consolidated Statement of Cash Flows for the year ended 31 December 2025

(In million of Russian Rubles)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Operating activities			
Profit for the year		152,048	308,929
Adjustments:			
Net interest, fee and commission and other operating income and gains from financial services		(1,249)	(10,053)
Depreciation, depletion and amortization	9,21	73,207	62,238
Income tax expense	11	69,892	112,219
Expected credit losses on financial assets net of reversals	4,6	11,310	(759)
Impairment losses on property, plant and equipment and other non-financial assets net of reversals	9	16,537	6,576
Loss on disposals of interests in subsidiaries and associates, net		28	56
Effects of foreign exchange		(1,012)	2,790
Share of results of associates and joint ventures, net		(68)	2,963
Financial income (excluding financial services)		(14,212)	(18,982)
Financial expense (excluding financial services)		22,821	20,052
Other, net		(1,475)	(2,681)
Changes in working capital related to operating activities, excluding cash:			
Accounts receivable		30,377	5,739
Inventories		12,466	(7,586)
Prepaid expenses and other current assets		24,625	(4,549)
Securities at fair value through profit or loss		953	(423)
Accounts payable and accrued liabilities		(1,027)	6,631
Taxes payable, other than income tax		(47,345)	(12,843)
Net cash provided by operating activities before income tax and interest (excluding financial services)		347,876	470,317
Net interest, fee and commission and other income and gains from financial services		1,249	10,053
Adjustments:			
Net expense/(income) on creating/reversal of provision for credit losses on debt financial assets	5,6	1,040	(8,503)
Other		(70)	5
Changes in working capital related to financial services, excluding cash:			
Mandatory reserve deposits with the Bank of Russia		67	(94)
Due from banks		(954)	6,767
Loans to customers		(8,481)	(5,500)
Due to banks and the Bank of Russia		(10,759)	8,526
Customer accounts		683	(255)
Promissory notes issued		71	8
Securities at fair value through profit or loss		1,229	822
Other financial liabilities at fair value through profit or loss		(7,746)	5,192
Net cash (used in)/provided by operating activities from financial services before income tax		(23,671)	17,021
Income taxes paid		(68,036)	(74,985)
Financial expense paid (excluding financial services)		(5,839)	(3,865)
Financial income received (excluding financial services)		11,465	16,641
Net cash provided by operating activities		261,795	425,129

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

TATNEFT**Consolidated Statement of Cash Flows for the year ended 31 December 2025**

(In million of Russian Rubles)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Investing activities			
Additions to property, plant and equipment	9	(135,901)	(170,967)
Acquisition of intangible assets		(5,554)	(3,725)
Proceeds from disposal of property, plant and equipment		173	498
Acquisition of interest in a joint venture and an associated company		(8,380)	(1,664)
Net cash flow from acquisitions of subsidiaries	24	(780)	(4,068)
Purchase of securities at fair value through other comprehensive income	6	(11,029)	(9,170)
Purchase of securities at amortised cost	6	-	(441)
Proceeds from disposal of securities at fair value through other comprehensive income	6	17,721	10,506
Proceeds from redemption of securities at amortised cost	6	4,057	10,169
Proceeds from sale of non-current assets held for sale		1,585	338
Proceeds from redemption of bank deposits measured at amortised cost		12,331	21,386
Placement of bank deposits measured at amortised cost		(22,136)	(21,560)
Redemption of loans	6	3,459	6,374
Issuance of loans	6	(6,211)	(23,064)
Advance repayment for acquisition of other non-current assets		1,000	-
Proceeds from disposal/(acquisition) of other non-current assets		498	(701)
Proceeds from government grants	16	437	4,452
Net cash used in investing activities		(148,730)	(181,637)
Financing activities			
Proceeds from issuance of debt (excluding financial services)	27	381,045	112,958
Repayment of debt (excluding financial services)	27	(356,714)	(114,965)
Repayment of principal portion of lease liabilities	10,27	(2,942)	(3,405)
Redemption of bonds and promissory notes	27	(1)	(11,401)
Dividends paid to shareholders	17	(179,811)	(222,590)
Unclaimed dividends		277	26,547
Dividends paid to non-controlling shareholders		(227)	(127)
Net cash used in financing activities		(158,373)	(212,983)
Net change in cash and cash equivalents		(45,308)	30,509
Effect of foreign exchange on cash and cash equivalents		(5,197)	2,830
Cash and cash equivalents at the beginning of the year	3	117,454	84,115
Cash and cash equivalents at the end of the year	3	66,949	117,454

The accompanying notes are an integral part of these consolidated 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 21).

The Company was incorporated as an open joint stock company (now referred to as a public joint stock company) in January 1994 pursuant to the approval of the State Property Management Committee of the Republic of Tatarstan in accordance with Decree of the President of the Russian Federation No. 1403 on Privatization and Restructuring of State Enterprises and Corporations into Joint-Stock Companies.

The Company does not have an ultimate controlling party. As at 31 December 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 (Note 17).

The Company is domiciled and primarily operates 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 accompanying consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements have been prepared on a historical cost basis, except for initial recognition of financial instruments and revaluation of financial instruments at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 29.

Note 3: Cash and cash equivalents

	At 31 December 2025	At 31 December 2024
Cash on hand and in banks	50,120	46,939
Term deposits with original maturity of less than three months	16,829	70,515
Total cash and cash equivalents	66,949	117,454

As at 31 December 2025 and 2024 reverse REPO agreements included in the line “Cash and cash equivalents” in the amount of RR 10,445 million and RR 19,641 million, respectively, were secured by securities with a fair value of RR 11,092 million and RR 20,332 million, respectively. The Group had the right to sell or repledge these securities. Part of these securities as at 31 December 2025 was sold and obligations to return these securities in the amount of RR 11,092 million (at 31 December 2024: RR 19,197 million) are reflected in the line “Financial services: Other financial liabilities at fair value through profit or loss.”

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Note 4: Accounts receivable

	At 31 December 2025	At 31 December 2024
Short-term accounts receivable:		
Trade receivables	183,177	211,732
Other financial receivables	24,238	18,147
Other non-financial receivables	14	53
Less expected credit loss allowance	(30,624)	(14,432)
Total short-term accounts receivable	176,805	215,500
Long-term accounts receivable:		
Trade receivables	404	333
Other financial receivables	15,146	12,651
Less expected credit loss allowance	(3)	(2,145)
Total long-term accounts receivable	15,547	10,839
Total trade and other receivables	192,352	226,339

The following table explains the changes in the expected credit loss allowance for trade and other receivables:

	2025		2024	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Expected credit loss allowance at 1 January	(7,660)	(8,917)	(7,993)	(5,397)
(Provision)/reversal of provision	(7,859)	(3,682)	368	722
Write-offs	970	468	-	200
Exchange differences	(27)	-	(35)	-
Changes in provision as a result of changes in Group structure	-	2,699	-	-
Receivables purchased credit impaired	-	(571)	-	(1,276)
Reclassification from advances due to termination of contracts with suppliers and contractors	-	(6,397)	-	(3,199)
Other changes	-	349	-	33
Expected credit loss allowance at 31 December	(14,576)	(16,051)	(7,660)	(8,917)

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Note 4: Accounts receivable (continued)

Analysis by credit quality of trade and other receivables is as follows:

	At 31 December 2025		At 31 December 2024	
	Trade receivables	Other receivables	Trade receivables	Other receivables
<i>Not past due</i>				
- oil refineries and petrochemical plants	47,421	-	66,947	-
- crude oil and oil products traders	42,557	-	63,200	-
- tire dealers and automotive manufacturers	32,012	-	27,845	-
- other	44,354	19,087	44,192	18,300
<i>including related parties</i>	<i>22,493</i>	<i>12,498</i>	<i>12,711</i>	<i>10,589</i>
Not past due	166,344	19,087	202,184	18,300
Expected credit loss allowance	(583)	(12)	(550)	(146)
<i>Past due but not individually assessed for credit loss allowance</i>				
- less than 90 days overdue	440	9	1,983	305
- 91 to 180 days overdue	1,139	1	282	205
- over 180 days overdue	-	-	-	-
Total past due but not individually assessed for credit loss allowance	1,579	10	2,265	510
Expected credit loss allowance	(41)	-	(31)	(5)
<i>Individually assessed for credit loss allowance</i>				
- not past due	-	-	-	3,059
- less than 90 days overdue	4,815	-	-	-
- 91 to 180 days overdue	1,426	-	481	-
- over 180 days overdue	9,417	20,287	7,135	8,929
Total individually assessed for credit loss allowance	15,658	20,287	7,616	11,988
Expected credit loss allowance	(13,952)	(16,039)	(7,079)	(8,766)
Total	169,005	23,333	204,405	21,881

Note 5: Financial services: Loans to customers

	At 31 December 2025	At 31 December 2024
Loans to legal entities	98,037	83,740
Loans to individuals	3,958	2,638
Short-term loans to customers measured at amortised cost before expected credit loss allowance	101,995	86,378
Expected credit loss allowance	(6,297)	(6,597)
Total short-term loans to customers measured at amortised cost	95,698	79,781
Total short-term loans to customers	95,698	79,781

	At 31 December 2025	At 31 December 2024
Loans to legal entities	51,767	63,416
Loans to individuals	57,428	56,735
Long-term loans to customers measured at amortised cost before expected credit loss allowance	109,195	120,151
Expected credit loss allowance	(3,267)	(3,380)
Total long-term loans to customers measured at amortised cost	105,928	116,771
Total long-term loans to customers	105,928	116,771

There is a certain concentration of loans issued to customers in the financial services segment of the Group. As at 31 December 2025 and 2024 the Group granted loans to 33 customers totalling RR 105,960 million and RR 106,460 million respectively, which individually exceeded 5% of segment equity.

Movements in the expected credit loss allowance during the year ended at 31 December 2025 are as follows:

	Loans to legal entities	Loans to individuals	Total
Expected credit loss allowance as at 1 January 2025	(5,539)	(4,438)	(9,977)
Net provision for expected credit loss allowance during the period	(187)	(926)	(1,113)
Other changes	562	964	1,526
Expected credit loss allowance as at 31 December 2025	(5,164)	(4,400)	(9,564)

Movements in the expected credit loss allowance during the year ended at 31 December 2024 are as follows:

	Loans to legal entities	Loans to individuals	Total
Expected credit loss allowance as at 1 January 2024	(7,114)	(5,078)	(12,192)
Net reversal of provision/(provision) for expected credit loss allowance during the period	731	(478)	253
Other changes	844	1,118	1,962
Expected credit loss allowance as at 31 December 2024	(5,539)	(4,438)	(9,977)

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Note 5: Financial services: Loans to customers (continued)

Risk concentrations by customer industry within the customer loan portfolio are as follows:

	At 31 December 2025		At 31 December 2024	
	Gross book value	Share in customer loan portfolio, %	Gross book value	Share in customer loan portfolio, %
Trade	26,462	12.53%	26,809	12.98%
Manufacturing	69,996	33.14%	75,913	36.76%
Services	15,857	7.51%	10,280	4.98%
Food	8,093	3.83%	4,855	2.35%
Finance	13,188	6.24%	16,392	7.94%
Oil and gas	11,815	5.59%	7,079	3.43%
Individuals, including:	61,386	29.07%	59,373	28.75%
mortgage loans	22,023	10.43%	26,341	12.75%
consumer loans	14,357	6.80%	15,335	7.43%
car loans	24,093	11.41%	17,043	8.25%
plastic cards overdrafts	913	0.43%	654	0.32%
Other	4,393	2.09%	5,828	2.81%
Total loans to customers before expected credit loss allowance	211,190	100%	206,529	100%

Note 6: Other financial assets

	At 31 December 2025	At 31 December 2024
Financial assets measured at amortised cost		
Bank deposits (net of expected credit loss allowance of RR 2,989 million as at 31 December 2025 and 2024)	10,009	-
Securities (net of expected credit loss allowance of RR 105 million and of RR 857 million as at 31 December 2025 and 2024 respectively):	5,088	4,973
Russian government and municipal debt securities	158	1,220
Corporate debt securities	4,930	3,753
Loans (net of expected credit loss allowance of RR 102 million and of RR 318 million as at 31 December 2025 and 2024 respectively)	4,833	18,484
Other	1,170	503
Total	21,100	23,960
Financial assets measured at fair value through profit or loss	269	4,058
Financial assets measured at fair value through other comprehensive income	3,812	3,604
Total other short-term financial assets	25,181	31,622

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Note 6: Other financial assets (continued)

	At 31 December 2025	At 31 December 2024
Financial assets measured at amortised cost		
Loans (net of expected credit loss allowance of RR 14,935 million and of RR 15,579 million as at 31 December 2025 and 2024 respectively), including issued to associated companies and joint ventures in the amount of RR 5,635 million and RR 19,934 million as at 31 December 2025 and 2024 (Note 24).	26,329	29,257
Securities (net of expected credit loss allowance of RR 10 million and of RR 12 million as at 31 December 2025 and 2024 respectively):	4,750	11,231
Russian government and municipal debt securities	-	207
Corporate debt securities	4,750	11,024
Other (net of expected credit loss allowance of RR 5,610 million and of RR 5,553 million as at 31 December 2025 and 2024 respectively)	800	793
Total	31,879	41,281
Financial assets measured at fair value through profit or loss	196	138
Financial assets measured at fair value through other comprehensive income		
Securities:	58,764	61,416
Russian government and municipal debt securities	11,647	11,899
Corporate shares	21,161	16,091
Corporate debt securities	15,570	21,836
Investment fund units	10,386	11,590
Total	58,764	61,416
Total other long-term financial assets	90,839	102,835

Note 7: Inventories

	At 31 December 2025	At 31 December 2024
Materials and supplies	44,598	44,752
Crude oil	11,398	19,770
Refined oil products	32,563	39,024
Supplies and finished products of tires business	18,024	13,805
Other finished products and goods	11,628	8,475
Total inventories	118,211	125,826

Note 8: Prepaid expenses and other current assets

	At 31 December 2025	At 31 December 2024
VAT recoverable	11,757	11,389
Advances	10,146	13,773
Prepaid transportation expenses	5,538	6,800
Excise	4,861	27,533
Tax on additional income from hydrocarbon extraction	7,830	-
Other	2,361	3,384
Prepaid expenses and other current assets	42,493	62,879

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Note 9: Property, plant and equipment

	Oil and gas properties	Buildings and constructions	Machinery and equipment	Construction in progress	Total
Cost					
As at 31 December 2023	554,233	448,503	314,036	354,808	1,671,580
Additions	-	-	-	173,074	173,074
Disposals	(2,504)	(8,576)	(2,540)	(2,392)	(16,012)
Changes in Group structure	-	473	482	110	1,065
Transfers	72,083	46,710	16,614	(135,407)	-
Changes in decommissioning provision	(2,501)	-	-	-	(2,501)
Currency translation effect	-	1,875	3,289	4,555	9,719
As at 31 December 2024	621,311	488,985	331,881	394,748	1,836,925
Depreciation, depletion, amortisation and impairment					
As at 31 December 2023	296,194	100,564	105,241	38,100	540,099
Depreciation, depletion and amortisation	17,940	17,398	22,146	-	57,484
Impairment	(12,633)	9,887	7,486	(819)	3,921
Disposals	(1,608)	(399)	(1,591)	-	(3,598)
Transfers	(59)	1,415	(1,378)	22	-
Currency translation effect	-	375	485	35	895
As at 31 December 2024	299,834	129,240	132,389	37,338	598,801
Net book value					
As at 31 December 2023	258,039	347,939	208,795	316,708	1,131,481
As at 31 December 2024	321,477	359,745	199,492	357,410	1,238,124
Cost					
As at 31 December 2024	621,311	488,985	331,881	394,748	1,836,925
Additions	-	-	-	136,712	136,712
Disposals	(2,160)	(2,653)	(1,912)	(7,798)	(14,523)
Changes in Group structure	-	2,964	1,068	(1,791)	2,241
Transfers	73,474	89,111	57,813	(220,398)	-
Changes in decommissioning provision	2,378	-	-	-	2,378
Currency translation effect	-	(3,428)	(6,466)	(5,062)	(14,956)
As at 31 December 2025	695,003	574,979	382,384	296,411	1,948,777
Depreciation, depletion, amortisation and impairment					
As at 31 December 2024	299,834	129,240	132,389	37,338	598,801
Depreciation, depletion and amortisation	28,157	18,274	22,346	-	68,777
Impairment	1,607	4,013	2,260	3,761	11,641
Disposals	(1,638)	(2,364)	(1,101)	-	(5,103)
Changes in Group structure	-	-	-	(1,913)	(1,913)
Transfers	524	2,193	(563)	(2,154)	-
Currency translation effect	-	(2,586)	(4,333)	-	(6,919)
As at 31 December 2025	328,484	148,770	150,998	37,032	665,284
Net book value					
As at 31 December 2024	321,477	359,745	199,492	357,410	1,238,124
As at 31 December 2025	366,519	426,209	231,386	259,379	1,283,493

Additions for 2025 and 2024 years include construction of TANECO refinery complex, wells, oil fields facilities and petrochemical business development.

Advances for construction within construction in progress amounted to RR 19,034 million and RR 25,358 million at 31 December 2025 and 2024, respectively.

Note 9: Property, plant and equipment (continued)

Changes in the net book value of exploration and evaluation assets are presented below:

At 1 January 2024	3,646
Additions	1,891
Charged to expense	(265)
At 31 December 2024	5,272
Additions	1,355
Charged to expense	(1,451)
At 31 December 2025	5,176

As at 31 December 2025 due to indications of possible impairment the Group conducted impairment testing for the separate groups of assets, whose current economic efficiency does not correspond to the forecast. Assets are grouped for impairment purposes to the cash generating units (CGU) at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets:

- field-by-field basis for exploration and production assets;
- separate complex level for refining assets;
- heat and electricity generation facility;
- a separate tire producing plant;
- other assets were grouped depending on the nature of the generated cash flows.

The macroeconomic factors, including but not limited to the changes in oil production and crude oil and oil products prices, the volatility of the Russian Ruble to the US dollar and changes in the level of business activity were taken into account when preparing models, which are the main source of information for measuring the value in use of non-current assets, including forecasts of oil production volumes, oil and oil products price dynamics, petrochemical production forecast, as well as when determining the discount rate.

In assessing impairment, the book value of assets was compared with the estimated value in use of the CGUs. The value in use is determined as the discounted net cash flows based on the forecasts of revenue, production costs and changes in working capital based on confirmed long-term strategic plans of the Group. The forecasting period for determining the value in use is in line with the management of the Group assumptions used for long-term strategy and does not exceed the useful life of assets included in the CGUs.

Key assumptions applied to the calculation of value in use are follows:

- oil prices and forecast US dollar/Russian ruble exchange rates are based on available forecasts from globally recognised research institutions;
- estimated production volumes were based on detailed information of the production plans approved by management as part of the long-term strategy, considering the estimates of proved oil reserves and the current geopolitical situation;
- expected prices for the capacity sales of generating facilities were determined based on the conditions stipulated for contracts for the purchase and sale of capacity of modernized generating facilities.

The discount rate was calculated based on the Company's weighted average cost of capital adjusted for asset specific risks. The Group applied the following nominal pre-tax discount rates for impairment testing purposes: 25.3% for oil and gas fields; 18.7% for generating objects. The Group applied a real pre-tax discount rates 13.2% for impairment testing of petrochemical complexes.

For the purposes of impairment testing, the following Brent price assumptions have been used: \$ 61.91 per barrel in 2026, \$ 64.74 per barrel in 2027, \$ 70.47 per barrel in 2028, \$ 73.53 per barrel in 2029 and \$ 76.58 per barrel in 2030 with further growth in subsequent years according to forecasts. A forecast discount was applied to Brent crude prices to bring them to Urals crude prices.

A reasonably justified change in key assumptions, taken into account by management for the purpose of preparing models as at the reporting date, does not necessitate the recognition of an additional impairment other than the below.

Note 9: Property, plant and equipment (continued)

In 2025 the Group recognised an impairment loss on property, plant and equipment and other non-financial assets in the amount of RR 16,537 million (in 2024: RR 6,576 million). These losses consist of impairment losses on property, plant and equipment in the amount of RR 13,703 million less of reversal in the amount of RR 2,061 (in 2024 in the amount of RR 18,419 million less of reversal in the amount of RR 14,498), loss from impairment of goodwill and other long-term assets in the amount of RR 2,116 million (in 2024 impairment loss in the amount of RR 1,971 million), expense from the writing down the value of inventory to the net realizable value in the amount of RR 689 million (in 2024 in the amount of RR 82 million) and losses on disposal of property, plant and equipment in the amount of RR 2,090 million (in 2024 in the amount of RR 602 million).

For the year ended 31 December 2025 the Group recognised an impairment of the following assets:

- refining and petrochemical assets in the amount of RR 2,875 million;
- assets related to the development of superviscous oil in the amount of RR 1,468 million
- tire business assets in the amount of RR 5,344 million;
- assets related to the sale of oil and gas products, in the amount of RR 723 million;
- assets related to the exploration and evaluation of oil reserves, in the amount of RR 1,943 million;
- other assets in the amount of RR 1,350 million;
- and also reversed losses from impairment of refining and petrochemical assets in the amount of RR 2,061 million.

For the year ended 31 December 2024 the Group recognised an impairment of the following assets:

- refining and petrochemical assets in the amount of RR 10,070 million;
- tire business assets in the amount of RR 5,363 million;
- assets related to the sale of oil and gas products, in the amount of RR 1,617 million;
- assets related to the exploration and evaluation of oil reserves, in the amount of RR 1,369 million;
- and also reversed losses from impairment of assets related to the development of superviscous oil in the amount of RR 14,461 million and other assets in the amount of RR 37 million.

The recoverable amount of superviscous oil fields, for which impairment in 2025 (in 2024 was recovered), was determined in the amount of RR 26,066 million (at 31 December 2024: in the amount of RR 29,362 million).

The recoverable amount of generating assets tested for impairment in 2025 was amounted to RR 38,479 million.

The recoverable amount of the petrochemical complex, for which a reversal of impairment was recognised in 2025 (impairment was recognised in 2024), amounted to RR 55,276 million (at 31 December 2024: amounted to RR 27,597 million). The recoverable amount of this CGU is particularly sensitive to changes in the discount rate. An increase in the discount rate range of 50 bps would have resulted in an impairment loss of RR 6,405 million.

At 31 December 2025 and 2024 the Group held social assets with a net book value of RR 7,451 million and RR 5,665 million, respectively.

Decommissioning provisions

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

	2025	2024
Balance at the beginning of period	28,835	31,076
Unwinding of discount	4,217	3,505
New obligations	285	323
Expenses on current obligations	(1)	(58)
Changes in estimates with impact on assets	2,093	(2,824)
Changes in estimates with impact on financial result	(77)	(3,187)
Balance at the end of period	35,352	28,835
Less: current portion of decommissioning provisions (Note 13)	(390)	(93)
Long-term balance at the end of period	34,962	28,742

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Note 9: Property, plant and equipment (continued)

Key assumptions used for evaluation of decommissioning provision were as follows:

	At 31 December 2025	At 31 December 2024
Discount rate	13.69%	14.58%
Long-term inflation rate	3.76%	3.91%

Note 10: Right-of-use assets and lease liabilities

	2025	2024
Right-of-use assets at the beginning of period	23,417	27,529
Additions	6,869	825
Disposals	(258)	(59)
Depreciation	(3,907)	(4,191)
Revaluation and modification	(648)	(687)
Right-of-use assets at the end of period	25,473	23,417

The reconciliation between the undiscounted lease liabilities and present value are presented below:

	At 31 December 2025	At 31 December 2024
Lease liabilities		
Less than one year	5,463	4,730
Between one and five years	19,477	15,638
More than five years	21,840	17,814
Total lease liabilities excluding discounting	46,780	38,182
Discounting	(21,831)	(16,055)
Lease liabilities	24,949	22,127
Of which:		
Current portion of lease liabilities presented in Accounts payable and accrued liabilities (Note 13)	4,626	3,997
Long-term portion of lease liabilities	20,323	18,130

Note 11: Taxes

Presented below is reconciliation between the provision for income taxes and taxes determined by applying the statutory tax rate 25% (in 2024: 20%) to income before income taxes:

	Year ended 31 December 2025	Year ended 31 December 2024
Profit before income tax	221,940	421,148
Theoretical income tax expense at statutory rate	(55,485)	(84,230)
Increase due to:		
Non-deductible expenses, net	(12,683)	(9,300)
Income tax withheld at source on dividends for treasury shares	(744)	(916)
Deferred income tax expense as a result of change in tax rate	-	(16,873)
Other	(980)	(900)
Income tax expense	(69,892)	(112,219)

At 31 December 2025 no deferred tax liabilities have been recognised for taxable temporary differences of RR 78,765 million (2024: RR 93,004 million) on undistributed earnings of certain subsidiaries. These earnings have been and will continue to be reinvested.

The Group falls within the scope of the Pillar Two model rules published by the OECD. Legislation implementing the Pillar Two model rules has been enacted in the jurisdictions in which certain subsidiaries are registered and operate. The Group estimates that the impact of the Pillar Two legislation does not have a material impact on the Group's income tax expense, as the effective tax rates for these subsidiaries are mostly in excess of 15%.

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Note 11: Taxes (continued)

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognised for consolidated financial reporting purposes and such amounts recognised for statutory tax purposes. Deferred tax assets/(liabilities) are comprised of the following:

	At 31 December 2025	At 31 December 2024
Tax loss carry forward	1,888	1,984
Decommissioning provision	9,008	7,209
Lease liabilities	5,193	5,532
Prepaid expenses and other current assets and liabilities	7,769	7,472
Long-term loans and certificates of deposits	9,807	7,030
Other	2,054	1,644
Deferred income tax assets	35,719	30,871
Property, plant and equipment	(111,738)	(96,220)
Right-of-use assets	(6,044)	(5,747)
Inventories	(1,725)	(3,702)
Prepaid expenses and other current assets	-	(5,115)
Debt	(2,149)	(2,149)
Other liabilities	(3,664)	(4,819)
Deferred income tax liabilities	(125,320)	(117,752)
Net deferred tax liability	(89,601)	(86,881)

Deferred income taxes are reflected in the consolidated statement of financial position as follows:

	At 31 December 2025	At 31 December 2024
Deferred income tax asset	19,427	18,778
Deferred income tax liability	(109,028)	(105,659)
Net deferred tax liability	(89,601)	(86,881)

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

	Year ended 31 December 2025	Year ended 31 December 2024
Mineral extraction tax	419,096	583,082
Tax on additional income from hydrocarbon extraction	119,173	163,393
Excise	(9,687)	(162,451)
incl. reverse excise	(181,143)	(318,501)
Property tax	17,318	15,731
Other	2,752	3,224
Total taxes, other than income taxes	548,652	602,979

Taxes payable, other than income taxes were as follows:

	At 31 December 2025	At 31 December 2024
Mineral extraction tax	20,290	49,583
Tax on additional income from hydrocarbon extraction	16,027	28,470
Value Added Tax	20,504	29,117
Excise	14,214	12,321
Property tax	4,755	4,225
Other	6,010	5,319
Total taxes payable, other than income taxes	81,800	129,035

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Note 12: Debt

	At 31 December 2025	At 31 December 2024
Debt securities issued	1,453	1,869
Credit facilities in Russian Rubles	21,000	-
Other debt	226	247
Total short-term debt	22,679	2,116
Current portion of long-term debt	2,225	1,083
Total short-term debt, including current portion of long-term debt	24,904	3,199
Promissory notes issued	4	5
Other debt	12,273	11,162
Total long-term debt	12,277	11,167
Less: current portion of long-term debt	(2,225)	(1,083)
Total long-term debt, net of current portion	10,052	10,084

Note 13: Accounts payable and accrued liabilities

	At 31 December 2025	At 31 December 2024
Trade payables	83,074	102,090
Current portion of lease liabilities	4,626	3,997
Other payables, measured at fair value through profit or loss	19,000	-
Other payables	669	636
Total financial liabilities within trade and other payables	107,369	106,723
Salaries and wages payable	16,099	13,696
Advances received from buyers and customers	27,376	29,432
Current portion of decommissioning provisions (Note 9)	390	93
Other accounts payable and accrued liabilities	14,063	13,258
Total non-financial liabilities	57,928	56,479
Accounts payable and accrued liabilities	165,297	163,202

In 2025, revenue in the amount of RR 29,432 million was recognised in relation to contractual obligations as of 1 January 2025, which related to advances received.

In 2024, revenue in the amount of RR 31,779 million was recognised in relation to contractual obligations as of 1 January 2024, which related to advances received.

Other accounts payable include amounts of payable to the bank under foreign exchange forward contracts, measured at fair value through profit or loss.

Note 14: Financial services: Due to banks and the Bank of Russia

	At 31 December 2025	At 31 December 2024
Term deposits from banks	4,005	12,087
Term deposits from the Bank of Russia	5,036	12,825
REPO	17,220	12,831
Correspondent accounts and banks' overnight deposits	997	379
Total due to banks and the Bank of Russia	27,258	38,122
Less: long term due to banks and the Bank of Russia	-	(1,184)
Total short term of due to banks and the Bank of Russia	27,258	36,938

There is a certain concentration of sources of financing in the Group's financial services segment. As at 31 December 2025 within due to banks and the Bank of Russia there are RR 24,257 million of correspondent accounts and term deposits borrowed from the Bank of Russia and 2 banks which individually exceeded 5% of the segment equity. As at 31 December 2024 within due to banks and the Bank of Russia there are RR 37,740 million of correspondent accounts and term deposits, borrowed from the Bank of Russia and 5 banks which individually exceeded 5% of the segment equity.

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Note 15: Financial services: Customer accounts

	At 31 December 2025	At 31 December 2024
State and public organizations		
Current / settlement accounts	1,201	2,373
Term deposits	1,202	1,074
Other legal entities		
Current / settlement accounts	12,705	14,039
Term deposits	79,214	81,867
Individuals		
Current / settlement accounts	21,704	21,127
Term deposits	87,712	85,774
Total customer accounts	203,738	206,254
Less: long-term customer accounts	(43)	(1,127)
Total short-term customer accounts	203,695	205,127

There is a certain concentration of sources of financing in the Group's financial services segment. Within customer accounts at 31 December 2025 and 2024 there are RR 53,345 million and RR 69,091 million of current/settlement accounts and term deposits from 18 and 25 customers respectively, which individually exceeded 5% of the segment equity.

Risk concentrations by customer industry within customer accounts are as follows:

	At 31 December 2025		At 31 December 2024	
	Carrying value	Share in customer loan portfolio, %	Carrying value	Share in customer loan portfolio, %
Individuals	109,416	53.70%	106,901	51.83%
Finance	26,848	13.18%	31,522	15.28%
Oil and gas	8,586	4.21%	3,243	1.57%
Trade	21,623	10.61%	18,890	9.16%
Services	15,596	7.65%	16,603	8.05%
Manufacturing	13,823	6.78%	21,637	10.49%
Construction	4,800	2.36%	4,626	2.24%
Other	3,046	1.51%	2,832	1.38%
Total customer accounts	203,738	100%	206,254	100%

Note 16: Other long-term liabilities

	At 31 December 2025	At 31 December 2024
Pension and other long-term liabilities to employees and retirees	3,146	3,066
Government grants	37,508	38,361
Long-term employee incentives program	1,544	1,622
Other long-term liabilities	1,574	1,850
Total other long-term liabilities	43,772	44,899

Pension liabilities. The Group has various pension plans offered to all employees. In accordance with the terms of the agreements with the non-governmental pension fund, the Group is committed to make certain contributions on favor of its employees, the aggregated amount of savings guarantees the payment of a non-state pension in an amount not lower than the minimum amount provided by pension agreements. The amount of contributions and non-state pensions depends on the amount of contributions chosen by the employee and the achievement of the target indicators of the companies.

In accordance with the provisions of collective agreements concluded on an annual basis between the Company or its subsidiaries and their employees, the Group is obliged to pay other certain post-employment benefits to employees upon completion of their employment with the Company or its controlled subsidiaries.

Note 16: Other long-term liabilities (continued)

Government grants. The Group received grants from the Republic of Tatarstan for the creation, modernization and reconstruction of energy facilities, processing capacity and infrastructure.

Long-term employee incentives program. According to the Tatneft Group long-term employee incentives program for key employees the benefits are based on the change in the Company share price during a five-year cycle. In accordance with the terms of the program, 14 million shares are “conditionally” assigned to the management and directors of the Company, based on which, at the end of the cycle, remuneration is paid on the amount of the positive difference in the average annual price of an ordinary share of PJSC Tatneft for the fifth year of the five-year cycle and the year adopted as a base. Payments are made in cash. Receipt of payouts is contingent upon meeting the required service period, certain performance metrics and an increase in the value of shares.

The fair value of the Program was determined as RR 158.77 per share in accordance with the Black-Scholes option pricing model. The fair value was calculated using the spot price of the Company's shares at the end of 2025 in the amount of RR 576, the exercise price of the option in the amount of RR 405.68, an expected dividend yield of 11.4% per annum, the risk-free interest rate equal to 13.0% per annum, the term until the maturity of the program, and the volatility of the return on the underlying asset equal to 27.52%. The expected volatility was determined based on the historical volatility of the Company's shares.

Note 17: Shareholders' equity

Authorised share capital. As at 31 December 2025 and 2024 the authorised, issued and paid share capital of PJSC Tatneft consists of 2,178,690,700 voting common shares and 147,508,500 non-voting preferred shares; both classes of shares have a nominal value of RR 1.00 per share. The nominal value of authorised share capital differs from its carrying value due to effect of the hyperinflation on capital contributions made before 2003.

As at 31 December 2025 and 2024 treasury shares include 75.6 million ordinary shares of the Company owned by wholly-owned subsidiaries of the Group.

Golden share. Republic of Tatarstan holds a “Golden Share” – a special governmental right – in the PJSC Tatneft company. The exercise of its powers under the Golden Share enables the Tatarstan government to appoint one representative to the Board of Directors and Revision Commission of the Company and to veto certain major decisions, including those relating to changes in the share capital, amendments to the Charter, liquidation or reorganization and “major” and “interested party” transactions as defined under Russian law. The Golden Share currently has an indefinite term.

Rights attributable to preferred shares. Unless a different amount is approved at the annual shareholders meeting, preferred shares earn dividends equal to their nominal value. The amount of a dividend for a preferred share may not be less than the amount of a dividend for a common share. Preferred shareholders may vote at meetings only on the following decisions:

- the amendment of the dividends payable per preferred share;
- the issuance of additional shares with rights greater than the current rights of preferred shareholders; and
- the liquidation or reorganization of the Company.

The decisions listed above can be made only if approved by 75% of preferred shareholders.

Holders of preferred shares acquire the same voting rights as holders of common shares in the event that preferred dividends are either not declared, or declared but not paid. On liquidation, the shareholders are entitled to receive a distribution of net assets. Under Russian Joint Stock Companies Law and the Company's charter in case of liquidation, preferred shareholders have priority over shareholders holding common shares in respect of declared but unpaid dividends on preferred shares and the liquidation value of preferred shares, if any.

Amounts available for distribution to shareholders. The source of payment of dividends is the Company's net profit for the reporting period, determined based on the Company's non-consolidated statutory accounts prepared in accordance with RAR, which differ significantly from IFRS Accounting Standards financial statements.

When determining the dividend amount (per share) recommended to the General Meeting of Shareholders, the decision of PJSC Tatneft's Board of Directors is based on the amount of net profit under RAR or IFRS Accounting Standards, and assuming that the target level of the total funds allocated for dividends payment accounts for least 50% of the net profit amount determined by RAR or IFRS Accounting Standards, whichever is greater.

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Note 17: Shareholders' equity (continued)

In December 2025, the shareholders of the Company approved the payment of interim dividends for the nine months ended 30 September 2025, in the amount of RR 22.48 per preferred and ordinary share, including previously paid interim dividends for the six months ended 30 June 2025, in the amount of RR 14.35 per preferred and ordinary share.

In September 2025, the shareholders of the Company approved the payment of interim dividends for the six months ended 30 June 2025, in the amount of RR 14.35 per preferred and ordinary share.

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.

In December 2024, the shareholders of the Company approved the payment of interim dividends for the nine months ended 30 September 2024, in the amount of RR 55.59 per preferred and ordinary share, including previously paid interim dividends for the six months ended 30 June 2024, in the amount of RR 38.2 per preferred and ordinary share.

In September 2024, the shareholders of the Company approved the payment of interim dividends for the six month ended 30 June 2024 in the amount of RR 38.2 per each preferred and ordinary share.

In June 2024, the shareholders of the Company approved the payment of 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.

Earnings per share. Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary and preferred shareholders by the weighted average number of ordinary and preferred shares outstanding during the period. Profit or loss attributed to equity holders is reduced by the amount of dividends declared in the current period for each class of shares.

The remaining profit or loss is allocated ordinary and preferred shares to the extent that each class may have share in earnings if all the earnings for the period had been distributed. Treasury shares are excluded from calculations. The total earnings allocated to each class of shares are determined by adding together the amount allocated for dividends and the amount unallocated for now.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit attributable to shareholders of PJSC Tatneft	158,623	306,140
Ordinary share dividends	(137,940)	(169,844)
Preferred share dividends	(9,675)	(11,913)
Income available to shareholders of PJSC Tatneft, net of dividends	11,008	124,383
Basic and diluted:		
Weighted average number of shares outstanding (millions of shares):		
Ordinary	2,103	2,103
Preferred	148	148
Combined weighted average number of ordinary and preferred shares outstanding (millions of shares)	2,251	2,251
Basic and diluted earnings per share (RR)		
Ordinary	70.48	136.03
Preferred	70.48	136.03

Note 18: Employee benefit expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	107,485	94,025
Statutory insurance contributions	31,737	27,188
(Reversal of provision)/provision for long term employee incentives program compensations (Note 16)	(78)	1,178
Pension costs – defined benefit plans	540	416
Other employee benefits	3,985	3,437
Total employee benefit expense	143,669	126,244

Employee benefit expenses are included in operating expenses, selling, general and administrative expenses and maintenance of social infrastructure and transfer of social assets, other expenses, operating expenses from financial services.

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Note 19: Financial expense (excluding financial services)

	Year ended 31 December 2025	Year ended 31 December 2024
Expenses on loans and borrowings	2,564	1,368
Unwinding of discount of decommissioning provisions	4,217	3,505
Interest expenses on lease liabilities	3,354	2,488
Unwinding of discount on long-term financial liabilities	805	749
Discount on long-term financial assets (Note 24)	11,881	11,942
Total financial expense (excluding financial services)	22,821	20,052

Note 20: Interest and commission income and expense from financial services

	Year ended 31 December:	
	2025	2024
Interest income	47,166	42,422
Loans to customers	38,078	33,199
Other	9,088	9,223
Fee and commission income	3,522	3,686
Settlement transactions	1,635	2,178
Other	1,887	1,508
Total interest and commission income from financial services	50,688	46,108
Interest expense	(34,620)	(32,104)
Term deposits	(29,855)	(25,514)
Other	(4,765)	(6,590)
Fee and commission expense	(1,836)	(2,074)
Settlement transactions	(1,690)	(1,890)
Other	(146)	(184)
Total interest and commission expense from financial services	(36,456)	(34,178)

Note 21: 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 year ended 31 December 2025, revenues of RR 208,068 million or 11% of the Group's total revenues are derived from one external customer. For the year ended 31 December 2024, revenues of RR 255,912 million or 12% of the Group's total 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.

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Note 21: Segment information (continued)

Revenue

	Year ended 31 December 2025	Year ended 31 December 2024
Exploration and production		
Own crude oil	509,435	672,165
Other	7,967	9,117
Intersegment sales	392,108	538,037
Total exploration and production	909,510	1,219,319
Refining and marketing		
Refined products	1,142,818	1,185,212
Purchased crude oil	13,496	466
Other	30,724	32,567
Intersegment sales	6,646	6,759
Total refining and marketing	1,193,684	1,225,004
Tires business		
Tires	47,027	52,061
Other	434	1,458
Intersegment sales	37	20
Total tires business	47,498	53,539
Financial services		
Interest income	47,166	42,422
Fee and commission income	3,522	3,686
Total financial services	50,688	46,108
Total segment revenue	2,201,380	2,543,970
Sales of segments that are not reportable	66,233	77,325
Elimination of intersegment sales	(398,791)	(544,816)
Total revenue	1,868,822	2,076,479

Segments result

	Year ended 31 December 2025	Year ended 31 December 2024
Exploration and production	158,205	310,243
Refining and marketing	152,214	139,148
Tires business	(2,385)	10,192
Financial services	1,973	9,743
Segments result	310,007	469,326
Segments that are not reportable	(79,526)	(44,145)
Other expenses, net (w/o foreign exchange differences)	(8,541)	(4,033)
Profit before income tax	221,940	421,148

"Segments that are not reportable" line includes expected credit loss 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 year ended 31 December 2025 includes impairment loss on property, plant and equipment and goodwill impairment losses (Note 9,24).

Segment assets

	At 31 December 2025	At 31 December 2024
Exploration and production	589,506	602,924
Refining and marketing	815,032	843,912
Tires business	89,008	94,255
Financial services	282,161	302,749
Segments that are not reportable	358,151	361,069
Total assets	2,133,858	2,204,909

As at 31 December 2025 assets of segments that are not reportable include RR 183,975 million of property, plant and equipment, RR 29,282 million of securities, RR 1,454 million loans receivable, RR 21,283 million of bank deposits, RR 20,204 million of cash, RR 31,532 million of inventories.

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Note 21: Segment information (continued)

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. Total revenue from sales to near abroad and far abroad countries in 2025 amounted to RR 745,316 million and in 2024 amounted to RR 923,095 million.

Segment depreciation, depletion and amortisation

	Year ended 31 December 2025	Year ended 31 December 2024
Exploration and production	35,075	25,512
Refining and marketing	30,609	29,484
Tires business	2,516	3,052
Financial services	262	386
Segments that are not reportable	4,745	3,804
Total depreciation, depletion and amortization	73,207	62,238

Additions to property, plant and equipment by segments

	Year ended 31 December 2025	Year ended 31 December 2024
Exploration and production	63,215	78,325
Refining and marketing	45,501	53,582
Tires business	9,087	3,308
Financial services	221	112
Segments that are not reportable	22,842	38,812
Total additions to property, plant and equipment	140,866	174,139

Note 22: 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.

In the normal course of business Group enters into operations 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:

	Year ended 31 December 2025	Year ended 31 December 2024
Revenues and income	61	699
Costs and expenses	2,437	1,349
Financial expenses	385	12,124

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Note 22: Related party transactions (continued)

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

	At 31 December 2025	At 31 December 2024
Short-term assets	4,075	19,188
Loans	3,635	18,128
Other	440	1,060
Long-term assets	18,709	31,203
Loans	5,635	19,934
Corporate shares	11,404	7,567
Other	1,670	3,702
Short-term liabilities	(1,260)	(3,816)

Refer to Note 23 for the information on guarantees provided regarding obligation of the joint venture.

Government related companies

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

	Year ended 31 December 2025	Year ended 31 December 2024
Sales of crude oil	21,509	-
Sales of refined products	47,355	48,836
Other sales	16,514	14,064
Financial income	14,289	15,612
Financial expense	3,340	2,410
Purchases of refined products and natural gas	26,332	14,515
Purchases of electricity	34,747	26,753
Purchases of transportation and compounding services	38,830	40,535
Other purchases	8,784	11,688

The outstanding balances with Government related companies were as follows:

	At 31 December 2025	At 31 December 2024
Assets		
Cash and cash equivalents	23,192	47,435
Financial services: Mandatory reserve deposits with the Bank of Russia	930	997
Accounts receivable	24,298	15,488
Financial services: Loans to customers	11,432	3,887
Other short-term financial assets		
Bank deposits	10,009	-
Securities measured at amortised cost	2,896	3,717
Other	1,750	3,528
Prepaid expenses and other current assets	6,830	6,506
Total short-term assets	81,337	81,558
Financial services: Loans to customers	8,046	2,813
Accounts receivable	14,830	9,362
Other long-term financial assets		
Securities measured at fair value through other comprehensive income	35,958	39,527
Securities measured at amortised cost	4,406	8,422
Advances for the acquisition of non-current assets	196	5,588
Total long-term assets	63,436	65,712
Liabilities		
Accounts payable and accrued liabilities	(22,666)	(4,259)
Financial services: Due to banks and the Bank of Russia	(5,037)	(19,655)
Financial services: Customer accounts	(1,587)	(6,610)
Debt	(285)	(13)
Total short-term liabilities	(29,575)	(30,537)
Financial services: Due to banks and the Bank of Russia	-	(1,184)
Government grants	(37,508)	(38,361)
Other long-term liabilities	(427)	(478)
Total long-term liabilities	(37,935)	(40,023)

Note 22: Related party transactions (continued)

As at 31 December 2025 guarantees issued to government related parties amounted to RR 4,820 million (at 31 December 2024: RR 5,461 million).

Key management personnel

The key management personnel of the Group include members of the Board of Directors and the Management Board of PJSC Tatneft.

For the years ended 31 December 2025 and 2024 total remuneration, including pension cost, for key management personnel was RR 1,877 million and RR 2,040 million, respectively.

At 31 December 2025 and 2024 the Group's key management personnel accounts in the customer accounts amounted to RR 20,231 million and RR 19,370 million, respectively. For the year ended 31 December 2025 financial expenses accrued to key management personnel amounted to RR 3,275 million (for the year ended 31 December 2024: RR 2,529 million).

At 31 December 2025 and 2024 the liability was recognized for the services provided by the key management personnel of the Group in accordance with the long-term incentive program for executive employees, long-term compensation in the amount of RR 405 million and RR 434 million respectively (Note 16), short-term compensation in the amount of RR 76 million and RR 156 million respectively.

Note 23: Contingencies and commitments

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. 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. In December 2025, the United Kingdom imposed sanctions on PJSC Tatneft.

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.

Capital commitments. As at 31 December 2025 and 2024 the Group has approximate outstanding capital commitments of RR 134,484 million and RR 125,812 million, respectively, mainly for the construction of the TANECO refining and petrochemical complex, construction of wells and oil fields facilities, replacement of pipelines, construction and development of petrochemical business. These commitments are expected to be paid between 2026 and 2029.

Management believes the Group's current and long-term capital expenditures program can be funded through cash flows generated from existing operations as well as lines of credit available to the Company or issuance of debt instruments.

Management believes the Group has the ability to obtain financings as needed to continue funding the own projects, refinance any maturing debts as well as finance business acquisitions and other transactions that may arise in the future.

Note 23: Contingencies and commitments (continued)

Credit related commitments. The credit related commitments comprise loan commitments, letters of credit and guarantees. The contractual commitments represent the value at risk should the contract be fully drawn upon, the client defaults, and the value of any existing collateral becomes worthless. In general, certain part of Group's letters of credit are collateralised with cash deposits or collateral pledged to the Group and accordingly the Group normally assumes minimal risk.

Outstanding credit related commitments are as follows:

	At 31 December 2025	At 31 December 2024
Undrawn credit lines that are irrevocable or are revocable only in response to a material adverse change	26,438	56,947
Unused limits on the issuance of guarantees	49,910	43,252
Guarantees issued	69,533	48,884
Letters of credit	7	2,065
Less: allowance for credit related commitment	(321)	(397)
Less: commitments collateralised by cash deposits under guarantees issued	(71)	(43)
Less: commitments collateralised by cash deposits under Letters of credit	(7)	(2,065)
Total credit related commitments	145,489	148,643

In June 2025, the Group signed an agreement to establish a joint venture in the field of hydrocarbon processing and assumed obligations to provide guarantees for the joint ventures borrowings. The guarantee agreements with the bank that provided the financing were signed in 2026. The amount of future obligations for which the Group acts as a guarantor does not exceed RR 112 billion.

Taxation. The Russian tax legislation is subject to varying interpretations and changes which can occur frequently. Management's interpretation of the legislation, as applied to the transactions and activities, may be challenged by the tax authorities.

The tax authorities may take a different position in their interpretation of the legislation, and it is possible that transactions and activities that have not been challenged in the past may be challenged.

This legislation allows tax authorities to assess additional taxes for controllable transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's length basis and this leads to decrease of the amount of tax payable to the Russian budget, or increase of the amount of loss determined in accordance with Chapter 25 of the Russian Tax Code, unless otherwise is provided by the mutual agreement procedures in accordance with the international taxation treaty concluded by the Russian Federation. The Management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from intercompany transactions are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Company's operations. Management believes that its pricing policy is arm's length and it has implemented internal processes to be in compliance with the new transfer pricing legislation.

Environmental contingencies. The Group, through its predecessor entities, has operated in Tatarstan for many years without developed environmental laws, regulations and the Group's policies. Environmental regulations and their enforcement are currently being considered in the Russian Federation and the Group is monitoring its potential obligations related thereto. The outcome of environmental liabilities under proposed or any future environmental legislation cannot reasonably be estimated at present, but could be material. The Group has analysed its exposure to climatic and other emerging business risks, but has not identified any risks that could significantly affect the financial results or the position of the Group at the reporting date. Under existing legislation, however, management believes that there are no probable liabilities, which would have a material adverse effect on the operating results or financial position of the Group. In addition, the Group is introducing and applying best health, safety and environmental protection practices and standards which might go beyond any existing and potential legal requirements in the Russian Federation.

Legal contingencies. The Group is subject to various lawsuits and claims arising in the ordinary course of business. The outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present. In the case of all known contingencies the Group accrues a liability when the loss is probable and the amount is reasonably estimable. Based on currently available information, management believes that it is remote that future costs related to known contingent liability exposures would have a material adverse impact on the Group's consolidated financial statements.

Note 23: Contingencies and commitments (continued)

Social commitments. The Group contributes significantly to the maintenance of local infrastructure and the welfare of its employees within Tatarstan, which includes contributions towards the construction, development and maintenance of housing, hospitals and transport services, recreation and other social needs. Such funding is periodically determined by the Board of Directors after consultation with governmental authorities and recorded as expenditures when incurred.

Note 24: 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 financial 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.

Note 25: Intangible assets

Intangible assets include a subsidiary's trademark with an indefinite useful life of RR 7,191 million (at the 31 December 2024: RR 8,709 million), as well as contracts with customers of 3,779 million (at the 31 December 2024: RR 4,293 million), the term of which expires primarily in the period 2026-2028. The trademark relates to a CGU to which goodwill has been allocated, information on impairment testing is presented in Note 26 (no impairment to a CGU was identified).

Note 26: Other non-current assets

Other non-current assets are presented below:

	At 31 December 2025	At 31 December 2024
Goodwill	10,682	11,943
Advances for the acquisition of non-current assets	-	5,322
Other	3,178	3,953
Total other non-current assets	13,860	21,218

For the purposes of impairment testing of goodwill, the recoverable amount of the CGU was determined based on a value in use calculation. These calculations used cash flow projections based on financial budgets approved by management for a five-year period. Cash flows beyond the five-year period were extrapolated using projected growth rates. The growth rates do not exceed the long-term average growth rates projected for the industry and jurisdiction in which the CGU operates.

Note 27: Financial risk management

Financial risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group has introduced a risk management system and developed a number of procedures to measure, assess and monitor risks and select the relevant risk management techniques.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business.

The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest rate risk and (c) financial instruments price risk.

a) Currency risk

The Group operates internationally and is exposed to currency risk due to fluctuations in exchange rates. Foreign exchange risk arises from assets, liabilities, commercial transactions and financing denominated in foreign currencies.

The table below summarises the Group's exposure to foreign currency exchange rate risk as at 31 December 2025:

	Russian Ruble	US Dollar	Chinese yuan	Other currencies
Financial assets				
Cash and cash equivalents	33,962	1,945	4,393	26,649
Financial services: Mandatory reserves with the Bank of Russia	930	-	-	-
Accounts receivable	117,425	51,490	293	23,130
Financial services: Loans to customers	195,672	312	5,638	4
Other financial assets	73,829	12,864	14,251	15,076
Total financial assets	421,818	66,611	24,575	64,859
Financial liabilities				
Trade and other financial payables	65,162	8,909	22,722	10,576
Dividends payable	72,932	-	-	-
Lease obligations, net of current portion	7,202	7,987	-	5,134
Financial services: Other financial liabilities at FVTPL	11,092	-	-	-
Debt	22,819	11,522	-	615
Financial services: Due to banks and the Bank of Russia	21,426	56	5,772	4
Financial services: Customer accounts	190,913	5,102	5,620	2,103
Total financial liabilities	391,546	33,576	34,114	18,432
Net balance sheet position	30,272	33,035	(9,539)	46,427

Note 27: Financial risk management (continued)

The table below summarises the Group's exposure to foreign currency exchange rate risk as at 31 December 2024:

	Russian Ruble	US Dollar	Chinese yuan	Other currencies
Financial assets				
Cash and cash equivalents	68,423	1,664	27,878	19,489
Financial services: Mandatory reserves with the Bank of Russia	997	-	-	-
Accounts receivable	125,557	80,068	-	20,661
Financial services: Loans to customers	186,327	930	9,290	5
Other financial assets	109,537	14,408	3,969	6,543
Total financial assets	490,841	97,070	41,137	46,698
Financial liabilities				
Trade and other financial payables	87,170	5,520	1,351	12,682
Dividends payable	104,851	-	-	-
Lease obligations, net of current portion	6,363	10,946	-	821
Financial services: Other financial liabilities at FVTPL	19,197	-	-	-
Debt	1,552	11,126	-	605
Financial services: Due to banks and the Bank of Russia	34,919	73	3,118	12
Financial services: Customer accounts	190,266	6,763	6,537	2,688
Total financial liabilities	444,318	34,428	11,006	16,808
Net balance sheet position	46,523	62,642	30,131	29,890

For the year ended 31 December 2025 the Group recognised foreign exchange gain of RR 51,540 million and a foreign exchange loss of RR 76,616 million in the consolidated interim condensed statement of profit or loss and other comprehensive income on a net basis (for the year ended 31 December 2024: RR 64,813 million and RR 52,692 million respectively). Gain and loss on foreign exchange differences were received mainly on receivables from operating activities from the sale of crude oil and refining products for export, as well as from the revaluation of cash in foreign currencies.

Below is data on the sensitivity of the Group to an increase or decrease in the exchange rate of the US dollar and the Chinese yuan against the Russian Ruble:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
US Dollar strengthening by 20%	6,607	4,955	12,528	10,023
US Dollar weakening by 20%	(6,607)	(4,955)	(12,528)	(10,023)
Chinese yuan strengthening by 20%	(1,908)	(1,431)	6,026	4,821
Chinese yuan weakening by 20%	1,908	1,431	(6,026)	(4,821)

a) Interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Operations interest rate risk management (excluding financial services)

The majority of the Group's borrowings is at fixed interest rates. The Group's treasury function performs periodic analysis of the interest rate environment. The Group does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, the Group performs periodic analysis of the current interest rate environment and depending on that analysis at the time of raising new debts management makes decisions whether to obtain financing on fixed-rate or variable-rate basis would be more beneficial to the Group over the expected period until maturity.

Note 27: Financial risk management (continued)

Operations interest rate risk management from financial services

Management of interest rate risk is performed through analysis of the structure of assets and liabilities by repricing dates. Interest rates that are contractually fixed on both assets and liabilities may be renegotiated before any new credit tranche is issued to reflect current market conditions. All new credit products and transactions are assessed in respect of interest rate risk upfront, prior to starting these transactions.

Interest rate risk analysis on assets and liabilities of the Group

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Non-sensitive	Total
31 December 2025							
Total financial assets	56,293	53,843	65,041	109,919	36,711	256,056	577,863
Total financial liabilities	142,580	113,705	13,103	42,148	9,452	156,680	477,668
Net interest sensitivity gap	(86,287)	(59,862)	51,938	67,771	27,259	99,376	100,195
31 December 2024							
Total financial assets	168,445	41,816	67,037	86,681	43,987	267,780	675,746
Total financial liabilities	126,963	106,573	22,837	31,309	11,110	207,768	506,560
Net interest sensitivity gap	41,482	(64,757)	44,200	55,372	32,877	60,012	169,186

The following table presents a sensitivity analysis of interest rate risk on financial assets and liabilities:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Increase by 200 basis points	16	12	2,183	1,747
Decrease by 200 basis points	(16)	(12)	(2,183)	(1,747)

c) Financial instruments price risk

Financial instruments price risk is the risk that movements in market prices resulting from factors associated with an issuer of financial instruments (specific risk) and general changes in the market prices of financial instruments (general risk) will affect the fair value or future cash flows of a financial instrument and, as a result, the Group's profitability.

Financial instruments price risk for financial instruments held within the Group's financial assets at fair value through profit or loss is managed: (a) through maintaining a diversified structure of portfolios; and (b) by setting position limits (i.e. limits restricting the total amount of an investment or maximum mismatch between respective assets and liabilities) as loss limits, sensitivity limits and potential losses under stress. In addition to these, the Group sets limits on the structure of securities portfolio, their liquidity, credit quality, and on a maximum duration of debt financial instruments. When necessary the Group establishes margin and collateral requirements.

Financial instruments price risk is managed primarily through daily mark-to-market procedures, sensitivity analysis and control of limits established for various types of financial instruments. The Group assesses the price risk of equity instruments through sensitivity to a change in their fair value by 10%. For debt instruments, the Group assesses price risk by assessing the change in their fair value if interest rates increase by 100 bps. The assessment is made using the modified duration method taking into account convexity.

According to the results of the assessment for financial assets at fair value through profit or loss and available-for-sale financial assets the price risk does not exceed RR 1 billion.

Note 27: Financial risk management (continued)

Credit risk

The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment (Note 23).

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default, Exposure at Default, Loss Given Default and Discount Rate.

Credit risk management. Management carefully manages its exposure to credit risk.

An assessment is performed at each reporting date to identify a significant increase in credit risk since initial recognition of a financial instrument. Such assessment is performed on the basis of qualitative and quantitative information:

- Quantitative assessment is performed on the basis of a change in risk of default arising over the expected lifetime of a financial asset.
- Qualitative assessment implies that a number of factors are important for assessing significant increase in credit risk (restructuring indicative of problems, establishing favourable schedule for repaying loan interest and principal, significant changes in expected results of operations and behaviour of a borrower and other material changes).

Financial assets move from Stage 1 to Stage 2 if there is one or a combination of the following factors:

- financial assets are over 30 days overdue;
- credit rating deteriorates;
- there are early warning indicators of an increase in credit risk; a need to change previously agreed on terms of the agreement to create more favourable environment for a customer due to his inability to meet current liabilities because of the customer's financial position; full or partial refinancing of the current debt which would not be required if the client did not experience financial difficulties;
- information on future changes in assets that may result in credit losses not considered in the rating systems is identified (e.g. military conflicts in the region that may have a significant impact on future credit quality).

A default is recognised if one or a combination of the following events occur:

- financial assets are over 90 days overdue (a rebuttable presumption);
- a default rating is assigned;
- restructuring indicative of problems is undertaken;
- a favourable schedule for repaying interest and principal with payments to be made at the end of the term is granted.

Credit risk management (excluding financial services)

Credit risk (excluding financial services) arises from cash and cash equivalents, bank deposits, loans and notes receivables, as well as credit exposures to customers including outstanding trade and other receivables.

Credit risks related to accounts receivable are systematically monitored taking into account the customer's financial position, past experience and other factors. Management systematically reviews ageing analysis of receivables and uses this information for calculation of expected credit losses. A significant portion of the Group's accounts receivable is due from domestic and export trading companies. The Group does not always require collateral to limit the exposure to loss. The Group operates with various customers but a substantial part of its sales relate to major customers.

Note 27: Financial risk management (continued)

Although collection of accounts receivable could be influenced by economic factors affecting these customers, management believes there is no significant risk of loss to the Group beyond the provisions already recorded. Credit quality analysis for accounts receivable is presented in Note 4.

The Group performs an ongoing assessment and monitoring of the risk of default. In addition, as part of its cash management and credit risk function, the Group regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash.

The Group deposits available cash mostly with financial institutions in the Russian Federation. To manage this credit risk, the Group allocates its available cash to a variety of Russian banks.

For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies an approach based on risk grades estimated by internal ratings. Internal ratings are mapped to external credit rating provided by agencies (Expert RA JSC, ACRA JSC) on an internally defined master scale with a specified range of probabilities of default.

Credit risk management in financial services

The Group's credit risk policies prescribe its acceptance only through formalized procedures and only based on decisions of the authorized collegial body. The Group has a system of credit committees responsible for making credit decisions, the main objective of which is to create a high-quality loan portfolio that ensures the implementation of the strategy, credit policies and risk management policies. Collegial authorities, authorized to make credit decisions, have a clear segmentation according to business lines, lending segments and the amount of authority.

The Group structures the level of credit risk it undertakes by placing the appropriate limits. Limits are set by the Group on an individual (for example, for specific customers and counterparties), group and portfolio basis (for example, industry and regional limits, limits on types of operations, etc.).

Internal regulations on financial analysis and risk assessment are created and applied to each segment of the lending activity, including lending to legal entities, individuals, financial institutions and other categories of borrowers.

To reduce the level of risk, the Group accepts collateral in the form of pledges, sureties and guarantees. The assessment of collateral is performed internally by special division responsible for collateral assessment and control. They use several methodologies developed for each type of collateral.

Valuations performed by third parties, including independent appraisal firms authorized by the Group, may serve as additional data for such assessment. The Group usually requires collateral to be insured by insurance companies authorized by the Group.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss as the result of another party to a financial instrument failing to perform in accordance with the terms of the contract. The Group uses the same credit policies in assuming conditional obligations as it does for on balance sheet financial instruments, through established credit approvals, risk control limits and monitoring procedures.

The Group regularly analyzes and monitors the impact on borrowers' performance indicators of the expected macroeconomic situation and changes in the economy caused by the introduction of restrictive measures, changes in the key rate, exchange rate volatility and other factors. Taking into account the current economic situation in 2024-2025, increased attention was paid to the risk of non-payment to fulfill obligations, as well as the risks of capital outflow, concentration, logistics and infrastructure risks, and the risk of non-fulfillment of obligations.

Note 27: Financial risk management (continued)

Credit risk analysis of the Group

To quantify the credit risk, the Group uses internal models (rating systems). The Group uses the following rating categories for the analysis of credit quality of assets other than loans to customers and accounts receivable:

- investment grade ratings referred to classification in the range from AAA (RU) to BBB- (RU) of the agencies of Expert RA JSC, ACRA JSC. The probability of default for assets of this category ranges from 0% to 1.51%;
- non-investment grade ratings referred to classification referred from BB+ (RU) to D (RU) of the agencies of Expert RA JSC, ACRA JSC. The probability of default for assets of this category ranges from 1.51% to 100%. On average, the risk for this category is about 13.69% (in 2024: 9.3%).

The following table contains an analysis of the credit risk exposure of cash and cash equivalents including mandatory reserve deposits with the Bank of Russia. Cash and cash equivalents are classified as Stage 1. As at 31 December 2025 and 31 December 2024 there is no cash classified as Stage 2, Stage 3, or acquired or originated impaired. The carrying amount also represents the Group's maximum exposure to credit risk on these financial assets.

	At 31 December 2025	At 31 December 2024
	Stage 1 (12-months ECL)	Stage 1 (12-months ECL)
<i>Cash on hand and cash in banks</i>		
- Investment grade rating	46,589	42,984
- Non-investment grade rating	3,531	3,955
Gross carrying amount	50,120	46,939
Credit loss allowance	-	-
Carrying amount	50,120	46,939
<i>Term deposits</i>		
- Investment grade rating	11,706	59,028
- Non-investment grade rating	5,123	11,487
Gross carrying amount	16,829	70,515
Credit loss allowance	-	-
Carrying amount	16,829	70,515
<i>Financial services: Mandatory reserve deposits with the Bank of Russia</i>		
- Investment grade rating	930	997
Gross carrying amount	930	997
Credit loss allowance	-	-
Carrying amount	930	997

The following table contains an analysis of the credit risk exposure of other financial assets measured at amortised cost and measured at fair value through other comprehensive income for which ECL allowance is recognised other than cash and cash equivalents including mandatory reserve deposits with the Bank of Russia, loans to customers and accounts receivable. The carrying amount also represents the Group's maximum exposure to credit risk on these financial assets.

Note 27: Financial risk management (continued)

	At 31 December 2025				Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	
Loans					
- Investment grade rating	-	4,858	-	-	4,858
- Non-investment grade rating	-	24,484	1,265	-	25,749
- No ratings	-	-	15,592	-	15,592
Gross carrying amount	-	29,342	16,857	-	46,199
Credit loss allowance	-	-	(15,037)	-	(15,037)
Carrying amount	-	29,342	1,820	-	31,162
Bank deposits					
- Investment grade rating	10,009	-	-	-	10,009
- Non-investment grade rating	-	-	2,989	-	2,989
Gross carrying amount	10,009	-	2,989	-	12,998
Credit loss allowance	-	-	(2,989)	-	(2,989)
Carrying amount	10,009	-	-	-	10,009
Other					
- Investment grade rating	1,176	-	-	-	1,176
- Non-investment grade rating	-	-	3,554	-	3,554
- No ratings	-	-	2,895	-	2,895
Gross carrying amount	1,176	-	6,449	-	7,625
Credit loss allowance	(6)	-	(5,649)	-	(5,655)
Carrying amount	1,170	-	800	-	1,970
Debt securities measured at amortised cost					
- Investment grade rating	7,667	-	-	-	7,667
- Non-investment grade rating	2,286	-	-	-	2,286
Gross carrying amount	9,953	-	-	-	9,953
Credit loss allowance	(115)	-	-	-	(115)
Carrying amount	9,838	-	-	-	9,838
Debt securities measured at fair value through other comprehensive income					
- Investment grade rating	26,030	-	-	-	26,030
- Non-investment grade rating	5,139	-	-	-	5,139
Gross carrying amount	31,169	-	-	-	31,169
Credit loss allowance	(140)	-	-	-	(140)
Carrying amount	31,029	-	-	-	31,029

Note 27: Financial risk management (continued)

	At 31 December 2024				
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	POCI	Total
<i>Loans</i>					
- Investment grade rating	-	2,067	-	-	2,067
- Non-investment grade rating	13,502	30,943	886	-	45,331
- No ratings	-	-	16,240	-	16,240
Gross carrying amount	13,502	33,010	17,126	-	63,638
Credit loss allowance	-	-	(15,897)	-	(15,897)
Carrying amount	13,502	33,010	1,229	-	47,741
<i>Bank deposits</i>					
- Investment grade rating	8	-	-	-	8
- Non-investment grade rating	-	-	2,989	-	2,989
Gross carrying amount	8	-	2,989	-	2,997
Credit loss allowance	-	-	(2,989)	-	(2,989)
Carrying amount	8	-	-	-	8
<i>Other</i>					
- Non-investment grade rating	501	-	3,344	-	3,845
- No ratings	-	-	3,041	-	3,041
Gross carrying amount	501	-	6,385	-	6,886
Credit loss allowance	(6)	-	(5,592)	-	(5,598)
Carrying amount	495	-	793	-	1,288
<i>Debt securities measured at amortised cost</i>					
- Investment grade rating	16,217	-	-	-	16,217
- Non-investment grade rating	856	-	-	-	856
Gross carrying amount	17,073	-	-	-	17,073
Credit loss allowance	(869)	-	-	-	(869)
Carrying amount	16,204	-	-	-	16,204
<i>Debt securities measured at fair value through other comprehensive income</i>					
- Investment grade rating	37,240	-	-	-	37,240
- Non-investment grade rating	128	-	-	-	128
Gross carrying amount	37,368	-	-	-	37,368
Credit loss allowance	(29)	-	-	-	(29)
Carrying amount	37,339	-	-	-	37,339

Note 27: Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liquidity risk management (excluding financial services)

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. In managing its liquidity risk, the Group maintains adequate cash reserves and debt facilities, continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The Group prepares various financial plans (monthly, quarterly and annually) which ensures that the Group has sufficient cash on demand to meet expected operational expenses, financial obligations and investing activities for a period of 30 days or more. To fund cash requirements of a more permanent nature, the Group will normally raise long-term debt.

Liquidity risk management in financial services

The objective of liquidity risk management is to ensure the stable operations of the Group, the possibility of uninterrupted operations in accordance with the Group's business plans, including the timely fulfilment of all obligations to customers and counterparties related to making payments, as well as minimising the negative impact on financial results, own funds (capital), the Group's reputation for a possible liquidity deficit. Also, the priority objective of liquidity risk management is to ensure that the Group comply with the mandatory liquidity ratios established by the Central Bank of Russia.

In respect to the financial services segment The Group endeavors to maintain a stable and diversified funding base including core corporate and individual customer accounts; short-, medium- and long-term loans from other banks; promissory notes and bonds issued. On the other hand, the Group tends to keep diversified portfolios of liquid and highly liquid assets in order to be able to settle unforeseen liquidity requirements in an efficient and timely manner.

Key parameters in liquidity risk management such as the structure of assets and liabilities, composition of liquid assets and acceptable liquidity risks are established by Assets and Liabilities Management Committee (ALCO). ALCO sets and reviews limits on liquidity gaps which are assessed on the basis of liquidity stress-tests in regard to medium- and long-term liquidity. These tests are performed using the following information:

- current structure of assets and liabilities including any known renewal arrangements as at the date of the respective test;
- amounts, maturity and liquidity profiles of transactions projected by business units;
- current and projected characteristics of liquid assets which include, apart from cash and cash equivalents, amounts due from other banks and certain financial assets held-for-trading; and
- relevant external factors.

The models obtained as a result of testing allow for the assessment of future expected cash flows due to projected future business and different crisis scenarios.

While managing liquidity risk distinguish liquidity required within a current business day and term liquidity.

For managing current liquidity (with a 1-day horizon) the following methods are used:

- reallocation of cash between accounts with banks;
- collection of information from business and other supporting units on large transactions (both proprietary and customer based);
- purchase and sale of certain financial assets in liquid portfolios;
- accelerating closure of trade positions;
- estimation of minimum expected cash inflow during a business day; and
- daily control over the balance of cash and estimated liabilities to be settled on demand.

Note 27: Financial risk management (continued)

The monitoring of the current and forecasted state of urgent liquidity is carried out daily on the basis of calculating the sufficiency of highly liquid assets to cover planned and unplanned outflows and meeting resource requirements for a period of up to 30 days.

The share of liquid assets is maintained at a level sufficient to meet obligations to customers and counterparties of the Group, which can significantly reduce liquidity risks and non-market funding rates.

To maintain instant liquidity, limits are opened by a significant number of Russian banks. In addition, the liquidity risk is minimized by the Group's ability to raise funds from the Bank of Russia within the framework of the refinancing system and state support for the financial sector, as well as established liquidity management policies and technologies that provide for stress approaches in estimating future cash flows.

In accordance with the Group's Liquidity Management Policy, the basic principle of liquidity management is risk limiting, in particular, using the required liquid assets limit. If necessary (changing the financial situation in the markets or at Group), other limits (for counterparties, financial instruments, etc.) can be used to manage liquidity.

Liquidity risk analysis of the Group

The following tables summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including interest payments:

	At 31 December 2025			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Financial liabilities				
Trade and other financial payables	108,206	-	-	108,206
Dividend payable	72,932	-	-	72,932
Lease obligations, net of current portion	-	19,477	21,840	41,317
Financial services: Other financial liabilities at fair value through profit or loss	11,092	-	-	11,092
Debt	25,329	7,919	4,331	37,579
Financial services: Due to banks and the Bank of Russia	27,551	-	-	27,551
Financial services: Customer accounts	208,209	312	9	208,530
Credit related commitments (Note 23)	72,149	65,212	8,526	145,887
Total	525,468	92,920	34,706	653,094

	At 31 December 2024			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Financial liabilities				
Trade and other financial payables	107,456	-	-	107,456
Dividend payable	104,851	-	-	104,851
Lease obligations, net of current portion	-	15,638	17,814	33,452
Financial services: Other financial liabilities at fair value through profit or loss	19,197	-	-	19,197
Debt	3,625	6,926	6,857	17,408
Financial services: Due to banks and the Bank of Russia	37,633	1,207	-	38,840
Financial services: Customer accounts	211,601	1,850	8	213,459
Credit related commitments (Note 23)	95,736	46,602	8,811	151,149
Total	580,099	72,223	33,490	685,812

Note 27: Financial risk management (continued)

Fair values

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 into which the recurring fair value measurements are categorised are as follows:

	At 31 December 2025			Carrying value
	Fair value			
	Level 1	Level 2	Level 3	
Investment property	-	-	1,304	1,304
Other financial assets				
Securities measured at fair value through profit or loss	152	313	-	465
Securities measured through other comprehensive income	28,412	14,022	20,142	62,576
Financial services: Other financial liabilities measured at fair value through profit or loss	(11,092)	-	-	(11,092)
Other account payables (Note 13)	-	(19,000)	-	(19,000)
Total	17,472	(4,665)	21,446	34,253

	At 31 December 2024			Carrying value
	Fair value			
	Level 1	Level 2	Level 3	
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

Note 27: Financial risk management (continued)

The description of valuation technique and description of inputs used in the fair value measurement for Level 2 and Level 3 measurements at 31 December 2025 и 2024:

	Fair value hierarchy	Valuation technique and key input data
Investment property	Level 3	Market data on comparable objects, adjusted in case of differences from similar objects
Securities at FVTPL	Level 2, Level 3	Quoted prices for similar investments in active markets, net assets valuation, comparative (market) approach / Publicly available information, comparable market prices/ discounted cash flow models adjusted at credit risk
Loans measured at FVTPL	Level 3	Discounted cash flow models adjusted at credit risk
Securities at FVOCI	Level 2, Level 3	Quoted prices for similar investments in active markets, net assets valuation, comparative (market) approach / Publicly available information, comparable market prices / discounted cash flow models adjusted at credit risk
Money market funds, measured at fair value through profit or loss	Level 2, Level 3	Quoted prices for similar investments in active markets, net assets valuation, comparative (market) approach / Publicly available information, comparable market prices / discounted cash flow models adjusted at credit risk
Financial services: Other financial liabilities at FVTPL	Level 2	Discounted cash flow models adjusted at credit risk

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

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Note 27: Financial risk management (continued)

Assets and liabilities not measured at fair value but for which fair value is disclosed

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

	At 31 December 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	-	-	205,792	201,626	-	-	195,511	196,552
Other financial assets								
Loans measured at amortised cost	-	-	31,162	31,162	-	-	38,052	47,741
Securities measured at amortised cost	6,820	2,929	-	9,838	9,454	5,318	-	16,204
Other	-	11,186	800	11,979	-	516	793	1,296
Total	6,820	14,115	237,754	254,605	9,454	5,834	234,356	261,793
Liabilities								
Debt								
Bonds issued	-	-	-	-	-	1	-	1
Subordinated debt	-	15	-	15	-	22	-	23
Promissory notes issued	-	315	1,134	1,457	-	251	1,607	1,874
Credit facilities in Russian Rubles	-	21,000	-	21,000	-	-	-	-
Other debt	-	-	12,484	12,484	-	-	11,385	11,385
Financial services: Due to banks and the Bank of Russia	983	25,981	-	27,258	374	37,425	-	38,122
Financial services: Customer accounts	-	35,137	166,112	203,738	-	37,040	166,230	206,254
Total	983	82,448	179,730	265,952	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.

Management of Capital

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 support its business and increase shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group defines capital under management as the "Total equity owned by shareholders of PJSC Tatneft" as shown in the consolidated statement of financial position. The amount of capital that the Group managed as at 31 December 2025 was RR 1,322,402 million (2024: RR 1,321,769 million).

The Group considers equity and debt to be the principal elements of capital management. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, revise its investment program, attract new or settle existing debt or sell certain non-core assets. The Group monitors capital on the basis of its gearing ratio.

Reconciliation of liabilities arising from financing activities

The table below sets out an analysis of the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

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Notes to the Consolidated Financial Statements
(In million of Russian Rubles)

Note 27: Financial risk management (continued)

	Liabilities arising as a result of financing activities						
	Credits and loans	Bonds issued	Subordinated debt	Lease liabilities	Dividend payable	Promissory notes	Total
At 31 December 2023	10,043	2	22	25,154	119,137	12,790	167,148
Cash flow movement, including:							
Proceeds from issuance of debt	112,958	-	-	-	-	-	112,958
Repayment of debt	(114,965)	-	-	-	-	-	(114,965)
Redemption of promissory notes	-	-	-	-	-	(11,400)	(11,400)
Redemption of bonds	-	(1)	-	-	-	-	(1)
Repayment of principal portion of lease liabilities	-	-	-	(3,405)	-	-	(3,405)
Interest paid	(1,377)	-	(99)	(2,488)	-	(1,832)	(5,796)
Dividends paid to shareholders	-	-	-	-	(222,590)	-	(222,590)
Unclaimed dividends	-	-	-	-	26,547	-	26,547
Foreign exchange adjustments	1,121	-	-	1,392	-	1	2,514
Interest accrual	1,368	-	99	2,488	-	700	4,655
Dividends declared	-	-	-	-	181,757	-	181,757
Change in liabilities as a result of acquisition of businesses	1,503	-	-	-	-	1,607	3,110
Change in liabilities as a result of acquisition of right-of-use assets	-	-	-	1,299	-	-	1,299
Other non-cash flows	734	-	1	(2,313)	-	8	(1,570)
At 31 December 2024	11,385	1	23	22,127	104,851	1,874	140,261
Cash flow movement, including:							
Proceeds from issuance of debt	381,045	-	-	-	-	-	381,045
Repayment of debt	(356,714)	-	-	-	-	-	(356,714)
Redemption of bonds	-	(1)	-	-	-	-	(1)
Repayment of principal portion of lease liabilities	-	-	-	(2,942)	-	-	(2,942)
Interest paid	(2,485)	-	(89)	(3,354)	-	(16)	(5,944)
Dividends paid to shareholders	-	-	-	-	(179,811)	-	(179,811)
Unclaimed dividends	-	-	-	-	277	-	277
Foreign exchange adjustments	(2,973)	-	-	(4,855)	-	(372)	(8,200)
Interest accrual	2,564	-	81	3,354	-	1	6,000
Dividends declared	-	-	-	-	147,615	-	147,615
Change in liabilities as a result of acquisition of businesses	-	-	-	5,467	-	-	5,467
Change in liabilities as a result of acquisition of right-of-use assets	-	-	-	5,058	-	-	5,058
Other non-cash flows	662	-	-	94	-	(30)	726
At 31 December 2025	33,484	-	15	24,949	72,932	1,457	132,837

Note 28: Material accounting policy information

Material accounting policy information used in preparing these consolidated financial statements are presented below. This accounting policy have been applied consistently to all periods presented in the statements.

Functional and presentation currency. The presentation currency of the Group is the Russian Ruble.

Management has determined the functional currency for the Company and each consolidated subsidiary of the Group, except for subsidiaries located outside of the Russian Federation, is the Russian Ruble because the majority of Group revenues, costs, property and equipment purchased, debt and trade liabilities are either priced, incurred, payable or otherwise measured in Russian Rubles. Accordingly, transactions and balances not measured in Russian Rubles (primarily US Dollars) have been re-measured into Russian Rubles in accordance with the relevant provisions of IAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into functional currency at year-end official exchange rates of the Central Bank of the Russian Federation (the “Bank of Russia”) at the end of the year are reflected in profit or loss for the year as other income /(expenses) within “Foreign exchange gain, net.”

For operations of major subsidiaries located outside of the Russian Federation, that primarily use US Dollar as the functional currency, adjustments resulting from translating foreign functional currency assets and liabilities into Russian Rubles are recorded in other comprehensive income. Revenues, expenses and cash flows are translated at average exchange rates of the relevant period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

The official rates of exchange, as published by the Bank of Russia, of the Russian Ruble (“RR”) to the US Dollar (“US \$”) at 31 December 2025 and 2024 were RR 78.23 and RR 101.68 to US \$, respectively. Average rates of exchange for the years ended 31 December 2025 and 2024 were RR 83.62 and RR 92.57 per US \$, respectively.

Consolidation. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group has the power to direct relevant activities of the investee that significantly affect their returns, exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

Goodwill. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies as a result of the combination. These units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger in size than an operating segment.

The Group tests goodwill for impairment at least once a year and whenever there is an indication that it may be impaired. The impairment is recognised immediately as an expense and is not subsequently reversed.

Associates and joint ventures. Associates and joint ventures are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. The Group classifies investments in its joint ventures as joint ventures based on the nature of the venture and the contractual rights and obligations of each investor. Joint venture is a joint arrangement that involves the Group and the other parties to the joint venture having joint control over the activity having rights to the net assets of the activity. Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. Dividends received from associates and joint ventures reduce the carrying value of the investment in associates and joint ventures. Other post-acquisition changes in Group’s share of net assets of an associate and joint ventures are recognised as follows: (i) the Group’s share of profits or losses of associates or joint ventures is recorded in the consolidated profit or loss for the year as share of result of associates or joint ventures, (ii) the Group’s share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii) all other changes in the Group’s share of the carrying value of net assets of associates or joint ventures are recognised in profit or loss within the share of result of associates or joint ventures.

Financial instruments – key measurement terms. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the Group. This is the case even if a market’s normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Note 28: Material accounting policy information (continued)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL").

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets impairment – credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Group measures ECL and recognises Net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains (losses) on debt financial assets at FVOCI.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition.

Note 27 provides information about inputs, assumptions and estimation techniques used in measuring ECL.

The Group applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, type of product or service, geography of sales and the days past due. The Group calculates expected credit losses on trade receivables based on historical data assuming reasonable approximation of current losses rates adjusted on forward-looking information.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition, excluding write-off. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial assets – modification. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

Financial liabilities designated at FVTPL. The Group may designate certain liabilities at FVTPL at initial recognition. Gains and losses on such liabilities are presented in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability (determined as the amount that is not attributable to changes in market conditions that give rise to market risk), which is recorded in OCI and is not subsequently reclassified to profit or loss. This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in credit risk of the liability are also presented in profit or loss.

Note 28: Material accounting policy information (continued)

Cash and cash equivalents. Cash represents cash on hand and in bank accounts and the Bank of Russia, other than mandatory reserves deposits with the Bank of Russia, which can be effectively withdrawn at any time without prior notice. Cash equivalents include highly liquid short-term investments that can be converted to a certain cash amount and mature within three months or less from the date of purchase.

Mandatory reserve deposits with the Bank of Russia. Mandatory cash balances with the Bank of Russia are carried at AC and represent non-interest bearing mandatory reserve deposits, which are not available to finance the Group's day to day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Due from banks. Amounts due from banks are recorded when the Group advances money to counterparty banks due on fixed or determinable dates. Amounts due from banks are carried at AC when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Due from banks that mature within three months or less from the date of placement are included in cash and cash equivalents.

Loans to customers. Loans to customers are recorded when the Group advances money to purchase or originate a loan due from a customer. Note 27 provides information about inputs, assumptions and estimation techniques used in measuring ECL.

Trade and other receivables. Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

Trade and other payables. Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method, unless otherwise stated.

Due to banks and the Bank of Russia. Amounts due to banks and the Bank of Russia are recorded when money or other assets are advanced to the Group by counterparty banks. The non-derivative liability is carried at AC.

Customer accounts. Customer accounts are non-derivative liabilities to individuals, state or corporate customers and are carried at AC.

Non-current assets classified as held for sale. Non-current assets are classified in the consolidated statement of financial position as "Long term assets held for sale" if their carrying amount will be recovered principally through a sale transaction within twelve months after the end of the reporting period.

Inventories. Inventories of crude oil, refined oil products, materials and supplies, finished goods and other inventories are valued at the lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The Group uses the weighted-average-cost method. Costs include both direct and indirect expenditures incurred in bringing an item or product to its existing condition and location.

Prepaid expenses and other current assets. Prepaid expenses and other current assets include advances for purchases of products and services, insurance fees, excise tax refundable, prepayments for export duties, VAT and other taxes. Prepayments are carried at cost less provision for impairment.

Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group.

Tax on additional income from hydrocarbon extraction. AIT is levied at the rate of 50% on additional income from oil production, calculated as the difference between the estimated revenue from the sale of hydrocarbons and the actual and estimated costs of its production, including capital costs. This tax regime includes MET, but with a reduced rate. This regime covers depleted oil fields in Republic of Tatarstan, as well as the Group's license areas in the Nenets Autonomous District. AIT is included in taxes other than income tax in the consolidated statements of profit or loss and other comprehensive income.

Note 28: Material accounting policy information (continued)

Reverse excise on crude oil refined and negative excise on gasoline and diesel fuel. In the consolidated statement of profit or loss and other comprehensive income reverse (“negative”) excise on crude oil refined and negative excise on gasoline and diesel fuel is recognised as a reduction (additional expense, if reverse excise payable) in excise tax expense included in taxes other than income tax (Note 29) and is presented in prepaid expenses and other current assets line in the statement of consolidated financial position. The investment premium for refineries Kinv is also included in reverse (negative) excise of the period.

Value added tax. Value added tax (VAT) at a standard rate of 20% is payable on the difference between output VAT on sales of goods and services and recoverable input VAT charged by suppliers. From 1 January 2026, the VAT rate increased from 20% to 22%. Output VAT is charged on the earliest of the dates: either the date of the shipment of goods (works, services) or the date of advance payment by the buyer. Input VAT can be recovered when purchased goods (works, services) are accounted for and other necessary requirements provided by the tax legislation are met. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Export of goods and rendering certain services related to exported goods are subject to 0% VAT rate upon the submission of confirmation documents to the tax authorities.

VAT advance payment, VAT refundable and VAT payable are recognised in the Consolidated Statement of Financial Position on a gross basis and disclosed separately within Prepaid expenses and other current assets and tax liabilities other than on income taxes.

Oil and gas exploration and development cost. Oil and gas exploration and development activities are accounted for using the successful efforts method whereby costs of acquiring unproved and proved oil and gas property as well as costs of drilling and equipping productive wells and related production facilities are capitalised.

Other exploration expenses, including geological and geophysical expenses and the costs of carrying and retaining undeveloped properties, are expensed as incurred. The costs of exploratory wells that find oil and gas reserves are capitalised as exploration and evaluation assets on a “field by field” basis pending determination of whether proved reserves have been found. Exploration and evaluation assets are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When indicators of impairment are present, resulting impairment loss is measured.

If subsequently commercial reserves are discovered, the carrying value, less losses from impairment of respective exploration and evaluation assets, is classified as development assets. However, if no commercial reserves are discovered, such costs are expensed after exploration and evaluation activities have been completed.

Property, plant and equipment. Property, plant and equipment are carried at historical cost of acquisition or construction less accumulated depreciation, depletion, amortization and impairment.

Proved oil and gas properties include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The cost of maintenance, repairs and replacement of minor items of property are expensed when incurred within operating expenses; renewals and improvements of assets are capitalised and depreciated during the remaining useful life. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

Advances made on construction of property, plant and equipment are accounted for within Construction in progress.

Non-current assets, including proved oil and gas properties at a field level, are assessed for possible impairment in accordance with IAS 36 Impairment of assets. Individual assets are grouped for impairment purposes at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets - generally on a field-by-field basis for exploration and production assets, at an entire complex level for refining assets or at a site level for petrol stations. Impairment losses are recognised in the profit or loss for the year.

The Group calculates depreciation expense for oil and gas proved properties using the units-of-production method for each field based upon proved developed oil and gas reserves, except in the case of significant asset components whose useful life differs from the lifetime of the field, in which case the straight-line method is applied.

Oil and gas licenses for exploration of unproved reserves are capitalised within property, plant and equipment; they are depreciated on the straight-line basis over the period of each license validity.

Note 28: Material accounting policy information (continued)

Depreciation of all other property, plant and equipment is determined on the straight-line method based on estimated useful lives which are as follows:

	Years
Buildings and constructions	20-50
Machinery and equipment	5-30

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds, if any, with the carrying amount. Gains and losses are recorded in impairment losses on property, plant and equipment and other non-financial assets net of reversal in the consolidated statement of profit or loss and other comprehensive income.

Leases. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An asset is identified by being explicitly specified in a contract, or implicitly specified at the time that the asset is made available for use by the Group. The Group does not have the right to use an identified asset if the supplier has the substantive right to substitute the asset throughout the period of use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used. Generally, the Group determines its incremental borrowing rate as possible borrowing rate offered by banks for the funds, necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The rate is determined based on indicative rates of banks or indicative yield to maturity of bonds of oil and gas industry companies.

The term used to measure a liability and an asset in the form of a right of use is defined as the period during which the Group has sufficient confidence that it will lease the asset. Any option for renewal or termination is taken into account when estimating the term. Extension options are included in a number of equipment leases across the Group. For a number of other assets that have a buyout option, the depreciation period is determined based on the useful life of the underlying asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Debt. Debt is recognised initially at fair value, net of transaction costs incurred and is subsequently carried at AC using the effective interest method.

Interest income (excluding financial services). Interest income (excluding financial services) is recognised on a time-proportion basis using the effective interest method. This method defers, as part of interest income, all fee received between the parties to the contract that are an integral part of the effective interest rate, all other premiums.

Employee benefits, post-employment and other long-term benefits. Wages, salaries, contributions to the social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has various pension plans covering substantially all eligible employees and members of management. The pension liabilities are measured at the present value of the estimated future cash outflows using interest rates of government securities, which have the same currency and terms to maturity approximating the terms of the related liability. Pension costs are recognised using the projected unit credit method.

The cost of providing pensions is accrued and charged to staff expense within operating expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income reflecting the cost of benefits as they are earned over the service lives of employees.

Remeasurements of the net defined benefit liability arising as the actuarial gains or losses from changes in assumptions and from experience adjustments with regard to post employment benefit plans are recognised immediately in other comprehensive income. Actuarial gains and losses related to other long-term benefits are recognised immediately in the profit or loss for the year.

Past service costs are recognised as an expense for the year immediately.

Note 28: Material accounting policy information (continued)

Plan assets are measured at fair value and are subject to certain limitations. Fair value of plan assets is based on market prices. When no market price is available the fair value of plan assets is estimated by different valuation techniques, including discounted expected future cash flow using a discount rate that reflects both the risk associated with the plan assets and maturity or expected disposal date of these assets.

Long-term employee incentives program. The Group operates a cash-settled share-based compensation plan.

The terms of share-based compensation plan, initial data, assumptions and models used in measurement of cash-settled share-based compensation plan are presented in Note 16.

Decommissioning provisions. The Group recognises a liability for the present value of legally required or constructive decommissioning provisions associated with non-current assets in the period in which the retirement obligations are incurred. The Group has numerous asset removal obligations that it is required to perform under law or contract once an asset is permanently taken out of service. The Group's field exploration, development, and production activities include assets related to: well bores and related equipment and operating sites, gathering and oil processing systems, oil storage facilities and gathering pipelines.

Generally, the Group's licenses and other operating permits require certain actions to be taken by the Group in the abandonment of these operations. Such actions include well abandonment activities, equipment dismantlement and other reclamation activities. The Group's estimates of future abandonment costs consider present regulatory or license requirements, as well as actual dismantling and other related costs. These liabilities are measured by the Group using the present value of the estimated future costs of decommissioning of these assets. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability. Most of these costs are not expected to be incurred until several decades in the future and will be funded from general Group resources at the time of removal.

The Group capitalises the associated decommissioning costs as part of the carrying amount of the non-current assets. Changes in obligation, reassessed regularly, related to new circumstances or changes in law or technology, or in the estimated amount of the obligation, or in the pre-tax discount rates, are recognised as an increase or decrease of the cost of the relevant asset. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.

The Group's petrochemical, refining and marketing and distribution operations are carried out at large manufacturing facilities and fuel outlets. The nature of these operations is such that the ultimate date of decommissioning of any sites or facilities is unclear. Current regulatory and licensing rules do not provide for liabilities related to the liquidation of such manufacturing facilities or of retail fuel outlets. Management therefore believes that there are no legal or contractual obligations related to decommissioning or other disposal of these assets.

Income Taxes. Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Income tax penalties expense and income tax penalties payable are included in Taxes other than income tax in the consolidated statement of profit or loss and other comprehensive income and taxes payable in the consolidated statement of financial position, respectively. Income tax interest expense and payable are included in interest expense in the consolidated statements of profit or loss and other comprehensive income and other accounts payable and accrued expenses in the consolidated statement of financial position, respectively.

Note 28: Material accounting policy information (continued)

Share capital. Ordinary shares and non-redeemable preferred shares with discretionary dividends are both classified as equity.

Dividends paid to shareholders are determined by the Board of directors and approved at the annual or extraordinary shareholders' meeting. Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved.

Treasury shares. Common shares of the Company owned by the Group at the reporting date are designated as treasury shares and are recorded at cost using the weighted-average method. Gains on resale of treasury shares are entered in additional paid-in capital whereas losses reduce additional paid-in capital to the extent that previous net gains from resale are included therein or otherwise to retained earnings.

Earnings per share. Preferred shares are not redeemable and are considered to be participating shares.

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary and preferred shareholders by the weighted average number of ordinary and preferred shares outstanding during the period. Profit or loss attributed to equity holders is reduced by the amount of dividends declared in the current period for each class of shares. The remaining profit or loss is allocated to ordinary and preferred shares to the extent that each class may share in earnings if all the earnings for the period had been distributed. Treasury shares are excluded from calculations. The total earnings allocated to each class of shares are determined by adding together the amount allocated for dividends and the amount allocated for a participation feature.

Revenue from Contracts with Customers. Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognised net of discounts, value added taxes.

The Group's business activities include sales of crude oil and refined products, petrochemical raw materials. Revenues are recognised at a point in time when control over such products has transferred to a customer, which refers to ability to direct the use of, and obtain substantially all of the remaining benefits from the products. Transfer occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group operates a chain of own petrol (gas) stations selling refined products. Revenue from the sale of products is recognised when a group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the fuel. Since no right of return, no refund liability is recognised.

Receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. No significant element of financing is deemed present as the sales are made with short-term credit terms consistent with market practice. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. If the amount of payments exceeds the cost of the transferred products, a liability under the contract with the buyer is recognised and reflected in the item "Accounts payable and accrued liabilities" as "Advances received from buyers and customers".

Recognition of interest, fee and commission income and expense from financial services. Interest income and expense are recognised on an accrual basis calculated using the effective interest method. Fee and commission income are recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes recurring fees for account maintenance, account servicing fees, account subscription fees, premium service package fees, portfolio and other asset management advisory and service fees, wealth management and financial planning services, or fees for servicing loans on behalf of third parties, etc.

Note 28: Material accounting policy information (continued)

Transportation expenses. Transportation expenses recognised in the consolidated statements of profit or loss and other comprehensive income represent all expenses incurred by the Group to transport crude oil and refined products to end customers (they may include pipeline tariffs and any additional railroad costs, handling costs, port fees, sea freight and other costs). Compounding fees are included in selling, general and administrative expenses.

Government grants. Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to other operating income on a straight line basis over the expected lives of the related assets.

Translation of results and financial position of a subsidiary whose functional currency is the currency of a hyperinflationary economy. The Group considers the effect of translation of changes in the general price index (inflation) for a subsidiary whose functional currency is the currency of a hyperinflationary economy as part of the Foreign currency translation adjustment in the other comprehensive income. The effect on the subsidiary's monetary assets and liabilities is reflected in the "Foreign exchange (loss)/gain, net".

Elimination of intercompany transactions with a subsidiary operating in a hyperinflationary economy. IFRS and the interpretations to IFRS do not provide detailed guidance on accounting for the elimination of intercompany income and expenses in a situation where a parent operating in a stable economy records inventory sales at the exchange rate at the date of the transaction, and the subsidiary has related expenses (the cost of inventory purchased from the parent company and sold to final consumers) is recalculated using the general price index (inflation) and converted into the presentation currency of the consolidated financial statements at the exchange rate at the reporting date. Considering the impact of moving inventory to a hyperinflationary economy, the rate of exchange at the date of the transaction is used for the purpose of eliminating this intercompany income and expenses in the consolidated financial statements.

Note 29: Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated 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.

Management of the Group also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Estimation of oil and gas reserves. Oil and gas development and production assets are depreciated on a unit-of-production (UOP) basis for each field or group of fields with similar characteristics at a rate calculated by reference of proved developed reserves. Estimates of proved reserves are also used in the determination of whether impairments have arisen or should be reversed. Also, exploration drilling costs are capitalised pending the results of further exploration or appraisal activity, which may take several years to complete and before any related proved reserves can be booked.

Proved reserves are estimated by reference to available geological and engineering data and only include volumes for which access to market is assured with reasonable certainty. Estimates of oil and gas reserves are inherently uncertain, require the application of judgment and are subject to regular revision, either upward or downward, based on new information such as from the drilling of additional wells, observation of long-term reservoir performance under producing conditions and changes in economic factors, including product prices, contract terms or development plans. In 2025, internal experts, in accordance with the regular review procedure, updated the estimates of the all Group's oil and gas reserves in accordance with rules approved by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) for proved reserves. In 2024, the Group updated the estimates of the Group's oil and gas reserves most susceptible to the factors listed above.

Changes to the Group's estimates of proved developed reserves affect prospectively the amounts of depreciation, depletion and amortization charged and, consequently, the carrying amounts of oil and gas properties. It is expected, however, that in the normal course of business the diversity of the Group's portfolio will limit the effect of such revisions. The outcome of, or assessment of plans for, exploration or appraisal activity may result in the related capitalised exploration drilling costs being written off in the profit or loss for the year.

Note 29: Critical accounting estimates and judgements in applying accounting policies (continued)

Useful life of property, plant and equipment. Based on the terms included in the licenses and past experience, management believes hydrocarbon production licenses will be extended past their current expiration dates at insignificant additional costs. As a result of the anticipated license extensions, the assets are depreciated over their useful lives beyond the end of the current license term.

Management assesses the useful life of an asset by considering the expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located. Differences between such estimates and actual results may have a material impact on the amount of the carrying values of the property, plant and equipment and may result in adjustments to future depreciation expenses for the period.

Management reviews the appropriateness of the assets' useful economic lives and residual values at the end of each reporting period. The review is based on the current condition of the assets, the estimated period during which they will continue to bring economic benefit to the Group and the estimated residual value.

Decommissioning provisions. Management makes provision for the future costs of decommissioning oil and gas production facilities, wells, pipelines, and related support equipment and for site restoration based on the best estimates of future costs and economic lives of the oil and gas assets. Estimating future decommissioning provisions is complex and requires management to make estimates and judgments with respect to removal obligations that will occur many years in the future.

Changes in the measurement of existing obligations can result from changes in estimated timing, future costs or discount rates used in valuation.

The amount recognised as a provision is the best estimate of the expenditures required to settle the present obligation at the reporting date based on current legislation in each jurisdiction where the Group's operating assets are located, and is also subject to change because of revisions and changes in laws and regulations and their interpretation. As a result of the subjectivity of these provisions there is uncertainty regarding both the amount and estimated timing of such costs.

Sensitivity analysis for changes in discount rate:

	Change in	Impact on decommissioning provision	
		At 31 December 2025	At 31 December 2024
Discount rate	100 bp increase	(4,873)	(3,361)
	100 bp decrease	6,002	4,010

Information about decommissioning provision is presented in Note 9.

Impairment of property, plant and equipment. Information is presented in Note 9.

Accounting of investments in JSC "National Non-State Pension Fund"

At 31 December 2025 and 2024 the Group has 88.09% and 88.39% of shares of JSC "National Non-Governmental Pension Fund" respectively. The Group does not exercise either control or significant influence over JSC "National Non-Governmental Pension Fund" based on corporate governance and pension legislation. These investments are presented within financial assets carried at FVOCI as at 31 December 2025 and 2024 (Note 6).

Operations for the sale and purchase of oil under contracts for counter oil deliveries. During the years ended 31 December 2025 and 2024 sales of crude oil under counter-delivery contracts in the amount of RR 393,515 million and RR 486,086 million respectively are presented net in the consolidated 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.

Financial assets impairment. Detailed information is presented in Note 27.

Note 29: Critical accounting estimates and judgements in applying accounting policies (continued)

Financial instruments fair value estimation. Financial instruments carried at FVTPL or FVOCI are stated at fair value. If a quoted market price is available for an instrument, the fair value is calculated based on the quoted market price. When valuation parameters are not observable in the market or cannot be derived from quoted market prices, the fair value is derived through analysis of other observable market data appropriate for each product and pricing models which use a mathematical methodology based on accepted financial theories. Pricing models take into account the contract terms of the financial instruments as well as market-based valuation parameters, such as interest rates, volatility, exchange rates and the credit rating of the counterparty. Where market-based valuation parameters are missed, management makes a judgment as to its best estimate of that parameter in order to determine a reasonable reflection of how the market would be expected to price the instrument, in exercising this judgment, a variety of tools are used including proxy observable data, historical data, and extrapolation techniques. The best evidence of fair value of a financial instrument at initial recognition is the transaction price unless the instrument is evidenced by comparison with data from observable markets.

Any difference between the transaction price and the value based on a valuation technique is not recognised in the consolidated statement of profit or loss and other comprehensive income on initial recognition unless the value is based on valuation technique that uses only data from observable markets. Subsequent gains or losses are only recognised to the extent that they arise from a change in a factor that market participants would consider in setting a price.

Information on fair value of financial instruments where estimate is based on assumptions that do not utilize observable market prices is presented in Note 27.

Presentation of excise tax, including reverse excise. Excise taxes, including reverse (negative) excise tax on crude oil, motor gasoline and diesel fuel, are presented in the Group's consolidated statement of profit or loss and other comprehensive income as part of the line "Taxes other than income tax" (Note 11).

Note 30: Adoption of new or revised standards and interpretations

The Group early adopted Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – No Currency Convertibility (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025) for the purposes of preparing its consolidated financial statements for 2024, and the application of the standard did not have a material impact on the Group.

The following published new standards and interpretations mandatory for annual periods beginning on 1 January 2026 or after, are not expected to have any material impact on the Group's consolidated financial statements when adopted:

- IFRS 19 Subsidiaries Not Obligated to Report Publicly: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to IFRS 19 Subsidiaries Not Obligated to Report Publicly: Disclosures (issued on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRSs – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024 and effective for annual periods beginning on or after 1 January 2026).
- Translation to a Hyperinflationary Presentation Currency (Amendments to IFRS (IAS 21) (issued on 13 November 2025 and effective for annual periods beginning on or after 1 January 2027).

With respect to IFRS 18 Presentation and Disclosures in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027), the Group is assessing the impact of this standard on its consolidated financial statements.

Note 31: Subsequent events

In 2026, the Group sold all its shares in subsidiaries comprising the tire business segment, as well as in several other subsidiaries, to a state-controlled entity for a consideration payable by installments. The fair value of the consideration, determined based on discounted cash flows under the sale contracts, amounted to RR 26,317 million. According to preliminary calculations, the book value of net assets disposed, after applicable adjustments, amounted to RR 83,091 million.