



Tatneft Group

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

30 JUNE 2024

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CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

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Report on Review of Consolidated Interim Condensed Financial Statements

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

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of Public Joint Stock Company TATNEFT named after V.D. Shashin and its subsidiaries (together – the "Group") as at 30 June 2024 and the related consolidated interim condensed statements of profit or loss and other comprehensive income, of changes in equity and of cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

20 August 2024

Moscow, Russian Federation



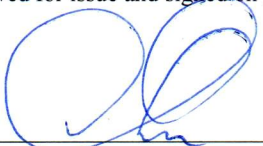
Kriventsev Evgenii Nikolaevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099944)

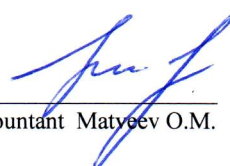
TATNEFT
Consolidated Interim Condensed Statement of Financial Position (Unaudited)

(In million of Russian Rubles)

	Note	30 June 2024	31 December 2023
Assets			
Cash and cash equivalents		119,398	84,115
Financial services: Mandatory reserve deposits with the Bank of Russia		997	903
Short-term accounts receivable, net		181,341	219,905
Financial services: Loans to customers		64,422	62,582
Other short-term financial assets		43,041	37,868
Inventories		141,483	121,157
Prepaid expenses and other current assets		48,952	58,315
Prepaid income tax		3,216	4,034
Non-current assets held for sale		2,281	744
Total current assets		605,131	589,623
Long-term accounts receivable, net		10,825	9,519
Financial services: Loans to customers		133,825	127,811
Other long-term financial assets		103,518	103,515
Investments in associates and joint ventures		7,259	5,018
Property, plant and equipment, net	6	1,167,574	1,131,481
Right-of-use assets		25,776	27,529
Deferred income tax assets		8,326	7,332
Other non-current assets		45,970	43,345
Total non-current assets		1,503,073	1,455,550
Total assets		2,108,204	2,045,173
Liabilities and equity			
Short-term debt and current portion of long-term debt		5,939	4,809
Accounts payable and accrued liabilities		141,246	159,845
Dividends payable		108,308	119,137
Financial services: Due to banks and the Bank of Russia		36,713	27,014
Financial services: Customer accounts		203,593	202,048
Financial services: Other financial liabilities at fair value through profit or loss		17,866	14,983
Taxes payable, other than income tax	5	131,291	141,874
Income tax payable		1,856	1,515
Other short-term liabilities		812	687
Total current liabilities		647,624	671,912
Long-term debt, net of current portion		16,046	18,048
Financial services: Due to banks and the Bank of Russia		1,541	3,737
Financial services: Customer accounts		1,042	1,531
Decommissioning provision, net of current portion	2	21,870	30,771
Lease liabilities, net of current portion		18,448	20,344
Deferred income tax liability		71,942	61,430
Other long-term liabilities		39,498	40,230
Total non-current liabilities		170,387	176,091
Total liabilities		818,011	848,003
Equity			
Preferred shares	1	746	746
Ordinary shares	1	11,021	11,021
Additional paid-in capital		84,437	84,437
Accumulated other comprehensive income		9,425	10,533
Retained earnings		1,188,820	1,094,451
Less: Ordinary shares held in treasury, at cost		(10,345)	(10,345)
Total equity owned by shareholders of PJSC Tatneft		1,284,104	1,190,843
Non-controlling interest		6,089	6,327
Total equity		1,290,193	1,197,170
Total liabilities and equity		2,108,204	2,045,173

Approved for issue and signed on 20 August 2024.


CEO Maganov N.U.


Chief Accountant Matyeev O.M.

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

(In million of Russian Rubles)

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

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

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

(In million of Russian Rubles)

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
Other comprehensive income/(loss) net of income tax:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		113	428
(Loss)/gain on debt financial assets at fair value through other comprehensive income, net		(1,713)	136
Items that will not be reclassified to profit or loss:			
Loss on equity financial assets at fair value through other comprehensive income, net		(4)	(29)
Other comprehensive (loss)/income		(1,604)	535
Total comprehensive income for the period		149,782	148,206
Profit/(loss) attributable to:			
- Shareholders of PJSC Tatneft		151,016	147,830
- Non-controlling interest		370	(159)
		151,386	147,671
Total comprehensive income/(loss) attributable to:			
- Shareholders of PJSC Tatneft		149,908	148,326
- Non-controlling interest		(126)	(120)
		149,782	148,206
Basic and diluted earnings per share (RR)			
Ordinary		67.10	65.69
Preferred		67.10	65.69
Weighted average shares outstanding (millions of shares)			
Ordinary		2,103	2,103
Preferred		148	148

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

TATNEFT
Consolidated Interim Condensed Statement of Changes in Equity (Unaudited)

(In million of Russian Rubles)

	Total equity owned by shareholders of PJSC Tatneft							Non-controlling interest	Total equity	
	Share capital	Additional paid-in capital	Treasury shares	Actuarial loss on employee benefit plans	Foreign currency translation adjustments	(Loss)/gain on financial assets at fair value through other comprehensive income, net	Retained earnings			Total
Balance at 1 January 2023	11,767	84,437	(10,359)	(1,150)	1,090	(189)	1,010,027	1,095,623	8,821	1,104,444
Profit for the six months	-	-	-	-	-	-	147,830	147,830	(159)	147,671
Other comprehensive income for the six months	-	-	-	-	428	68	-	496	39	535
Total comprehensive income for the six months	-	-	-	-	428	68	147,830	148,326	(120)	148,206
Dividends declared	-	-	-	-	-	-	(62,363)	(62,363)	(93)	(62,456)
Balance at 30 June 2023	11,767	84,437	(10,359)	(1,150)	1,518	(121)	1,095,494	1,181,586	8,608	1,190,194
Balance at 1 January 2024	11,767	84,437	(10,345)	(318)	8,938	1,913	1,094,451	1,190,843	6,327	1,197,170
Profit for the six months	-	-	-	-	-	-	151,016	151,016	370	151,386
Other comprehensive income/(loss) for the six months	-	-	-	-	113	(1,221)	-	(1,108)	(496)	(1,604)
Total comprehensive income/(loss) for the six months	-	-	-	-	113	(1,221)	151,016	149,908	(126)	149,782
Other movements	-	-	-	-	-	-	-	-	(16)	(16)
Dividends declared (Note 1)	-	-	-	-	-	-	(56,647)	(56,647)	(96)	(56,743)
Balance at 30 June 2024	11,767	84,437	(10,345)	(318)	9,051	692	1,188,820	1,284,104	6,089	1,290,193

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

TATNEFT
Consolidated Interim Condensed Statement of Cash Flows (Unaudited)

(In million of Russian Rubles)

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

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

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

(In million of Russian Rubles)

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

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

Note 1: Organisation

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

The Company does not have an ultimate controlling party. As at 30 June 2024 and 31 December 2023 the government of Tatarstan controls about 36% of the Company’s voting stock. Tatarstan also holds a “Golden Share”, a special governmental right, in the Company.

At 30 June 2024 and 31 December 2023, the authorised, issued and paid share capital of PJSC Tatneft consists of 2,178,690,700 voting ordinary shares and 147,508,500 non-voting preferred shares; both classes of shares have a nominal value of RR 1.00 per share. At 30 June 2024 and 31 December 2023 treasury shares include 75.6 million ordinary shares of the Company owned by wholly-owned subsidiaries of the Group.

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

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

Note 2: Basis of preparation

The consolidated interim condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The consolidated interim condensed financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards.

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

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

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

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

The significant estimates and judgements used by The Group’s management in the preparation of the consolidated interim condensed financial statements, are consistent with those that disclosed in the consolidated financial statements for the year ended 31 December 2023.

Note 2: Basis of preparation (continued)

During the six months ended 30 June 2024 and 2023 sales of crude oil under counter-delivery contracts in the amount of RR 233,362 million and RR 97,862 million respectively are presented net in the consolidated interim condensed statement of profit or loss and other comprehensive income of the Group in accordance with the IFRS 15 requirements for exchange of products of similar quality.

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

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

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

Note 3: Adoption of new or revised standards and interpretations

New standards and amendments to existing standards effective from 1 January 2024 did not have a material impact on the Group's consolidated interim condensed financial statements. In addition, the Management of the Group does not expect that the amendments to current standards issued in 2024 prior to the date of signing of these consolidated interim condensed financial statements will have a material impact on the Group's consolidated financial statements.

Note 4: Operating Environment of the Group

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

Prohibitions imposed in 2022 by a number of countries on new investments by citizens and legal entities of such countries in the energy industry of Russia, as well as on the supply of certain nomenclatures of goods, equipment and a number of technologies continues. Since December 2022, some countries, including EU countries, have prohibited their citizens and legal entities from importing Russian oil, as well as from providing brokerage, transport, insurance and other services in relation to Russian oil transported by tankers and sold at a price above the price threshold set by these countries. In February 2023, similar restrictive measures came into force for Russian oil products.

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

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

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

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

(In million of Russian Rubles)

Note 5: Taxes

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

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

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

Taxes payable, other than income taxes were as follows:

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

Note 6: Segment information

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

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

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

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

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

For the six months ended 30 June 2024, revenues of RR 131,710 million or 14% of the total sales and operating revenues are derived from one external customer. For the six months ended 30 June 2023, revenues of RR 68,530 million or 11% of the Group's total sales and operating revenues are derived from one external customer. These revenues represent sales of crude oil and are attributable to the exploration and production segment. Management does not believe the Group is dependent on any particular customer.

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

(In million of Russian Rubles)

Note 6: Segment information (continued)
Segment sales

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

Segments result

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

Note 6: Segment information (continued)

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

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

Segment assets

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

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

As at 31 December 2023 corporate and other includes RR 137,400 million of property, plant and equipment, RR 26,336 million of securities, RR 4,354 million loans receivable, RR 32,489 million of bank deposits, RR 4,848 million of cash, RR 22,339 million of inventories.

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

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

	Six months ended 30 June 2024	Six months ended 30 June 2023
Depreciation, depletion and amortization		
Exploration and production	12,563	16,521
Refining and marketing	13,745	10,349
Tires business	1,406	1,348
Financial services	203	234
Corporate and other	1,874	2,174
Total depreciation, depletion and amortization	29,791	30,626
Additions to property, plant and equipment		
Exploration and production	38,326	47,414
Refining and marketing	20,555	36,148
Tires business	764	27,704
Financial services	9	60
Corporate and other	14,793	19,804
Total additions to property, plant and equipment	74,447	131,130

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

Note 7: Related party transactions

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

Transactions are entered into in the normal course of business with associates, joint ventures, government related companies, key management personnel and other related parties. These transactions include sales and purchases of refined products, purchases of electricity, transportation services and financial services. The Group enters into transactions with related parties based on market or regulated prices.

Associates, joint ventures and other related parties

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

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

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

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

Government related companies

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

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

Note 7: Related party transactions (continued)

The outstanding balances with Government related companies were as follows:

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

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

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

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

Note 8: Fair value

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

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

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

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

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

Recurring fair value measurements

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

	At 30 June 2024		
	Fair value		
	Level 1	Level 2	Level 3
			Carrying value
Investment property	-	-	1,288
Other financial assets			
Securities measured at fair value through profit or loss	3,864	127	158
Loans measured at fair value through profit or loss	-	-	1,945
Securities measured through other comprehensive income	39,068	8,961	21,025
Financial services: Other financial liabilities measured at fair value through profit or loss	(17,848)	(18)	-
Total	25,084	9,070	24,416
			58,570

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

There were no changes in valuation technique for Level 2 and Level 3 recurring fair value measurements during the six months ended 30 June 2024 and year ended 31 December 2023. There have been no transfers between Level 1, Level 2 and Level 3 during these periods.

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Notes to the Consolidated Interim Condensed Financial Statements (Unaudited)

(In million of Russian Rubles)

Note 8: Fair value (continued)
Assets and liabilities not measured at fair value but for which fair value is disclosed

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values as of 30 June 2024 and 31 December 2023, with the Group primarily classifying cash as Level 2 of the hierarchy and accounts receivable and accounts payable as Level 3.

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

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

Note 9: Subsequent events

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

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