



Rosneft Oil Company

Summary Interim Consolidated Financial Statements
(unaudited)

Nine months ended September 30, 2023

Rosneft Oil Company
Summary interim consolidated financial statements (unaudited)
Nine months ended September 30, 2023

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Report on Review of the Summary Interim Consolidated Financial Information

To the Shareholders and Board of Directors
of Rosneft Oil Company

Introduction

We have reviewed the summary interim consolidated financial statements of Rosneft Oil Company and its subsidiaries (hereinafter collectively referred to a "Company"), which comprise the summary interim consolidated balance sheet as of 30 September 2023, the summary interim consolidated statement of profit or loss and summary interim consolidated statement of cash flows for the nine-month period then ended and notes to the summary interim consolidated financial statements (the "summary interim consolidated financial information" hereinafter).

The summary interim consolidated financial information is derived from the Company's interim condensed consolidated financial statements for the three and nine months ended on 30 September 2023 prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

Management of Rosneft Oil Company is responsible for the preparation of this summary interim consolidated financial information in accordance with the accounting principles described in Note 1 "Basis of preparation of the summary interim consolidated financial statements", thereto. Our responsibility is to express a conclusion on this summary interim consolidated financial information 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 summary interim consolidated financial information 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.

Basis for qualified opinion

The Company has not presented comparative information to the summary interim consolidated balance sheet, the summary interim consolidated statement of profit and loss, the summary interim consolidated statement of cash flows and notes to the summary interim consolidated financial statements, which is inconsistent with the principles for preparing the summary interim consolidated financial information.



**NEW CHALLENGES
NEW SOLUTIONS**

Qualified opinion

Except for the effects of the matter described in the *Basis for qualified opinion* section, based on our review, nothing has come to our attention that causes us to believe that the accompanying summary interim consolidated financial information is not prepared in all material respects, in accordance with the accounting principles described in Note 1 "Basis of preparation of the special purpose interim condensed consolidated financial statements", thereto.

Emphasis of matter – basis of accounting

We draw attention to Note 1 "Basis of preparation of the summary interim consolidated financial statements" to the summary interim consolidated financial information, which describes the principles applied in the preparation of this summary interim consolidated financial information. The summary interim consolidated financial information does not include all matters required to be presented and disclosed in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Our conclusion is not modified in respect of this matter.

Other matters

We have expressed an unmodified conclusion in respect of the Company's interim condensed consolidated financial statements for the three and nine months ended 30 September 2023, prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, in our review report dated 29 November 2023.

N.G. Starygina
Partner
TSATR – Audit Services Limited Liability Company

29 November 2023

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: Rosneft Oil Company
Record made in the State Register of Legal Entities on 12 August 2002, State Registration Number 1027700043502.
Address: Russia 115035, Moscow, Sofiyskaya embankment, 26/1.

Rosneft Oil Company

Summary interim consolidated balance sheet

(in billions of Russian rubles)

	Notes	September 30, 2023 (unaudited)
ASSETS		
Current assets		3,952
Non-current assets		
Property, plant and equipment	3	12,467
Other non-current assets		2,341
Total non-current assets		14,808
Total assets		18,760
LIABILITIES AND EQUITY		
Current liabilities		4,738
Non-current liabilities		5,510
Equity		
Share capital		1
Retained earnings	4	5,981
Other equity components		2,530
Total equity		8,512
Total liabilities and equity		18,760

The accompanying notes to the summary interim consolidated financial statements are an integral part of these statements.

Rosneft Oil Company

Summary interim consolidated statement of profit or loss

(in billions of Russian rubles, except earnings per share data, and share amounts)

	Nine months ended September 30, 2023
Notes	(unaudited)
Revenues and equity share in profits of associates and joint ventures	
Oil, gas, petroleum products and petrochemicals sales	6,441
Support services, other revenues, equity share in profit of associates and joint ventures	171
Total revenues and equity share in profits of associates and joint ventures	6,612
Costs and expenses	
Production and operating expenses	436
Depreciation, depletion, amortization and impairment	581
Taxes other than income tax	2,159
Other costs and expenses	1,658
Total costs and expenses	4,834
Operating income	1,778
Other expenses	(154)
Income before income tax	1,624
Income tax expense	(352)
Net income	1,272
Net income attributable to Rosneft shareholders	1,071
Net income attributable to Rosneft shareholders, per common share (in RUB) – basic and diluted	112.74
Weighted average number of shares outstanding (millions)	9,500

*The accompanying notes to the summary interim consolidated financial statements are
an integral part of these statements.*

Rosneft Oil Company

Summary interim consolidated statement of cash flows

(in billions of Russian rubles)

	Nine months ended September 30, 2023 <u>Notes</u> <u>(unaudited)</u>
Operating activities	
Net income	1,272
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>	<u>674</u>
Net cash provided by operating activities	<u>1,946</u>
Investing activities	
Capital expenditures	(909)
Other proceeds from investing activities	<u>67</u>
Net cash used in investing activities	<u>(842)</u>
Financing activities	
Proceeds from loans and borrowings	498
Repayment of loans and borrowings	(830)
Other financing repayment	<u>(795)</u>
Net cash used in financing activities	<u>(1,127)</u>
Net decrease in cash and cash equivalents	<u><u>(23)</u></u>

The accompanying notes to the summary interim consolidated financial statements are an integral part of these statements.

Rosneft Oil Company

Notes to the summary interim consolidated financial statements (unaudited)

Nine months ended September 30, 2023

(all amounts in tables are in billions of Russian rubles, except as noted otherwise)

1. Basis of preparation

These summary interim consolidated financial statements were derived from unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2023, which were prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. The summary interim consolidated financial statements were prepared with a purpose of presentation of consolidated financial position and consolidated financial results of the Company without causing damage to the Company and (or) its partners.

These summary interim consolidated financial statements consist of:

- summary interim consolidated balance sheet as of September 30, 2023;
- summary interim consolidated statement of profit or loss for the nine months ended September 30, 2023;
- summary interim consolidated statement of cash flows for the nine months ended September 30, 2023;
- notes the summary interim consolidated financial statements.

These summary interim consolidated financial statements for the nine months ended September 30, 2023, contain information facilitating comprehension of the Company’s activities by the users and do not disclose all the information presented in unaudited interim consolidated financial statements of the Company for the three and nine months ended September 30, 2023.

Decisions of the management on preparation of the summary interim consolidated financial statements as well as on the range of sensitive information not subject to disclosure were made with consideration of Presidential Decree #903 *On the temporary procedure for disclosing and providing information by some Russian business entities* dated November 27, 2023.

Comparative information for the year 2022 is not presented in these summary interim consolidated financial statements, as it is considered to be sensitive and has not been earlier disclosed for publication in accordance with decree of the Government of the Russian Federation #395 *On specifics of access to information, which is included in governmental informational resource of accounting (financial) statements, and on disclosure of consolidated financial statements* dated March 18, 2022.

Additionally, interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2023, are restricted for full public disclosure in accordance with the Presidential Decree #903 *On the temporary procedure for disclosing and providing information by some Russian business entities* dated November 27, 2023.

The basis of preparation and disclosure of these summary interim consolidated financial statements are as follows:

These summary interim consolidated financial statements are intended to summarize and present aggregated information of the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of cash flows and do not include information about other comprehensive income and on changes in equity.

“Current assets” of the summary interim consolidated balance sheet includes cash and cash equivalents, restricted cash, other short-term financial assets, accounts receivable, bank loans granted, inventories, value added tax, excise and other taxes receivable, prepayments and other current assets.

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Notes to the summary interim consolidated financial statements (unaudited) (continued)

1. Basis of preparation (continued)

“Other non-current assets” of the summary interim consolidated balance sheet includes right-of-use assets, intangible assets, other non-current financial assets, investments in associates and joint ventures, bank loans granted, deferred tax assets, goodwill and other non-current non-financial assets.

“Current liabilities” of the summary interim consolidated balance sheet includes accounts payable and accrued liabilities, loans and borrowings and other financial liabilities, income tax liabilities, other tax liabilities, provisions, prepayments on long-term oil and petroleum products supply agreements and other current liabilities.

“Other non-current liabilities” of the summary interim consolidated balance sheet includes loans and borrowings and other financial liabilities, deferred tax liabilities, provisions, prepayments on long-term oil and petroleum products supply agreements and other non-current liabilities

“Other equity components” of the summary interim consolidated balance sheet includes treasury shares, additional paid-in capital, reserve for foreign exchange differences on translation of foreign operations and other funds and reserves.

“Other costs and expenses” of the summary interim consolidated statement of profit or loss includes the cost of purchased oil, gas, petroleum products, goods for retail and refining costs, general and administrative expenses, transportation costs and other commercial expenses, exploration expenses, export customs duty.

“Other expenses” of the summary interim consolidated statement of profit or loss includes finance income, finance expenses, other income, other expenses, and foreign exchange differences.

“Other proceeds from investing activities” of the summary interim consolidated statement of cash flows includes the acquisition of short-term financial assets, proceeds from the sale of short term financial assets, acquisition of long term financial assets, proceeds from the sale of subsidiaries, net of cash disposed, proceeds from sale of property, plant and equipment.

“Other financing repayment” of the summary interim consolidated statement of cash flows includes repayment of other financial liabilities, interest paid, dividends paid.

The summary interim consolidated financial statements for the nine months ended September 30, 2023 were approved and authorized for issue by management of the Company on November 29, 2023.

2. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of a new standard and amendments to existing standards effective as of January 1, 2023:

- *IFRS 17 Insurance Contracts*. IFRS 17 establishes a single framework for the accounting for insurance contracts and contains requirements for related disclosures. The new standard replaces IFRS 4 *Insurance Contracts*;
- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments introduce a new definition of “accounting estimates”. The amendments also clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors;

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Notes to the summary interim consolidated financial statements (unaudited) (continued)

2. Changes in accounting policies (continued)

- *Amendments to IAS 1 Presentation of Financial Statements.* The amendments provide guidance and examples of application of materiality judgements to accounting policy disclosures;
- *Amendments to IAS 12 Income Taxes, named Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction.* The amendments clarify that initial recognition exception under IAS 12 does not apply to such transactions as recognition of leases and decommissioning obligations.
- *Amendments to IAS 12 Income Taxes, issued in connection with International Tax Reform.* The amendments introduced a temporary exemption to the accounting and disclosures for deferred taxes, arising on implementation of Pillar Two model rules; also the amendments introduced targeted disclosure requirements. (The amendments became effective immediately on publication, in May' 23).

The new standard and amendments mentioned above did not have a material impact on the consolidated financial statements.

3. Property, plant and equipment

	<u>Total</u>
Cost as of January 1, 2023 (restated)	16,276
Depreciation, depletion and impairment as of January 1, 2023 (restated)	(5,026)
Net book value as of January 1, 2023 (restated)	11,250
Prepayments for property, plant and equipment as of January 1, 2023	343
Total as of January 1, 2023 (restated)	11,593
Cost	
Additions	1,212
Disposals and other movements	(37)
Foreign exchange differences	417
Changes in cost of asset retirement (decommissioning) obligations	(39)
As of September 30, 2023	17,829
Depreciation, depletion and impairment	
Depreciation, depletion and impairment	(572)
Disposals and other movements	27
Foreign exchange differences	(84)
As of September 30, 2023	(5,655)
Net book value as of September 30, 2023	12,174
Prepayments for property, plant and equipment as of September 30, 2023	293
Total as of September 30, 2023	12,467

4. Shareholders' equity

On June 30, 2023 the Annual General Shareholders' Meeting approved dividends on the Company's common shares for 2022 in the amount of RUB 17.97 per share, which comprised RUB 170.7 billion (excluding dividends related to treasury shares).

Contact information

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