ANNUAL REPORT OF PJSC RUSSNEFT FOR 2024

HARD TIMES, STRONG RUSSNEFT

RussNeft

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INTRO

THERE IS NO HONOUR IN STICKING TO ARCHAIC RULES, TRYING TO LIVE UP TO SOMEBODY ELSE'S EXPECTATIONS, OR BOWING TO PRESSURE. IT TAKES A FREE SPIRIT AND LASTING WILLPOWER TO CHANGE THE WORLD. WE NEED DISRUPTORS WHO GO AGAINST THE FLOW. AS CHURCHILL PUT IT, "SUCCESS IS THE ABILITY TO GO FROM FAILURE TO FAILURE WITHOUT LOSING YOUR ENTHUSIASM." THE ENTIRE HISTORY OF HUMANKIND, FROM JULIUS CÆSAR CROSSING THE RUBICON TO RUSSIA'S VICTORIES TODAY, IS A TESTAMENT TO DISRUPTORS. IN BUSINESS, IT SHOWS US THE PATHWAY FOR STRATEGIC DEVELOPMENT. JUST AS SMALL THINGS MIRROR LARGER EVENTS IN LIFE, WE AT RUSSNEFT FIND INSPIRATION IN MAJOR DISRUPTORS OF RUSSIAN AND WORLD HISTORY.

CHAPTER 1
ABOUT RUSSNEFT

GROWING AGAINST ALL THE ODDS

In spring 2011, Japan was devastated by a magnitude nine earthquake that caused a deadly tsunami. This natural disaster took a heavy toll on the country's economy. The Toyota Motor Corporation was among the businesses that were hit the hardest. The car-maker had hardly had a chance to recover from the 2008 global financial crisis when its supply chains were disrupted by power blackouts and damage to communications infrastructure, forcing 500 Japanese producers of automotive parts to shut down their facilities. Toyota had to halt eighteen of its production lines. Yet despite the catastrophic aftermath, the company continued investing in new technologies and reorganised its supply chains, reducing exposure to domestic suppliers.

Against all predictions, in a year Toyota bounced back as the largest automotive manufacturer in the world. A case that inspires us to forge ahead as we embrace these external shocks. In terms of magnitude, the challenges we have been facing come close to those of the earthquake in Japan. This does not mean that economic hardship leaves no room for economic efficiency or sustainability. To grow against all the odds: that's our way ahead.

1.1. KEY MILESTONES

2013–2016
ASSET PORTFOLIO OPTIMISATION

2010–2012
RESUMING EXPANSION

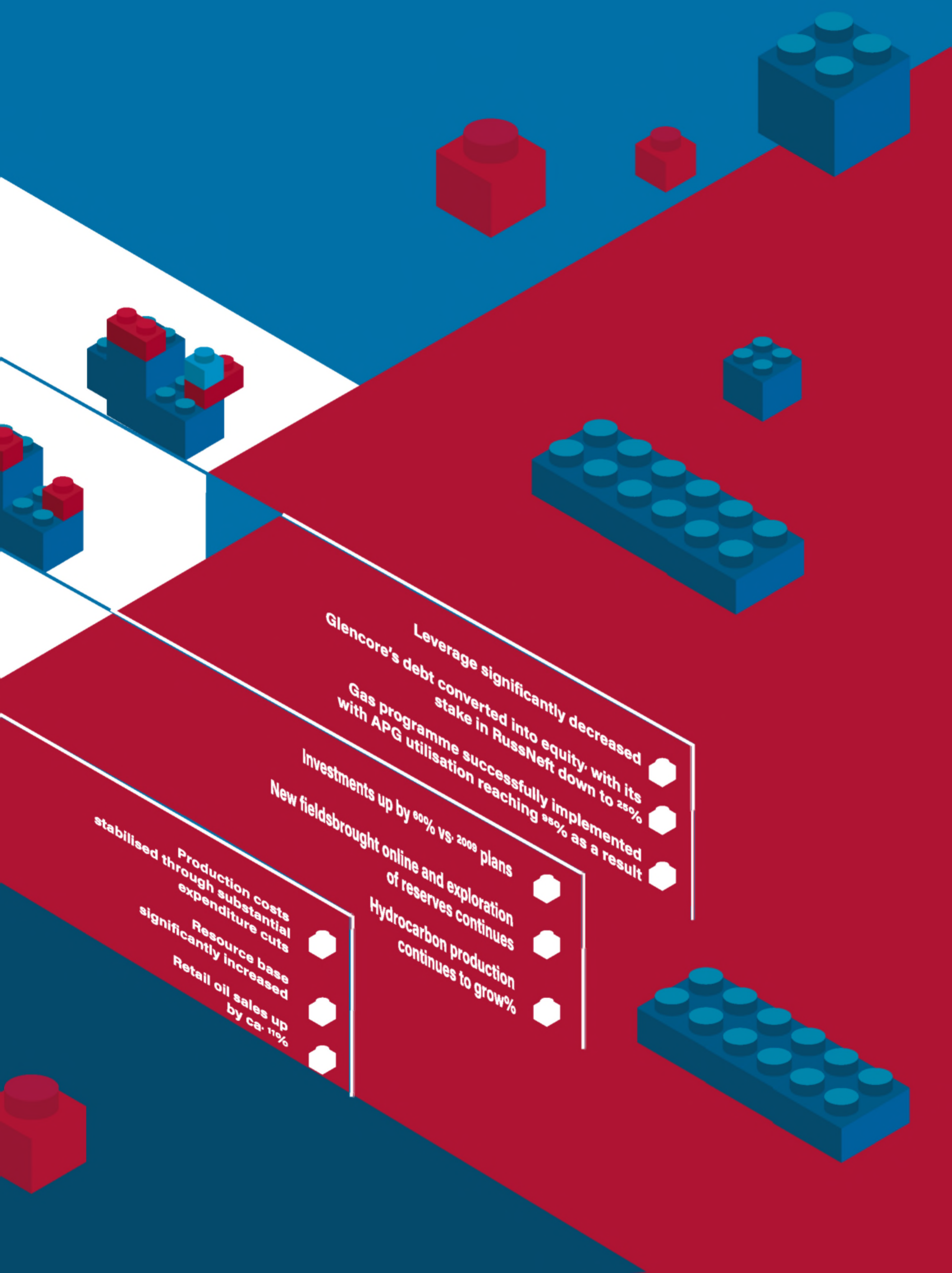
2008–2009
ANTI-CRISIS DEVELOPMENT

2006–2007
ORGANIC GROWTH

- Drilling volumes quickly increasd
- RussNeft's resource base grows
- Production volumes well stabilised and refining volumes increased
- Well interventions introduced at mature fields in the Volga Region

2002–2005
EXTENSIVE GROWTH

- Resource base successfullycreated to ensure a 70% production increase over three years
- RussNeft becomes one of Russia's Top 10 oil and gas companies by hydrocarbon production volume
- Glencore becomes RussNeft's partner through equity participation in its subsidiaries


Leverage significantly decreased
Glencore's debt converted into equity, with its stake in RussNeft down to 25%
Gas programme successfully implemented with APG utilisation reaching 95% as a result
Investments up by 60% vs. 2009 plans
New fieldsbrought online and exploration of reserves continues
Hydrocarbon production continues to grow%
Production costs stabilised through substantial expenditure cuts
Resource base significantly increased
Retail oil sales up by ca. 11%

1.1. KEY MILESTONES

2016
IPO ON THE MOSCOW EXCHANGE

- RussNeft's ordinary shares included into the Level 1 quotation list
- First IPO of an oil company in Russia since 2006, with the issue more than 30% oversubscribed at the offer price of RUB 550 per share
- High interest from retail investors (more than 2,000 bids)
- Free float of 15% of RussNeft's share capital

2017
SHARES INCLUDED IN THE MOEX INDEX

As of 22 September 2017, RussNeft's securities were included in the MOEX Index, RTS Index, MOEX Broad Market Index and the MOEX Oil & Gas Index.

2018
NEW TECHNOLOGIES

- Resource base grows significantly
- New production technologies introduced
- Well stock optimised and expenditures significantly cut down

2019
LOW FOOTPRINT AS A LEADERSHIP MULTIPLIER

- Low footprint production technologies scaled up
- Mid-term development programme implemented
- Leader by share of commercially recoverable reserves

2020
DRIVEN BY SOCIAL LOGIC

- Social sustainability maintained despite extraordinary pressure from negative external factors
- Anti-crisis measures successfully scaled up across the management structure.

2021
AGILITY

- Best management practices scaled up
- Anti-crisis measures implemented
- Financial indicators quickly improved, driven by an increase in production subject to OPEC+ restrictions

2022
SUCCESS STORY 2.0

- Business horizons intensively expanded
- Negative external factors countered effectively
- Best management practices scaled up

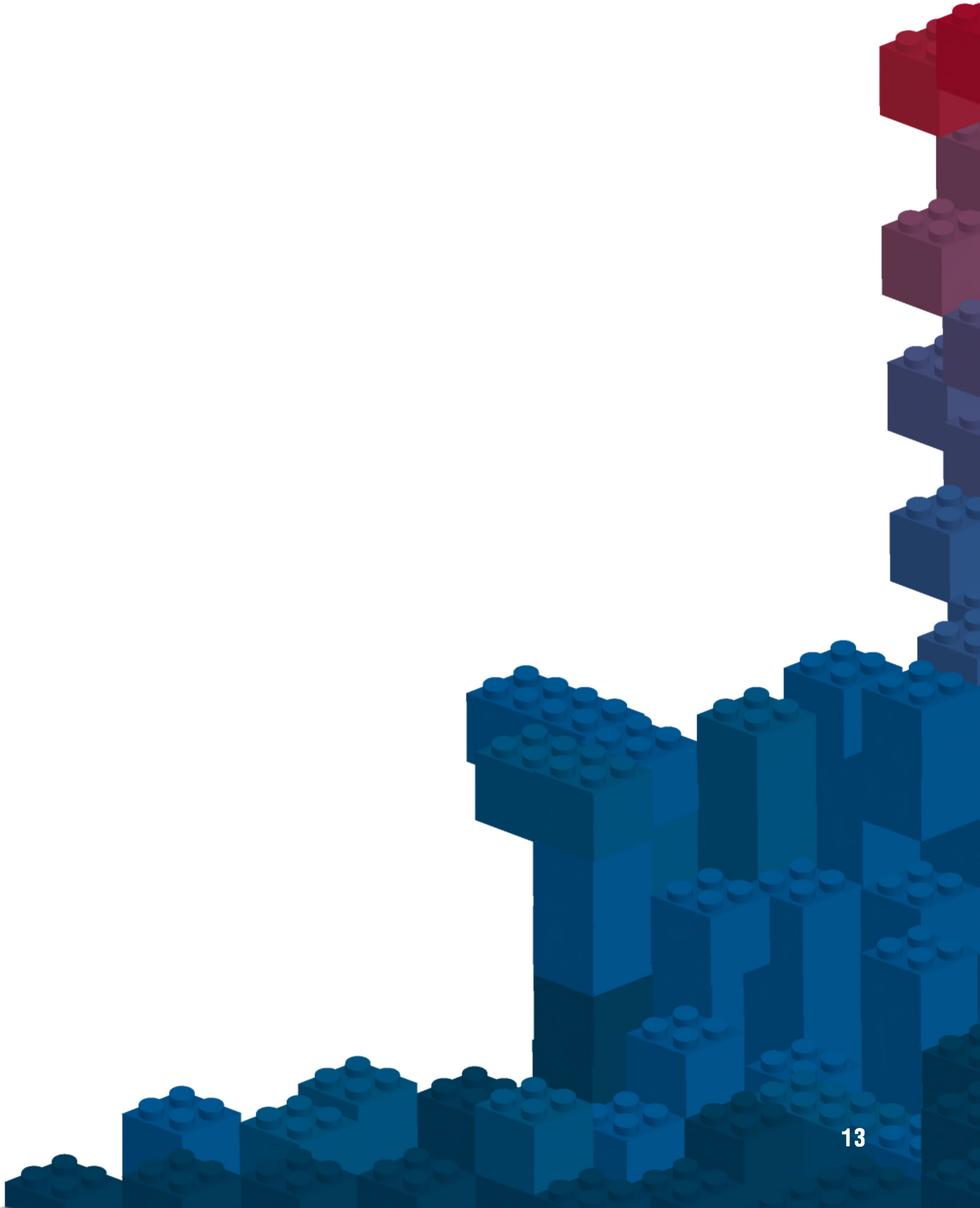
2023
CHALLENGE ACCEPTED!

- Rational approach to resources
- Efficient financial management
- Resistance to geopolitical fluctuations

2024
HARD TIMES, STRONG RUSSNEFT

- Structural transformation in operations launched: decision to implement AI technologies
- Economic efficiency boosted by the implementation of innovative technologies and lean principles

1.2. STATEMENT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



1.2. STATEMENT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

Closing the year 2024, RussNeft has yet again demonstrated higher business efficiency, despite the pressure from ongoing sanctions and trade restrictions. Over the reporting year, we pushed our EBITDA up 10%, while reducing debt by a quarter.

In a major milestone, 2024 saw the start of commercial development of our strategically important asset, the Vostochno-Kamennoye field, which yielded its first 179,000 tonnes of oil this year.

Through improvements in technological capabilities, we have been increasing the proportion of oil extracted from hard-to-recover reserves, growing our AB1C1+B2C2 reserves to 236 million tonnes.

We have remained committed to our green initiatives. In line with the climate action agenda, we have developed a pilot APG power generation project for the Tagrinskoye field. Next year, we expect to verify and validate the climate action project, in preparation for its registration with the government authorities.

Ahead of us lies a new era of business optimisation, driven by the use of artificial intelligence in operations. I am convinced that our team is up to this challenge and will succeed in bringing our ambitious corporate vision to life. It is our intellectual capital that gives us an upper hand in addressing the trickiest of tasks and overcoming obstacles. Tempered by hardship, we are only becoming stronger!

Viktor Martynov
Chairman of the Board of Directors

1.3. STRATEGY

STRATEGY AND OBJECTIVES 2024

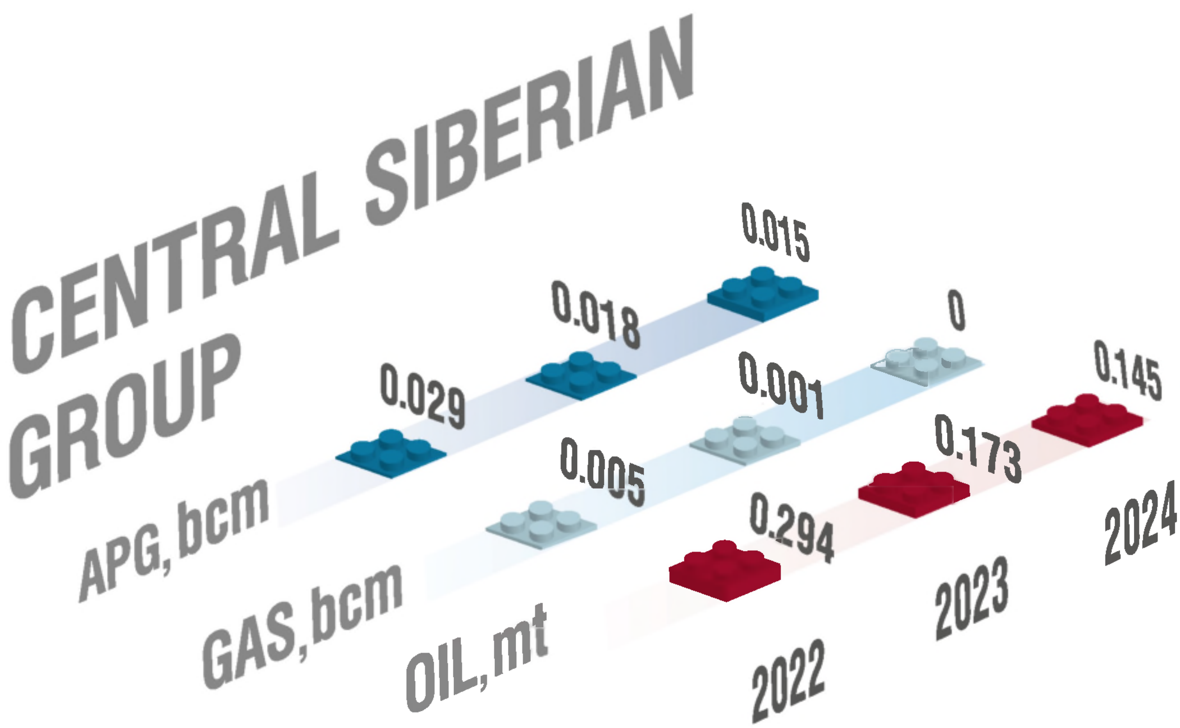
OUR STRATEGY IS TO MONETISE OUR RESERVES EFFICIENTLY, WHILE INTEGRATING THE ESG AGENDA INTO BUSINESS PROCESSES AND PROTECTING NATURE. IN ORDER TO ACHIEVE THIS TARGET, WE ARE FOCUSING ON:

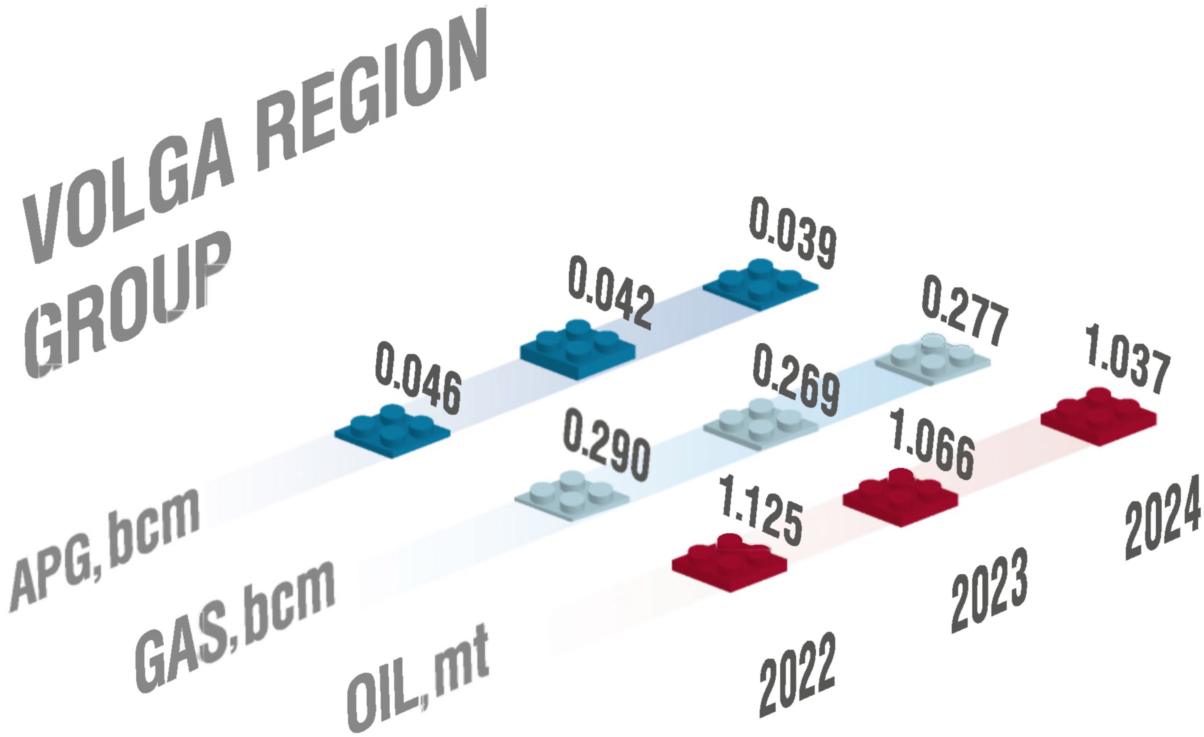
- STIMULATION OF OIL PRODUCTION USING INNOVATIONS TO ENHANCE OIL RECOVERY
- DEVELOPMENT OF THE ABUNDANT 3P RESERVES
- COMMENCEMENT OF DEVELOPMENT OPERATIONS ON THE VOSTOCHNO-KAMENNOYE FIELD
- GEOGRAPHICAL RESTRUCTURING OF OUR OIL EXPORTS IN LINE WITH RUSSIA'S CURRENT FOREIGN TRADE STRATEGY PRIORITISING INDIA AND CHINA
- GRADUAL SUBSTITUTION OF IMPORTED EQUIPMENT AND SOFTWARE USED IN THE COMPANY'S OPERATIONS WITH ALTERNATIVE SOLUTIONS MADE IN RUSSIA
- ENVIRONMENTAL FOOTPRINT REDUCTION
- IMPROVEMENT OF WORKING AND LIVING CONDITIONS FOR LOCAL COMMUNITIES; IMPLEMENTATION OF SOCIAL INITIATIVES.

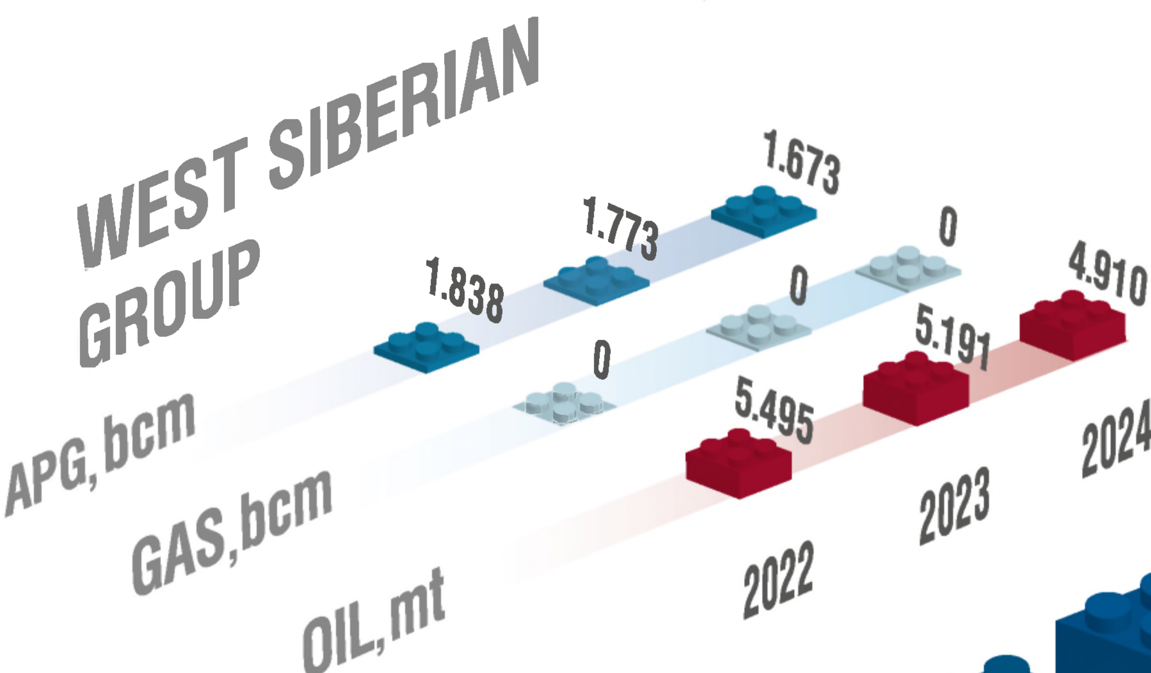
In the face of highly volatile energy markets and the changing nature of competition in the industry, we are focusing on both maintaining our base production in the period ahead, and the potential to increase oil production in the long term.
Thus, our strategy is designed to ensure our long-term sustainable development and successful adaptation to changing market conditions.

1.4. PERFORMANCE

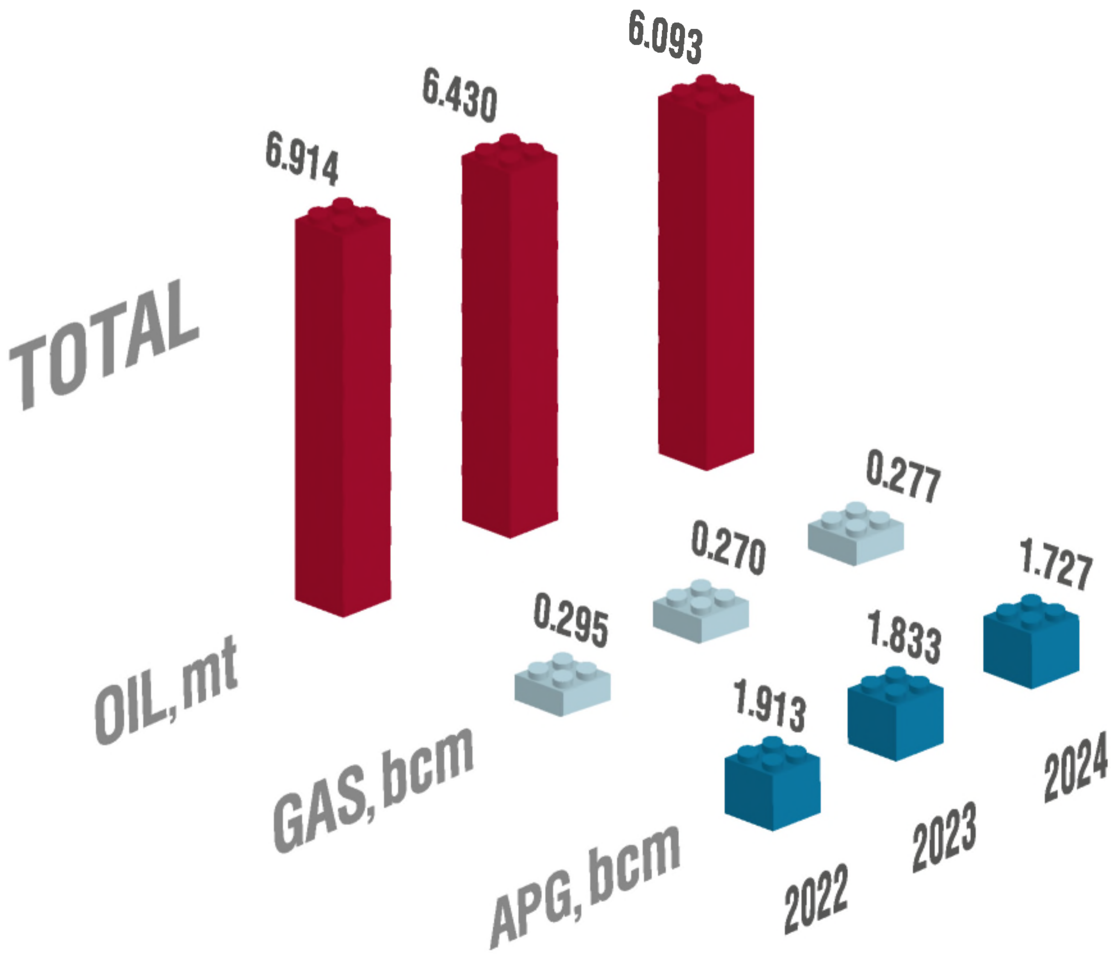
IN 2024, THE COMPANY PRODUCED 6.093 MT OF CRUDE OIL, 0.277 BCM OF NATURAL GAS, AND 1.727 BCM OF APG FROM 91 PRODUCING FIELDS.

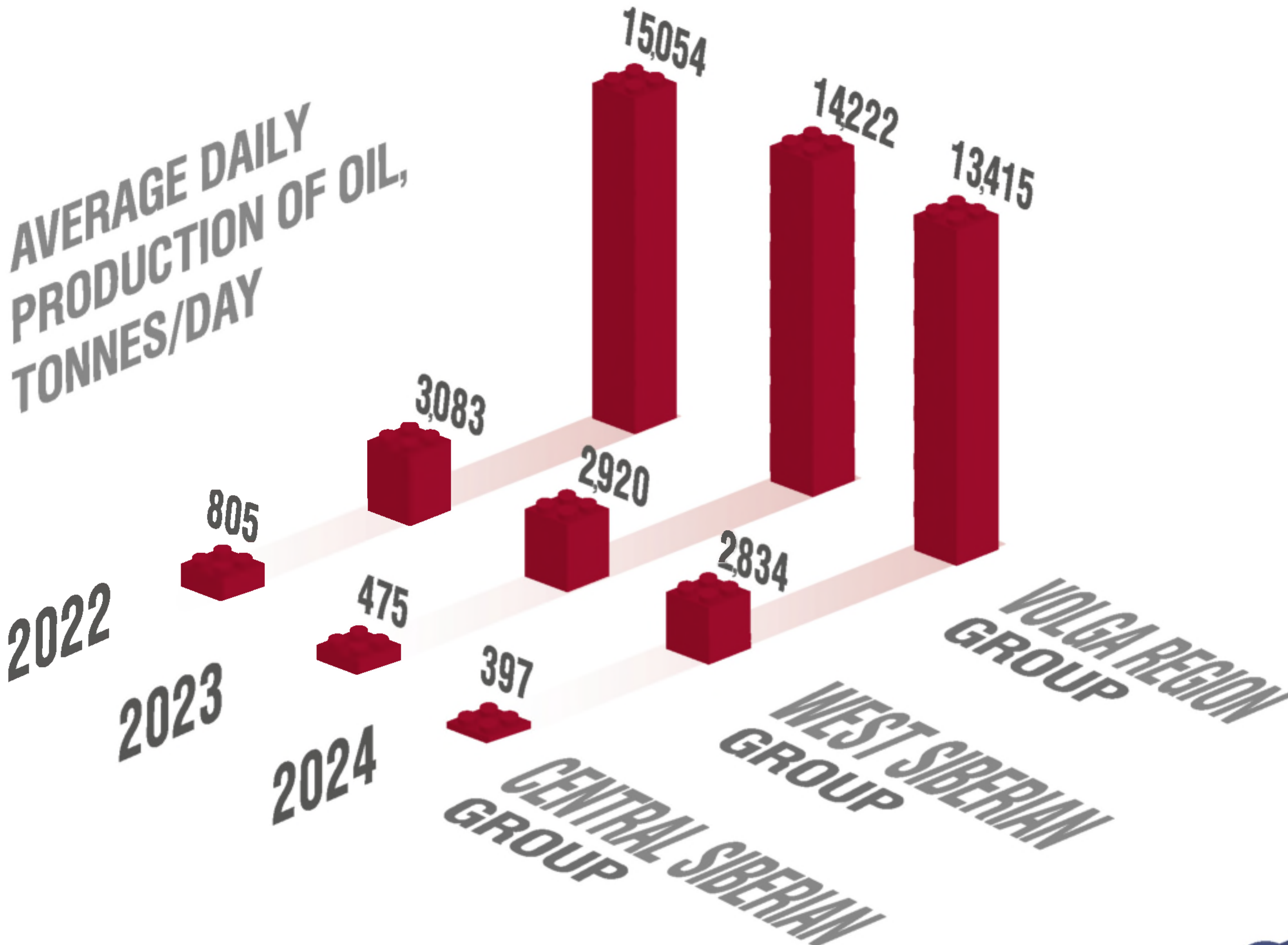



VOLGA REGION GROUP
APG, bcm
GAS, bcm
OIL, mt
0.046
0.042
0.039
0.290
0.269
0.277
1.125
1.066
1.037
2022
2023
2024


WEST SIBERIAN GROUP
APG, bcm
GAS, bcm
OIL, mt
1.838
1.773
1.673
0
0
0
5.495
5.191
4.910
2022
2023
2024

1.4. PERFORMANCE




AVERAGE DAILY PRODUCTION OF OIL, TONNES/DAY
15,054
14,222
13,415
3,083
2,920
2,834
805
475
397
2022
2023
2024
VOLGA REGION GROUP
WEST SIBERIAN GROUP
CENTRAL SIBERIAN GROUP

1.5. BUSINESS MODEL

RUSSNEFT OPERATES IN THE UPSTREAM SEGMENT, MEANING FIELD PROSPECTING AND DEVELOPMENT, CRUDE OIL PRODUCTION, AND SALE OF HYDROCARBONS. WE AIM TO MAINTAIN OUR EXISTING PRODUCTION RATE WHILE INCREASING PRODUCTION VOLUME OVER THE MID-TERM HORIZON.

DRIVEN BY TODAY'S MACRO ENVIRONMENT, WE DIVERSIFY OUR RISKS BY INVESTING IN PROJECTS WITH HIGH RETURNS ON INVESTED CAPITAL, PRODUCE GREATER QUANTITIES OF HIGH-MARGIN OIL, REDUCE COSTS BY APPLYING STATE-OF-THE-ART TECHNOLOGIES AND EFFICIENT TECHNICAL AND ECONOMIC SOLUTIONS, AND INTRODUCE TECHNOLOGIES TO ENHANCE OIL RECOVERY AND REDUCE OUR ENVIRONMENTAL FOOTPRINT, WITH THE FOCUS ON SUSTAINABLE DEVELOPMENT AND CORPORATE AND PUBLIC SOCIAL RESPONSIBILITY.

1.5. BUSINESS MODEL


РН
РН
РН
РН
РуссНефть

COHERENCE OF RUSSNEFT'S GOALS WITH THE SUSTAINABLE DEVELOPMENT GOALS OF THE UN 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

In our care for the environment, we have been implementing the climate agenda with due regard of Russia's Energy Strategy for the period up to 2035 and the goals of the Paris Agreement. RussNeft's 2024 Development Strategy, covering all facets of our operations, including environmental, social, and economic (including corporate) aspects, aims to ensure sustainable production, minimise our environmental footprint, and preserve the environment for future generations. We are strongly committed to the majority of the UN Goals.

GOAL 3

Ensure healthy lives and promote well-being for all at all ages.

GOAL 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

GOAL 6

Ensure access availability and sustainable management of water and sanitation for all.

GOAL 7

Ensure access to affordable, reliable, sustainable and modern energy for all.

GOAL 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

GOAL 12

Ensure sustainable consumption and production patterns.

GOAL 13

Take urgent action to combat climate change and its impacts.

GOAL 14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

GOAL 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

GOAL 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

1.6. PRESIDENT'S STATEMENT

HARD TIMES, STRONG RUSSNEFT

Dear Shareholders,

In 2024, the global oil market faced turbulence and volatility arising out of geopolitical conflicts, OPEC+ production cuts, sanctions against Russia, the US elections, and natural disasters.

Despite all this, the Russian oil industry and our Company have built up strong immunity to sanctions and succeeded in overcoming these unprecedented challenges, while continuing to strengthen technological self-sufficiency and financial efficiency. I see this as our greatest accomplishment over the reporting year.

In 2024, amid the whirlpool of sanctions, RussNeft's Vostochno-Kamennoye project, a uniquely complicated greenfield development, moved to a phase of active commercial operation. Over the reporting year, we constructed 37 wells, as well as commissioned the first line of the oil treatment facility and certain other crucial infrastructure units. We made tremendous progress in the geological study of the field, thanks in particular to the effective interpretation of seismic survey data. We have achieved a great deal — and we are still going strong.

In infrastructure projects, further priorities in our capital expenditure programme:

– the Nizhnevartovsk Branch upgraded its oil transportation and power supply infrastructure.
– the Saratov Branch embarked on a pipeline system upgrade project.

The Ulyanovsk Branch resumed its drilling programme, demonstrating impressive performance at regional level. The Tomsk Branch reduced its operating expenses, which boosted the oil production margin.

In spite of its massive capital expenditure programme, the Company reduced its debt to the main creditor by almost 25%, while achieving an EBITDA of RUB 71 billion.

We have entered the new technological era; this realisation has inspired a conceptual debate within our Company, bringing us to the conclusion that, in the year ahead, we must make artificial intelligence a part of our production cycle. We believe that this will support higher oil output and a solid EBITDA.

I am convinced that what we have been able to achieve in the reporting year is going to create a ripple effect in the immediate future. May these trying times and hardships make us even stronger!

1.7. MANAGEMENT

1.7. MANAGEMENT

MANAGEMENT AS AT 31 DECEMBER 2024

EVGENY TOLOCHEK

PRESIDENT

9+ YEARS WITH THE COMPANY

OLGA PROZOROVSKAYA

SENIOR VICE-PRESIDENT FOR ECONOMICS AND FINANCE

21+ YEARS WITH THE COMPANY

ANDREY DOKHLOV

VICE-PRESIDENT FOR ECONOMICS AND BUDGETING

22+ YEARS WITH THE COMPANY

KONSTANTIN YUDIN

VICE-PRESIDENT FOR SECURITY

MORE THAN ONE YEAR WITH THE COMPANY

DMITRY ROMANOV

VICE-PRESIDENT FOR CORPORATE RELATIONS

21+ YEARS WITH THE COMPANY

EVGENY PITSYURA

VICE-PRESIDENT FOR GEOLOGY & DEVELOPMENT

4+ YEARS WITH THE COMPANY

1.7. MANAGEMENT

MANAGEMENT AS AT 31 DECEMBER 2024

ALEXANDER MALYSHEV

VICE-PRESIDENT FOR OIL AND GAS PRODUCTION

8+ YEARS WITH THE COMPANY

MAGOMED-ALI YEVLOEV

VICE-PRESIDENT FOR COMMERCE

16+ YEARS WITH THE COMPANY

ALEXANDER PERMYAKOV

VICE-PRESIDENT FOR CAPITAL CONSTRUCTION

8+ YEARS WITH THE COMPANY

ELENA MAKAROVA

VICE-PRESIDENT FOR PUBLIC RELATIONS AND FOREIGN BUSINESS

20+ YEARS WITH THE COMPANY

DAVID AVALISHVILI

VICE-PRESIDENT, HEAD OF PROSPECTIVE PROJECTS AND SERVICES

20+ YEARS WITH THE COMPANY

TATYANA SEMERIKOVA

CHIEF ACCOUNTANT

20+ YEARS WITH THE COMPANY

CHAPTER 2
PERFORMANCE

STAYING ON TARGET AGAINST ALL THE ODDS

Everyone thought that Patillo Higgins, a lumber merchant and a self-taught mechanic, was something of a lunatic. From the early 1890s, he had pushed the idea that there was oil to be found near a small south-eastern Texas town of Beaumont. He would invite industry experts to survey Spindletop, a salt dome beneath which he believed the oil was located, all of whom would ridicule him. In 1898, the Texas Geological Society went so far as to publish an article warning the public against investing in Higgin's crazy dream of oil-bearing Beaumont.

But Higgins did not give up. He invested the last of his money to hire Captain Anthony Lucas, a prospector with extensive experience in drilling for salt and sulphur in quicksand. In autumn 1900, they struck oil. What had been an object of ridicule in the professional community was now spewing fifty barrels of oil a day. A year later, Lucas 1 well erupted, which produced 75,000 barrels a day and marked the beginning of the Texas Oil Boom.

For over a century, the tale of Lucas and Higgins has been there to give moral support to the oil industry, especially in times of hardship. It teaches us to stay true to our goals, navigating the unknown and uncertainty, and to never give up, even when everyone doubts your ambitions. There will be no better time than the present for the industry to embrace these values.

2.1 INDUSTRY

2024 has been a year of slowdown in economic growth across the largest economies, geopolitical conflicts, and unprecedented sanction pressure on Russia. These forces made 2024 a challenging year for the global oil market. The question is what happens next. New shocks are to be expected as Donald Trump returns to the White House, bringing the risks of territorial ambitions, uncertainty in policies towards China and Ukraine, and heightened tensions in the Middle East. Speculative behaviour, which is always a factor in the oil market, adds to the global economic uncertainty.

In 2024, OPEC+ made an effort to phase out the oil production cuts they voluntarily put in place in 2023. Russia, Iraq, and Kazakhstan exceeded production limits and committed to compensate for the overproduction. Last December, OPEC+ extended the current cuts until the end of 2026. Some members also agreed to extend the additional voluntary adjustments of 1.65 million barrels per day for the same period. Additional cuts of 2.2 million barrels per day are not expected to be phased out until April 2025. What is important is that OPEC+ has been kerbing its output in the face of growing demand, losing market share to rival producers who benefited from the group's strategy. According to IEA, over the nine years after the OPEC+ agreement, its market share slipped 12 pp to 46%.

The IEA expects "global oil supply to increase by 630,000 barrels per day in 2024 to reach 102.9 million barrels per day." For 2025, the global oil supply is projected to rise to 104.84 million barrels per day.

In its December report, OPEC forecasts 2024 non-OPEC oil production to reach 53.1 million barrels per day, with the majority of this growth coming from the U.S., Canada, Argentina, and China. In 2025, non-OPEC oil supply is anticipated to grow by 1.11 million barrels per day to 54.2 million barrels per day, with main growth drivers being the U.S., Brazil, Canada, and Norway.

Discussing prospects for global oil demand, Russian Deputy Prime Minister Alexander Novak noted that Russia anticipates the demand to maintain its momentum in 2025, adding that "the situation has been stable so far… Generally, we see that this year (editor's note: 2024) global demand grew by 1.2 million barrels per day to reach 104.4 million barrels per day. We expect growth to remain stable at 1–1.5 million barrels per day next year (editor's note: 2025)."

The IEA agrees with Novak's forecast, predicting that oil demand will grow by 1.055 million barrels per day, driven by an economic bounce-back across the developed world, thanks in particular to slipping oil prices. More than half of the demand growth will be covered by China, Brazil, and India.

In January, the U.S. imposed new sanctions targeting more than 200 companies and individuals, as well as over 180 oil tankers servicing the Russian energy sector. The U.S. Treasury designated, among others, Russian oil majors Gazprom Neft and Surgutneftegaz, more than thirty oil traders and oilfield service providers, and maritime insurance providers Ingosstrakh Insurance Company and AlfaStrakhovanie Group. This sweeping action is the toughest measure imposed by the U.S. government against the Russian oil and gas industry since the oil embargo and price cap on Russian oil and oil products were introduced.

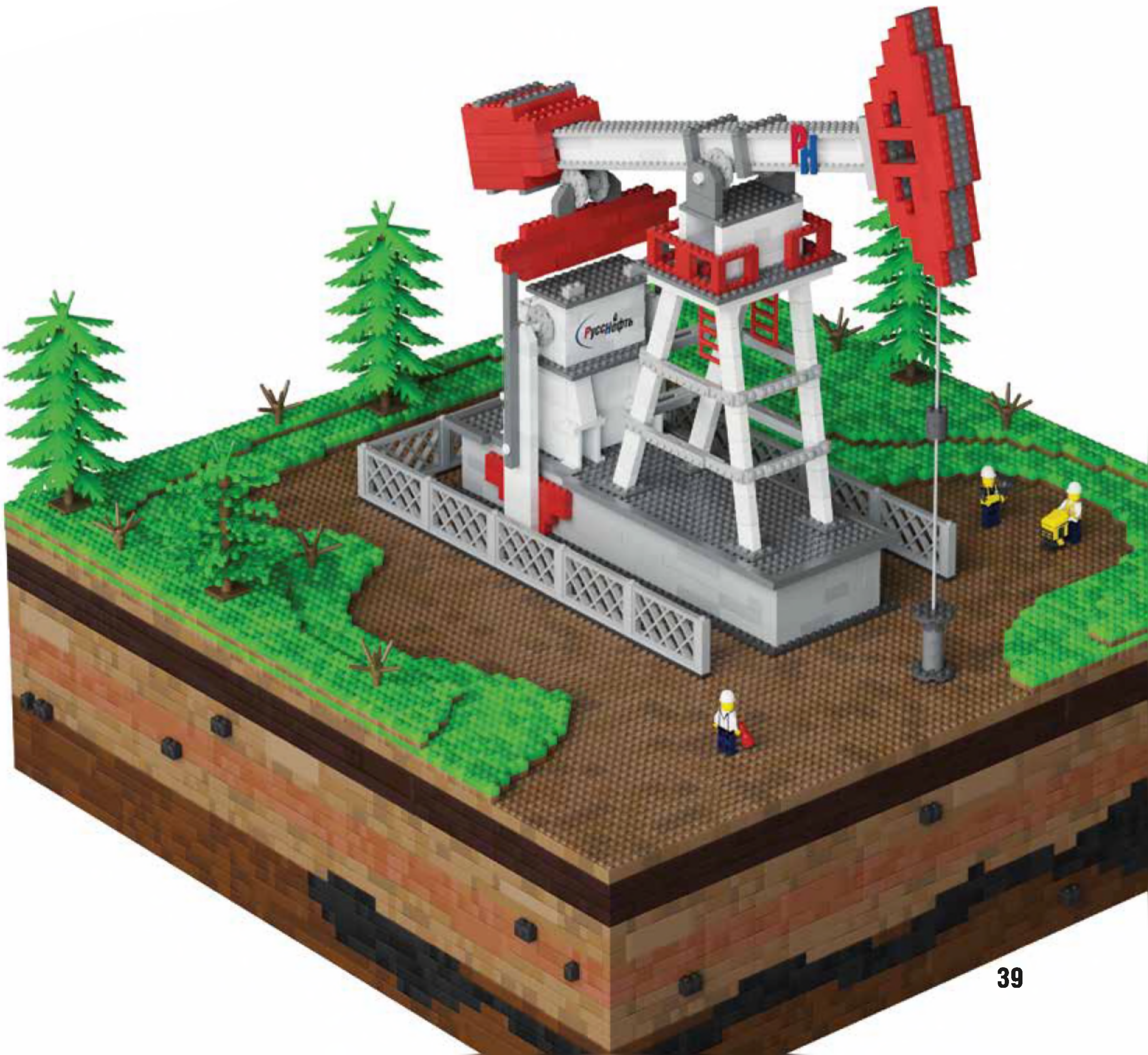
Yet the global oil market remained relatively calm as the new restrictions landed, probably in anticipation of new ways to circumvent them. Clearly, over the years the market has been able to build up a certain immunity to sanctions.

Thus in 2025 trends in the oil market are more likely to be determined by OPEC+ policies, the demand coming from China, and the geopolitical developments in the Middle East. Ivan Timonin, an expert with Implementa, believes that “taking into account the OPEC+ decision and current expectations with respect to the market balance in the years ahead, in 2025 the price is likely to stabilise around USD 70–80 per barrel.” Alexey Belogoryev, an expert with the Institute for Energy and Finance, predicts that the price may even go down to USD 75–78. “The scenarios with a much more drastic downturn in prices are also quite realistic; the most pessimistic prediction would be an average price around USD 65,” Mr Belogoryev says.

According to OPEC estimates, in 2024 Russian oil output totalled 9.167 million barrels per day, down 407,000 barrels per day year-on-year.

Oil and condensate output was down 2.7% year-on-year to 516 million tonnes. Oil exports reached 240 million tonnes, increasing 2.43% year-on-year.

In his op-ed for Energeticheskaya Politika (Energy Policy) magazine, Alexander Novak argues that the fuel and energy sector has remained the cornerstone of Russian industry and a major draw for investment. The segment accounted for roughly 20% of the Russian GDP, while investment inflow reached RUB 10.5 trillion.



In the reporting year, RussNeft produced 6.093 million tonnes of oil, and 2.004 billion cubic metres of gas, which includes 277.2 million cubic metres of natural gas. APG utilisation rate amounted to 97.05%.

As at 1 January 2025, the AB1C1+B2C2 liquid hydrocarbon reserves were 632.3 million tonnes, up 10 million tonnes year-on-year. The reserve replacement rate reached 171%. The Company added another 5.6 million tonnes to its hard-to-recover reserves, bringing them to a total of 236 million tonnes.

As part of the Tagrinskoye field geological survey, the Company has obtained the usage rights to the Koltogorsky 4 licensed area, which borders the north-eastern side of the Tagrinskoye licensed area. The exploration programme is targeting the Achimov formation.

In 2024, RussNeft launched commercial development of the Vostochno-Kamennoye field, where it had been implementing an extensive production drilling programme within the boundaries of the Vikulovo suite. We continued our efforts to build a 3D seismic model, which would increase drilling efficiency. Over the reporting year, the Vostochno-Kamennoye field yielded over 178,800 tonnes of oil.

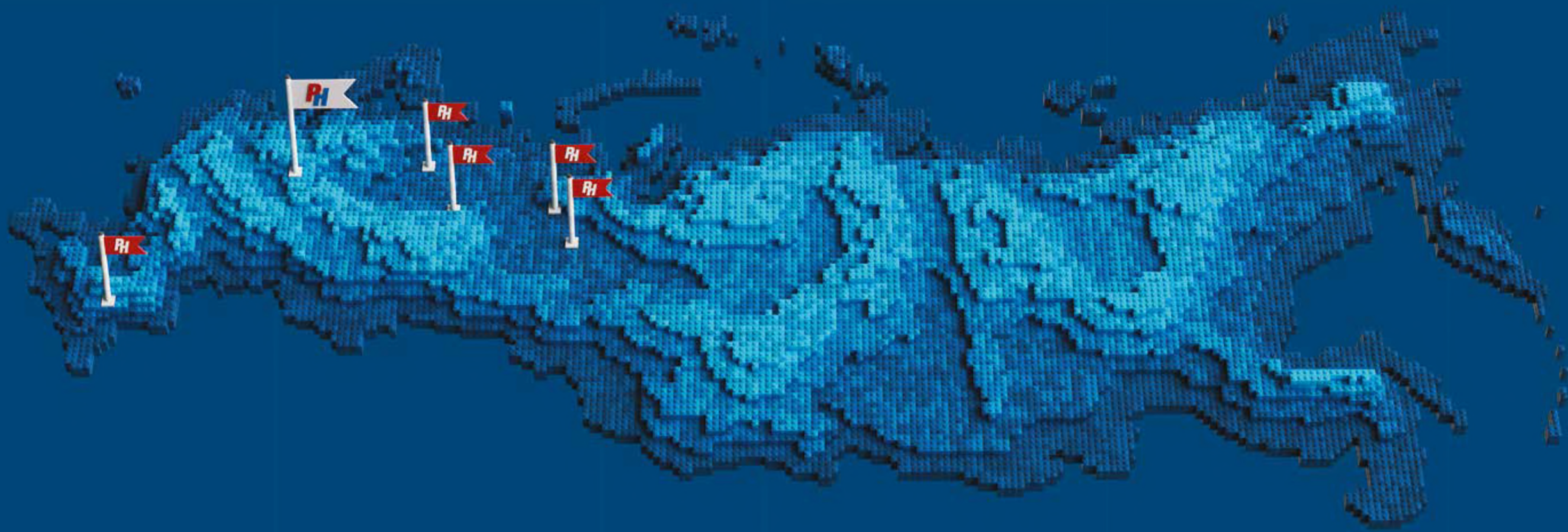
In 2024, we commissioned 119 new wells, including 35 wells in the Vostochno-Kamennoye field.

As part of its capital construction programme, RussNeft built 92 km of oil and gas gathering pipelines, 14 km of on-site roads, 13 pads, and more than 42 km of power transmission lines.

In 2025, the Company plans to achieve the production target of 6.177 million tonnes of oil, in particular, by increasing production at the Vostochno-Kamennoye field, its leading greenfield.

2.2. ASSETS OVERVIEW. RESERVES

ASSETS OVERVIEW 2024



2.3. DEVELOPMENT AND PRODUCTION

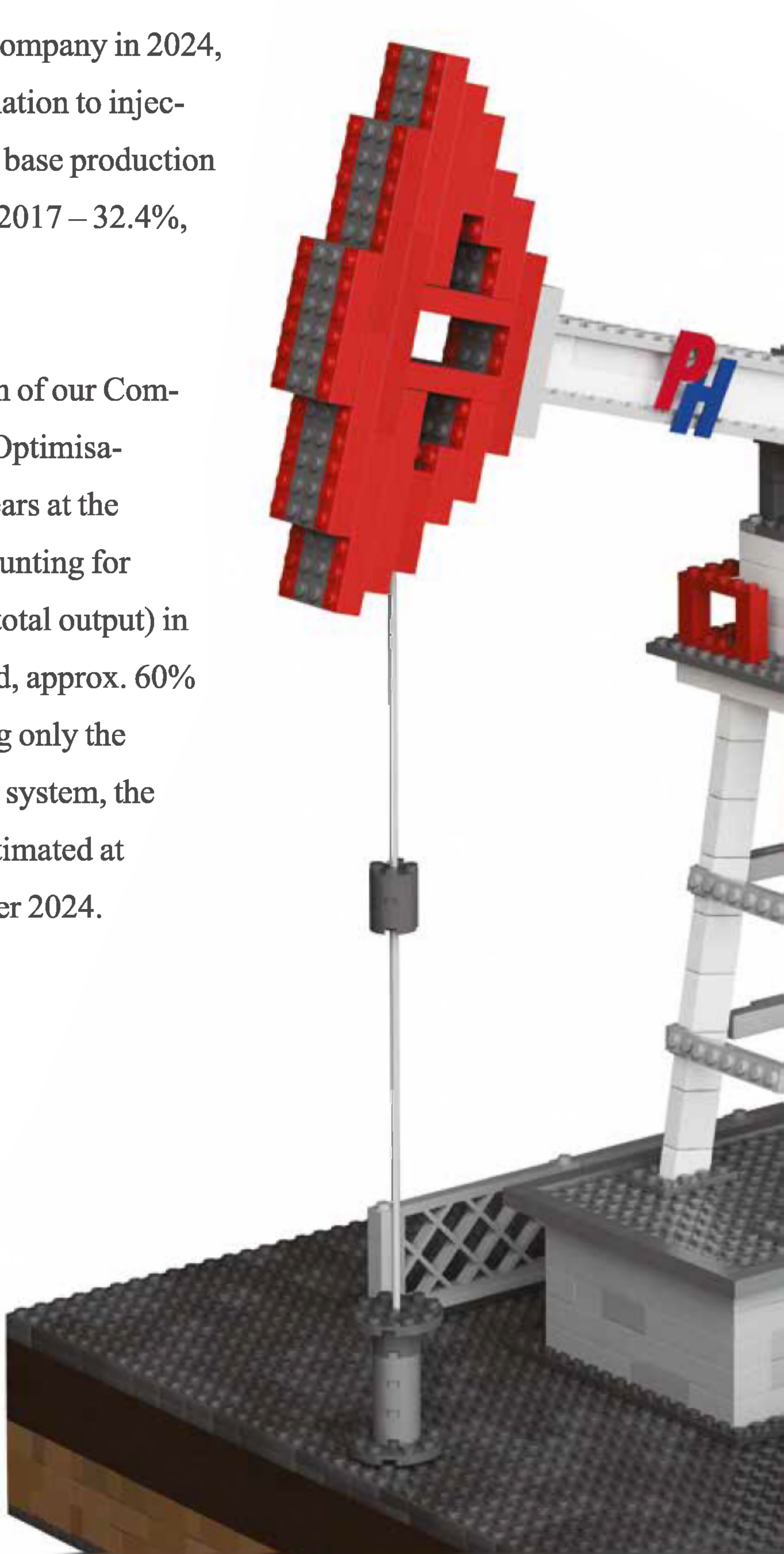
OUR FIELD DEVELOPMENT STRATEGY IS FOCUSED ON GROWING OUR RESOURCE BASE AND STABILISING OUR HYDROCARBON OUTPUT. TO ACHIEVE THESE GOALS, WE

- IMPLEMENT EXPLORATION PROGRAMMES, INCLUDING GREENFIELD EXPLORATION (GE)
- MONITOR OUR MINERAL RESERVES AND MAKE INORGANIC ACQUISITIONS
- LOOK FOR THE BEST ENGINEERING SOLUTIONS TO LAUNCH AND DEVELOP LOW-MARGIN FIELDS AND DRAFT STATEMENTS OF ELIGIBILITY FOR GOVERNMENT INCENTIVES, SUCH AS LOWER TAX BURDEN
- DRILLING AREAS BASED ON ACTUAL GEOLOGICAL DATA AND WELL PERFORMANCE PROFILES
- INTRODUCE INNOVATIONS TO STIMULATE OIL PRODUCTION AND ENHANCE OIL RECOVERY
- REDUCE THE BASE PRODUCTION DECLINE RATE, INCLUDING OPTIMISATION OF THE FORMATION PRESSURE MAINTENANCE SYSTEM

BASE PRODUCTION

Further measures taken by the Company in 2024, including 206 stimulations in relation to injection wells, slowed the decline in base production to eight-year low of 21.9% (cf.: 2017 – 32.4%, 2023 – 24.2%)

As a result of the implementation of our Comprehensive Field Development Optimisation System over the past five years at the Ach-Nizhny deposit (alone accounting for approx. 25% of the Company's total output) in the Verkhne-Shapshinskoye field, approx. 60% of oil is currently produced using only the formation pressure maintenance system, the cumulative effect of which is estimated at 3.3 million tonnes as at December 2024.

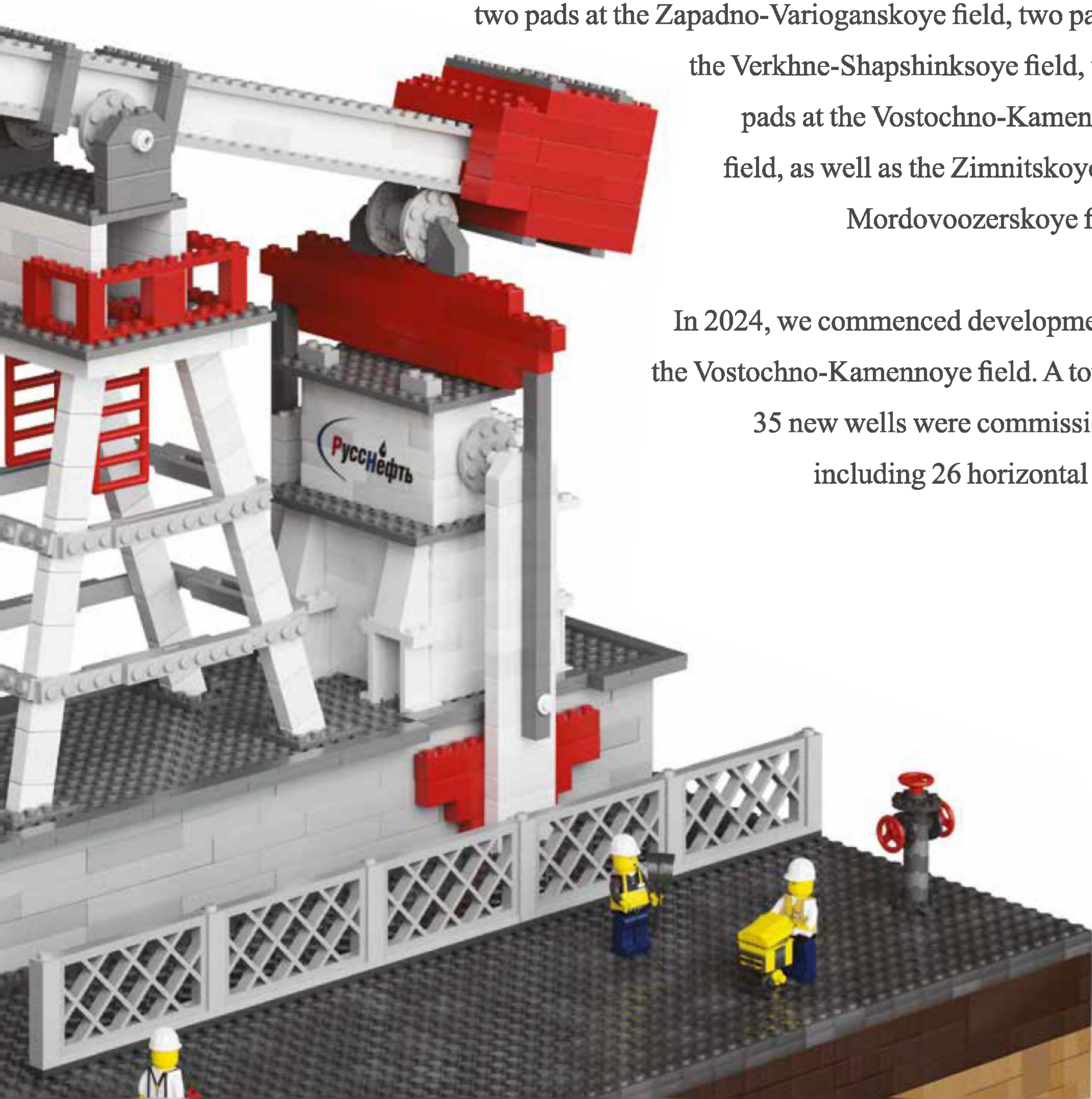


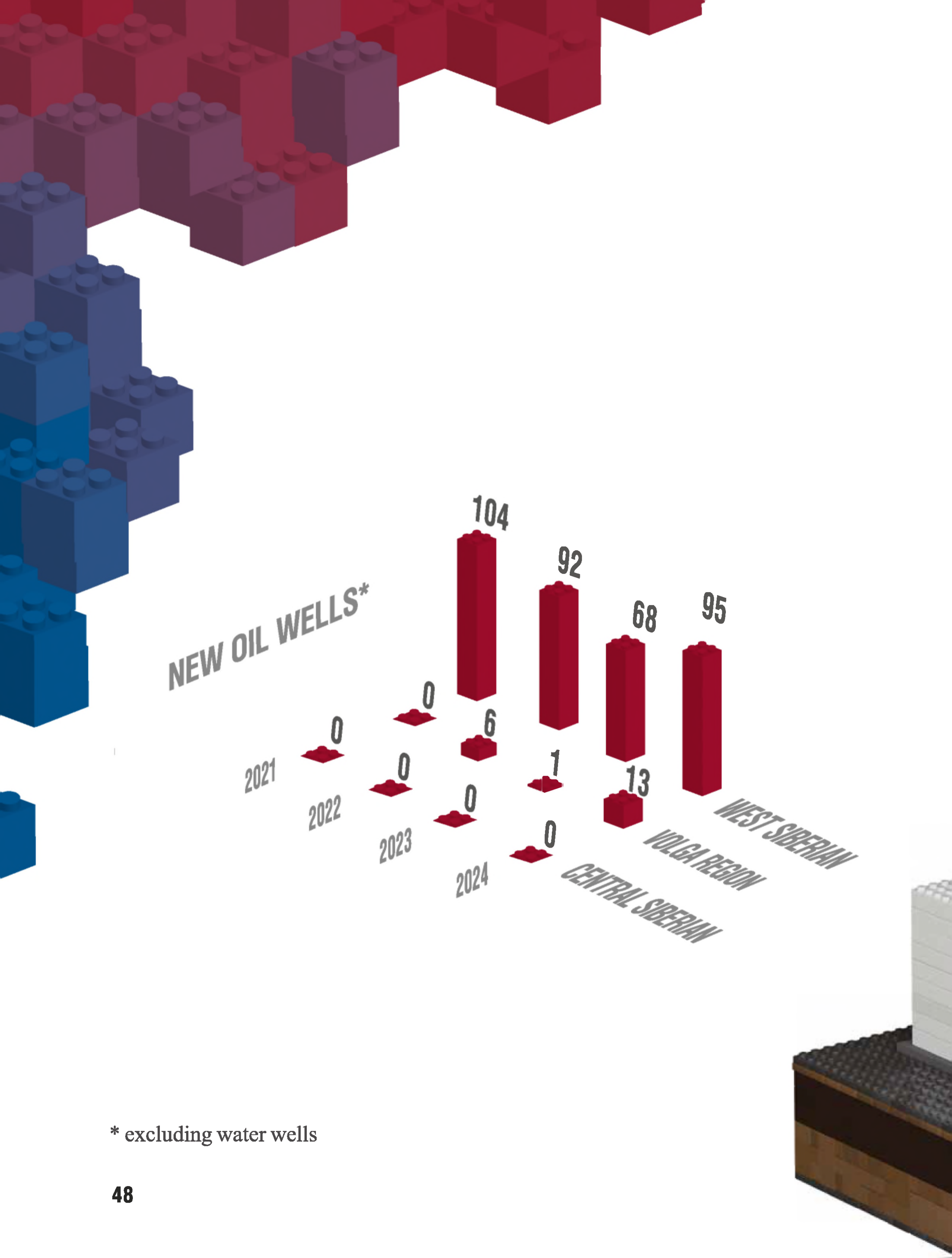
DRILLING

We build many new wells to access untapped reserves. By the end of 2024, 108 oil wells were commissioned, 82 of these being horizontal ones with multi-stage hydraulic fracturing (MSHF).

Drilling operations covered six pads at the Tagrinskoye field, two pads at the Zapadno-Varioganskoye field, two pads at the Verkhne-Shapshinksoye field, three pads at the Vostochno-Kamennoye field, as well as the Zimnitskoye and Mordovoozerskoye fields.

In 2024, we commenced development of the Vostochno-Kamennoye field. A total of 35 new wells were commissioned, including 26 horizontal ones.





* excluding water wells


РуссНефть

FUTURE PROJECTS

In response to negative external factors that affected the oil market in 2024, the Company focused on maximising marginal production while reducing subeconomic production, optimising costs, including through production cost reductions, and increasing the share of reserves under preferential tax treatment in our pipeline.

Given the realities of the market, RussNeft's strategy is to tread carefully, while still moving forward. In our long-term forecast, we assume that annual oil production will remain stable at around 6.0–6.8 million tonnes over the next ten years.

WE FOCUS ON THE FOLLOWING KEY AREAS FOR OUR STRATEGIC DEVELOPMENT:

- *Maintenance of brownfield crude oil production at current levels using efficient drilling techniques, sidetracking and well interventions, and better formation pressure maintenance.*
- *Use of state-of-the-art technologies to develop hard-to-recover reserves, capitalising on our experience in high-volume and multi-stage hydraulic fracturing projects designed to improve well productivity.*
- *Efficient use of state-of-the-art technologies to boost output.*
- *Active development of (high-margin) reserves of the **Tagrinskoye, Verkhne-Shapshinskoye, Sredne-Shapshinskoye, and Zapadno-Varioganskoye** fields under preferential tax treatment*
- *Further implementation of a major project for commencing development of the **Vostochno-Kamennoye** field with its more than 46 million tonnes of recoverable reserves, including 39 million tonnes of reserves under preferential tax treatment, providing for an annual production increase from 178,800 tonnes to 1.1 million tonnes after commissioning of 243 new exploration wells*
- *Further drilling at the target assets of **the Volga Region Group (Ulyanovsk Branch) – the Ravninnoye, Zimnitskoye, Mordovoozerskoye, and Rudnevskoye*** fields
- *Implementation of our greenfield exploration (GE) programme to expand development of 3P reserves across our fields and licensed areas (GE projects) while improving macro parameters*
- *Implementation of AI to enhance engineering efficiency and streamline business processes. Using AI, the Company can potentially unlock massive benefits for more accurate drilling and geological interpretations or risk-assessment, which will make project management more precise and predictable. In terms of business and administrative processes, AI approaches support workflow automation and business processes digitalisation, which materially speeds-up routine operations and improves the accuracy of decision-making*
- *Supply of gas from the mothballed gas deposit in the Irinovskoye field of the Saratov block to energy-generating companies that further use it to power cryptocurrency mining*
- *Further screening of potential inorganic acquisitions in regions of interest to RussNeft*

GREENFIELD EXPLORATION

Every year, in addition to development drilling of our licensed greenfields, we implement an intensive GE programme. This covers geological surveying, exploration / additional exploration using CDP-3D/2D seismic surveys, and prospecting and appraisal / exploration drilling.

For further brownfield exploration, in the 2023–24 surveying season we carried out CDP-3D seismic surveys in the Vodorazdelny licensed area to determine structural features of the productive deposits in the Vostochno-Kamennoye field and obtain a detailed geological structure of the Tyumen and Vikulovo suites.

Surveys allow the Company to verify the geological structure of productive deposits, determine tectonic features of the respective areas, and update the reserve structure to ultimately increase the volume of development drilling and improve well construction efficiency.

The Khantymansiysko-Frolovsky subsoil plot is scheduled for a CDP-3D seismic survey in the medium term to study the pre-Jurassic section of the crystalline basement. We also plan to drill a prospecting and appraisal well in the Zapadno-Sobolinaya structure of the Soboliniy licensed area in the Tomsk Region to build up our reserve base from the Upper Jurassic and Neocomian deposits.

In 2024, we had the limits of the Bairsky subsoil plot in Kalmykia and the Belokamennoye field in the Volgograd Region redefined. As a result, the Company added 1.9 million tonnes to its recoverable oil reserves.

IN THE MEDIUM TERM, WE WILL BUILD UP OUR RESERVE BASE MOSTLY THROUGH:

- **UPDATING OUR EX ISTING RESERVES (VERIFYING AND EXPANDING DEPOSIT BOUNDARIES, IDENTIFYING AND EXPLORING DEPOSITS WHICH WERE OVERLOOKED BEFORE)**
- **ADDING NEW DEPOSITS THROUGH PROSPECTING AND APPRAISAL OPERATIONS UNDER THE GE PROGRAMME**
- **NON-ORGANIC GROWTH THROUGH ACQUISITIONS AND ADDITIONS TO EXISTING LICENSED AREAS FROM OUTSIDE THE USRF**

BROWNFIELDS

VERKHNE-SHAPSHINSKOYE FIELD

The oil-bearing capacity of the Verkhne-Shapshinskoye field is proven in the Neocomian deposits and the Bazhenov suite. The reserves of this low-permeable deposit qualify for substantial benefits in terms of mineral tax treatment.
Development drilling carried out on the Verkhne-Shapshinskoye field in 2024 showed a 1,200 tonne increase in its oil reserves.
The Koltogorsky 4 licensed area is scheduled for a CDP-3D seismic survey in the 2025–26 surveying season. The plan is to cover 226 sq km for geological exploration of the Tagrinsky mega-scale formation.
In addition to deposits in Tyumen reservoirs, a hard-to-recover deposit is Novosardakovskaya, a Vasyugan deposit which is eligible for MET benefits with a Kd coefficient of 0.2.
In 2025, we plan to drill nine more wells, including seven horizontal ones with multi-stage hydraulic fracturing.
In 2024, six wells were commissioned into Achimov deposits, including five horizontal ones with multistage hydraulic fracturing.
We also actively develop non-producing reserves of the AS12 group, which also enjoy preferential tax treatment. The plan for 2025 is to proceed with the implementation of this programme and commission 15 wells, including 12 horizontal ones with multi-stage hydraulic fracturing.

SREDNE-SHAPSHINSKOYE FIELD

The commercial oil-bearing capacity of the Sredne-Shapshinskoye field is proven in the Upper Neocomian deposits, the Achimov formation, and the Bazhenov suite.

We are continuing to actively expand our competencies in the commercial exploration of unconventional reserves of the Bazhenov suite to identify areas for further geological surveying and research of suitable methods for their development. A cross-disciplinary task-force consisting of leading geologists and developers has been formed within the production block. To cover analytical part of work, partnerships are built with industry players who have experience with the Bazhenov suite.

Within the next three years, the Company is planning to implement a number of experimental drilling and development programmes at the Bazhenov suite of the Sredne-Shapshinskoye field. The site for this purpose has already been identified, and the engineering feasibility study for the project successfully completed. The plan is to obtain all necessary authorisations to proceed to implementation of the drilling programme in 2026–27.

TAGRINSKOYE FIELD

The Tagrinskoye field remains our key project in terms of development of hard-to-recover reserves of the Achimov deposits using MSHF techniques. In 2024, 36 wells were commissioned, including 35 wells where horizontal drilling and multi-stage hydraulic fracturing were implemented.

In 2025, we will continue commercial development of the field's Achimov deposit and will commission 30 wells with horizontal drilling into it.

CDP-3D seismic surveys scheduled to be carried out in the 2024–25 surveying season on 245 sq km of the Tagrinsky licensed area flanks to further explore and survey them are currently underway. Based on the results, an integrated seismic model will be built showing a detailed tectonic structure of the flanks. This will enable us to determine their prospects for commercial development. The Koltogorsky 4 licensed area is scheduled for CDP-3D seismic surveys in the 2025-26 surveying season. The plan is to cover 210 sq km for additional exploration of the Tagrinskoye field.

ZAPADNO-VARIOGANSKOYE FIELD

The field is the third largest asset in the Company's structure by its resource potential (60.182 million tonnes). Hard-to-recover reserves account for 22%.

The reserves are concentrated in the Upper Cretaceous Achimov, Vasyugan, and Tyumen deposits. In addition to deposits in Tyumen reservoirs, a hard-to-recover deposit is Novosardakovskaya, a Vasyugan deposit which is eligible for MET benefits with a Kd coefficient of 0.2. The deposit holds a significant promise for increasing oil output at the field. In 2024, 11 horizontal wells were drilled there with another 11 wells, including nine horizontal ones with multi-stage hydraulic fracturing, planned for drilling in 2025.

GREENFIELDS

VOSTOCHNO-KAMENNOYE FIELD (VODORAZDELNY LICENSED AREA) MAJOR PROJECT

In 2021–22, as part of the experimental programme, five new prospecting wells were drilled at the field, including two horizontal ones. In four wells, core was sampled within the boundaries of productive sediments of the Vikulovo and Tyumen suites in order to study the permeability and porosity of the rocks and determine if these reserves are eligible for MET benefits with a Kd coefficient of 0.2. The State Commission for Reserves (Rosnedra) confirmed the eligibility in 2023, with a total of 39 million tonnes subject to preferential treatment.

For additional exploration of the Vodorazdelny licensed area, a CDP-3D seismic survey was completed in the 2023–24 surveying season on the left bank of the Ob river covering 160 sq km. Laboratory work is underway to build an integrated seismic model of the Vostochno-Kamennoye field based on this and earlier seismics.

A total of 35 wells, 26 of these being horizontal ones, were commissioned in 2024.

In 2025, 46 wells, including 37 horizontal ones, are scheduled for commissioning on four well pads, with their total yield forecast at 260,100 tonnes.

KHANTY-MANSI FIELD

We processed and interpreted data from an earlier 2D seismic survey to identify areas for further study and a detailed 3D seismic survey in the 2025–26 surveying season. It is planned to carry out prospecting and appraisal drilling for Palaeozoic deposits. The estimated increase in reserves is 3 million tonnes.

ZAPADNO-SOBOLINAYA FIELD

Based on the completed 3D seismic survey, an exploratory drilling programme is planned at the Zapadno-Sobolinaya field, which is considered the most promising for prospecting and appraisal drilling.

IN 2023, WE COMPLETED LABORATORY WORK AND UPDATED THE STANDING GEOLOGICAL MODEL OF THE SOBOLINIY SUBSOIL AREA. TO THIS END, WE:

- CARRIED OUT STRUCTURAL AND TECTONIC AS WELL AS LITHOLOGICAL AND SEDIMENTARY ANALYSES BASED ON SEISMIC AND LOGGING DATA SETS
- BUILT 3D-MODELS OF PSEUDO-PETROPHYSICAL PARAMETERS
- FORECAST RESERVOIR PROPERTIES OF OIL-AND-GAS PLAYS, AND
- PERFORMED INTEGRATED REPROCESSING OF CDP-3D SURVEY DATA

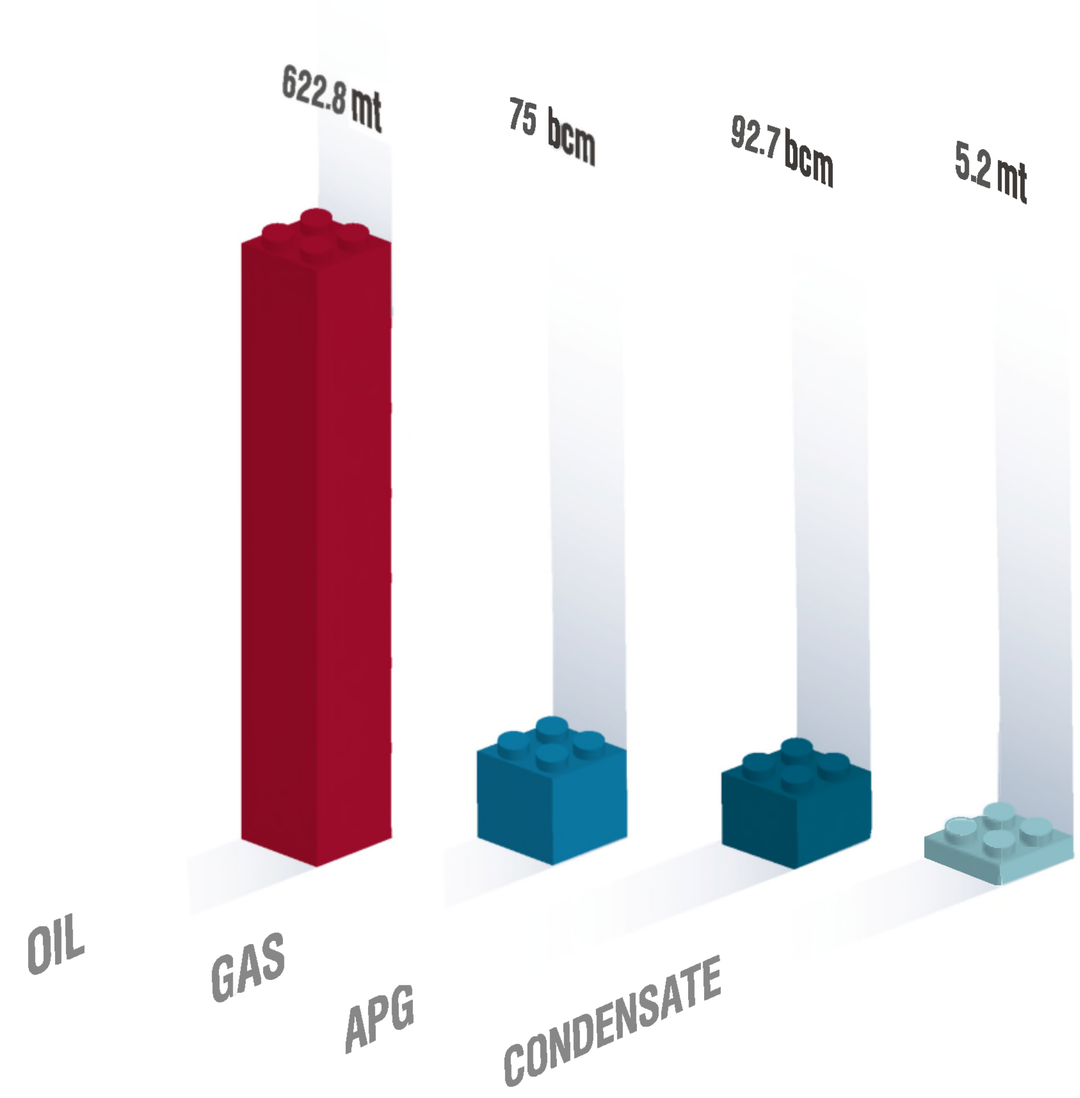
In 2026, the Company expects to drill an exploratory and appraisal well to be used for commercial development. Upon completion of the exploration programme, we expect to add 2.184 million tonnes to our resource potential.

SUMMARY

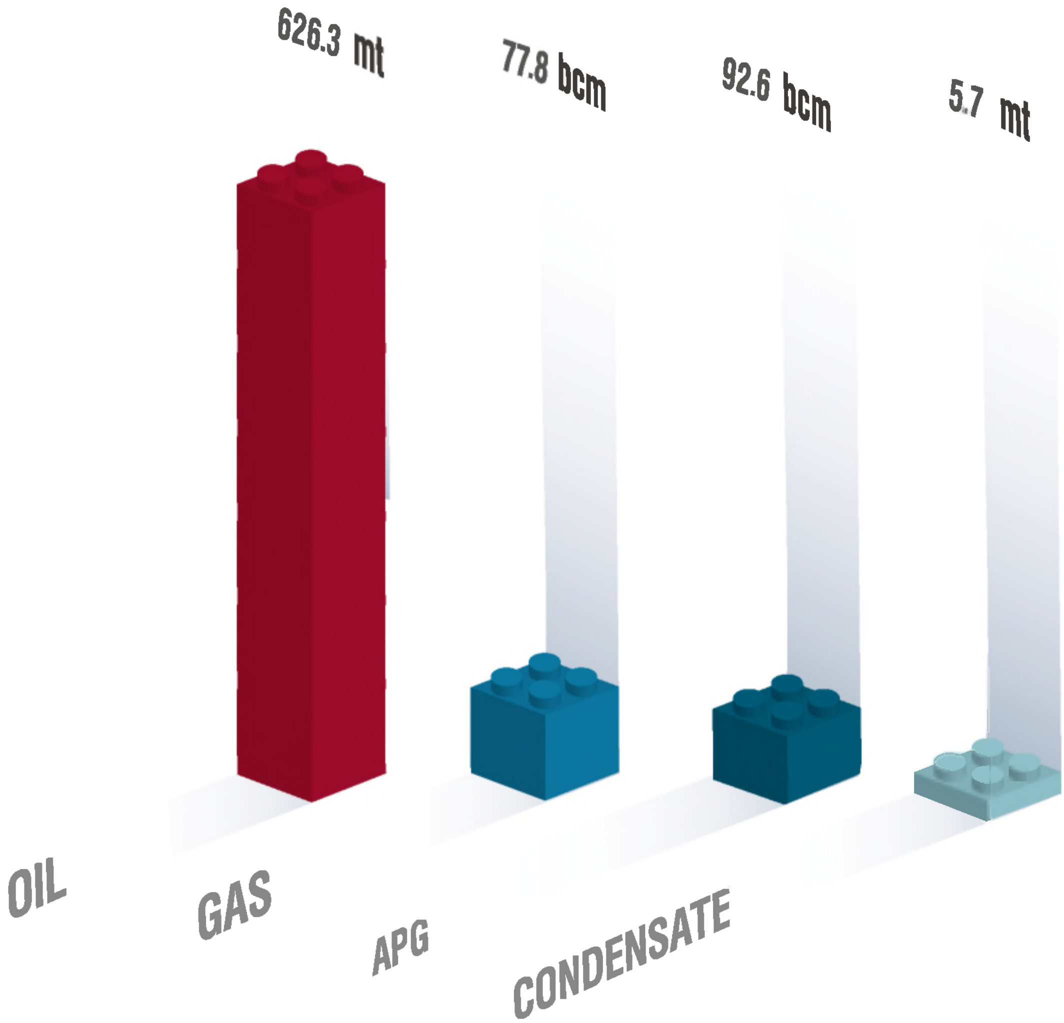
RussNeft benefits from a balanced asset portfolio in Russia's key oil-and-gas provinces (West Siberia, Central Siberia and Volga Region). The Company also participated in oil development and production projects in Azerbaijan.

RUSSNEFT'S RESERVES WERE LAST AUDITED IN ACCORDANCE WITH SPE-PRMS AS AT 31 DECEMBER 2021.

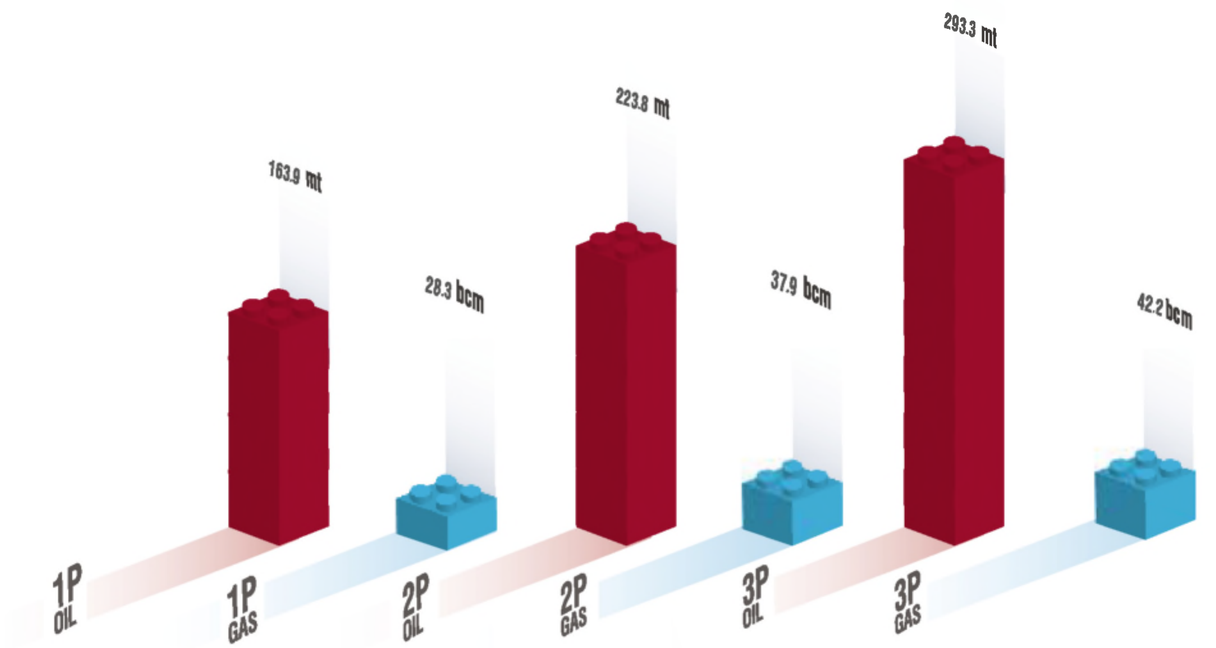
AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2024



AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2025*



PRMS RESERVES AS AT 31 DECEMBER 2021 (NO PRMS RESERVES AUDIT AS AT 31 DECEMBER 2024)



The West Siberian group accounts for approximately 81% of all proven and probable oil reserves of the Company; the Volga Region and Central Siberian groups account for 13% and 6%, respectively.

By year end, the Company's recoverable AB1+B2 reserves were 3.9 million tonnes higher (+0.6%) than on 1 January 2024.

RussNeft's asset portfolio comprises brownfields with a stable output and greenfields that offer substantial production upside. The West Siberian group boasts the highest output and the lowest cost of production.

WEST SIBERIAN GROUP

The West Siberian group, the Company's biggest production cluster, includes fields in the Khanty-Mansi and Yamal-Nenets Autonomous Districts, of which the biggest are Tagrinskoye, Verkhne-Shapshinskoye, Zapadno-Varioganskoye, Varioganskoye, and Vostochno-Kamennoye.

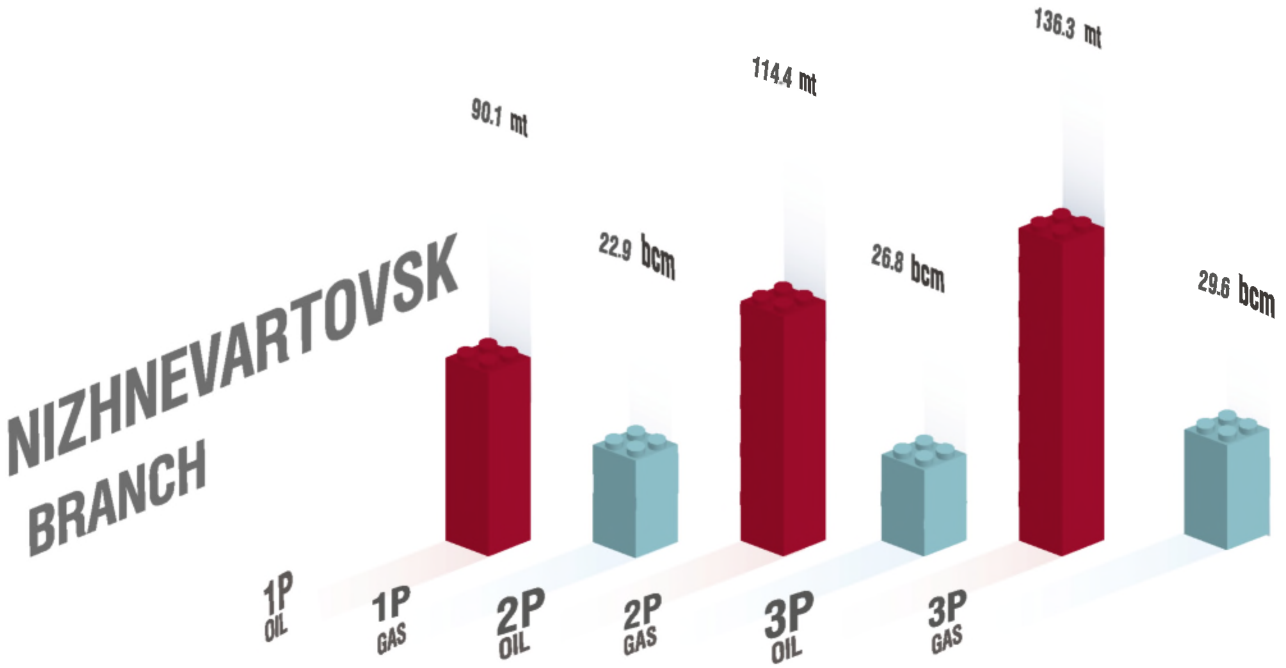
The West Siberian group accounts for 80.6% of total production and for 81% of 2P reserves. The deposits in this group are divided between two branches: the Khanty-Mansiysk Branch and the Nizhnevartovsk Branch. Key production assets are in the Nizhnevartovsk Branch, while the fields of the Khanty-Mansiysk Branch fields have long been less explored. Further exploration and drilling performed at these fields in 2017–2024 helped stabilise and boost production.

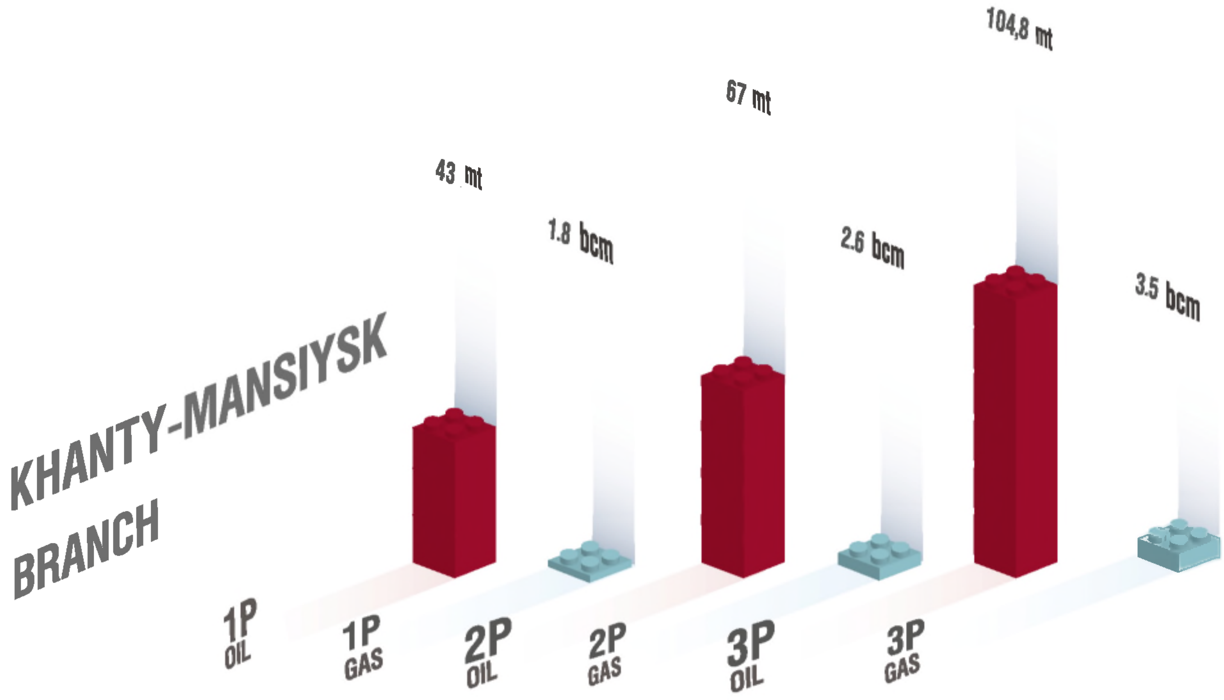
By year end, the Company's recoverable AB1+B2 reserves in the West Siberian group were 2.4 million tonnes higher (+0.5%) than on 1 January 2024.

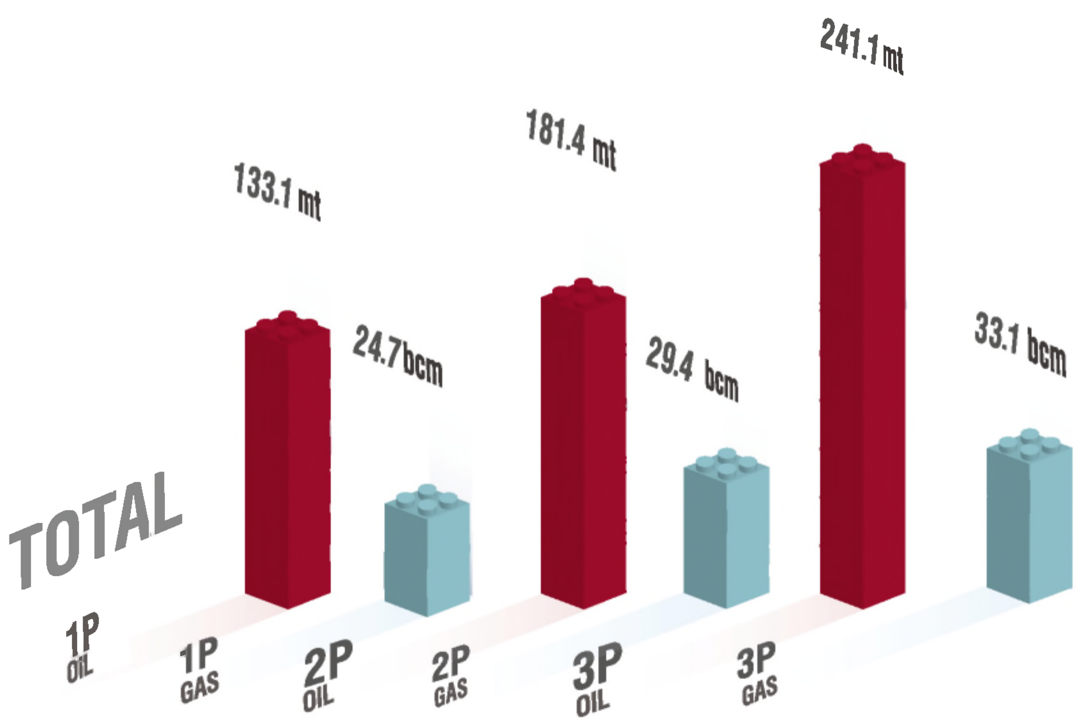
Driven mainly by horizontal drilling and multi-stage hydraulic fracturing at the Achimov deposits in the Verkhne-Shapshinskoye and Tagrinskoye fields, average oil production is currently being maintained at 5 million tonnes.

We plan to further increase production in the West Siberian group through the development of the Vostochno-Kamennoye field of the Khanty-Mansiysk Branch, and the Achimov deposits at the Tagrinskoye field flanks and the Novosardakovskaya deposit of the YuV1 formation at the Zapadno-Varioganskoye field in the Nizhnevartovsk Branch.

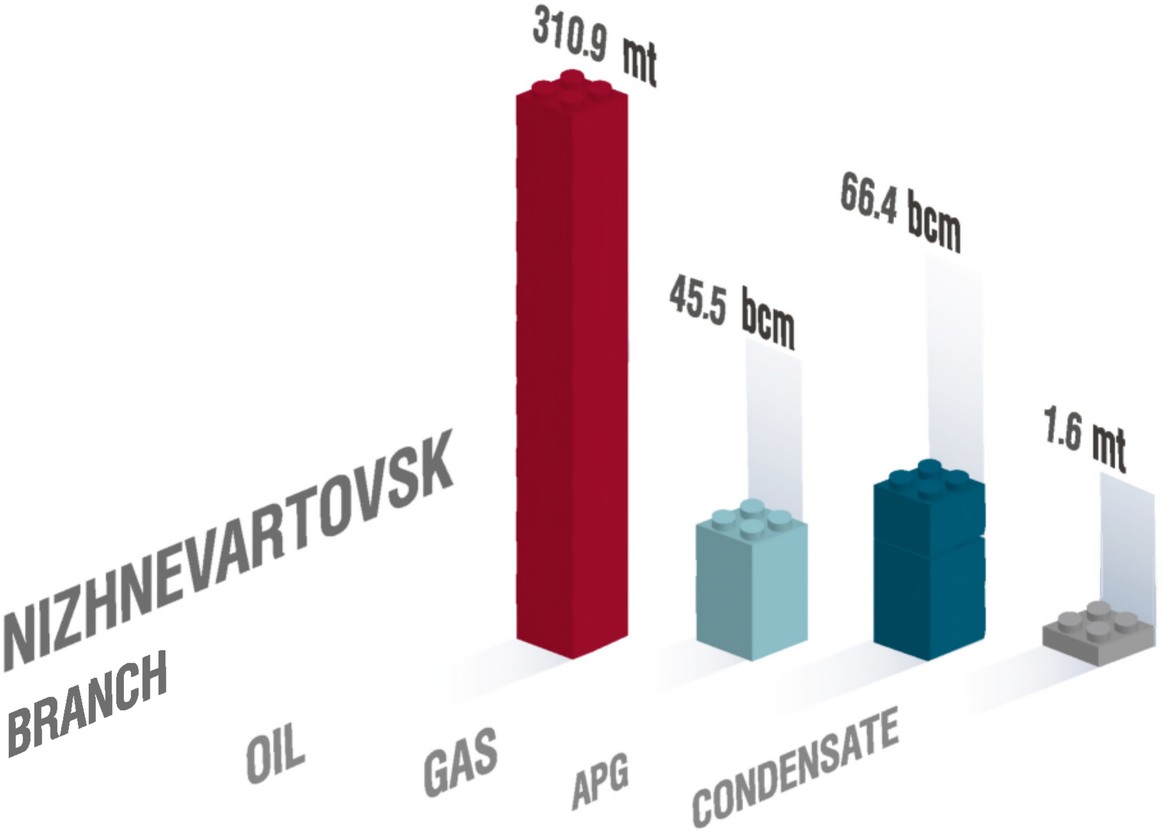
PRMS RESERVES AS AT 31 DECEMBER 2021 (NO PRMS RESERVES AUDIT AS AT 31 DECEMBER 2024)

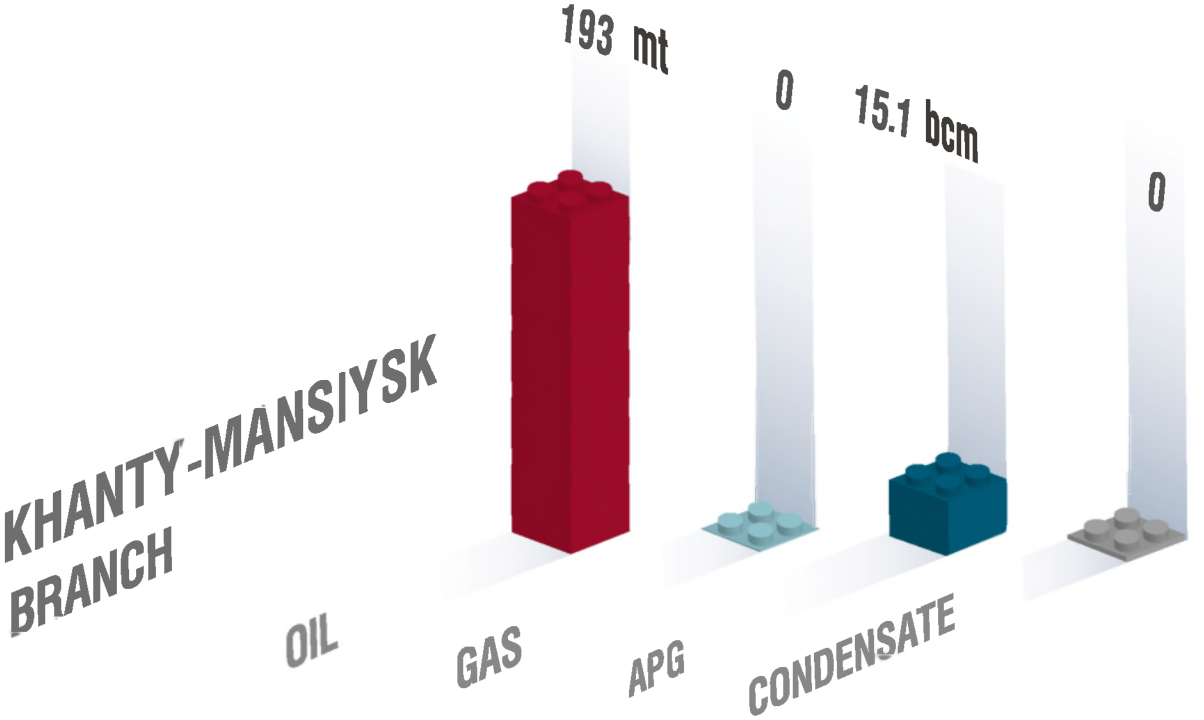


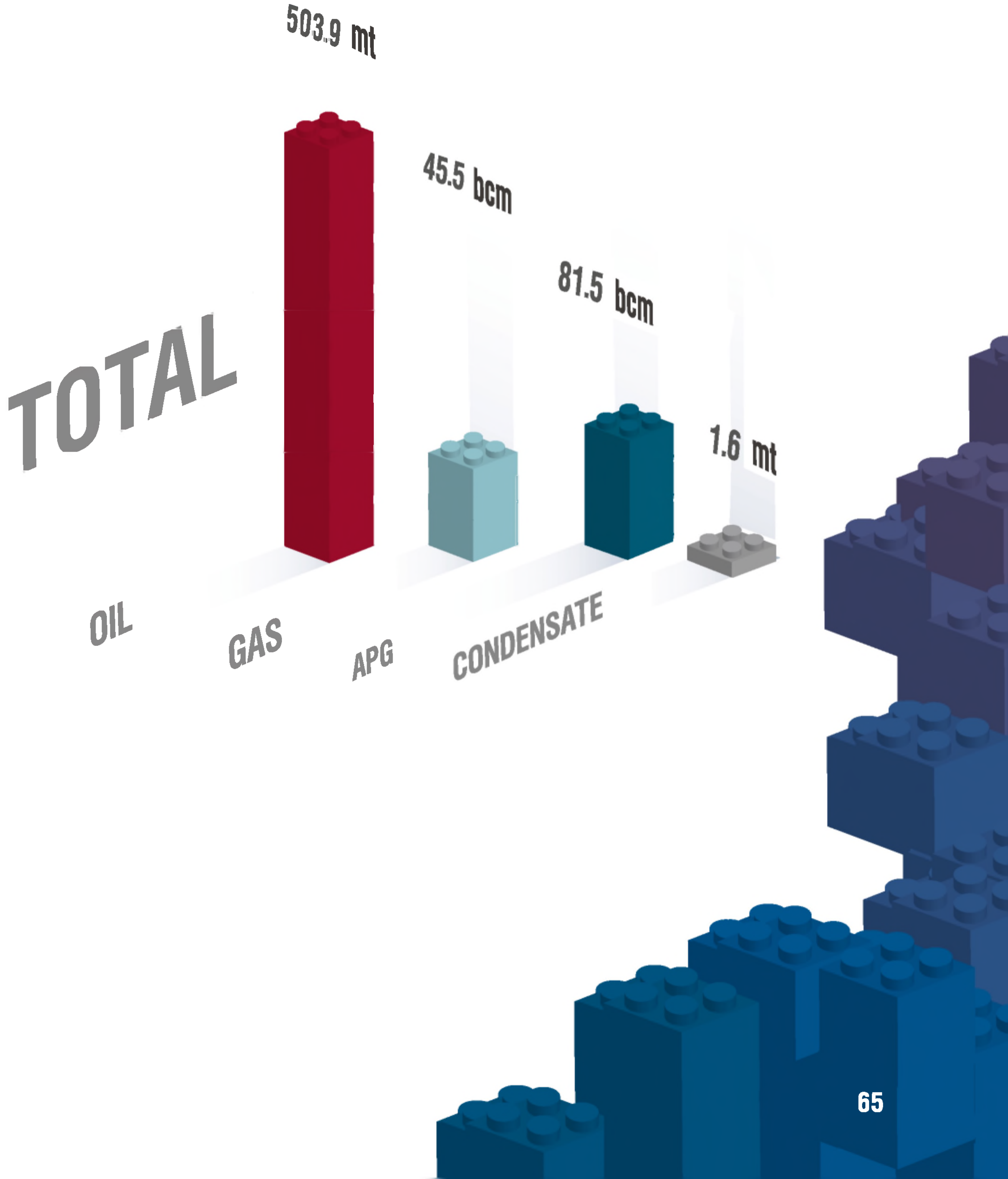

KHANTY-MANSIYSK
BRANCH
43 mt
1.8 bcm
67 mt
2.6 bcm
104,8 mt
3.5 bcm
1P OIL
1P GAS
2P OIL
2P GAS
3P OIL
3P GAS


TOTAL
133.1 mt
24.7bcm
181.4 mt
29.4 bcm
241.1 mt
33.1 bcm
1P OIL
1P GAS
2P OIL
2P GAS
3P OIL
3P GAS

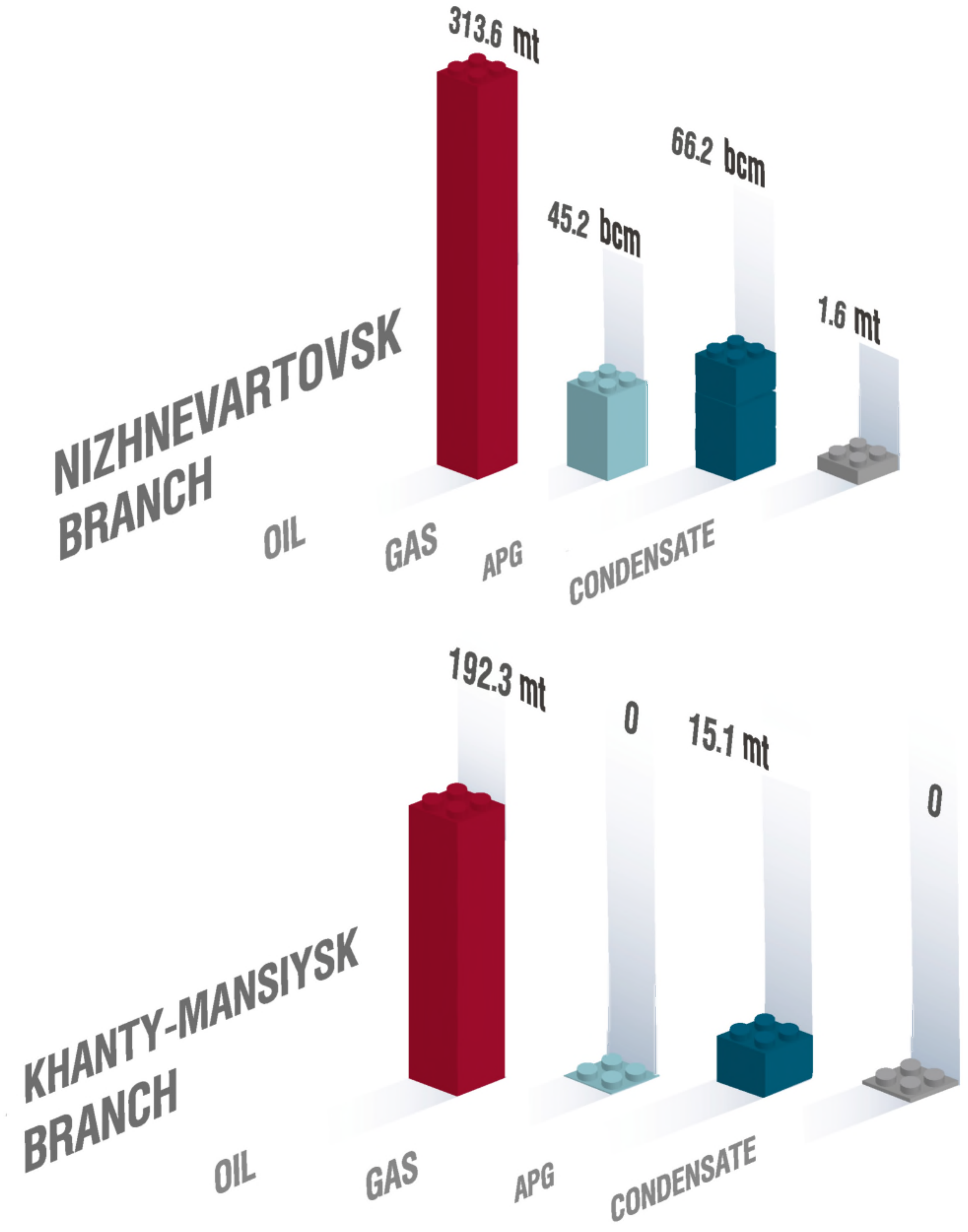
AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2024

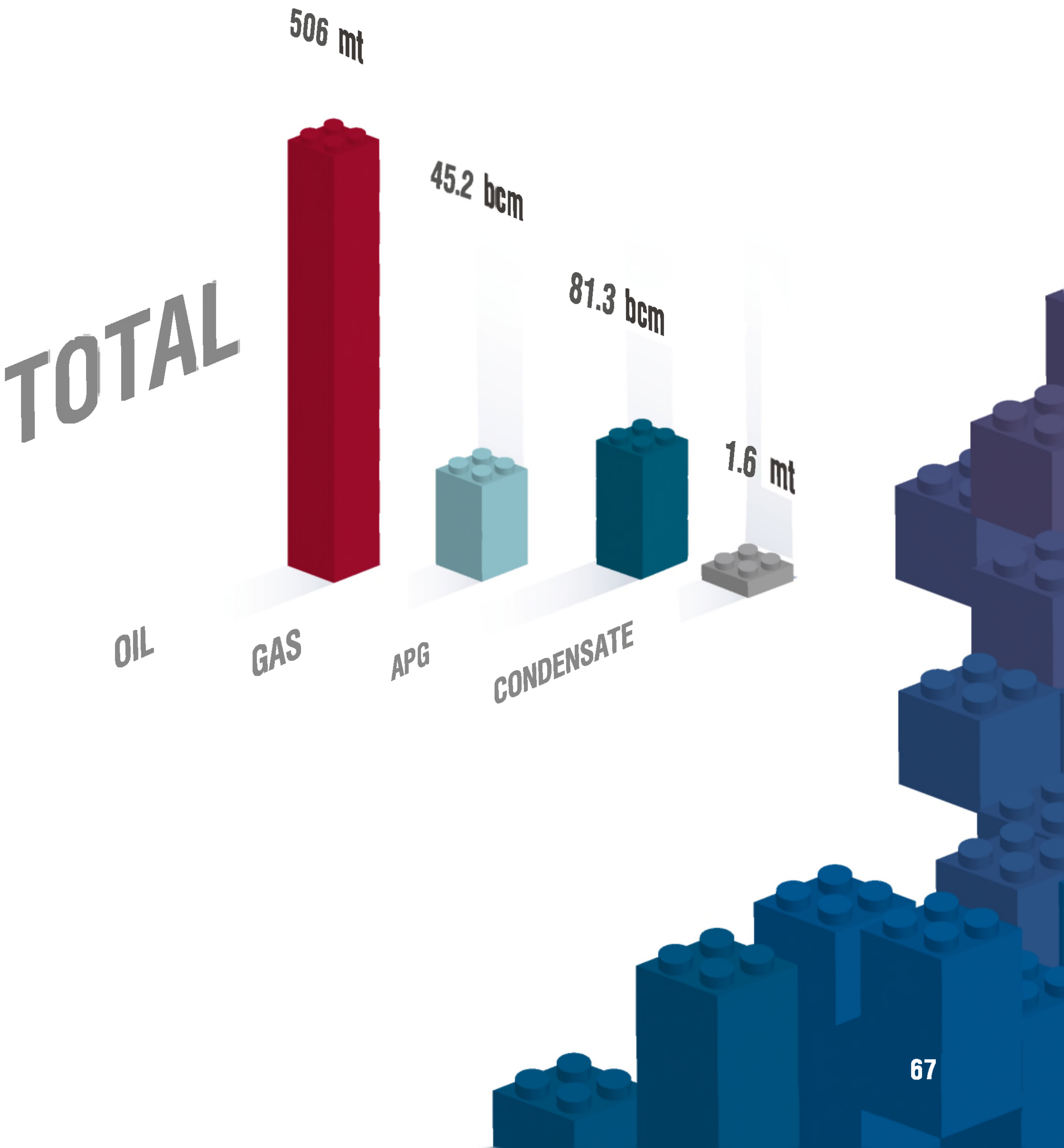




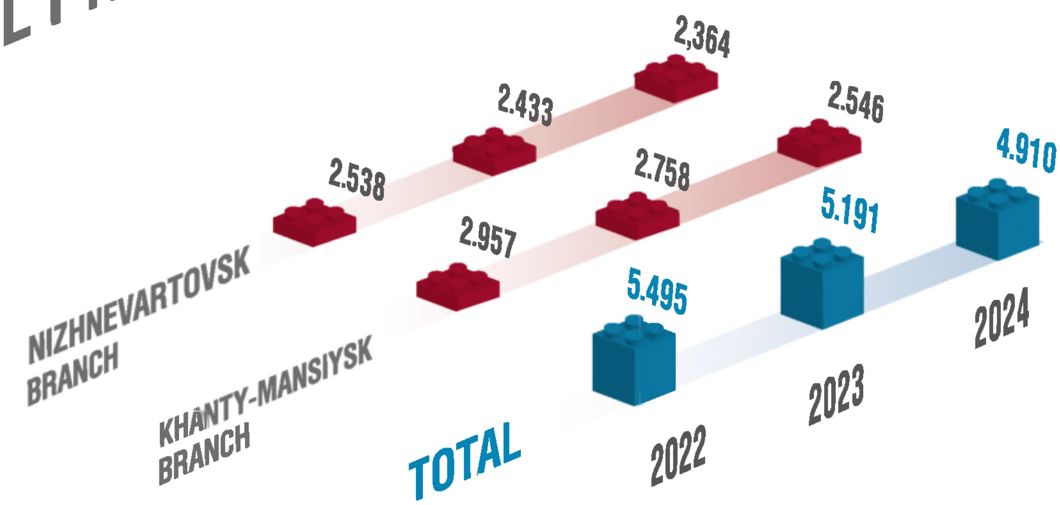

503.9 mt
45.5 bcm
81.5 bcm
1.6 mt
TOTAL
OIL
GAS
APG
CONDENSATE

AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2025*

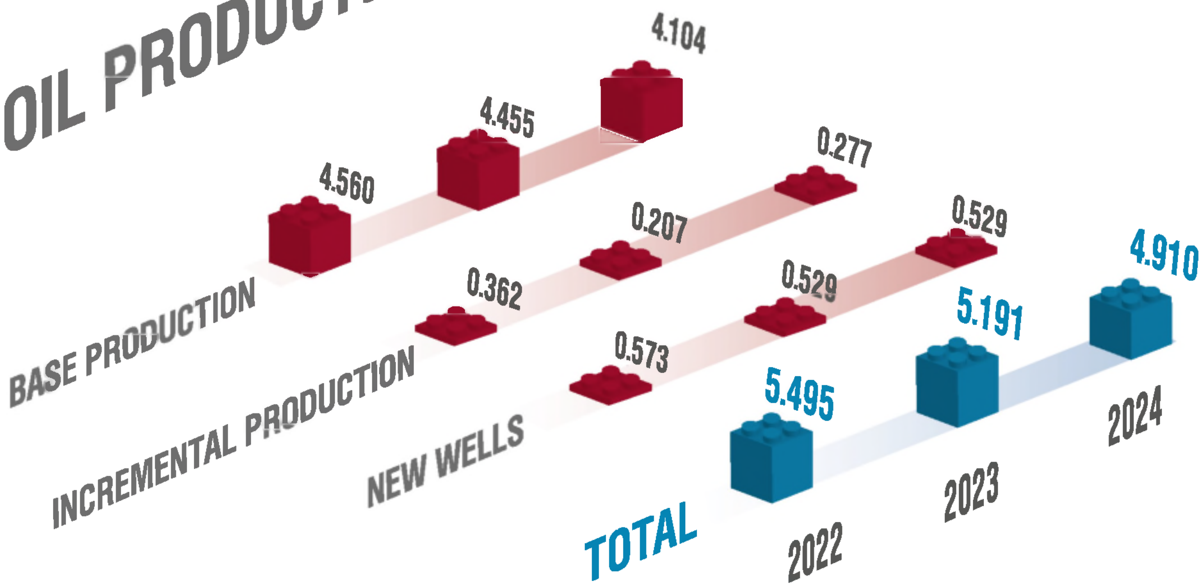



TOTAL
506 mt
45.2 bcm
81.3 bcm
1.6 mt
OIL
GAS
APG
CONDENSATE

OIL PRODUCTION (mt)



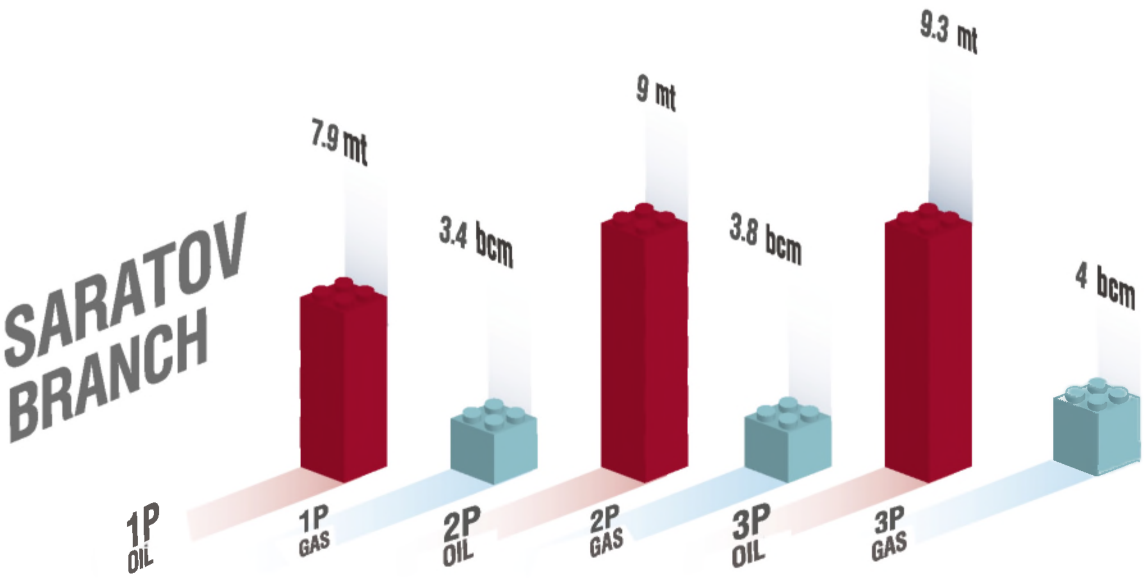
OIL PRODUCTION (mt)

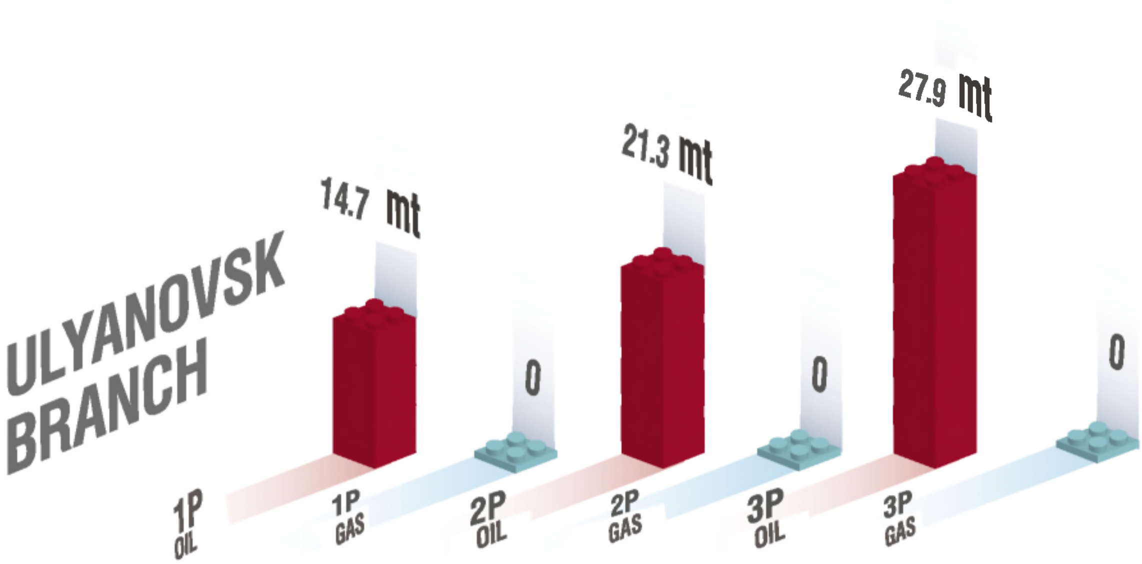


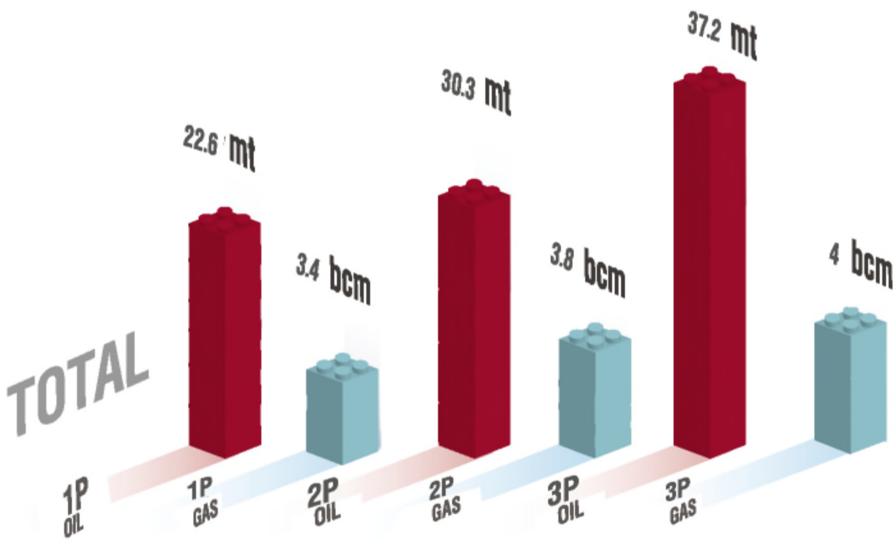
VOLGA REGION GROUP

Our second largest production cluster is located in the Volga Region, with key assets of the group in the Saratov, Penza and Ulyanovsk Regions and in Kalmykia.
The group's largest fields are Irinovskoye, Zimnitskoye, Mordovoozerskoye and Belokamennoye.
The Volga Region group, including the Saratov and Ulyanovsk Branches, accounts for 17% of total production and for 13% of 2P reserves. Its key assets are brownfields generating a stable operating cash flow with fairly low CAPEX.
By year end, after the limits of the Bairskoye field in Kalmykia and the Belokammeny field in the Volgograd Region were redefined, the recoverable AB1+B2 oil reserves in the Volga Region group were 1.6 million tonnes higher (+1.9%) than on 1 January 2024.
We expect to maintain stable oil output of 1 million tonnes per year by implementing selective drilling programmes in potential locations of residual reserves on depleted fields and tapping into overlooked oil reserves though well intervention operations.

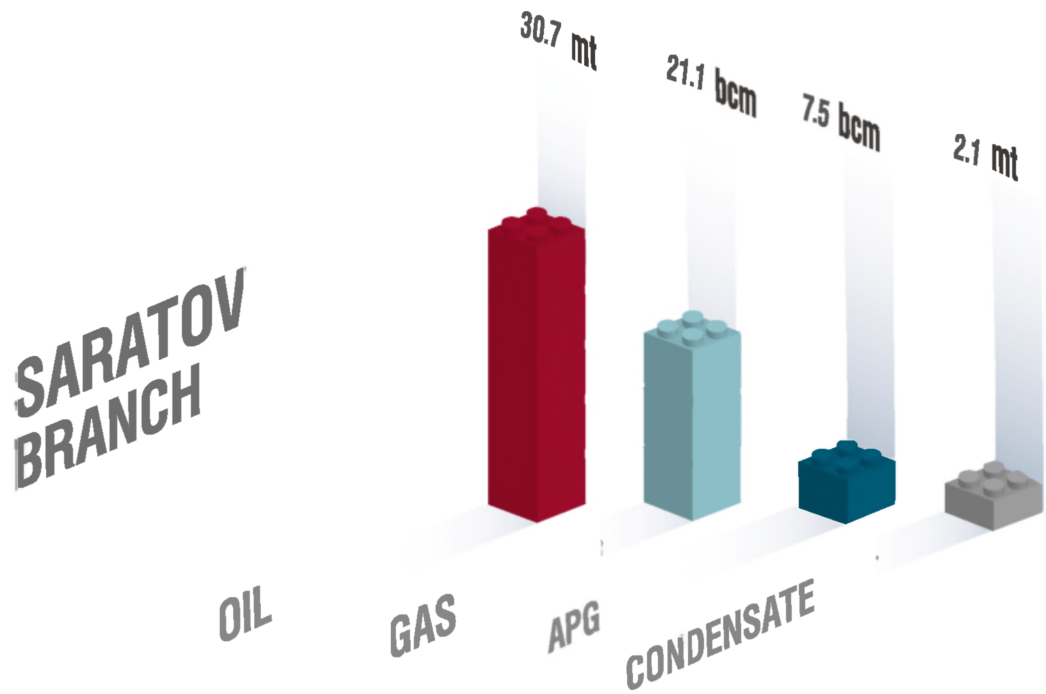
PRMS RESERVES AS AT 31 DECEMBER 2021 (NO PRMS RESERVES AUDIT AS AT 31 DECEMBER 2024)

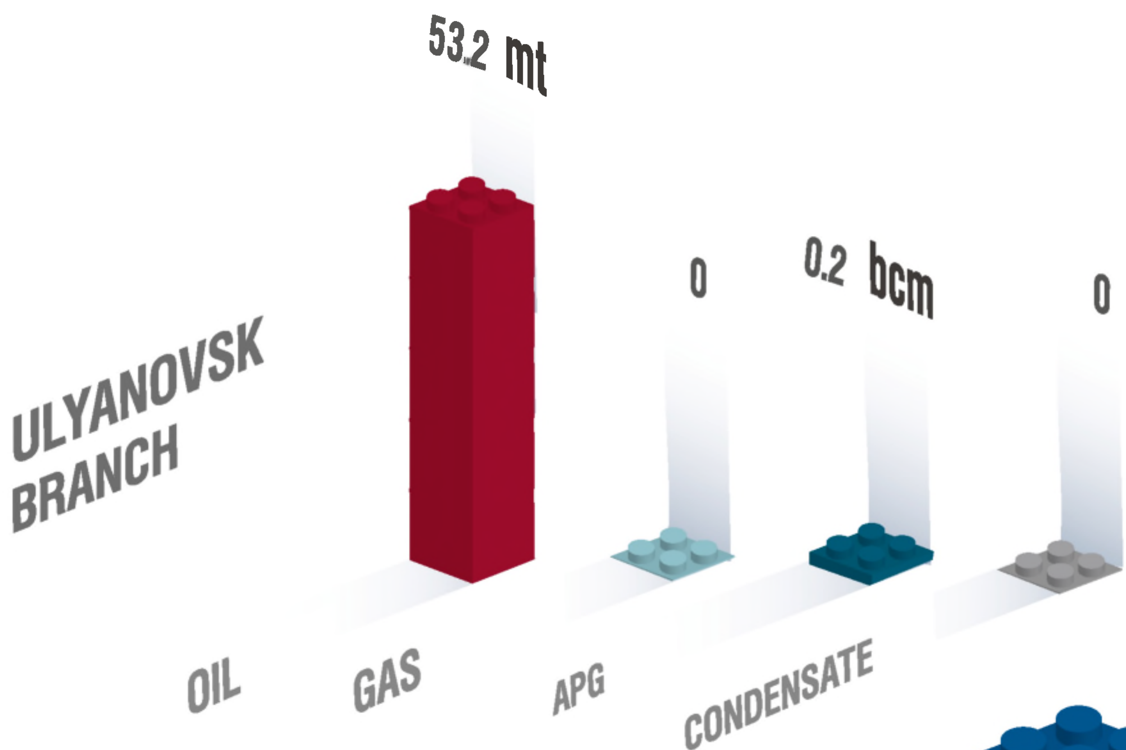


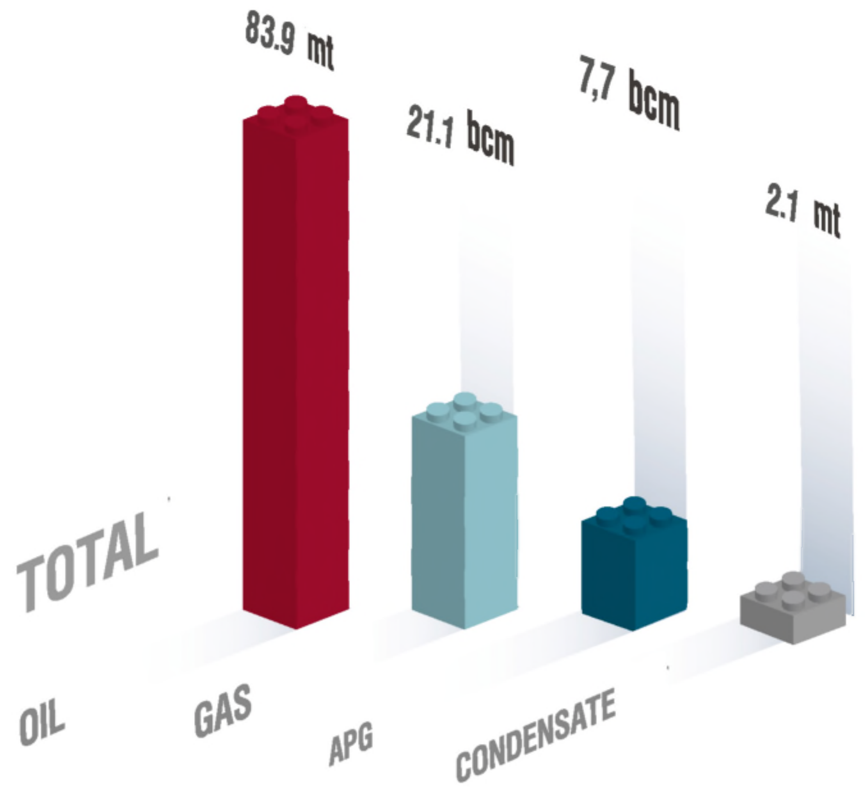

ULYANOVSK BRANCH
14.7 mt
0
21.3 mt
0
27.9 mt
0
1P OIL
1P GAS
2P OIL
2P GAS
3P OIL
3P GAS


TOTAL
22.6 mt
3.4 bcm
30.3 mt
3.8 bcm
37.2 mt
4 bcm
1P OIL
1P GAS
2P OIL
2P GAS
3P OIL
3P GAS

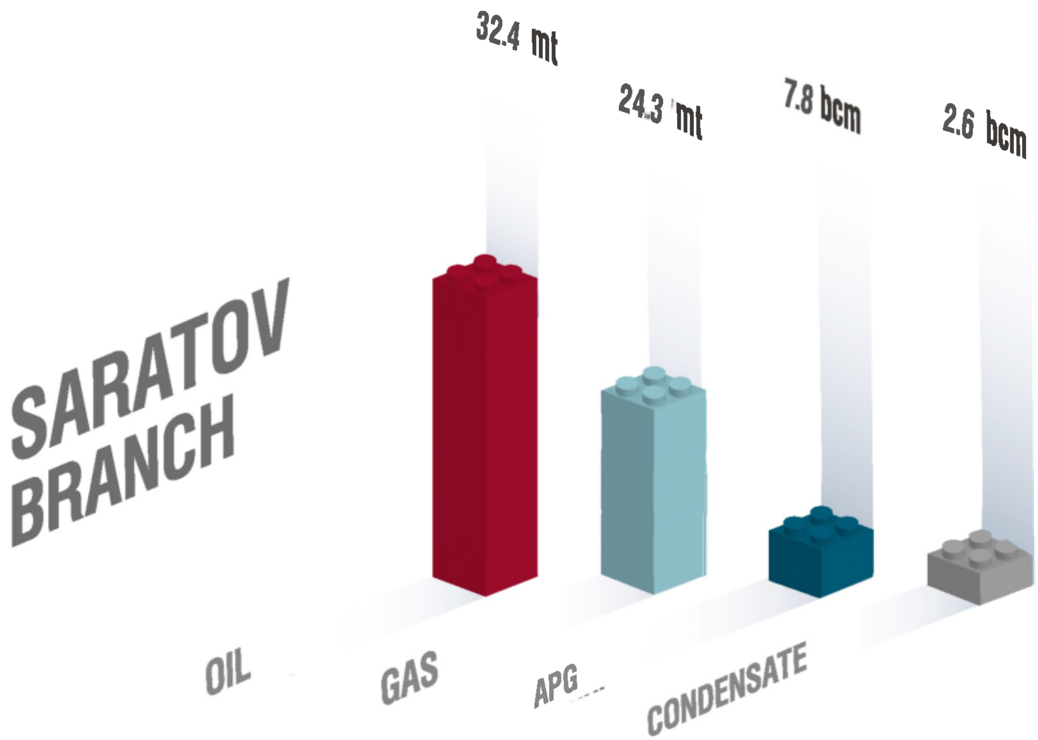
AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2024

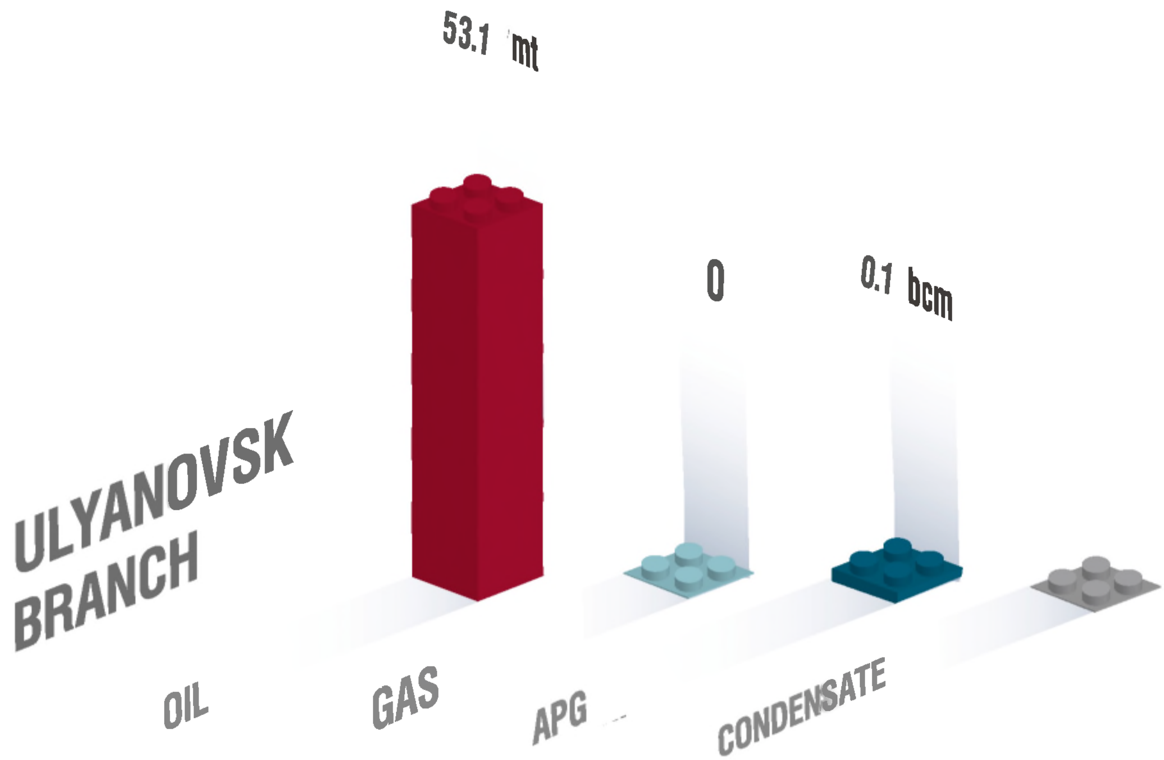


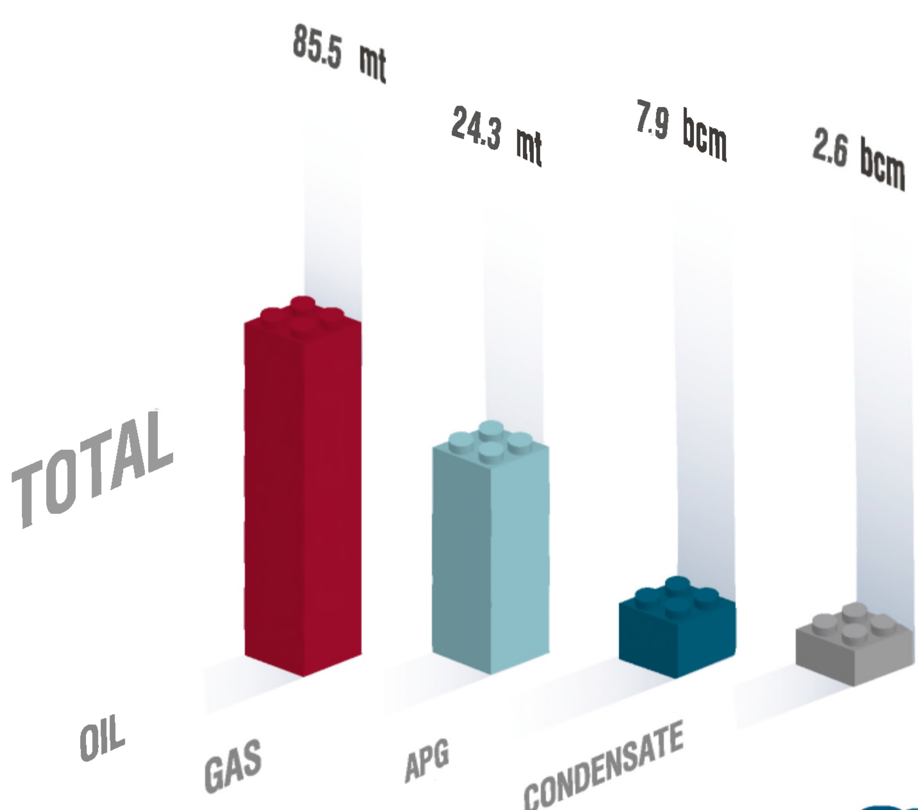


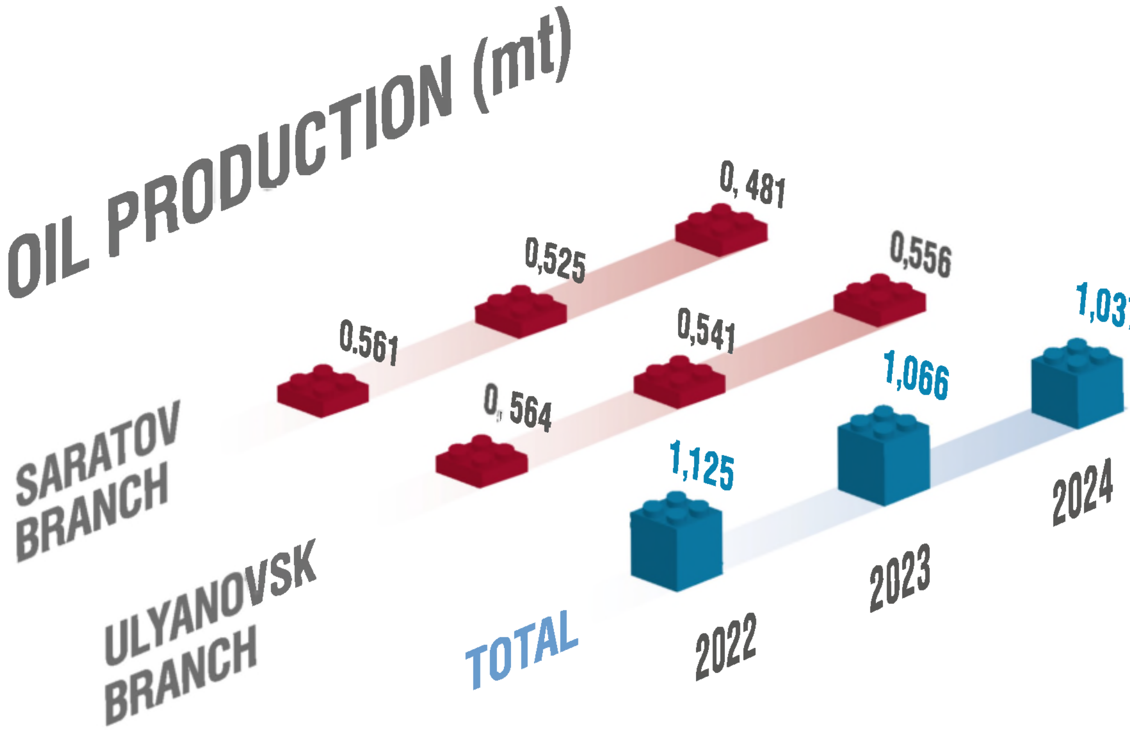


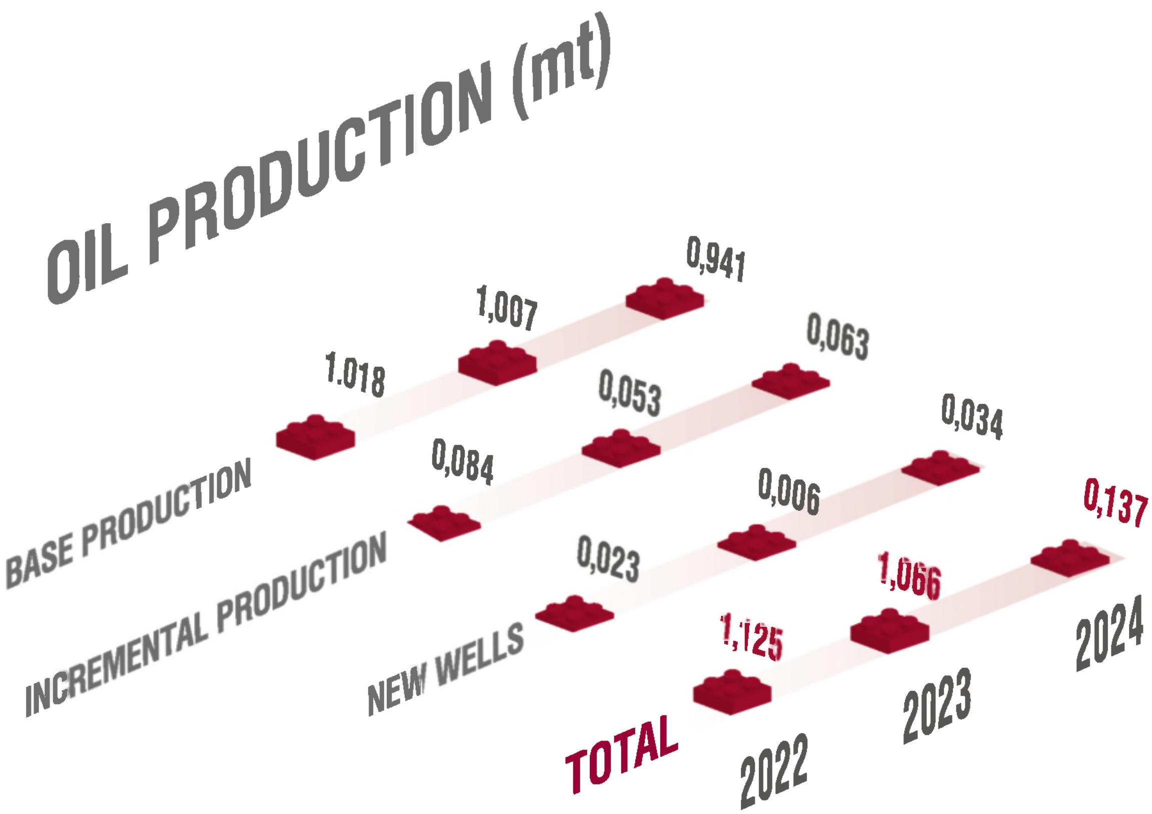
AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2025*




ULYANOVSK BRANCH
53.1 mt
0
0.1 bcm
OIL
GAS
APG
CONDENSATE


TOTAL
85.5 mt
24.3 mt
7.9 bcm
2.6 bcm
OIL
GAS
APG
CONDENSATE


OIL PRODUCTION (mt)
SARATOV BRANCH
ULYANOVSK BRANCH
TOTAL
0.561
0,525
0, 481
0, 564
0,541
0,556
1,125
1,066
1,037
2022
2023
2024


OIL PRODUCTION (mt)
BASE PRODUCTION
INCREMENTAL PRODUCTION
NEW WELLS
TOTAL
1.018
1,007
0,941
0,084
0,053
0,063
0,023
0,006
0,034
1,125
1,066
0,137
2022
2023
2024

CENTRAL SIBERIAN GROUP

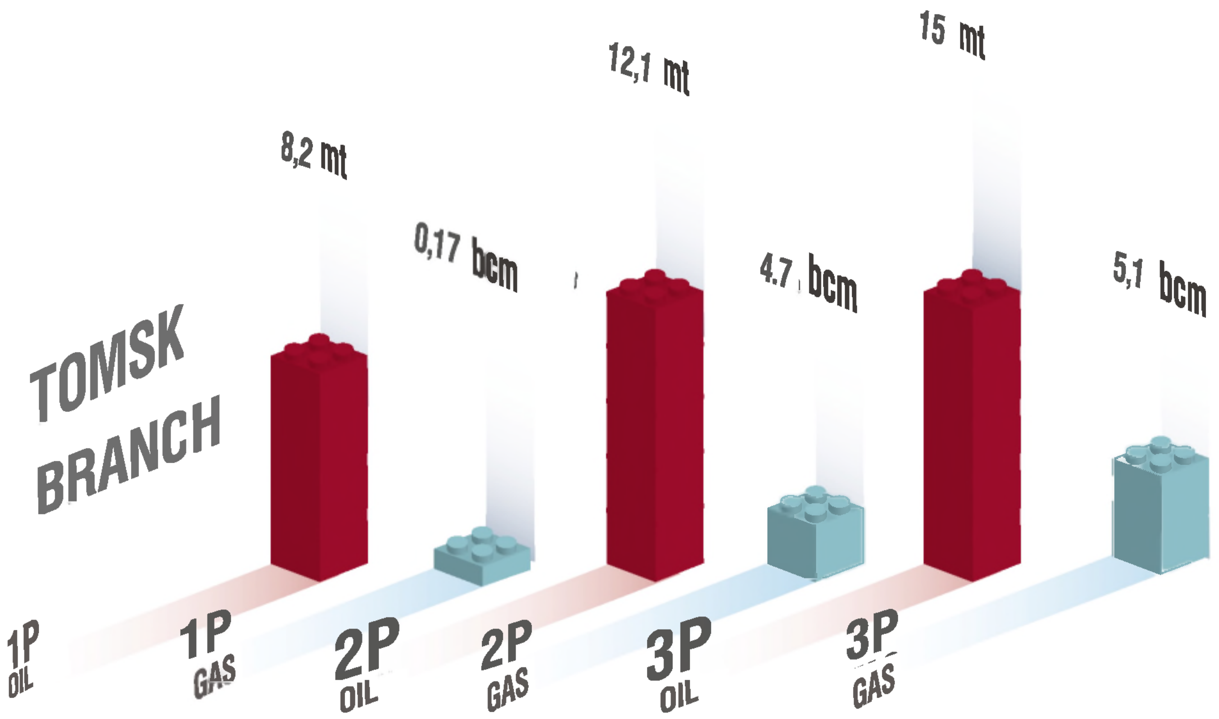
The Central Siberian group, with assets in the Tomsk Region, including the largest fields (Stolbovoye, Verkhnesalatskoye, Fedyushkinskoye, Gurarinskoye and Sobolinoye), is RussNeft's third-largest production cluster.

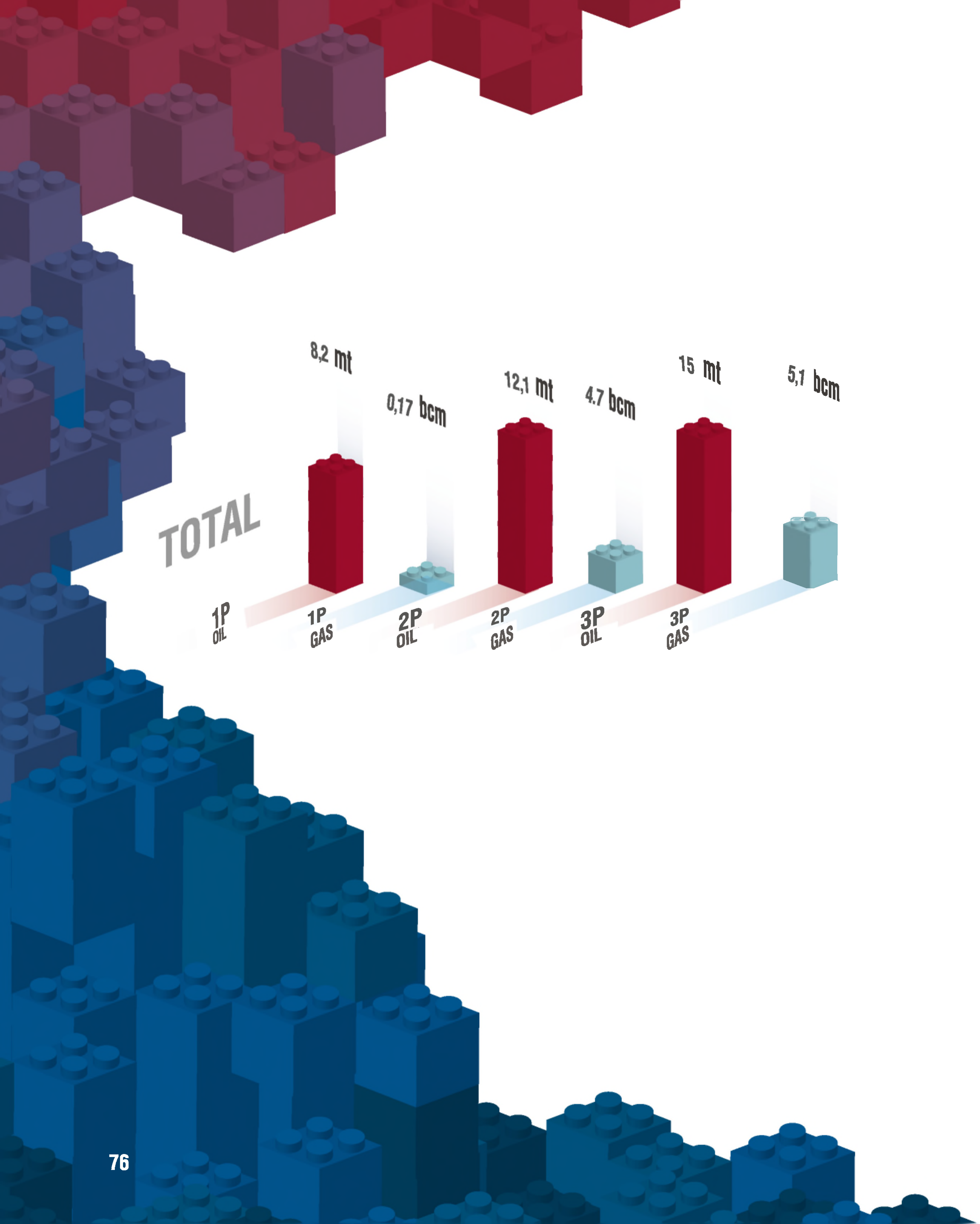
The Central Siberian group accounts for 2.4% of total production and 6% of 2P reserves. By year end, the group's recoverable AB1+B2 oil reserves were 0.1 million tonnes lower (-0.4%) than on 1 January 2024.

In this group, the key development area is to reduce the cost of produced crude oil by optimising production costs, reducing associated water volumes, and implementing a mid-term finishing drilling programme in potential locations of residual reserves on depleted fields.

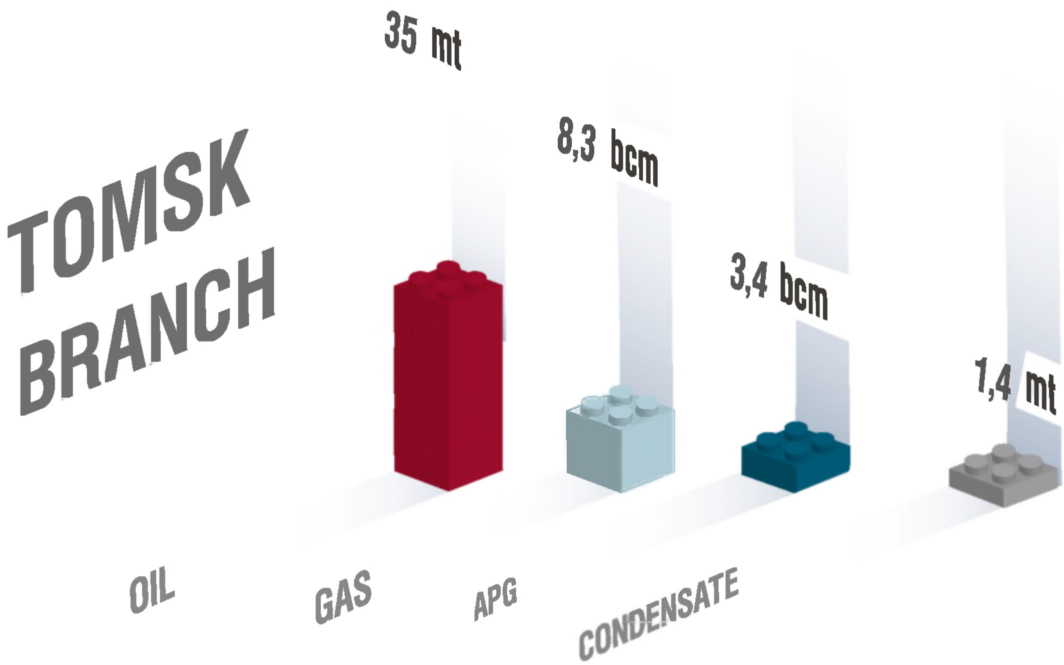
The Company is also counting on the high potential of prospecting in the Zapadno-Sobolinaya structure of the Soboliniy licensed area, which is expected to add more than 2 million tonnes of recoverable reserves from Jurassic and Cretaceous deposits for subsequent commercial development.

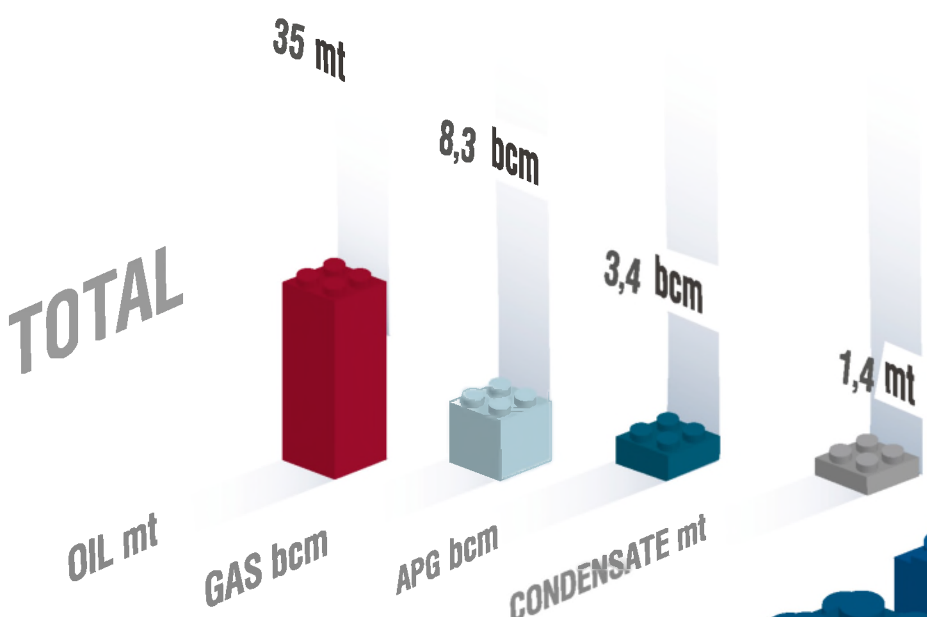
PRMS RESERVES AS AT 31 DECEMBER 2021 (NO PRMS RESERVES AUDIT AS AT 31 DECEMBER 2024)



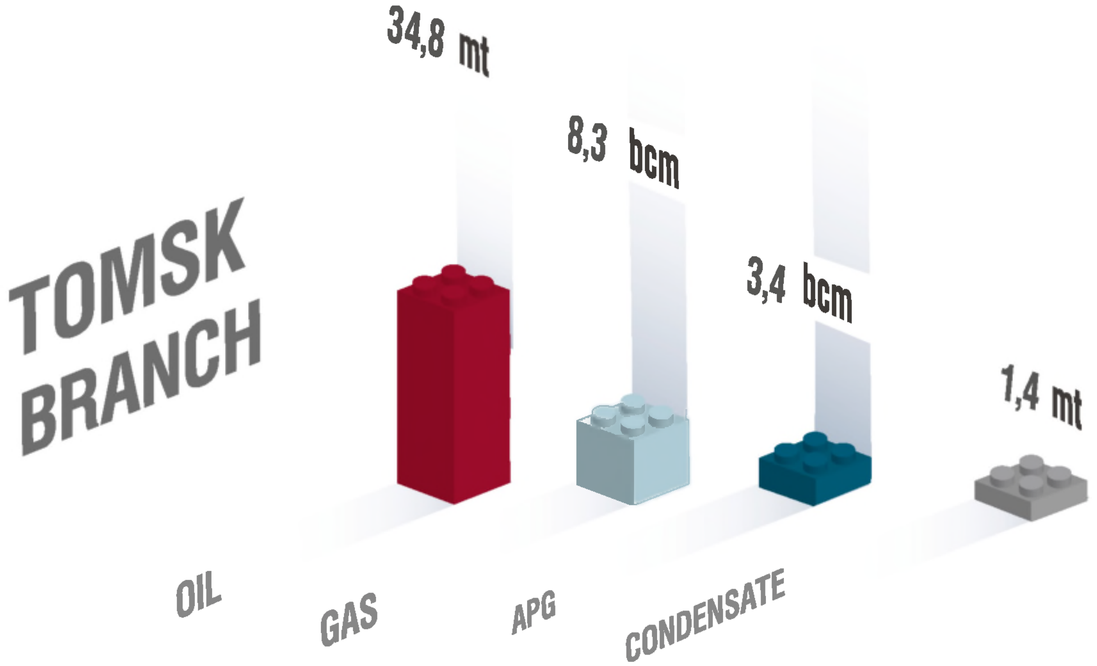

TOTAL
8,2 mt
0,17 bcm
12,1 mt
4.7 bcm
15 mt
5,1 bcm
1P OIL
1P GAS
2P OIL
2P GAS
3P OIL
3P GAS

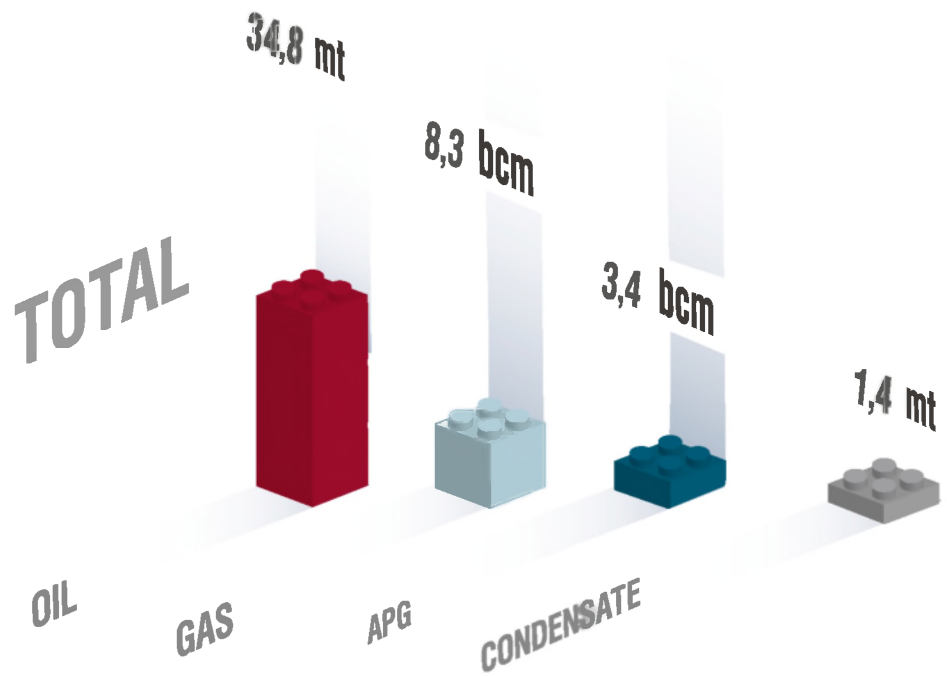
AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2024

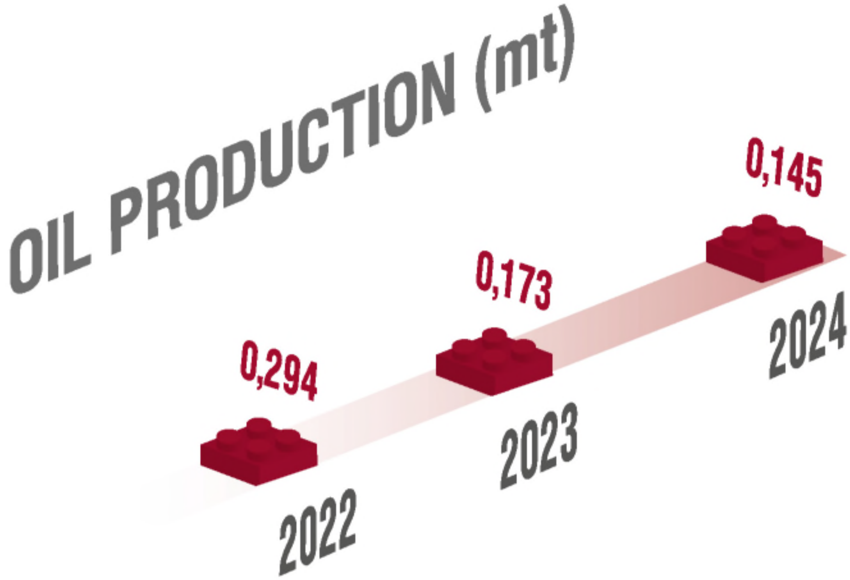


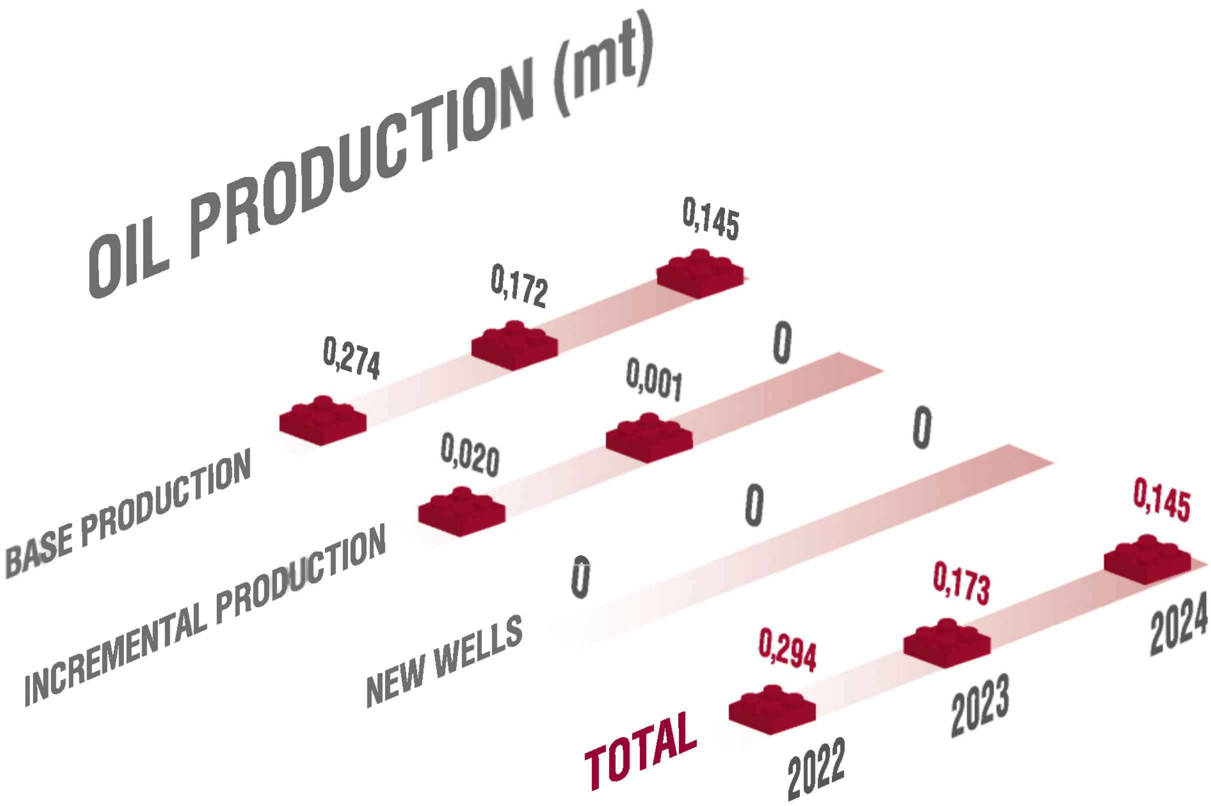


AB1C1+B2C2 RESERVES AS AT 1 JANUARY 2025*






OIL PRODUCTION (mt)
0,294
0,173
0,145
2022
2023
2024


OIL PRODUCTION (mt)
BASE PRODUCTION
0,274
0,172
0,145
INCREMENTAL PRODUCTION
0,020
0,001
0
NEW WELLS
0
0
0
TOTAL
0,294
0,173
0,145
2022
2023
2024

2.4. SALES

GAS

In 2024, our natural gas and APG sales were down year-on-year at 1.884 bcm (2023: 1.96 bcm). The Volga Federal District purchased 15.4% (0.289 bcm) of our total supplies, including 0.220 bcm sold to Gazprom's subsidiaries. The other 84.6% (1.595 bcm) of our gas sales were to the Ural and Siberian Federal Districts. The key customer there was SIBUR Holding, which purchased 1.4 bcm of gas under its long-term contract with RussNeft.

CRUDE OIL
DOMESTIC MARKET

In 2024, we supplied a total of 4.1 million tonnes of crude oil to domestic customers. Most crude oil sales (2.5 million tonnes) were to the Afipsky Refinery. The remainder was supplied to refineries in the Saratov, Krasnodar and Khabarovsk Regions, as well as in Siberia, in particular, to Slavyansk ECO, Yaya Oil Refinery, Ilsky Oil Refinery, Saratov Oil Refinery, Gazpromneft – Omsk Oil Refinery, VPK-Oil, and Khabarovsk Oil Refinery.

In addition to oil, we sold 22,000 tonnes of stable gas condensate in the domestic Russian market in 2024.

EXPORTS
NON-CIS COUNTRIES

We exported 2.4 million tonnes of oil, mainly via the Black Sea port of Novorossiysk and the Baltic Sea port of Ust-Luga, as well as by pipeline to Hungary and Slovakia.

In 2024, we increased by 0.9 million tonnes our crude oil exports through the highly profitable port of Kozmino on the Sea of Japan.

Our co-operation with refineries was based on long-term arm's length contracts, their key terms and conditions being subject to revisions in response to changes in the market environment

CIS COUNTRIES

We did not supply oil to CIS countries in 2024.

CO-OPERATION

In 2023, RussNeft co-operated with domestic refineries under long-term arm's-length contracts, successfully achieving its sales targets for crude oil and gas condensate.
In co-operation with international traders, we successfully shipped to non-CIS countries via Russian sea ports and by Transneft's trunk oil pipelines.

2.5. MILESTONES AND HIGHLIGHTS

RUSSNEFT'S HIGHLIGHTS 2024

PRODUCTION

1. In 2024, the Company produced 6.092 mt of oil of which 3.56 mt (58%) were extracted from hard-to-recover reserves, up 5% (2.096 mt) on the business plan target of 6.09 mt (and 6%, or 0.158 mt, on the target of 3.402 mt for hard-to-recover oil).

2. In 2024, we produced 2.004 bcm of gas (0.277 bcm of natural gas and 1.727 bcm of APG), 0.022 bcm below the business plan target of 2.026 bcm. APG utilisation rate was 97.05%.

3. The Nizhnevartovsk Branch supplied 1.426 bcm of APG, compared to the target of 1.406 bcm.

4. In 2024, the Vostochno-Kamennoye field yielded 178,800 tonnes of oil, outperforming the target by 38,500 tonnes.

PROSPECTING AND RESERVES

5. As at 1 January 2025, the Company's AB1C1+B2C2 reserves are estimated at 632 million tonnes of liquid hydrocarbons, up 10 million tonnes year-on-year. In 2024, reserve replacement rate was 166%.

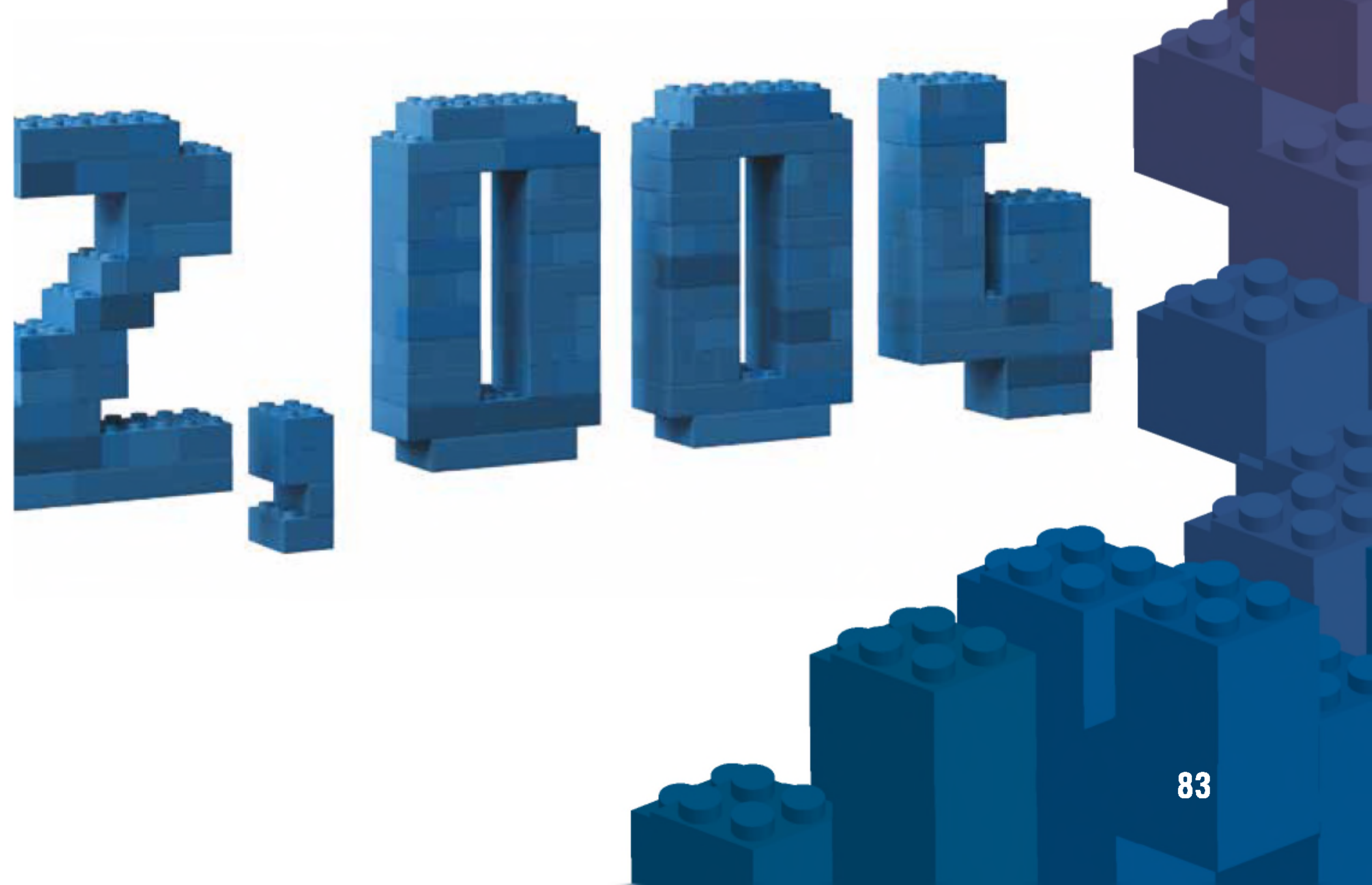
6. In 2024, RussNeft added another 5.6 million tonnes to its hard-to-recover AB1C1+B2C2 reserves, reaching a total of 236 million tonnes as at 1 January 2025. Hard-to-recover oil reserves replacement ratio was maintained at 151%.

7. The Nizhnevartovsk Branch continues its commercial development of the Achimov deposits in the Southern formation of the Tagrinskoye field. The performance of new wells, together with the earlier geological surveys, promise an optimistic outlook for southern and some of south-eastern segments of the field, used as the basis for determining the scope of work.

8. As part of the geological survey of the Tagrinsky mega-scale formation flanks, the Company has obtained the usage right to the Koltogorsky 4 licensed area, which borders the north-eastern side of the Tagrinsky licensed area. As a result, the Company will collect more data to identify high-potential streaks and areas not covered by the current drilling programme.

9. Between 2024 and 2026, large-scale CDP-3D seismic surveys are expected to be carried out at the Tagrinskoye field, using state-of-the-art techniques to build its comprehensive 3D seismic model. These surveys will allow the Company to verify the geological structure, determine tectonic features of the respective areas, and conduct a sequence stratigraphic analysis of the Achimov deposits. As a result, the Company will collect more data to identify high-potential streaks and areas not covered by the current drilling programme.
To further explore the Tagrinskoye field and evaluate development prospects, over the 2024–25 surveying season the Company plans to carry out CPD-3D seismic surveying covering a 245 sq km area in the western and southern sections of the field.

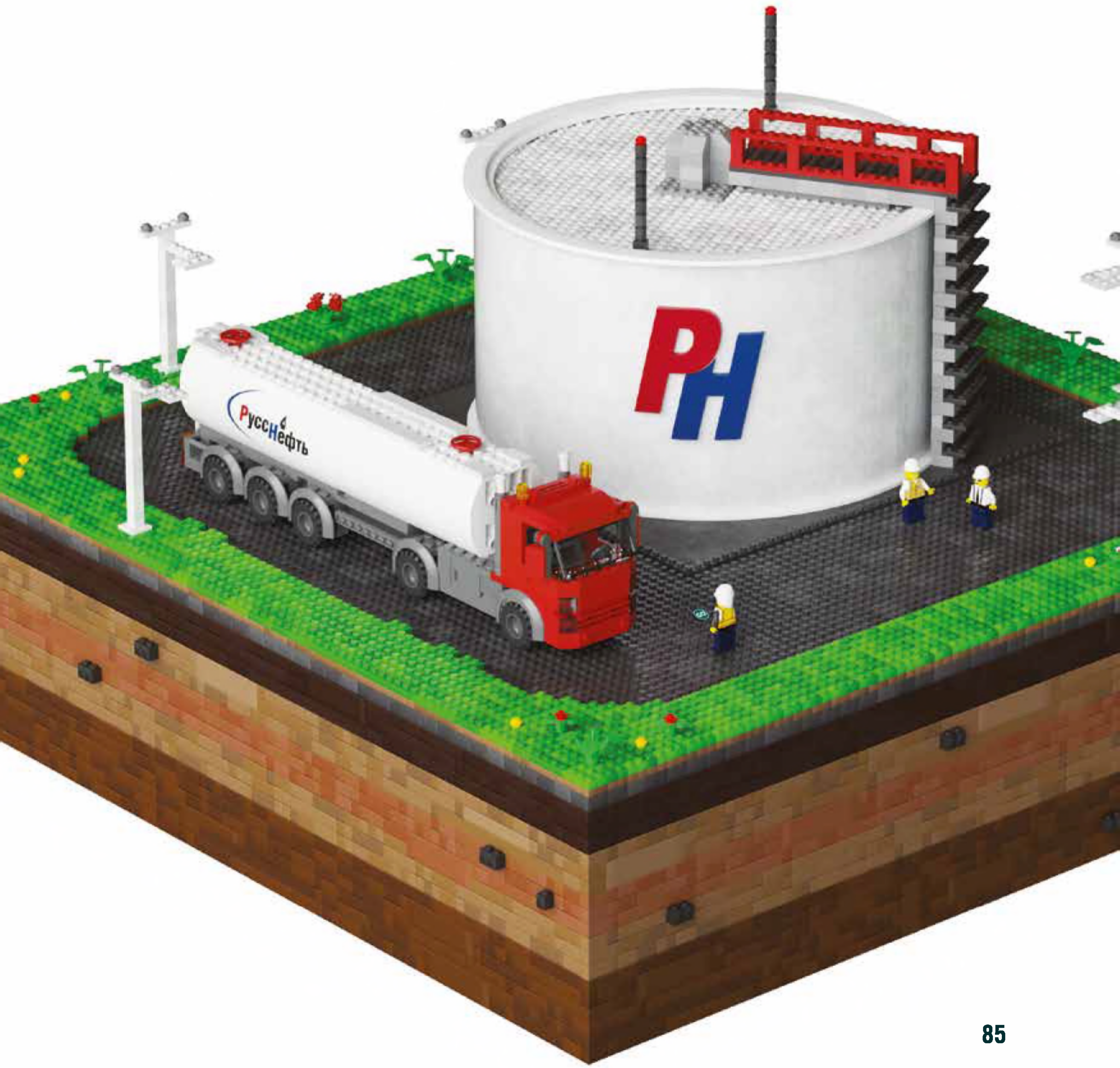
10. As part of the prospecting project, in 2023 the Company completed processing and interpretation of the seismic data acquired for the Nizhne-Shapshinsky licensed area, more specifically, Jurassic sediments.
In line with its geological survey programme, the Company will drill a prospecting and appraisal well to survey Jurassic deposits, appraise their saturation behaviour, and estimate oil reserves.



11. Following the successful development drilling in 2022, the Ulyanovsk Branch carried out CDP-3D seismic surveys of the Zimnitskaya group of fields to further explore the geological structure, area limits, and tectonic profile of the productive Middle Carboniferous sediments. Based on the updated seismic model, the Branch proceeded with drilling at the Severo-Zimnitsky licensed area. In 2024, core was sampled in the Severo-Zimnitsky licensed area in order to improve deposit development efficiency, optimise well placement design, and conduct additional exploration. The core will be further analysed, and, based on the laboratory test results, we will be able to determine reservoir permeability and porosity, identify relationships between petrophysical properties, and update geological and hydrodynamic models.

12. In 2024, RussNeft launched commercial development of the Vostochno-Kamennoye field. Over the 2023–24 surveying season, CDP-3D seismic surveys covering 160 sq km were completed to build a 3D seismic model. At the same time, the Company launched an extensive production drilling programme within the boundaries of the Vikulovo suite. The resulting seismic model will allow us to update the existing tectonic structure model, determine the geological properties of the Vikulovo, Tyumen and Abalak formations and pre-Jurassic deposits, and to identify patterns of sedimentary rock layering in the basin. This work will significantly increase the efficiency of production drilling in the area.

13. In 2024, the West Siberian group sampled in total 300 linear metres of core, of which 197 linear metres come from the Vostochno-Kamennoye field. Based on the laboratory test results, we identified relationships between petrophysical properties, as required to confirm and verify the parameters of Jurassic and Neocomian deposits in the Zapadno-Varioganskoye, Vostochno-Kamennoye, and Verkhne-Shapshinskoye fields.



SUBSOIL USE

14. In 2024, we had the limits of the Bairsky subsoil plot in Kalmykia and the Belokamennoye field in the Volgograd Region redefined. As a result, the Company added to its reserves 1.89 mt of oil, 0.116 bcm of gas, and 15,000 tonnes of condensate.

15. The Company obtained a subsoil licence authorising it to prospect for and survey mineral resources within the boundaries of the Koltogorsky 4 licensed area (Khanty-Mansi Autonomous District – Yugra) bordering the Company's Tagrinsky licensed area.

16. RussNeft brought its 26 subsoil licences for hydrocarbon prospecting and extraction into conformity with Articles 12 and 12.1 of Russian Law No. 2395-1 dated 21 February 1992 "On Subsoil" and Order of the Russian Ministry of Natural Resources and Environment and Federal Agency for Mineral Resources No. 728/13 dated 25 October 2021 "On Introducing a Standard Form Subsoil Use Licence and the Procedure for Approval, State Registration, and Issuance of Subsoil Use Licences".

17. The Company obtained 25 mining allotment certificates confirming updated boundaries for the mining areas assigned to it.

WELL DRILLING AND COMPLETION

18. In 2024, the Company commissioned 119 new wells (including 108 producing wells, ten water wells, and one prospecting well), compared to the target of 88 wells (86 oil wells and two water wells) set under the business plan. The new wells yielded a total of 562,300 tonnes, i.e., 98,800 tonnes above the business plan target of 463,500 tonnes. In the Vostochno-Kamennoye field alone 35 oil wells were commissioned, compared to the target of 23, yielding 136,010 tonnes, i.e., 37,100 tonnes above the target of 98.9 tonnes.

19. In 2024, the Company built 107 producing wells and six water wells with total meterage drilled reported at more than 362,290,000 metres, including 33 producing wells (28 horizontal and five directional wells) with total meterage drilled approximating 88,600 metres in the Vostochno-Kamennoye field.

20. Between 2018 and 2024, the Company built 298 dual-string production wells with a total of approximately 1.2 million metres drilled. The aggregate length of horizontal strings exceeds 352,000 metres.

21. Given the isolated geography of the Vostochno-Kamennoye field, the Company relied on the data collected as a result of pilot works on the wells drilled at the Vikulovo suite to implement a range of completion arrangements and development techniques. More specifically, we used multi-stage hydraulic fracturing, slotted filter system combined with hydrochloric acid treatment to remove filter cake from the well bore, or a combination of both techniques, i.e. fracports enhanced with a slotted filter system. These approaches allowed us to maximise well capacity.

22. We sank 114 mm tailpipes on 25 horizontal wells. On 16 of these, we used combined tailpipes (total of 77 fracports and 5,031 metres of filter); on five wells, we used tailpipes with MSHF (total of 64 fracports), and on four wells, tailpipes with filter systems (total length of 2,410 metres). In total, we sank 157 fracports with a total filter length of 7,441 metres.

23. The Company completed seven production wells, which also serve exploration purposes. Three of these are located within the boundaries of the Vostochno-Kamennoye field. We sampled 343 metres of core, up 55% year-on-year. In one run, we were able to sample as much as 27 metres of core, a record high.

24. In 2025, we intend to speed up drilling programme implementation in the Vostochno-Kamennoye field by introducing two additional drilling teams using cluster slider and mobile drilling rigs. As a result, we expect to commission 51 production wells with overall drilling meterage of 160.5 km.

25. At conventional well No. 42042 the Nizhnevartovsk Branch sank 24 fracports, a record number, as part of a 114 mm tailpipe, while at horizontal well No. 42733 (well pad No. 407b) in the Tagrinskoye field the maximum meterage drilled (4,753 metres) was achieved.

MATURE FIELDS REVITALISATION AND WELL INTERVENTIONS

26. In 2024, the Company carried out 397 well interventions on its existing wells (against the target of 453), adding 340,000 tonnes (target: 306,000 tonnes). Average capacity increase per well amounted to 4.8 tonnes/day, 22% above the target of 3.9 tonnes/day under the business plan.

27. In 2024, the cost-effectiveness of the well intervention programme per tonne of oil produced was estimated at RUB 4,508, 8.5% below the target (set at RUB 5,008 per tonne).

28. Over the reporting year, the Company has launched its hydraulic fracturing programme, the most technologically advanced type of well intervention. We carried out 14 interventions, which added in total more than 140 tonnes per day to our capacity (against the target of 97 tonnes per day) and yielded another 23,000 tonnes (target: 20,000 tonnes) of oil, with the project NPV over RUB 47 million and the average payback period of 6.3 months.

29. As part of its well intervention programme, the Nizhnevartovsk Branch has completed a bottomhole treatment project. This included applying self-diverting acid treatment to horizontal wells with multi-stage hydraulic fracturing. In 2025, the Company will continue its efforts aimed at choosing the most suitable chemical agents to ensure the highest performance for its interventions.

30. The Ulyanovsk Branch carried out an innovative polymer-free acid stimulation (PFAS) of the Mordovoozerskoye field well. As part of this project, 15 tonnes of 16/20-mesh proppant per 60 cubic metres of viscoelastic acid gel were injected into the well. As a result of the stimulation, well No. 313 capacity reached 33 tonnes per day, 30% above the estimate. The Company sees this technology as an alternative to well-known high-consumption large-volume hydrochloric acid treatments. The advantage is a longer-lasting effect achieved through highly conductive proppant-enhanced crack formation. Thus the Company has added proppant-based acid well stimulation to its arsenal of efficient technologies applied to stimulate hydrocarbon reservoirs of mature deposits in the Volga-Ural basin.

31. For 2025, the Company has scheduled a pilot sand jet perforation hydraulic fracturing project on the fields operated by the Khanty-Mansiysk Branch. The project will streamline the completion process and reduce the cost of new well construction, while increasing the number of hydraulic fracturing stages, and improving accuracy in selecting areas for stimulation. The technology is particularly effective for repeated well interventions.

32. Further measures taken by the Company in 2024, including over 206 stimulation operations performed on injection wells, slowed down the base production decline to 21.9% (cf.: 2017 – 32.4%, 2023 – 24.2%).

33. As a result of the implementation of our Comprehensive Field Development Optimisation System over the past five years at the Ach-Nizhny deposit (alone accounting for approx. 25% of the Company's total output) in the Verkhne-Shapshinskoye field, approx. 60% of oil is currently produced using only the formation pressure maintenance system, the cumulative effect of which is estimated at 3.3 million tonnes as at December 2024.

34. In 2024, the Company launched a project to develop and deploy AI-driven process optimisation algorithms, in a bid to improve the efficiency of deposit development and hydrocarbon production by 10–15%. Over the reporting year, we designed optimisation algorithms and developed prototypes for improved electrical submersible pump (ESP) units and flooding systems. Their field trials launched on the Varioganskoye field. In 2025, the Company expects to introduce AI-enhanced technologies in its mining and development processes.

WELL INTERVENTION TECHNIQUES

35. The Company continues to apply SandRIT (fractionated silica sand) in well interventions, saving over RUB 200 million on proppant purchases for the period between 2022 and 2024.

36. In 2024, the Company scaled the practice of splitting well intervention contracts between several contractors to two equipment fleets in the Nizhnevartovsk Branch. With the production process optimisation and good coordination between in-house specialists and the intervention contractor, the time consumption of well interventions in 2024 was down by significant 1,250 hours.

37. Elimination of minifrac operations on some wells is estimated to have saved RUB 47 million in 2024. Another RUB 15 million of savings are expected from the introduction of a “two-in-one” stabilising and demulsifying agent.

38. In 2024, the Company completed a total of 846 multi-stage hydraulic fracturing operations, utilising more than 53,000 tonnes of proppant. In the period between 2018 and 2024, over 4,000 hydraulic fracture stages were completed.

WELL REPAIRS

39. The Company applied best-in-class technology and equipment for well servicing, which allowed it to save 1,130 hours of remedial action time in the Nizhnevartovsk Branch and 99 hours, in the Khanty-Mansiysk Branch, both year-on-year.

40. Over a five-year period, the Nizhnevartovsk Branch expanded its fleet of up to 80-tonne workover units fourfold, from two to eight units. Now its well servicing and workover (WSW) teams are equipped to carry out the full range of well repairs, including retrieval and emergency response.

PUMPING WELLS OPERATION TECHNOLOGIES

41. We have been introducing internally-coated tubing hangers in pumping wells. In 2024, 489 wells were fitted with protected tubing, allowing us to prevent complications due to corrosion and heavy oil deposits and reduce operating costs.

42. The Saratov Branch completed the selection of downhole equipment for three wells of the Yuzhno-Pervomaiskoye field to face the challenging geology of Devonian deposits. Through improved efficiency, capacity was up 70 tonnes per day, while oil output grew by more than 20,000 tonnes with NPV of RUB 147 million.

43. In 2024, the overhaul interval was 841 days, 7 days longer than reported in 2023 (834 days).

44. The Khanty-Mansiysk Branch achieved a record-long overhaul interval of 1,489 days, or more than 4 years.

ORGANISATIONAL AND ENGINEERING ADVANCEMENT AND PRODUCTION COSTS OPTIMISATION

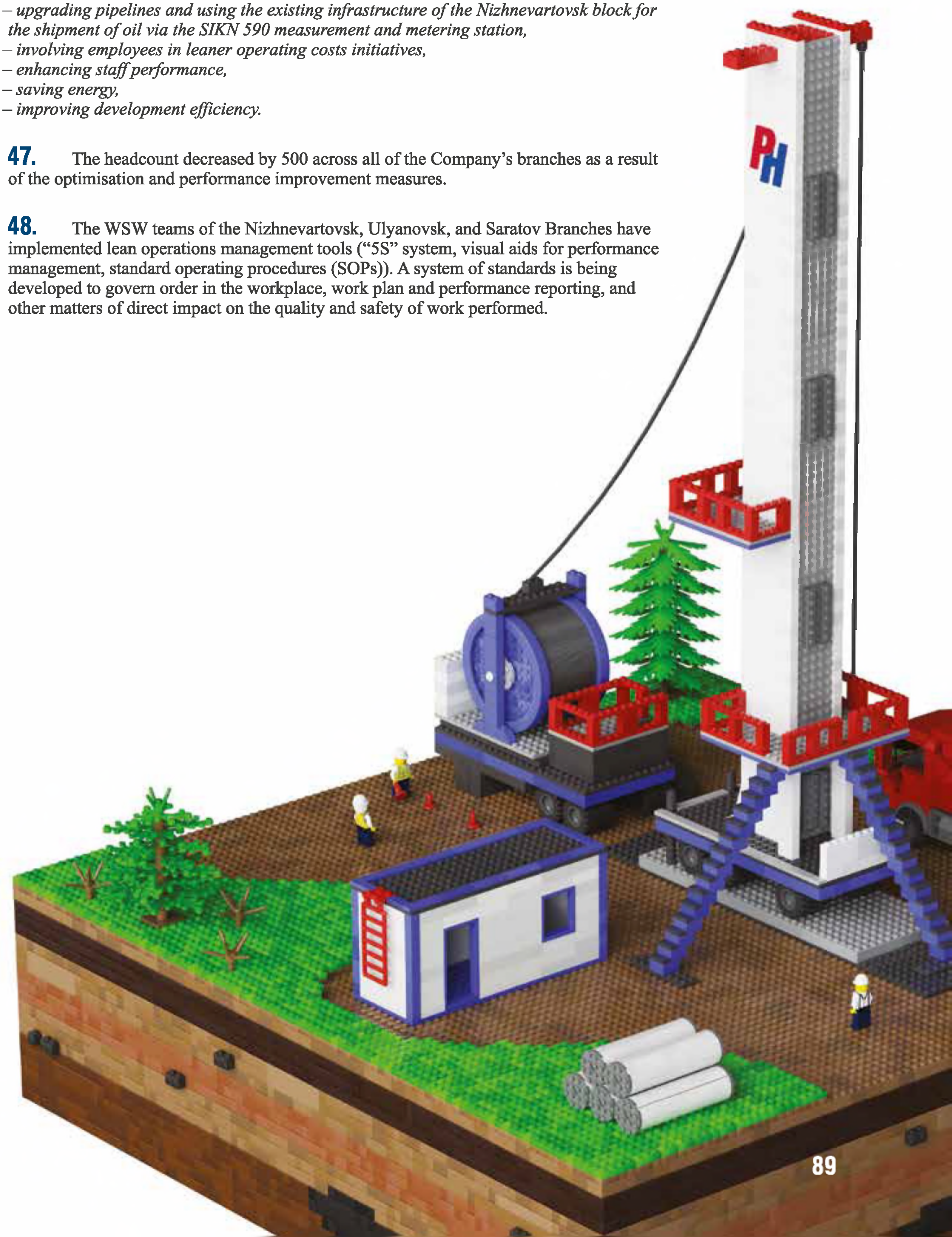
45. The effect of the Organisational and Engineering Advancement Programme implemented in 2024 reached RUB 3.097 billion.

46. **Key elements of the Organisational and Engineering Advancement Programme in 2024:**

– *upgrading pipelines and using the existing infrastructure of the Nizhnevartovsk block for the shipment of oil via the SIKN 590 measurement and metering station,*
– *involving employees in leaner operating costs initiatives,*
– *enhancing staff performance,*
– *saving energy,*
– *improving development efficiency.*

47. The headcount decreased by 500 across all of the Company's branches as a result of the optimisation and performance improvement measures.

48. The WSW teams of the Nizhnevartovsk, Ulyanovsk, and Saratov Branches have implemented lean operations management tools ("5S" system, visual aids for performance management, standard operating procedures (SOPs)). A system of standards is being developed to govern order in the workplace, work plan and performance reporting, and other matters of direct impact on the quality and safety of work performed.



INFRASTRUCTURE PROJECTS

49. As part of the Vostochno-Kamennoye field development, in Q2 of the reporting year the Khanty-Mansiysk Branch commissioned a 250 mm high-pressure pipeline connecting the oil treatment unit to the oil loading station located in Kamenny Village. The pipeline length is 18.7 km, of which 800 metres run under the Yendyr section of the Ob river.

50. A road infrastructure was put in place to transport commercial grade oil from a new oil loading station to the oil transfer point at the Vostochno-Kamennoye field's oil treatment unit.

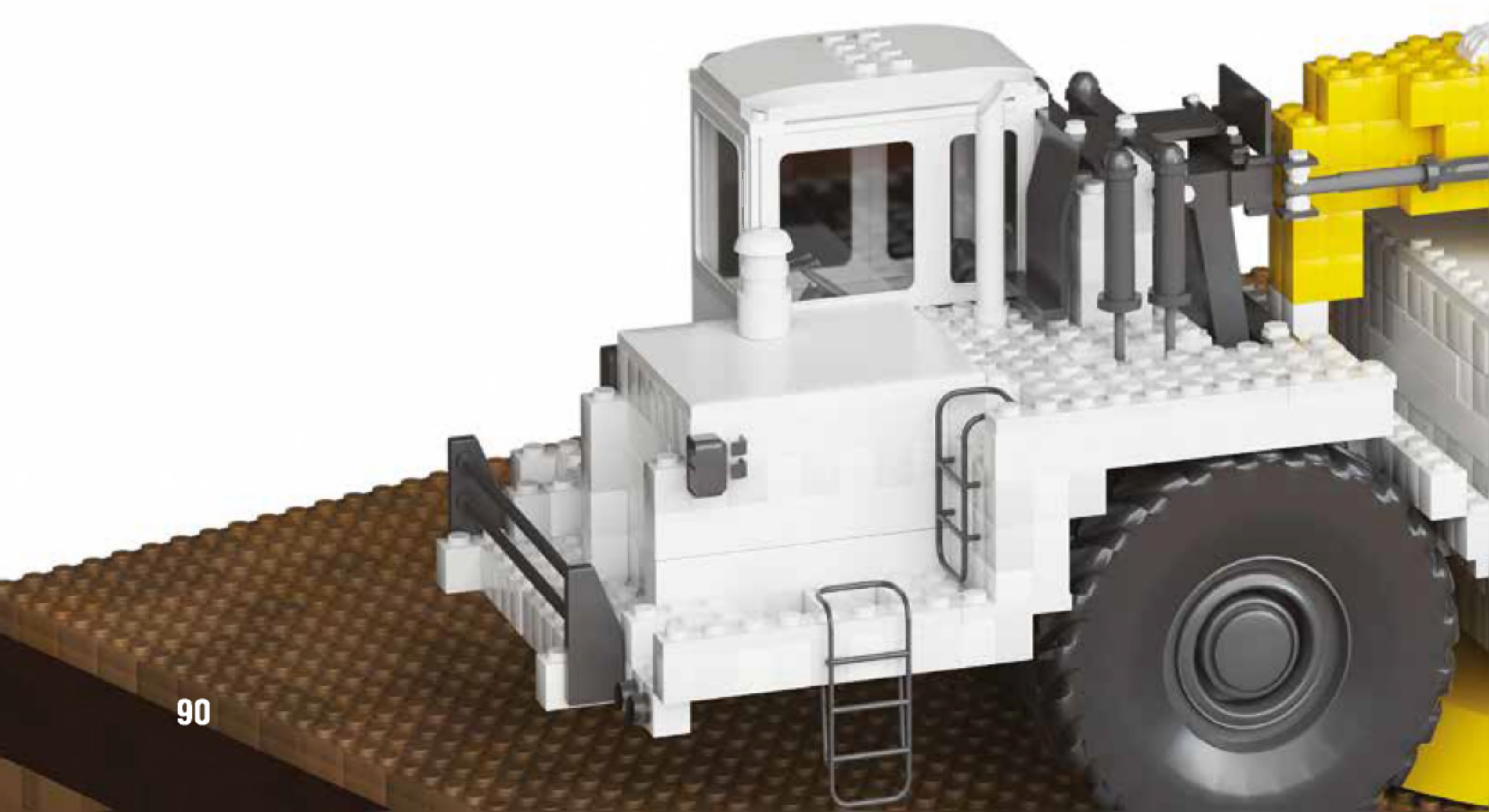
51. In October 2024, the Khanty-Mansiysk Branch commissioned the first line of the Vostochno-Kamennoye field's oil treatment unit with annual capacity of 0.5 mt of oil, 0.7 mt of liquids, and 0,042 bcm of APG.

52. The Nizhnevartovsk Branch completed the major works on its project for oil shipment through the SIKN 590 measurement and metering station installed at the Zapadno-Mogutlorskoye field. In 2022–24, we built 107 km of pipelines and all the auxiliary site infrastructure.

53. In Q1 2024, we completed the upgrade of the pipeline between the Zapadno-Mogutlorskoye field central oil gathering facility and the POVKh – Lokosovskoye Gas Treatment Plant. The project made it possible to reverse the gas flow to cover the central gathering facility's in-house gas requirements. Once the project to ship oil produced by the Nizhnevartovsk block via the SIKN 590 measurement and metering station is completed, we will be able to treat the oil with fuel gas instead of liquid fuel.

54. We completed the upgrade of 400 cubic metre vertical steel tanks at the Oktyabrskaya oil treatment and pumping facility operated by the Saratov Branch, improving the reliability of commercial-grade oil processing. The project was commissioned in Q4 2024.

55. As part of the transfer of the Luginetskoye chemical testing laboratory from Tomskaya Neft LLC to



RussNeft's Tomsk Branch, we have obtained certification from the Russian Federal Accreditation Service (Rosakkreditatsiya) (certification No. RA.RU.21OU82 in the national accreditation register).

56. Chemical testing laboratories run by the Nizhnevartovsk and Tomsk Branches have been added to the Unified Register of the Eurasian Economic Union's (EAEU) Conformity Assessment Bodies. The Company has thus complied with the EAEU's Technical Regulation on the Safety of Oil Prepared for Transportation and/or Use.

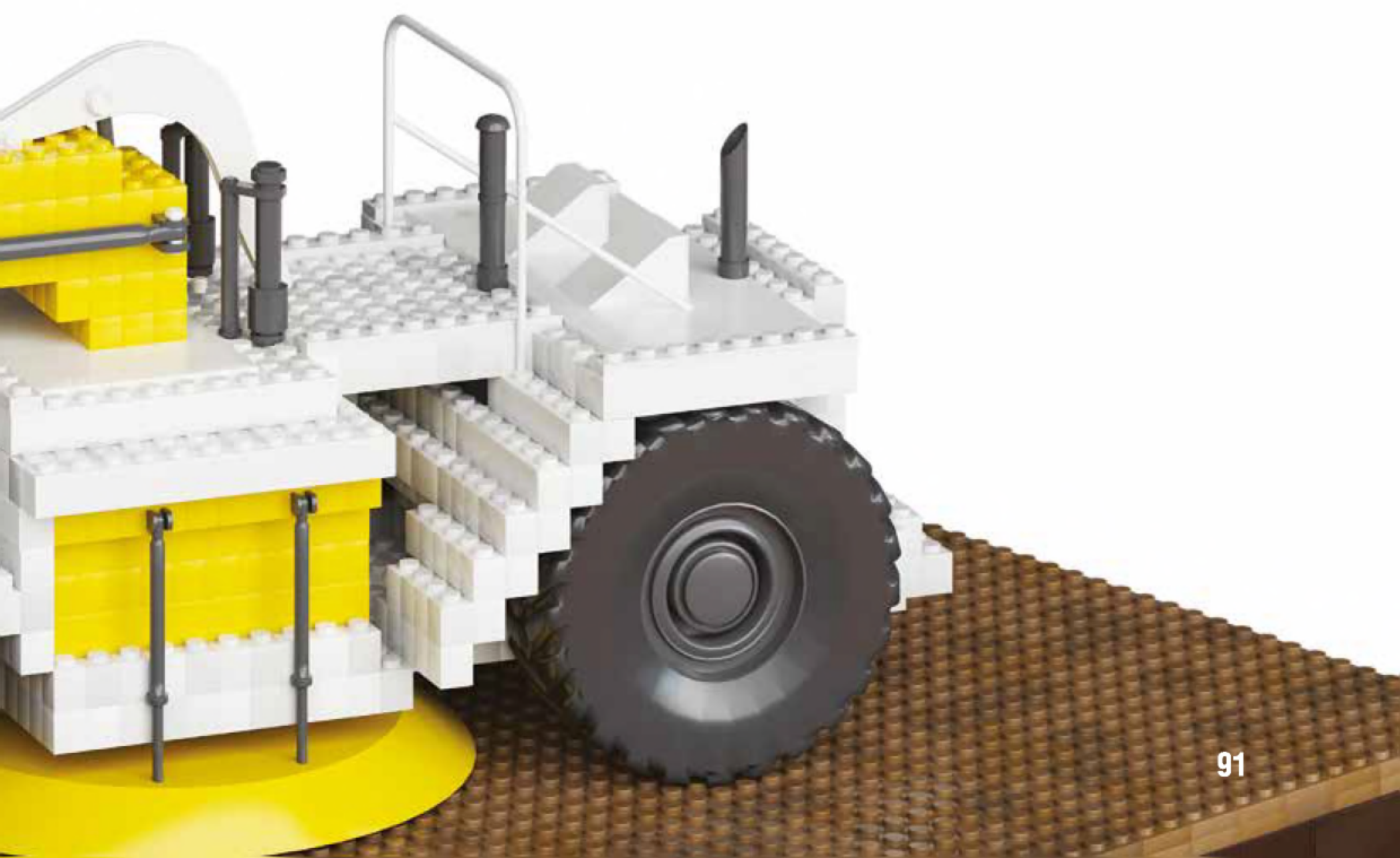
57. The Nizhnevartovsk Branch completed a large-scale project to replace pumping units, aimed at reducing electricity costs for booster pump stations 2, 6, and 9 in the Varioganskoye field, the Zapadno-Varioganskoye field FWKO, and booster pump station 3 in the Roslavlskoye field. As a result, daily power consumption was cut by 940 kWh.

58. We have built and commissioned a 32-kilometre long oil pipeline (DN 200 mm) connecting the Zapadno-Varioganskoye field FWKO to the pipeline between the Variogan central oil treatment facility and the Zapadny Roslavl booster pump station. The project provides a backup route for commercial oil delivery to Transneft's main pipeline.

59. **In 2024, RussNeft's capital construction block achieved the following results:**

– *92 km of oil and gas gathering pipelines constructed*
– *13.9 km of on-site roads constructed*
– *13 new pads constructed*
– *42.3 km of (6 and 10 kW) power transmission lines constructed.*

264 hectares of forest were restored and earlier planted seedlings taken care of.
Under the aquatic restoration programme, we completed fish stocking in the Ob and Irtysh basin releasing 3.979 million juvenile prime fish (nelma, muksun and peled).




РуссНефть

HEALTH AND SAFETY

60. In 2024, the Company updated its health and safety regulations to reflect changes in Russian laws. In particular, we devised, adopted, updated, or introduced:

– 11 new and nine existing regulations governing our health and safety policies
– 19 spill prevention, control, and countermeasure plans for the Ulyanovsk and Tomsk Branches, which were approved by the Russian Federal Service for Supervision of Natural Resources (Rosprirodnadzor)
– 11 safety certificates for potentially hazardous facilities operated by the Khanty-Mansiysk and Tomsk Branches, which were further registered by the Central Office of the Russian Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM).

61. The Company has revised chapters 9, 10, and 13 of its subsoil project design documentation for 15 fields and made changes necessary to bring them in line with the Russian HSE laws.

62. As the 1C – Industrial Safety pilot has proven successful in the Ulyanovsk Branch, we are currently rolling out the solution across other branches.

63. As part of the hazardous production facilities database update, we have re-registered the Stolbovoye field oil treatment and storage station, changing the facility type to (industrial) tank storage facility of the Stolbovoye field and downgrading its hazard class from I to III.

64. To improve branch top management's engagement in safety concerns and increase their commitment, we have set up quarterly HSE performance meetings. The Vice-President for Oil and Gas Production held three meetings where the branches presented their HSE reports for Q1, Q2, and Q3.

65. A special meeting was arranged to discuss our employees' comments and proposals regarding personal protective equipment (PPE). The meeting addressed applicable standards and PPE quality, as well as complaints relating to the items already in use by the Company. Areas for improvement were outlined for the Company's facilities.

66. Level 4 inspections were carried out in accordance with the pre-determined schedule in order to:

– identify accident risks
– improve the level of workplace safety, and
– ensure compliance with HSE legislation.
As a follow-up to six inspections, corrective measures were devised and implemented.

67. Together with Zaschita Yugry (Yugra Security) LLC, the Khanty-Mansiysk Branch completed special fire drills to practise forest fire-fighting protocols.

68. To increase employees' preparedness for workplace emergencies (such as fire or drone attack and possible evacuations, and practise coordinated actions to be taken by emergency rescue units, fire response teams and employees, all of RussNeft's branches carried out:

– special fire-fighting drills,
– fire evacuation drills,
– emergency drills to practise response to oil and oil product spills prior to the introduction of spill prevention and response plans,
– on-site drills.

69. Emergency response plans were developed for RussNeft's facilities in the Ulyanovsk Region and the Khanty-Mansi Autonomous District – Yugra.

70. Our HQ conducted employee training in health, workplace safety, and fire safety. Medical check-ups were arranged for those HQ employees who are required to undergo mandatory health monitoring.

71. A nurse station was set up on the Vostochno-Kamennoye field as one of the Company's strategic facilities to ensure that employees of the Khanty-Mansiysk Branch and contractors' workers have access to healthcare and emergency medical services. A 24/7 fire-fighting brigade is in place to ensure fire safety at the field's facilities.

72. The Saratov Branch took radiation measurements at 35 production facilities to ensure their radiation safety.

73. Our HSE experts were actively involved in organising Best in Profession, a regional professional skills contest. The final event was held in Saratov and was attended by teams from the Ulyanovsk, Khanty-Mansiysk, Nizhnevartovsk, and Tomsk Branches.

74. We joined forces with the Russian Union of Industrialists and Entrepreneurs (RSPP) Workplace Safety Committee to contribute to health and safety legislative work and propose amendments to Russian HSE laws. The Company's representatives are active members of the Committee's task forces.

ENVIRONMENTAL PROTECTION

75. **In 2024, we worked on filing for and obtaining environmental permits. In particular:**
– under environmental law the Company was required to obtain, by 1 January 2025, comprehensive environmental permits (CEPs) for 97 Class I environmentally-hazardous facilities operated by its branches.

As at 1 January 2025, the Company obtained 44 such permits (Nizhnevartovsk Branch: 12, Khanty-Mansiysk Branch: five, Ulyanovsk Branch: 19, Tomsk Branch: eight). The paperwork required for the remaining 53 facilities has been filed on time with Rosprirodnadzor and is currently being processed. We expect to finalise the permits for all environmentally-hazardous facilities in Q1 2025.

– In line with the 2023–25 Buffer Zone Creation Programme for the Company's Facilities (as per Federal Law No. 342-FZ dated 3 August 2018), over the reporting year we established ten such zones (Nizhnevartovsk Branch: four, Khanty-Mansiysk Branch: one, Saratov Branch: five). The Saratov Branch is yet to complete this process, which we expect to be finalised in H1 2025.

– To bring its water use permits in line with the applicable Russian laws, the Company has obtained from the Russian Agency for Fishery (Rosrybolovstvo) an approval for fish conservation measures and the assessment of negative impact on aquatic biological resources and habitats caused by water extraction from surface water sources for the needs of the Nizhnevartovsk Branch (one facility) and the Khanty-Mansiysk Branch (two facilities).

– The Nizhnevartovsk Branch has received Environmental Impact Permits for two Class II facilities and designed a Workplace Environmental Control Programme for its industrial waste disposal site, also environmentally hazardous. As a requirement for waste management licence issuance, the Branch obtained a sanitary and epidemiological certificate authorising it to collect, transport, treat, recycle, decontaminate, and dispose of waste in Classes I to IV. Currently, the Branch is finalising the paperwork to be submitted as part of the licence application.

– The Tomsk Branch has developed 2024–26 environmental monitoring programmes for its environmentally-hazardous facilities. For two Class II and III facilities, the Branch has developed maximum permissible emission specifications and a workplace environmental control programme, together with measures to reduce air pollution in extreme weather.

– The Ulyanovsk Branch has developed for 2025 and obtained approval for 37 sets of documentation on each of permissible emission levels, waste generation and disposal limits, and measures to reduce air pollution in extreme weather, as well as 37 workplace environmental control programmes, and 12 environmental monitoring programmes. Sixteen new waste certificates were drafted.

76. The Company recycles drilling cuttings generated in the process of well construction using a pitless tech-

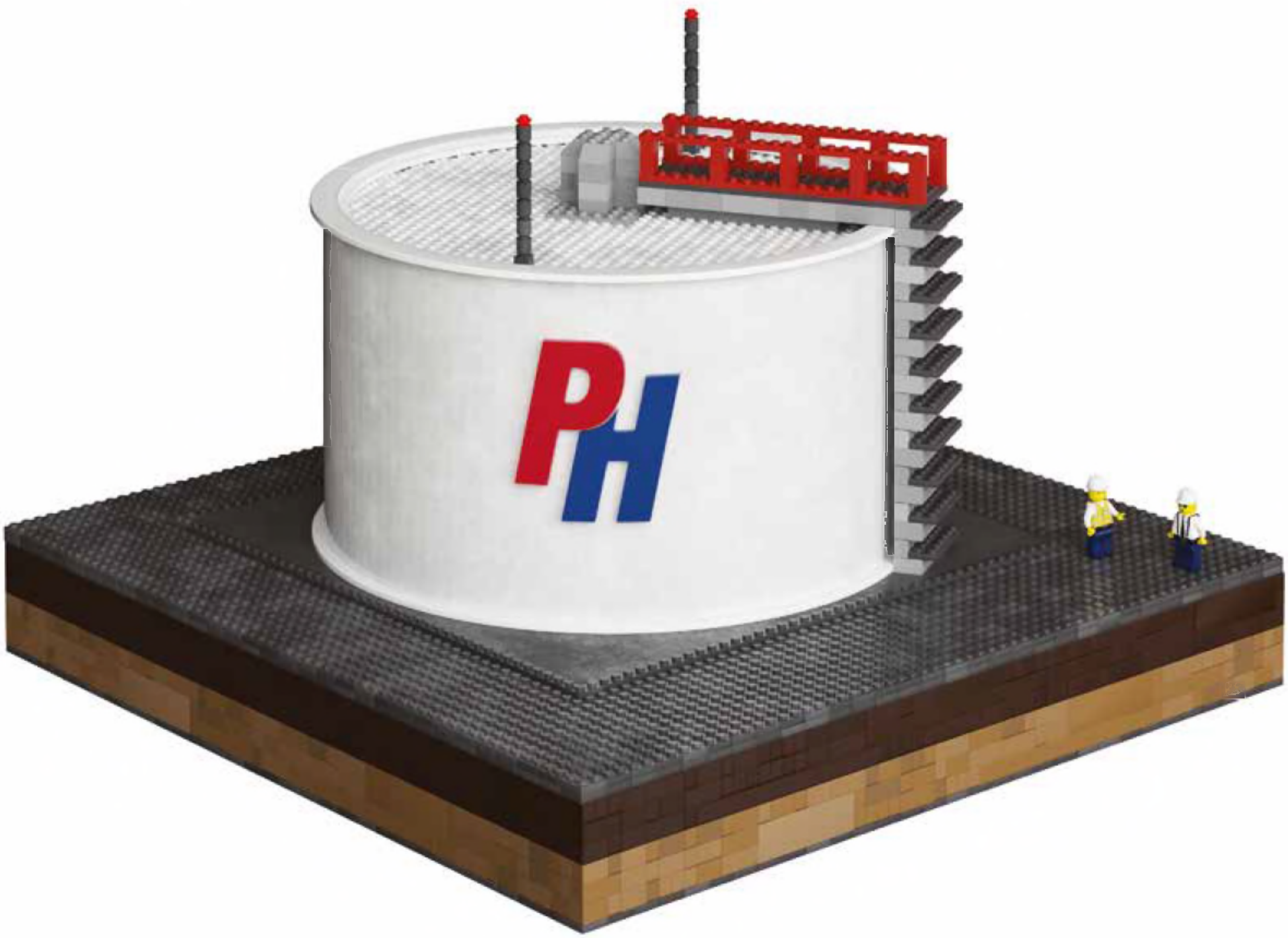
nique in the Nizhnevartovsk and Khanty-Mansiysk Branches. In 2024, the Company upgraded 58,260 cu m of drilling cuttings into industrial materials worth RUB 253 million (VAT exclusive), including RUB 114 million worth of drilling cuttings from the Vostochno-Kamennoye field, while the Ulyanovsk Branch decontaminated 6,194 tonnes of drilling cuttings worth RUB 27 million (VAT exclusive).

77. This year the Khanty-Mansiysk, Saratov and Ulyanovsk Branches of the Company decontaminated 8,763 cu m of oil sludge (Class III hazardous waste) worth RUB 45 million.

78. The Khanty-Mansiysk Branch handed over to the Russian forestry a 4.0-hectare land (forest) plot operated by Nazym Oil Exploration JSC under a lease agreement, after investing RUB 5.5 million in its technical and biological rehabilitation contract. In 2025, we expect to hand over to the forestry another two plots of forest with a total area of 8.375 hectares.

79. The Nizhnevartovsk Branch rehabilitated and handed over to the forestry a total of 2.5503 hectares of Variogannneft JSC's land plots.

80. The Company is committed to the Paris Agreement on Climate Change and strives to contribute to the goals of sustainable development and creation of an innovative power infrastructure. As part of our climate change commitment, over the reporting year we have developed a pilot climate action plan for the Tagrinskoye field. The proposed initiative involves APG-fuelled power generation for the period from 2024 to 2033. In 2025, we intend to validate and verify this plan and, as a result, determine our entitlement to carbon units which can be further registered with the governmental authorities.



81. In the reporting year, the Company acquired the ownership right to its headquarters located at 69 Pyatnitskaya Street in Moscow. We registered the property as an environmentally-hazardous facility. As part of this registration, we monitored pollutant emissions and, as a result, the property hazard class was downgraded from III to IV.

82. In 2024, the Company was actively engaged in charitable and green initiatives run by regional and federal authorities.

In May, employees of the Khanty-Mansiysk and Tomsk Branches participated in the Memorial Garden, an annual international initiative that has become a respected tradition. Its purpose is to remind us of the high price we have had to pay for Victory in WW II. The trees will be a living memorial honouring those who have died in service to our nation.

The Nizhnevartovsk and Khanty-Mansiysk Branches participated in the nation-wide Preserve the Forest initiative, a seventy-million tree movement to reduce carbon emissions and engage local communities in environmental agenda by fostering a forest stewardship culture. Joining forces with the Agansk forestry management agency, Agansk forestry unit, and a state company Avialesokhrana, we planted a hundred birch and Swiss pine trees along Bulvarnaya Street in Raduzhny town. Moreover, 5,730 pine seedlings were planted in a 2.2918-hectare area managed by the Khanty-Mansiysk forestry authority.

Employees of the Khanty-Mansiysk Branch participated in:

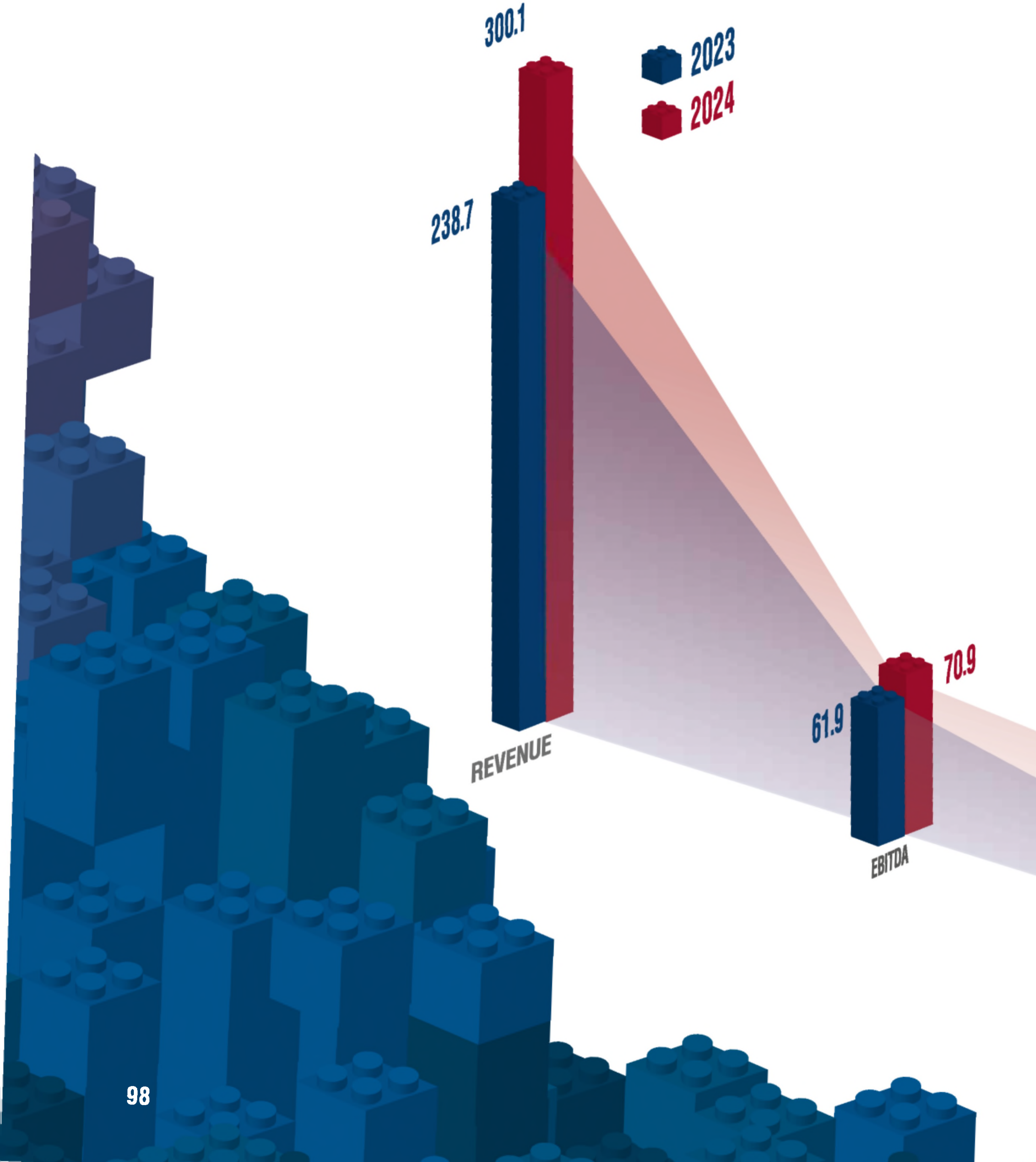
– The Yugra's Black Gold regional annual contest, winning for the Branch the name of Yugra's third fastest-growing company with annual oil output up to 5 million tonnes in 2023.
– The Jeopardy! (Svoya Igra) business game focusing on workplace safety which brought together more than forty HSE experts from Khanty-Mansiysk companies as well as Yugra State University students majoring in workplace safety. Nikita Rogozhnikov, a senior HSE specialist and a member of the Safe Oil team, took first place and received a letter of appreciation for his participation in the game.
– A nationwide competition entitled Russian High Social Efficiency Organisation.
– The 2024 Top Workplace Safety Expert Contest arranged as part of the Health and Safety Forum.
– A "My PPE is my Health" contest; the Branch was recognised for efficient use of PPEs.
– A community clean-up event was held as part of the Yugra, My Clean Home initiative to clean the area around the Khanty-Mansiysk Branch office.

As part of the Volga Region Green Week, younger employees of the Ulyanovsk Branch contributed to the Black Lake conservation park beautification project. The unique 123.4-hectare park is located within the town limits and is home to many rare and endangered species of plants and animals. Our employees removed waste wood, dry leaves, and garbage from the conservation area and the Sviyaga riverbanks.

The Ulyanovsk Branch has contributed to the nationwide Water of Russia green event and Clean Games, a quest organised as part of the international Eurasian Clean Cup.

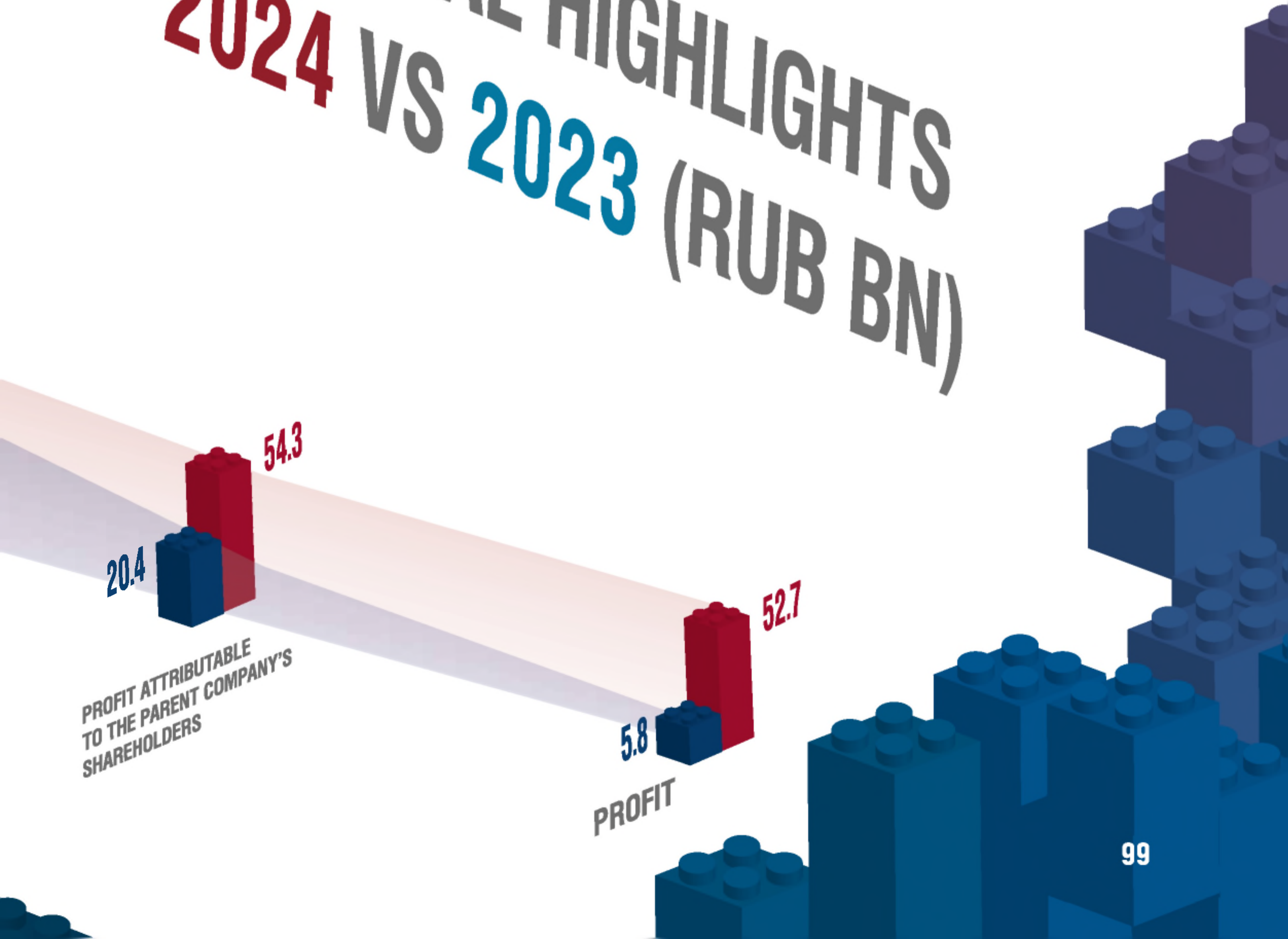
With the support of the Saratov Branch, a commemorative sign was installed in the Saratov Victory Park marking the first wells drilled in the Sokolovogorskoye field, birthplace of the regional oil industry. In the reporting year, the Branch's in-house museum arranged guided tours for local young people to educate the new generation about the history of the oldest oil company and the role it has played in Russian history.

2.6. IFRS FINANCIAL PERFORMANCE



Revenue increased by RUB 61.4 billion (26%) due to an 8% increase in dollar-denominated average oil prices (in 2024 Urals oil was traded at USD 67.8 per barrel, against USD 62.9 per barrel in 2023) coupled with a weaker rouble (as USD/RUB exchange rate increased by 9%), which drove average rouble-denominated prices up 17% over the period. In 2024, the Company produced 6.093 million tonnes of crude oil. Output declined by 337,000 tonnes (5%) year-on-year, which was partially offset against higher domestic resale volumes (up 206,000 tonnes (93%) year-on-year). In monetary terms, revenue from oil resale totalled RUB 13.7 billion.

FINANCIAL HIGHLIGHTS 2024 VS 2023 (RUB BN)

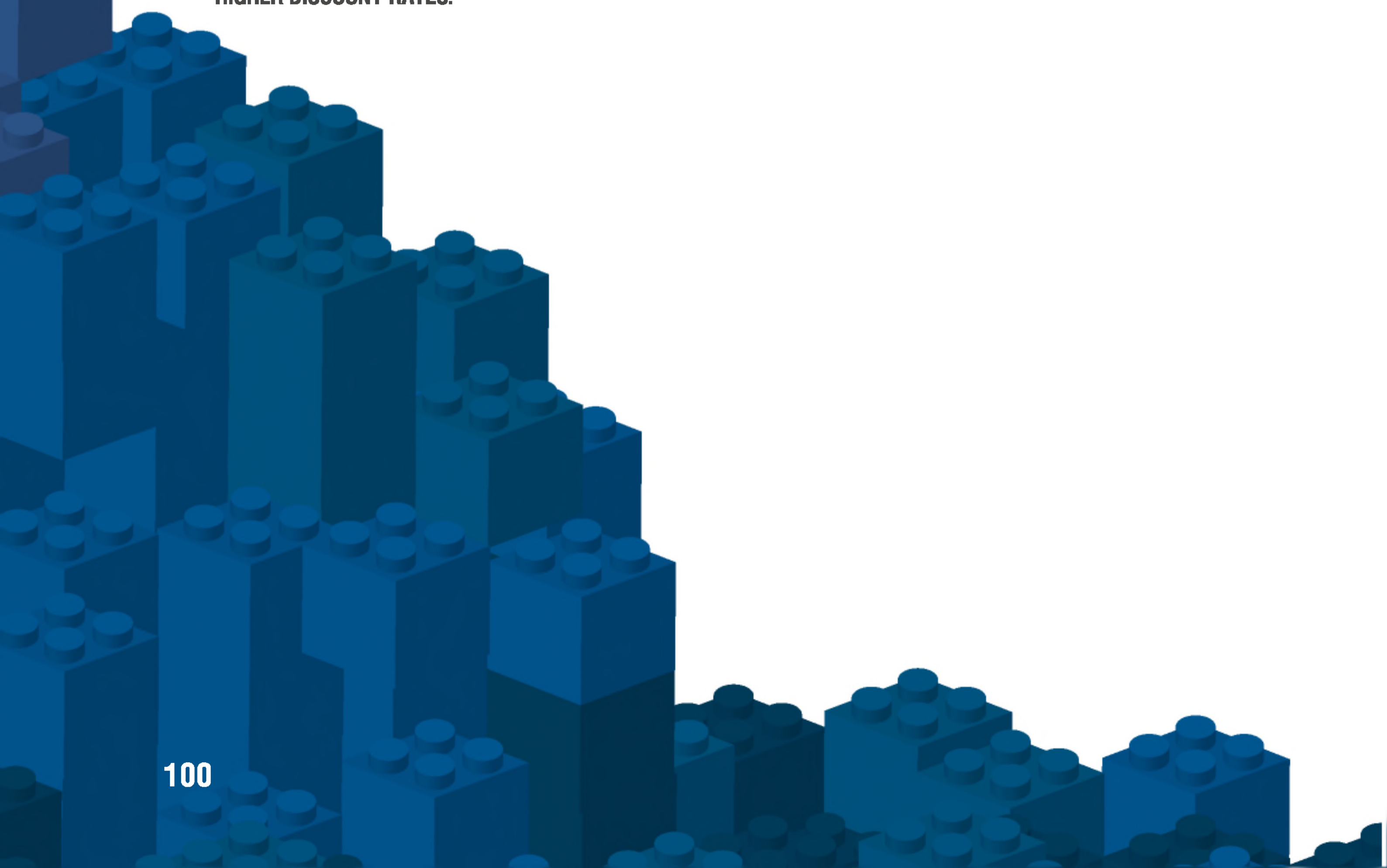


EBITDA INCREASED BY RUB 9 BILLION (15%) DUE TO THE FOLLOWING FACTORS:

- HIGHER REVENUE WHICH WAS UP RUB 61.4 BILLION (26%)
- HIGHER MINERAL EXTRACTION TAX AND TAX ON EXCESS PROFIT FROM HYDROCARBON PRODUCTION WHICH GREW BY RUB 31.2 BILLION (25%).
- OPERATING COSTS INFLATION.

PROFIT GROWTH FACTORS GIVEN HIGHER EBITDA:

- DEPRECIATION DECLINED BY RUB 11.1 BILLION (69%) AS THE COMPANY SWITCHED TO RUSSIAN STANDARDS FOR ESTIMATING OIL AND CONDENSATE RESERVES (RUSSIAN STATUTORY FORM 6GR).
- FINANCIAL REVENUE GREW BY RUB 8.7 BILLION (113%) AS A RESULT OF RENEGOTIATION OF OTHER FINANCIAL OBLIGATIONS.
- THE GROUP REDUCED ITS PROVISIONS FOR FINANCIAL AND NON-FINANCIAL ASSETS BY RUB 7.4 BILLION (80%) AND RUB 4.3 BILLION (71%), RESPECTIVELY, TO REFLECT STABILISING MACROECONOMIC CONDITIONS.
- GROWTH IN FINANCIAL DERIVATIVES AND GAIN THEREON SLOWED DOWN BY RUB 3.9 BILLION (86%).
- THE COMPANY REDUCED ITS ESTIMATED DECOMMISSIONING LIABILITIES BY RUB 2.3 BILLION TO REFLECT HIGHER DISCOUNT RATES.



2.7. DEBT PORTFOLIO

AS AT 31 DECEMBER 2024, TOTAL PRINCIPAL DEBT OWED BY THE COMPANY TO THE CREDITOR AMOUNTED TO RUB 66,786 MILLION, OR USD 657 MILLION. SINCE MARCH 2024, THE COMPANY HAS PAID A TOTAL OF USD 206 MILLION, BOTH IN QUARTERLY INSTALMENTS AND IN PREPAYMENT OF ITS PRINCIPAL DEBT. RUSSNEFT WAS PERFORMING ALL ITS OBLIGATIONS WITH RESPECT TO THE LOAN IN TIME AND IN FULL.

AS AT 31 DECEMBER 2024, WE HAD NO OUTSTANDING DEBT TO THE CREDITOR.

CHAPTER 3

STEWARDING THE GARDEN AGAINST ALL THE ODDS

“Produce the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis.” Since 1973, these have been the core values of Patagonia, one of the world’s most respected outdoor clothing brands. Its founder, rock climber Yvon Chouinard, has been an environmental advocate since he was very young. He invented chocks and runners to protect rock integrity. He created revolutionary textiles from recycled plastic and shifted to organically-grown cotton. Chouinard pledged to donate 1% of Patagonia’s sales to environmental organizations. His environmental activism influenced Patagonia’s corporate culture – the company was one of the first to implement open-plan offices, also offering employees sports facilities and on-site childcare. When the financial crisis hit the consumer industry in 2008, forcing companies to cut their costs, Patagonia continued to support environmental causes and use recycled materials, and even launched the “Don’t Buy This Jacket” campaign urging customers to consume mindfully.

Patagonia has shown the world that a business does not have to play by the rules of ruthless capitalism to be successful. Prioritising care for the environment and his employees, Yvon Chouinard has been a steward of his own garden – this mind-set is exactly what has brought his company international recognition.

Even in those chaotic markets, long-term investment in human capital, technology, and communities earned Patagonia hefty dividends, both moral and financial. Patagonia’s approach is a masterclass in surviving crises, emerging not only more successful, but also more resilient, than its rivals. We at RussNeft share strong faith in environmental activism. We have supported initiatives aimed at preserving biodiversity and the traditional lifestyle of the indigenous minorities of the North. RussNeft has promoted sustainable practices, helping its employees and supporting their career aspirations. Contrary to popular notions of capitalism, it is our belief that we can achieve efficiency through humanity and care for the environment.

3.1. STAKEHOLDER ENGAGEMENT EFFORTS

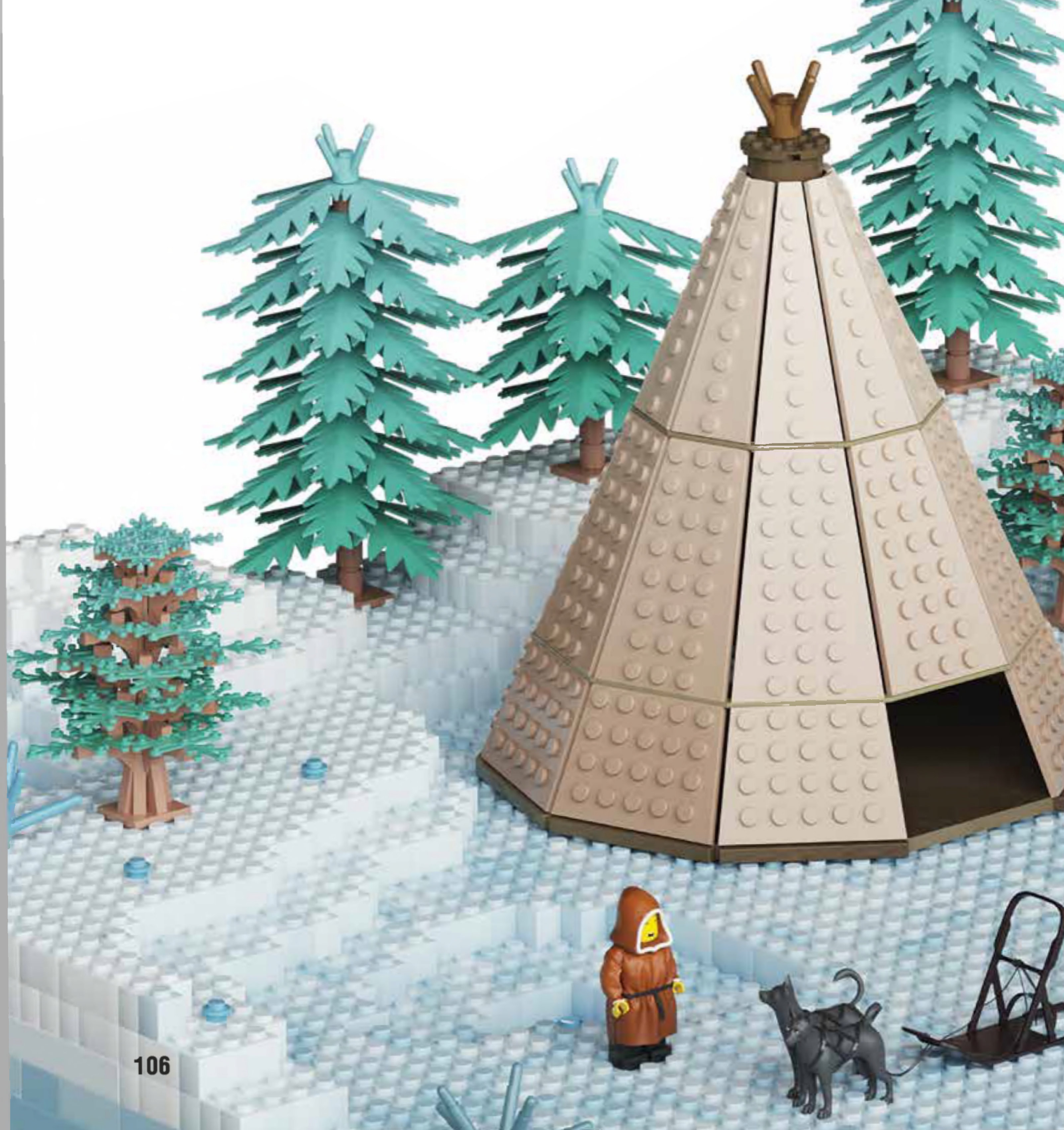
FEDERAL AND REGIONAL GOVERNMENTS

RussNeft actively works with Russian legislative and executive bodies at federal, regional and municipal levels. The Company's representatives participate in discussions on new laws, as well as in various sector-specific expert groups and forums discussing current trends in the oil and gas industry.

Throughout 2024, the Company maintained regular contacts with the Russian State Duma and federal executive authorities and proposed legislative initiatives aimed at improving the regulatory environment. Our experts participated on numerous occasions in parliamentary hearings, contributing to the legislative decision-making so as to promote the interests of the oil industry and Russian society as a whole.

The Company has built mutually beneficial social and economic partnership with Russian regions, focusing on promoting their sustainable development and supporting local initiatives. In 2024, RussNeft executed more than 30 partnership agreements with regional and district administrations in the regions where it is present.

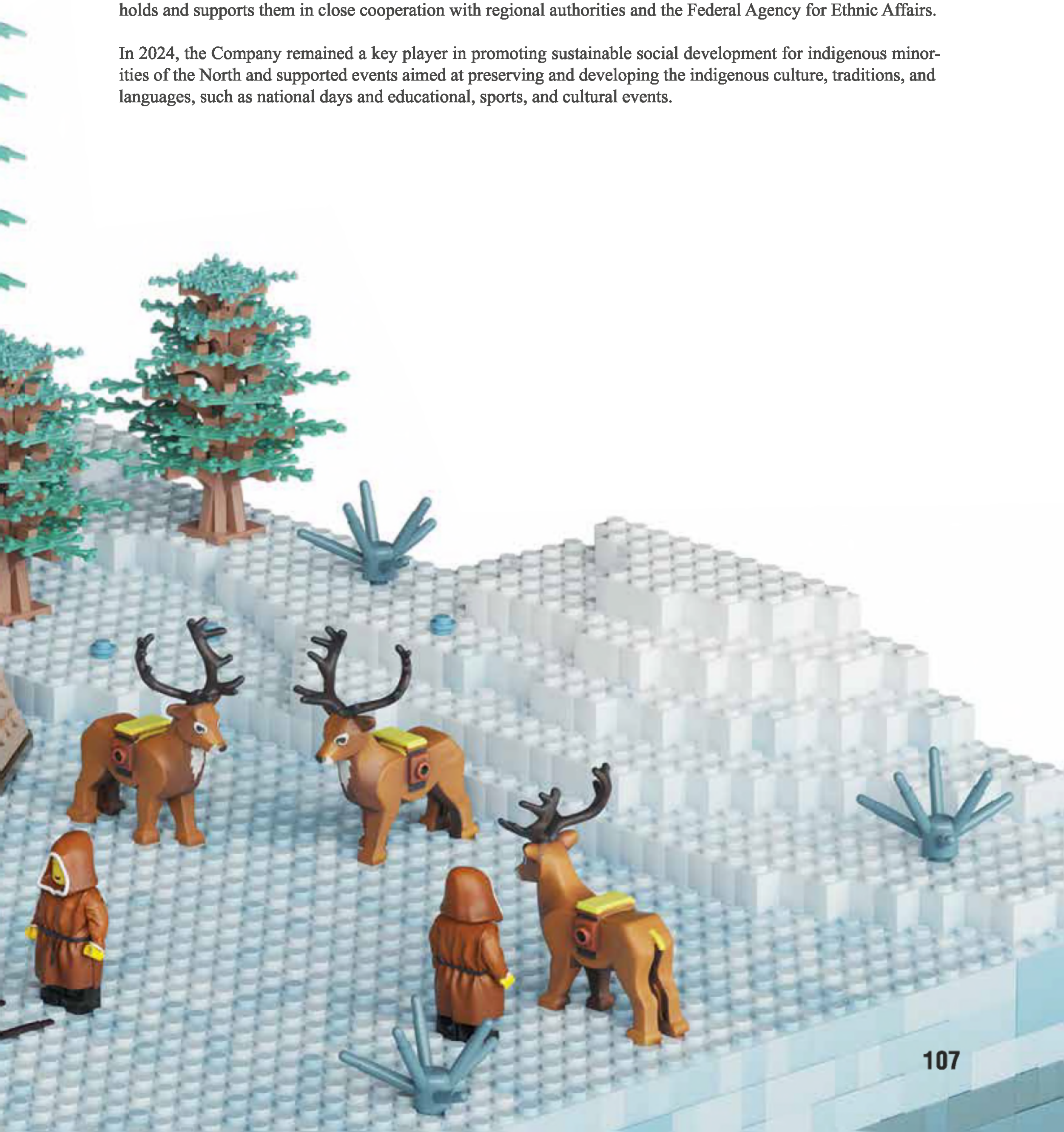
SUPPORT FOR INDIGENOUS MINORITIES OF THE NORTH



RussNeft has always been supporting indigenous minorities of the North in the regions where it operates, helping them maintain their customary way of life. Every year, the Company enters into agreements with representatives of the households in the territories where natural resources have traditionally been used by indigenous peoples, to provide them with financial support in retaining their traditional territories and preserving their national identity and culture.

The Company's Government Relations Department is responsible for coordinating and directing the Company's contacts with indigenous minorities. The Company annually receives updated information about indigenous households and supports them in close cooperation with regional authorities and the Federal Agency for Ethnic Affairs.

In 2024, the Company remained a key player in promoting sustainable social development for indigenous minorities of the North and supported events aimed at preserving and developing the indigenous culture, traditions, and languages, such as national days and educational, sports, and cultural events.



STAKEHOLDER ENGAGEMENT EFFORTS BY THE HR DEPARTMENT

Stakeholder	Form of interaction	Outcome
SUPPLIERS AND CONTRACTORS		
STI LLC	Contract for conveyance of passengers and baggage by air	Orders for air transport fully completed
HolidayMAX LLC	Contract for business travel service: air and rail ticket booking, accommodation, insurance; transfers and executive car services	Air and rail tickets and accommodation arranged for employees as requested
Mospromstroy Hotel Management LLC(Holiday Inn Moscow Lesnaya, Holiday Inn Moscow Suschevsky	Contract for hotel accommodation and related services	Guaranteed hotel accommodation and related services
SADKO HOTEL JSC	Contract for hotel accommodation and related services	Guaranteed hotel accommodation and related services
AURORA LUX Hotel LLC, GRAND-HOTEL JSC, Tverskaya Hotel JSC	Contract for hotel accommodation and related services	Guaranteed hotel accommodation and related services

B1 Consult LLC (ex Ernst & Young Valuation and Advisory Services LLC)	Contract for advisory services, including salary and incentive plan reviews	Annual oil and gas salary reviews
HEADHUNTER LLC	Mutually beneficial contract	Job postings and access to candidate database
PRINTMASTER LLC	Mutually beneficial contract	Orders for corporate award products
PREMIER ZNAK LLC	Mutually beneficial contract	Orders for corporate award products
DOLGUSHIN ALEXANDER IVANOVICH, INDIVIDUAL ENTREPRENEUR	Mutually beneficial contract	Orders for corporate award products
MEGARUSS-D INSURANCE COMPANY LLC	Healthcare services to staff from the Moscow headquarters and regional branches under voluntary health insurance // voluntary accident and illness insurance policies	Insurance policy executed to cover 6,020 employees; healthcare provided // Insurance policy executed to cover 6,031 employees; coverage paid out
VSK INSURANCE JSC	Healthcare services under voluntary health insurance policies	Insurance policies executed, healthcare services being provided as per health plans

N.V. SKLIFOSOVSKY RESEARCH INSTITUTE FOR EMERGENCY MEDICINE	Ad hoc healthcare services	Contract executed, healthcare services provided
STEK, PRIVATE PROFESSIONAL TRAINING CENTRE	Accounting training programmes for continuing professional development	Contract executed, training course provided, two employees certified as professional accountants
YEDINY MEDITSINSKY SERVIS (COMPREHENSIVE MEDICAL SERVICE) LLC	PCR tests	Contract executed, services provided (372 employees PCR-tested, test results obtained)
ACTION-DIGITAL SALES LLC	Access to the Kadry (HR) digital service	Contract executed, access to the Kadry (HR) digital service granted (for four employees)
NATIONAL TECHNOLOGICAL UNIVERSITY, autonomous non-profit organisation for continuing professional development	Statutory industrial safety training courses	Contract executed, training provided, certificates of completion issued to six employees
Housing and Communal Services Department (Information Portal) LLC	Webinar	Contract executed, webinar held, certificate of completion issued to one employee
Economics and Management Foundation (Russian Foundation for Educational Programs in Economics and Management) LLC	Online workshop for continuing professional development	Contract executed, online workshop held, one employee certified

CIT Training Centre LLC	Continuing professional development	Contract executed, online training course provided, one employee certified
Gornoye Obrazovaniye (Mining Education) Centre for ContinuinProfessional Development, private enterprise	Continuing professional development	Contract executed, online training completed by the chief surveyor
State Mineral Reserves Commission	Online conference	Contracts executed, online conference held, certificates issued to ten employees
NEZAVISIMOST (INDEPENDENCE) Research Centre LLC	Statutory industrial safety training	Contract executed, training provided, certificates issued to 11 employees
1C: Education	1C Administrator training course	Contract executed, online training provided, certificates issued to two employees
Personnel Certification Systems Registry (RSSP)	Online training courses	Contract executed, online training provided, certificates issued
Training Centre for Energy Industry Executives	Statutory training and skill development training courses	Contract executed, statutory training provided, statutory certificate issued to one employee

MOSCOW STATE UNIVERSITY OF CIVIL ENGINEERING	Online training courses	Contract executed, online training course provided, certificate issued to one employee
Social and Economic Development Agency (Group of Companies) LLC	Online training marathon	Contract executed, online training marathon held, certificate issued to one employee
KONFERENTSIYA.RU LLC	Continuing professional development	Contract executed, online training provided, certificate issued to one employee
Saratovnedra, private educational establishment for continuing professional development	Statutory workplace safety training	Supplement executed, online workplace safety training provided, certificates issued to 58 employees
Tekhnologii Doveriya Expert (Expert Trust Technologies) Corporate Training Centre	Continuing professional development	Contract executed, online training provided, certificates issued to seven employees
GOVERNMENT AUTHORITIES		
Russian Pension Fund Central Office No. 10 for Moscow and the Moscow Region	Russian Pension Fund Office for Moscow and the Moscow Region Order No. 127 dated 16 April 2021	Policyholder-related submissions: statutory statements SZV-TD (electronic employment records), SZV-M (policyholder details), SZV-STAZH (pensionable service details), communication on other issues within the Fund`s competence, electronic document exchange

MOSCOW REGIONAL OFFICE OF THE RUSSIAN SOCIAL INSURANCE FUND (Office No. 29)	Article 13(6) of Russian Federal Law No. 255-FZ dated 29 December 2006	Submissions (electronic sick leave, childbirth allowance requests, policyholder details), competent ad hoc advice
Zamoskvorechye Military Registration and Enlistment Office in the Central Administrative District, Moscow	As per Russian Federal Laws No. 61-FZ dated 31 May 1996 "On Defence", No. 31-FZ dated 26 February 1997 "On Mobilisation Preparation and Mobilisation in the Russian Federation" and No. 53-FZ dated 28 March 1998 "On Military Duty and Military Service", and Russian Government Regulation No. 719 dated 27 November 2006 "On the Approval of Military Registration Regulation"	Submissions (records and documents related to military registration)
Moscow Employment Office	As per Article 25 of Russian Federal Law No. 1032-1 dated 19 April 1991 "On Employment in the Russian Federation"	Job postings
Rabota Rossii (digital platform trudvsem.ru)	As per Russian Federal Law No. 219-FZ dated 28 June 2021 "On Amendments to Russian Federal Law No. 1032-1 dated 19 April 1991 "On Employment in the Russian Federation"	Job postings, including information about employment terms and special workplaces suitable for people with special needs
Consular Department of the Russian Ministry of Foreign Affairs	Issuance of new-generation Russian passports for international travel	Passports for international travel issued to employees

Russian Ministry of Internal Affairs Office in Moscow	Issuance of foreigner invitations	Foreigner invitations received as requested
Ministry of Energy of the Russian Federation	Order of the Ministry of Energy of Russia No. 999 dated 23 October 2017 "On Ministerial Awards of the Ministry of Energy of the Russian Federation"	Award-related documents and materials received
EDUCATIONAL INSTITUTIONS (FOR HIGHER EDUCATION AND VOCATIONAL TRAINING)		
Gubkin University (National University of Oil and Gas)	Mutually beneficial contract	Internships for students
College of the Russian Ministry of Foreign Affairs	Free-of-charge contract	Internships for students
Russian State University for the Humanities at the Federal Treasury Office for Moscow	Free-of-charge contract	Internships for students
Financial University	Free-of-charge contract	Internships for students
K.G. Razumovsky Moscow State University of Technology and Management (MGUTU)	Free-of-charge contract	Internships for students

Higher School of Economics, National Research University	Free-of-charge contract	Internships for students
Sergo Ordzhonikidze Russian State University for Geological Prospecting	Free-of-charge contract	Internships for students

STAKEHOLDER ENGAGEMENT EFFORTS BY THE HEALTH, SAFETY, AND ENVIRONMENT DEPARTMENT

Group of stakeholders	Type of interaction	Outcome
CLIENTS		
EMPLOYEES		
Government authorities	EMERCOM	• The Ulyanovsk Branch carried out eight emergency drills to practise response to oil and oil product spills. • EMERCOM Central Office issued a report confirming the Branch`s preparedness to respond to oil spills. • The Khanty-Mansiysk Branch completed special fire drills to practise forest fire-fighting protocols. • The Company carried out emergency (fire, terrorist attack) evacuation drills

Government authorities	**Russian Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor)**	We have established contacts with Rostekhnadzor's Interregional Office for Engineering Supervision and regional offices in order to proceed with re-registration of our hazardous production facilities and amendment of their details. We have re-registered in the Company's name two hazardous production facilities and updated details of another seven in the public registers
	Russian Union of Industrialists and Entrepreneurs (RSPP)	Joining forces with the Russian Union of Industrialists and Entrepreneurs (RSPP) Workplace Safety Committee, we submitted eight proposals to amend Russian HSE laws.
	Russian Social Insurance Fund	The Company arranged for health resort rehabilitation for 16 employees of the Ulyanovsk Branch and ten employees of the Khanty-Mansiysk Branch exposed to harmful and/or hazardous workplace conditions.
	Regional Office of the Russian Ministry of Natural Resources and Environment (Minprirody)	The Company has obtained 44 CEPs for Class I environmentally-hazardous facilities (Nizhnevartovsk Branch: 12, Khanty-Mansiysk Branch: five, Ulyanovsk Branch: 19, Tomsk Branch: eight)
	Russian Ministry of Energy (task force set up to address issues associated with the issuing of environmental permits)	The Company has remained in touch with the task force and participated in meetings held to discuss issues arising in connection with issuing environmental permits
	Russian Federal Service for Supervision of Consumer Protection and Human Welfare (Rospotrebnadzor)	The Company has established and registered ten buffer zones for environmentally-hazardous facilities (Nizhnevartovsk Branch: four, Khanty-Mansiysk Branch: one, Saratov Branch: five)

Government authorities	Department of Natural Resources and Environment of the Tomsk Region	The Tomsk Branch has developed environmental monitoring programmes for its environmentally-hazardous facilities, and measures to reduce air pollution in extreme weather.
	Regional Office of the Russian Agency for Fishery (Rosrybolovstvo)	The Company has obtained an approval for fish conservation measures and the assessment of negative impact on aquatic biological resources and habitats caused by water extraction from surface water sources for the needs of the Nizhnevartovsk Branch (one facility) and the Khanty-Mansiysk Branch (two facilities).
	Minprirody's Regional Office	• As a requirement for broader waste management licence issuance, the Nizhnevartovsk Branch obtained a sanitary and epidemiological certificate authorising it to collect, transport, treat, recycle, decontaminate, and dispose of waste in Classes I to IV. • The Ulyanovsk Branch has developed and obtained approval for 37 sets of documentation on each of permissible emission levels, waste generation and disposal limits, and measures to reduce air pollution in extreme weather, as well as 37 workplace environmental control programmes, and 12 environmental monitoring programmes. Sixteen new waste certificates were drafted. • The Tomsk Branch has developed and obtain approval for maximum permissible emission specifications for two Class II and III environmentally-hazardous facilities and a workplace environmental control programme.

Mass media		
Shareholders and investors		
NGOs		
Regions of operation and local communities	Memorial Garden international initiative	Employees of the Khanty-Mansiysk and Tomsk Branches participated in the Memorial Garden, an annual international initiative that has become a respected tradition. Its purpose is to remind us of the high price we have had to pay for Victory in WW II. The trees will be a living memorial honouring those who have died in service to our nation.
	Preserve the Forest initiative	The Nizhnevartovsk and Khanty-Mansiysk Branches participated in the nation-wide Preserve the Forest initiative, a seventy-million tree movement to reduce carbon emissions and engage local communities in environmental agenda by fostering a forest stewardship culture. Joining forces with the Agansk forestry management agency, Agansk forestry unit, and a state company Avialesokhrana, we planted a hundred birch and Swiss pine trees along Bulvarnaya Street in Raduzhny town. Moreover, 5,730 pine seedlings were planted in a 2.2918-hectare area managed by the Khanty-Mansiysk forestry authority.

Regions of operation and local communities	Community clean-ups	As part of the Povolzhye Green Week, employees of the Ulyanovsk Branch contributed to the Black Lake conservation park beautification project. The unique 123.4-hectare park is located within the town limits and is home to many rare and endangered species of plants and animals. Our employees removed waste wood, dry leaves, and garbage from the conservation area and the Sviyaga riverbanks. Employees of the Saratov Branch took part in a municipal clean-up. A community clean-up event was held as part of the Yugra, My Clean Home initiative to clean the area around the Khanty-Mansiysk Branch office.
	Yugra’s Black Gold regional annual contest	The Khanty-Mansiysk Branch was named Yugra`s third fastest-growing company with annual oil output up to 5 million tonnes in 2023.

3.2. ENVIRONMENTAL PROTECTION

PROTECTING ENVIRONMENT IS HIGH ON RUSSNEFT'S SOCIAL RESPONSIBILITY AGENDA. TO ENSURE ENVIRONMENTAL SAFETY OF OUR OPERATIONS, WE FOCUS ON:

- **use of state-of-the-art solutions and technologies for environmental protection,**
- **rational use of soil and water,**
- **preventing pollution of surface and ground waters and the air,**
- **preservation of forests, wildlife sanctuaries, special protected areas, etc.**

The Company's environmental policy outlines a range of administrative, technical, engineering, and economic measures designed to keep the Company's operations highly efficient and accident-free, which in turn makes it possible to reduce its environmental footprint.

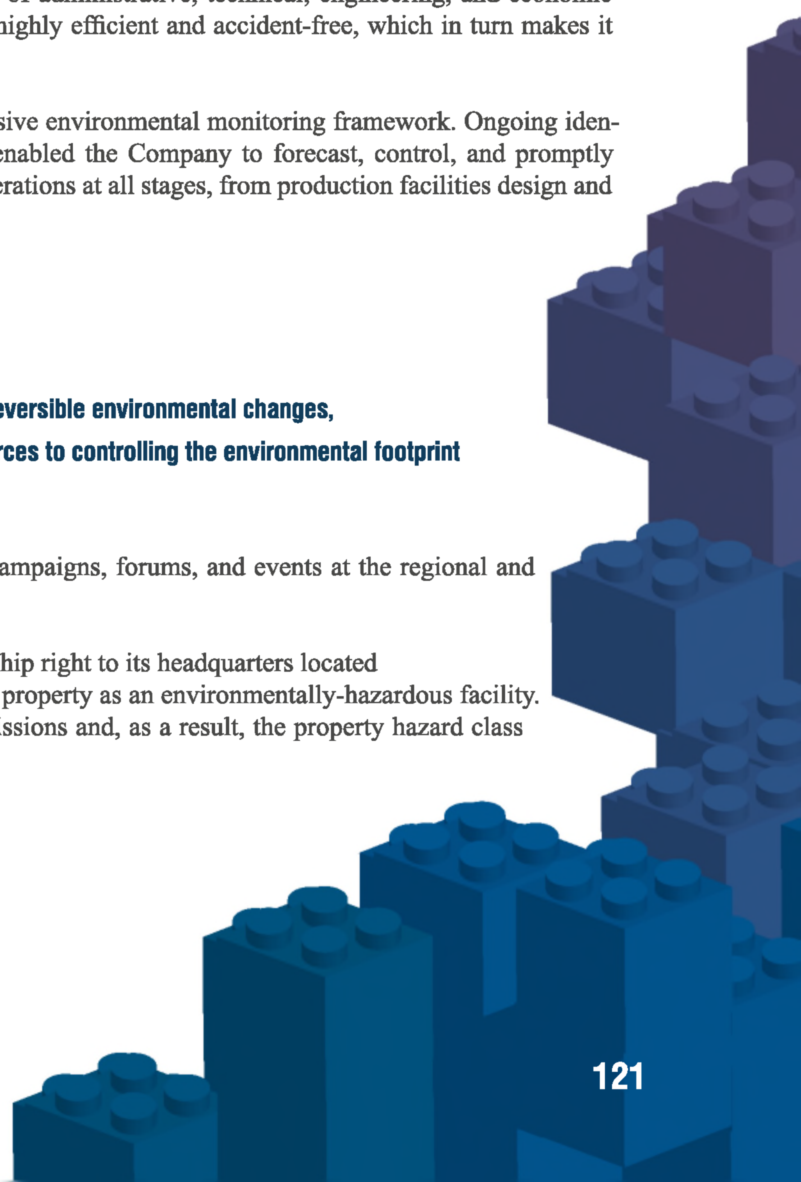
To this end, the Company has maintained a comprehensive environmental monitoring framework. Ongoing identification and assessment of environmental risks has enabled the Company to forecast, control, and promptly respond to any negative environmental impact of its operations at all stages, from production facilities design and construction to operation and decommissioning.

To meet these objectives, RussNeft has:

- **engaged in numerous green initiatives,**
- **designed on-the-spot technical solutions to prevent irreversible environmental changes,**
- **allocated significant organisational and financial resources to controlling the environmental footprint of its upstream and midstream operations**

The Company participates in annual voluntary green campaigns, forums, and events at the regional and federal levels.

In the reporting year, the Company acquired the ownership right to its headquarters located at 69 Pyatnitskaya Street in Moscow. We registered the property as an environmentally-hazardous facility. As part of this registration, we monitored pollutant emissions and, as a result, the property hazard class was downgraded from III to IV.



AIR

Committed to protecting air quality, we reduce pollutant emissions and use APG in a rational manner, in particular, by means of:

- **end-to-end process monitoring**
- **adequate corrosion protection for the equipment**
- **thorough control of welded pipe seams**
- **post-installation strength and leak (hydrostatic) tests for pipelines and machinery**
- **safety valves installed wherever the maximum allowable pressure is likely to be exceeded**
- **regular maintenance of equipment, special machinery, and trucks**
- **use of construction machinery equipped with power units that minimise air pollutant emissions**
- **automotive engines start and warm up in accordance with the pre-defined schedule, with mandatory exhaust emission monitoring**

To reduce flared APG emissions, we have implemented the On-site APG Utilisation and Gas Business Development Programme (the "Programme"). As a result, the APG utilisation rate remained at 95%. Under the Programme we run projects to construct and commission gas treatment units, power plants, and other facilities at the Company's fields and oil-and-gas blocks.

The Company sells APG to gas processing plants and uses APG as fuel for its own boiler facilities, power generating stations, oil heaters, and other production equipment.

WATER

The Company's measures to protect water resources include their efficient and sustainable management and prevention of water pollution and depletion. To reduce freshwater consumption for the Company's production needs, our oil producing facilities have water recycling and reuse systems in place. Once separated from the oil and treated at the Company's treatment facilities, formation water extracted along with oil is re-injected to maintain pressure.

WASTE

The degree of environmental hazard posed by waste management depends on the quantity of waste generated, its composition, hazard class, and disposal method. Failure to comply with waste accumulation rules and regulations may lead to soil, water, and air pollution. To prevent this, the Company intends to segregate its production and consumption wastes by hazard type and class. Waste storage areas are tailored to the specific waste toxicity and its physical and chemical properties. Storage sites are set up in accordance with the applicable HSE laws.

Of all the waste generated by the Company, drilling waste has the highest environmental impact, as it uses a variety of materials and chemical agents for well construction, and the amount of waste is measured in thousands of cubic metres. In view of this, the choice of an adequate waste management system is vitally important. The waste management guidelines are devised in accordance with the applicable regulations and are outlined in the design documentation for the construction of field facilities and wells.

The Company has devised certain production and consumption waste management initiatives to:

- **reduce waste generation and disposal**
- **properly design waste landfills**
- **arrange timely waste removal to special treatment / decontamination / landfill sites**
- **prevent land contamination in compliance with Russian waste management laws**

Every year, the Company recycles drilling cuttings generated in the process of well construction using a pitless technique into inert construction materials. In 2024, the Company upgraded 58,260 cu m of drilling cuttings worth RUB 253 million (VAT exclusive) and decontaminated 6,194 tonnes of drilling cuttings worth RUB 27 million (VAT exclusive).

SOIL

RussNeft is committed to minimising its impact on soil and reducing damage to land resources. The Company rehabilitates disturbed and oil-contaminated lands in accordance with its annual rehabilitation programmes. Both technical and biological remediation techniques are employed to reclaim land damaged in the process of production facilities construction and operation, so that it can once again be used for its original purpose and be promptly reclassified as forest land.

The Company has taken all necessary measures to prevent and reduce the likelihood of pipe leaks in its licensed areas. To this end, it employs on its sites pipes with high corrosion resistance, including lined pipes. Other tools to prevent oil leakage is pipe corrosion monitoring and piping diagnostics. Based on the findings of our diagnostics and taking into account the aggressive medium, we inject corrosion inhibitors into pipelines located in areas of high environmental vulnerability.

The Khanty-Mansiysk Branch handed over to the Russian forestry a 4.0-hectare land (forest) plot after investing RUB 5.5 million in its technical and biological rehabilitation contract. In 2025, we expect to hand over to the forestry another two plots of forest with a total area of 8.375 hectares.

The Nizhnevartovsk Branch rehabilitated and handed over to the forestry a total of 2.5503 hectares of Varioganneft JSC's land plots.

CLIMATE AND SUSTAINABLE DEVELOPMENT

The Company is committed to the Paris Agreement on Climate Change and strives to contribute to the goals of sustainable development and creation of an innovative power infrastructure. As part of our climate change commitment, over 2024 we have developed a pilot climate action plan for the Tagrinskoye field. The proposed initiative involves APG-fuelled power generation for the period from 1 April 2024 through 2033. In 2025, we intend to validate and verify this plan and, as a result, determine our entitlement to carbon units which can be further registered with the governmental authorities.

In 2024, the APG utilisation rate was 97%, compared to a target of 95%. We further plan to construct and commission oil and gas treatment units, power plants for own needs, and other facilities.

Since 2019 the Company has recorded its greenhouse gas emissions in the state fuel and energy sector information system.

Under the Reforestation Action Plan, damaged and oil-contaminated land is rehabilitated and restored to fertility and handed over to the State to be used as forest land, increasing forest carbon-absorbing capacity, thereby helping Russia to achieve carbon neutrality.

3.3. WORKPLACE HEALTH AND SAFETY

The Company operates Class I to IV hazardous production facilities (HPFs), with a total of 325 HPFs across 194 sites recorded in the Russian national register as run by the Company, including 122 operated by the Saratov Branch, 89 by the Ulyanovsk Branch, 54 by the Nizhnevartovsk Branch, 37 by the Tomsk Branch, and 23 by the Khanty-Mansiysk Branch. The Company runs its HPFs in accordance with workplace, environmental, and fire safety laws under licence No. L057-00109-64/00642299 dated 15 November 2017 to operate Class I to III explosive, fire and chemically hazardous production facilities.

In 2024, the Company re-registered in its name two hazardous production facilities and updated details of another seven in the public registers.

The Company complies with applicable industrial laws through the implementation of its HSE Policy. We also apply and continuously improve the Workplace Health and Safety Frameworks, as well as internal regulations governing:

- **WORKPLACE HEALTH, INDUSTRIAL AND FIRE SAFETY**
- **STAFF TRAINING AND CERTIFICATION**
- **SAFETY MONITORING AT HAZARDOUS PRODUCTION FACILITIES**
- **INCIDENT MANAGEMENT**
- **MEDICAL CHECK-UPS AND PSYCHIATRIC EVALUATIONS**

The Company has a health, safety, and environment department whose key objectives are:

- TO ENSURE HSE COMPLIANCE.
- TO COORDINATE ACTIVITIES OF THE COMPANY'S BRANCHES AIMED AT ENSURING EMPLOYEES' HSE COMPLIANCE.
- TO MONITOR THE COMPANY'S HSE STATUS.
- TO CONTROL THE COMPANY'S COMPLIANCE WITH HSE REQUIREMENTS.
- TO DEVISE MEASURES AIMED AT IMPROVING THE COMPANY'S HSE COMPLIANCE AND MANAGING THE COMPANY'S ENVIRONMENTAL FOOTPRINT.
- TO COORDINATE EFFORTS AIMED AT PREVENTING ACCIDENTS AT HPFS AND ENSURE THE COMPANY IS PREPARED TO RESPOND TO AND MANAGE WORKPLACE ACCIDENTS.

THE DEPARTMENT CONTROLS IN-PROCESS MONITORING AND IMPLEMENTS PREVENTIVE MEASURES, DEVELOPS AND UPDATES LOCAL REGULATIONS, AND LIAISONS WITH FEDERAL AND REGIONAL SUPERVISORY BODIES.

In 2024, the Company drafted and enacted the following regulations:

- FIRE SAFETY TRAINING REGULATIONS
- ORDERS APPOINTING EMPLOYEES RESPONSIBLE FOR FIRE SAFETY AND FIRE SAFETY BRIEFINGS
- GUIDELINES FOR MANDATORY PRE-EMPLOYMENT AND ROUTINE MEDICAL CHECK-UPS AND PSYCHIATRIC EVALUATIONS FOR HQ EMPLOYEES
- ORDER TO SET UP FRAMEWORKS FOR DOCUMENTING MICRO INJURIES
- ORDER AUTHORISING A LIST OF JOBS THAT REQUIRE OCCUPATIONALLY-MANDATED PSYCHIATRIC EVALUATION
- ORDER AUTHORISING A LIST OF JOBS THAT REQUIRE PRE-EMPLOYMENT AND REGULAR ON-GOING MEDICAL CHECK-UPS
- ORDER AUTHORISING A LIST OF EMPLOYEES WHO MUST UNDERGO REGULAR MEDICAL CHECK-UPS

To prevent occupational injuries and diseases, all the Company employees concerned underwent medical check-ups and psychiatric evaluations.

The Company's Saratov Branch hosted the Best in Profession 2024 professional skills contest. The contest, which has become a RussNeft tradition, not only recognises the Company's top operating workers, but also makes it possible to accumulate and share best practices and promote a workplace culture based on the highest standards of health, environmental protection, and safety, including fire and electrical safety.

Focused on reducing occupational injury and illness occurrences, in 2024 the Company arranged for health resort rehabilitation for 26 employees and purchased personal protective equipment in line with the Rules for Financing Preventive Measures Aimed at Reducing Occupational Injury and Illness Occurrences and Health Resort Rehabilitation for Employees Exposed to Harmful and/or Hazardous Environments, approved by Order of the Russian Ministry of Labour No. 347n dated 11 July 2024.

In 2024, the Company's branches devised and enacted new distribution policies for personal protection equipment, occupational skin products, and cleansers, and adopted a new procedure for distributing personal protection equipment and cleansers among employees, in accordance with Orders of the Russian Ministry of Labour Nos. 766n and 767n dated 29 October 2021.

Our branches organised health and safety months, mock alerts, drills, and table-top exercises. When an emergency occurs, all Company units receive an alert describing the details and measures to be taken to prevent such occurrences in the future. A technical investigation of the causes of the incident is always conducted in accordance with applicable laws and by-laws, its conclusions documented and circulated to all the Company's production units and contractors.

To ensure our preparedness for accidents, fires, and other emergencies, action plans have been developed to prevent and respond to oil and oil product spills and related emergencies.

The Nizhnevartovsk Branch obtained registration as a company that provides workplace safety training for its employees.

The Saratov Branch took radiation measurements at 33 production facilities and two temporary waste storage sites and also measured the level of radiation from equipment with a higher content of naturally occurring radioactive materials (NORM). Based on the measurement results, background radiation was found within the tolerable limits at 23 facilities where radiation safety is ensured and monitored. The Company carried out radiation dose assessment for occupationally-exposed workers operating machinery with a higher NORM content and a group of employees exposed to ionising radiation sources. Occupational exposure of employees to ionizing radiation is monitored and limited to permissible doses prescribed by sanitary rules and regulations.

The Saratov Branch contracted a specialised company for regular off-site decontamination of NORM-contaminated industrial equipment and its components.

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The Tomsk Branch has designed disaster response and recovery plans for 11 HPFs it operates and obtained approval for them from the emergency response agencies. The Branch issued ten industrial safety declarations, and updated details of one HPF in the Russian national register downgrading its hazard class from II to III.

The Khanty-Mansiysk Branch completed special fire drills to practise forest fire-fighting in coordination with Zashchita Yugry (Yugra Security) LLC. Part of the drills was to run through the steps of interaction protocols between the Branch's employees using both general and forest fire fighting equipment (two and five pieces, respectively). The Branch also assisted the Department for Mineral and Natural Resources of the Khanty-Mansi Autonomous District – Yugra in fighting forest fires across the district.

The Ulyanovsk Branch carried out eight emergency drills to practise response to oil and oil product spills. EMERCOM Central Office issued a report confirming the Branch's preparedness to respond to oil spills.

Over 2024, representatives of the Department for Mineral and Natural Resources of the Khanty-Mansi Autonomous District – Yugra and employees of the Nizhnevartovsk Branch responsible for fire safety and emergency response inspected nine fire-fighting equipment facilities and sites and identified no violations.

3.4. HR MANAGEMENT

HR PRIORITIES

- ENSURING OUR HR FUNCTION IS UP TO THE HIGHEST COMPLIANCE STANDARDS
- DEVELOPING AN EFFICIENT INCENTIVE PROGRAMME
- PROVIDING BETTER SOCIAL SECURITY TO EMPLOYEES
- ONGOING RECRUITMENT AND CONTINUOUS PROFESSIONAL DEVELOPMENT FOR EMPLOYEES
- CARING ABOUT THE HEALTH OF THE COMPANY EMPLOYEES

AS PART OF THE INTEGRATION, WE:

- DEVELOPED AND APPROVED CHANGES TO OUR ORGANISATIONAL CHARTS AND STAFF SCHEDULES,
- FORMALISED EMPLOYMENT RELATIONS WITH THE STAFF WITHIN THE NEW ORGANISATION AL STRUCTURE, IN COMPLIANCE WITH LABOUR LAW REQUIREMENTS,
- DEVELOPED AND APPROVED BY-LAWS GOVERNING EMPLOYMENT RELATIONS.

HR HIGHLIGHTS

In 2024, the Company employed over 6,000 people, with administrative and production personnel accounting for 15% and 85%, respectively.

The average headcount decreased by 1.3% in 2024. As a result of streamlined corporate structure and management processes, which ensures higher operational efficiency and labour productivity, production staff loss was down to the market low, with staff turnover in 2024 at 16%, down 2 pp year-on-year.

INCENTIVE SYSTEM

The employee incentive system is aligned with the Company's strategy and is designed to provide competitive compensation, retain and develop talents, and support employee career advancement and professional growth.

Since 2019, the Company has introduced a unified incentive model across its branches. It includes a compensation package and a package of benefits and career and professional growth opportunities for employees. It allows us to align the Company's goals with the needs of the employees and to be flexible when implementing our HR Strategy.

RussNeft is constantly monitoring the competitiveness of its compensation system. Salaries are reviewed to reflect the dynamics of labour markets in the regions of operation and the consumer price index. Despite a challenging market and business environment, in 2024 the average salary in the Company was reported at RUB 89,110, up almost 20% year-on-year. The increase was achieved through adjustment against the consumer price index. Growth in employees' real income was partially financed from the effects generated by the productivity enhancement initiative.

HR AUTOMATION

In order to monitor and automate management processes, the Company's branches are successfully creating a unified corporate HR management and payroll processing platform based on the 1C information platform.

BENEFITS OF THIS PROJECT:

- **standardisation of the Company's business processes, HR management and payroll processing records;**
- **optimisation of HR processes, reduction of effort on HR management and payroll processing;**
- **control of compliance with Russian labour laws and Company by-laws; security and protection of personal data.**

COMPENSATION AND SOCIAL POLICY. CORPORATE CULTURE

With our strategic objectives in mind, we are constantly improving our by-laws on all job compensation and incentive schemes. Thus, we adjusted our quarterly and monthly bonuses to boost workers' motivation and commitment to performance targets. We regularly monitor labour market trends and offer employees a competitive aggregate remuneration package.

Our key social initiatives are aimed at providing employees with comfortable, safe working conditions, improving their quality of life, and offering financial support to retired employees and veterans. Our corporate social benefits scheme includes both basic and additional benefits, such as private pension plans, children's recreation programmes, and ad-hoc financial support.

To ensure employee engagement in corporate culture building, every year we finance professional skills competitions, dedicated project groups to introduce state-of-the-art technologies and improve process efficiency, sports events, competitions, and recreational group activities.

Since 2007, we have been successfully operating our own corporate pension plan. In addition to their state pension, retired employees are eligible for private (corporate) pensions covered by RussNeft.
We hold special ceremonies to reward employees for professionalism and contribution to the Company's development. In 2024, 14 Company employees won professional awards from the Russian Ministry of Energy. Over 1,000 employees received corporate awards from RussNeft. A further 11 employees received special badges of merit as Best Young Specialists, Best Mentors, and Best Innovators for professionalism and unparalleled ultimate performance level in 2024. 93 employees were awarded the honorary title of Best in Profession 2024.

STAFF TRAINING AND DEVELOPMENT

We prioritise education and training for our personnel, including development of professional, management, and leadership skills. Training programmes are tailored to our strategic objectives.
In 2024, approximately 5,000 employees participated in various extended education, retraining, and professional development programmes. The cost of training initiatives exceeded RUB 9 million.

The Competency Model successfully used by the Company since 2015 helps to assess and motivate managers and specialists in an effective manner. Managerial skills are upgraded based on modular programmes designed for specialists at various levels.

In order to build a talent pool for its current and future needs, RussNeft is creating an HR development system. This system includes career guidance for higher-education graduates and a system for selecting high-potential employees (including recent graduates) and planning their careers. The Company works with the leading specialised higher education institutions in regions where it operates.

Educational projects remain high on our agenda, with priority focus on the co-operation with the Graduate School of Innovative Business at Lomonosov Moscow State University (MSU) and our joint projects with Gubkin Russian State University of Oil and Gas.

Our long-standing co-operation with MSU has continued to pick up momentum. In 2022, the first continuing professional development course for Company employees was organised, using MSU's scientific facilities and resources. Since 2006, RussNeft has been actively supporting MSU's Graduate School of Innovative Business. Its master's programmes were specifically developed by MSU's and RussNeft's specialists to address topical present-day problems of the industry. In 2022-2023, 14 masters graduated from the School; in 2024, 19 undergraduates enrolled on the two-year training course.

TALENT POOL

Succession is keystone to successful employee career planning and sustainable Company management, and we pay a great deal of attention to our talent pool for middle and top management positions. Both internal and external talent pools are annually renewed. As at 2024, the internal talent pool consists of 229 succession candidates for 172 job positions in the Moscow headquarters. The external pool includes 572 succession candidates ready to fill in 363 positions.

YOUTH POLICY DEVELOPMENT

RussNeft supports and fosters employee career development both in the Moscow headquarters and in its branches. A total of 273 promotions were registered in 2024. A Young Workers Council is to engage young workers in enhancing performance and to build up RussNeft's credibility and image among young people. Young Workers Council members help younger employees adapt and establish themselves in the corporate environment, unlocking their business and creative capabilities. In order to promote the youth policy and engage young talent in streamlining production processes, in 2024 all of the Company's branches held scientific conferences where more than 30 employees pitched their projects.

2025 HR PRIORITIES

To achieve our goals, we have set the following HR priorities for 2025:

- TO MONITOR AND PLAN HR REQUIREMENTS FOR UP TO THREE YEARS AHEAD
- TO USE HR POTENTIAL MORE EFFICIENTLY
- TO BOOST PERFORMANCE AND LABOUR PRODUCTIVITY IN ALL AREAS
- TO IMPROVE INCENTIVE SCHEMES AND KEY PERFORMANCE INDICATOR FRAMEWORKS
- TO DRAFT, REVISE, AND HARMONISE HR BY-LAWS
- TO UPDATE AND STREAMLINE THE COMPANY'S ORGANISATIONAL STRUCTURES TO ENHANCE GOVERNANCE EFFICIENCY
- TO FURTHER HARMONISE THE COMPANY'S HR MANAGEMENT BUSINESS PROCESSES
- TO IMPROVE HR PROCESSES AND REDUCE HR COSTS
- TO PROMOTE A SAFE WORKING ENVIRONMENT ACROSS THE COMPANY'S BRANCHES.
- TO DEVELOP AND MAKE USE OF OWN DATABASE OF POTENTIAL CANDIDATES
- TO ISSUE YOUNG TALENT CARDS
- TO IMPLEMENT THE MENTORSHIP PROGRAMME
- TO DEVELOP INDIVIDUAL INTER-BRANCH ROTATION PROGRAMMES
- TO SET UP AND SUPPORT YOUNG WORKERS COUNCILS AT THE COMPANY'S BRANCHES.

3.5. CHARITY AND SPONSORSHIP

Charitable initiatives targeting mostly regions in which the Company has its footprint are an important part of the Company's strategy and budget. With more and more donations coming in, we have been able to expand our charitable efforts and support a wider range of projects.

The Company focuses on targeted and long-term assistance. Each year, we support initiatives to upgrade infrastructure, conserve historical and cultural heritage, promote sports, and empower the most vulnerable groups.

KEY APPROACHES TO CHARITY

The Company has planned its charitable work for years ahead focusing on three areas: supporting federal-level projects, developing regional initiatives, and accumulating financial reserves. This way we can address local issues and roll out successful solutions at the federal level.

We have entered into long-term agreements with government and municipal authorities, NGOs, and non-profit organisations to ensure sustainable development of social environment.

THE COMPANY DONATES TO A NUMBER OF CAUSES, SUCH AS:

- PROJECTS PROMOTING SOCIAL AND ECONOMIC DEVELOPMENT IN THE REGIONS WHERE THE COMPANY OPERATES
- SUPPORT TO THE SMALL POPULATIONS OF INDIGENOUS PEOPLES OF THE NORTH
- SPORTS INITIATIVES
- SUPPORT TO EDUCATIONAL PROJECTS AND ESTABLISHMENTS
- ARTS AND CULTURE INITIATIVES
- SUPPORT TO HEALTHCARE DEVELOPMENT PROJECTS
- SUPPORT TO RELIGIOUS ORGANISATIONS
- TARGETED SUPPORT TO CITIZENS' ASSOCIATIONS
- PARTNERSHIPS WITH NON-PROFIT ORGANISATIONS

3.6 PROJECTS PROMOTING SOCIAL AND ECONOMIC DEVELOPMENT IN THE REGIONS OF THE COMPANY'S FOOTPRINT

One of the Company's cornerstones is improving living standards in the regions where the Company operates. In 2024, the Company continued entering into and performing social and economic partnership agreements with regional authorities. Financial assistance was extended to projects to upgrade social infrastructure, including renovation of schools, pre-schools, and community centres, construction and repair of playgrounds, and renewal of sports facilities.

SUPPORT FOR INDIGENOUS MINORITIES OF THE NORTH

RussNeft supports traditions and cultural heritage of indigenous minorities of the North. Operating on their tribal lands that have traditionally been used for their own needs, the Company is committed to conserving the indigenous environment and way of life. Every year the Company provides financial support to indigenous households living on their tribal lands and maintaining their customary way of life by entering into agreements with them outlining indigenous hunting, fishing, and gathering grounds located in the tribal lands, and stipulating the amount of compensation the Company undertakes to pay to each household. In 2024, the Company also supported preservation of the customary way of life, culture, and national days of the indigenous minorities of the North, with particular focus on educational, sports and cultural events.

SPORTS

Continuing a long-standing tradition, in 2024 the Company invested in promoting sports in Russia, extending its support to professional athletic federations, youth teams, and large-scale sports projects.

In particular, the Company supported:

- **THE RUSSIAN VOLLEYBALL FEDERATION IN THE CONSTRUCTION OF THE MAIN ARENA AT THE YAROSLAVL VOLLEYBALL CENTRE**

- **THE RUSSIAN ATHLETICS FEDERATION IN PURCHASING EQUIPMENT FOR YOUNGER ATHLETES AND J-FINISH EQUIPMENT**

Since 2023, the Company has sponsored the Neftyanik youth football club based in the village of Novospasskoye in the Ulyanovsk Region. In 2024, it financed the purchase of new away kit for fixtures organised across Russia.

ARTS AND CULTURE

In this segment, our key objective is to promote our cultural heritage and make art accessible to a wider audience. To this end, the Company has supported numerous cultural projects, on both federal and regional levels. In 2024, we financed the 23rd Moscow Easter Festival under Valery Gergiev's patronage; Marc Chagall and Joseph Brodsky exhibitions as well as other events organised by the Jewish Museum and Tolerance Center; upgrading, in conjunction with the government of the Khanty-Mansi Autonomous District – Yugra, of Torum Maa, an exhibition

space in Khanty-Mansiysk celebrating the traditions of the indigenous minorities of the North. The Company extended a grant to the Tchaikovsky Concert Hall in Moscow and supported other cultural initiatives.

HEALTHCARE

Pursuing its long-term priorities, the Company has provided extensive financial support to Russia's leading healthcare institutions, including the Bakulev National Medical Research Centre for Cardiovascular Surgery in Moscow. In 2024, the Company extended targeted financial aid to children with special needs or medical complexity, and other people with life-threatening conditions.

EDUCATIONAL PROJECTS AND ESTABLISHMENTS

Education has always been a priority for the Company. In 2024, we continued our support to the Gubkin Russian State University of Oil and Gas, Russian School of Economics, and other educational establishments and initiatives in order to make education more accessible and improve the quality of primary and higher education.

CORPORATE NGO PARTNERSHIP

As part of a corporate NGO partnership, the Company provides support every year to high-profile business events in Russia attended by top government officials, in this way helping to promote a favourable business climate in the country.

In 2024, the Company partnered with the Caucasian Investment Forum and contributed to organising and holding the Russian Business Week. We supported the activities of the Institute for Oil and Gas Technology Initiatives (INTI) and the Russian Union of Industrialists and Entrepreneurs (RSPP).

ENVIRONMENT AND SOCIAL INITIATIVES

In 2024, we extended our patronage to the long-term international environmental initiative To Save and Preserve (Spasti i Sokhranit) that had been running in the Khanty-Mansi Autonomous District since 2023 under the auspices of UNESCO. The goal of the project is to raise awareness of environmental challenges faced by the region.

The Company has also for many years supported projects at the Rovesnik Rehabilitation Centre for Children in the Saratov Region that provides social adaptation programmes for orphans and vulnerable children, and also supports talented young people. The Centre arranges summer camps for children from low-income families of the Saratov Region.

SUPPORT TO RELIGIOUS ORGANISATIONS

Committed to promoting moral and spiritual values, the Company has donated to the Russian Council of Muftis, and the Jewish Museum and Tolerance Centre, as well as to the Russian Orthodox church beautification projects in the Nizhnevartovsk District of the Khanty-Mansi Autonomous District – Yugra and the Ulyanovsk Region.

CHAPTER 4
CORPORATE GOVERNANCE

STEERING THE SHIP AGAINST ALL THE ODDS

The current geopolitical situation is possibly best described by the term “perfect storm”. We need endurance to weather it, and we turn to the sea in search of inspiration. In 1914, Antarctic explorer Sir Ernest Shackleton led his second expedition, the Imperial Trans-Antarctic Expedition, aiming to make the first land crossing of the Antarctic continent at its narrowest point. The expedition was to cover 2,900 km by land, but the hardship started long before they even reached the continent. Shackleton’s ship, Endurance, was trapped in pack ice, and eventually crushed and sank. The crew managed to leave the ship safely. Shackleton mobilised his people, maintaining discipline and keeping up morale on the ice floes. In the history of polar exploration, the survival of Shackleton’s crew is a masterclass in leadership. Despite imperfect 19th century technology, remoteness, and limited resources, all twenty-eight members of the Endurance crew survived.

To us, Shackleton is a role model for leadership. Despite the adversities, he did not succumb to panic, stayed calm, and led his people. His Imperial Trans-Antarctic Expedition shows that, when things go wrong, it is not external factors that count – it is people. We understand the intricacies of such a leadership style like nobody else.

4.1. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE IS A SYSTEM OF RELATIONS BETWEEN THE COMPANY'S CHIEF EXECUTIVE OFFICER, BOARD OF DIRECTORS, SHAREHOLDERS, AND ALL OTHER STAKEHOLDERS. BASED ON WORLDWIDE BEST PRACTICES, RUSSNEFT'S CORPORATE GOVERNANCE FRAMEWORKS ARE IN LINE WITH RUSSIAN LAWS, THE MOSCOW EXCHANGE RULES FOR LISTING, AND THE CORPORATE GOVERNANCE CODE RECOMMENDED BY THE BANK OF RUSSIA.

CORPORATE GOVERNANCE PROCEDURES AND PRACTICE ARE OUTLINED IN THE COMPANY'S BY-LAWS, SUCH AS:

- ARTICLES OF ASSOCIATION;
- REGULATIONS ON THE GENERAL SHAREHOLDERS' MEETING;
- REGULATIONS ON THE BOARD OF DIRECTORS;
- REGULATIONS ON THE BOARD OF DIRECTORS COMMITTEES;
- REGULATIONS ON THE INTERNAL AUDIT COMMISSION;
- REGULATIONS ON THE CORPORATE SECRETARY;
- REGULATIONS ON BOARD OF DIRECTORS REMUNERATION AND REIMBURSEMENT OF EXPENSES RELATING TO THE DISCHARGE OF DUTIES BY THE BOARD OF DIRECTORS;
- REGULATIONS ON THE DIVIDEND POLICY;
- REGULATIONS ON INTERNAL AUDIT;
- REGULATIONS ON INSIDER INFORMATION;
- INTERNAL CONTROL RULES FOR THE PREVENTION, IDENTIFICATION AND SUPPRESSION OF ILLEGAL USE OF INSIDER INFORMATION AND/OR MARKET MANIPULATION;
- RISK MANAGEMENT POLICY;
- INTERNAL CONTROL POLICY;
- REGULATIONS ON COMMUNICATIONS POLICY;
- BOARD OF DIRECTORS MEMBERSHIP POLICY;
- REGULATIONS ON PERFORMANCE EVALUATION FOR THE BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS COMMITTEES.

Committed as it is to high standards of corporate governance, RussNeft is continually improving its practice and follows developments in this area. Requirements laid down by the regulators are paid special attention and reflected in the Company's corporate governance practice.

In 2024, RussNeft focused on internal corporate procedures and corporate governance efficiency.

WE CONTINUED IN THE REPORTING YEAR TO IMPLEMENT SUCH KEY ELEMENTS SET OUT IN THE COMPANY'S BY-LAWS AS:

- EQUITABLE AND FAIR TREATMENT OF ALL SHAREHOLDERS;
- EFFICIENT, RESPONSIBLE, PROFESSIONAL, AND INDEPENDENT BOARD OF DIRECTORS;
- SUSTAINABLE AND TRANSPARENT DIVIDEND POLICY;
- OPENNESS OF INFORMATION AND TRANSPARENCY;
- PREVENTION OF CORRUPT PRACTICES;
- COMPLIANCE WITH STANDARDS OF ETHICAL BEHAVIOUR;
- CORPORATE SOCIAL RESPONSIBILITY.

Our priorities for 2025 include further improvements to the work procedures for the Chief Executive Officer, the Board of Directors and its committees, and the Internal Audit Commission. The Company will continue,on the basis of experience gained, including digital formats and technologies, and internal regulations updated to reflect legislative changes, to improve corporate governance to enhance its performance and achieve its strategic goals and objectives.

SELF-ASSESSMENT OF CORPORATE GOVERNANCE PRACTICE AND ITS COMPLIANCE WITH THE CODE'S PRINCIPLES AND RECOMMENDATIONS**

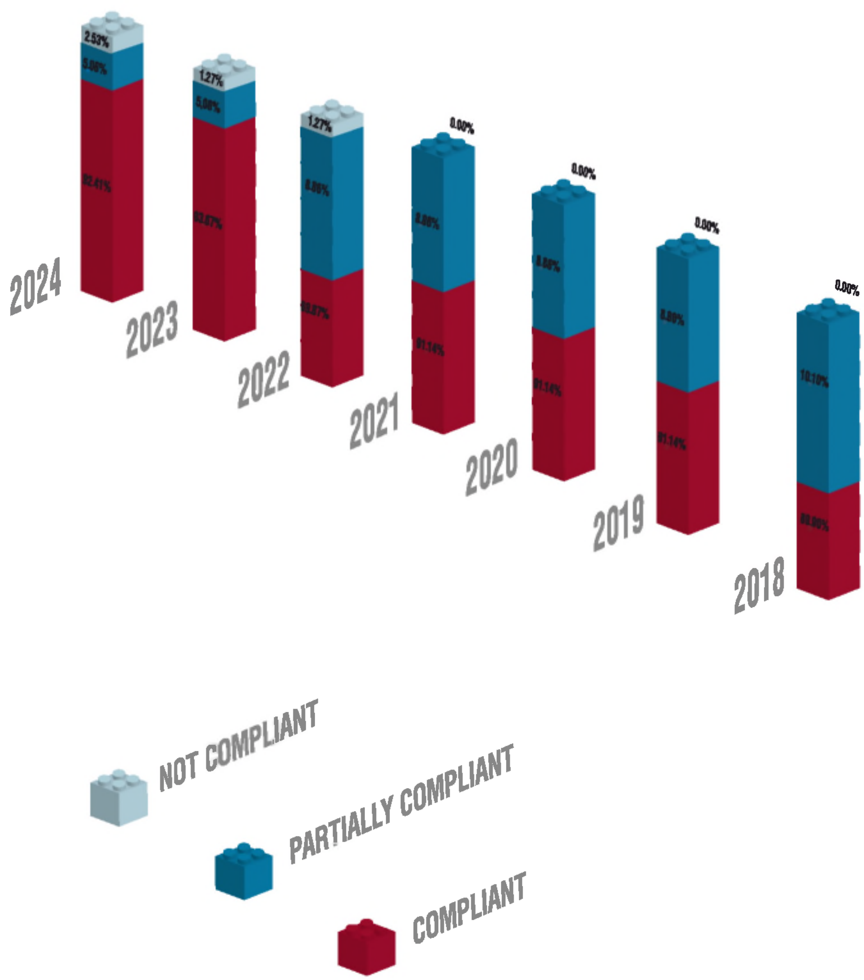
Corporate Governance Principles	Number of principles recommended by the Code	2024*		
		COMPLIANT	PARTIALLY COMPLIANT	NOT COMPLIANT
Shareholders' rights and equitable conditions for shareholders to exercise their rights	13	12	0	1
Board of Directors	36	33	2	1
Corporate Secretary	2	2	-	0
Remuneration for Board of Directors members and senior Company management	10	10	0	0
Risk management and internal controls	6	6	0	0
Corporate disclosure	7	6	1	0
Material corporate actions	5	4	1	0
Total score	79	73	4	2
	100 %	92.41 %	5.06 %	2.53 %

** Company compliance with the Code is assessed by comparing Company practices with the detailed recommendations of the Code. If at least one detailed recommendation in any section of the Code is not complied with, the Company is considered to be in partial compliance with that section. If none of the detailed recommendations in any given section are observed, the Company is considered not compliant with that section.*

*** Data based on the Report on Compliance with the Code's Principles and Recommendations.*

For the Report on Compliance with the Corporate Governance Code see Appendices, p.4.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE



4.2. CORPORATE GOVERNANCE STRUCTURE

According to existing corporate regulations, the corporate governance structure of RussNeft includes:

- **GENERAL SHAREHOLDERS' MEETING,** the supreme governing body of RussNeft, which takes decisions on key matters relating to the Company's operations,

- **BOARD OF DIRECTORS,** responsible for general management of the Company's operations, except for the matters falling within the competence of the General Meeting as per the Articles of Association,

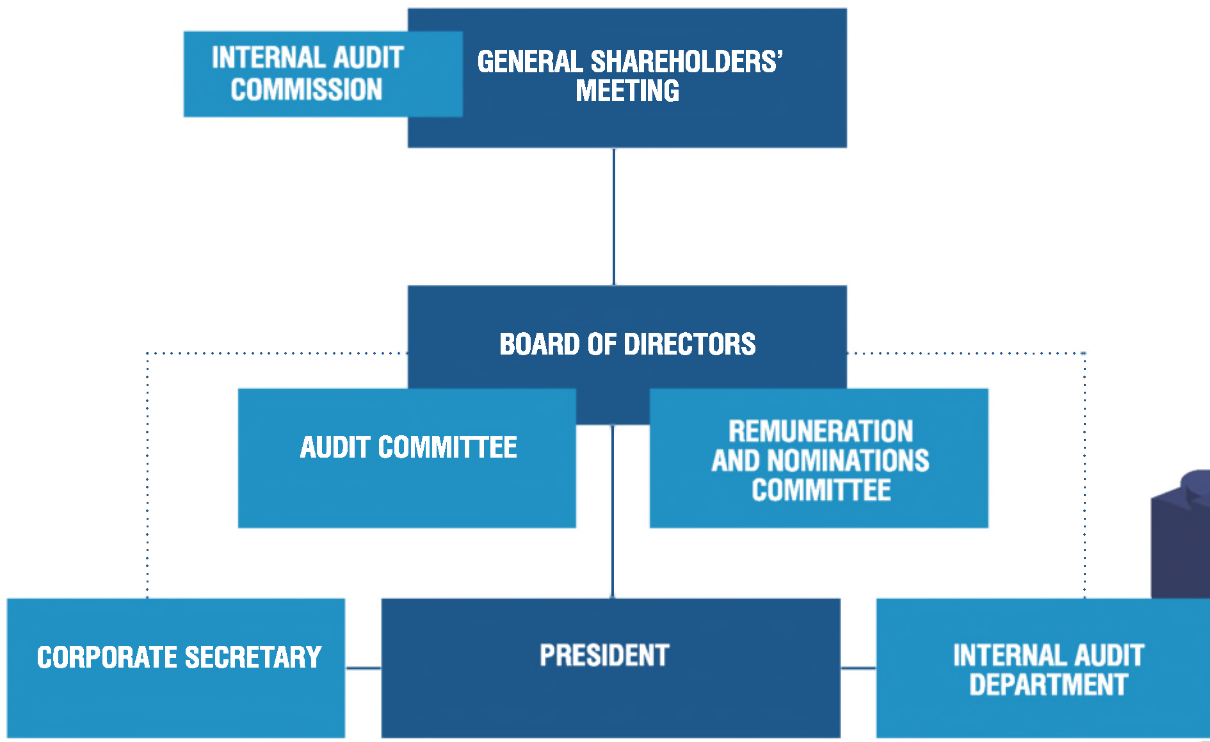
- **BOARD OF DIRECTORS' COMMITTEES** which review the most important matters related to the Company's operations and assist the Board of Directors in drafting and making decisions within their relevant functional areas,

- **PRESIDENT (EXECUTIVE OFFICER),** who manages the Company's day-to-day operations and ensures their efficiency by performing tasks assigned by the Board of Directors,

- **CORPORATE SECRETARY,** whose responsibilities include shareholder relations management, co-ordination of activities to protect shareholder rights and interests, and administrative support to the functioning of the Board of Directors and its committees, and

- **BOARD OF DIRECTORS' AUDIT COMMITTEE,** the Internal Audit Commission, and the Internal Audit Department, which supervise the Company's business and financial operations.

RUSSNEFT'S CORPORATE GOVERNANCE STRUCTURE



Officers and departments that are functionally subordinate to the Board of Directors.

4.3. GENERAL SHAREHOLDERS' MEETING

THE GENERAL SHAREHOLDERS' MEETING is the supreme governing body of RussNeft that takes decisions on key matters relating to the Company's operations.

The procedures for preparing, convening, and holding annual and extraordinary General Shareholders' Meetings are set out in the Regulations on RussNeft General Shareholders' Meetings (restated version approved by a resolution of RussNeft Annual General Shareholders' Meeting on 21 June 2019). The procedure for holding a General Shareholders' Meeting ensures that all of the Company's shareholders have equal opportunities to participate.

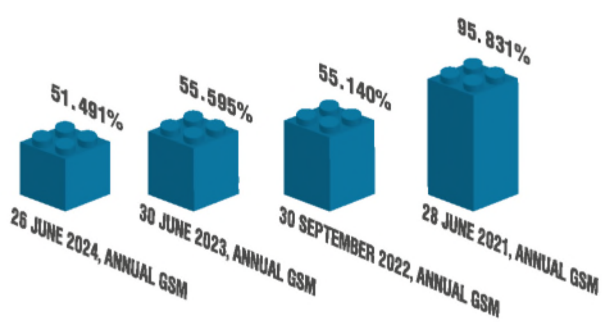
A General Shareholders' Meeting is proposed a draft resolution for each item on the agenda. Voting ballots allow shareholders to express their opinions on agenda items and vote for or against the proposed draft resolution, or abstain from voting.

In 2024, the Company held one General Shareholders' Meeting, which was the Annual General Shareholders' Meeting. By resolution of the Board of Directors passed in accordance with Article 3 of Federal Law No. 25-FZ dated 25 February 2022, the Annual General Shareholders' Meeting was held on 26 June 2024 using absentee voting.

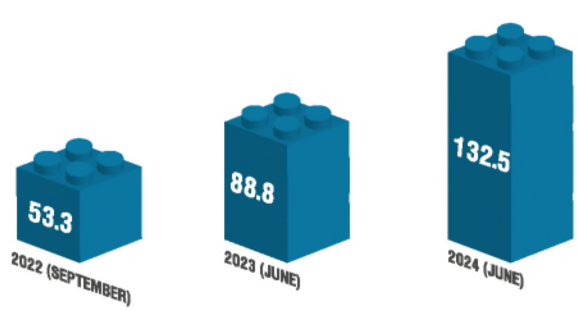
AGENDA OF THE GENERAL SHAREHOLDERS' MEETING

ANNUAL GENERAL SHAREHOLDERS' MEETING ON 26 JUNE 2024 (ABSENTEE VOTE)	1. To approve RussNeft's annual report for 2023 2. To approve RussNeft's annual financial statements for 2023 3. To distribute profit for 2023 and, in particular, to authorise payout of dividends on RussNeft's shares 4. To elect members to RussNeft's Board of Directors 5. To elect members to RussNeft's Internal Audit Commission 6. To appoint RussNeft's auditor 7. To determine remuneration to members of RussNeft's Board of Directors and reimbursement of expenses incurred in connection with their respective duties as members of RussNeft's Board of Directors 8. To authorise conflict-of-interest transactions 9. To authorise conflict-of-interest transactions 10. To authorise conflict-of-interest transactions

QUORUM AT GENERAL SHAREHOLDERS' MEETINGS IN 2021-2024



SHAREHOLDER POPULATION GROWTH OVER THE PAST THREE YEARS, '000 PEOPLE



Voting results and resolutions passed by the General Shareholders' Meeting are disclosed as required by the laws of the Russian Federation and posted

– on the Company's website: (https://russneft.ru/shareholders/corporate_governance/meeting/)
– on the website: (https://e-disclosure.ru/portal/company.aspx?id=534)

4.4. BOARD OF DIRECTORS

The Board of Directors is responsible for the strategic governance of the Company. Acting within the scope of its authority, the Board determines the priority segments of the Company's business and its strategic goals. The Board of Directors plays the key role in shaping and improving the Company's corporate governance frameworks, ensures the protection and exercise of shareholders' rights, and monitors the operation of the Company's Chief Executive Officer.

The Company's Articles of Association define the scope of the Board of Directors, which is clearly differentiated from that of the Chief Executive Officer, who manages the Company's day-to-day operations.

One of the Board's key functions is to set up strong executive bodies and oversee their performance. The Board of Directors is authorised to elect and remove the chief executive officer, and determine his/her incentives.

The Board of Directors approves internal controls and risk management policy, and supports the operation of these. In defining the risk management policy, the Board of Directors seeks to strike a reasonable balance between risks and profitability. The Board of Directors manages the key risks impacting the achievement of the Company's strategic objectives.

Based on pre-approved plans, the Board of Directors conducts annual performance reviews, monitors the efficiency of risk management and internal controls, contributes to preparations for general shareholders' meetings, authorises transactions, and transacts such other business as may be required by RussNeft's Articles of Association.

The Company has a highly professional Board of Directors with the correct balance of independent and non-independent directors and an appropriate mix of skills and competencies required for the Board members to carry out their functions in the most efficient manner.

BOARD OF DIRECTORS MEMBERS 30 JUNE 2023 – 26 JUNE 2024

1. ANDREY DEREKH
2. SERGEY KARPENKO (retired on 15 April 2024)
3. IGOR KIRDODA (retired on 28 November 2023)
4. ANTON MAKSIMOV
5. VICTOR MARTYNOV
6. ELENA MAKAROVA
7. OLGA PROZOROVSKAYA
8. DMITRY ROMANOV
9. SERGEY STEPASHIN
10. NIKOLAY SIDSKY
11. VLADIMIR SCHERBAK

BOARD OF DIRECTORS MEMBERS 26 JUNE 2024 – 31 DECEMBER 2024

1. DAVID AVALISHVILI
2. ANDREY DEREKH
3. ALEXEY KUZMENKOV
4. ANTON MAKSIMOV
5. VICTOR MARTYNOV
6. ELENA MAKAROVA
7. OLGA PROZOROVSKAYA
8. DMITRY ROMANOV
9. SERGEY STEPASHIN
10. NIKOLAY SIDSKY
11. VLADIMIR SCHERBAK

In 2024, there were four independent directors on the Board, each bringing a fresh perspective to transacted matters, as well as independent judgement stemming from his/her knowledge, experience, and skills. Constructive feedback from independent directors and their lack of bias are of great value to the Board of Directors and the Company as a whole. Independent directors contribute to better managerial decisions and corporate governance. They play a particularly important role in determining the Company's development strategy, assessing the performance of the executive bodies, and evaluating the performance of risk management and internal controls.

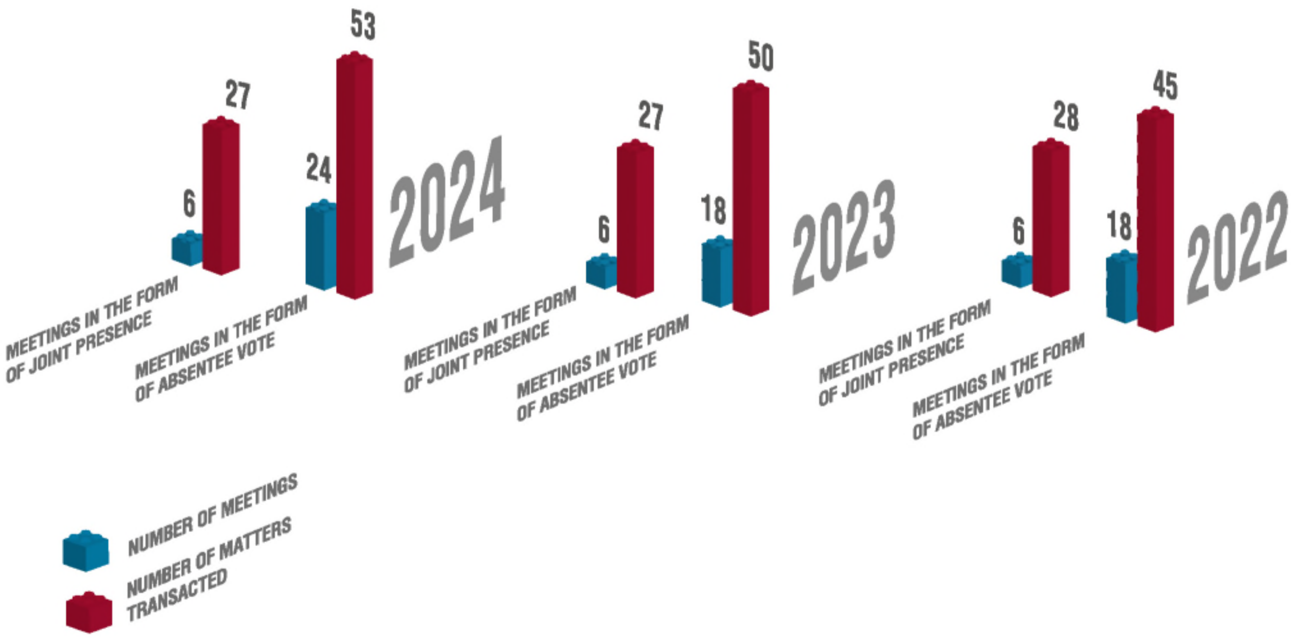
The Remuneration and Nominations Committee submits its opinion on each director's compliance with the Board of Directors independence criteria. As RussNeft is a public company and its shares are traded on the Moscow Exchange, the Board of Directors and the Remuneration and Nominations Committee apply the directors' independence criteria laid down in the Listing Rules.

In May 2024, the Board of Directors Remuneration and Nominations Committee assessed the independence of nominees to the Board of Directors in accordance with the Bank of Russia's Letter No. 06-52/2463 dated 10 April 2014 "On the Corporate Governance Code" and the Moscow Exchange Listing Rules.

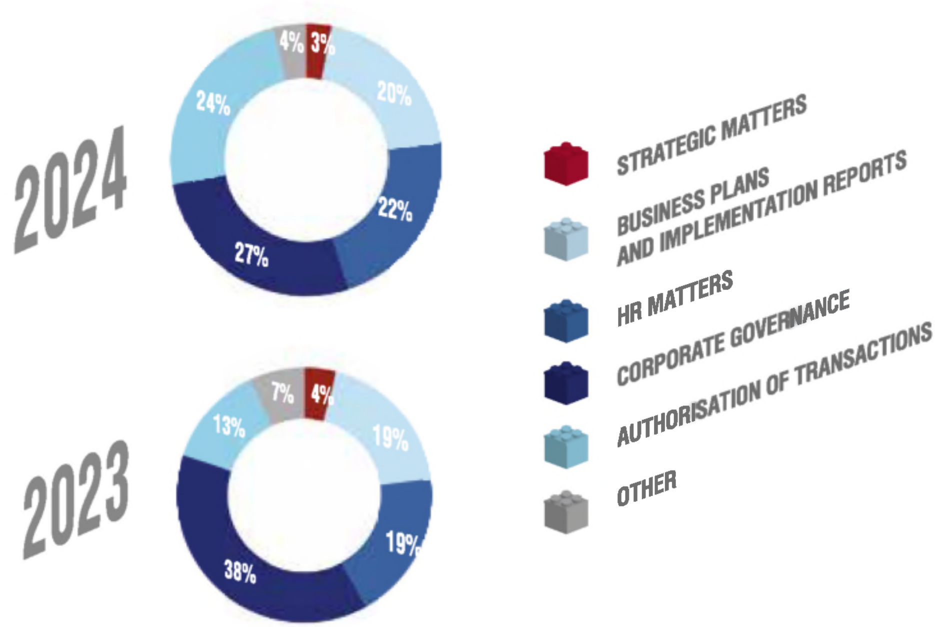
In line with the requirements of Schedule 4 to the Moscow Exchange Listing Rules, in June 2024 the Board of Directors evaluated the compliance of its elected members with the independence criteria.

In 2024, the Board of Directors met 30 times, six times in the form of joint presence, and 24 in the form of an absentee vote. The Board of Directors discussed 80 matters and passed 182 resolutions.

BOARD OF DIRECTORS MEETINGS AND MATTERS TRANSACTED IN 2022-2024



The chart below shows the breakdown of matters transacted at the Board of Directors meetings for each of the two most recent years.



KEY MOTIONS PASSED BY THE BOARD OF DIRECTORS IN 2024:

-TO REVIEW AND APPROVE THE COMPANY'S FINANCIAL AND BUSINESS PERFORMANCE REPORTS FOR 2023 AND Q1-Q3 2024,

-TO APPROVE RUSSNEFT'S BUSINESS PLAN FOR 2025,

-TO SELL LOW-PERFORMING ASSETS,

-TO APPROVE THE COMPANY'S PARTICIPATION IN OTHER ENTITIES,

-TO APPROVE AMENDMENTS TO RUSSNEFT'S REGULATIONS ON BOARD OF DIRECTORS REMUNERATION AND REIMBURSEMENT OF EXPENSES RELATING TO THE DISCHARGE OF DUTIES BY THE BOARD OF DIRECTORS AND ON THE DIVIDEND POLICY,

-TO APPROVE CHANGES IN THE ORGANISATIONAL STRUCTURES OF THE NIZHNEVARTOVSK, SARATOV, ULYANOVSK, KHANTY-MANSIYSK, AND TOMSK BRANCHES.

The form of each Board meeting is determined taking into account the significance of the agenda items. The most significant matters are transacted at meetings held in the form of joint presence and are usually first reviewed by the Board committees to ensure their comprehensive discussion and carefully weighed decisions on them. Information about the Board of Director's performance, including members of the Board and its committees, meetings held, and motions passed, is disclosed on the Company's website (https://russneft.ru/).

In 2024, Board of Directors members achieved high attendance and engagement in the activities of the Board of Directors and its committees. Most meetings were held by videoconference.

ENGAGEMENT OF BOARD OF DIRECTORS MEMBERS IN THE ACTIVITIES OF THE BOARD AND ITS COMMITTEES IN 2024*

BOARD OF DIRECTORS MEMBER	BOARD MEETINGS	AUDIT COMMITTEE
David Avalishvili	16/17	
Andrey Derekh	29/30	6/6
Sergey Karpenko	5/8	
Alexey Kuzmenkov	17/17	
Anton Maksimov	29/30	
Victor Martynov	30/30	6/6
Elena Makarova	29/30	
Olga Prozorovskaya	28/30	
Dmitry Romanov	29/30	
Sergey Stepashin	29/30	6/6
Nikolay Sidsky	29/30	
Vladimir Scherbak	28/30	

**Note: "29/30" in the table above means that a member of the Board of Directors attended 29 out of the 30 meetings that were held. If the number of meetings attended corresponds closely to the number of meetings held, the director is likely to be highly engaged in the activities of the Board of Directors and/or its committees.*

CURRENT MEMBERS OF RUSSNEFT'S BOARD OF DIRECTORS AS AT 31 DECEMBER 2024

VICTOR MARTYNOV

Chairman of RussNeft's Board of Directors

Independent Director

Member of RussNeft's Audit Committee

Chairman of RussNeft's Remuneration and Nominations Committee

First elected to RussNeft's Board of Directors in 2016

Born in 1953

Educational level: university graduate

Graduated from the Gubkin Russian State University of Oil and Gas in 1975 with a degree in Reservoir Engineering and Geophysics; PhD in Geology and Mineralogy, Doctor of Economics, Professor

Mr Martynov does not own shares or any other securities in the Company.

DAVID AVALISHVILI

First elected to RussNeft's Board of Directors in 2024

Born in 1974

Educational level: university graduate

Graduated from Tomsk Polytechnical University with a degree in Management in 1996 and, in 1998, with a degree in Engineering and major in Oil and Gas Field Development and Operation

Mr Avalishvili does not own shares or any other securities in the Company.

ANDREY DEREKH

Independent Director

Chairman of RussNeft's Remuneration and Nominations Committee

Member of RussNeft's Audit Committee

First elected to RussNeft's Board of Directors in 2016

Born in 1968

Educational level: university graduate

Graduated from Minsk Radiotechnical Institute in 1992 with a degree in Hardware, Software and Network Engineering Graduated from the International Management Institute of the Belarus Republic in 1994 with a degree in International Trade Management and major in International Economic Relations

Mr Derekh does not own shares or any other securities in the Company.

ALEXEY KUZMENKOV

First elected to RussNeft's Board of Directors in 2024

Born in 1971

Educational level: university graduate

Graduated from Moscow State Engineering Physics Institute (Technical University) in 1994 with a degree in Engineering Physics and major in Metal Physics

Mr Kuzmenkov does not own shares or any other securities in the Company.

ANTON MAKSIMOV

Independent director

First elected to RussNeft's Board of Directors in 2022

Member of RussNeft's Remuneration and Nominations Committee

Born in 1970

Graduated from Lomonosov Moscow State University in 1992 with a degree in Chemistry
Doctor of Chemistry, Professor, Corresponding Member of the Russian Academy of Sciences

Mr Maksimov does not own shares or any other securities in the Company.

ELENA MAKAROVA

First elected to RussNeft's Board of Directors in 2022

Born in 1969

Educational level: university graduate

Graduated from the Russian Academy of Theatre Arts in 1995 with a degree in Directing
Graduated from the International Advertising Institute with major in Advertising in 2006
Graduated from the Gubkin Russian State University of Oil and Gas as a Master of Business Administration in 2008

Ms Makarova does not own shares or any other securities in the Company.

OLGA PROZOROVSKAYA

First elected to RussNeft's Board of Directors in 2021

Born in 1965

Educational level: university graduate

Graduated from the Ordzhonikidze Moscow Institute of Management as a planning engineer with major in Construction Business Administration

Participation in RussNeft's share capital: 0.0005%
RussNeft ordinary shares held: 0.0006%
Transactions to buy/sell the Company's shares: none

DMITRY ROMANOV

First elected to RussNeft's Board of Directors in 2003

Born in 1963

Educational level: university graduate

Graduated from the Plekhanov Russian University of Economics in 1984 with a degree in Industrial Economics and later also earned a PhD in Economics

Mr Romanov does not own shares or any other securities in the Company.

SERGEY STEPASHIN

Independent director

First elected to RussNeft's Board of Directors in 2016

Chairman of RussNeft Board of Directors' Audit Committee

Born in 1952

Educational level: university graduate

Graduated from the Higher Political School of the USSR Ministry of the Interior in 1973
Graduated from Lenin Military Political Academy in 1981
Graduated from the Finance Academy under the Government of the Russian Federation in 2002
PhD in History, Doctor of Law, Professor

Mr Stepashin does not own shares or any other securities in the Company.

NIKOLAY SIDSKY

First elected to RussNeft's Board of Directors in 2022

Born in 1980

Educational level: university graduate

Graduated from Oryol State Technical University in 2002 with a degree in Law

Mr Sidsky does not own shares or any other securities in the Company.

VLADIMIR SCHERBAK

First elected to RussNeft's Board of Directors in 2010

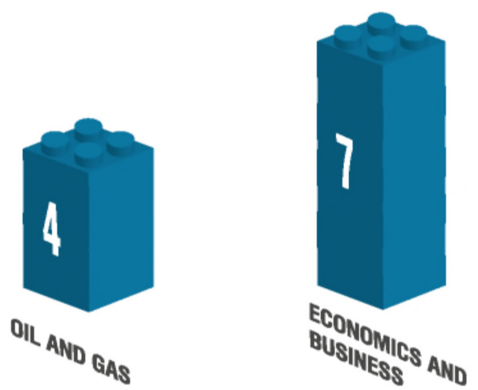
Born in 1962

Educational level: university graduate

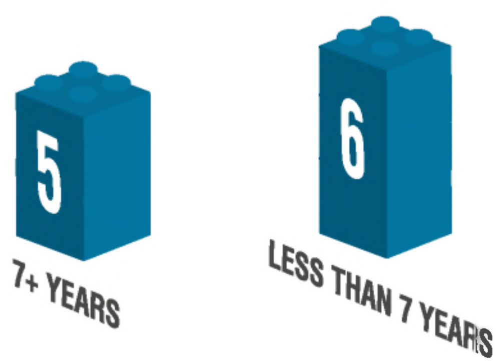
Graduated from the Peoples' Friendship University of Russia, Department of Economics and Law, in 1989 with a degree in Economics and Economic Planning

Mr Scherbak does not own shares or any other securities in the Company.

RUSSNEFT BOARD MEMBERS' EDUCATION AND PROFESSIONAL EXPERIENCE



MEMBERS' LENGTH OF SERVICE ON RUSSNEFT'S BOARD OF DIRECTORS



4.5. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has two committees, the Audit Committee and the Remuneration and the Nominations Committee, to review the most important matters and draft recommendations to the Board of Directors and thus ensure quality of decisions made by the Board of Directors and their better implementation. Both committees are governed by their respective Regulations and report to the Board of Directors.
In accordance with the Moscow Exchange Listing Rules, all or most members of the committees must be elected from among independent directors. As at 31 December 2024 the Company's committees consist solely of independent directors. This improves the quality of decision-making within the Company, enabling the committees to provide unbiased and objective recommendations, define the Company's strategic objectives and prioritise its business segments, support its sustainable development, and, overall, make crucial decisions that impact the Company's shareholders.

AUDIT COMMITTEE

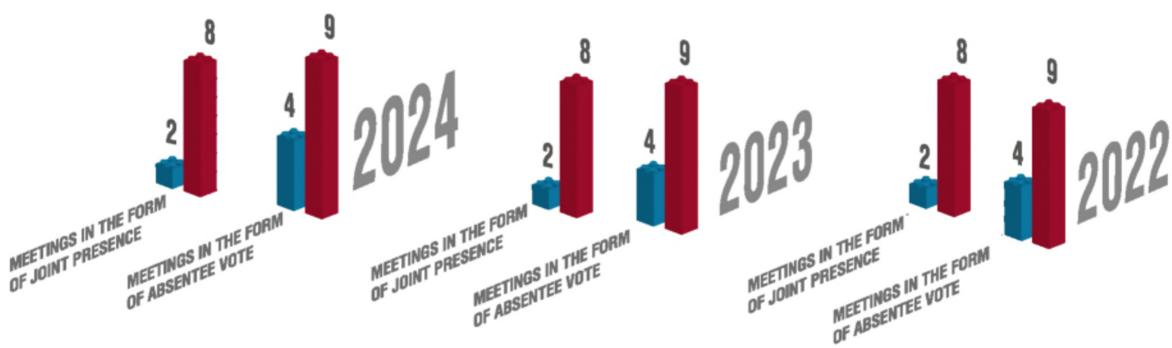
The Audit Committee facilitates efficient operation of the Board of Directors, monitoring of the Company's financial and business operations, and supervision over the Company's internal controls, reporting, and audit.

MEMBERS OF THE AUDIT COMMITTEE:

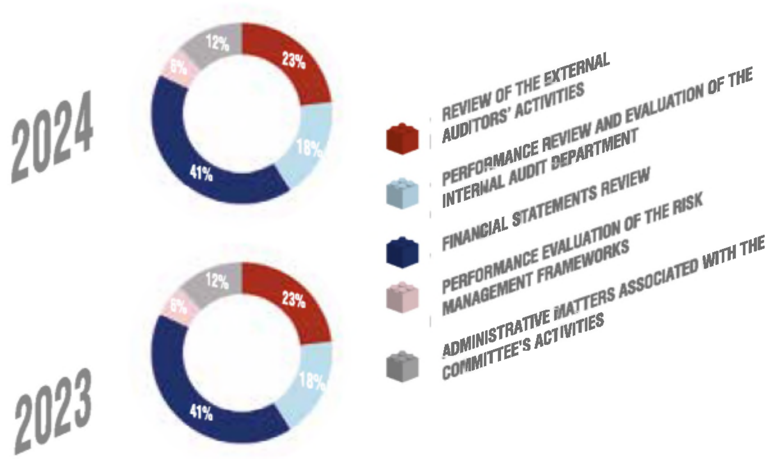
1. Sergey Stepashin, Committee Chairman, independent director
2. Andrey Derekh, independent director
3. Victor Martynov, independent director

IN 2024, THE AUDIT COMMITTEE MET SIX TIMES.

BOARD OF DIRECTORS AUDIT COMMITTEE MEETINGS AND MATTERS TRANSACTED IN 2022-2024



The chart below shows the breakdown of matters transacted by the Audit Committee[1]



[1]According to the 2024 performance review results, the performance of RussNeft's Internal Audit Department was assessed as high.

REMUNERATION AND NOMINATIONS COMMITTEE

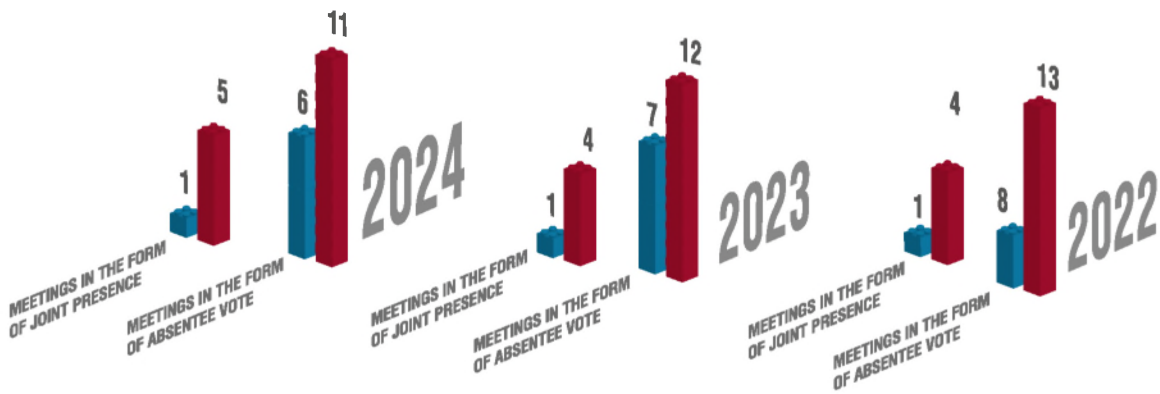
The Remuneration and Nominations Committee plays the main role in establishing a transparent, effective and solid remuneration policy within the Company. It is also responsible for matters relating to the HR policy implementation and to the skill composition and effectiveness of the Company's Board of Directors and executive bodies.

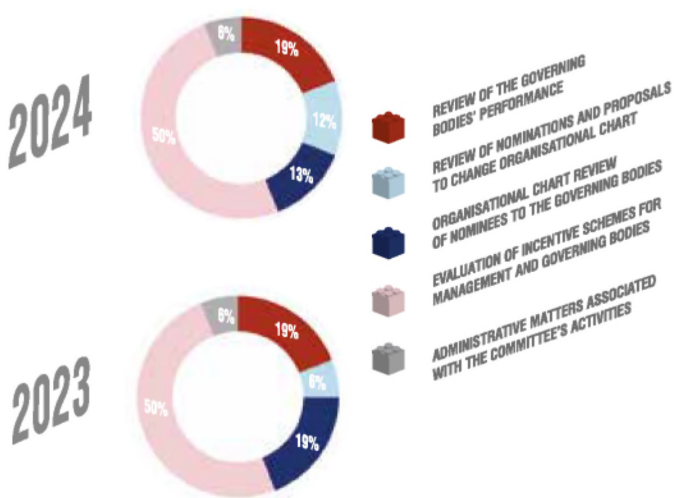
MEMBERS OF THE REMUNERATION AND NOMINATIONS COMMITTEE:

1. Andrey Derekh, Chairman, independent director
2. Victor Martynov, independent director
3. Anton Maksimov, independent director

OVER 2024, THE REMUNERATION AND NOMINATIONS COMMITTEE HELD SEVEN MEETINGS.

BOARD OF DIRECTORS REMUNERATION AND NOMINATIONS COMMITTEE MEETINGS AND MATTERS TRANSACTED IN 2022-2024





ASSESSMENT OF THE BOARD OF DIRECTORS

Improvements to processes and procedures of the Board of Directors as a strategic management and supervisory body is a crucial factor for ensuring the efficiency of the Company's governance and boosting investors' confidence. In line with best international practices and the guidelines of the Corporate Governance Code endorsed by the Bank of Russia, the Company has introduced a Board of Directors (self-)assessment procedure since 2018.

The (self-)assessment procedure covers both the Board of Directors and its committees. The primary objective of the Board of Directors assessment is to ascertain the effectiveness of the Board of Directors as a collegial governing body and to strengthen its role in driving the Company's successful growth. Assessment allows to determine the direction and the rate of change in the performance of the Board (and its committees) as well as to compare their contribution to the Company's successful growth and identify areas for further continuous improvement to their practices which are reported in a timely manner to the Company management and implemented to the extent practicable. Where necessary, following the assessment, the Remuneration and Nominations Committee of the Board of Directors develops proposals for improving the performance of the Board of Directors and its committees.

In 2024, the Board of Directors and its committees carried out the self-assessment exercise for the corporate year of 2023-24. The results were first reviewed by the Board of Directors Remuneration and Nominations Committee from an overall performance perspective. The Committee's recommendations to improve the procedures of the Board of Directors and its committees were submitted for review to the Board. According to the self-assessment results, performance of RussNeft's Board of Directors was high.

RUSSNEFT BOARD OF DIRECTORS ASSESSMENTS IN 2023-2024 (BASED ON SELF-ASSESSMENT RESULTS)

KEEPING NEWLY ELECTED MEMBERS OF THE BOARD OF DIRECTORS INFORMED OF THE COMPANY'S ACTIVITIES

RussNeft's Policy on the assumption of office by members of the Board of Directors is based on the best corporate governance practices and designed to ensure that the Board of Directors conducts its activities efficiently. The Policy is aimed at ensuring that newly elected members of the Board of Directors quickly and efficiently become familiar with the Company's key operational and financial indicators, risk management frameworks, internal controls, and corporate governance system. Under the procedure, meetings with the President, Board of Directors members and executive officers of the Company may be arranged for newly elected members of the Board.

In the reporting year, when David Avilashvili and Alexey Kuzmenkov joined the Board of Directors as its newly elected members, in line with Policy, appropriate arrangements were made for them to become familiar with the requisite information on the Company's activities, its internal regulations and financial statements, the Company's annual reports and other documents and information.

4.6. CORPORATE SECRETARY

THE CORPORATE SECRETARY'S KEY RESPONSIBILITIES INCLUDE:

- IMPLEMENTATION OF THE COMPANY'S CORPORATE POLICY;
- SHAREHOLDER RELATIONS MANAGEMENT;
- CO-ORDINATION OF THE COMPANY'S ACTIVITIES TO PROTECT SHAREHOLDER RIGHTS AND INTERESTS;
- ADMINISTRATIVE SUPPORT TO THE FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES.

The Corporate Secretary:

- ORGANISES AND MANAGES GENERAL SHAREHOLDERS' MEETINGS IN COMPLIANCE WITH THE APPLICABLE LAWS OF THE RUSSIAN FEDERATION, AND THE COMPANY'S ARTICLES OF ASSOCIATION AND INTERNAL REGULATIONS;
- SUPPORTS THE OPERATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES, ORGANISES AND MANAGES BOARD MEETINGS;
- TAKES PART IN THE COMPANY'S DISCLOSURE PROCESS;
- ENSURES SAFE KEEPING OF CORPORATE DOCUMENTS;
- FACILITATES COMMUNICATION WITH SHAREHOLDERS AND PARTICIPATES IN PREVENTING CORPORATE CONFLICTS;
- TAKES PART IN IMPROVING THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORKS AND PRACTICE;
- MPLEMENTS AND MONITORS COMPLIANCE WITH PROCEDURES INTENDED TO PROTECT SHAREHOLDERS' RIGHTS AND LEGITIMATE INTERESTS IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE RUSSIAN FEDERATION AND THE COMPANY'S INTERNAL REGULATIONS;
- ENSURES COMPLIANCE WITH THE RUSSIAN STOCK EXCHANGES' LISTING AND TRADING RULES, ETC.

The Corporate Secretary also acts as secretary to all the Board of Directors committees. The Corporate Secretary's work is governed by RussNeft's Regulations on the Corporate Secretary, approved by the Company's Board of Directors in 2016. Under the Regulations, the Company's Corporate Secretary is functionally subordinate to the Board of Directors and administratively subordinate to RussNeft's President. No conflict of interest with regard to the work of the Corporate Secretary has been identified.

In the reporting year, the Corporate Secretary prepared and ran:

- **one general shareholders' meeting;**
- **30 Board meetings;**
- **six meetings of the Board of Directors Audit Committee;**
- **seven meetings of the Board of Directors Remuneration and Nominations Committee.**

Svetlana Furs, Head of Corporate Support, Corporate Relations Department, has been Corporate Secretary since October 2016. The Company's Corporate Secretary has the experience, knowledge, expertise, and qualifications required to perform their duties.

SVETLANA FURS

Born in 1975

Educational level: university graduate

Graduated from the Plekhanov Russian University of Economics
as a PhD in Economics (1997)

Experience in corporate governance: 23 years

Nationality: Russian

Mrs Furs does not hold any shares or securities in the Company

4.7. POLICY ON REMUNERATION AND/OR REIMBURSEMENT OF EXPENSES TO MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS, PRESIDENT, AND MANAGEMENT

Under RussNeft's remuneration policy, remuneration must be adequate to hire, motivate, and retain personnel who have competences and qualifications necessary for the Company.
The Company pays remuneration to members of its Board of Directors, executive bodies, and key officers in accordance with:

- Russian law (i.e. the Federal Law "On Joint-stock Companies" and the Labour Code),
- the resolution of the general shareholders' meeting, which lays down the remuneration for the independent directors on the Board of Directors and the Chair of the Board of Directors,
- other internal regulations (Regulations on Remuneration to the Board of Directors and Reimbursement of Expenses Related to the Discharge of Duties by the Board of Directors, which define the procedure for calculating and paying remuneration; Regulations for the Remuneration and Nominations Committee of the Board of Directors, Regulations for RussNeft's Short-term Employee Incentive Programme, Regulations for RussNeft's Long-term Employee Incentive Programme).

In pursuance of the Corporate Governance Code recommended by the Central Bank of Russia, the General Shareholders' Meeting of the Company laid down fixed annual remuneration for the members of the Board of Directors, with provision for adjustments for additional duties associated with chairing the Board of Directors and its committees and involvement in such committees. For independent directors, an additional fixed fee is also established for personal attendance at meetings. The payment of such extra fees is a widely-used practice, both nationally and internationally, and, in the opinion of the Company, constitutes fair compensation for the independent directors' involvement in the work of the Board of Directors and its committees.

REMUNERATION SCHEME FOR BOARD OF DIRECTORS MEMBER

BASE (FIXED)

- **FOR SERVICE ON THE BOARD OF DIRECTORS**
- **FOR WORK IN THE COMMITTEES**

EXTRA

- **FOR ATTENDING BOARD MEETINGS**
- **FOR ATTENDING COMMITTEE MEETINGS**

The remuneration and reimbursement to members of RussNeft's Board of Directors is calculated and paid pursuant to the Regulations on Remuneration to the Board of Directors and Reimbursement of Expenses Related to the Discharge of Duties by the Board of Directors. The Regulations were approved by a resolution of RussNeft's Board of Directors on 12 February 2018 and revised on 15 November 2024.

By resolution of the General Shareholders' Meeting, the Company reimburses members of its Board of Directors for their expenses associated with attending Board and committee meetings, including:

- ***cost of travel to/from the venue for such meetings,***
- ***airport or rail station charges,***
- ***cost of accommodation during such meetings at hotels of any category,***
- ***other reasonable expenses associated with Board members exercising their rights or discharging their duties.***

Remuneration to the Company President is paid subject to the terms and conditions of their five-year employment contract. The President's remuneration consists of their monthly salary and quarterly bonus payable by resolution of the Board of Directors. The bonus amount depends on the achievement of their KPI targets as set by the Board of Directors.

Remuneration and reimbursement amounts paid out to members of the Company's governing bodies in 2024 are specified in the table below.

REMUNERATION PAID AND EXPENSES REIMBURSED TO RUSSNEFT'S GOVERNING BODIES (RUB THOUSAND))

REMUNERATION COMPONENT	2024
Remuneration for membership of the governing bodies,including:	51,652.00
base	36,261.00
extra	15,391.00
Salary	156,033.66
Bonus	359,384.35
Fees	0
Other	0
Reimbursements, including:	182.65
travel	150.15
accommodation	16.80
other	15.70

No remuneration is paid to members of the Company's executive bodies or its key officers for serving on the Company's governing bodies. Employment contracts with members of the Company's executive bodies and other key officers make no provision for severance pay, compensation, or any other payments as a result of their removal, apart from those benefits required under the applicable employment laws. The Company's remuneration policy in relation to its key executives provides for non-cash benefits, such as health insurance, company car, and company mobile phone plans.

The Company adopted a short-term incentive scheme (by resolution of the Board of Directors dated 22 July 2010) and a long-term incentive scheme (by resolution of the Board of Directors dated 23 September 2010) applicable to its management.

The long-term incentive scheme for RussNeft's management, updated to reflect the Company's public status, came into effect on 26 May 2017. It is linked to the market price of the Company's shares and achievement of the oil production target, subject to revision every three years at the end of the scheme cycle. By a resolution of the Company's Board of Directors dated 17 April 2023, the effective term of the existing long-term RussNeft management incentive scheme was prolonged for another three years.

The short-term incentive scheme is based on two sets of key performance indicators, i.e. corporate (common) and individual (functional) KPIs, and has not been revised since it was introduced. However, the key performance indicators are revised annually and updated to reflect the Company's strategy. Corporate KPIs are the Company's key financial targets set in the budget adopted (revenue, EBITDA, capex).

On 16 December 2024, the Remuneration and Nominations Committee reviewed the effective KPI system and, based on its findings, confirmed that the short-term and long-term management incentive schemes are efficient and up-to-date (Minutes No. 7–24). During the above meeting the Remuneration and Nominations Committee also analysed the current remuneration scheme for members of the governing bodies. The terms of contracts with members of the Board of Directors and the Company President were found adequate and not requiring any revision.

4.8. PRESIDENT

The Company's day-to-day operations are managed by its President, who is the Company's chief executive officer.

The President is elected by the Board of Directors for a term of five years and reports to the Board of Directors and the General Shareholders' Meeting. The President is responsible for all matters related to the management of the Company's day-to-day operations, except for the matters falling within the competence of the General Shareholders' Meeting and the Board of Directors.

On 8 November 2016, Evgeny Tolochek was elected President of RussNeft. By a resolution of the Company's Board of Directors dated 25 October 2021, he was re-elected the Company President for another term.

EVGENY TOLOCHEK

Born in 1975

Educational level: university graduate

Graduated from Samara State Technical University in 1997 with a degree
in Oil and Gas Field Development and Operation

Interest held in RussNeft's share capital: 0.0005%
RussNeft's ordinary shares held: 0.0006%

Transactions to buy/sell the Company's shares: none

4.9. INTERNAL AUDIT COMMISSION

The Internal Audit Commission supervises the Company's financial and business operations to ensure their compliance with the applicable Russian laws, the Company's Articles of Association, and its internal regulations.

The Internal Audit Commission is responsible for reviewing the Company's financial affairs and business operations to ensure that the Company's records and financial statements are accurate and to report violations of Russian laws or regulations identified in the Company's accounting or reporting practices (if any).

In 2024, the Company's business was reviewed by the Internal Audit Commission, elected by the Annual General Shareholders' Meeting on 26 June 2024 as follows:

ELENA SAMORUKOVA

Born in 1963

Educational level: university graduate

Graduated from Lomonosov Moscow State University in 1985
and the Institute of Modern Business in 1996

Head of Tax

ELENA SERGEEVA

Born in 1983

Educational level: university graduate

Graduated from the Moscow State University of Economics,

Statistics and Informatics in 2005

Head of Internal Audit

VERONICA SHKALDOVA

Born in 1969

Educational level: university graduate

Graduated from Moscow Regional Teacher Training Institute in 1991
Graduated from Moscow State Social University in 2003 with a degree in Finance and Credit
Holds an Advanced Diploma in Accounting and Business (ACCA, UK) awarded in 2015

Deputy Chief Accountant

The audit conducted by the Internal Audit Commission provides it with reasonable grounds to confirm the disclosures made in the Company's reports and financial documents, including RussNeft's annual report for 2024.

4.10. SHAREHOLDER INTERACTIONS

RussNeft's efficient system for interactions with shareholders enables the Company to identify shareholders' interests and concerns and to analyse and process incoming queries.

The Company strives to maintain an ongoing dialogue with its shareholders based on the principles of partnership, information transparency, and respect of shareholders' lawful rights and interests, in accordance with the best international practices.

FORM OF INTERACTION	CHANNEL
Statutory disclosures	The Company's website (http://www.russneft.ru/) and a dedicated page on the Interfax Corporate Disclosure Centre website (https://www.e-disclosure.ru/portal/company.aspx?id=534) (together referred to as the "Disclosure Website").
Disclosures recommended by the Moscow Exchange	Disclosure Website
Reporting of corporate actions to shareholders	National Settlement Depository (Russia's central depository)
Responding to shareholders' ad hoc information provision requests	As prescribed by applicable laws and the Procedure for disclosing information to RussNeft's stakeholders published on the Disclosure Website
Voluntary disclosures	Disclosure Website
E-mail	The Contacts and Bank Details section of the Company's website
Telephone	The Contacts and Bank Details section of the Company's website
RussNeft Time corporate publication	The Press Office section of the Company's website
Press-releases	The Press Office section of the Company's website
Direct communication between the Company management and shareholders at general shareholders' meetings held in the form of joint presence	General Shareholders' Meeting

During the reporting year, shareholders enquired about the Company's procedure for participation in general shareholders' meetings, information disclosure and provision procedures, dividend policy, corporate governance, etc. RussNeft addressed all enquiries promptly and provided comprehensive information.

4.11. INFORMATION FOR SHAREHOLDERS AND INVESTORS

COMPANY'S SECURITIES

The Company's share capital amounts to RUB 196,076,000 divided into 392,152,000 shares with par value of RUB 0.50 each, including:

- 294,120,000 ordinary shares, representing 75% of the Company's share capital
- 98,032,000 preferred shares, representing 25% of the Company's share capital.

On 5 October 2016, the Company's ordinary shares were assigned the state registration number 1-02-39134-H. Their International Securities Identification Number (ISIN) is RU000A0JSE60, and the international Code of Financial Instruments (CFI) is ESVXFR.
On 28 November 2019, the Company's preferred shares were assigned the state registration number 2-03-39134-H. Their ISIN is RU000A1014F0, and the CFI is EPXXXR.

The Company did not offer any additional shares in the reporting year.

As at the end of the reporting year, the Company's preferred stock did not carry any voting rights.

The Company's ordinary shares have been included in the Level 1 segment of the list of securities admitted to trading on the Moscow Stock Exchange, as well as in the unquoted segment of the list of securities admitted to trading on the SPB Exchange.

The Company has no controlling persons (as defined by Federal Law No. 208-FZ dated 26 December 1995 "On Joint-stock Companies").

By the end of 2024, the Company had a total of 136,479 shareholders.

REGISTRAR

In the reporting year, the Company's registrar was Servis-Reestr acting under Register Maintenance Licence No. 045-13983-000001 issued on 2 March 2004 by the Russian Federal Commission for the Securities Market.

Registered and postal address:
12 Sretenka St.
Moscow, 107045, Russia
Tel.: +7 495 608 1043, +7 495 783 0162
E-mail: sekr@servis-reestr.ru

DIVIDEND POLICY, REPORT ON THE PAYMENT OF DIVIDENDS DECLARED/ACCRUED ON THE COMPANY'S SHARES

As required by the Moscow Exchange MICEX-RTS' Listing Rules and recommended by the Bank of Russia in its letter No. 06-52/2463 dated 10 April 2014 "On the Corporate Governance Code", the Company has adopted its Regulations on the Dividend Policy (the "Regulations") to put in place a transparent mechanism for dividend calculation and payout.
In their current version, the Regulations were adopted by the Company's Board of Directors on 26 May 2017 (Minutes No. 278).

RUSSNEFT'S DIVIDEND HISTORY OVER THE LAST FIVE YEARS

PERIOD	SHARE CATEGORY (TYPE)	DATE OF THE LIST OF PERSONS ENTITLED TO DIVIDENDS	DIVIDENDS DECLARED PER SHARE, RUB.	TOTAL DIVIDENDS DECLARED (BEFORE PROFIT TAX), RUB MN	TOTAL DIVIDENDS PAID OUT (BEFORE PROFIT TAX), RUB MN
2019	PREFERRED	13.10.2020	47.15	4,621.93	4,621.93
2020	PREFERRED	18.07.2021	44.80	4,391.42	4,391.42
2021	PREFERRED	20.10.2022	50.13	4,914.22	4,914.22
2022	PREFERRED	10.10.2023	106.27	10,417.89	10,417.89
2023	PREFERRED	16.07.2024	87.28	8,556.5	8,556.5

No dividends were declared or paid out on ordinary shares for 2019–2023.

In line with the recommendations offered by the Bank of Russia in its information letter No. IN-02-28/9, via its Board of Director's resolution dated 2 November 2024 (Minutes No. 11), the Company updated the dividend policy, setting out its period of validity and the strategy, procedure, and timeframe for revision.

The Regulations set forth the following key dividend payout principles:

- compliance with the applicable Russian laws, the Company's Articles of Association, and its internal regulations;
- commitment to the best corporate governance practices;
- enhancement of the Company's investment appeal;
- support for steady dividend growth, subject to the Company's increasing net profit;
- commitment to ensuring the most convenient form of dividend payout to shareholders;
- commitment to ensuring maximum transparency of the dividend calculation.

The General Shareholders' Meeting of the Company passes its resolution to pay out dividends (including their amount and the form of payment) based on the Board of Directors' recommendations.

These recommendations take account of the following:

- availability and amount of the Company's net profit;
- financing required by the Company to expand its business and implement its development strategy in view of the dividend payout and projeced performance for the year;

- material macroeconomic changes, other internal and external changes that have or may have a material impact on the Company's future operating performance, force majeure, including natural calamities and wars;
- the need to balance the interests of the Company and its shareholders, while improving the Company's investment case and respecting shareholder rights;
- the Company's intent to pay out in annual dividends at least 50% of the Company's net profit available after provisions are made to finance the approved capital expenditure programme and repay the Company's outstanding loans.

Annual dividends per preferred share are stipulated in clause 6.3.1. of RussNeft's Articles of Association. The dividends are declared and paid out provided that the Company's profit is sufficient for this purpose, as determined in accordance with the Articles of Association.

On 21 May 2024, the Board of Directors recommended to the General Shareholders' Meeting to pay out USD 100 million, i.e. USD 1.0200750775 per preferred share, in 2023 dividends.

On 26 June 2024, the General Shareholders' Meeting of the Company resolved to pay out the dividends as recommended by the Board of Directors. Dividends were paid out to the preferred stock holders in full.

4.12. RISK MANAGEMENT

RussNeft's integrated risk management frameworks are designed to support decision-making. The Risk Management Policy approved by the Company sets forth the key risk management principles and includes procedures to identify and assess risks and mechanisms to measure their potential impact.

RussNeft is committed to developing adequate frameworks for countering the challenges that are inherent in the Company's business and have a significant impact on it. RussNeft manages its risks in order to mitigate any possible damage and strengthen its operational and financial resilience in any anticipated unfavourable environment.

The Company is constantly improving its risk management system. This makes it possible to respond in a timely manner to emerging changes (both external and internal), maintain efficiency, and increase performance under conditions of risk and uncertainty.

PRINCIPLES UNDERLYING THE COMPANY'S RISK MANAGEMENT FRAMEWORKS SETUP AND FUNCTIONING ARE:

- CONTINUOUS CYCLES
- INVOLVEMENT IN THE COMPANY'S BUSINESS PROCESSES
- SUPPORT TO DECISION-MAKING
- CLEAR IDENTIFICATION OF RESPONSIBLE PERSONS
- DECENTRALISED RISK MANAGEMENT FRAMEWORKS
- SENSIBLE BUDGET PLANNING
- TARGET-SETTING FOR BUDGETARY PURPOSES
- CONSISTENT EVALUATIONS
- BUSINESS RATIONALE
- EFFICIENT RISK MANAGEMENT PROCESS
- RISK AWARENESS

In spite of the Company's ongoing systemic efforts to mitigate risks, its business may be exposed to factors beyond its control. Set out below are the key material risks, as seen by the Company, that, if they occur, may adversely affect the Company's financial performance.

INDUSTRY RISKS

Risks of falling oil prices

RISK DESCRIPTION	RISK MANAGEMENT
Company earnings, liquidity, and margins are highly dependent on both domestic and global crude oil prices. Historically, the volatility of these has been determined by a number of factors outside RussNeft's control. A reduction in oil and gas prices may result in lower production volumes.	The Company uses a scenario approach to analyse the potential impact of falling oil prices on our financials. It tests its short- and long-term investment projects for sensitivity to these changes.

COUNTRY AND REGIONAL RISKS

Risks related to geographic location

RISK DESCRIPTION	RISK MANAGEMENT
The Company is registered as a taxpayer in Moscow, and operates within Russia. Most of its assets are located mainly in Russia (a low-risk country). Only a minor part of the assets were situated in Azerbaijan until May 2024.	Risks related to the location of the Company's upstream assets and subsidiaries, as well as the risks of natural disasters or other events, are deemed insignificant and are outside the Company's control.

FINANCIAL RISKS

Interest rate risks

RISK DESCRIPTION	RISK MANAGEMENT
Interest rate risk is the probability that the fair value of future cash flows generated by the Company's assets or liabilities will fluctuate due to changes in the market interest rates. The Company has mostly financed its business expansion and additions to its resource base from debt. As its finance assets and debt include loans and borrowings with floating interest rate, the Company has significant exposure to interest rate fluctuations.	As part of its interest rate risk management, the Company switched to SOFR. In 2024, the overnight SOFR rate slipped from 5.4% to 4.49% year-on-year, and the downward trend is likely to continue, according to analysts. One of the Company's subsidiaries has entered into an interest rate swap contract – a derivate financial instrument depending on FX and interest rates. The derivatives, as evaluated on a fair value basis in accordance with IFRS 9, are shown in the IFRS consolidated financial statements for 2024.

Foreign exchange risks

RISK DESCRIPTION	RISK MANAGEMENT
The bulk of the Company's revenue comes from oil exports, while the majority of its operating and capital expenses are denominated in Russian roubles. A substantial portion of RussNeft's outstanding loans are also denominated in foreign currency.	The FX risk is beyond the Company's control. To minimise its impact, RussNeft is continuously monitoring and analysing the FX market developments to ensure the best timing of its FX transactions. One of the Company's subsidiaries has entered into an interest rate swap contract – a derivate financial instrument depending on FX and interest rates. The derivatives, as evaluated on a fair value basis in accordance with IFRS 9, are shown in the IFRS consolidated financial statements for 2024. Significant FX rate changes can have a negative impact on their fair value, reducing the Company's margins.

Inflation risks

RISK DESCRIPTION	RISK MANAGEMENT
Inflation leads to higher costs and lower income and thus has an adverse impact on the Company's financial performance. According to the Federal Service for State Statistics (Rosstat), the 2024 inflation rate was 9.52%. Current and anticipated inflation rates are far from being critical for the Company or the industry in general.	Higher inflation has a direct impact on the Company's financial standing, particularly on CAPEX, resulting in lower real income amid stable oil prices. When developing its strategy, the Company seeks to fully factor in this risk, although it is outside its control.

Liquidity risk

RISK DESCRIPTION	RISK MANAGEMENT
RussNeft's operating cash flow is unstable due to high oil price volatility, exchange rate fluctuations, and changes in taxes and duties. These factors may affect the Company's cash flow and, as a result, its liquidity.	The Company has a centralised liquidity management system that includes detailed budgeting, daily monitoring of the mid-term payment position, and daily, weekly, monthly, quarterly, and annual updating of the budget implementation plan. The Company continuously monitors its liquidity ratios and manages the liquidity risk through detailed cost planning, budget discipline, and extensive use of prepaid oil export arrangements.

Supplier risk due to dependence on oil and gas transportation monopolies and their pricing policy

RISK DESCRIPTION	RISK MANAGEMENT
In terms of oil transportation, the Company depends on monopolies, such as Transneft and Russian Railways, and cannot influence either the cost or the quality of their services. Any increase in oil transportation costs has an adverse impact on the Company's financial performance. Moreover, any major accident or other technical incident could affect transportation capacity and consequently the Company's financial results.	This risk is outside the Company's control. The Company seeks to identify any persistent increases in costs, while also carefully planning its future expenses.

LEGAL RISKS

RISK DESCRIPTION	RISK MANAGEMENT
The Company is actively involved in foreign economic activities. Part of the Company's liabilities are denominated in foreign currency. As a result, foreign exchange regulation affects its operating and financial performance.	The Company continuously monitors changes in foreign exchange regulation and complies with foreign exchange laws and regulations to avoid any violations and liability. Over the reporting period, there were no material changes in the Russian foreign exchange regulation and control laws that could affect the Company's operations.

Risks of changes in tax laws

RISK DESCRIPTION	RISK MANAGEMENT
RussNeft is a major taxpayer, and its business success largely depends on good faith and transparency of tax disclosures. The Company pays VAT, excise tax, mineral tax, and other taxes.	To minimise this risk and its potential impact, the Company is continuously monitoring changes in tax laws and their application.

Risks of changes in customs and duties regulations

RISK DESCRIPTION	RISK MANAGEMENT
As an active participant in foreign economic relations, RussNeft is exposed to certain risks related to changes in foreign trade laws and customs legislation governing the procedure for cross-border movement of goods, other customs procedures and their application, as well as customs duties and their collection.	The Company is continuously monitoring changes in customs laws, assessing and forecasting their potential impact on its operations. The probability of risk occurrence due to the enactment of amendments to customs laws in the reporting period is deemed low.

Risks of changes in courts' interpretation of matters related to the Company's business (including licensing) which may adversely affect its performance or the outcome of pending legal proceedings involving the Company

RISK DESCRIPTION	RISK MANAGEMENT
In making business decisions, the Company takes account of any relevant judicial interpretation of laws in order to analyse and forecast potential scenarios and minimise risks. The judicial interpretation of law by the Constitutional Court, Supreme Court, and Arbitration Courts of the Russian Federation may affect the outcome of disputes in which RussNeft is involved.	Over the reporting period, there were no court cases that could adversely affect RussNeft's current operations and/or ongoing proceedings.

REPUTATIONAL RISK

Reputational risk

RISK DESCRIPTION	RISK MANAGEMENT
Strong emphasis is placed on promoting RussNeft as a reliable and attractive business partner both to the general public and to its clients, suppliers, contractors and other stakeholders. The Company strives to communicate a complete and true picture of its operations.	**The Company manages this risk through:** • *timely, complete, and accurate disclosure of information about the Company's operations, as required by Russian laws, and additional disclosures including press releases on key events, comments for the media and investment community, and other materials, information, and clarifications;* • *constant dialogue with mass media, investors, analysts, clients and counterparties, federal and local authorities, industry bodies and other stakeholders; disclosure of any necessary information and clarification of it;* • *various initiatives aimed at raising awareness of the Company's operations (participation in industry-wide conferences, etc.);* • *ongoing monitoring of information related to the Company's operations and the oil and gas industry as a whole in the mass media and other sources;* • *prompt responses to negative publicity and presenting impartial information and the Company's official* position.

STRATEGIC RISK

Risk of losses from incorrect strategic decisions

RISK DESCRIPTION	RISK MANAGEMENT
The strategic risk is associated with exposure to incorrect decisions defining the Company's business and development strategy.	RussNeft regularly analyses its strategy implementation indicators as part of the annual model review and extension. Strategic planning is based on current macroeconomic factors and takes into account the approved guidance for the development and ongoing optimisation of the Company's project portfolio. RussNeft has implemented risk management frameworks to support its decision-making.

OPERATIONAL RISKS

Risks associated with ongoing proceedings in which the Company is involved

RISK DESCRIPTION	RISK MANAGEMENT
In its day-to-day operations, RussNeft can face certain challenges that may result in legal proceedings.	Over the reporting period, the Company did not participate in proceedings that could have material impact on its business or financial affairs. Accordingly, no risks associated with pending proceedings can be viewed as capable of significantly affecting the Company's financial performance.

Risks associated with the impossibility of renewing the Company's licences for certain types of business or for using assets with limited transferability (including natural resources)

RISK DESCRIPTION	RISK MANAGEMENT
The existing subsoil laws provide for grounds for early termination, suspension, or restriction of subsoil rights. If a government authority believes that the Company has failed to meet certain licence requirements, it might impose a fine, or suspend or terminate the Company's subsoil rights. In either case, the Federal Agency for Mineral Resources (Rosnedra) and its local bodies do not take administrative measures for early termination until after the expiry of a three-month notice period granted to the licence holder to rectify any breaches identified. Furthermore, in case of disagreement with any early termination resolution by Rosnedra, RussNeft may challenge such resolution in administrative or court proceedings. Over the reporting period, the authorised bodies did not serve any notices of suspension or early termination of the Company's subsoil rights.	The Company constantly monitors the validity of its licences and, if necessary, extends them for as long as a field is being developed. RussNeft is also obliged to obtain and extend other licences, permits, authorisations, land use rights, and approvals for the development of its fields. As the Company is committed to fully complying with requirements for subsoil use and monitoring these, and makes every effort to update its licence agreements, the risks of early termination, suspension, or restriction of subsoil rights are assessed as extremely low.

ESG RISKS

Risks associated with health, safety and environment (ecological risks)

RISK DESCRIPTION	RISK MANAGEMENT
• *At the Company's facilities there are risks associated with process interruptions, hazardous product emissions, environmental damage, accidents, fires and incidents. These may in turn lead to the shutdown of the Company's production facilities.* • *Physical impact on the environment caused directly by the Company's operations.* • *Employee health risks.* • *Risks of impact on the environment and risk of incidents related to such issues as water use, quality of discharged water, waste recycling, air emissions (other than greenhouse gases), and environmental satisfaction of local communities.*	**To minimise these risks, the Company has created and is successfully operating an integrated health, safety and environment (HSE) management system. The following measures are in place:** • *targeted corporate HSE programmes;* • *in-process control of the operation of hazardous production facilities;* • *diagnostic inspections (non-destructive tests) and equipment condition monitoring;* • *repairs and timely replacement of equipment;* • *contractors' compliance with HSE requirements at all stages of cooperation with the Company;* • *guarantee of personnel qualification at all levels;* • *control of compliance with sanitary and epidemiological measures;* • *special assessment and improvement of employee working conditions;* • *development of emergency response plans for hazardous production facilities, oil and oil product spill response plans;* • *creation of manpower and equipment reserves for accident and emergency response;* • *training of hazardous production facility personnel and emergency response teams to prevent and respond to emergencies.* The Company uses advanced technologies for accumulation, storage and processing of production and consumption waste. A number of other measures are taken to reduce the number

Risks associated with climate change (climate risks)

RISK DESCRIPTION	RISK MANAGEMENT
Climate risks are risks associated with the effects of global warming. To keep pace with the global agenda, the Company has begun to analyse potential risks and possibilities associated with climate change. Tougher regulations in connection with climate change and its physical impacts could negatively affect the Company as a whole, resulting in higher costs and lower efficiency. The Company operates in different regions where potential physical effects from climate change are highly unpredictable and could have a significant adverse impact.	**Climate risks are long-term and hard to predict. In order to minimise these risks, the Company:** • *records and plans measures to regulate greenhouse gas emissions;* • *takes measures to maintain its 95% APG utilisation rate;* • *continuously monitors legislative changes in this field and takes measures to obtain information about such changes while they are still at early stages of discussion. RussNeft's representatives take part in such discussions to explain in detail the Company's position with regard to any issues, risks and uncertainties entailed by new legislative initiatives.*

Risks associated with lack of qualified personnel

RISK DESCRIPTION	RISK MANAGEMENT
• *Risks associated with lack of qualified personnel and/or departure of key personnel, as well as loss of key personnel.* • *Inadequate qualification and lack of professionalism on the part of employees could have a negative impact on the Company's operations and financial performance.*	**The Company minimises this risk by implementing a smart HR policy targeting RussNeft's employees as its main resource:** • *the Company has in place an effective compensation and incentive programme;* • *attention is given to providing better social security to employees* • *measures are taken to improve efficiency and labour productivity in all regions of operation;* • *a personnel recruitment and rotation system is in place;* • *continuous development of employees is ensured;* • *efforts are made to attract, adapt and develop young talent.* In order to build a talent pool for itself for today and the future, RussNeft is creating an HR development system. This system includes career guidance for higher education graduates, a system for identifying high-potential employees (including graduates) and a strategy for planning their careers. As part of these activities, the Company works with the leading specialised higher education institutions in the regions where it operates.

INTERNAL CONTROL

RussNeft has an internal control policy in place approved by the Board of Directors in 2018 and intended to improve the efficiency of the Company's internal controls.

PURPOSES OF THE COMPANY'S INTERNAL CONTROL:

- *Effective protection of the rights and lawful interests of shareholders and investors for reasonable confidence as to achieving the targets set*
- *Ongoing unbiased and fair information about the Company's current position and outlook*
- *Compliance with applicable legal requirements for the Company's business continuity*
- *Development of financial reporting controls for the Company*
- *Protection of assets*

FUNCTIONS OF THE COMPANY'S INTERNAL CONTROL FRAMEWORKS:

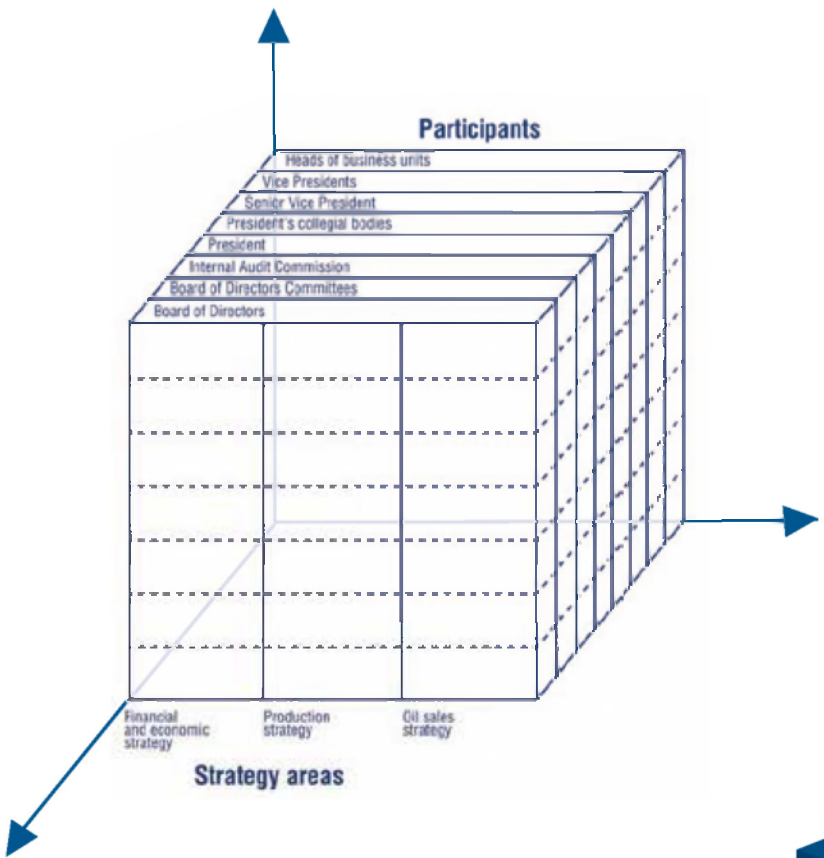
- *Necessary control environment for efficient financial and business processes*
- *Identification and evaluation of risks threatening the Company's objectives;*
- *Development and use of controls for more efficient achievement of the Company's objectives*
- *Creation of preconditions for timely and reliable financial reporting*
- *Integration of controls into business process management*

THE FOLLOWING PRINCIPLES UNDERLIE THE COMPANY'S INTERNAL CONTROL FRAMEWORKS:

- *Integrated*
- *Multi-component*
- *Ongoing cycle*
- *Decentralised*
- *Ever-improving procedures*
- *Continuous development*
- *Multi-level*
- *Reliable financial reporting*
- *Independent assessment*

MONITORING OF GOAL ACHIEVEMENT

- PERFORMANCE REPORTS TO THE BOD (MONTHLY, QUARTERLY, SEMI-ANNUAL, ANNUAL)
- WEEKLY OPERATIONAL MEETINGS (ALL VICE-PRESIDENTS)
- AUDIT OF INTERNAL CONTROL EFFICIENCY
- CONTROL OF OIL SUPPLY EFFICIENCY (PRICE COMMITTEE)
- EVALUATION OF PROCUREMENT EFFICIENCY (TENDER COMMITTEE)
- CONTROL OF WELL INTERVENTION EFFICIENCY
- CONTROL OF FINANCIAL STATEMENT RELIABILITY (INTERNAL AUDIT COMMISSION)



CHAPTER 5

5.1. GLOSSARY. TERMS AND ABBREVIATIONS

3D seismic
seismic survey that produces a three-dimensional image of a reservoir

HOD
heavy oil deposits

AP
administrative personnel

LVHAT
large-volume hydrochloric acid treatment

HF
hydraulic fracturing

GE
greenfield exploration

WI
well intervention

GTS
gas transport system

HPP
hydropower plant

GTPP
gas turbine power plant

BPS 3
booster pump station No. 3

HSE Department
Health, Safety and Environment Department

sidetracking
drilling a secondary wellbore away from an original one / a secondary wellbore drilled away from an original one

1P reserves
proven reserves

P2 reserves
probable reserves

2P reserves
proven and probable reserves

P3 reserves
possible reserves

PFAS
polymer-free acid stimulation

MSHF
multistage hydraulic fracturing

TBO
time between overhauls

IFRS
International Financial Reporting Standards

MET
mineral extraction tax

WGSDL
waste generation standards and disposal limits

refinery
industrial process plant where crude oil is refined and transformed into useful products

USRF
unallocated subsoil reserve fund

OPEC
Organization of the Petroleum Exporting Countries

HPF
hazardous production facility

FT
field trial

EP
experimental programme

BHT
bottom hole treatment

ERU
emergency rescue unit

recompletion
modification of an existing well for the purpose of producing natural gas and crude oil from a different producing formation

MPES
maximum permissible emission specifications

APG
associated petroleum gas

OLS
oil loading station

propping agent
granular substance used in the oil industry to increase well production rates in hydraulic fracturing

OEAP
Organisational and Engineering Advancement Programme

OIP
operational improvement programme

FPM
formation pressure maintenance

PP
production personnel

EMP
environment monitoring programme

RAS
Russian Accounting Standards

RF
Russian Federation

PPE
personal protection equipment

CIS
Commonwealth of Independent States

PSA
production sharing agreement

seismic
(2D/3D) seismic surveys

HRR
hard-to-recover reserves

FEI
fuel and energy industry

OTU
oil treatment unit

FWKO
free water knock-out

SD
sustainable development

PPP
porosity & permeability properties

FC
football club

CDU TEK
Central Dispatch Office of the Fuel and Energy Sector

CTL
chemical testing laboratory

COTF
central oil treatment facility

ESG factors
factors associated with the environment (including climate change), society and corporate governance

SPE (SPE-PRMS)
international standard for estimating and managing petroleum reserves

UNITS OF MEASUREMENT

bbl
barrel

boe
barrel of oil equivalent

USD
U.S. dollar

sq km
square kilometre

m
metre

cu m
cubic metre

bcm
billion cubic metres

mn
million

bn
billion

oe
oil equivalent

linear km
linear kilometre

pp
percentage point

RUB
Russian rouble

K
thousand

pcs.
pieces

CONVERSION FACTORS

1,000 cu m of gas = 6.6 barrels of oil equivalent

1,000 cu m of gas = 0.8 tonnes of oil equivalent

Oil reserves are converted from tonnes to barrels using various conversion factors linked to the field’s oil density.

5.2. DISCLAIMER

This 2024 Annual Report was prepared based on the information available to PJSC RussNeft (the "Company") as at the date hereof. Certain statements herein may contain assumptions or projections regarding future events in relation to the Company.

These forward-looking statements can usually be identified by the use of such words as **"expects", "estimates", "forecasts", "intends", "plans", "will", "could",** or other similar words or phrases, including their negative forms. These statements are assumptions that involve risks and uncertainties, known or unknown to the Company.

Hence, the Company's future operational and financial performance may differ from its current expectations. Users of the information presented in the Annual Report should not rely solely on this information.

The said forward-looking statements are not based on actual circumstances and include all statements with respect to the Company's intentions, opinions and current expectations pertaining to:

operational and financial activities of the Company;
its operational and financial performance;
plans, projects and expected results;
dividend and CAPEX policies;
trends in prices, rates, production and sales volumes;
estimated expenses and other similar factors; and
economic forecasts for the industry and markets.

By their nature, these forward-looking statements are subject to risks and uncertainties that can cause the Company's actual results to differ materially from those contained in the assumptions or projections. Such risks and uncertainties may include overall economic conditions and competitive environment in which the Company operates, rapid technology and other changes in the Company's business areas, government activities in Russia and other jurisdictions where the Company conducts business.

The said list of risks and uncertainties is by no way exhaustive.

The Company does not give any warranties that the actual results, scale or performance of the Company or its industry will be in line with those explicitly stated or implied in any forward-looking statements contained herein.

The Company shall not be held liable for any losses that may be incurred by any person acting in reliance on the forward-looking statements contained herein.

Save as expressly provided for by the applicable laws, the Company shall not assume any obligations with respect to the distribution or publication of any updated or modified forward-looking statements reflecting any changes in expectations, new data, or future events, conditions or circumstances.

5.3. CONTACTS

FOR SHAREHOLDERS

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Contact person:
Elena Nikitina, Head of IR

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Press Office
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FRI from 9:00 to 13:00
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