

“SURGUTNEFTEGAS” PJSC

**DISCLOSED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2023

Contents

Disclosed interim condensed consolidated statement of financial position	3
Disclosed interim condensed consolidated statement of profit and loss and other comprehensive income	4
Disclosed interim condensed consolidated statement of cash flows	5
Disclosed interim condensed consolidated statement of changes in equity	6
Notes to the disclosed interim condensed consolidated financial statements	7
1 General information	7
2 Basis of preparation of the financial statements	7
3 Summary of significant accounting policies and new financial reporting standards	7
4 Subsidiaries	9
5 Segment information	9
6 Related party transactions	9
7 Cash and cash equivalents, restricted cash	9
8 Deposits placed	9
9 Receivables	9
10 Advances issued	9
11 Inventories	10
12 Property, plant and equipment	10
13 Right-of-use assets	12
14 Loans granted	12
15 Payables and liabilities accrued	12
16 Other tax liabilities	13
17 Provisions	13
18 Other financial liabilities	13
19 Export duties	13
20 Operating expenses	14
21 Finance income and expenses	15
22 Exchange differences	15
23 Financial risks factors	16
24 Net earnings per share	16
25 Dividends	16
26 Fair value of assets and liabilities	17
27 Subsequent events	19

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

“Surgutneftegas” PJSC

Disclosed interim condensed consolidated statement of financial position

(in millions of Russian rubles, unless otherwise stated)

Notes	As of 30 June 2023 (unaudited)	As of 31 December 2022
ASSETS		
Current assets		
7 Cash and cash equivalents	38,604	X
7 Restricted cash	179	X
8 Deposits placed	X	X
14 Loans granted	X	X
Other financial assets	X	X
9 Receivables	131,543	X
11 Inventories	117,176	X
10 Advances issued	5,833	X
VAT recoverable	6,620	X
Income tax receivable	132	X
Other taxes recoverable	6,650	X
Total current assets	2,257,933	X
Non-current assets		
12 Property, plant and equipment	1,705,268	X
13 Right-of-use assets	9,420	X
Intangible assets	9,632	X
8 Deposits placed	X	X
Other financial assets	X	X
14 Loans granted	X	X
9 Receivables	1,081	X
Other non-current assets	7,341	X
Total non-current assets	5,151,091	X
Total assets	7,409,024	X
LIABILITIES AND EQUITY		
Current liabilities		
15 Payables and liabilities accrued	106,549	X
18 Other financial liabilities	62,643	X
Advances received	32,437	X
16 Other tax liabilities	134,661	X
Income tax liabilities	3,197	X
17 Provisions	1,631	X
Total current liabilities	341,118	X
Non-current liabilities		
18 Other financial liabilities	1,693	X
Deferred tax liabilities	363,767	X
17 Provisions	83,586	X
Other non-current liabilities	11,859	X
Total non-current liabilities	460,905	X
Equity		
Share capital	154,666	X
Additional paid-in capital	4	X
Treasury shares	(30)	X
Share premium	57,809	X
Retained earnings	6,392,478	X
Other reserves	X	X
Total equity attributable to shareholders	6,606,564	X
Non-controlling interests	437	X
Total equity	6,607,001	X
Total liabilities and equity	7,409,024	X

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

“Surgutneftegas” PJSC

Disclosed interim condensed consolidated statement of profit and loss and other comprehensive income

(in millions of Russian rubles, unless otherwise stated)

Notes		Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
	Sales	939,132	X
19	less export duties	(21,771)	X
5	Sales revenue	917,361	X
20	Operating expenses	(681,153)	X
	Operating profit	236,208	X
21	Finance income	X	X
21	Finance expenses	(8,244)	X
22	Exchange differences, net	690,419	X
	Other income	1,333	X
	Profit / (loss) before tax	1,031,819	X
	Income tax		
	Current income tax	(74,477)	X
	Changes in deferred income tax	(115,444)	X
	Total expense on income tax	(189,921)	X
	Net profit / (loss)	841,898	X
	Other comprehensive income / (expense) that may be reclassified subsequently to profit / (loss), net of income tax		
	Changes in fair value of financial assets	(4)	X
	Other comprehensive income / (expense) that may not be reclassified subsequently to profit / (loss), net of income tax		
	Changes in fair value of financial assets	17	X
	Remeasurements of post-employment benefit obligations	(41)	X
	Total other comprehensive income / (expense), net of income tax	(28)	X
	Total comprehensive income / (expense)	841,870	X
	Net profit / (loss)		
	attributable to shareholders	841,875	X
	attributable to non-controlling interests	23	X
	Total comprehensive income / (expense)		
	attributable to shareholders	841,847	X
	attributable to non-controlling interests	23	X
24	Net earnings / (loss) attributable to shareholders per one ordinary share (in rubles) basic and diluted	23.57	X

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

“Surgutneftegas” PJSC

Disclosed interim condensed consolidated statement of cash flows

(in millions of Russian rubles, unless otherwise stated)

		Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Notes			
	Operating activities		
	Profit / (loss) before tax	1,031,819	X
	Adjustments:		
20	Depreciation, depletion and amortisation	51,765	X
20	Losses from disposal of exploration and production properties	96	X
20	Loss allowance for expected credit losses accrual / (recovery)	2,644	X
	Other provisions accrual / (recovery)	(1,426)	X
	Exchange differences	(696,534)	X
21	Interest expenses from discounting, net	5,120	X
21	Interest receivable	X	X
21	Interest payable	1,471	X
	Interest expense on lease liabilities	62	X
	Loss / (profit) from sale and disposal of property, plant and equipment, and intangible assets	837	X
	Others, net	1	X
	Cash flows from operating activities before changes in working capital and income tax payment	285,343	X
	Change in receivables	(28,374)	X
	Change in advances issued	8,583	X
	Change in inventories	(4,459)	X
	Change in other assets	295	X
	Change in payables and liabilities accrued	(1,780)	X
	Change in advances received	(14,712)	X
	Change in restricted cash	54	X
	Change in other taxes (other than income tax)	35,467	X
	Change in other liabilities	(115)	X
	Cash from operating activities before income tax	280,302	X
	Income tax paid	(129,927)	X
	Net cash from operating activities	150,375	X
	Investing activities		X
	Capital expenditures	(126,743)	X
	Deposits placed	X	X
	Deposits refunded	X	X
	Loans granted	X	X
	Loans collected	X	X
	Interest received	X	X
	Proceeds from sale of financial assets	X	X
	Acquisition of financial assets	X	X
	Proceeds from sale of property, plant and equipment	250	X
	Net cash from / net cash (used for) investing activities	(255,305)	X
	Financing activities		X
	Net acquisition / (disposal) of other financial liabilities	(389)	X
	Dividends paid (incl. tax)	(172)	X
	Interest paid	(1,569)	X
	Lease liabilities settlement	(537)	X
	Net cash from / net cash (used for) financing activities	(2,667)	X
	Net change in balances of cash and cash equivalents	(107,597)	X
	Effect of exchange rate changes against ruble on cash and cash equivalents	8,423	X
7	Cash and cash equivalents at the beginning of the period	X	X
7	Cash and cash equivalents at the end of the period	38,604	X

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

“Surgutneftegas” PJSC

Disclosed interim condensed consolidated statement of changes in equity

(in millions of Russian rubles, unless otherwise stated)

Notes	Share capital	Additional paid-in capital	Treasury shares	Share premium	Retained earnings	Other reserves	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as of 1 January 2022	X	X	X	X	X	X	X	X	X
Net profit / (loss) for the period	-	-	-	-	X	-	X	X	X
Other comprehensive income / (expense)	-	-	-	-	X	X	X	-	X
Total comprehensive income / (expense)	-	-	-	-	X	X	X	X	X
Dividends declared	-	-	-	-	X	-	X	X	X
Balance as of 30 June 2022 (unaudited)	X	X	X	X	X	X	X	X	X
Balance as of 31 December 2022	X	X	X	X	X	X	X	X	X
Net profit / (loss) for the period	-	-	-	-	841,875	-	841,875	23	841,898
Other comprehensive income / (expense)	-	-	-	-	(41)	X	(28)	-	(28)
Total comprehensive income / (expense)	-	-	-	-	841,834	X	841,847	23	841,870
25 Dividends declared	-	-	-	-	(34,742)	-	(34,742)	(18)	(34,760)
Balance as of 30 June 2023 (unaudited)	154,666	4	(30)	57,809	6,392,478	X	6,606,564	437	6,607,001

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

1 General information

“Surgutneftegas” Public Joint Stock Company (the Company) is one of the leading Russian oil companies in terms of hydrocarbon production.

The core activities of the Company and its subsidiaries (together referred to as the Group) are oil and gas exploration, production and processing, sale of hydrocarbons produced as well as sale of oil and gas products.

Other financial and business activities include banking activities and provision of other goods, works and services.

The Company's location: ul.Grigoriya Kukuyevitskogo, 1, bld. 1, Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast, Russian Federation.

2 Basis of preparation of the financial statements

These disclosed interim condensed consolidated financial statements have been prepared on the basis of the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2023, which have been prepared in accordance with IAS 34 “Interim Financial Reporting” subject to the provisions of the Decree of the Government of the Russian Federation No.1102 dated 04.07.2023 “On the specifics of disclosure and (or) provision of information subject to disclosure and (or) provision in accordance with the requirements of the Federal Law “On Joint Stock Companies” and the Federal Law “On the Securities Market”” for the purpose of presentation of the consolidated financial position and the Group's financial performance, disclosure of which does not cause any damage to the Group and its counterparties.

These disclosed interim condensed consolidated financial statements comprise:

disclosed interim condensed consolidated statement of financial position as of 30 June 2023;

disclosed interim condensed consolidated statement of profit and loss and other comprehensive income for the six months ended 30 June 2023;

disclosed interim condensed consolidated statement of cash flows for the six months ended 30 June 2023;

disclosed interim condensed consolidated statement of changes in equity for the six months as of 30 June 2023;

notes to the disclosed interim condensed consolidated financial statements.

The disclosed interim condensed consolidated financial statements for the six months ended 30 June 2023 include information allowing users to get an insight into the nature of Group's activity and does not disclose all the information presented in the interim condensed consolidated financial statements of the Group as of 30 June 2023 (unaudited).

3 Summary of significant accounting policies and new financial reporting standards

The accounting policies applied in these disclosed interim condensed consolidated financial statements are the same as those applied in the Group's IFRS annual consolidated financial statements for 2022, except for calculations of income tax and amendments to standards effective since 1 January 2023 represented below.

The following revised standards and amendments have become obligatory for the Group since 1 January 2023, but had no material impact.

IFRS 17 “Insurance Contracts”. IFRS 17 replaces IFRS 4 which allowed the entities to continue accounting for insurance contracts, which are otherwise similar, using existing practices. IFRS 17 is a single standard for presentation of all types of insurance contracts, including contracts of reinsurance of the insurer.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements No. 2, which provide guidance and examples on the application of the concept of materiality to disclosure of accounting policy.

“Surgutneftegas” PJSC

Notes to the disclosed interim condensed consolidated financial statements (unaudited)

(in millions of Russian rubles, unless otherwise stated)

Amendments to IAS 8 clarify the difference between changes in accounting estimates and changes in accounting policies and error correction. They also clarify the way organizations use calculation methods and entry for accounting valuation measurement.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12. Changes clarify that relief of recognition does not apply to operations which at initial recognition result in the same taxable and deductible temporary differences.

For interim periods income tax is calculated based on the expected weighted average tax rate to be applied to annual profit or loss.

The Group has not early adopted the new standards and interpretations effective for reporting periods beginning on and after 1 January 2024.

The Group, in accordance with principle of prudence, records deferred tax assets for tax losses incurred only if there is a reasonable assurance, as of the reporting date, of receiving taxable profit in the future against which unused tax losses can be offset.

Seasonality of operations

The Group's operations are not seasonal. Income and expenses are recognised evenly during the year.

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)***4 Subsidiaries**

Information is not disclosed in accordance with the legislation of the Russian Federation.

5 Segment information

Information is not disclosed in accordance with the legislation of the Russian Federation.

6 Related party transactions

Information is not disclosed in accordance with the legislation of the Russian Federation.

7 Cash and cash equivalents, restricted cash

Cash and cash equivalents represent the following:

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Cash in hand and at settlement accounts	3,580	X
Deposits and other cash equivalents with original contractual maturity less than three months	35,024	X
Total cash and cash equivalents	38,604	X

Restricted cash represents obligatory reserves of the Group's bank at the accounts of the Central Bank of the Russian Federation.

8 Deposits placed

Information is not disclosed in accordance with the legislation of the Russian Federation.

9 Receivables

Accounts receivable include:

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Trade receivables	129,276	X
loss allowance for expected credit losses	(184)	X
Other receivables	3,818	X
loss allowance for expected credit losses	(286)	X
Total receivables, including:	132,624	X
short-term	131,543	X
long-term	1,081	X

The greater part of trade receivables is mainly formed by receivables due from large Russian and foreign buyers of oil and oil products.

10 Advances issued

Advances issued include:

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Export customs duties	708	X
Oil transport	2,697	X
Other advances issued	2,428	X
Total advances issued	5,833	X

“Surgutneftegas” PJSC

Notes to the disclosed interim condensed consolidated financial statements (unaudited)

(in millions of Russian rubles, unless otherwise stated)

11 Inventories

Inventories include:

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Oil and oil products	25,972	X
impairment provision	(124)	X
Materials and supplies	78,432	X
impairment provision	(28)	X
Other reserves	4,368	X
impairment provision	(3)	X
Goods for resale	2,733	X
impairment provision	(75)	X
Work in progress	5,803	X
impairment provision	(1)	X
Gas and gas products	99	X
Total inventories	117,176	X

12 Property, plant and equipment

Flow of property, plant and equipment during the six months ended 30 June 2023 (unaudited):

	Oil and gas exploration and production	Refining and sale	Other properties	Construction in progress	Total
Historical cost as of 31 December 2022	X	X	X	X	X
Construction and acquisition	113,592	1,870	6,606	8,608	130,676
Reclassifications	-	8,132	862	(8,994)	-
Internal movements	65	(5)	(60)	-	-
Changes in asset retirement (decommissioning) obligations	(247)	-	-	-	(247)
Disposals, retirements and other movements	(7,727)	(866)	(1,037)	(12)	(9,642)
Historical cost as of 30 June 2023 (unaudited)	2,303,015	340,147	241,206	15,550	2,899,918
Accumulated depletion, depreciation and amortisation as of 31 December 2022	X	X	X	X	X
Accrual for the period	(43,385)	(6,501)	(7,958)	-	(57,844)
Internal movements	(53)	-	53	-	-
Disposals, retirements and other movements	5,904	514	843	-	7,261
Accumulated depletion, depreciation and amortisation as of 30 June 2023 (unaudited)	(896,876)	(183,162)	(114,612)	-	(1,194,650)
Carrying amount as of 31 December 2022	X	X	X	X	X
Carrying amount as of 30 June 2023 (unaudited)	1,406,139	156,985	126,594	15,550	1,705,268

“Surgutneftegas” PJSC

Notes to the disclosed interim condensed consolidated financial statements (unaudited)

(in millions of Russian rubles, unless otherwise stated)

Flow of property, plant and equipment during the six months ended 30 June 2022 (unaudited):

	Oil and gas exploration and production	Refining and sale	Other properties	Construction in progress	Total
Historical cost as of 31 December 2021	X	X	X	X	X
Construction and acquisition	X	X	X	X	X
Reclassifications	-	X	X	X	-
Internal movements	X	X	-	-	-
Changes in asset retirement (decommissioning) obligations	X	-	-	-	X
Disposals, retirements and other movements	X	X	X	X	X
Historical cost as of 30 June 2022 (unaudited)	X	X	X	X	X
Accumulated depletion, depreciation and amortisation as of 31 December 2021	X	X	X	X	X
Accrual for the period	X	X	X	-	X
Internal movements	X	X	-	-	-
Disposals, retirements and other movements	X	X	X	X	X
Accumulated depletion, depreciation and amortisation as of 30 June 2022 (unaudited)	X	X	X	X	X
Carrying amount as of 31 December 2021	X	X	X	X	X
Carrying amount as of 30 June 2022 (unaudited)	X	X	X	X	X

As of 30 June 2023, property, plant and equipment included advances for acquisition of property, plant and equipment directly related to construction projects and construction of property, plant and equipment in the amount of RUB 4,736 million. (as of 31 December 2022: RUB X million).

At each date of the consolidated financial statements, the Management estimates a decline in the recoverable value of assets below their carrying amount. As of 30 June 2023, no impairment has been identified.

Depreciation on property, plant and equipment includes the amount capitalised in construction in progress for the six months ended 30 June 2023, in the amount of RUB 6,674 million (for the six months ended 30 June 2022: RUB X million).

The cost of oil and gas exploration and production licences included in exploration and production properties changed as follows:

	2023	2022
Historical cost as of 1 January	X	X
Impairment	X	X
Depreciation accrued	X	X
Carrying amount as of 1 January	X	X
Acquisition	220	X
Depreciation accrual	(861)	X
Carrying amount as of 30 June (unaudited)	58,897	X

Exploration and evaluation assets included in the cost of property, plant and equipment as of 30 June 2023 equalled RUB 108,952 million (as of 31 December 2022: RUB X million).

“Surgutneftegas” PJSC

Notes to the disclosed interim condensed consolidated financial statements (unaudited)

(in millions of Russian rubles, unless otherwise stated)

13 Right-of-use assets

	Oil and gas exploration and production	Refining and sale	Other	Total
Carrying amount as of 31 December 2022	X	X	X	X
Acquisition	298	1	16	315
Depreciation	(184)	(19)	(52)	(255)
Disposal	(157)	-	(7)	(164)
Other movements	288	(24)	18	282
Carrying amount as of 30 June 2023	7,563	1,250	607	9,420

	Oil and gas exploration and production	Refining and sale	Other	Total
Carrying amount as of 31 December 2021	X	X	X	X
Acquisition	X	X	X	X
Depreciation	X	X	X	X
Disposal	X	X	X	X
Other movements	X	X	X	X
Carrying amount as of 30 June 2022	X	X	X	X

14 Loans granted

Information is not disclosed in accordance with the legislation of the Russian Federation.

15 Payables and liabilities accrued

Accounts payable and accrued liabilities include:

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Accounts payable to employees of the Company	34,913	X
Trade payables	20,609	X
Accounts payable for acquired property, plant and equipment	7,129	X
Dividends payable	39,896	X
Other accounts payable	4,002	X
Total payables and liabilities accrued	106,549	X
Including the financial part of the accounts payable	71,513	X

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)***16 Other tax liabilities**

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Mineral extraction tax	63,445	X
Tax on additional income from production of hydrocarbons	49,712	X
Value added tax	5,527	X
Property tax	7,191	X
Other	8,786	X
Total other tax liabilities	134,661	X

17 Provisions

	As of 30 June 2023 (unaudited)	As of 31 December 2022
Asset retirement (decommissioning) obligations	72,347	X
Post-employment benefit obligations	12,098	X
Other obligations	772	X
Total provisions	85,217	X
including:		
current	1,631	X
non-current	83,586	X

18 Other financial liabilities

Other current and non-current financial liabilities are settlement accounts and customer deposits of the Group's bank. As of 30 June 2023, the amount of the liabilities was RUB 64,336 million (as of 31 December 2022: RUB X million).

19 Export duties

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Export duty on oil sales	16,853	X
Export duty on oil products sales	4,918	X
Total export duties	21,771	X

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)***20 Operating expenses**

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Taxes, excluding income tax	412,212	X
Employee benefits	67,488	X
Sales and storage expenses	60,768	X
Depreciation, depletion and amortisation	51,765	X
Supplies	33,634	X
Production services	29,516	X
Utility and electricity expenses	15,155	X
Goods for resale	8,233	X
Loss allowances for expected credit losses	2,644	X
Losses from disposal of exploration and production properties	96	X
Changes in inventory and work in progress	(5,980)	X
Other expenses	5,622	X
Total operating expenses	681,153	X

Taxes, excluding income tax, include:

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Mineral extraction tax	346,134	X
Tax on additional income from production of hydrocarbons	77,385	X
Property tax	14,475	X
Excise	(26,200)	X
Other taxes	418	X
Total taxes, excluding income tax	412,212	X

Employee benefits include:

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Salary and social charges	67,200	X
Contributions to post-employment benefit funds	288	X
Total employee benefits	67,488	X

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)***21 Finance income and expenses**

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Interest receivable	X	X
Interest income from discounting	1,591	X
Total finance income	X	X

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Interest payable	(1,471)	X
Interest expense from discounting	(6,711)	X
Interest expense on lease liabilities	(62)	X
Total finance expenses	(8,244)	X

22 Exchange differences

Exchange differences arise mainly from accounting for trade receivables from buyers of oil and oil products and financial assets in a foreign currency.

The official exchange rates of the Central Bank of the Russian Federation for foreign currencies against ruble are presented in rubles below:

	As of 30 June 2023	As of 31 December 2022
Australian Dollar	57.56	47.65
Armenian Dram	0.23	0.18
Belarusian Ruble	28.71	25.70
Danish Crown	12.78	10.07
US Dollar	87.03	70.34
Euro	95.11	75.66
Kazakhstan Tenge	0.19	0.15
Canadian Dollar	65.67	51.88
Chinese Yuan	11.99	9.89
Norwegian Krone	8.09	7.15
British Pound	109.78	84.79
Swedish Crown	8.09	6.74
Swiss Franc	97.24	76.18

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Average exchange rates for the six months ended 30 June 2023 and 2022 equalled:

	Six months ended 30 June 2023	Six months ended 30 June 2022
Australian Dollar	51.98	55.19
Armenian Dram	0.20	0.16
Belarusian Ruble	27.03	27.93
Danish Crown	11.17	11.26
US Dollar	76.90	76.30
Euro	83.22	83.52
Kazakhstan Tenge	0.17	0.17
Canadian Dollar	57.04	60.06
Chinese Yuan	11.07	11.86
Norwegian Krone	7.35	8.44
British Pound	94.90	99.65
Swedish Crown	7.35	8.00
Swiss Franc	84.45	81.22

23 Financial risks factors

Information is not disclosed in accordance with the legislation of the Russian Federation.

24 Net earnings per share

Basic earnings per share were calculated based on profit, attributable to holders of the Company's ordinary shares and the weighted average number of outstanding ordinary shares. The Company has no potential ordinary shares that have a dilutive effect.

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Weighted average number of shares, thousand	35,725,345	X
Net profit / (loss) for the reporting period attributable to shareholders	841,875	X
Dividends on preference shares	-	-
Basic and diluted earnings / (loss) per share, rubles	23.57	X

25 Dividends

On 30 June 2023, the annual general shareholders' meeting of the Company declared dividends for the year ended 31 December 2022 in the amount of RUB 0.80 per one ordinary share and RUB 0.80 per one preference share.

On 30 June 2022, the annual general shareholders' meeting of the Company declared dividends for the year ended 31 December 2021 in the amount of RUB 0.80 per one ordinary share and RUB 4.73 per one preference share.

For the six months ended 30 June 2023 and 2022, the Company did not declare and did not pay dividends.

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)***26 Fair value of assets and liabilities**

Fair value measurements are analysed and distributed by levels in the fair value hierarchy as follows: (a) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities; (b) Level 2 measurements are valuations techniques with all significant inputs observable for the asset or liability, either directly (e.g. price) or indirectly (e.g. calculated on the basis of the price); and (c) Level 3 measurements are valuations not based only on observable market data (i.e. a significant amount of non-observable data is required for assessment).

(a) Recurring fair value measurements

Recurring fair value measurements are those that the financial reporting standards require or permit in the statement of financial position at the end of each reporting period.

The levels in the hierarchy of the fair value measurement for financial instruments recorded at fair value are given below:

As of 30 June 2023 (unaudited)	Quoted prices in active markets (Level 1)	Valuation technique based on observable data (Level 2)	Valuation technique based on a significant amount of non- observable data (Level 3)
Deposits placed	-	X	-
Financial assets measured at amortised cost	X	-	-
Financial assets measured at fair value through other comprehensive income	X	-	X
Total financial assets measured at fair value on a recurring basis	X	X	X
As of 31 December 2022	Quoted prices in active markets (Level 1)	Valuation technique based on observable data (Level 2)	Valuation technique based on a significant amount of non- observable data (Level 3)
Deposits placed	-	X	-
Financial assets measured at amortised cost	X	-	-
Financial assets measured at fair value through other comprehensive income	X	-	X
Total financial assets measured at fair value on a recurring basis	X	X	X

As of 30 June 2023 and 31 December 2022, the Group has no liabilities measured at fair value on a recurring basis.

The estimated fair value of a financial instrument is determined by the Group with reference to available market information (if any) and valuation techniques as considered appropriate. The Management has used all available market information in estimating the fair value of financial instruments.

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

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

Within the six months ended 30 June 2023, there were no changes in valuation technique for Level 3 recurring fair value measurements.

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

Financial assets measured at amortised cost. The estimated fair value of instruments with the fixed interest rate is based on the method of discounting expected future cash flows coupled with applying current interest rates to new instruments with the similar credit risk and similar maturity period. The discount rate used depends on the credit risk of the counterparty. Fair value of financial assets measured at amortised cost has been determined by quotations of the demand.

The comparison of the fair value and carrying amount of deposits and other financial assets measured at amortised cost is presented below. The carrying amounts of the remaining financial assets are approximately equal to their fair value.

	As of 30 June 2023 (unaudited)		As of 31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Deposits placed	X	X	X	X
Financial assets measured at amortised cost	X	X	X	X

A reconciliation of classes of financial assets with the estimated categories is presented below:

As of 30 June 2023 (unaudited)	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Cash and cash equivalents	-	38,604	38,604
Restricted cash	-	179	179
Deposits placed	-	X	X
Loans granted	-	X	X
Other financial assets	X	X	X
Receivables	-	132,624	132,624
Total financial assets	X	5,536,983	5,540,952

“Surgutneftegas” PJSC**Notes to the disclosed interim condensed consolidated financial statements (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

As of 31 December 2022	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
Cash and cash equivalents	-	X	X
Restricted cash	-	X	X
Deposits placed	-	X	X
Loans granted	-	X	X
Other financial assets	X	X	X
Receivables	-	X	X
Total financial assets	X	X	X

Liabilities measured at amortised cost

All financial liabilities of the Group are measured at amortised cost. Financial liabilities are mainly funds of the Group's bank customers, accounts payable to suppliers and contractors and other accounts payable.

The fair value of liabilities is determined by using appropriate valuation techniques. The estimated fair value of instruments with the fixed interest rate and the fixed maturity period is based on expected discounted cash flows coupled with applying interest rates to new instruments with the similar credit risk and similar maturity period.

The carrying amount of liabilities measured at amortised cost is approximately equal to their fair value.

27 Subsequent events

Significant events, which have influenced or may influence the financial performance, the cash flow and operating results of the Group, did not take place in the period between the reporting date and the date the interim condensed consolidated financial statements of the Group were signed.