

INFORMATION ABOUT THE AUDITOR OF ZARUBEZHNEFT'S ACCOUNTING STATEMENTS FOR THE REPORTING YEAR

Zarubezhneft annually engages external auditors to audit its accounting (financial) statements prepared in accordance with Russian Accounting Standards.

The audit organization was selected for the mandatory audit of Zarubezhneft's RAS accounting (financial) statements for 2020–2021 through an open tender in accordance with the requirements of Federal Law No. 44-FZ dated April 5, 2013 "On the Contract System for the Procurement of Goods, Work, and Services to Meet State and Municipal Needs".

In 2020, Crowe Expertiza won the competition and was hired as the auditor of the RAS statements. The cost of Crowe Expertiza's services for auditing the accounting (financial) statements for 2020 amounted to RUB 844,800 .

The Federal Treasury and the Self-Regulatory Organization of Auditors, in which the auditor is a member, regularly monitor the auditor's activities.



EXTRACT FROM ZARUBEZHNEFT GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AND INFORMATION ABOUT THE AUDITOR FOR THE REPORTING YEAR

Zarubezhneft annually engages external auditors to audit its consolidated financial statements prepared in accordance with IFRS. The audit organization was selected to audit ZARUBEZHNEFT GROUP's consolidated financial statements for 2019–2020 by conducting an open request for proposals in accordance with the requirements of Federal Law No. 223-FZ dated July 18, 2011 "On the Procurement of Goods, Work, and Services by Separate Types of Legal Entities".

Deloitte & Touche CIS won the tender and was hired as the auditor of ZARUBEZHNEFT GROUP's consolidated financial statements for 2019–2020. Deloitte & Touche CIS

conducts quality control of audit assignments as of the date of issuance of the audit opinion and prior to this, and also verifies and monitors the quality of audit documentation on audits that have been completed. The cost of services of Deloitte & Touche CIS for the audit of the consolidated financial statements for 2020 amounted to RUB 11,159,000.

The Federal Treasury and the Self-Regulatory Organization of Auditors, in which the auditor is a member, regularly confirm the auditor's independence.

CONSOLIDATED PROFIT AND LOSS STATEMENT AND OTHER TOTAL INCOME FOR THE YEAR ENDED ON DECEMBER 31, 2020

EXTRACT FROM ZARUBEZHNEFT GROUP'S CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2020, RUB MLN

RUB MLN	2020	2019
Sales revenue and income from joint operations		
Sales of oil, gas, and petroleum products	60,696	65,300
Ancillary services and other sales	12,495	9,521
Revenues from joint ventures	9,742	18,068
Total sales revenue and income from joint operations	82,933	92,889
Costs and expenses		
Cost of purchased oil, gas, and petroleum products	(41,560)	(40,637)
Production and operating costs	(16,621)	(16,302)
Commercial, general, and administrative expenses	(5,825)	(6,331)
Taxes, except income tax	(4,649)	(5,543)
Export, depletion, and depreciation	(6,599)	(4,606)
Transportation costs	(1,981)	(1,715)
Geological survey costs	(274)	(211)
Export duty	(306)	(342)
Other income/(expenses), net	908	2,395
Profit from operating activities	6,026	19,597
Expenses on devaluation of assets, net	(1,110)	(413)
Income (expenses) from revaluation of foreign currency derivative financial instruments at fair value	(896)	(186)
Financial income	1,549	999
Financial expenses	(721)	(806)
Exchange rate differences, net	5,025	(2,918)
Profit before income tax	9,873	16,273
Current income tax	(2,329)	(1,888)
Deferred income tax	1,689	(932)
NET PROFIT FOR THE YEAR	9,233	13,453
Net profit/(loss) for the year, belonging to:		
• The shareholder of the parent company	9,940	13,310
• Non-controlling interests	(707)	143
NET PROFIT FOR THE YEAR	9,233	13,453
OTHER TOTAL INCOME/(EXPENSE)		
Items to be reclassified as profit or loss		
The effect of conversion into the presentation currency	13,755	(7,257)
Other aggregate income/(expense) for the year excluding income tax	13,755	(7,257)
TOTAL AGGREGATE INCOME FOR THE YEAR	22,988	6,196
Total aggregate income/(expenditure) for the year belonging to:		
• The shareholder of the parent company	24,099	5,426
• Non-controlling interests	(1,111)	770
	22,988	6,196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020

RUB MLN

ASSETS	December 31, 2020	December 31, 2019
Non-current assets		
Fixed assets	55,450	40,924
Investments in joint ventures	88,382	74,822
Debt securities	6,352	4,230
Deferred tax assets	3,004	835
Contributions to the liquidation fund	2,012	1,511
Other non-current assets	2,810	1,517
	158,010	123,839
Current assets		
Stocks	4,046	4,427
Trade and other receivables	8,052	5,396
Dividend debt	3,312	5,162
Refundable taxes and prepayment of taxes	1,374	1,510
Loans issued	5,175	4,160
Debt securities	9,720	6,861
Deposits, cash, and cash equivalents	29,843	35,387
Other current assets	1,321	1,146
	62,843	64,049
TOTAL ASSETS	220,853	187,888
OWN CAPITAL AND LIABILITIES		
Capital and reserves		
Charter capital	50,729	50,729
Other reserves	15,439	14,310
Reserve of conversion to the presentation currency	36,443	22,284
Retained earnings	59,840	57,684
Share capital of the parent company	162,451	145,007
Non-controlling shares	(8,339)	(8,207)
TOTAL CAPITAL AND RESERVES	154,112	136,800
Long-term liabilities		
Long-term loan liabilities	16,795	14,743
Long-term valuation liabilities	15,917	10,988
Deferred tax liabilities	6,119	5,447
	38,831	31,178
Short-term liabilities		
Short-term loan liabilities	11,845	6,441
Trade and other accounts payable	12,542	9,859
Short-term valuation liabilities	1,784	1,424
Tax liabilities	1,366	1,457
Other short-term liabilities	373	729
	27,910	19,910
TOTAL OBLIGATIONS	66,741	51,088
TOTAL CAPITAL AND LIABILITIES	220,853	187,888