

Slavneft Group

Consolidated Interim Condensed Financial Statements
(unaudited)

*as of and for the three and six months ended
June 30, 2021*

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Report on review of consolidated interim condensed financial statements

To the shareholders and the Board of Directors of
Public Joint Stock Oil and Gas Company Slavneft

Introduction

We have reviewed the accompanying consolidated interim condensed financial statements of Public Joint Stock Oil and Gas Company Slavneft and its subsidiaries (the «Group»), which comprise the consolidated interim statement of financial position as at June 30, 2021, the consolidated interim statement of comprehensive income for the three-month and six-month periods then ended, consolidated interim statement of changes in shareholder's equity and consolidated interim statement of cash flows for the six-month period then ended and other explanatory notes (the «consolidated interim condensed financial statements»). Management of Public Joint Stock Oil and Gas Company Slavneft is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with IAS 34 «Interim Financial Reporting». Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements as at June 30, 2021 and for the six-month period then ended are not prepared, in all material respects, in accordance with IAS 34 «Interim Financial Reporting».

Crowe Expertiza LLC
July 30, 2021

Deputy General Director



V. V. Potekhin

Auditor's Qualification Certificate
No. 05-000126 issued under Resolution No. 20 dated June 22, 2012
of Self-Regulatory Organization of Auditors Non-Profit Partnership "Russian Collegium of Auditors"

Primary Registration Number in the Register of
Auditors and Audit Firms: 22006024920,
a member of Self-Regulatory Organization of Auditors
"Auditor Association Sodruzhestvo"
Resolution No. 430 dated January 31, 2020, on the admission to the membership of
the self-regulatory organization of auditors

Auditor's details


Name: Crowe Expertiza LLC
State registration certificate No. 183.142, issued by the Moscow registration bureau on September 23, 1993
Registration No. in the United State Register of Legal Entities: 1027739273946
Principal registration number in the Register of auditors and audit firms 12006033851,
A member of a Self-regulated organization of auditors "Sodruzhestvo" (Association)
Legal address: Russian Federation, 127055, Moscow, Tikhvinsky Lane, 7, bldg. 3, office 20
A member of Crowe Global

Details of the entity

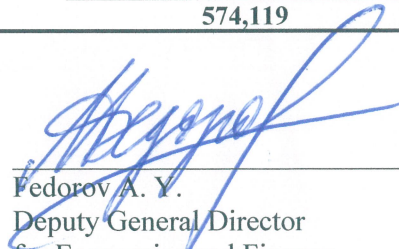
Name: Public Joint Stock Oil and Gas Company Slavneft
Registration Number in the United State Register of Legal Entities: 1027739026270
Address: Russian Federation, 125047, Moscow, 4th Lesnoy side-street, 4, 11th floor

Slavneft Group
Consolidated Interim Statement of Financial Position (unaudited)
(in millions of Russian Rubles, unless noted otherwise)

	Notes	June 30, 2021	December 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	461,113	451,670
Deferred tax assets		8,570	9,958
Right-of-use assets	5	16,060	16,720
Other non-current assets	6	4,063	4,061
Total non-current assets		489,806	482,409
Current assets			
Inventories	7	11,771	11,542
Accounts receivable and prepayments	8	70,749	35,955
Income tax receivables		360	210
Cash and cash equivalents	9	1,324	2,281
Other current assets		109	72
Total current assets		84,313	50,060
Total assets		574,119	532,469
Equity			
Ordinary share capital	24	70	70
Retained earnings		105,413	94,029
Additional paid-in capital		54,812	54,812
Total equity attributable to SLAVNEFT's shareholders		160,295	148,911
Non-controlling interest	25	119,807	118,460
Total equity		280,102	267,371
Liabilities			
Non-current liabilities			
Non-current debt	10	116,332	118,591
Deferred tax liabilities		21,703	20,669
Decommissioning and environmental liabilities	11	31,763	30,540
Non-current lease liabilities	5	13,193	13,630
Other non-current liabilities		3,538	3,488
Total non-current liabilities		186,529	186,918
Current liabilities			
Current debt and current portion of non-current debt	10	41,552	30,131
Trade payables	12	20,395	22,020
Advances received		201	354
Dividends payable		3	–
Taxes payable	13	36,153	17,482
Current lease liabilities	5	3,169	2,932
Other current liabilities	14	6,015	5,261
Total current liabilities		107,488	78,180
Total liabilities		294,017	265,098
Total equity and liabilities		574,119	532,469



Trukhachev A. N.
Deputy General Director
for Corporate Relations and General Issues
SLAVNEFT
July 30, 2021



Fedorov A. Y.
Deputy General Director
for Economics and Finance
SLAVNEFT

Slavneft Group
Consolidated Interim Statement of Comprehensive Income (unaudited)
(in millions of Russian Rubles, unless noted otherwise)

	Notes	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Revenue	16	78,454	132,234	35,710	93,515
Production expenses		(12,014)	(19,193)	(10,058)	(25,189)
Selling, general and administrative expenses		(1,554)	(3,122)	(1,492)	(2,987)
Cost of other sales		(1,097)	(1,988)	(1,088)	(1,529)
Taxes other than income tax	17	(40,317)	(65,838)	(12,421)	(46,330)
Depreciation, depletion and amortization	4, 5, 6	(10,030)	(18,956)	(10,422)	(21,565)
Exploration expenses		(67)	(208)	(120)	(251)
Impairment and (loss)/gain on disposal of assets		(417)	(657)	19	15
Total operating expenses and costs		(65,496)	(109,962)	(35,582)	(97,836)
Other operating income		297	633	218	414
Operating profit/(loss)		13,255	22,905	346	(3,907)
Finance income	18	17	36	37	75
Finance expenses	18	(3,735)	(6,645)	(2,709)	(7,297)
Foreign exchange gain		13	23	64	41
Profit/(loss) before income tax		9,550	16,319	(2,262)	(11,088)
Income tax gain/(expense)	15	(2,043)	(3,585)	587	3,285
Profit/(loss) for the period attributable to:		7,507	12,734	(1,675)	(7,803)
- SLAVNEFT's shareholders		6,751	11,384	(516)	(4,888)
- Non-controlling interest	25	756	1,350	(1,159)	(2,915)
Total comprehensive income/(loss) attributable to:		7,507	12,734	(1,675)	(7,803)
- SLAVNEFT's shareholders		6,751	11,384	(516)	(4,888)
- Non-controlling interest	25	756	1,350	(1,159)	(2,915)
(Loss)/earnings per share attributable to SLAVNEFT's shareholders					
Basic earnings/(loss) per share (in Russian Rubles)		1,42	2,39	(0,11)	(1,03)
Weighted average number of shares outstanding (million shares)		4,754	4,754	4,752	4,752

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

Slavneft Group
Consolidated Interim Statement of Changes in Shareholder's Equity (unaudited)
(in millions of Russian Roubles, unless noted otherwise)

	Notes	Equity attributable to Group shareholders				Non-controlling interest	Total equity	
		Ordinary share capital	Treasury shares	Additional paid-in capital	Retained earnings			
At January 1, 2020		70	(50)	54,812	89,366	144,198	121,215	265,413
Loss for the period		–	–	–	(4,888)	(4,888)	(2,915)	(7,803)
Total comprehensive expense		–	–	–	(4,888)	(4,888)	(2,915)	(7,803)
Dividends	24	–	–	–	–	–	(3)	(3)
Other		–	50	–	(71)	(21)	–	(21)
At June 30, 2020		70	–	54,812	84,407	139,289	118,297	257,586
At January 1, 2021		70	–	54,812	94,029	148,911	118,460	267,371
Profit for the period		–	–	–	11,384	11,384	1,350	12,734
Total comprehensive gain		–	–	–	11,384	11,384	1,350	12,734
Dividends		–	–	–	–	–	(3)	(3)
At June 30, 2021		70	–	54,812	105,413	160,295	119,807	280,102

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

Slavneft Group
Consolidated Interim Statement of Cash Flows (unaudited)
(in millions of Russian Ruble, unless noted otherwise)

	Notes	Six months ended June 30, 2021	Six months ended June 30, 2020
Cash flows from operating activities			
Profit/(loss) for the period		12,734	(7,803)
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Depreciation, depletion and amortization	4, 5, 6	18,956	21,565
Impairment and loss/(gain) on disposal of assets		657	(15)
Finance income	18	(36)	(75)
Finance expenses	18	6,645	7,297
Foreign exchange gain		(23)	(41)
Income tax expense/(gain)	15	3,585	(3,285)
Change in provisions		599	412
Other		(38)	(89)
Cash flows from operating activities before working capital changes		43,079	17,966
Working capital changes			
(Increase)/decrease in accounts receivable and prepayments		(33,853)	34,648
Payments on post-employment benefit obligation and other long-term benefits		(169)	(124)
(Increase)/decrease in inventories		(187)	150
(Increase)/decrease in other current assets		(38)	32
Decrease in accounts payable		(3,994)	(5,979)
Increase in other current liabilities		939	247
Increase/(decrease) in taxes payable		18,072	(19,700)
Income tax paid		(1,295)	(797)
Net cash from operating activities		22,554	26,443
Cash flows from investing activities			
Participation capital		2	–
Proceeds from sale of property, plant and equipment		54	241
Purchases of property, plant and equipment		(26,705)	(41,183)
Interest received		33	65
Purchases of non-current assets		–	(16)
Net cash used in investing activities		(26,616)	(40,893)
Cash flows from financing activities			
Proceeds from current debt	10	46,350	24,770
Proceeds from non-current debt	10	10,000	21,000
Repayments of current debt	10	(32,801)	(10,000)
Repayments of non-current debt	10	(14,415)	(15,767)
Payments of principal portion of lease liabilities		(1,066)	(799)
Payments for treasury shares		–	50
Interest paid	10	(4,980)	(5,797)
Net cash from financing activities		3,088	13,457
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		17	47
Net decrease in cash and cash equivalents		(957)	(946)
Cash and cash equivalents at the beginning of the period	9	2,281	2,771
Cash and cash equivalents at the end of the period	9	1,324	1,825

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

Slavneft Group

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in millions of Russian Roubles, unless noted otherwise)

NOTE 1. GENERAL INFORMATION

Public Joint Stock Oil and Gas Company Slavneft (SLAVNEFT, the “Company”) and its subsidiaries (jointly referred to as the “Group”) are engaged in oil exploration, development, production, refining and sales in the Russian Federation.

The Company was established as an open joint-stock company in August 1994 in accordance with Decree of the Government of the Russian Federation No. 305, issued April 8, 1994, Decree of the Council of Ministers of the Republic of Belarus No. 589-r, issued June 15, 1994, and the Charter agreement dated June 27, 1994. Under the provisions of the decrees and the Charter agreement, the Russian Federation transferred to the Company 60.5% of voting shares of SN-MNG PJSC, currently the principal oil producing subsidiary of the Group, and 50.7% of voting shares of SN-MNGG PJSC, the Republic of Belarus transferred to the Company 17.6% of Mozyrsky NPZ OAO and another 15% of Mozyrsky NPZ OAO was transferred to the Company by a number of individuals in exchange for the Company’s shares. Upon formation of the Company, 86.3% of its share capital was owned by the Russian Federation, 7.2% by the Republic of Belarus and 6.5% by a number of individuals.

In a series of transactions through January 2003, including participation in privatization auctions in the Russian Federation and the Republic of Belarus, 99% of the Company’s shares were ultimately acquired by OAO Siberian Oil Company (currently known as Gazprom Neft PJSC) and TNK-BP (subsequently acquired by Rosneft Oil Company). Gazprom Neft PJSC and Rosneft Oil Company (the “Primary Shareholders”) are the shareholders and jointly control the Group through Invest Oil LLC, which owns 86.59% in Slavneft, and its other subsidiaries.

On July 17, 2018, Open Joint Stock Oil and Gas Company Slavneft was renamed into Public Joint Stock Oil and Gas Company Slavneft. The Company’s name was changed so that it conforms with Chapter Four of the Civil Code of the Russian Federation.

Address (location) and place of business

The Company’s registered address is 125047, Moscow, 4th Lesnoy side-street, 4, 11th floor, the Russian Federation. The Group’s principal place of business is the Russian Federation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Consolidated Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by International Financial Reporting Standards (hereinafter – “IFRS”).

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by legislation in the countries in which it operates (primarily the Russian Federation). The accompanying Consolidated Interim Condensed Financial Statements were primarily derived from the Group’s statutory books and records with adjustments and reclassifications made to present it in accordance with IFRS.

The Group does not disclose information which would substantially duplicate the disclosures contained in its Consolidated Financial Statements for 2020, such as significant accounting policies, significant estimates and judgements or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in these Consolidated Interim Condensed Financial Statements are adequate to make the information presented not misleading if this Consolidated Interim Condensed Financial Statements are read in conjunction with the Group’s Consolidated Financial Statements for 2020.

The results reported in these Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2021 and 30 June 2020 are not necessarily indicative of the results expected for the full year.

Slavneft Group

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in millions of Russian Roubles, unless noted otherwise)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of measurement

These Consolidated Interim Condensed Financial Statements have been prepared on a historical cost basis.

Functional and presentation currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* the Group's management has analyzed several factors that influence the choice of functional currency and, based on this analysis, has determined the functional currency for each entity of the Group. For the majority of the entities the functional currency is the local currency of the entity. These Consolidated Interim Condensed Financial Statements are presented in Russian Roubles, and all values are rounded to the nearest million, except when otherwise indicated.

Foreign currency translation

Monetary assets and liabilities which are held by the Group entities and denominated in foreign currencies at the reporting date are translated into Russian Roubles (hereinafter – “RR”) at the official exchange rates of the Central Bank of the Russian Federation (hereinafter – “CBR”) at that date. Non-monetary assets and liabilities are translated at historical rates. Revenues, expenses and cash flows are translated into the functional currency at average rates for the period or exchange rates prevailing on the transaction dates where practicable. Gains and losses resulting from re-measurement into the functional currency are included in the Consolidated Interim Statement of Comprehensive Income.

The following exchange rates determined by the Central Bank of the Russian Federation have been applied at June 30, 2021, and December 31, 2020, and for the six months ended June 30, 2021, and June 30, 2020 (in RUB):

Exchange rate of one currency unit to Russian roubles	June 30, 2021	December 31, 2020	Average rates for the three months ended		Average rates for the six months ended	
			June 30, 2021	2020	June 30, 2021	2020
- US dollar (“USD”)	72.3723	73.8757	74.2155	72.3611	74.2781	69.3714
- Euro (“EUR”)	86.2026	90.6824	89.3912	79.6485	89.5471	76.4417

Going concern

The Group's management prepared these Consolidated Financial Statements on a going concern basis. In making this judgment management considered the Group's financial position, current intentions, profitability of operations and access to financial resources, and analyzed the impact of the situation in the financial markets on the operations of the Group.

Management believes that the current cash on hand, expected cash flows from operations and available standby credit facilities from financial institutions will be sufficient to meet the Group's working capital requirements and repay its short-term debts and obligations when they become due.

Changes in accounting policies, estimates and judgements

The accounting policies, estimates and judgements applied by the Group in these Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended December 31, 2020.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)*

NOTE 3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The accounting policies applied by the Group in these Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements for the year ended December 31, 2020.

A number of new standards and amendments to standards were not yet effective on 1 January 2021, and have not been applied in these Consolidated Interim Condensed Financial Statements.

Standards	Effective for annual periods beginning on or after
<i>Annual Improvements to IFRS Standards 2018-2020 Cycle</i>	January 1, 2022
<i>Reference to the Conceptual Framework – Amendments to IFRS 3</i>	January 1, 2022
<i>Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16</i>	January 1, 2022
<i>Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37</i>	January 1, 2022
<i>Classification of Liabilities as Current or Non-Current – Amendments to IAS 1</i>	January 1, 2023

Currently the Group does not expect these new standards and interpretations to have a material impact on the Group's financial position or results of operations.

Slavneft Group
Notes to the Consolidated Interim Condensed Financial Statements (unaudited)
(in millions of Russian Roubles, unless noted otherwise)
NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Oil refining property	Other	Construction in progress	Total
Cost					
As of January 1, 2020	525,726	109,522	37,988	73,932	747,168
Impairment of assets	–	–	–	198	198
As of January 1, 2020	525,726	109,522	37,988	74,130	747,366
Additions	362	–	–	42,713	43,075
Transfers	24,015	1,383	3,291	(28,689)	–
Change in decommissioning liabilities	(511)	–	–	–	(511)
Disposals	(1,291)	(476)	(392)	(38)	(2,197)
As of June 30, 2020	548,301	110,429	40,887	88,116	787,733
Accumulated depreciation, depletion, amortization and impairment					
As of January 1, 2020	(271,631)	(48,961)	(14,522)	(727)	(335,841)
Impairment of assets	–	–	–	(198)	(198)
As of January 1, 2020	(271,631)	(48,961)	(14,522)	(925)	(336,039)
Depreciation, depletion and amortization	(14,800)	(3,690)	(1,195)	–	(19,685)
Impairment	(98)	–	(1)	(31)	(130)
Disposal of impairment	95	–	–	208	303
Disposals	1,136	472	246	–	1,854
As of June 30, 2020	(285,298)	(52,179)	(15,472)	(748)	(353,697)
Net book value as of January 1, 2020	254,095	60,561	23,466	73,205	411,327
Net book value as of June 30, 2020	263,003	58,250	25,415	87,368	434,036
Cost					
As of January 1, 2021	581,133	116,096	45,488	75,049	817,766
Additions	790	–	–	27,834	28,624
Transfers	18,580	3,040	2,533	(24,153)	–
Change in decommissioning liabilities	(584)	–	–	–	(584)
Disposals	(286)	(708)	(405)	(107)	(1,506)
As of June 30, 2021	599,633	118,428	47,616	78,623	844,300
Accumulated depreciation, depletion, amortization and impairment					
As of January 1, 2021	(294,253)	(54,963)	(16,339)	(541)	(366,096)
Depreciation, depletion and amortization	(12,271)	(4,051)	(1,229)	–	(17,551)
Transfers	3	–	(3)	–	–
Impairment	(240)	–	–	(374)	(614)
Disposal of impairment	35	–	–	34	69
Disposals	260	447	298	–	1,005
As of June 30, 2021	(306,466)	(58,567)	(17,273)	(881)	(383,187)
Net book value as of January 1, 2021	286,880	61,133	29,149	74,508	451,670
Net book value as of June 30, 2021	293,167	59,861	30,343	77,742	461,113

During the six months ended June 30, 2021, borrowing costs of RUB 2,142 million were capitalized (during the six months ended June 30, 2020 – borrowing costs of RUB 2,548 million).

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITY****Right-of-use assets**

The table below presents movements in right-of-use assets:

	Oil and gas assets	Oil refining assets	Other	Total
Right-of-use assets as of January 1, 2020	2,278	371	1,857	4,506
Additions and other movement	17,059	(2)	2,766	19,823
Depreciation	(1,467)	(96)	(265)	(1,828)
Right-of-use assets as of June 30, 2020	17,870	273	4,358	22,501
Right-of-use assets as of January 1, 2021	10,996	360	5,364	16,720
Additions and other movement	596	(125)	483	954
Depreciation	(845)	(79)	(690)	(1,614)
Right-of-use assets as of June 30, 2021	10,747	156	5,157	16,060

Lease liability

The table below presents movements in lease liability:

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Lease liability, opening balance	15,873	16,562	21,761	3,998
Recognition	1,023	866	1,158	19,247
Interest	293	594	430	846
Payments	(827)	(1,660)	(903)	(1,645)
Lease liability, closing balance	16,362	16,362	22,446	22,446
Current portion	3,169	3,169	3,604	3,604
Non-current portion	13,193	13,193	18,842	18,842

NOTE 6. OTHER NON-CURRENT ASSETS

	June 30, 2021	December 31, 2020
Intangible assets	3,675	3,618
Non-current financial assets	13	12
Non-current non-financial assets	375	431
Total other non-current assets	4,063	4,061

Intangible assets, including software, trademarks and other, are stated net of accumulated amortization in the amount of RUB 316 million and RUB 269 million as of June 30, 2021 and December 31, 2020, respectively. For the six months ended June 30, 2021, accumulated amortization accrued in the amount of RUB 47 million (for the six months ended June 30, 2020 – RUB 52 million).

NOTE 7. INVENTORIES

	June 30, 2021	December 31, 2020
Materials and supplies	6,483	6,055
Crude oil	3,794	4,117
Petroleum products	750	801
Other	913	782
Allowance for inventory impairment	(169)	(213)
Total inventories	11,771	11,542

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 8. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	June 30, 2021	December 31, 2020
Trade receivables	64,704	30,158
Other accounts receivable	3,100	1,661
Allowance for expected credit losses	(291)	(243)
Trade and other receivables, net	67,513	31,576
Advances to suppliers and prepayments	2,665	3,800
VAT recoverable	571	579
Tax prepayments and advances issued	3,236	4,379
Total trade and prepayment, net	70,749	35,955

NOTE 9. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020
Cash held in banks – Russian Rubles	654	663
Cash held in banks – foreign currencies	49	53
Deposits – Russian Rubles	621	1,565
Total cash and cash equivalents	1,324	2,281

NOTE 10. NON-CURRENT AND CURRENT DEBT**Non-current debt**

	June 30, 2021	December 31, 2020
Non-current loans – Russian Rubles	114,327	118,613
Bonds – Russian rubles	30,000	30,000
Less current portion	(27,995)	(30,022)
Total non-current debt	116,332	118,591

Loan agreements contain a number of restrictive financial and other covenants that the Group as the borrower is obliged to fulfill. These covenants include maintaining certain financial ratios. As of June 30, 2021 and December 31, 2020, the Group complied with all restrictive financial and other covenants contained in the loan agreements.

In 2019, the Group received long-term targeted loans at the rate of 1% from the Industry Development Fund under the Lease Projects program to purchase certain right-of-use assets in amount of RUB 1,415 million with maturity in 2024.

The difference between the discounted value of such special-purpose loans, determined on the basis of market interest rates on equivalent loans at the date of conclusion of the contracts, and the nominal value of the contracts in the amount of RUB 331 million was recognized as a government grant in accordance with IAS 20 *Accounting for Government Grants* and was recognized as a deduction from the carrying amount of the related right-of-use assets. The Group does not have any unfulfilled conditions or contingent liabilities related to receiving such government grant.

As of June 30, 2021, the carrying amount of these targeted loans totals RUB 1,222 million.

Current debt and current portion of non-current debt

	June 30, 2021	December 31, 2020
Current loans – Russian Rubles	13,557	109
Current portion of non-current loans – Russian Rubles	27,995	30,022
Total current debt and current portion of non-current debt	41,552	30,131

In June 2021, the Group received short-term loans under existing credit line agreements in amount of RUB 13,550 million with maturity in the third quarter of 2021.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 11. DECOMMISSIONING AND ENVIRONMENTAL LIABILITIES****Decommissioning liabilities**

The table below presents movements in decommissioning provision:

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Decommissioning provision, opening balance	30,540	30,100	25,878	25,584
Recognition of liabilities	449	727	195	337
Disposal	–	(10)	(13)	(46)
Change in estimates	(282)	(584)	(255)	(511)
Unwinding of discount	438	912	445	886
Decommissioning provision, closing balance (non-current portion)	31,145	31,145	26,250	26,250
Less current portion	68	68	–	–
Decommissioning provision, closing balance (non-current portion)	31,077	31,077	26,250	26,250

Environmental liability

The table below presents movements in decommissioning and environmental provision:

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Environmental provision, opening balance (including current portion)	1,570	1,452	1,804	1,649
Recognition of liabilities	336	572	203	464
Disposal	(107)	(224)	(341)	(454)
Change in estimates	(4)	(9)	(11)	(12)
Unwinding of discount	6	10	10	18
Environmental provision, closing balance	1,801	1,801	1,665	1,665
Less current portion	(1,115)	(1,115)	(847)	(847)
Environmental provision, closing balance (non- current portion)	686	686	818	818

NOTE 12. TRADE PAYABLES

	June 30, 2021	December 31, 2020
Payables to suppliers and contractors	10,922	10,847
Payables for purchased non-current assets	9,463	11,173
Total trade payables	20,385	22,020
Other	10	–
Non-financial payables	10	–
Total trade payables	20,395	22,020

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 13. TAXES PAYABLE**

	June 30, 2021	December 31, 2020
Value added tax	13,900	6,748
Mineral extraction tax	11,033	4,275
Additional revenue tax	5,279	–
Excise	4,107	4,727
Property tax	1,028	856
Social payments	427	528
Income tax	249	211
Personal Income tax	110	112
Other	20	25
Total taxes payable	36,153	17,482

NOTE 14. OTHER CURRENT LIABILITIES

	June 30, 2021	December 31, 2020
Accrual for bonus payments	1,685	1,501
Accrual for vacation payments	1,303	1,159
Environmental provision (current portion)	1,115	933
Wages and salaries	503	458
Factoring liabilities	501	425
Legal risk reserve	205	367
Estimated tax allowance excluding income tax	104	104
Decommissioning provision (current portion)	68	79
Accrued liabilities	32	31
Other	499	204
Total other current liabilities	6,015	5,261

NOTE 15. INCOME TAX

The Group calculates the income tax expense for the period based on the tax rate that will be applied to the expected total profit for the year. The main components of income tax expense in the Consolidated Interim Statement of Comprehensive Income were as follows:

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Current income tax expense	519	1,159	119	704
Deferred tax expense/(gain)	1,524	2,422	(705)	(3,748)
Income tax adjustments for previous periods	–	4	(1)	(241)
Total income tax expense/(gain)	2,043	3,585	(587)	(3,285)

NOTE 16. REVENUE

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Crude oil	70,042	114,830	28,050	76,473
Processing services	6,892	14,538	6,247	14,308
Other sales	1,467	2,789	1,351	2,578
Associated gas	53	77	62	156
Total revenue	78,454	132,234	35,710	93,515

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 17. TAXES OTHER THAN INCOME TAX**

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Mineral extraction tax	33,166	53,027	10,382	42,103
Additional income tax	5,153	8,714	–	–
Property tax	1,171	2,293	1,050	2,091
Social payments	846	1,707	1,012	2,081
Other	(19)	97	(23)	55
Total taxes other than income tax	40,317	65,838	12,421	46,330

NOTE 18. FINANCE INCOME AND EXPENSES

	Three months ended June 30, 2021	Six months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2020
Interest income	16	33	28	65
Other income	1	3	9	10
Total finance income	17	36	37	75
Fees for factoring services	(1,655)	(2,717)	(947)	(2,967)
Interest expenses	(1,261)	(2,272)	(836)	(2,433)
Unwinding of discount on decommissioning and environmental liabilities	(444)	(922)	(455)	(904)
Interest expense on lease liability	(293)	(594)	(430)	(846)
Expenses on pension liabilities	(42)	(85)	(41)	(83)
Bank commissions and charges	(39)	(48)	(3)	(64)
Other	(1)	(7)	3	–
Total finance expenses	(3,735)	(6,645)	(2,709)	(7,297)
Total finance expenses, net	(3,718)	(6,609)	(2,672)	(7,222)

NOTE 19. RELATED PARTY TRANSACTIONS

For the purpose of these Consolidated Financial Statements, parties are generally considered to be related if one party has the ability to control the other party or one party can exercise significant influence over the other party in making financial and operational decisions. Related parties may enter into transactions which would have been impossible if the parties were not related. Transactions between related parties and transactions between unrelated parties may provide different terms, conditions and amounts.

The Group's principal related parties for the six months ended June 30, 2021 were the Primary Shareholders (Note 1) and their group entities (Rosneft Group and Gazprom Neft Group).

For the purpose of these consolidated financial statements key management personnel include members of the Board of Directors of SLAVNEFT, SN-MNG PJSC, and Slavneft-YANOS PJSC. The remuneration for key management personnel of the Group based on the results of 2020 was not paid.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 19. RELATED PARTY TRANSACTIONS (CONTINUED)**

Sales (including other sales) to related parties were as follows:

Customer	Description	Three months ended	Six months ended	Three months ended	Six months ended
		June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020
Entities of Rosneft Group	Crude oil	35,015	57,375	15,346	39,511
Entities of Gazprom Neft Group	Crude oil	35,015	57,375	12,699	36,864
Entities of Rosneft Group	Processing services	3,446	7,269	3,124	7,154
Entities of Gazprom Neft Group	Processing services	3,446	7,269	3,124	7,154
Other	Other	1,047	1,841	795	1,469
Total		77,969	131,129	35,088	92,152

For the six months ended June 30, 2021, the Group incurred operating expenses with related parties consisting of purchases in the amount of RUB 4,807 million (for the six months ended June 30, 2020 – RUB 6,723 million).

Cash and cash equivalents with banks which are the related parties were as follows:

	June 30, 2021	December 31, 2020
Bank GPB (JSC)	6	1
Total	6	1

Receivables from related parties were as follows:

	June 30, 2021	December 31, 2020
Entities of Rosneft Group	27,569	14,934
Entities of Gazprom Neft Group	36,241	15,206
Other	4	–
Total	63,814	30,140

For the six months ended June 30, 2021, the Group recognized provision for expected credit losses of RUB 81 million relating to amounts owed by related parties (for the six months ended June 30, 2020 – RUB 60 million).

Accounts payable to related parties were as follows:

	June 30, 2021	December 31, 2020
Entities of Gazprom Neft Group	1,572	1,899
Entities of Rosneft Group	1,114	1,317
Other	1	3
Total	2,687	3,219

Dividends payable to Shareholders were as follows:

	June 30, 2021	December 31, 2020
Entities of Gazprom Neft Group	1.5	1.5
Entities of Rosneft Group	1.5	1.5
Total	3	3

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION**

The Company determines its operating segments based on the nature of their operations. The performance of these operating segments is assessed by management on a regular basis. The Exploration, production and oil field services segment is engaged in field exploration and the production of crude oil and natural gas, activities involved in field development, the maintenance of infrastructure and the functioning of the first two segments. The Refining, distribution and services segment is engaged in processing crude oil and other hydrocarbons into petroleum products, as well as in the purchase, sale and transportation of crude oil and petroleum products and provides other refining related services. Substantially all of the Group's operations and assets are located in the Russian Federation.

Segment performance is evaluated based on revenues and operating income, which are measured on the same basis as in the consolidated financial statements.

The performance of the operating segments for the six months ended June 30, 2021 and June 30, 2020 is shown below:

Six months ended June 30, 2021	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	117,566	14,668	–	132,234
Inter-segment	1	–	(1)	–
Total revenue from sales	117,567	14,668	(1)	132,234
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(81,849)	(8,936)	393	(90,392)
Depreciation, depletion and amortization	(14,815)	(4,141)	–	(18,956)
Impairment of property, plant and equipment and construction in progress	(614)	–	–	(614)
Total costs and expenses	(97,278)	(13,077)	393	(109,962)
Other operating income	508	517	(392)	633
Operating income	20,797	2,108	–	22,905
Finance income	31	663	(658)	36
Finance expenses	(5,839)	(1,464)	658	(6,645)
Foreign exchange differences	1	22	–	23
Income before income tax	14,990	1,329	–	16,319
Income tax expense	(3,169)	(416)	–	(3,585)
Net income	11,821	913	–	12,734

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

Six months ended June 30, 2020	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	79,148	14,367	–	93,515
Inter-segment	1	–	(1)	–
Total revenue from sales	79,149	14,367	(1)	93,515
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(68,795)	(7,747)	398	(76,144)
Depreciation, depletion and amortization	(17,768)	(3,797)	–	(21,565)
Impairment of property, plant and equipment and construction in progress	(127)	–	–	(127)
Total costs and expenses	(86,690)	(11,544)	398	(97,836)
Other operating income	365	446	(397)	414
Operating income	(7,176)	3,269	–	(3,907)
Finance income	60	671	(656)	75
Finance expenses	(6,551)	(1,402)	656	(7,297)
Foreign exchange differences	7	34	–	41
Income before income tax	(13,660)	2,572	–	(11,088)
Income tax expense	3,913	(628)	–	3,285
Net income	(9,747)	1,944	–	(7,803)

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

The performance of the operating segments for the three months ended June 30, 2021 and June 30, 2020 is shown below:

Three months ended June 30, 2021	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	71,498	6,956	–	78,454
Inter-segment	–	–	–	–
Total revenue from sales	71,498	6,956	–	78,454
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(50,484)	(4,894)	203	(55,175)
Depreciation, depletion and amortization	(7,969)	(2,061)	–	(10,030)
Impairment of property, plant and equipment and construction in progress	(291)	–	–	(291)
Total costs and expenses	(58,744)	(6,955)	203,	(65,496)
Other operating income	233	267	(203)	297
Operating income	12,987	268	–	13,255
Finance income	15	364	(362)	17
Finance expenses	(3,215)	(882)	362	(3,735)
Foreign exchange differences	1	12	–	13
Income before income tax	9,788	(238)	–	9,550
Income tax expense	(2,033)	(10)	–	(2,043)
Net income	7,755	(248)	–	7,507

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 20. SEGMENT INFORMATION (CONTINUED)**

Three months ended June 30, 2020	Exploration, production and oil field services	Refining, distribution and services	Adjustments	Consolidated
Revenue from sales				
External customers	29,433	6,277	–	35,710
Total revenue from sales	29,433	6,277	–	35,710
Costs and expenses				
Costs and expenses other than depreciation, depletion and amortization and impairment of assets	(21,326)	(4,014)	181	(25,159)
Depreciation, depletion and amortization	(8,526)	(1,896)	–	(10,422)
Impairment of property, plant and equipment and construction in progress	(1)	–	–	(1)
Total costs and expenses	(29,853)	(5,910)	181	(35,582)
Other operating income	193	206	(181)	218
Operating income	(227)	573	–	346
Finance income	28	348	(339)	37
Finance expenses	(2,394)	(654)	339	(2,709)
Foreign exchange differences	101	(37)	–	64
Income before income tax	(2,492)	230	–	(2,262)
Income tax expense	677	(90)	–	587
Net income	(1,815)	140	–	(1,675)

NOTE 21. CONTINGENCIES AND COMMITMENTS**Capital expenditure commitments**

The Group has approved contractual capital expenditure commitments for construction and fixed assets acquisition as of June 30, 2021 in the amount of RUB 50,912 million (as of December 31, 2020 – RUB 39,214 million).

Litigation

The Group is involved in a number of small claims and litigation cases relating to regular business activities, as well as small fiscal claims. As of June 30, 2021 legal risk reserve totaled RUB 205 million (as of December 31, 2020 – RUB 367 million). Management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

Contingent tax liabilities in the Russian Federation

Russian tax, currency and customs legislation is subject to various interpretations and frequent changes. The Group management interpretation of the law provisions applied to the Group operations and activities may be challenged by the relevant regional or federal authorities.

The Russian tax authorities continue actively cooperating with tax authorities of foreign states in the framework of the international exchange of tax information, which makes the activities of companies on an international scale more transparent and requires detailed study in terms of confirming the economic goal of organizing an international structure as part of tax control procedures.

NOTE 21. CONTINGENCIES AND COMMITMENTS (CONTINUED)

These changes, as well as recent trends in the application and interpretation of certain provisions of the Russian tax legislation, indicate that tax authorities may take a tougher stance when interpreting legislation and verifying tax calculations. As a result, tax authorities can make claims on those transactions and accounting methods for which they had not previously submitted claims. As a result, significant taxes, penalties and interest may be charged. Tax audits may cover three calendar years of operations immediately preceding the audit year. Under certain conditions, earlier tax periods may be subject to audit.

The Group management believes that the Group has accrued and paid all related taxes. Where uncertainty existed, the Group accrued tax liabilities based on management's assessment of the potential outflow of resources that would provide economic benefits and would be required to settle such liabilities.

Operating environment

Russia continues economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of the economic, financial and monetary measures taken by the Government.

The sanctions imposed on Russia by some countries have had a negative impact on the Russian economy. Interest rates of borrowings in Russian Rubles remain high. The combination of these factors has led to a decrease in the availability of capital and increase in its value, as well as to an increase in uncertainty about future economic growth, which may adversely affect the financial position, results of operations and business prospects. Management is taking necessary measures to ensure the sustainability of the Group's operations.

Significant global market turmoil triggered by the transient development of the pandemic of the coronavirus infection (COVID-19) have seen in 2020. Many countries, including the Russian Federation, introduced quarantine measures, which had a significant impact on the level and scale of business activity of market participants. It is expected that both the pandemic itself and measures to minimize its consequences can affect the activities of companies from various industries. The significance of the impact of COVID-19 on the Group's business largely depends on the duration and effect of the pandemic on the Russian and world economy. Restrictions on movement in force in the world and in Russia did not affect the ability of the Group's employees to carry out their work properly and fully.

An additional factor of instability was the breakdown of the OPEC + agreement in March 2020. As a result of these events, significant volatility is observed in the stock, currency and commodity markets, including reducing of oil prices and depreciation of the Russian Ruble against the US Dollar and the Euro. The Government and the CBR are taking operational measures aimed at reduction of the economic impact of the coronavirus infection and volatility in global financial and commodity markets.

Management has considered events and conditions that could give rise to material uncertainties and concluded that the range of possible outcomes does not cast significant doubt over the Group's ability to continue as a going concern.

NOTE 22. FINANCIAL RISK MANAGEMENT**Market risk**

The Group is exposed to market price movements relating to changes in commodity prices such as crude oil, foreign currency exchange rates, interest rates, stock prices and other indices that could affect the value of the Group's financial assets, liabilities or expected future cash flows. The measures taken by the Group's management to optimize revenues and expenses help to reduce the impact of this risk.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from assets, liabilities, commercial transactions denominated in foreign currencies.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

The carrying amounts of the Group's financial instruments by currencies they are denominated are as follows:

	June 30, 2021		
	USD	EUR	Total
Current assets			
Trade accounts receivable	–	18	18
Cash and cash equivalents	25	24	49
Current liabilities			
Trade accounts payable	(57)	(554)	(611)
Total	(32)	(512)	(544)
	December 31, 2020		
	USD	EUR	Total
Current assets			
Trade accounts receivable	3	–	3
Cash and cash equivalents	26	27	53
Current liabilities			
Trade accounts payable	(31)	(286)	(317)
Total	(2)	(259)	(261)

The impact of the 20% appreciation/(depreciation) of the Russian ruble against foreign currencies on the Company's income before income tax would be the following:

	Six months ended June 30, 2021		Six months ended June 30, 2020	
	EUR	USD	EUR	USD
Effect on pre-tax profit	+/-102	+/-6	+/-73	+/-8

Commodity price risk

The Group's overall commercial trading strategy in crude oil and related products is centrally managed. Changes in commodity prices could negatively or positively affect the Group's results of operations. The Group sells substantially all its crude oil and related products to the Primary Shareholders.

Interest rate risk

Loans and borrowings raised at variable interest rates expose the Company to interest rate risk arising from the possible movement of variable elements of the overall interest rate.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	June 30, 2021	December 31, 2020
Bank deposits	621	1,565
Long-term loans and borrowings	(31,222)	(31,194)
Short-term loans and borrowings	(13,550)	–
Fixed rate financial instruments (net)	(44,151)	(29,629)
Long-term loans and borrowings	(85,110)	(87,397)
Short-term loans and borrowings	(27,875)	(30,003)
Variable rate financial instruments	(112,985)	(117,400)

The Group manages interest rate risk using a combination of loans and borrowings with fixed and variable interest rates. The Group's management analyzes its interest rate exposure, including by performing scenario analysis to measure the impact of an interest rate shift on annual income before income tax.

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 22. FINANCIAL RISK MANAGEMENT (CONTINUED)**

A 5 percentage points increase in interest rates at the reporting date would have the following effect on profit before tax:

	Six months ended June 30, 2021	Six months ended June 30, 2020
Effect on pre-tax profit	(1,226)	(1,761)

The sensitivity analysis is limited to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the reporting date was outstanding for the whole year. The interest rate on variable rate loans and borrowings will effectively change throughout the year in response to fluctuations in market interest rates.

The impact measured through the sensitivity analysis does not take into account other potential changes in economic conditions that may accompany the relevant changes in market interest rates.

Credit risk

Credit risk is the risk that a counterparty may default or not meet its obligations to the Group on a timely basis, leading to a financial loss to the Group.

The Group is dependent on a limited number of customers – the Primary Shareholders. The top trade debtors of the Group are entities associated with the Primary Shareholders. Therefore the probability of repayment of non-discounted debts of buyers and customers as of June 30, 2021 is not considered as a significant risk, as the debtors (Primary Shareholders and other companies) in the past has not violated the terms of the arranged agreements.

The carrying amount of financial assets represents the maximum credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities as they fall due. Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding with committed credit facilities and the ability to close out market positions.

As of June 30, 2021 net current liabilities of the Group totaled RUB 23,175 million (as of December 31, 2020, net current assets – RUB 28,120 million). Positive cash flow from operations for the six months ended June 30, 2021 was RUB 22,554 million (for the six months ended June 30, 2020 – RUB 26,443 million). As of June 30, 2021, the Group had an equity to total assets ratio of 49% (as of December 31, 2020 – 50%).

The Group's Management expects that the major sources of the Group's liquidity in 2021 will be cash generated from operations and additional financing for investments and in order to refinance existing loans and to optimize finance costs.

Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and the management's current expectations and estimates could differ from actual results.

NOTE 23. FAIR VALUE FOR FINANCIAL INSTRUMENTS

As of June 30, 2021 and December 31, 2020 the Group has no significant assets and liabilities carried at fair value.

During the six months ended June 30, 2021, there were no transfers of assets and liabilities between levels of the fair values.

Slavneft Group**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in millions of Russian Roubles, unless noted otherwise)***NOTE 23. FAIR VALUE FOR FINANCIAL INSTRUMENTS (CONTINUED)**

Assets and liabilities of the Company that are measured at fair value on a recurring basis in accordance with the fair value hierarchy are presented in the table below:

				Fair value
	Level 1	Level 2	Level 3	June 30, 2021 Total
Assets				
Cash and cash equivalents	1,287	–	–	1,287
Liabilities				
Fair value of plan assets	377	–	–	377
				Fair value
				December 31, 2020 Total
Assets				
Cash and cash equivalents	2,224	–	–	2,224
Liabilities				
Fair value of plan assets	377	–	–	377

Cash and cash equivalents, short-term bank deposits, accounts receivable and accounts payable

The carrying amounts of these items are a reasonable approximation of their fair value.

Current and non-current debt

Loans under bank arrangements have variable and fixed interest rates that reflect currently available terms and conditions for similar debt. In determining fair value, short-term and long-term loans and borrowings, as well as lease obligations, are included in level 2 of the fair value hierarchy. Bonds are included in level 1 of the fair value hierarchy.

The fair values of financial liabilities carried at amortized cost are presented below:

	Carrying amount		Fair value	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Loans and borrowings with a variable interest rate	112,919	117,307	111,048	112,468
Loans and borrowings with a fixed interest rate	14,965	1,415	6,918	1,211
Bonds	30,000	30,000	32,269	31,858
Lease liabilities	16,362	16,562	16,362	16,562
Total	174,246	165,284	166,597	162,099

NOTE 24. EQUITY AND TREASURY SHARES

The authorized capital of the Company is 4,754,238,000 common shares with a par value of 0.001 Russian Rubles per share. The treasury shares were acquired during the reorganization through the Company's merger with its certain subsidiaries. As of June 11, 2020, treasury shares were sold to the Primary Shareholders. The carrying value of share capital as of June 30, 2021 and December 31, 2020, differs from its historic value due to the effect of hyperinflation in the Russian Federation until December 31, 2002.

Dividends

The Company did not declare dividends during the six months ended June 30, 2021, and June 30, 2020, or until the date of issuance of these Consolidated Financial Statements.

According to the current legislation, dividends can be distributed only from the profit of the Company and its subsidiaries, calculated in accordance with Russian accounting standards.

Slavneft Group

Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in millions of Russian Roubles, unless noted otherwise)

NOTE 25. NON-CONTROLLING INTEREST

The table below presents information regarding non-controlling interest (hereinafter – “NCI”) as of June 30, 2021, and as of December 31, 2020, and for the six months ended June 30, 2021, and June 30, 2020.

Subsidiaries	Core activity	NCI share, %	June 30, 2021		Six months ended
			NCI in net assets	NCI in net (loss)/profit	June 30, 2021 NCI in net comprehensive (loss)/income
SN-MNG PJSC	Oil and gas development and production	43.58%	67,365	383	383
Slavneft-YANOS PJSC	Petroleum refining	60.17%	46,280	424	424
ONGG PJSC	Oil and gas development and production	19.76%	4,304	502	502
MUBR OOO	Exploratory drilling	43.58%	1,329	(18)	(18)
SN-MNGG PJSC	Oil and gas development and production	5.28%	82	5	5
MEN OOO	Electrical maintenance	43.58%	170	15	15
Megion Geologiya OOO	Field survey and exploration	11.87%	19	19	19
Other	–	–	258	20	20
Total			119,807	1,350	1,350

Subsidiaries	Core activity	NCI share, %	December 31, 2020		Six months ended
			NCI in net assets	NCI in net (loss)/profit	June 30, 2020 NCI in net comprehensive (loss)/income
SN-MNG PJSC	Oil and gas development and production	43.58%	66,982	(3,648)	(3,648)
Slavneft-YANOS PJSC	Petroleum refining	60.17%	45,859	1,015	1,015
ONGG PJSC	Oil and gas development and production	19.76%	3,802	(351)	(351)
MUBR OOO	Exploratory drilling	43.58%	1,346	91	91
SN-MNGG PJSC	Oil and gas development and production	5.28%	77	(25)	(25)
MEN OOO	Electrical maintenance	43.58%	155	(4)	(4)
Megion Geologiya OOO	Field survey and exploration	11.87%	1	18	18
Other	–	–	238	(11)	(11)
Total			118,460	(2,915)	(2,915)

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NOTE 25. NON-CONTROLLING INTEREST (CONTINUED)

The following table summarizes information relating to the Group's significant subsidiaries. The carrying amounts of non-controlling interests of all other subsidiaries are not significant individually.

Subsidiaries	June 30, 2021				Six months ended June 30, 2021		Total comprehensive income
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	
SN-MNG PJSC	61,690	217,101	(43,121)	(72,240)	49,465	1,144	1,144
Slavneft-YANOS PJSC	15,855	115,021	(17,454)	(36,513)	14,587	705	705
ONGG PJSC	15,244	56,232	(38,247)	(11,998)	25,556	2,480	2,480
Total	92,789	388,354	(98,822)	(120,751)	89,608	4,329	4,329

Subsidiaries	December 31, 2020				Six months ended June 30, 2020		Total comprehensive (loss)/income
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	(Loss)/profit	
SN-MNG PJSC	48,173	218,777	(29,995)	(74,669)	49,996	(7,907)	(7,907)
Slavneft-YANOS PJSC	18,133	105,978	(15,752)	(32,152)	14,354	1,687	1,687
ONGG PJSC	5,126	56,042	(30,223)	(12,194)	14,662	(1,866)	(1,866)
Total	71,432	380,797	(75,970)	(119,015)	79,012	(8,086)	(8,086)

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NOTE 26. PRINCIPAL SUBSIDIARIES

The most significant subsidiaries of the Group and the ownership interest are presented below:

Subsidiaries	Core activity	June 30, 2021		December 31, 2020	
		Ownership	Voting rights	Ownership	Voting rights
SN-MNGG PJSC	Oil and gas development and production	94.72%	94.72%	94.72%	94.72%
SN-MNG PJSC	Oil and gas development and production	56.42%	56.42%	56.42%	56.42%
ONGG PJSC	Oil and gas development and production	80.24%	80.24%	80.24%	80.24%
Slavneft'-Nizhnevartovsk OOO	Oil and gas development and production	100%	100%	100%	100%
Slavneft'-Krasnoyarskneftegaz OOO	Oil and gas development and production	100%	100%	100%	100%
Slavneft'-YANOS PJSC	Petroleum refining	39.83%	51.46%	39.83%	51.46%

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

There were no other significant subsequent events which have or may have an impact on the Group's financial position, cash flows or operating results which took place during the period between the reporting date and the date of signing of the Group's Consolidated Interim Financial Statements prepared in accordance with IFRS.