

**Report on the First Item on the Agenda of the Annual General Meeting of Shareholders of PJSC Rosneft Oil Company:
“Approval of the Company’s Annual Report”**

Introduction

Dear shareholders, guests of the Meeting and partners of our Company! I am truly delighted to welcome you today to the town of Bolshoi Kamen for Rosneft’s Annual General Meeting of Shareholders!

The Far East is one of the Company’s key operational regions. It is home to a centre of excellence for offshore production, processing and shipbuilding.

Zvezda is a pioneer in the construction of technically complex civil vessels

The venue for today’s meeting was not chosen at random. Rosneft operates the **Zvezda shipbuilding complex, a pioneer in the construction of technically complex civilian vessels**, located here. As Russia’s first shipyard specialising in large-tonnage vessels, it not only strengthens the industry’s production capacity, but also ensures the achievement of **strategic goals regarding import substitution and Russia’s technological self-sufficiency** in the construction of critical Arctic infrastructure.

In December 2025, the Zvezda shipyard **delivered the first LNG tanker ever built in Russia to the client.** The ARC 7-class icebreaker Alexei Kosygin became **the lead vessel in a series** being built by the shipyard for the Arctic LNG-2 project. These gas carriers are of a high ice class and can operate in Arctic conditions, **breaking through ice over two metres thick under**

their own power. Each tanker has a capacity of **over 170,000 cubic metres of LNG and is equipped with unique steerable thrusters** manufactured by the Sapphire plant at the Zvezda shipyard.

Also in 2025, the dual-fuel tanker Ivan Aivazovsky, with a deadweight tonnage of 50,000 tonnes, was delivered to the customer. It is **the lead vessel in a new series of three tankers designed to transport petroleum products**, including those from areas with ice-covered waters. At the end of 2024, the first Arctic shuttle tanker, the Valentin Pikul, with a deadweight of 69,000 tonnes, was delivered to the customer. Thanks to its high ARC 6 ice class, the shuttle can navigate independently in ice up to 1.7 metres thick without the need for an icebreaker escort.

Since 2020, Zvezda **has delivered nine vessels to its customers**, including **five** Aframax-type dual-fuel oil tankers. Its order book currently comprises **over 50 vessels**.

The escalation of the conflict in the Middle East has highlighted the **risks to global energy logistics**. It is now of critical importance to develop alternative routes; the Northern Sea Route is undoubtedly one of the most important. Against this backdrop, Zvezda's strategic role is growing rapidly, given its capability to build modern icebreakers, tankers and ice-class gas carriers.

Primorsky Metallurgical Plant is the flagship metallurgical enterprise of the Primorsky Territory

In the immediate vicinity of Zvezda, construction of the Primorsky Metallurgical Plant is underway. The plant will be **fully integrated** into the shipbuilding cluster.

With a capacity of 1.5 million tonnes per year, the plant's main product is large-format steel plates **measuring up to 4.5 metres in width and 24 metres in length**. Using large-format plates **significantly reduces the number of welds** required for a ship's hull, speeding up the construction process while enhancing the vessel's structural integrity. It is worth noting that Russian steel plates significantly **outperform their foreign counterparts** in terms of a combination of overall dimensions and physical and mechanical properties, including **cold resistance**. The plant will also produce large-diameter pipes for main crude oil and gas pipelines with an annual output of up to 300,000 tonnes.

The project is expected to generate **over 3,800 jobs** and provide a significant boost to the economy of the Primorsky Territory. Construction of the plant is scheduled to be completed in **2029**.

2025 overview and the state of the industry

As part of my presentation on the first agenda item, **I would now like to present Rosneft's 2025 Annual Report**. This report has been provisionally approved by the Board of Directors and received a favourable opinion from the Audit Committee.

The year 2025 presented the Russian oil industry with significant challenges. These include a global market surplus, tough **macroeconomic conditions, tariff increases by natural monopolies that outpace inflation** and mounting **pressure from sanctions**, all of which create difficult operating conditions for the Company.

Military conflicts are exerting further pressure on the sector. In particular, we have faced restrictions on shipping through the Strait of Hormuz this year.

In the current circumstances, the Company has focused its efforts on **improving operational efficiency, optimising costs** and continuously monitoring and prioritising its project portfolio. Not only has Rosneft maintained its stability, **thereby once again confirming the robustness of its business model, it has also continued its systematic work on implementing strategic initiatives.**

In 2025, Rosneft **retained its position as the world's second-largest** publicly listed oil company in terms of **hydrocarbon production**. In liquid equivalent, production reached 247 million tonnes of oil equivalent, or more than 5 million barrels per day. Rosneft remains Russia's largest oil company, producing almost 40 per cent of the country's crude oil. Rosneft's share of Russian refining stands at around 30 per cent, and we have the largest network of petroleum stations in the country. I would also like to mention that we have major oil refineries abroad, particularly in India. We also continue to hold shares in a number of refineries in Europe.

The crisis in the Strait of Hormuz has demonstrated the current impossibility of making **even short-term forecasts**, given that political factors have become the dominant influence.

At the start of the most intense phase of the conflict, **we advised against overestimating the impact of rising prices** on incomes, while continuing to use conservative macroeconomic assumptions in our planning.

In our view, this approach has proved its worth.

Exploration and Production: Effective development of the resource base

Rosneft's leading position in the effective development of its resource base is clearly confirmed by geological exploration figures. In 2025 alone, six new fields and 112 deposits were discovered, containing hydrocarbon reserves of over 250 million tonnes of oil equivalent.

According to the results of a reserves audit conducted in accordance with the international PRMS classification, the Company's **category 2P** hydrocarbon reserves totalled **11.5 billion tonnes of oil equivalent**. Reserves growth replaced production at a rate of 122 per cent. Moreover, unlike many of its international competitors, the Company has sufficient reserves to last **almost half a century**.

In 2025, the progress made in production drilling exceeded 11.8 million metres, with around 3,000 new wells brought into production. **Three-quarters** of these were horizontal wells.

In particular, I would like to point out that Rosneft has established a highly efficient drilling business, comprising an operational fleet of 340 drilling rigs with various lifting capacities and in both mobile and train-mounted configurations. This is almost a third more than the total number of drilling rigs in the entire US Permian Basin¹.

Hydraulic fracturing remains a key technique for increasing production from horizontal wells. During the reporting period, almost half of all wells brought into production were **horizontal wells with multi-stage hydraulic fracturing**.

At the same time, **our specialists' unique experience and high level of expertise** mean that hydraulic fracturing technology is constantly being improved. For instance, during the reporting period, **Samotlorneftegaz**, one of our largest production assets, set **an industry record by performing a 40-stage hydraulic fracturing operation in under 24 hours for the first time**. The wellbore depth was 3,469 metres and the horizontal section was approximately 1,200 metres long. Its production rate exceeds the average for neighbouring wells by up to **four times**.

Impressive results have also been achieved at our flagship enterprise, **Yuganskneftegaz, which has been operating since 1964**. Notably, a 30-stage hydraulic fracturing operation involving 116 fractures and the injection of 9,000 tonnes of proppant was carried out. This resulted in one of the **highest**

¹ According to Baker Hughes, as of 5 June 2026, there were 257 drilling rigs, <https://rigcount.bakerhughes.com/na-rig-count/>

well production rates from hard-to-recover crude oil reservoirs **in the last 10 years**.

Orenburgneft, another one of the Company's production assets in the Volga region, implemented a pilot project in 2025. This involved **a high-volume hydraulic fracturing operation** at the Tarashchanskoye field. The operation set a regional record with the injection of 100 tonnes of proppant. The project required calculations to be carried out with the highest level of precision, and the hydraulic fracturing design was completed using the RN-GRID corporate simulator. **Digital modelling enabled fracture development to be predicted**, injection parameters to be optimised, and the safety of the process to be ensured whilst using a record volume of proppant.

It is also worth noting the Company's innovative development: **ROSNEFT TIGER FRAC** hydraulic fracturing technology. This technology is based on a specialised method of injecting fracturing fluids of varying viscosities and a proppant to increase the length of fractures and enhance the cost-effectiveness of hydraulic fracturing. In 2025, this technology was used for 449 hydraulic fracturing operations on 30 horizontal wells, achieving a total cumulative annual production of over 100,000 tonnes.

Thanks to innovative technologies used by Rosneft, the average production rate of new wells in 2025 was 17 per cent higher than the Russian average. By the end of the first quarter of 2026, this figure had risen to 53 tonnes per day — **the Company's highest in 10 years, and 31 per cent higher than the Russian average**.

Exploration and Production: High-tech production

In 2025, **liquid hydrocarbon production** totalled 181.1 million tonnes, which was slightly lower than in 2024. However, OPEC+ **production limits** were eased in the fourth quarter of 2025, enabling output to increase by 1.5 per cent year-on-year. This **growth continued** into the **first quarter of 2026**. In other words, our obligations under the OPEC+ agreement were one factor that contributed to the decline in output.

I would like to mention the **Sakhalin-1 project specifically – Russia’s largest offshore oil project**. It has been underway since 1996 under a production-sharing agreement with foreign partners. In 2022, however, the former operator, ExxonMobil, unilaterally withdrew from the project, as did key foreign equipment manufacturers, engineering contractors, and the entire foreign workforce.

In accordance with a decree issued by the President of Russia², Rosneft took control amid a crisis. We swiftly restored crude oil production and exports, and resumed gas supplies to the Khabarovsk Territory. This saved more than 3,000 highly skilled jobs.

We relaunched our drilling programme and, as early as 2023, the Company drilled **the world’s second most complex well** at the Odoptu-More field. In 2025, we brought a new facility into operation on the continental shelf – the Southern Dome of the Odoptu field – achieving **record initial well**

² Decree of the President of the Russian Federation No. 723 of 7 October 2022 and Government Resolution No. 1808 of 12 October 2022

production rates of up to 2,600 tonnes per day. In 2026, we began active drilling simultaneously across all three project fields. As a result, our **production exceeded the previous operator's targets by 20 per cent.**

Construction of the main facilities of the Vostok Oil project is currently underway, including the Sever Bay oil terminal, oil pumping stations, and a receiving and delivery point with a tank farm. Meanwhile, **construction of the 790 km oil pipeline is nearing completion.** Once our work in Vladivostok is finished, I plan to visit the Vostok Oil project. We will ensure that work on connecting the oil pipeline is completed, and we expect to be able to report on the commissioning of the first phase of Sever Bay port in September.

A state-of-the-art, safe underwater crossing comprising two separate 5.7 km-long pipelines was built across the Yenisei River. The pipelines were laid at a depth of around 50 metres, with a burial depth of up to eight metres below the riverbed.

Gas production totalled 79.6 billion cubic metres in the reporting year, which was lower than in 2024 due to scheduled maintenance of key assets and the Company's participation in the OPEC+ agreement. Following the completion of these maintenance works in Q4 of 2025, however, gas production rose by 4 per cent year-on-year, **a growth trend that continued into Q1 of 2026.**

Rosneft places particular emphasis on digital and technological transformation in its operational activities.

These tools allow us to convert digital technologies into **measurable financial benefits**. According to our plans, these benefits will exceed **100 billion roubles in 2026**. It is worth noting that this figure has already reached 44 billion roubles by the end of April 2026.

For example, our Ufa-based specialists have developed and patented **Russia's first robotic system for repairing tubing**. The system's modular design allows its configuration to be adapted to the specific challenges encountered in the production region. The system can process up to 21,000 pipes per month. The main advantage of this development is the minimal human involvement required. Consequently, **the proportion of manual operations will decrease by 53 per cent whilst productivity will increase by 25 per cent**.

I would like to emphasise that we do not view digitalisation and information technology as merely a support service or ancillary function. For us, they are **key drivers of growth in terms of operational and economic efficiency**. Our approach is based on three pillars: deploying unified platform solutions, standardising IT systems end to end, and directly integrating artificial intelligence into business processes.

Our technologies already enable the collection and monitoring of over **85 per cent of the Company's operational parameters**, including: 100 per cent of drilling rig data; 96 per cent of wellstock performance; 98 per cent of refinery units; 62 per cent of electricity meters. This aligns with the best international practices of our Western partners.

Refining and Marketing: Development of the oil refining sector

In 2025, crude oil processing volumes in the Russian Federation amounted to around **76 million tonnes**, a decline of more than 8 per cent. This was primarily due to the optimisation of refinery utilisation rates in light of market conditions, logistical constraints, demand and maintenance and refurbishment work. However, we are offsetting this decline through strong sales performance.

As you are aware, **operations in the oil industry were disrupted by a number of attacks** on infrastructure facilities during the reporting year.

Nevertheless, we are continuing to implement all defensive measures aimed at achieving technological sovereignty in our refining segment, thereby mitigating the risks posed by external factors. Rosneft remains **the only company in the country** capable of producing **a full range of catalysts for high-octane petrol** production. Just five years ago, this segment was **90 per cent** dependent on imports. Today, the Company not only meets its own requirements, but also **mitigates strategic risks for the entire industry**. We have progressed from laboratory-scale plants to industrial-scale production.

In 2025, a total of more than 2,200 tonnes of catalysts was produced for the hydrotreating of diesel fuel and petrol fractions, as well as for protective layers. Rosneft's enterprises also produced 140 tonnes of petrol reforming catalysts, as well as over 250 tonnes of catalysts for hydrogen production, petrochemicals, and adsorbents.

We are continuing to work consistently to develop our oil refining complex. For instance, production of PULSAR-95 petrol has commenced at the Achinsk Refinery following the modernisation of the automated tanker loading system and improvements to fuel production technology. This petroleum product offers enhanced performance and environmental properties. Tests have shown that switching from conventional fuel to PULSAR-95 **reduces engine deposit build-up by 88 per cent** whilst increasing engine power and reducing fuel consumption.

Also during the reporting year, Purneftepererabotka LLC commissioned a diesel fuel hydrotreating unit, enabling the Yamalo-Nenets and Khanty-Mansi Autonomous Areas to be supplied with Euro 5 diesel fuel.

Refining and marketing: Stable supply to the domestic market

Ensuring a stable supply of high-quality motor fuel to Russian consumers is one of Rosneft's key priorities. In 2025, the Company supplied 40.3 million tonnes of petroleum products to the domestic market, including 12.3 million tonnes of petrol and 16.4 million tonnes of diesel. The Company accounted for over 30 per cent of total exchange-traded sales of these petroleum products.

By the end of 2025, **Rosneft's retail network was the largest** in the country, spanning **62** Russian regions. It comprises **around 3,000** petrol stations.

In 2025, we continued to implement a large-scale modernisation programme for our retail network. **133** petrol stations were refurbished.

Currently, **one in three** stations in the Rosneft network operates under the new format, with refurbished stations serving customers in **41** regions across the country.

In 2025, Rosneft expanded the geographical reach of its PULSAR range, widely regarded as the finest fuel in the country, and it is now available at 1,737 petrol stations. Sales of PULSAR-95 petrol commenced **in six new regions**, bringing the total number of regions where the product is available to 37. PULSAR diesel fuel is now also available **in seven new regions** of the country, whereas previously it had only been available in the Moscow region.

Alongside traditional fuels, Rosneft is developing a charging infrastructure for electric vehicles. In 2025, the Company installed **82** electric charging points at its petrol stations across 12 Russian regions. The total number of charging sessions exceeded 75,000 in 2025.

Financial results

During the reporting year, amid falling crude oil prices and a strengthening rouble, **revenue totalled 8.2 trillion roubles**, while **EBITDA** amounted to **2.2 trillion roubles** (26 per cent of revenue). Net profit attributable to Rosneft shareholders in 2025 was **293** billion roubles.

Rigorous prioritisation and optimisation of the investment project portfolio resulted in capital expenditure amounting to 1.4 trillion roubles in 2025. At that, free cash flow for the reporting period totalled 700 billion roubles.

With a debt service ratio of **1.5**, the Company is comfortably within its credit policy limits.

The Company has been **the largest taxpayer** in the Russian Federation for many years, playing a leading role in generating revenue for the federal budget and supporting the country's socio-economic development. **In the reporting year, the total amount of taxes and other compulsory payments to the Russian budgetary system**³ amounted to over **5 trillion roubles**.

Despite the challenging external environment, Rosneft continues to adhere strictly to its dividend policy, **having paid dividends consistently since 2000**. Providing a fair return for our shareholders is one of the Company's strategic priorities.

Sustainable development: The environment

Rosneft takes responsibility for much more than just its operational performance. The Company consistently implements comprehensive sustainability programmes and is steadily increasing its investment in environmental protection. For instance, in 2025, Rosneft's **green investments** totalled **approximately 77 billion roubles**. These investments included programmes for utilising associated petroleum gas, improving pipeline reliability, and various land remediation and waste management initiatives.

³ Excluding the excise duty refund on crude oil

Rosneft's enterprises are actively engaged in **reforestation: around 8 million tree saplings** were planted across the country in 2025 alone, and **around 46 million** have been planted over the past five years.

Sustainable development: ESG ratings

In 2025, Rosneft reaffirmed its **leading position in sustainable development** in the Russian and international oil and gas industries. During the reporting period, Rosneft was recognised by the international agency **World Benchmarking Alliance** as the best Russian oil and gas company in **four rankings** focusing on social initiatives, gender equality, and a just energy transition. This was part of an assessment of the performance of the world's 2,000 largest companies.

Institutional Shareholder Services, the world's largest investment and consultancy firm, has also recognised Rosneft's environmental performance, ranking the Company among the leaders in its environmental ratings. Russia's largest non-credit rating agency, **RAEX**, has awarded Rosneft an ESG rating of AA, while Rosneft's management received the highest rating of AAA.

Following its annual review, the **Moscow Exchange** has included the Company's securities **in the calculation of new sustainability indices**, including the Climate Sustainability Index for non-financial companies, the Moscow Exchange RAEX & ESG Balanced Index and the Moscow Exchange – RUIE Index Group.

Conclusion

In conclusion, despite the growing pressure on our operations, I would like to reiterate that the interests of our shareholders remain our unwavering priority. Over the past five years, the number of retail investors in the Company has increased by more than eightfold to almost 1.7 million, which I believe underscores the soundness of our chosen course of action. Notably, this growth was the highest recorded among the largest companies by market capitalisation on the Russian stock market.

I therefore ask you to support the Board of Directors' proposal and vote in favour of approving Rosneft's 2025 Annual Report.

Thank you for your attention!