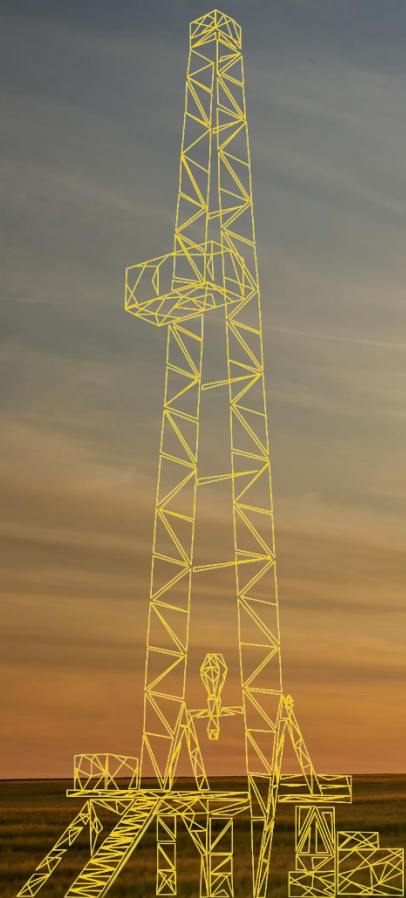




**ROSNEFT**

**IFRS RESULTS  
Q3 2021**

**November 12, 2021**



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These materials contain statements about future events and explanations representing a forecast of such events. Any assertion in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting such statements.

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# KEY FINANCIAL INDICATORS

**314** Rub bn

Q3 2021 Net Income

**375** Rub bn

Q3 2021 Free Cash Flow

**-8.4** \$ bn

Reduction of net financial debt  
and trading liabilities YTD



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## KEY EVENTS

- The Company has started design work and a complex of engineering surveys at key energy facilities of the Vostok Oil project, construction of wharfs at the Yenisei river started
- Rosneft closed a deal for the sale of a 5% stake in the Vostok Oil project to a consortium of Vitol (75%) and MME (25%)
- Rosneft's Extraordinary General Meeting of Shareholders approved the dividend payment for H1 2021 in the amount of Rub 191 bn (Rub 18.03 per share)



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## ESG EVENTS

- In order to protect against COVID-19, Rosneft conducted a large-scale vaccination campaign covering 95% of employees of the headquarters and more than 80% of employees of its subsidiaries. Currently, the Company is additionally vaccinating employees against seasonal influenza
- The Company reduced the number of incidents related to the safety of technological processes. In 9M 2021, the number of process safety events PSE-1<sup>1</sup> and PSE-2<sup>1</sup> decreased by 20% and by 31% YoY, respectively, thanks to the introduction of safety culture
- Rosneft signed 12 cooperation agreements<sup>2</sup> on emission reduction (including methane), low-carbon technologies, reforestation
- Rosneft has become the only Russian oil and gas company announced as the UN Global Compact LEAD

*Note: (1) PSE - Process safety events (tier1, tier 2)*

*(2) In 9M 2021: bp, Equinor (2 agreements), ExxonMobil, Ministry of Economy, Trade and Industry of Japan (METI), Baker Hughes, Schlumberger, Vestas Rus, SUEZ Water Technologies & Solutions SA, InterRAO, Rosseti, RusHydro.*



# COMPANY ACHIEVEMENTS IN ESG

**Bloomberg**



FTSE4Good

**S&P Global**

CSA<sup>1</sup>



a Morningstar company

**The global leader – ahead of the major O&G companies**

Rating improved to 70.95

**Rosneft remains a constituent of the international FTSE4Good Index Series**

with strong ESG performance

**The rating increased to 44**

54 percentile

**Rosneft is the best among the majority of global peers and Russian O&G companies**

Rating improved to 33.8

**REFINITIV**



**MSCI**



PART OF  
Moody's ESG Solutions



Transition  
Pathway  
Initiative

**Top 10 industry leaders**

Rating improved to A

**The rating improved to BB**

due to improved disclose of information on combating climate change

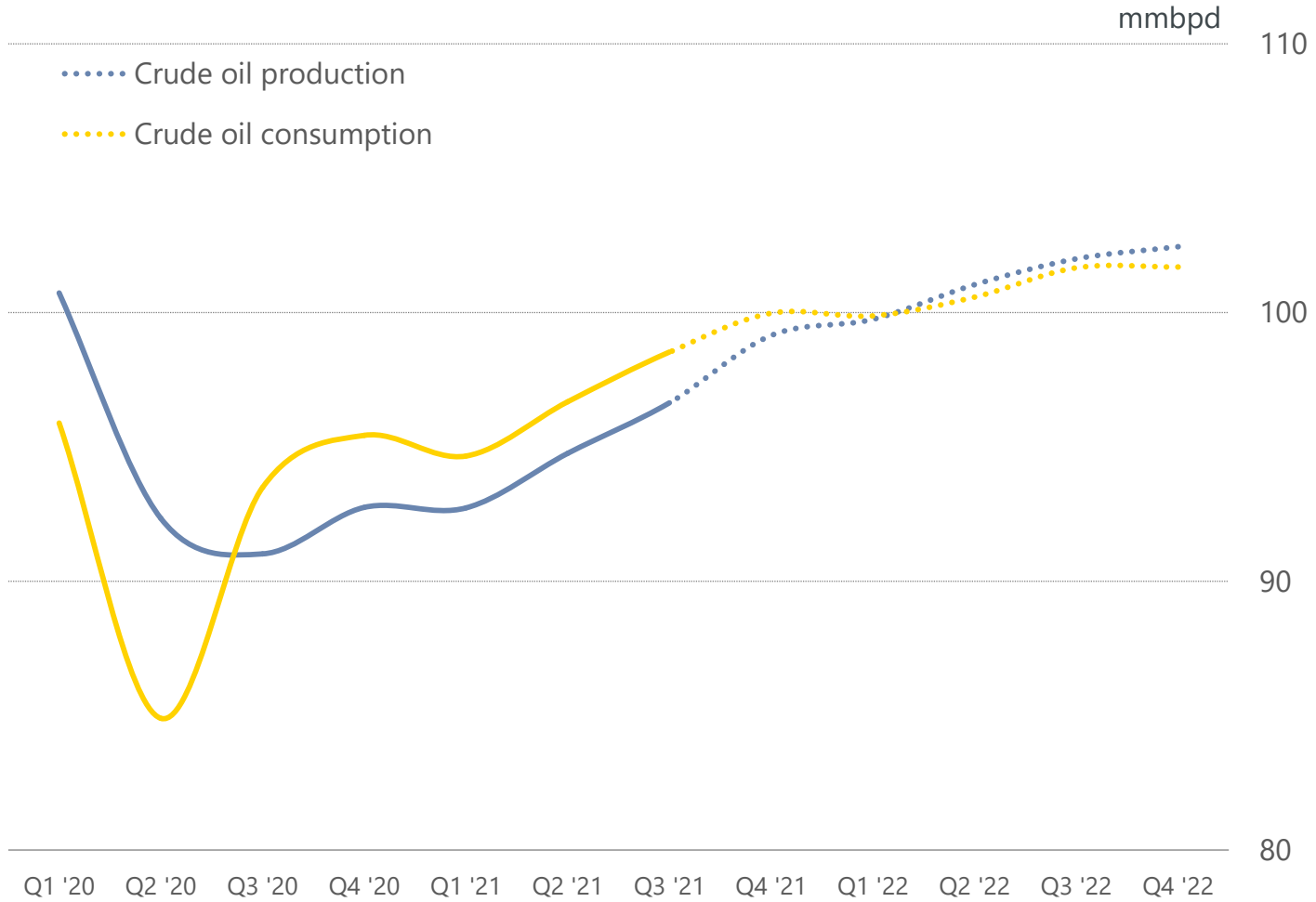
**The Company was included in the top 100**

of 843 emerging market companies, representing 36 sectors of the economy from 31 countries

**The company integrates climate issues into the decision-making process of its operating activity**

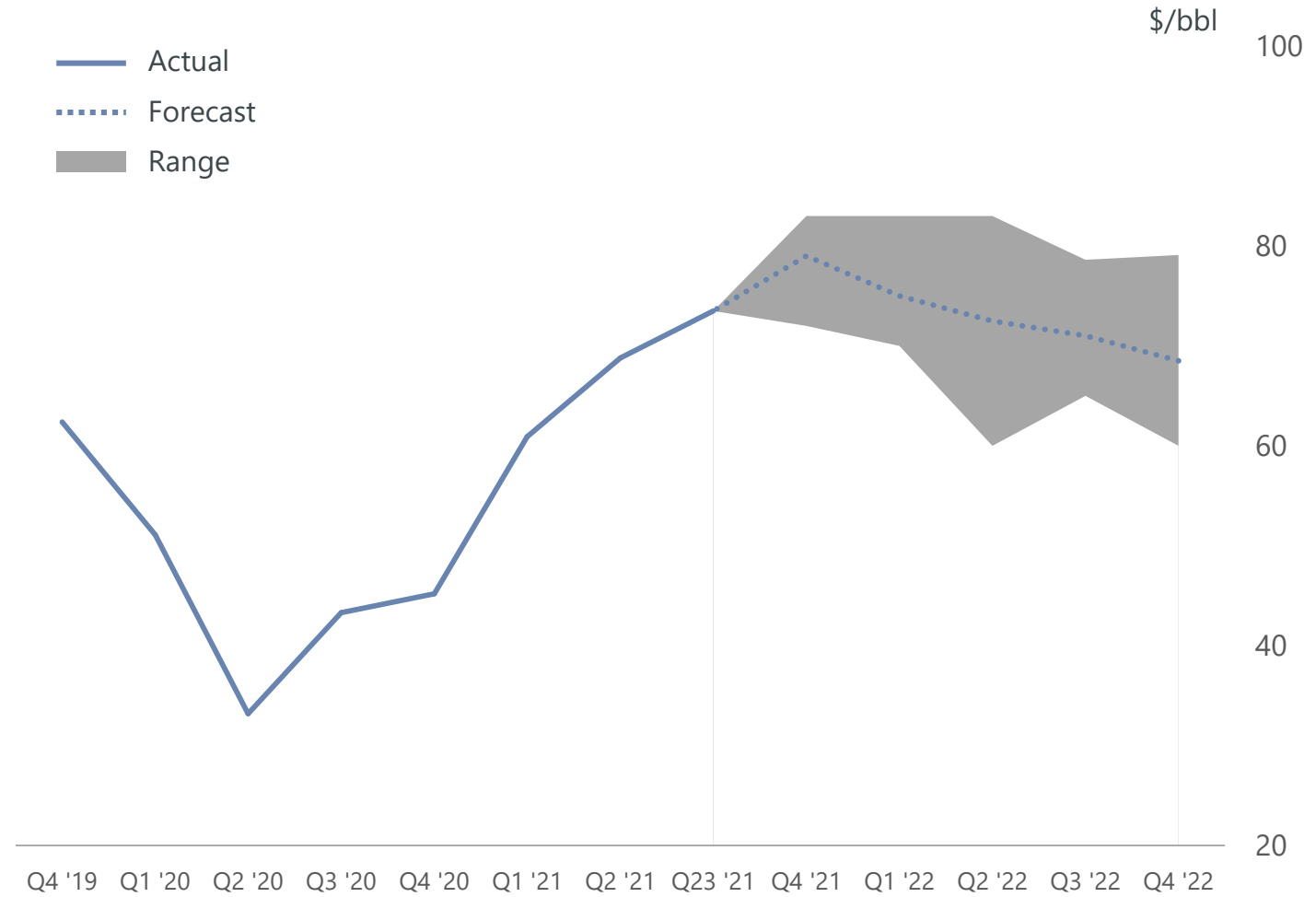
The rating in the Management quality category improved to 3 points out of 4

# CRUDE OIL DEMAND AND SUPPLY



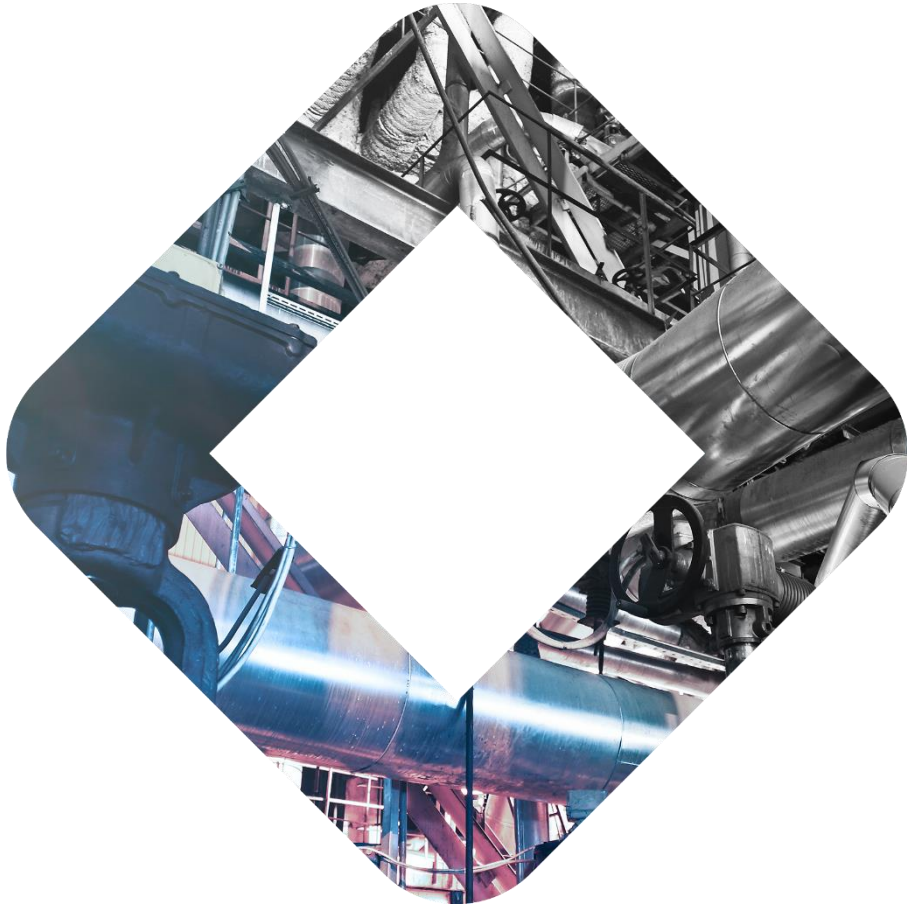
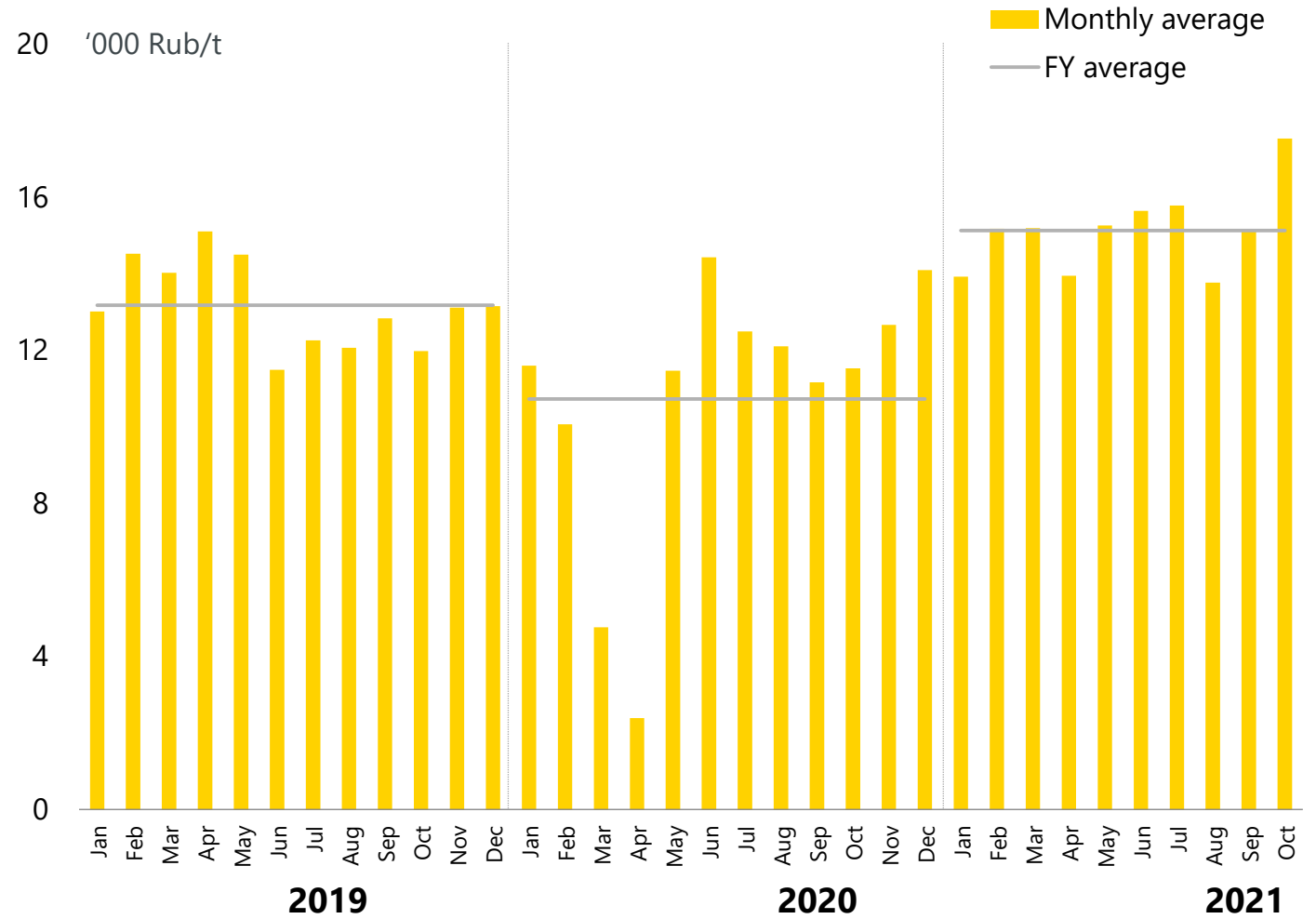


# BRENT PRICES





# GROSS UPSTREAM MARGIN<sup>1</sup>



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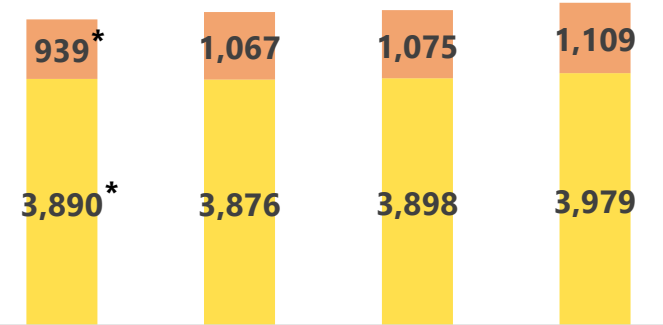
# OPERATING RESULTS





# KEY OPERATING INDICATORS

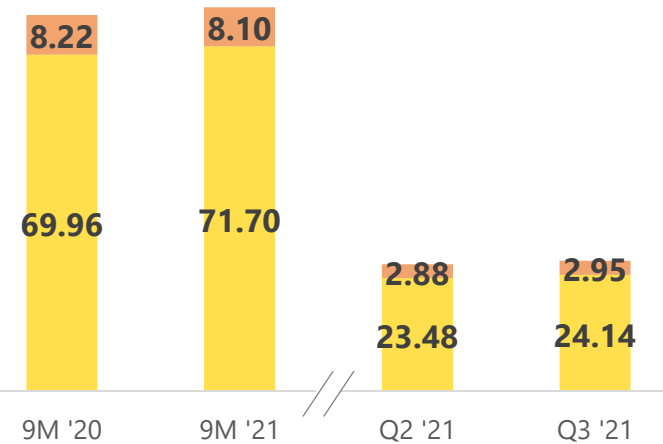
## Hydrocarbon production, kboepd



- Liquids
- Gas

\* Figures were calculated in the like-for-like perimeter

## Crude oil processing, mmt

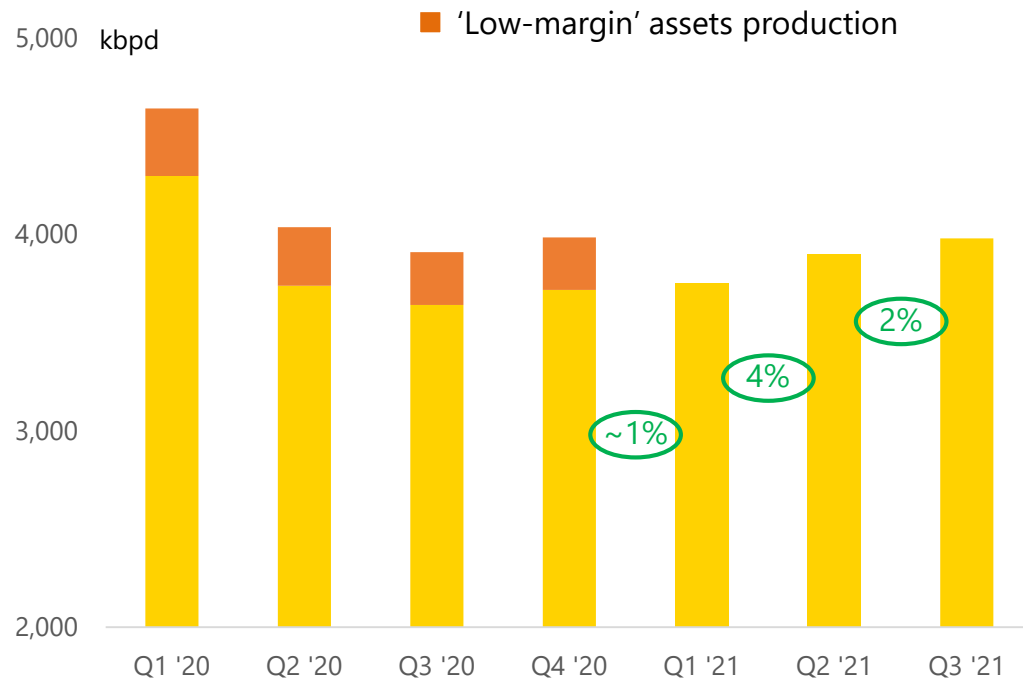


- In Russia
- Abroad



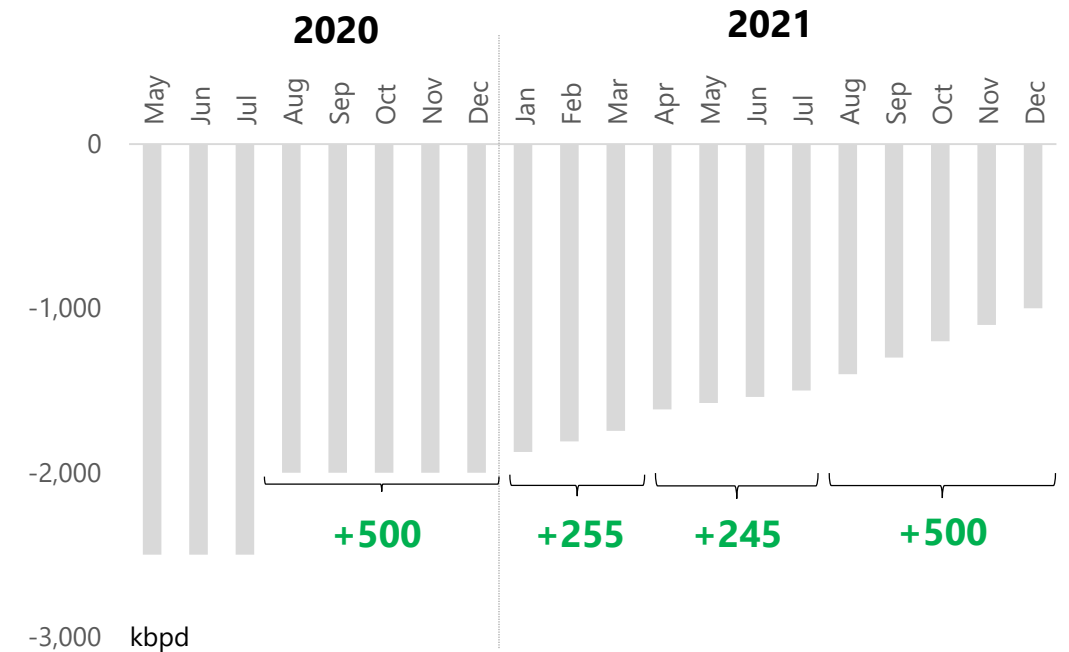
# NAVIGATING OPEC+ ENVIRONMENT

## Rosneft liquids production



- A 2.1% increase in liquids production in Q3 2021 amid easing restrictions under OPEC+ Agreement

## Russian crude oil production cuts under OPEC+ Agreement<sup>1</sup>



- Oil companies' production cuts on a pro rata basis



# VOSTOK OIL



- At the Zapadno-Irkinsky license area, 500 sq. km of 3D seismic work has been completed, 8 exploration wells are under construction and preparations for the 2021-2022 winter season are underway
- A program of pilot work was developed with the start of implementation in 2022
- Design and survey work has been completed at the Sever Bay Port terminal facilities, Vankor-Suzun oil transportation system
- Design works have begun on key energy facilities
- The project for the construction of the Sever Bay Port marine terminal is being implemented - the construction of hydraulic structures, storage facilities for materials and equipment, berthing facilities on the Yenisei Bay are underway

## RESOURCE BASE

52 LA, 13 HC fields  
6 bn t of liquids  
c. 2 tcm of gas

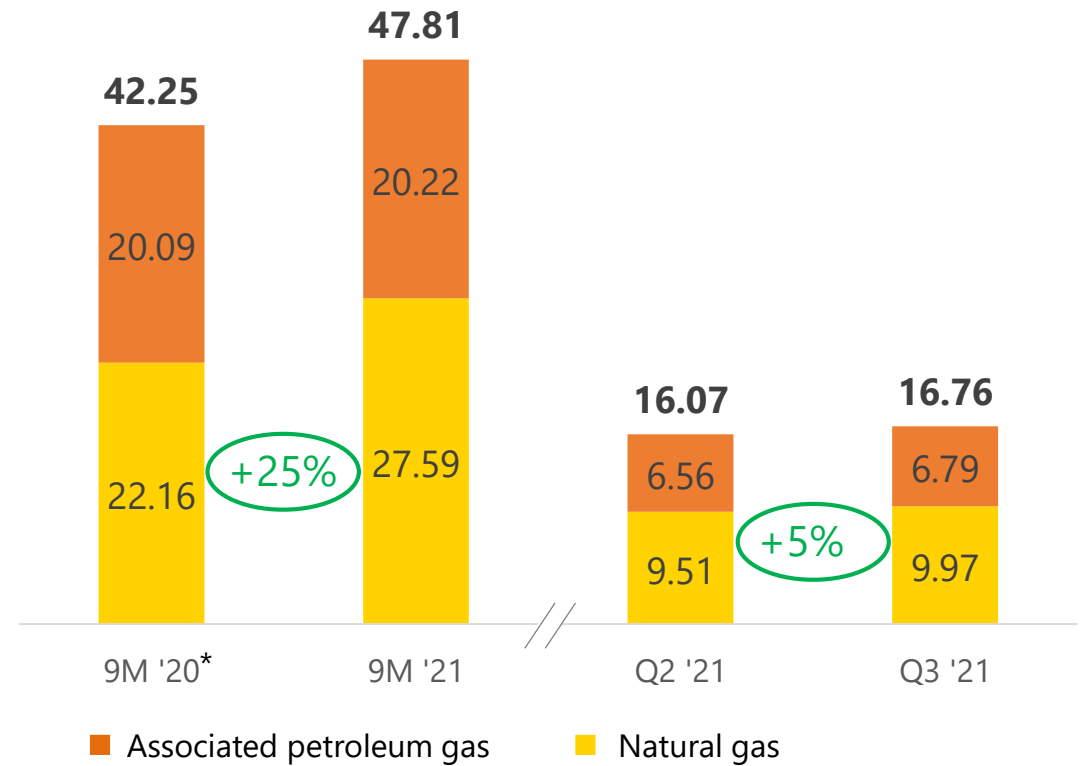
## EXPECTED TRAFFIC VIA THE NORTHERN SEA ROUTE

2024 – up to 30 mmt,  
2027 – up to 50 mmt,  
2030 – up to 100 mmt



- The rise in natural gas production is primarily attributed to a gradual increase in production at the Rospan project

### Gas production, bcm



\* Figures were calculated in the like-for-like perimeter



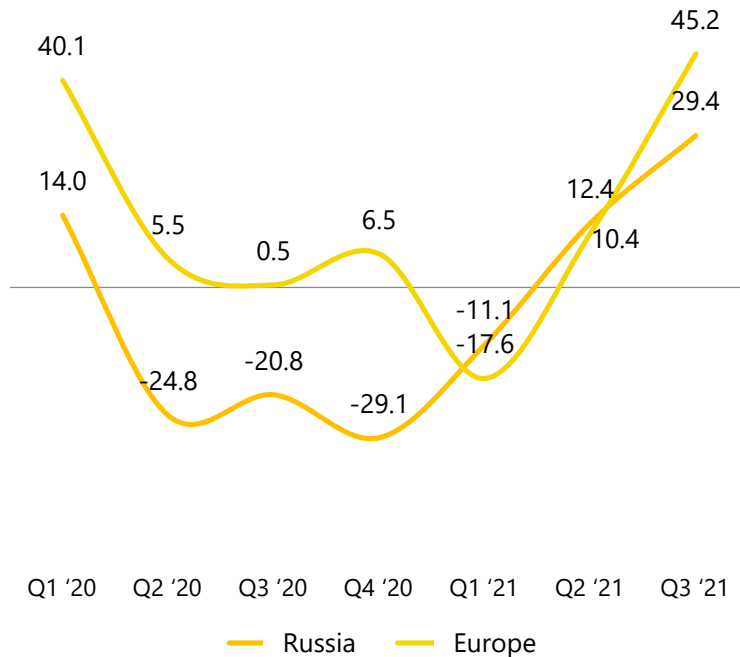
# GAS BUSINESS



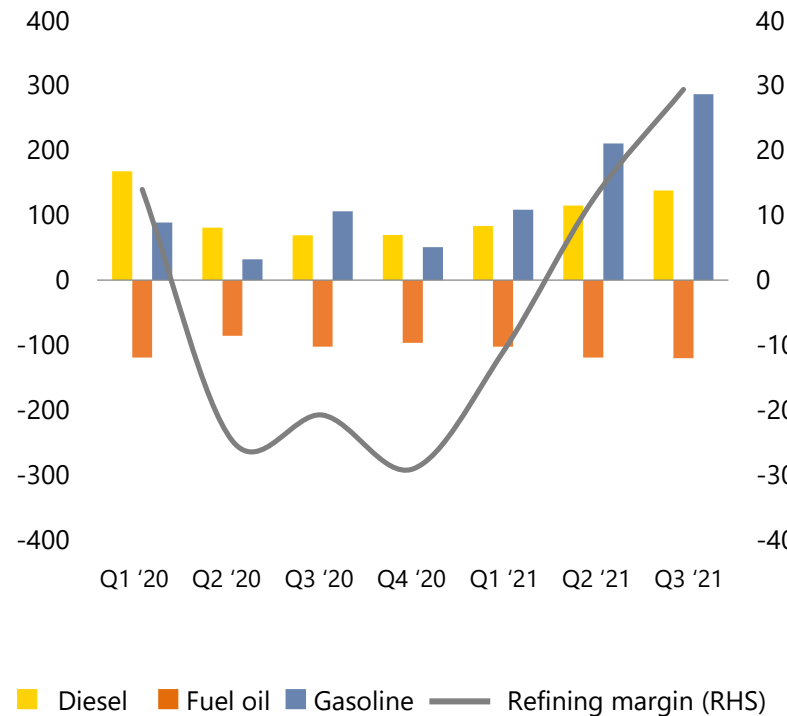
- Rosspan's production is increasing in accordance with a plan – in 9M 2021 the subsidiary became the largest one among the Company in terms of gas production
- At the Kharampurskoye field, work is being carried out in accordance with the schedule. Welding of the linear part of the external transport gas pipeline has been completed. Pneumatic testing of the pipeline is being carried out, as well as hydrotesting of absorbers at a gas dehydration plant of a complex gas treatment unit. As of the end of 3Q 2021, construction readiness of the complex gas treatment unit and external transport gas pipeline is over 76%
- A large gas condensate field has been discovered in Yakutia. More than 40 bcm of gas and over 2 mmt of gas condensate have been put on the balance of the State Reserves Commission. The new field was named Kederginskoye
- Gas production growth coupled with the implementation of the Carbon Management Plan significantly improves the Company's ESG position

# OIL REFINING

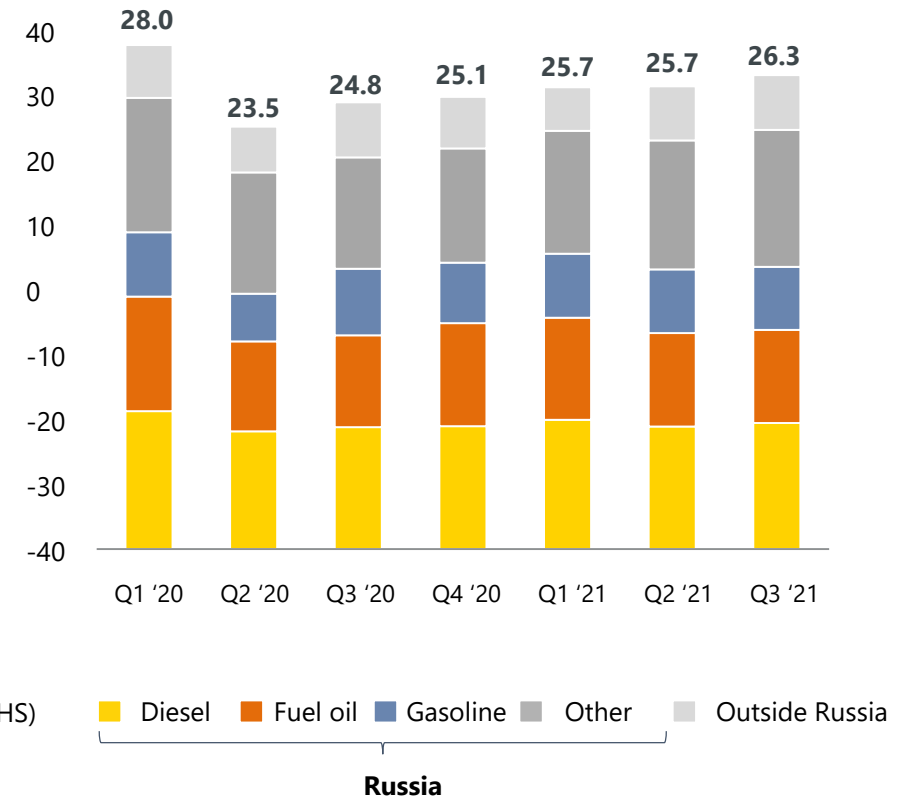
## Refining margins<sup>1</sup>, \$/t



## Key product prices less cost of feedstock, Russian refineries<sup>1</sup>, \$/t

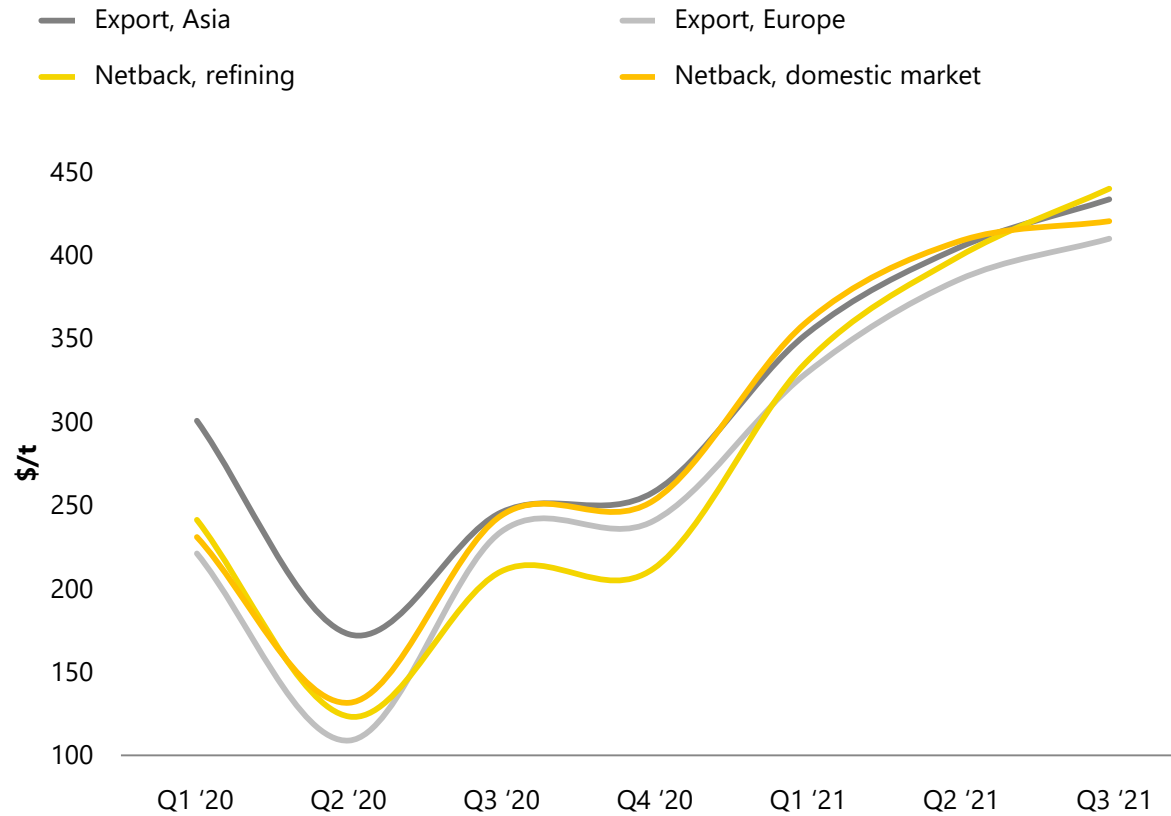


## Product output, mmt

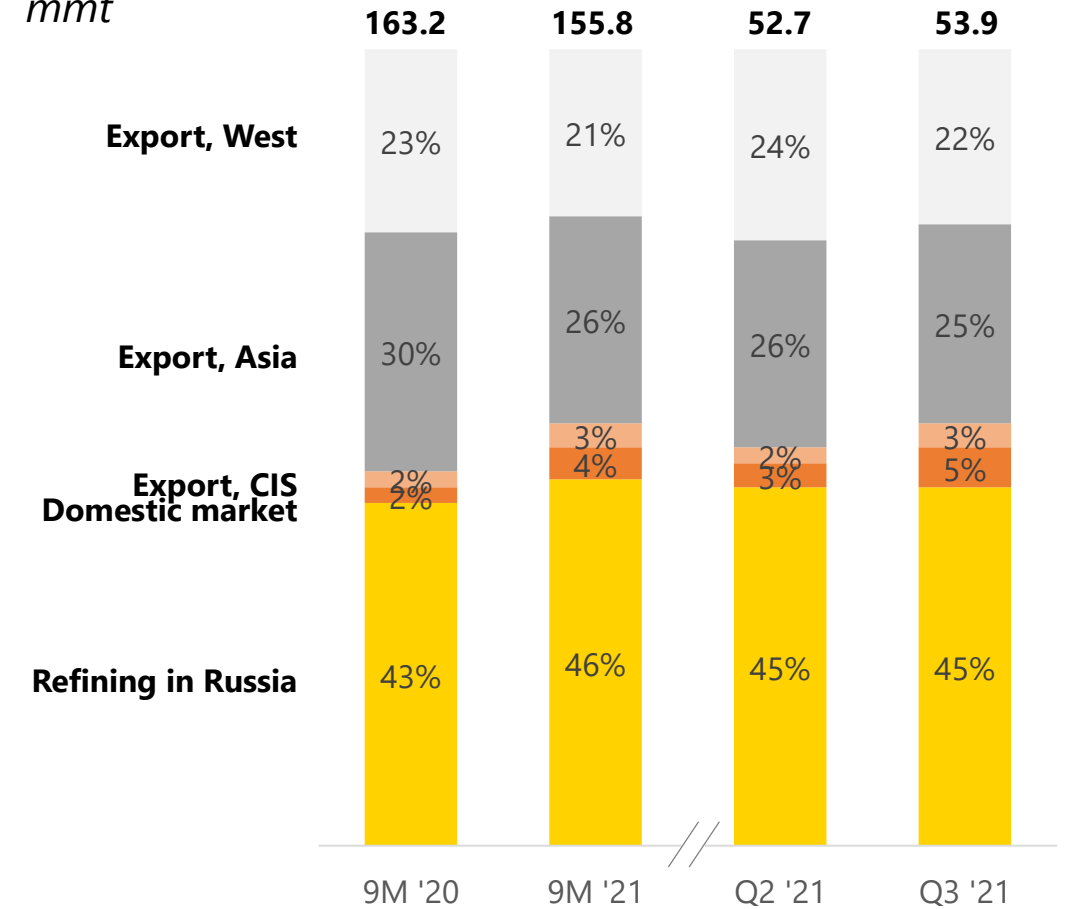


# FOCUS ON DISTRIBUTION CHANNELS DEVELOPMENT

**Netbacks of the main crude oil marketing channels, \$/t**



**Crude oil marketing breakdown, mmt**





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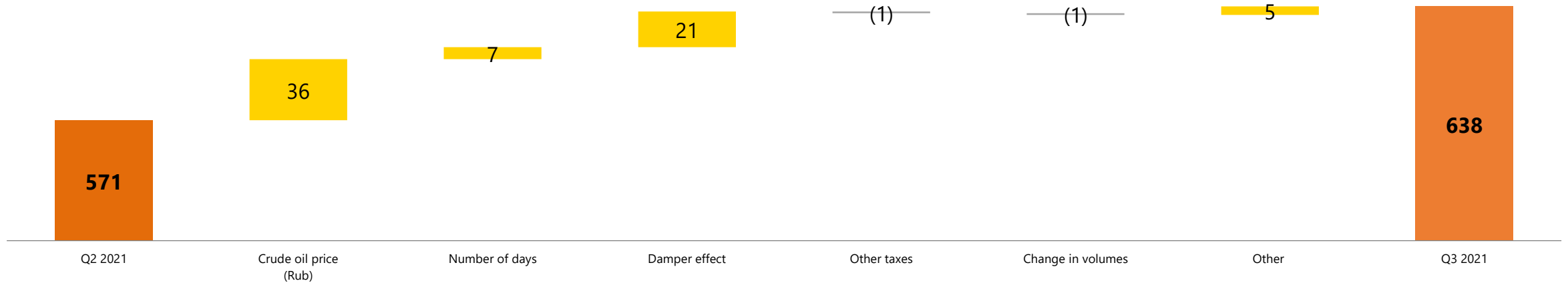
# FINANCIAL RESULTS



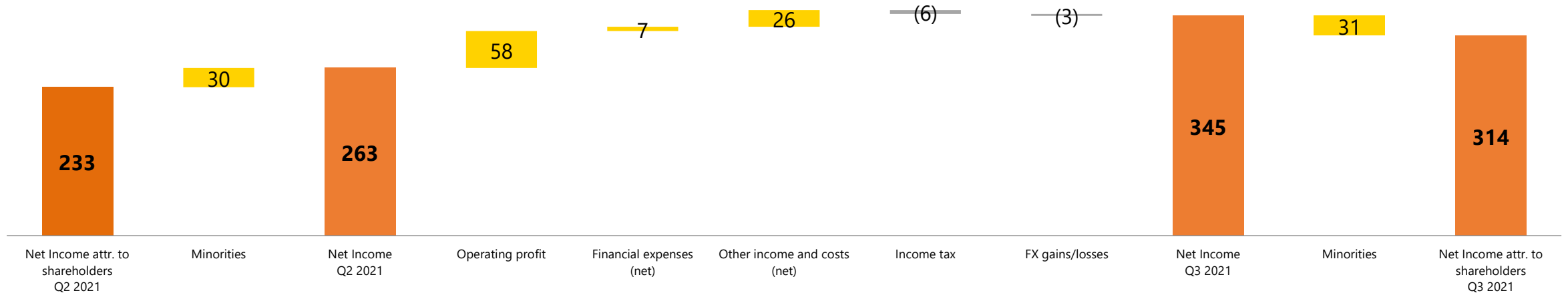


# EBITDA AND NET INCOME DYNAMICS

## EBITDA Q3 2021 vs. Q2 2021, Rub bn

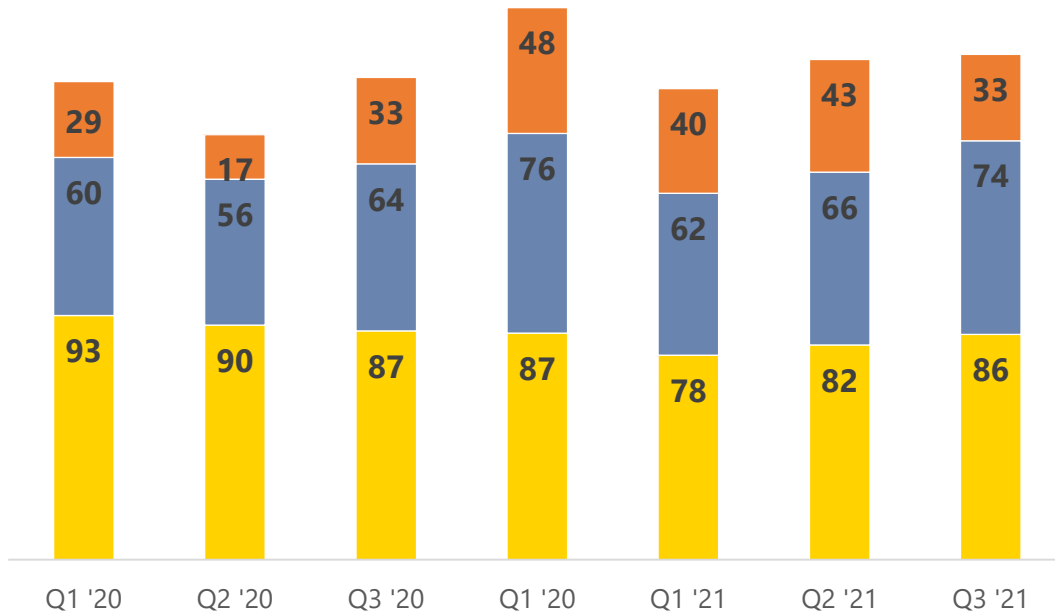


## Net Income Q3 2021 vs. Q2 2021, Rub bn



# COSTS DYNAMICS

'Controlled' costs, Rub bn



■ Upstream OPEX

■ General and administration costs

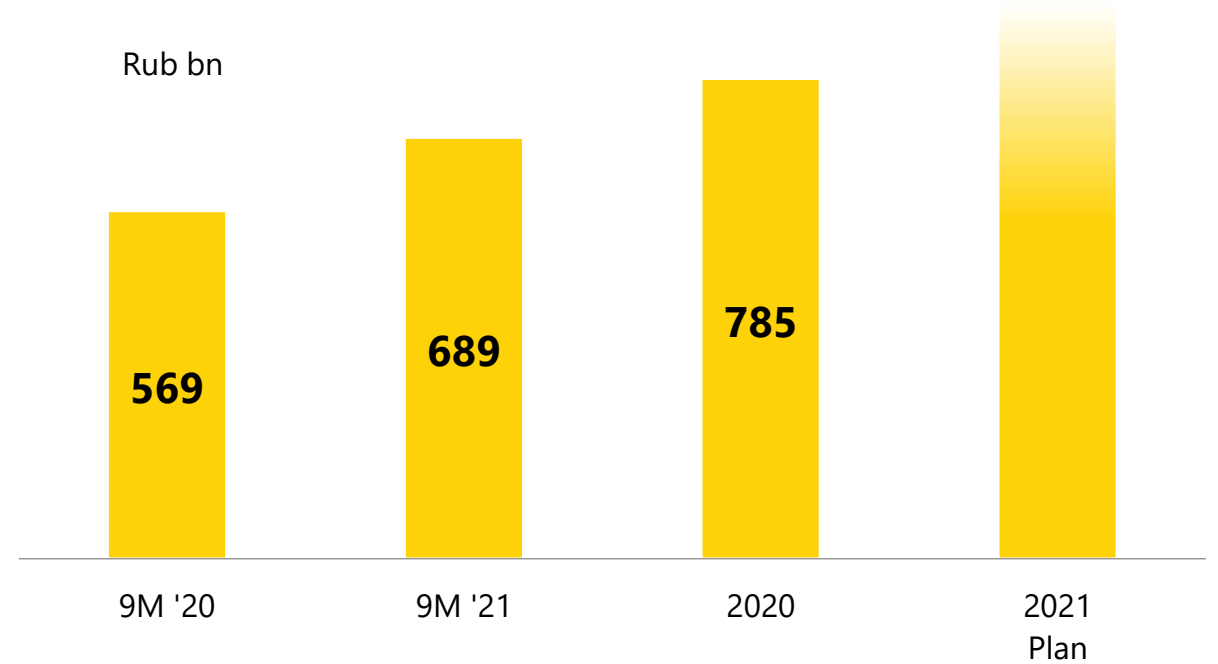
■ Downstream OPEX

- Maintaining unit lifting costs at a minimum level of \$2.7 per boe (Rub 195 per boe) with a 3.5% production growth
- A 23% reduction in general and administration costs QoQ
- Increased Downstream OPEX amid seasonal maintenance cost growth in Q3 2021



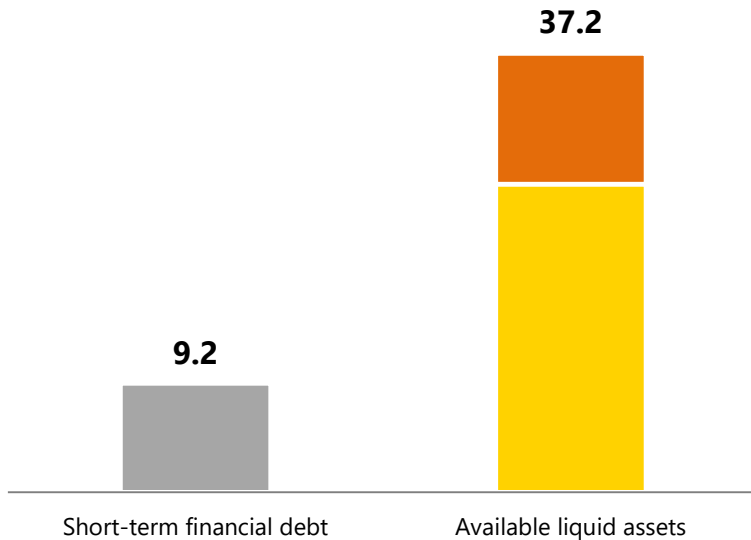
# CAPEX

- 9M 2021 CAPEX growth YoY was attributed to the planned implementation of the integrated Vostok Oil project and building-up in production program at Yuganskneftgaz
- >90% of investment program accounts for Upstream projects:
  - Maintaining stable production at mature fields
  - Development of highly efficient greenfields

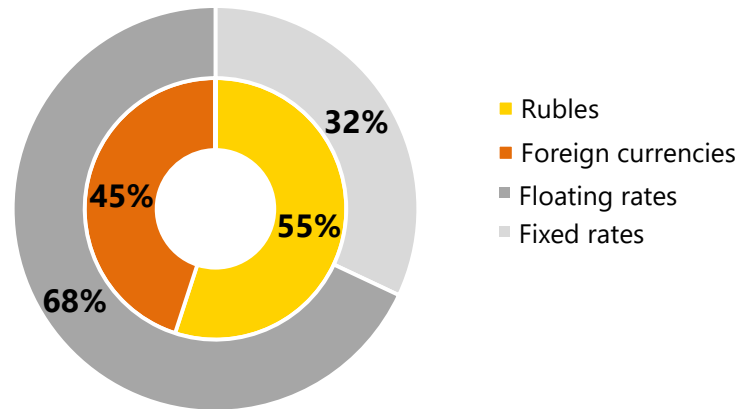


# EFFICIENT DEBT MANAGEMENT

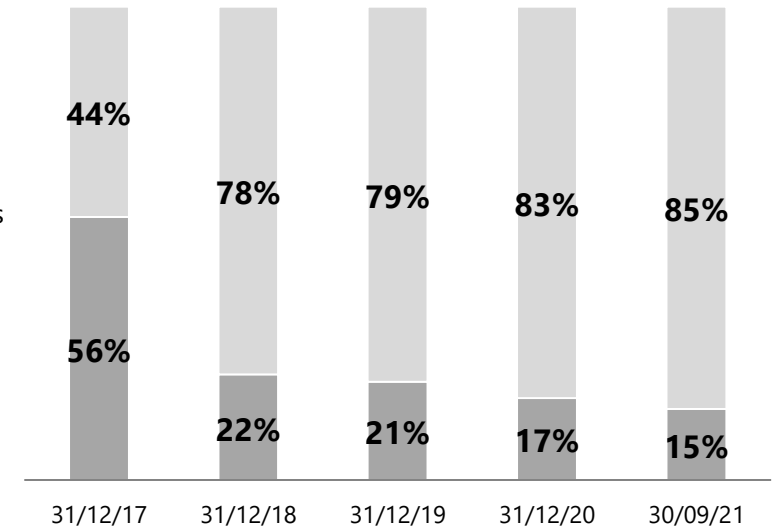
**Liquidity position  
as of September 30, 2021, \$ bn**



**Financial debt breakdown  
as of September 30, 2021**



**Reducing the short-term  
financial debt**



■ Available credit lines    
 ■ Liquid financial assets

■ Short-term financial debt    
 ■ Long-term financial debt



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# APPENDIX





# KEY OPERATIONAL HIGHLIGHTS

INDICATOR, RUB BN	Q3 '21	Q2 '21	%	9M '21	9M '20	%
Hydrocarbon production, incl. kboed	<b>5,088</b>	4,973	2.3%	<b>4,943</b>	5,232	(5.5)%
Liquids kbpd	<b>3,979</b>	3,898	2.1%	<b>3,876</b>	4,193	(7.6)%
Gas kboed	<b>1,109</b>	1,075	3.2%	<b>1,067</b>	1,039	2.6%
Oil refining mmt	<b>27.09</b>	26.36	2.8%	<b>79.80</b>	78.18	2.1%
Product output in Russia mmt	<b>26.33</b>	25.70	2.5%	<b>77.68</b>	76.29	1.8%

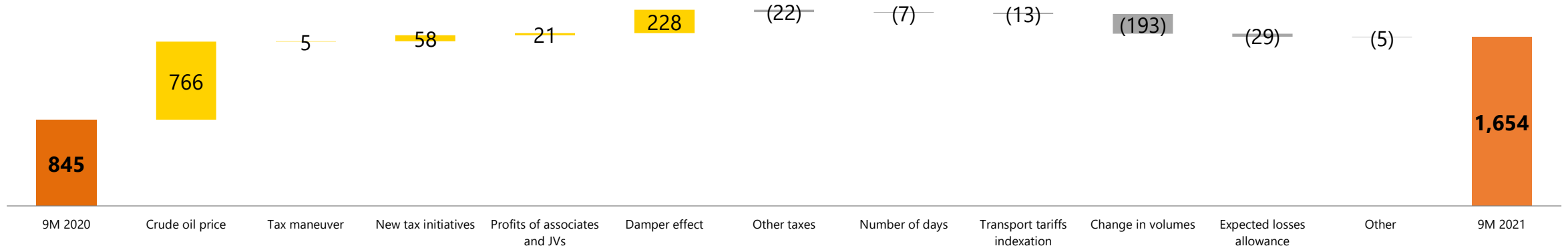
# KEY FINANCIAL HIGHLIGHTS

INDICATOR, RUB BN	Q3 '21	Q2 '21	%	9M '21	9M '20	%
EBITDA, Rub bn	<b>638</b>	571	11.7%	<b>1,654</b>	845	95.7%
Net Income, Rub bn <i>attributable to Rosneft shareholders</i>	<b>314</b>	233	34.8%	<b>696</b>	(177)	–
Adjusted net income <sup>1</sup> , Rub bn	<b>334</b>	265	26.0%	<b>778</b>	83.6	>100%
Adjusted operating cashflow <sup>2</sup> , Rub bn	<b>602</b>	552	9.1%	<b>1,569</b>	921	70.4%
CAPEX, Rub bn	<b>227</b>	237	(4.2)%	<b>689</b>	569	21.1%
Free Cash Flow, Rub bn	<b>375</b>	315	19.0%	<b>880</b>	352	>100%
EBITDA, \$ bn	<b>8.7</b>	7.7	13.0%	<b>22.4</b>	12.4	80.6%
Net Income, \$ bn <i>attributable to Rosneft shareholders</i>	<b>4.3</b>	3.1	38.7%	<b>9.4</b>	(2.1)	–
Adjusted net income <sup>1</sup> , \$ bn <i>attributable to Rosneft shareholders</i>	<b>4.5</b>	3.6	25.0%	<b>10.5</b>	1.1	>100%
Adjusted operating cashflow <sup>2</sup> , \$ bn	<b>8.3</b>	7.5	10.7%	<b>21.3</b>	13.4	59.0%
CAPEX, \$ bn	<b>3.2</b>	3.1	3.2%	<b>9.3</b>	8.0	16.3%
Free Cash Flow, \$ bn	<b>5.1</b>	4.4	15.9%	<b>12.0</b>	5.4	>100%
Urals price, '000 Rub/bbl	<b>5.18</b>	4.95	4.7%	<b>4.85</b>	2.89	68.0%

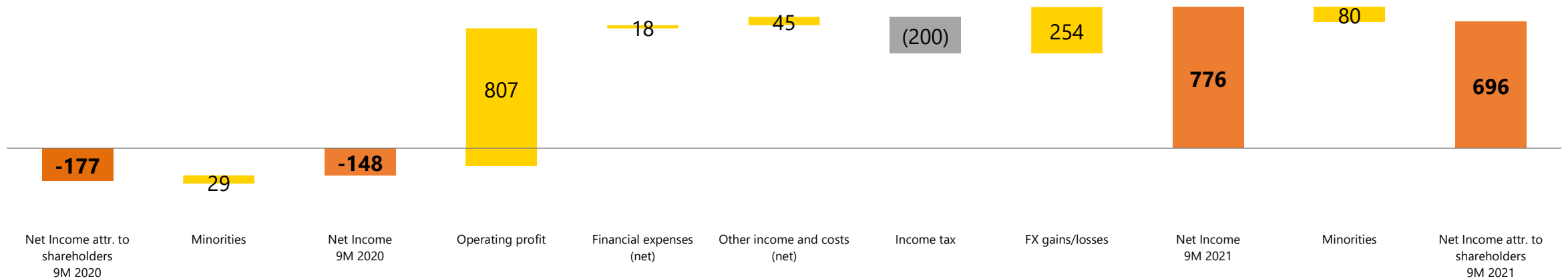
Note: (1) Adjusted for FX gains/losses and other one-off effects. (2) Adjusted for prepayments under long-term crude oil supply contracts (including accrued interest), net change in operations of subsidiary banks and operations with trading securities (Rub equivalent)

# EBITDA AND NET INCOME DYNAMICS

## EBITDA 9M 2021 vs. 9M 2020, Rub bn



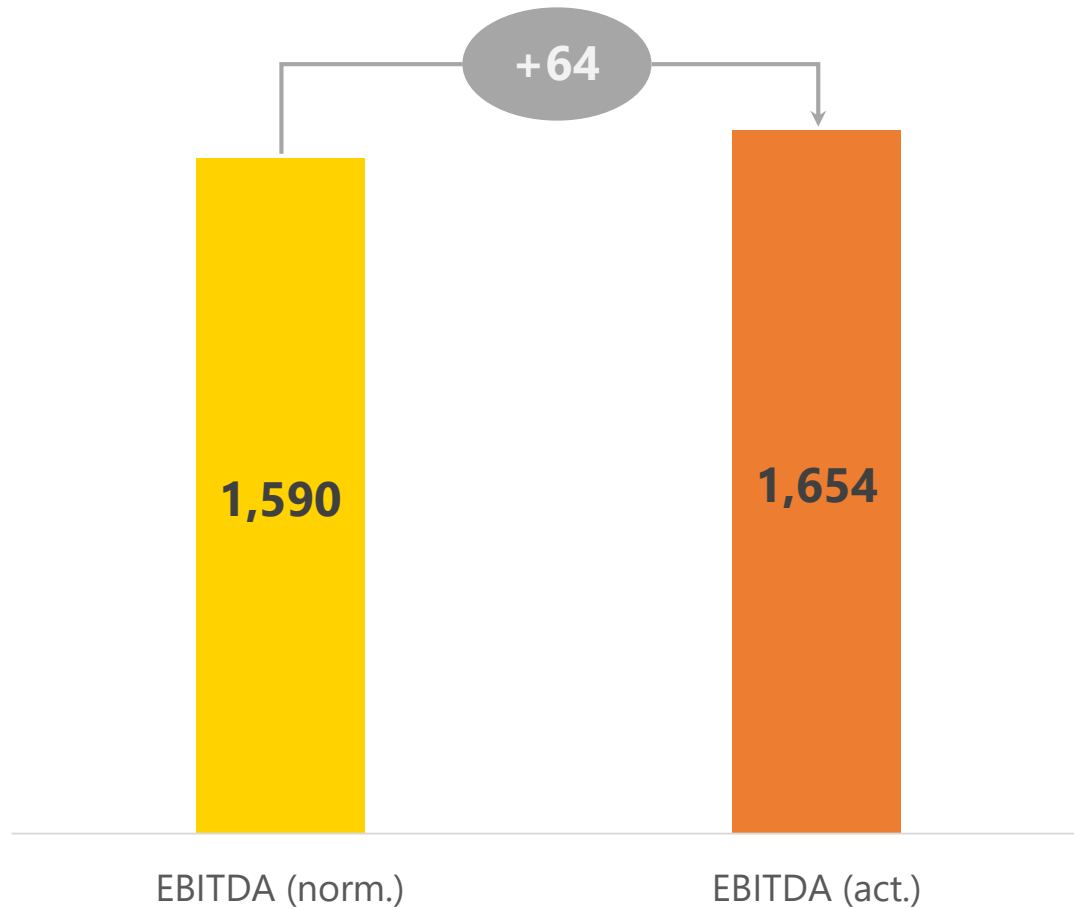
## Net Income 9M 2021 vs. 9M 2020, Rub bn



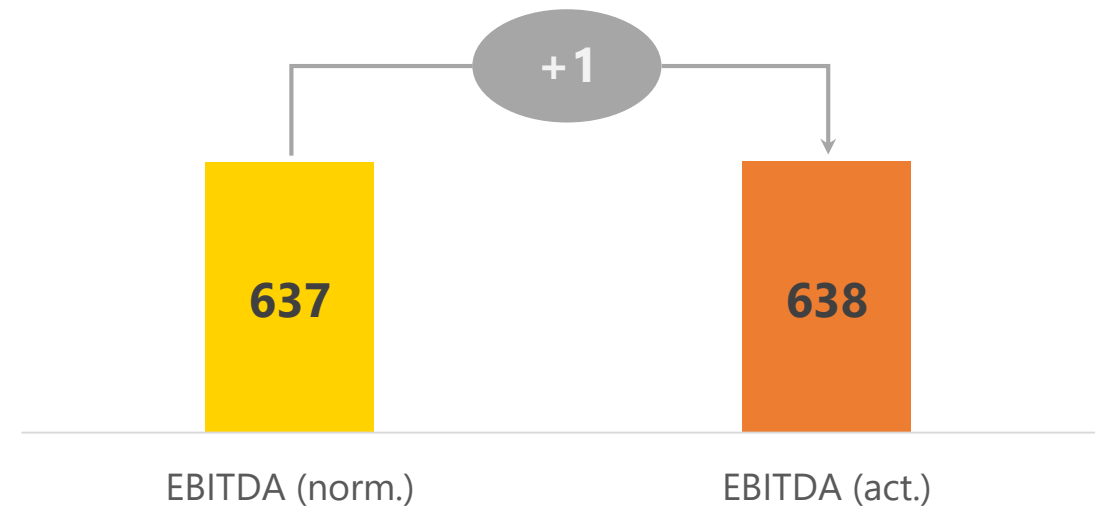


# EXPORT DUTY LAG

9M 2021, Rub bn



Q3 2021, Rub bn



# OPERATING CASH FLOW CALCULATION

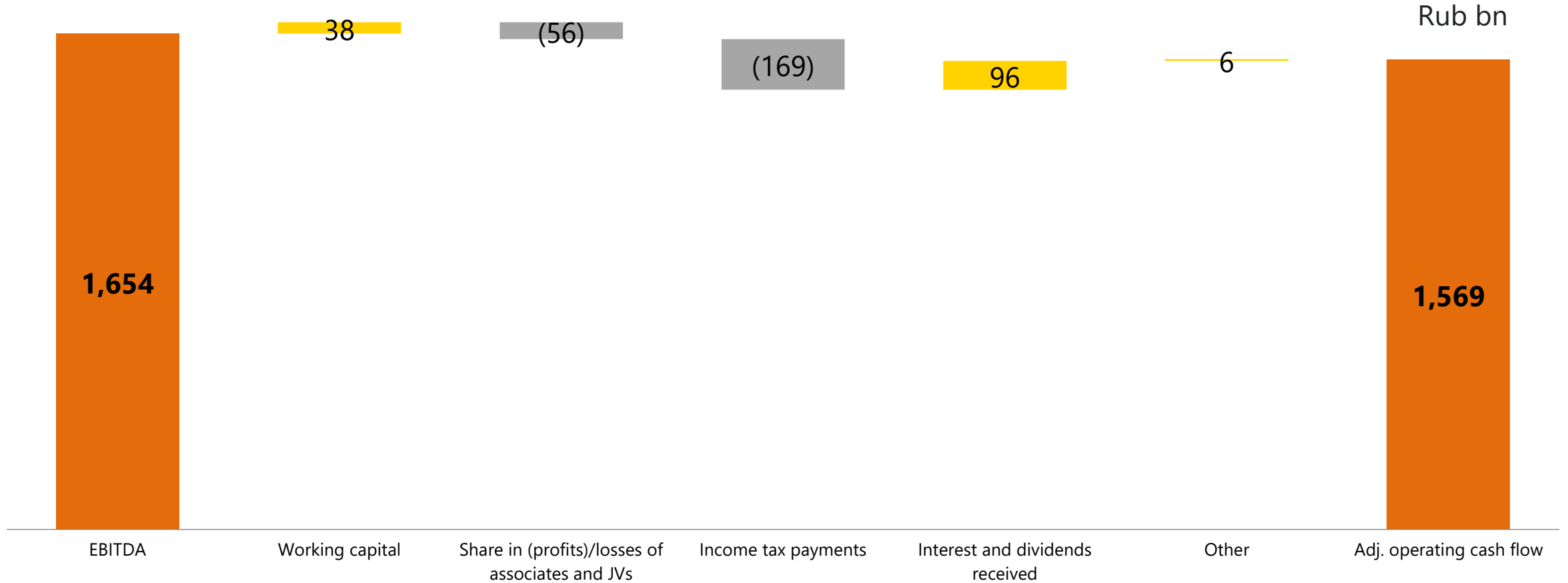
## Profit and Loss Statement

Nº	INDICATOR	9M 21, \$ BN
1	Revenue, incl.	85.9
	Reimbursement of prepayments and other financial obligations received	6.6
2	Costs and expenses, incl.	(70.1)
<b>3</b>	<b>Operating profit (1+2)</b>	<b>15.8</b>
4	Expenses before income tax	(3.0)
5	Income before income tax (3+4)	12.8
6	Income tax	(2.3)
<b>7</b>	<b>Net income (5+6)</b>	<b>10.5</b>

## Cash Flow Statement

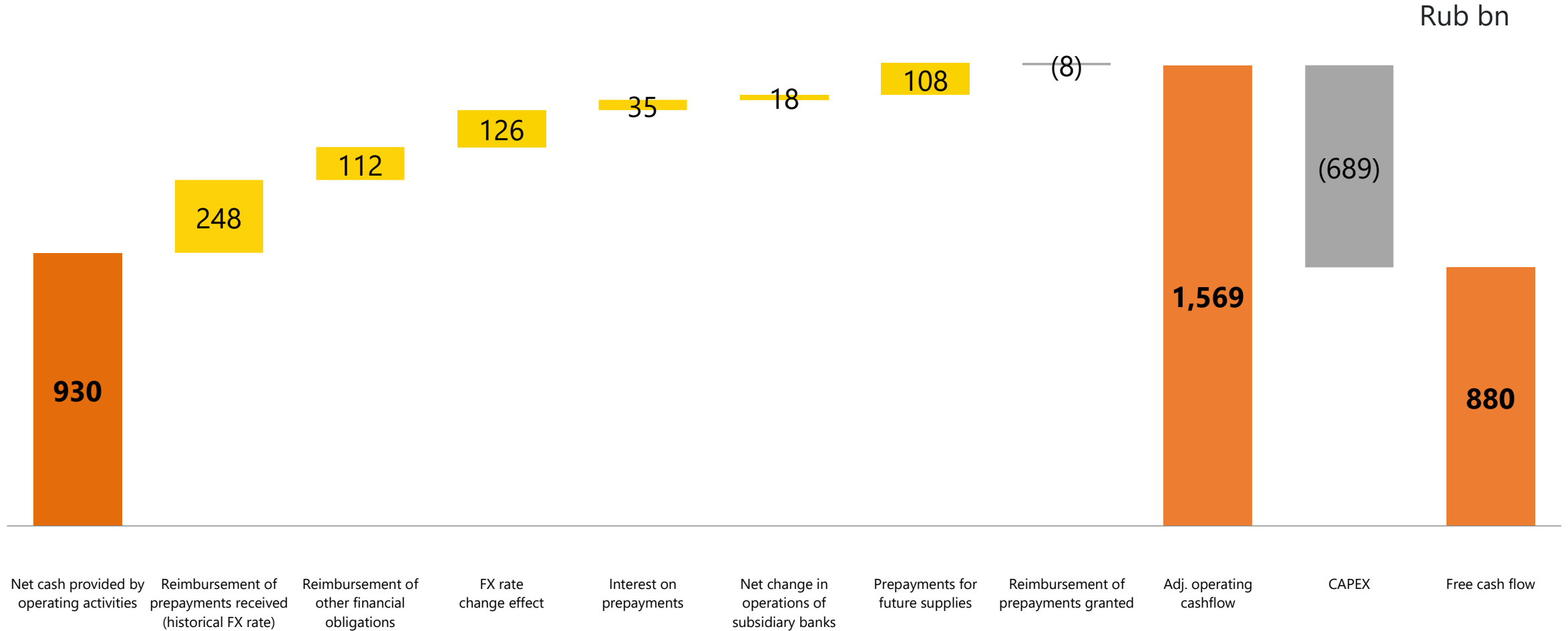
9M 21, \$ BN	INDICATOR	Nº
10.5	Net income	1
4.1	Adjustments to reconcile net income to cash flow from operations, incl.	2
(5.0)	Reimbursement of prepayments received under crude oil and petroleum products supply contracts	
(1.6)	Reimbursement of other financial obligations received	
(0.8)	Changes in operating assets and liabilities, incl.	3
(0.4)	Interest on prepayments under long-term crude oil supply contracts	
(1.1)	Income tax payments, interest and dividends received	4
<b>12.7</b>	<b>Net cash from operating activities (1+2+3+4)</b>	<b>5</b>
0.2	Netchange in operations of subsidiary banks	6
1.4	Prepayments for future supplies	7
7.0	Effect from prepayments	8
<b>21.3</b>	<b>Adjusted operational cash flow (5+6+7+8)</b>	<b>9</b>

# OPERATING CASH FLOW CALCULATION





# FREE CASH FLOW CALCULATION



# FINANCE EXPENSES

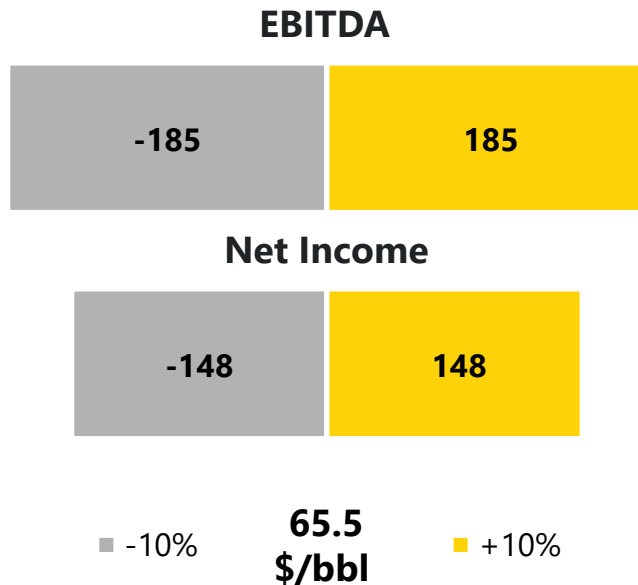
INDICATOR, RUB BN		Q3 '21	Q2 '21	%	9M '21	9M '20	%
1.	Interest accrued <sup>1</sup>	<b>74</b>	66	12.1%	<b>204</b>	199	2.5%
2.	Interest paid and offset <sup>2</sup>	<b>67</b>	63	6.3%	<b>191</b>	190	0.5%
3.	Change in interest payable (1-2)	<b>7</b>	3	>100%	<b>13</b>	9	44.4%
4.	Interest capitalized <sup>3</sup>	<b>37</b>	34	8.8%	<b>102</b>	100	2.0%
5.	Net loss from operations with financial derivatives <sup>4</sup>	–	–	–	–	6	(100)%
6.	Increase in provision due to the unwinding of a discount	<b>6</b>	6	–	<b>18</b>	18	–
7.	Interest on prepayments under long-term oil and petroleum products supply contracts	<b>11</b>	11	–	<b>35</b>	29	20.7%
8.	Change in fair value of financial assets	<b>1</b>	1	–	<b>7</b>	1	>100%
9.	Increase in loss allowance for expected credit losses on debt financial assets	<b>1</b>	1	–	<b>2</b>	5	(60.0)%
10.	Other finance expenses	–	1	(100)%	<b>2</b>	2	–
<b>Total finance expenses (1-4+5+6+7+8+9+10)</b>		<b>56</b>	52	7.7%	<b>166</b>	160	3.8%

Note: (1) Interest accrued on credits and loans and other financial obligations. (2) Interest is paid according to the schedule. (3) Interests paid shall be capitalized in accordance with IAS 23 standard Borrowing Costs. Capitalization rate is calculated by dividing the interest costs for borrowings related to capital expenditures by the average balance of loans. Capitalized interest shall be calculated by multiplying average balance of construction in progress by capitalization rate. (4) Net effect on operations with financial derivatives was related to FX component fluctuations of cross-currency interest rate swaps.

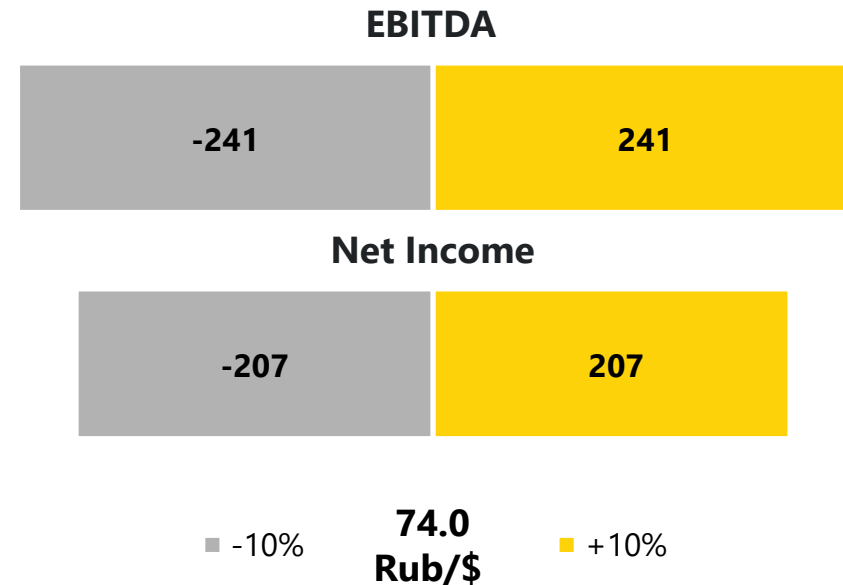
# VARIANCE ANALYSIS

9M 2021 EBITDA and net income sensitivity

to +/-10% change in Urals price, Rub bn



to +/-10% change in Rub/\$ exchange rate, Rub bn







**ROSNEFT**

**THANK YOU FOR YOUR TIME!**