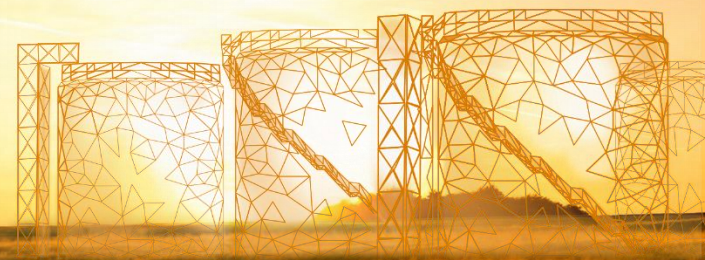




**ROSNEFT**

**IFRS RESULTS  
Q4 AND 12M 2021**

**February 11, 2022**



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# IMPORTANT NOTICE

Information herein has been prepared by the Company. The presented conclusions are based on the general information collected as of the date hereof and can be amended without any additional notice. The Company relies on the information obtained from the sources which it deems credible; however, it does not guarantee its accuracy or completeness.

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

**883** Rub bn

Record-high  
2021 Net Income

**1,044** Rub bn

2021 Free Cash Flow  
(a 2.5x growth YoY)

**-5.5** \$ bn

Reduction of net financial debt  
and trading liabilities YTD



---

## KEY EVENTS

- Rosneft Board of Directors approved a new strategy 'Rosneft-2030: Reliable Energy and Global Energy Transition'
- A new unique gas condensate field was discovered in the Taimyr Peninsula with 384 bcm of gas reserves
- Comprehensive engineering surveys have been completed and construction of facilities for the oil transportation system of the Vostok Oil project has begun. Winter navigation campaign for the delivery of goods for the construction of the project facilities has started
- Rosneft and Maire Tecnimont signed a contract for the construction of a vacuum gasoil hydrocracking complex at the Ryazan Oil Refining Company



# NEW 'ROSNEFT-2030' STRATEGY

## Carbon Footprint Reduction

**'Net Zero'**  
on GHG emissions by 2050<sup>1</sup>

## Operational Leadership

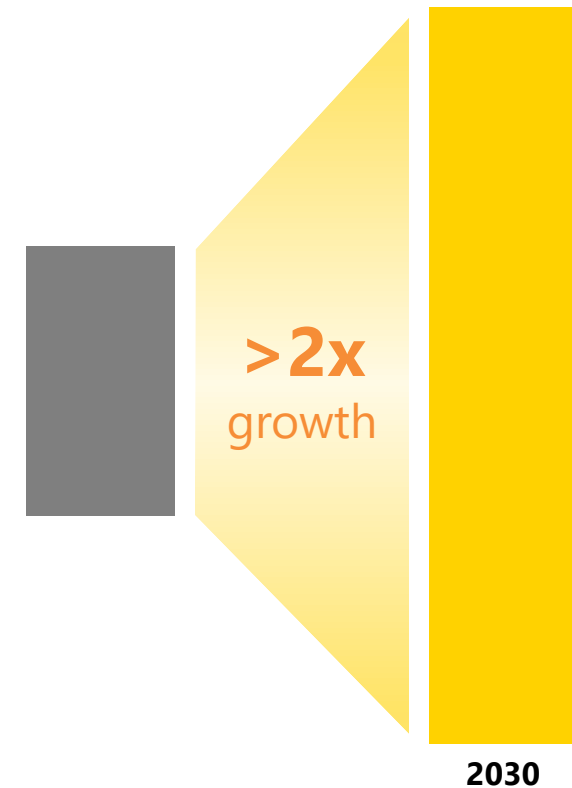
**330** mmtoe<sub>pa</sub>  
of hydrocarbons production  
by 2030

## Efficiency Improvement

**Maintain leadership**  
in unit production costs

**69%**  
light products yield  
at Russian refineries

## Expected FCF growth by 2030



# CARBON FOOTPRINT REDUCTION TARGETS

## GHG emissions reduction<sup>1</sup>

**>25%** by 2035

Scope 1 and 2 emissions  
and by 5% by 2025

## Gas Flaring

**0** by 2030

Zero routine flaring of APG  
at target level set by  
the World Bank and OGCI

**Net Zero  
by 2050**  
(Scope 1 and 2)

## GHG intensity

**<20** kg CO<sub>2</sub>-e/boe by 2030 or earlier

Scope 1 and 2 Upstream GHG emissions intensity  
at the average intensity level among OGCI members

## Methane<sup>1</sup>

**<0.2%** by 2030

Methane emissions intensity

---

## ESG EVENTS

- **Environmental:**

In 2021, Rosneft released **more than 117 mln** fringerlings, bred in fish farms, into Russia's river systems as part of a program to preserve biodiversity and replenish aquatic bioresources

- **Social:**

The Company reduced the number of process safety events (PSE). In 2021, the number of process safety events PSE-1 in the Upstream<sup>1</sup> decreased by almost **21%** due to enhanced control and implementation of the program on improving the pipeline reliability. In 2021, due to the continuous improvement of safety procedures in the Upstream the loss of well control (**LOWC**) metric amounted to **0.001** versus more than 10 mln meters of well drilling

- **Governance:**

**Rub 5 bn** were allocated for an ongoing comprehensive program on combatting Covid-19

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





# COMPANY ACHIEVEMENTS IN ESG

**Bloomberg**



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

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

**The climate change rating increased to B**

**The best Russian oil and gas Company in the rating**

The rating is 69.71

with strong ESG performance

**REFINITIV**



**S&P Global**

CSA<sup>1</sup>

**Top 10 industry leaders**

**The rating improved to BB**

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

**The rating improved to 67 (percentile<sup>2</sup>)**

The rating is A-

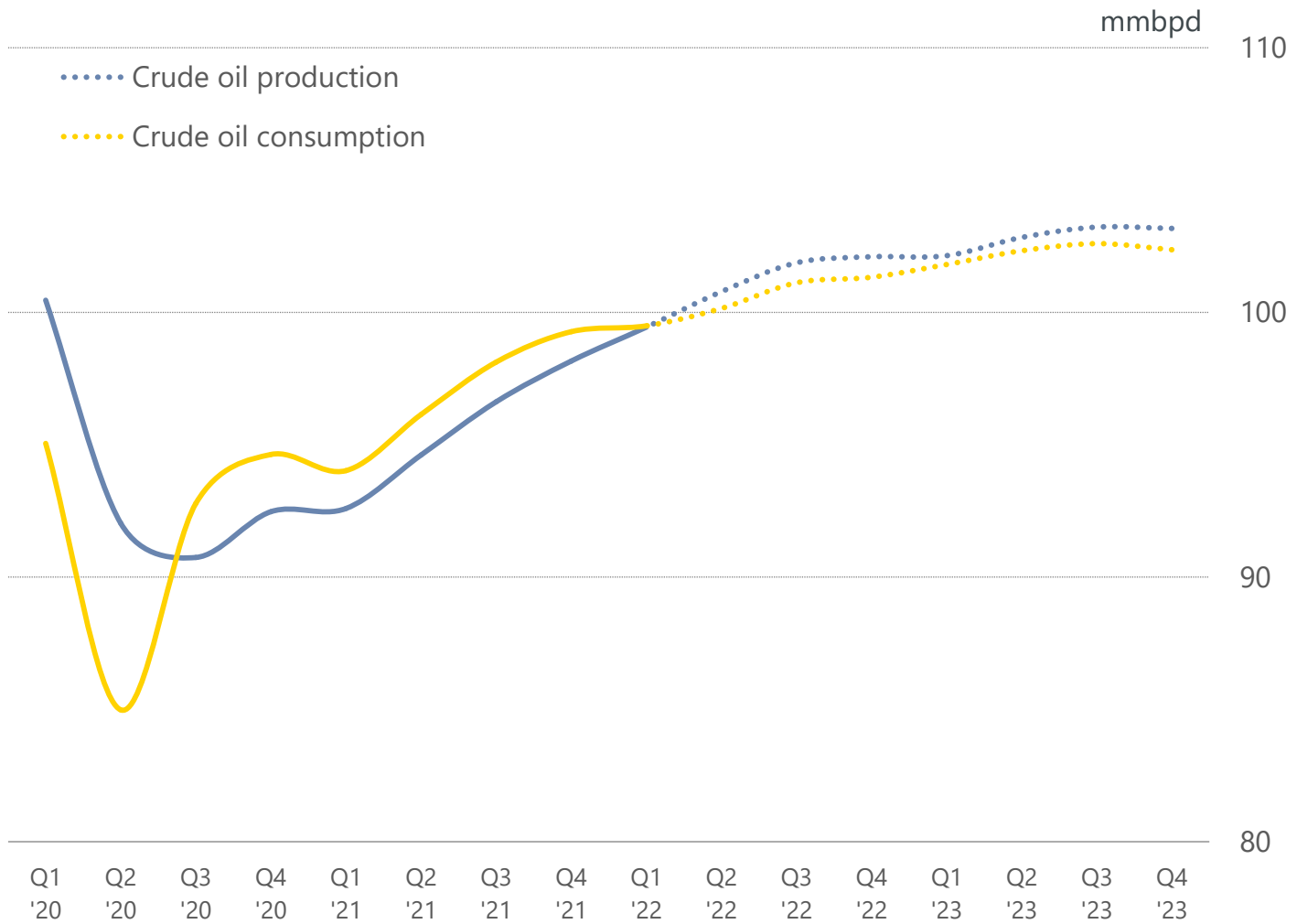
due to improved disclose of information on combating climate change

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

The rating is 47

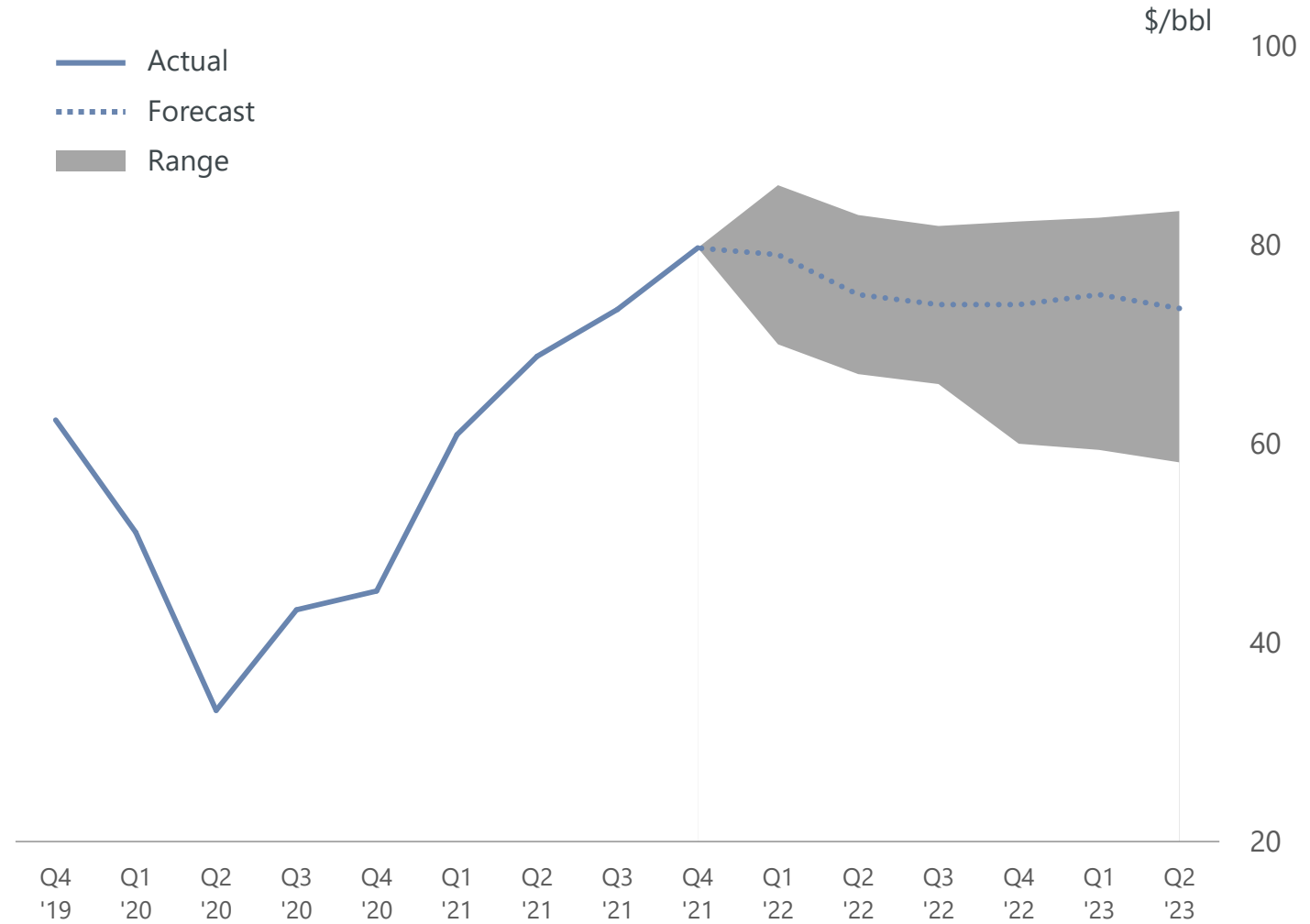


# CRUDE OIL DEMAND AND SUPPLY



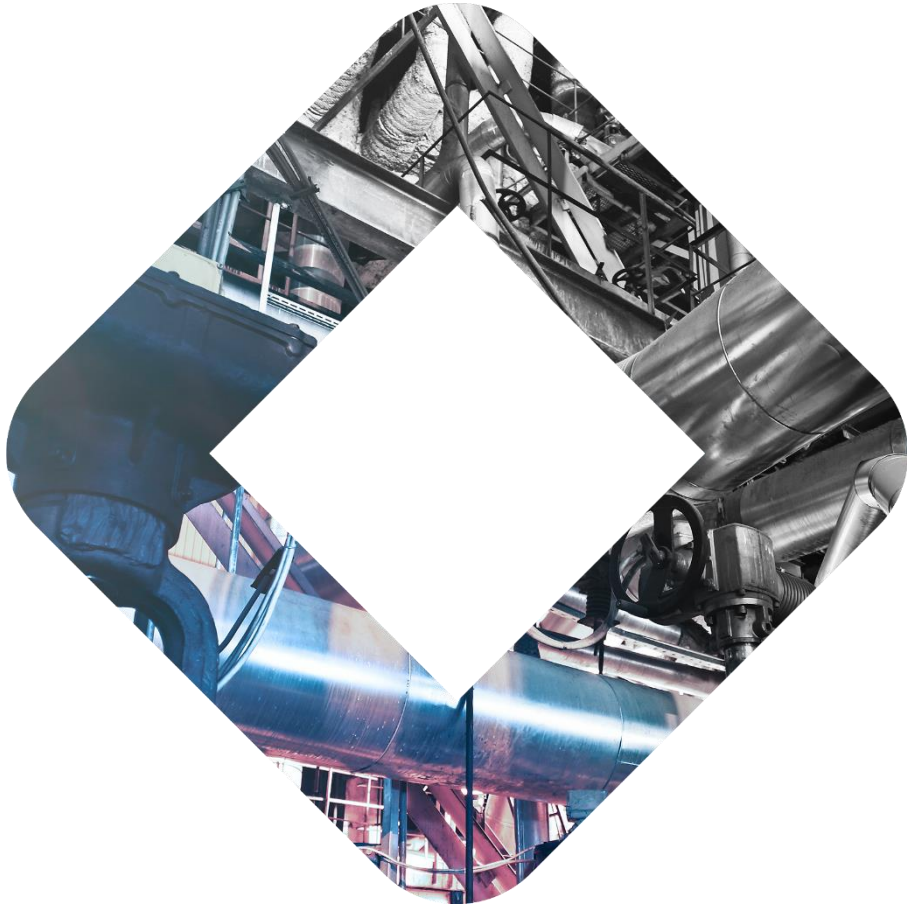
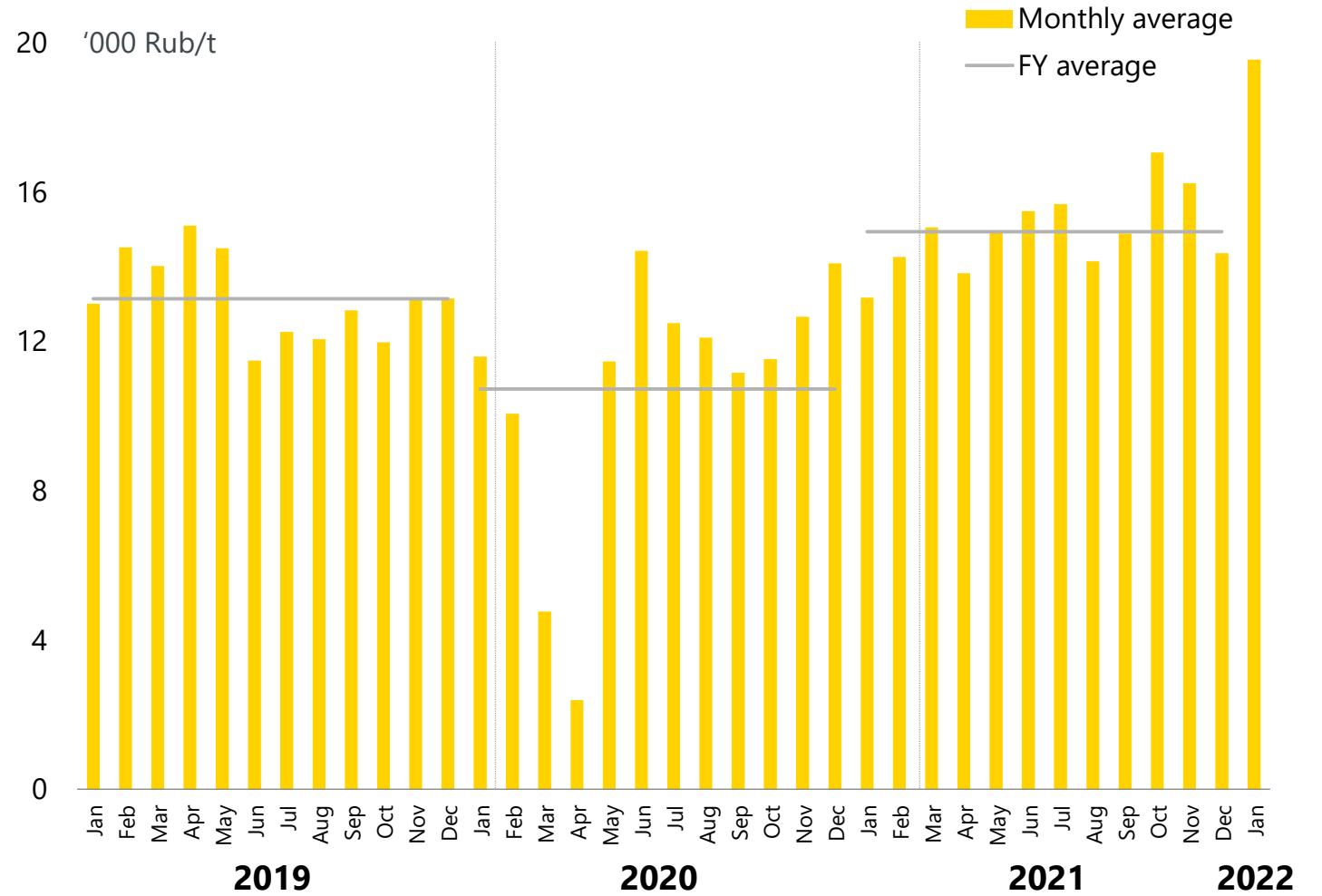


# BRENT PRICES





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



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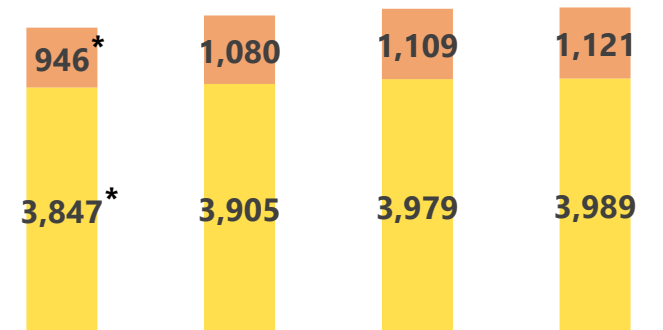
# OPERATING RESULTS





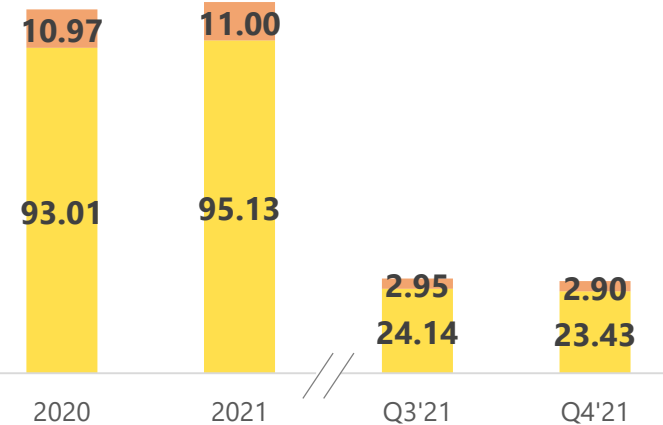
# KEY OPERATING INDICATORS

## Hydrocarbon production, kboepd



- Liquids
- Gas

## Crude oil processing, mmt

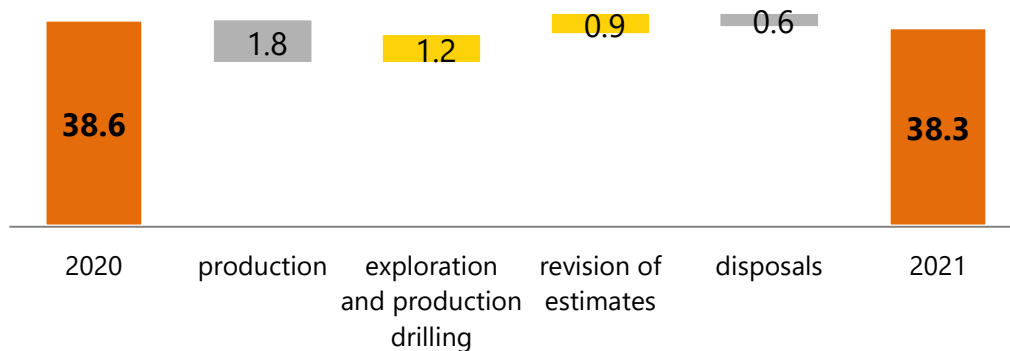


- In Russia
- Abroad

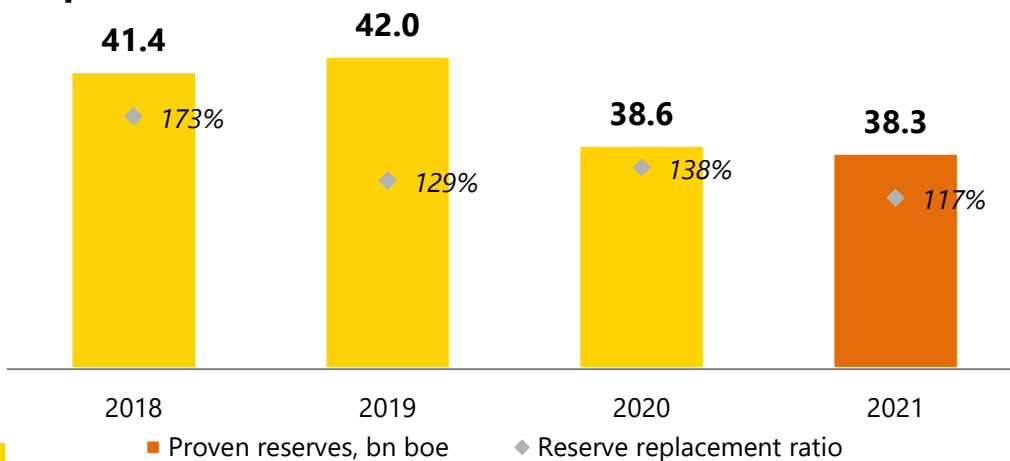
\* Excluding 'low-margin' assets disposed in 2020. For assets included in the Rosneft Group as of 2021 year end (excluding the assets divested in both 2020 and 2021) average daily HC production increased by 4.9% YoY and 1.3% QoQ.

# EFFICIENT RESERVE REPLACEMENT

## Proven reserves reconciliation<sup>1</sup>, bn boe



## SEC proven hydrocarbon reserves volumes and replacement ratios

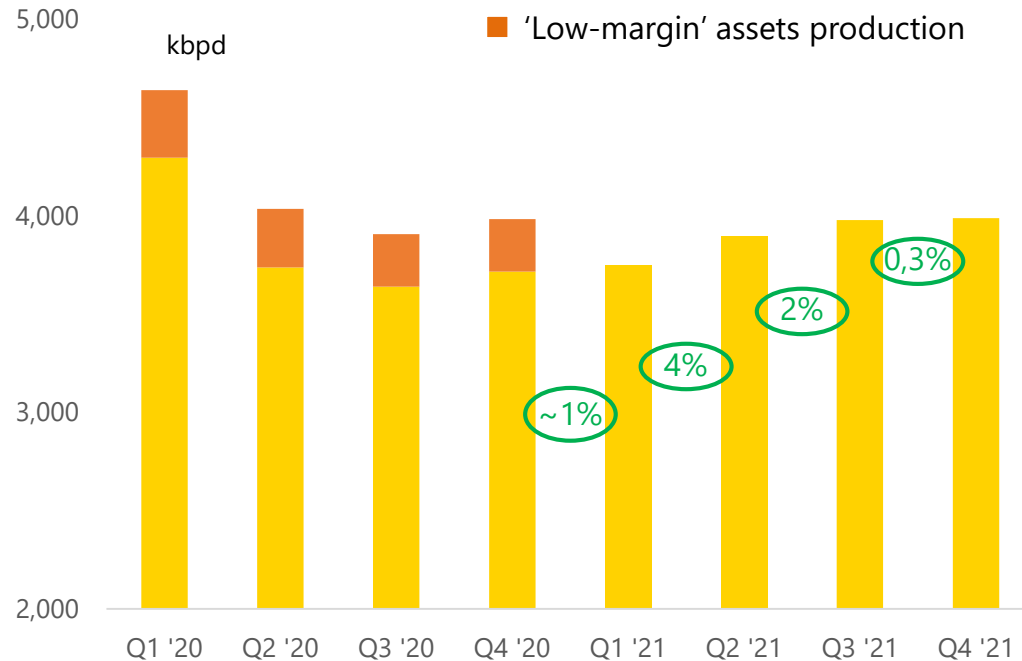


- 2 fields and 256 new deposits with total AB1C1+B2C2 reserves of about 0.5 bn toe were discovered
- The largest global discovery in 2021: field named after E. Zinichev<sup>2</sup> with 384 bcm of AB1C1+B2C2 recoverable gas reserves
- The share of reserves discovered by the Company in 2021 accounts for 75% (in oil equivalent) of all discoveries in Russia
- Proven reserve life (SEC) – over 20 years
- Proven hydrocarbon reserves replacement ratio (SEC)<sup>3</sup>:
  - 117% in 2021 (assets in operation)<sup>4</sup>
  - 116% organic
  - 132% organic (average for 2019-21)
- In 2021, 3P hydrocarbon reserve replacement ratio (PRMS) amounted to 216%<sup>3</sup> (assets in operation)
- Results of an independent international reserves audit confirmed a high resource potential of the Vostok Oil project



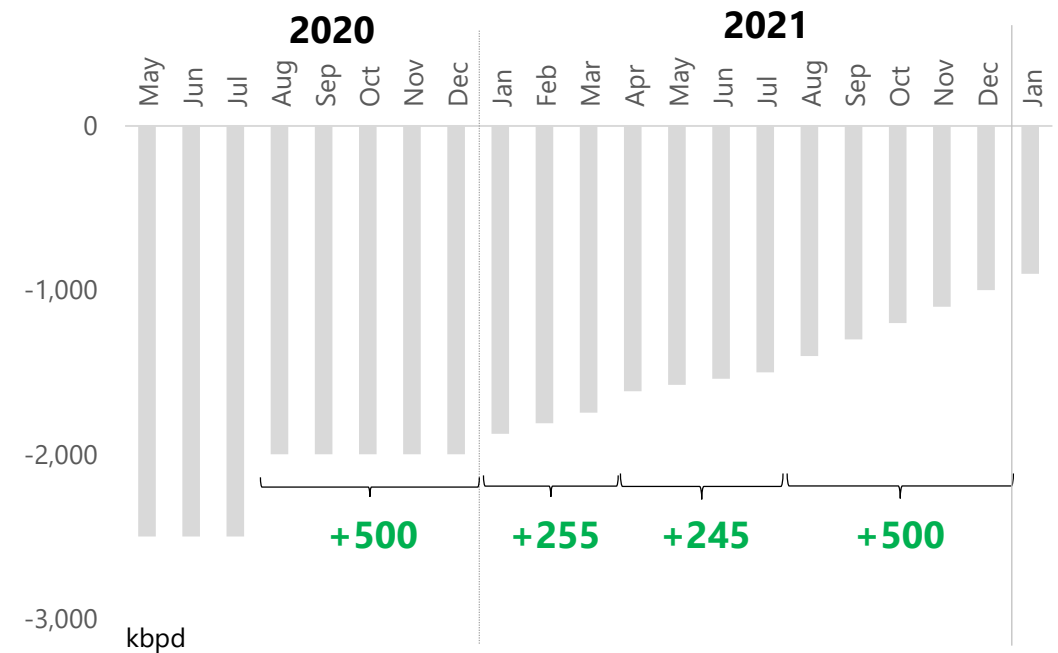
# NAVIGATING OPEC+ ENVIRONMENT

## Rosneft liquids production



- In Q4 2021, liquids production increased by 0.3% or by 1%, excluding the assets disposed of in Q3 2021, amid easing restrictions under the OPEC+ Agreement

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



- Oil companies' production cuts on a pro rata basis
- In January 2022, the production recovery for Russia was set at +100 kbpd. The Company is in full compliance with the quotas provided by the Government

# VOSTOK OIL



- In the Zapadno-Irkinskiy LA, 500 sq. km of 3D seismic work were conducted, 3 exploration wells with a 100% success rate were completed at the project, construction of another 8 wells is underway
- Design and survey works were completed for the facilities of the 'Sever Bay Port' terminal, and the Vankor-Suzun oil transportation system. Design work at the key energy facilities is underway
- The project for the construction of the 'Sever Bay Port' sea terminal: the construction of hydraulic structures, storage facilities for materials and equipment, berthing facilities on the Yenisei Bay are underway
- Construction of an oil pipeline connecting the Vankor and Payakha clusters with the 'Sever Bay Port' terminal of a total length of 770 km has begun
- Construction of 10 Arc-7 oil tankers is underway at 'Zvezda' shipbuilding complex. The first ship will be ready in 2024, 2 more will be built in 2025, followed by another 3 in 2026, and 4 in 2027

## RESOURCE BASE

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

## EXPECTED TRAFFIC VIA THE NORTHERN SEA ROUTE

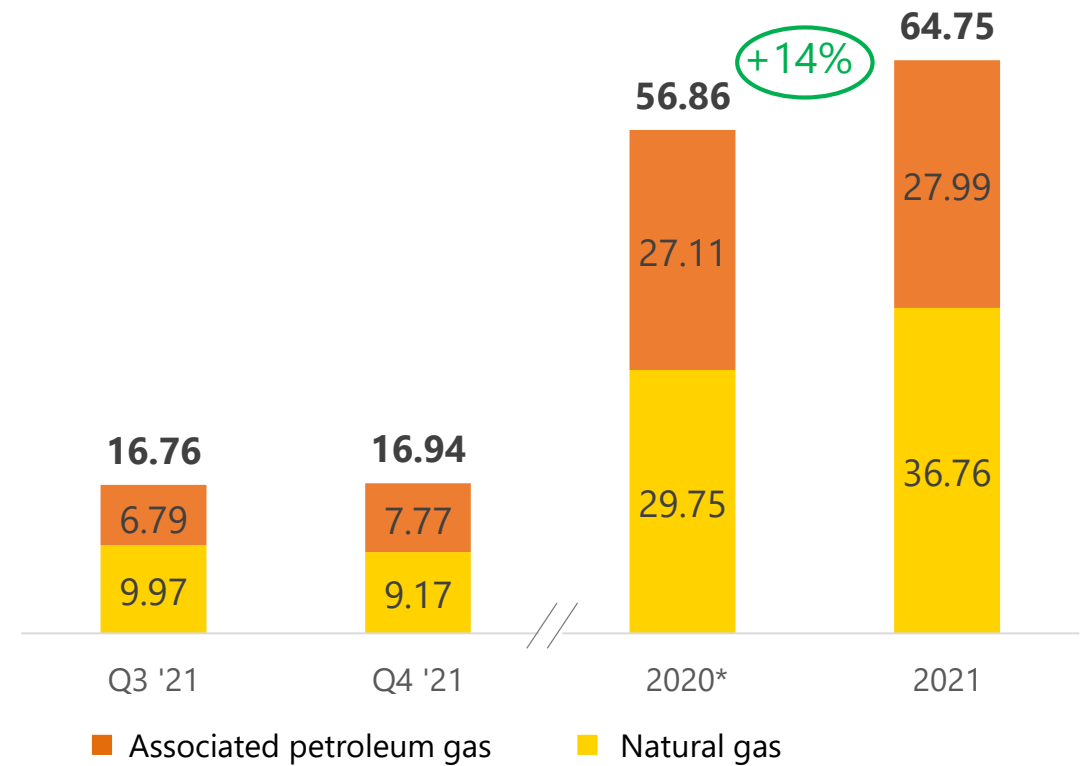
2024 – up to 30 mmt,  
2027 – up to 50 mmt,  
2030 – up to 100 mmt

# GAS BUSINESS



- Positive dynamics was due to an increase in natural gas production at the Rospan project, an increase in sales of gas produced at the Zohr field (Egypt), as well as an increase in gas production by Sibneftegaz

Gas production, bcm



\* Excluding 'low-margin' assets disposed in 2020. For assets included in the Rosneft Group as of 2021 year end (excluding the assets divested in both 2020 and 2021) average daily gas production increased by 15.9% YoY.



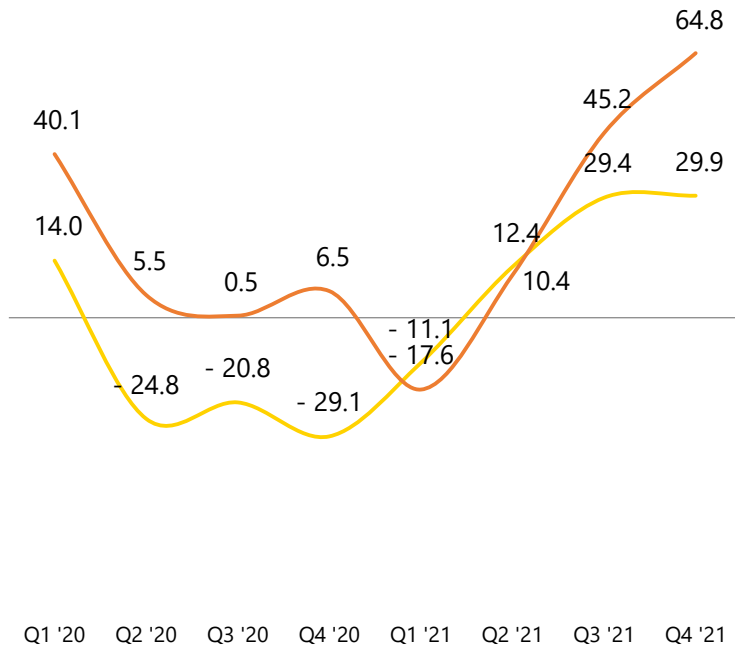
# GAS BUSINESS



- At the Rospan project, commissioning work is being completed at the second start-up complex, preparations are underway for its launch, which will ensure a further production increase and reaching the planned production level
- At the Kharampur field, work is being carried out in accordance with the schedule. Welding and insulation of the joints of the gas pipeline linear part, hydrotesting of absorbers at the gas drying unit of the complex gas treatment unit have been completed, a heat and power unit has been launched. The construction readiness for the key facilities is: 79% for the complex gas treatment unit and 88% for the external transport gas pipeline

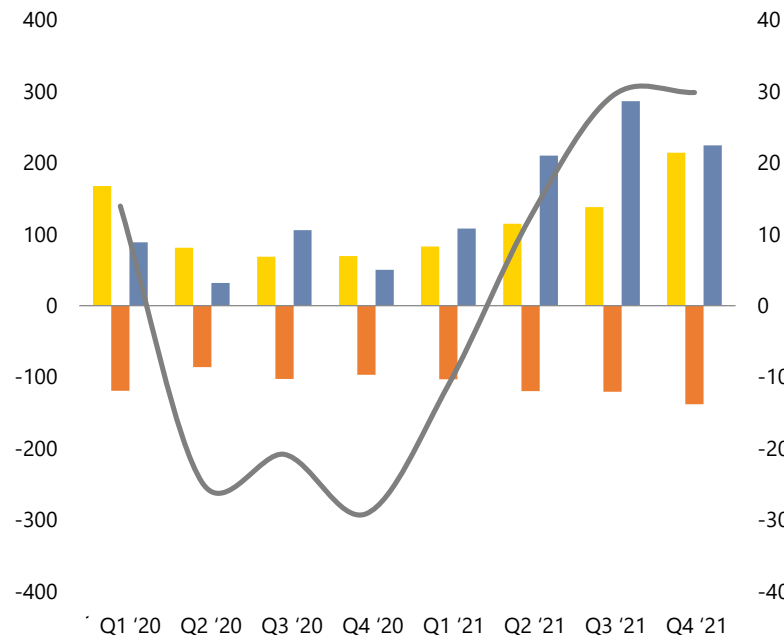
# OIL REFINING

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



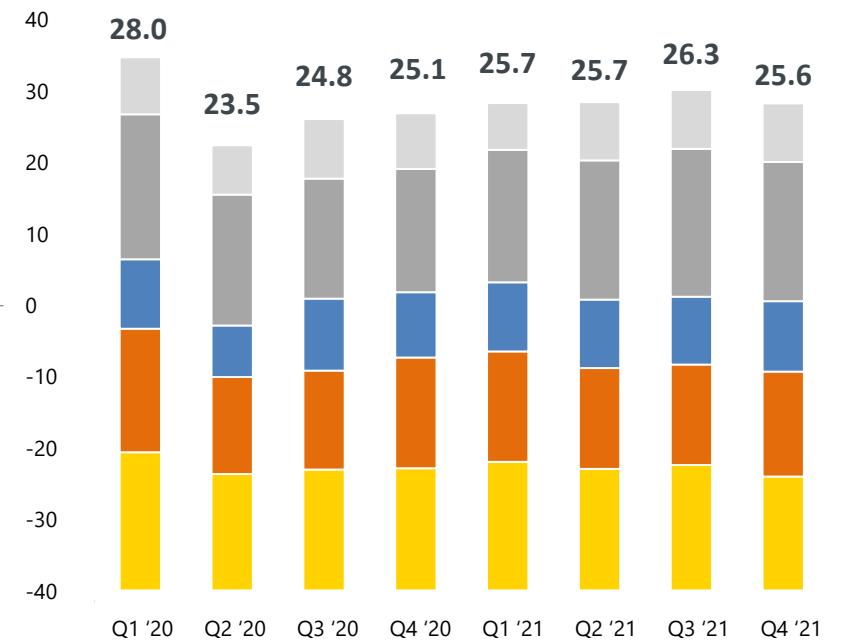
— Russia — Europe

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



■ Diesel ■ Fuel oil ■ Gasoline — Refining margin (RHS)

## Product output, mmt

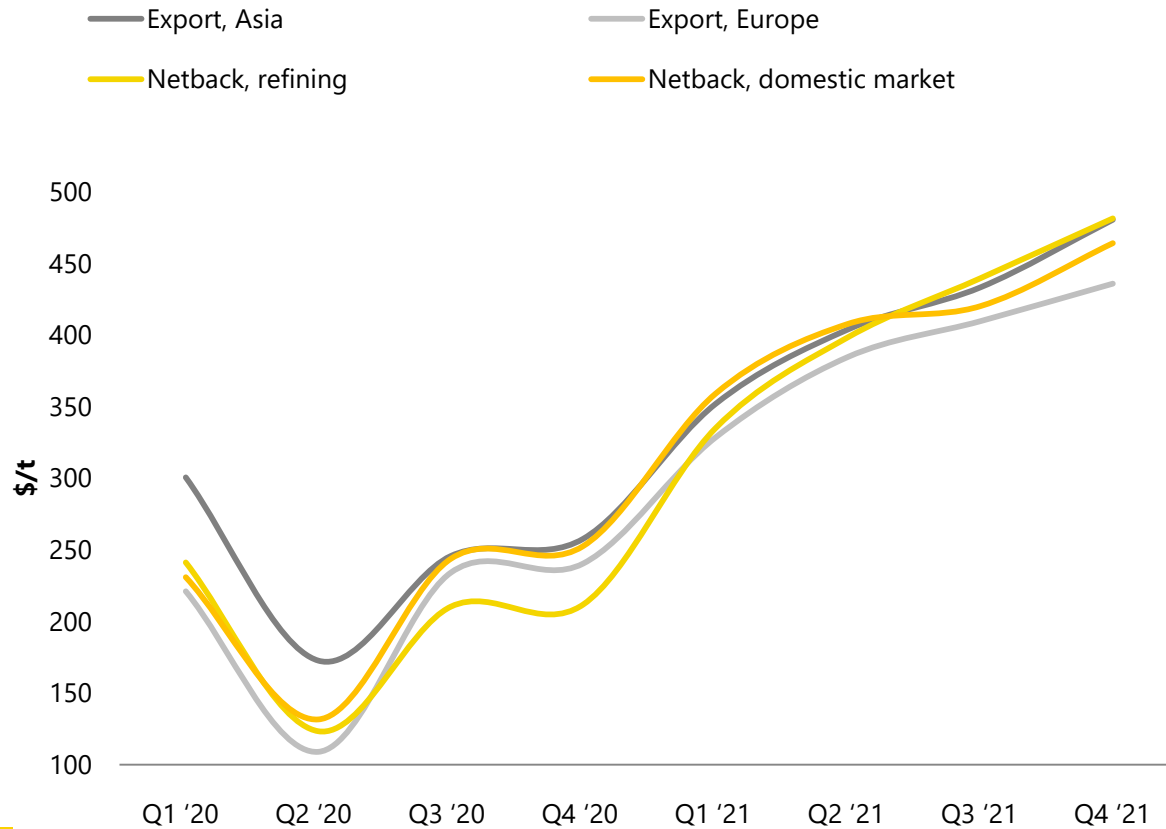


■ Diesel ■ Fuel oil ■ Gasoline ■ Other ■ Outside Russia

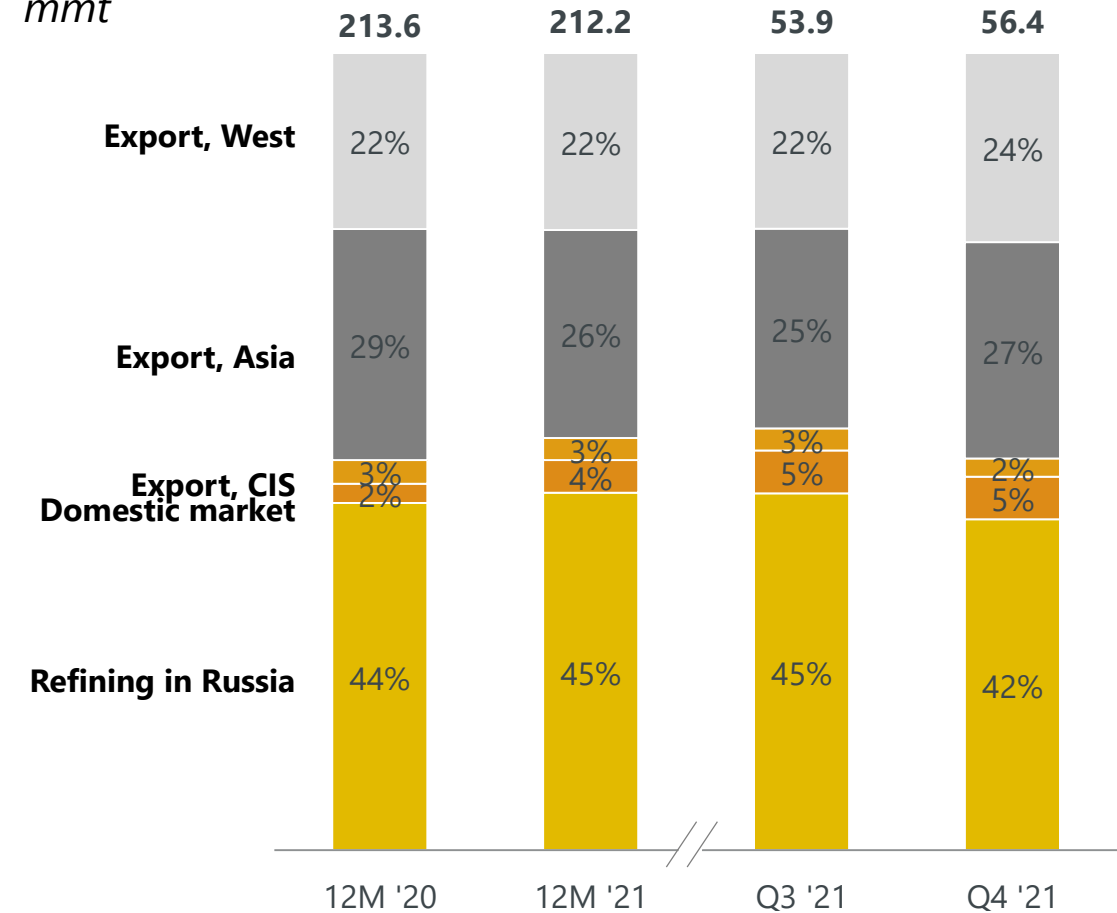
Russia

# FOCUS ON DISTRIBUTION CHANNELS DEVELOPMENT

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



**Crude oil marketing breakdown, mmt**





# PREMIUM MARKETING CHANNELS



**Avia**

In 2021, the network of presence at the airports of Turkey, Cyprus, China, Vietnam, and Indonesia was expanded. Jet fuel is sold at the airports in Germany, Georgia, and Mongolia.

The design work of a centralized refueling system for aircraft at the Krasnoyarsk airport has begun

**Sales volumes**

**3 mmt**  
**jet fuel<sup>1</sup>**



**Bunker fuel**

The bunker fuel business is presented in all the key seaports of Russia - the Far East, the Black Sea and the North-West region, in the river ports of the Volga-Don basin and the basins of the Amur and Lena rivers. The Company is one of the leaders on the Russian market with a share of at least 17%.

In 2021, sales of fuel with a reduced sulfur content (up to 0.5%), fully compliant with MARPOL requirements, amounted to over 1 mmt

**1.7 mmt**  
**bunker fuel**



**Lubes**

In 2021, LLC RN-Lubricants was an official supplier of Rosneft Revolux D5 API CJ-4 high-tech engine oil for GAZ Group.

Total sales, including base oils and by-products, increased by 7% to 1.1 mmt.

LLC RN-Lubricants provided the LADA SPORT ROSNEFT racing team with the new generation Rosneft Magnum Racing engine oil during the 2021 circuit racing season

**1.1 mmt**  
**lubes<sup>2</sup>**



**Bitumen**

In 2021, the volume of bituminous materials production and sales hit an all-time high and reached 3.1 mmt. An increase amounted to 6.5% YoY.

In 2021, the volume of sales of modified binders that significantly improve the quality of the road surface increased by 21% YoY and amounted to 272 th. tons

**3.1 mmt**  
**bitumen**

Note: (1) Including international sales, (2) Including by-products

# DEVELOPMENT OF THE RETAIL CHANNEL

**+11%** retail sales volume

**+19%** non-fuel sales gross revenue

## Key achievements

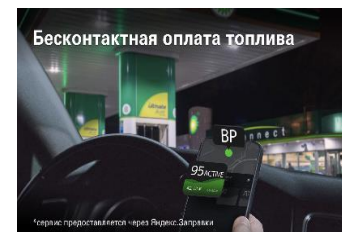
- In 2021, the retail sales volume at the filling stations exceeded the level of 2020 by 11%. Non-fuel margin increased by 19% YoY.
- As part of the work to provide additional services for customers of filling stations and complexes, Rosneft expanded the geography of the 'Apteka Auto' on-road pharmacies service. As of the year-end, 7 filling complexes were connected to the new service.
- To create a comfortable environment the service for self-delivery of Internet orders through parcel stations, including equipment for receiving / issuing clothes for dry cleaning, was arranged at ~170 filling complexes; 'World of Privileges' financial supermarkets with the possibility of issuing insurance policies, debit and credit cards were launched at ~200 filling complexes. A pilot project to provide household services at filling complexes has been started.

**~16.9 mln** loyalty program participants, incl.

**~3.1 mln** virtual loyalty cards holders

## Implemented activities

- The Company's retail business division continues developing the sale of environmentally friendly and cost-effective gas motor fuel. Taking into account the commissioned capacities, the Company possesses 5 CNG filling stations and 16 multi-fuel filling stations equipped with CNG sales modules. Until the end of 2028, it is planned to create a full-fledged gas filling infrastructure comprising 200 facilities, including 100 CNG filling stations and 100 CNG sales modules at filling complexes.
- As of the end of 2021, 18 charging stations for electric vehicles were installed and are in operation at the Company's filling stations, including 8 fast charging stations (50 kW) in the Moscow and Leningrad Regions, Vladivostok and 10 slow charging stations (22 kW) in Tver region and the Krasnodar territory.





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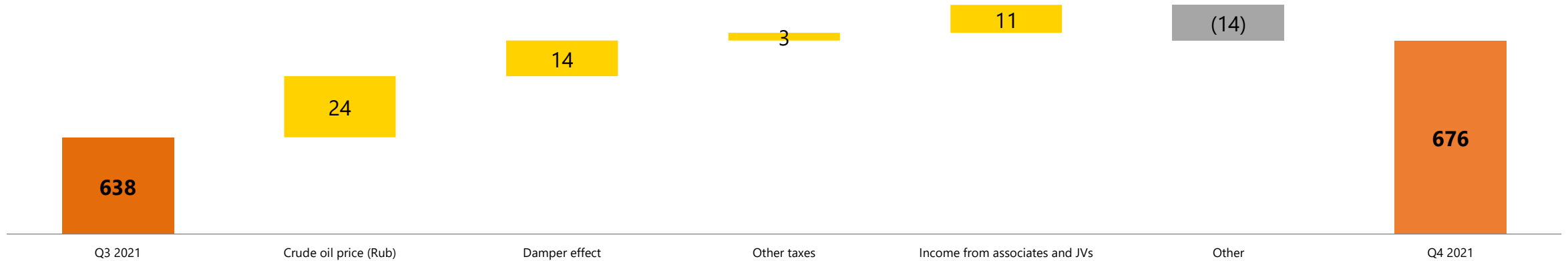
# FINANCIAL RESULTS



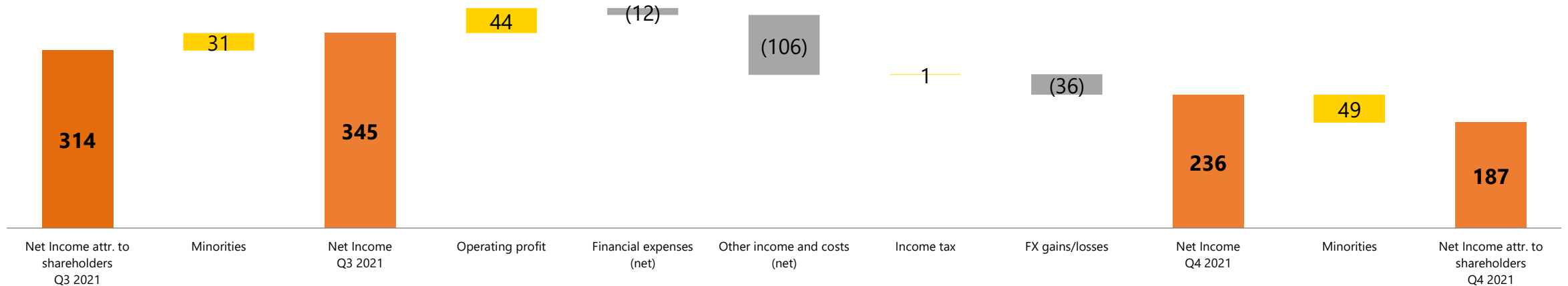


# EBITDA AND NET INCOME DYNAMICS

## EBITDA Q4 2021 vs. Q3 2021, Rub bn

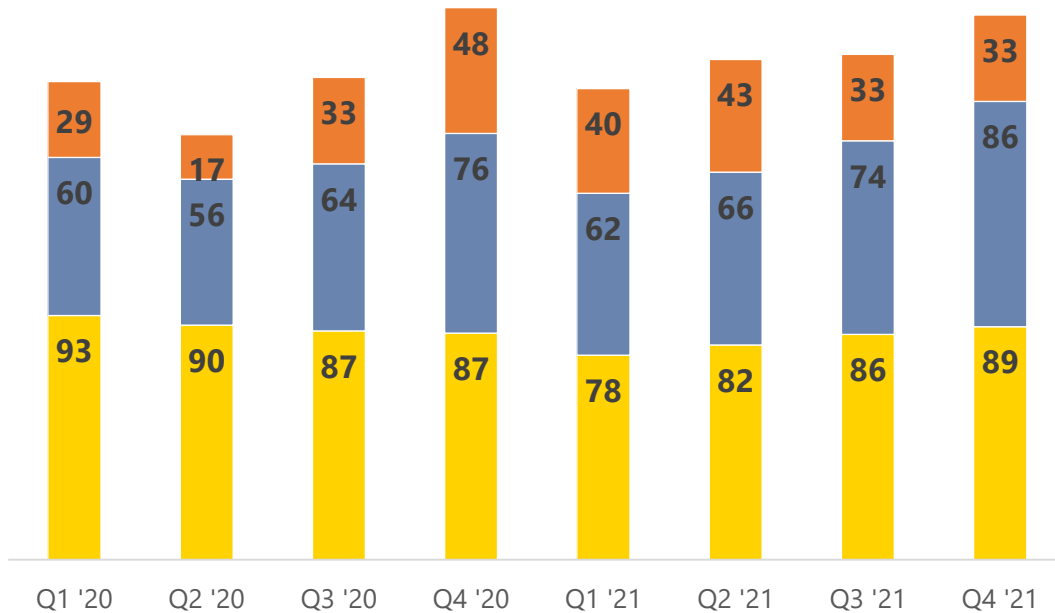


## Net Income Q4 2021 vs. Q3 2021, Rub bn



# COSTS DYNAMICS

'Controlled' costs, Rub bn



- Maintaining unit lifting costs at a minimum level of \$2.7 per boe (-3.6% YoY)
- Flat general and administrative costs QoQ
- Increased Downstream OPEX amid seasonal planned maintenance cost growth in Q4 2021

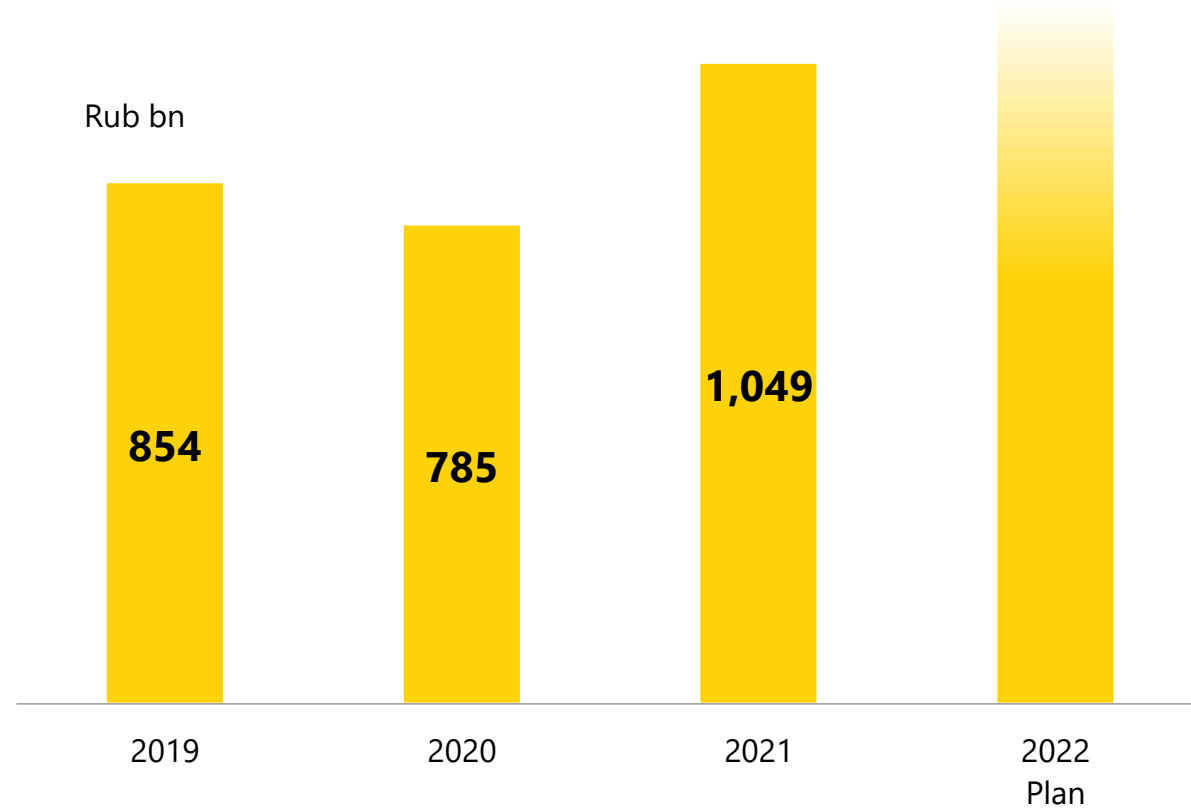
■ Upstream OPEX

■ General and administrative costs

■ Downstream OPEX

# CAPEX

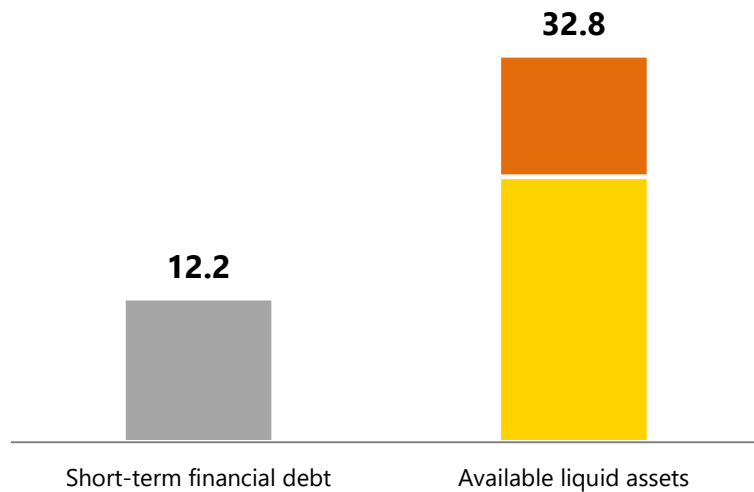
- 2021 CAPEX was attributed to the recovery of investment activity amid a favorable macroeconomic environment and was aimed at ensuring the implementation of the production program of the Company, including Vostok Oil, Yuganskneftegaz and Samotlorneftegaz
- >90% of investment program accounts for Upstream projects:
  - Maintaining stable production at mature fields
  - Development of highly efficient greenfields



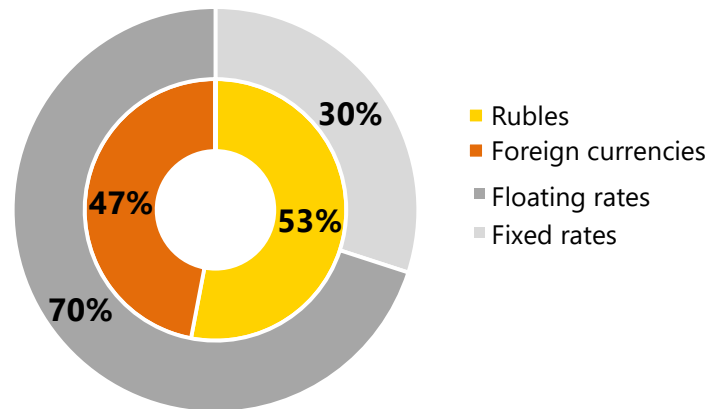


# EFFICIENT DEBT MANAGEMENT

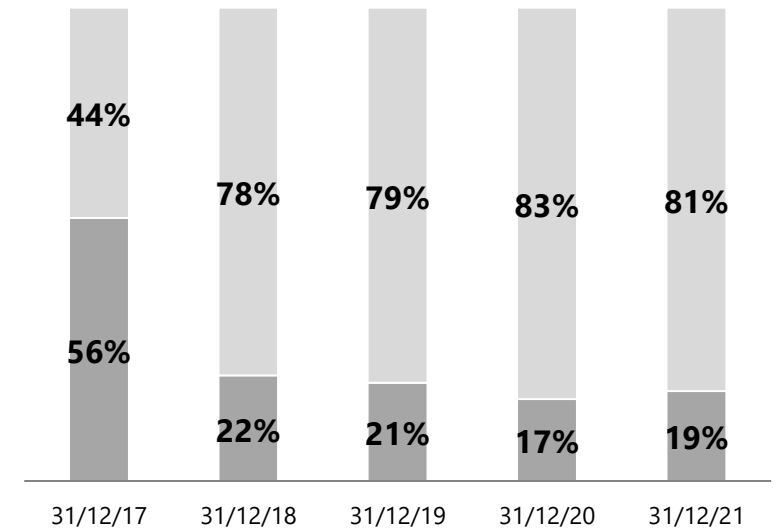
**Liquidity position  
as of December 31, 2021, \$ bn**



**Financial debt breakdown  
as of December 31, 2021**



**Low share of 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	Q4 '21	Q3 '21	%	12M '21	12M '20	%
Hydrocarbon production, incl. kboed	<b>5,110</b>	5,088	0.4%	<b>4,985</b>	5,186	(3.9)%
Liquids kbpd	<b>3,989</b>	3,979	0.3%	<b>3,905</b>	4,141	(5.7)%
Gas kboed	<b>1,121</b>	1,109	1.0%	<b>1,080</b>	1,045	3.3%
Oil refining mmt	<b>26.33</b>	27.09	(2.8)%	<b>106.13</b>	103.98	2.1%
Product output mmt	<b>25.63</b>	26.33	(2.7)%	<b>103.31</b>	101.41	1.9%



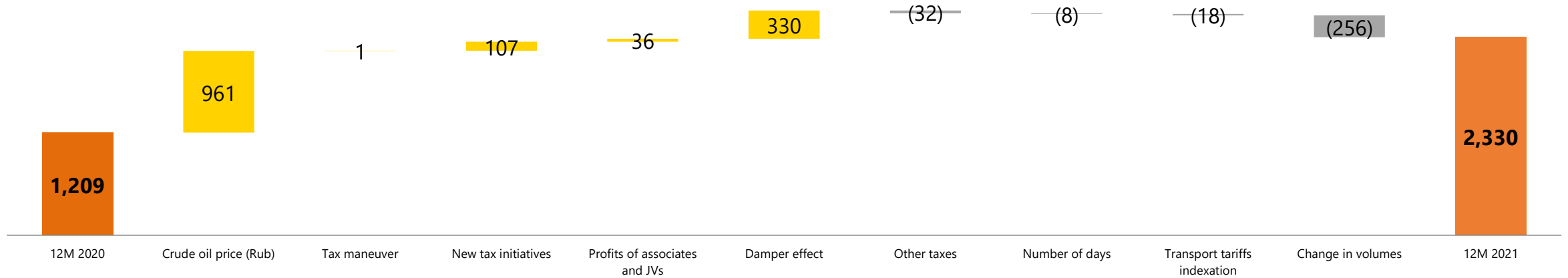
# KEY FINANCIAL HIGHLIGHTS

INDICATOR, RUB BN	Q4 '21	Q3 '21	%	12M '21	12M '20	%
EBITDA, Rub bn	<b>676</b>	638	6.0%	<b>2,330</b>	1,209	92.7%
Net Income, Rub bn <i>attributable to Rosneft shareholders</i>	<b>187</b>	314	(40.4)%	<b>883</b>	132 <sup>1</sup>	>100%
Adjusted net income <sup>1</sup> , Rub bn	<b>279</b>	334	(16.5)%	<b>1,057</b>	168	>100%
Adjusted operating cashflow <sup>2</sup> , Rub bn	<b>524</b>	602	(13.0)%	<b>2,093</b>	1,210	73.0%
CAPEX, Rub bn	<b>360</b>	227	58.6%	<b>1,049</b>	785	33.6%
Free Cash Flow, Rub bn	<b>164</b>	375	(56.3)%	<b>1,044</b>	425	>100%
EBITDA, \$ bn	<b>9.3</b>	8.7	6.9%	<b>31.7</b>	17.2	84.3%
Net Income, \$ bn <i>attributable to Rosneft shareholders</i>	<b>2.5</b>	4.3	(41.9)%	<b>11.9</b>	2.0	>100%
Adjusted net income <sup>2</sup> , \$ bn <i>attributable to Rosneft shareholders</i>	<b>3.8</b>	4.5	(15.6)%	<b>14.3</b>	2.3	>100%
Adjusted operating cashflow <sup>3</sup> , \$ bn	<b>7.2</b>	8.3	(13.3)%	<b>28.5</b>	17.0	67.6%
CAPEX, \$ bn	<b>4.9</b>	3.2	53.1%	<b>14.2</b>	10.8	31.5%
Free Cash Flow, \$ bn	<b>2.3</b>	5.1	(54.9)%	<b>14.3</b>	6.2	>100%
Urals price, '000 Rub/bbl	<b>5.64</b>	5.18	8.9%	<b>5.05</b>	3.01	67.9%

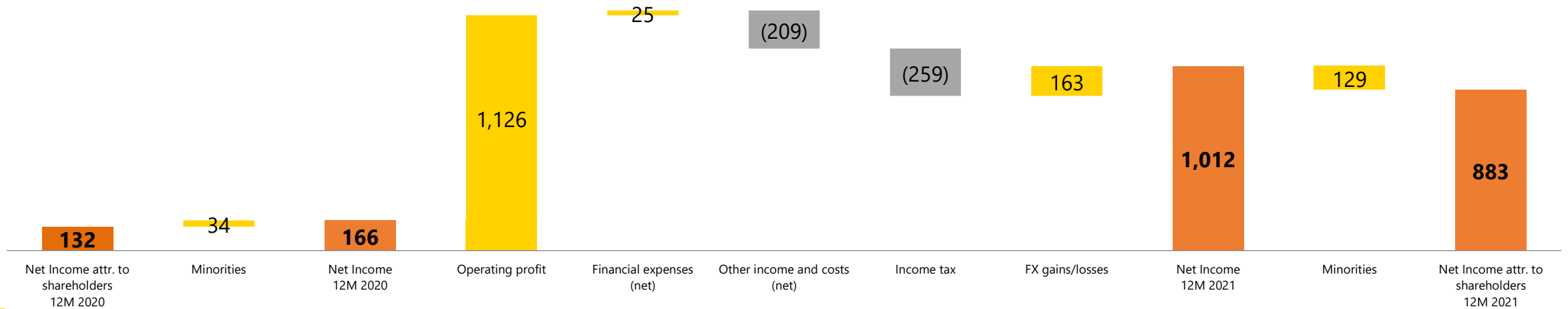
Note: (1) The figure was restated following the completion of 2020 acquisitions purchase price allocation (2) Adjusted for FX gains/losses and other one-off effects. (3) Adjusted for prepayments under long-term crude oil supply contracts (including accrued interest), net change in operations of subsidiary banks and operations with trading securities (Rub equivalent)

# EBITDA AND NET INCOME DYNAMICS

## EBITDA 12M 2021 vs. 12M 2020, Rub bn

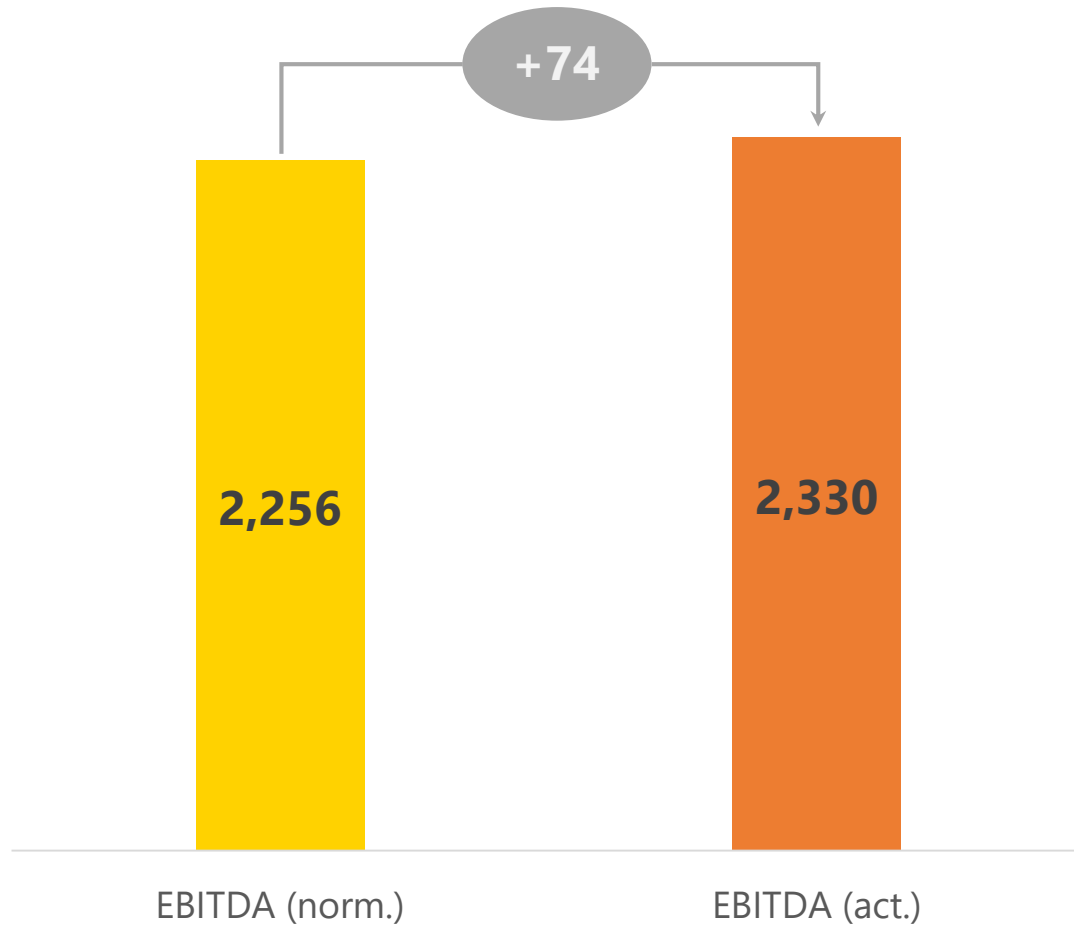


## Net Income 12M 2021 vs. 12M 2020, Rub bn

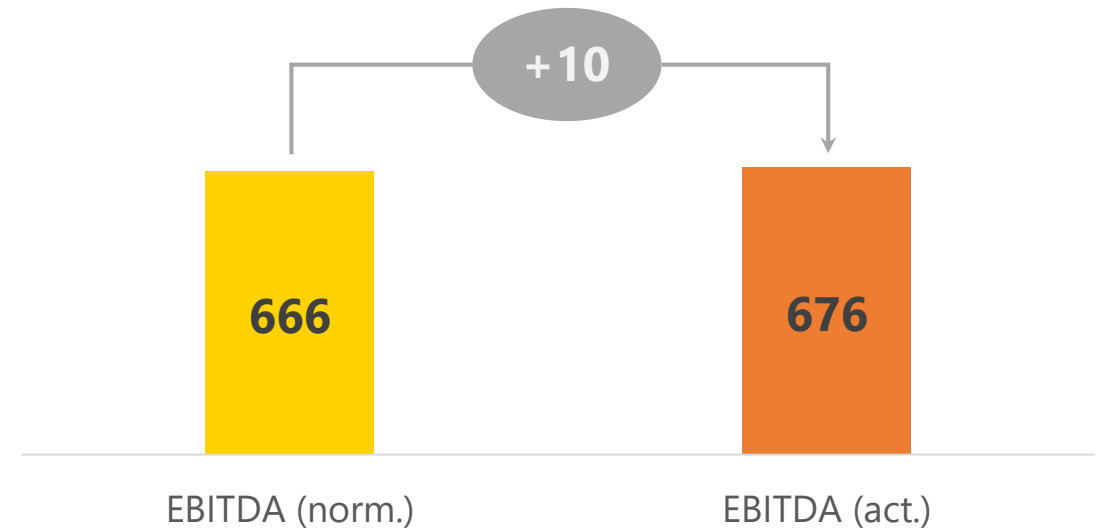


# EXPORT DUTY LAG

12M 2021, Rub bn



Q4 2021, Rub bn





# OPERATING CASH FLOW CALCULATION

## Profit and Loss Statement

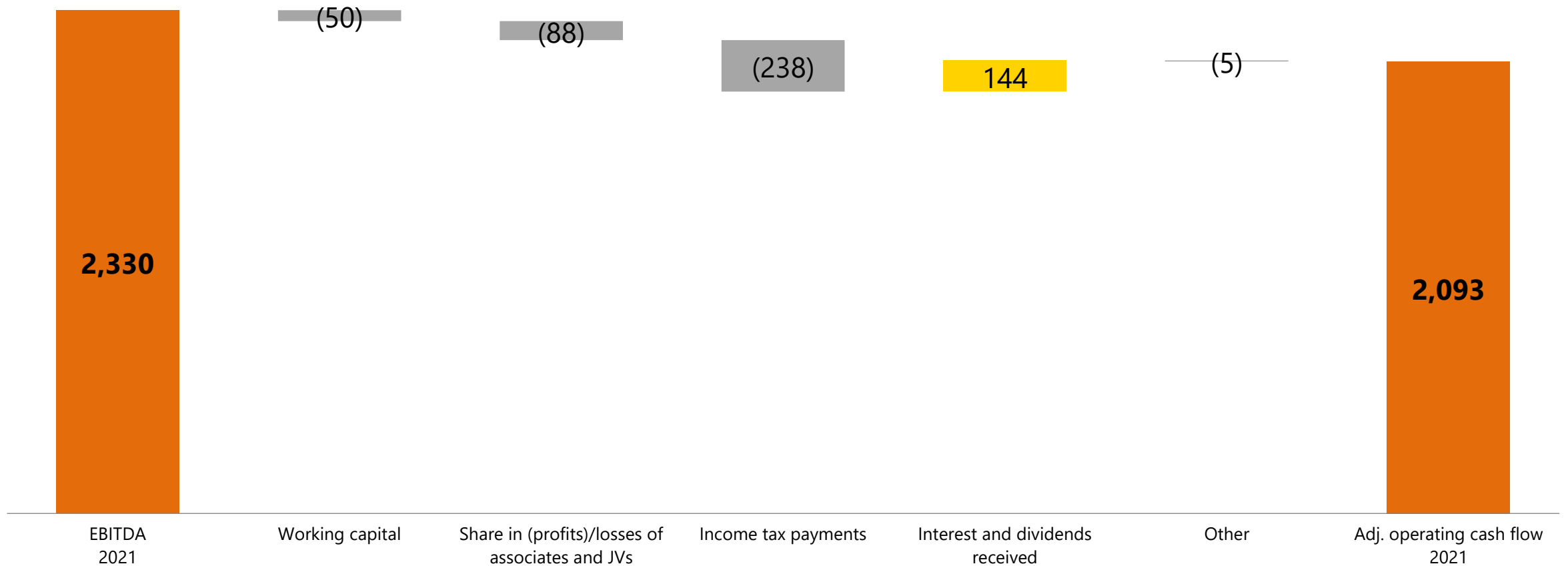
Nº	INDICATOR	12M '21, \$ BN
1	Revenue, incl.	121.1
	Reimbursement of prepayments and other financial obligations received	9.1
2	Costs and expenses, incl.	(98.6)
3	<b>Operating profit (1+2)</b>	<b>22.5</b>
4	Expenses before income tax	(5.5)
5	Income before income tax (3+4)	17.0
6	Income tax	(3.3)
7	<b>Net income (5+6)</b>	<b>13.7</b>

## Cash Flow Statement

12M '21, \$ BN	INDICATOR	Nº
13.7	<b>Net income</b>	<b>1</b>
7.3	Adjustments to reconcile net income to cash flow from operations, incl.	2
(7.1)	Reimbursement of prepayments received under crude oil and petroleum products supply contracts	
(1.8)	Reimbursement of other financial obligations received	
(3.7)	Changes in operating assets and liabilities, incl.	3
(0.6)	Interest on prepayments under long-term crude oil supply contracts	
(1.3)	Income tax payments, interest and dividends received	4
<b>16.0</b>	<b>Net cash from operating activities (1+2+3+4)</b>	<b>5</b>
0.6	Netchange in operations of subsidiary banks	6
2.4	Prepayments for future supplies	7
9.5	Effect from prepayments	8
<b>28.5</b>	<b>Adjusted operational cash flow (5+6+7+8)</b>	<b>9</b>

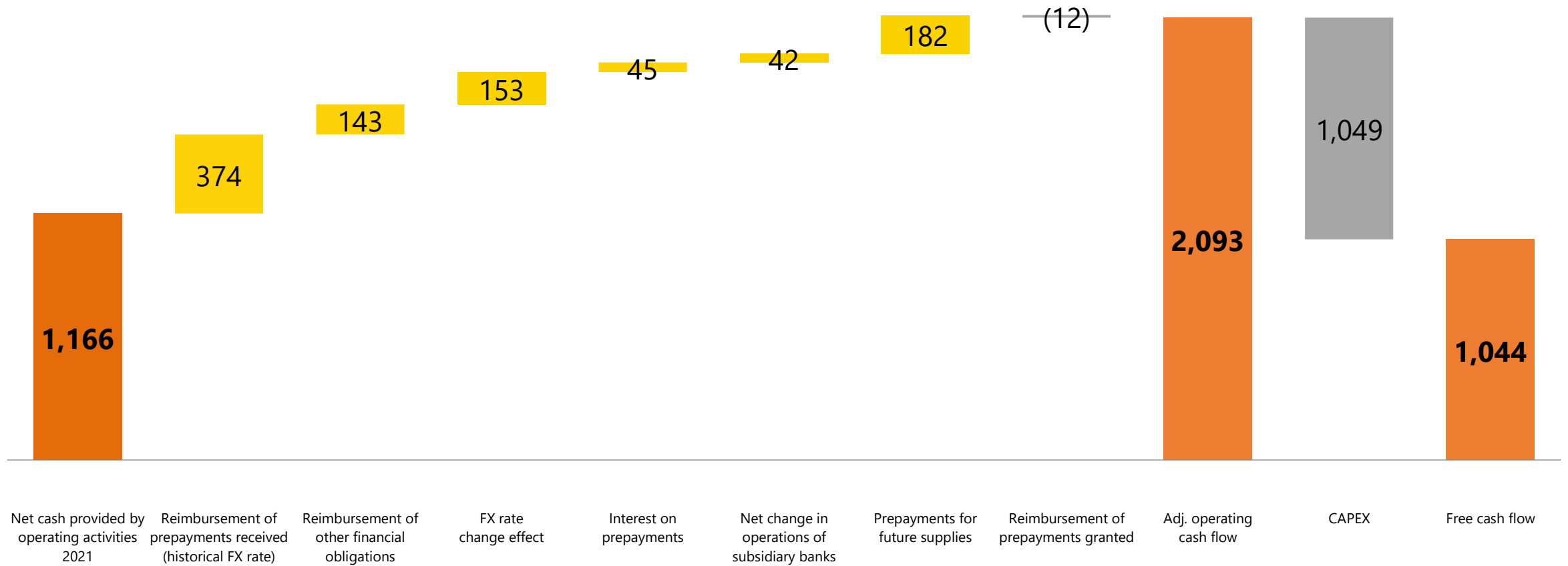
# OPERATING CASH FLOW CALCULATION

Rub bn



# FREE CASH FLOW CALCULATION

Rub bn





# FINANCE EXPENSES

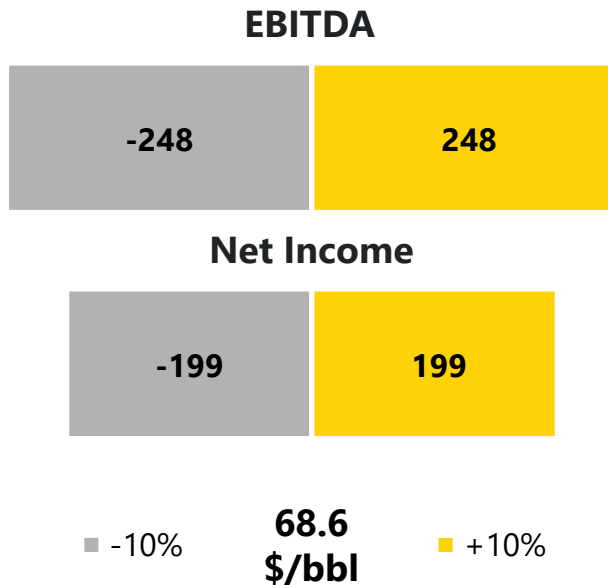
INDICATOR, RUB BN		Q4 '21	Q3 '21	%	12M '21	12M '20	%
1.	Interest accrued <sup>1</sup>	<b>79</b>	<b>74</b>	6.8%	<b>283</b>	264	7.2%
2.	Interest paid and offset <sup>2</sup>	<b>74</b>	<b>67</b>	10.4%	<b>265</b>	259	2.3%
3.	Change in interest payable (1-2)	<b>5</b>	<b>7</b>	(28.6)%	<b>18</b>	5	>100%
4.	Interest capitalized <sup>3</sup>	<b>40</b>	<b>37</b>	8.1%	<b>142</b>	131	8.4%
5.	Net loss from operations with financial derivatives <sup>4</sup>	–	–	–	–	11	(100)%
6.	Increase in provision due to the unwinding of a discount	<b>7</b>	<b>6</b>	16.7%	<b>25</b>	24	4.2%
7.	Interest on prepayments under long-term oil and petroleum products supply contracts	<b>10</b>	<b>11</b>	(9.1)%	<b>45</b>	42	7.1%
8.	Change in fair value of financial assets	<b>5</b>	<b>1</b>	>100%	<b>12</b>	–	–
9.	Increase in loss allowance for expected credit losses on debt financial assets	<b>1</b>	<b>1</b>	–	<b>3</b>	8	(62.5)%
10.	Other finance expenses	<b>1</b>	–	–	<b>3</b>	2	50.0%
<b>Total finance expenses (1-4+5+6+7+8+9+10)</b>		<b>63</b>	<b>56</b>	12.5%	<b>229</b>	220	4.1%

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.

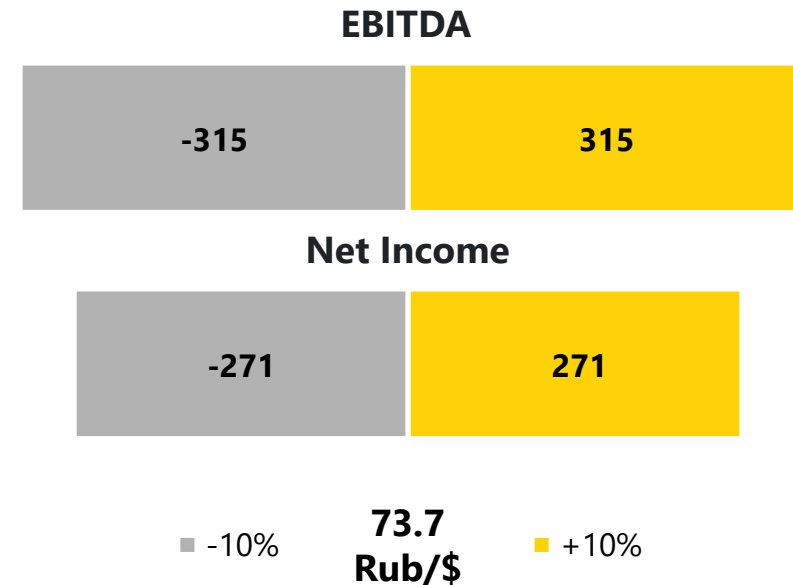
# VARIANCE ANALYSIS

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!**