



**RUSNEFTEGAZ**  
**Q1 2022**  
**QUARTERLY**  
**PRESENTATION**



# RUSNEFTEGAZ Q1 2022 OPERATING RESULTS

Rusneftegaz can publish results for the first quarter of the year as of and for the three months ended 31 March. These statements were prepared in accordance with International Financial Reporting Standards, otherwise known as IFRS, and have not been audited.

The highlights of this period include:

↓ Revenue has declined 3,8% from the fourth quarter of 2021.

↑ Pre-tax profits grew 11,6% from the three months prior.

↑ Operating cash flow expanded 11,5% from the fourth period of last year.

↓ The value of all liabilities decreased by 0,9% from the previous quarter.

↑ Oil production rose 10,3% from the preceding period.

↑ Average daily petroleum extraction surged 12,7% from the three months prior.

↓ The total volume of electricity generated fell by 44,2% from the last quarter.

Income		Q1 2022	Q4 2021	Q1 2021
Revenue	(m)	185.096	192.390	130.425
Cost of sales	(m)	(87.030)	(102.345)	(69.623)
Gross profit	(m)	98.066	90.045	60.802
Other income	(m)	95	125	91
Other expenses	(m)	(29.460)	(28.649)	(19.567)
Operating profit	(m)	68.701	61.521	41.326
Net finance income	(m)	218	213	198
Net profit	(m)	68.919	61.734	41.524
Tax expense	(m)	(18.256)	(16.584)	(10.875)
Net profit for the period after tax	(m)	50.663	45.150	30.649
Retained earnings	(m)	2.092.542	2.041.879	1.924.231
Total liabilities	(m)	95.017	95.872	114.893

## Cash flows

Cash flow from operating activities	(m)	93.315	83.671	56.180
Cash flow from financing activities	(m)	—	(23.749)	(417)
Cash flow from investing activities	(m)	(17.498)	(10.950)	(19.842)

## Operations

Average daily oil production	(bpd)	16.958	15.043	15.673
Peak daily oil production	(bpd)	17.625	15.496	16.219
Total oil production	(barrels)	1.526.220	1.383.956	1.410.570
Total electricity production	(TWh)	2,01	3,60	1,93
Total installed capacity	(MW)	1.860	1.860	1.860
Installed capacity utilization	(%)	50,03	87,66	48,04

## Per share statistics

Revenue per share	(\$)	130	192	130
Earnings per share - basic	(\$)	31	45	31
Earnings per share - diluted	(\$)	31	45	31
Cash flow per share*	(\$)	56	84	56
Issued ordinary shares		1.000	1.000	1.000

\*From operating activities only

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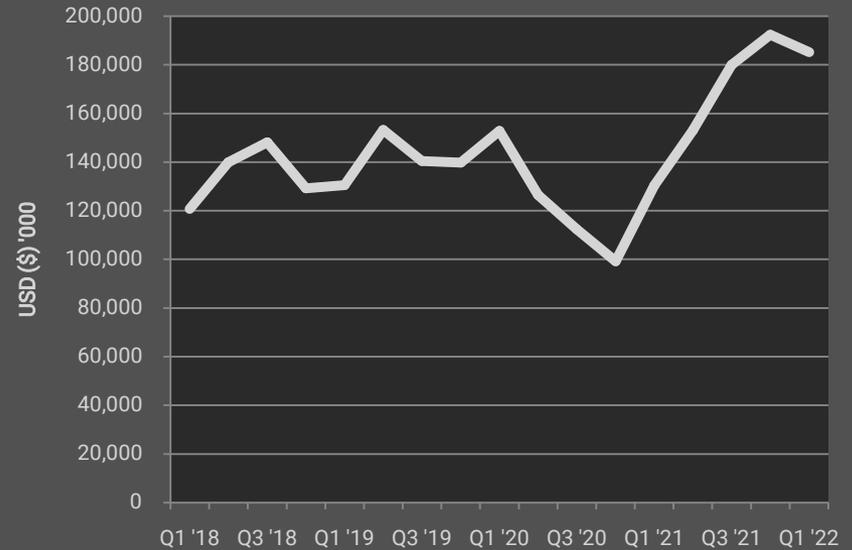


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For the first period of 2022, Rusneftegaz can announce an exceptional pre-tax profit of \$68,9 million from revenues totaling \$185,1 million, a remarkable continuation of the strong financial performance registered throughout last year. In this instance, the net profit disclosed represents an 11,6% gain on the \$61,7 million reported for the prior quarter and a year-on-year increase of 66,0% from the \$41,5 million earned in the first period of 2021. Likewise, despite the minor 3,8% shrinkage in turnover since the final three months of last year when \$192,4 million was accumulated, the annual change of 41,9% from the previous total of \$130,4 million truly epitomizes the effect the coronavirus pandemic had on our organization and our results. Whilst this health emergency is no longer anticipated to have any impact on our future economic performance, our management stands determined to counter the consequences of any new or emerging crisis in the times ahead. This includes the aftermath of any embargoes or boycotts enforced by other countries against products of Russian origin, despite their overwhelming need for such goods. Despite the fact the ongoing geopolitical tensions remain of primary concern to Rusneftegaz and our business, our management continues to believe that our company retains the intellectual and financial resources to adapt to any situation that arises, be it in months or years ahead. The caveat to such assertions is that potential restrictions on petroleum supply in European countries has led to considerable rises in commodity prices in recent weeks, leading to corresponding gains for both Rusneftegaz and other oil producing entities. Our management expects these values to endure for a prolonged period, largely due to the fact it will be profoundly difficult for Western countries to adequately replace the supply of Russian oil and refined products.

Consequently, Rusneftegaz capitalized on these favorable market conditions by implementing increases on crude production throughout the past three months. As a result, our company can also disclose that it extracted 1,53 million barrels of oil in the first quarter, in conjunction with generating 2,01 TWh of electricity. The former is the greatest volume of petroleum produced per period since the second quarter of 2020, and is an escalation of 8,2% year-on-year when 1,41 million barrels were imparted. Although it is also an improvement of 10,3% from the 1,38 million barrels extracted in the final three months of 2021, it should be noted that our oil production totals routinely declines towards the end of the year, and surges at the commencement of the next. On the other hand, Rusneftegaz's energy generation statistics peak in the fourth quarter and then reduce significantly at the advent of the following period. Thus, the aforementioned data for this area of our operations represents a quarter-on-quarter fall of 44,2%. However, where demand for electricity was suppressed by the restrictions affiliated with the coronavirus pandemic, our management has observed a recovery in energy requirements arising upon the end of the constraints and controls.

Quarterly revenue — Q1 2018 to present



Revenue has expanded 41,9% from the first period in 2021.



Pre-tax profits have grown 66,0% year-on-year.



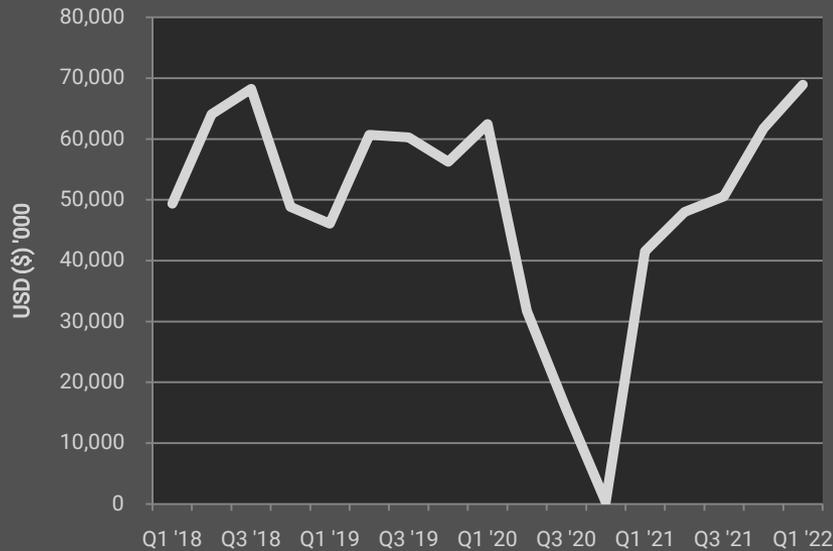
Operating cash flow escalated 66,1% on the same quarter this time last year.

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### Quarterly pre-tax profit – Q1 2018 to present



Oil production is 8,2% higher than the same quarter twelve months ago.



The average daily petroleum extraction for the period is up 8,2% year-on-year.



Electricity generation has expanded 4,1% from the fourth quarter of 2021.

Therefore, on an annual basis, Rusneftegaz has recorded a 4,1% upturn in generation from the 1,93 TWh produced in 2021. Notwithstanding the fact that this growth was more incremental than previously forecasted, such progress still provides a strong basis for our organization to develop in both the short and long term, and recover fully and comprehensively from the critical situation that emerged at the advent of the new decade.

This stable foundation ultimately enabled our management to announce major revisions to our current 2020-2024 investment program, in lieu of the disruptions caused by the pandemic. This particular disclosure, which was made at the end of March, will result in Rusneftegaz rapidly accelerating our current rate of spending on new asset and equipment. Whereas over the past twenty-four months our expenditures in such areas have largely stagnated, it is anticipated that in the next quarter of the year such spending will be in excess of \$150,0 million. It must be emphasized that these funds have not arisen through new internal or external investment, but is merely the cash accumulated and saved by our company since the pandemic started. The transition to an epidemic phase has also given cause for our managers and directors to agree a plan to permanently end remote working. The change, which was implemented in the weeks prior to the publication of this report, resulted in all our administrative personnel working at least two days per week in their office from the start of April. Despite the fact the majority of our employees were already completing their roles from their regular workstations before this date, a full return to normal working practices only became mandatory in May. This scheme also culminated in all pandemic mitigation measure being removed, if still in place. Thus, temperature checks were no longer conducted upon arrival at certain locations, transparent barriers were removed, and facial coverings became optional. Notwithstanding the fact these are positive developments, our management continues to be concerned about the immediate future of our organization. For example, our primary currency, the Russian ruble, continues to be volatile, with such fluctuations being beyond our control and subject to wider geopolitics. Similarly, any long-term restrictions on Russian petroleum in Europe could result in our company having to pivot and focus on developing our business in Asian markets, which could be expensive and time-consuming. However, our prospects for the next quarter are undoubtedly positive solely due to the persistently high process of commodities, and our projections are positive for both the third and fourth periods of the year. Regardless of what unfolds in the times ahead, our board of directors is and shall remain defiant about any possible changes in circumstances, and will adapt accordingly in due course.

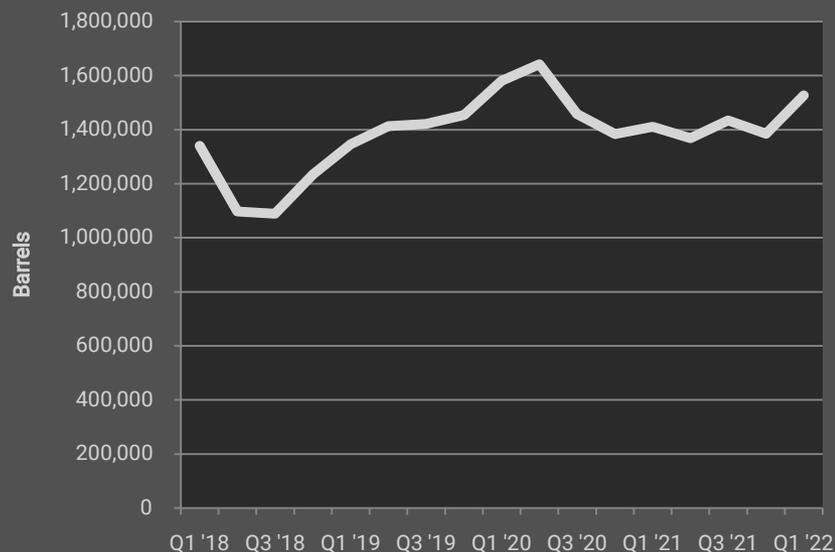
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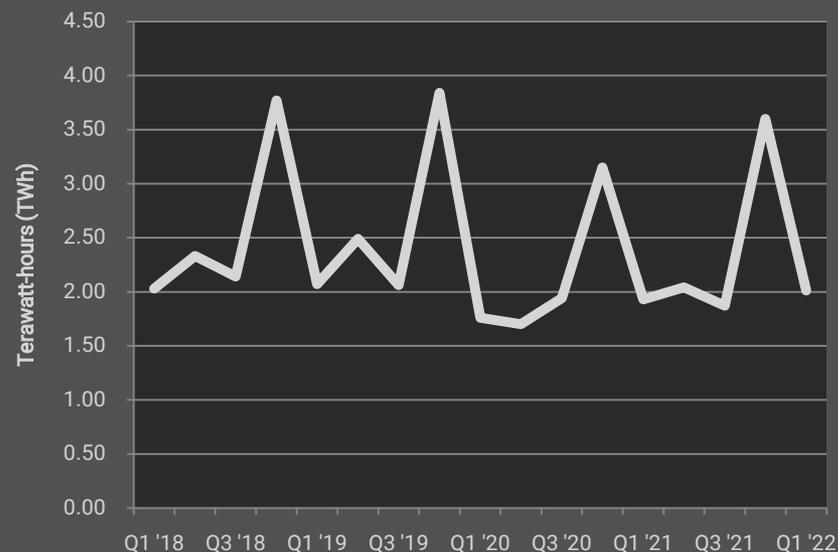


# RUSNEFTEGAZ Q1 2022 OPERATING RESULTS

Quarterly oil production – Q1 2018 to present



Quarterly energy generation – Q1 2018 to present



Quarter	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Average barrels p/d	14.892	12.054	11.834	13.412	14.959	15.518	15.439	15.799	17.369	18.039	15.837	15.040	15.673	15.039	15.546	15.043	16.958

Quarter	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22
Total generated (TWh)	2,03	2,33	2,14	3,77	2,07	2,49	2,06	3,84	1,76	1,70	1,94	3,15	1,93	2,04	1,87	3,60	2,01

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