



RUSNEFTEGAZ
Q4 2021
QUARTERLY
PRESENTATION



RUSNEFTEGAZ Q4 2021 OPERATING RESULTS

Rusneftegaz can publish results for the fourth quarter of the year as of and for the twelve months ended 31 December. 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 grown 6,9% from the third quarter of 2021.

↑ Pre-tax profits rose 22,2% from the three months prior.

↑ Operating cash flow expanded 21,4% from the third period of the year.

↓ The value of all liabilities decreased by 6,8% from the previous quarter.

↓ Oil production dropped 3,5% from the prior period.

↓ Average daily petroleum extraction fell 3,5% from the preceding three months.

↑ The total volume of electricity generated surged by 92,5% from the last quarter.

Income		Q4 2021	Q3 2021	Q4 2020
Revenue	(m)	192.390	179.932	99.246
Cost of sales	(m)	(102.345)	(104.857)	(74.474)
Gross profit	(m)	90.045	75.075	24.772
Other income	(m)	125	109	42
Other expenses	(m)	(28.649)	(24.856)	(24.676)
Operating profit	(m)	61.521	50.328	138
Net finance income	(m)	213	208	193
Net profit	(m)	61.734	50.536	331
Tax expense	(m)	(16.584)	(13.562)	(117)
Net profit for the period after tax	(m)	45.150	36.974	214
Retained earnings	(m)	2.041.879	1.996.729	1.886.532
Total liabilities	(m)	95.872	102.850	111.158

Cash flows

Cash flow from operating activities	(m)	83.671	68.912	20.185
Cash flow from financing activities	(m)	(23.749)	(417)	25.000
Cash flow from investing activities	(m)	(10.950)	(11.390)	(6.700)

Operations

Average daily oil production	(bpd)	15.043	15.589	15.040
Peak daily oil production	(bpd)	15.496	16.072	15.798
Total oil production	(barrels)	1.383.956	1.434.188	1.383.680
Total electricity production	(TWh)	3,60	1,87	3,15
Total installed capacity	(MW)	1.860	1.860	1.860
Installed capacity utilization	(%)	87,66	45,53	76,70

Per share statistics

Revenue per share	(\$)	192	180	99
Earnings per share - basic	(\$)	45	37	—
Earnings per share - diluted	(\$)	45	37	—
Cash flow per share*	(\$)	84	69	20
Issued ordinary shares		1.000	1.000	1.000

*From operating activities only

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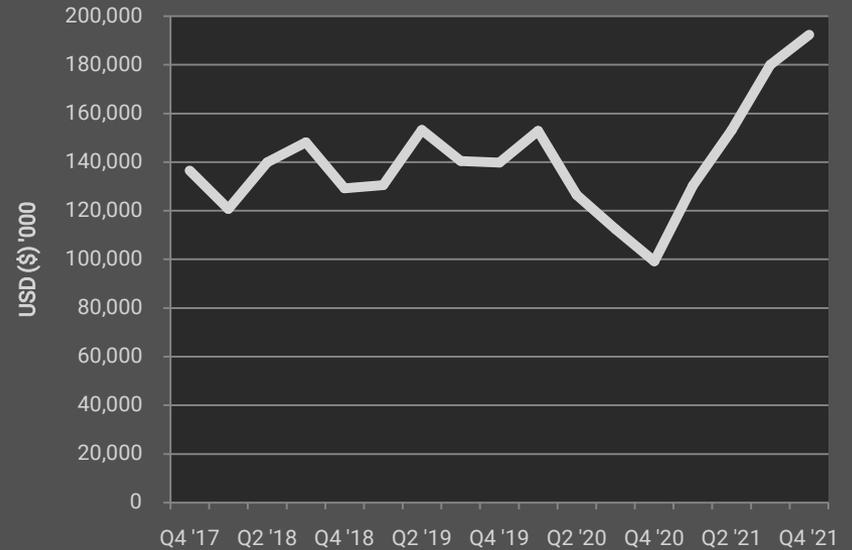


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The results that can be announced for this period represent a marked recovery in quarterly results, with a pre-tax profit of \$61,7 million from total revenues equating to \$192,4 million. A notable change from the same time twelve months ago, with turnover having almost doubled from the \$99,2 million reported for the same period last year, representing an increase of 93,9%. This particular revenue total is also a new record financial performance for the Group, with the profit disclosed being the highest three-month figure since the beginning of 2020, and thus also before the pandemic began. When our organization disclosed at this time one year ago a nominal profit of \$0,3 million for the three months ended December 2021, managers and directs had no realistic method for forecasting when this pandemic would ultimately end. However, the emergence of the latest variant-of-concern identified by the World Health Organization has so far been milder than previous mutations, meaning that the majority of national governments and industries did not impose restrictions on travel and business comparably to how these were prescribed earlier in the crisis. Consequently, whilst commodity prices and demand were volatile throughout the quarter, there was no catastrophic collapse in either, with the former gaining early in the period before weakening as unease emerged. Nevertheless, there was a brisk recovery in market prices once it was established that the latest version of coronavirus would not falter the ongoing economic recovery. This is despite Rusneftegaz being forced to close all of our offices in Russia for two weeks between late October and early November following local and national ordinances, leading to all our administrative staff working from home until the number of instances of viral cases reduced. Regardless, improving treatments and greater global vaccine coverage means that Rusneftegaz no longer believes that our published economic data will be affected by the aforementioned pandemic as a going concern.

One of the most significant factors that drove such an improvement in financial performance on a quarter-by-quarter basis was the annual increase in electricity production that occurs annually in the last months of every year. In this period, Rusneftegaz generated 3,60 TWh of energy, a rise of 14,3% from the 3,15 TWh previously announced in 2020 and by 92,5% from the 1,87 TWh declared in the third period of this year. This also yielded an 22,2% uplift in profits earned from the previous three months, when \$50,5 million was gained from turnover totaling \$179,9 million, underlying a 6,9% improvement. Although a surge in power production was the primary cause of the upturn in our results, oil extraction remains a key core element in our business model. Therefore, Rusneftegaz can also disclose that total production for this period equated to 1,38 million barrels, an average of 15.043 barrels per day, with a peak daily extraction of 15.496 barrels. This represents a quarterly decline in production of 3,5% from the previously announced figure of 1,43 million barrels, and no change

Quarterly revenue – Q4 2017 to present



Revenue has expanded 93,9% from the third period in 2020.



Pre-tax profits have grown 18.550,8% year-on-year.



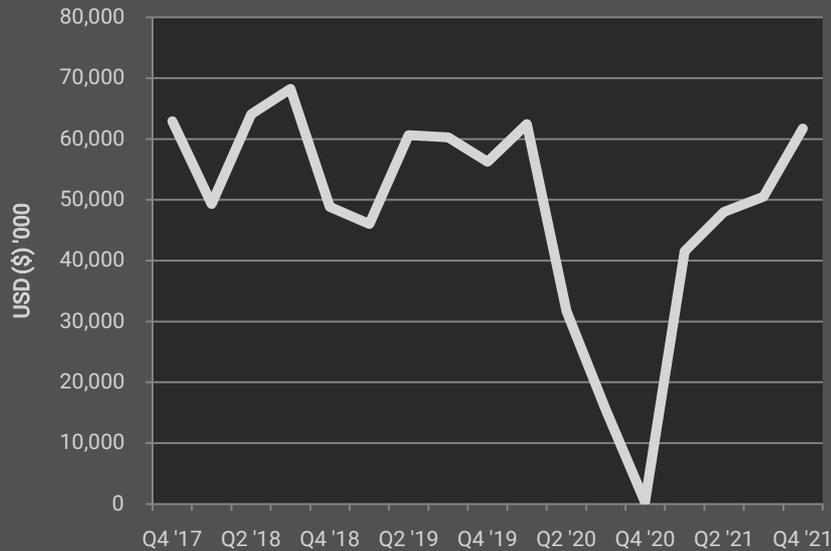
Operating cash flow escalated 232,2% on the same quarter this time last year.

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Quarterly pre-tax profit – Q4 2017 to present



Oil production is nominally higher than the same quarter twelve months ago.



The average daily petroleum extraction for the period has grown year-on-year.



Electricity generation has expanded 14,3% from the third quarter of 2020.

from the totals published from the same timeframe in 2020. These particular falls are not considered cause for concern by management, who remain wholly pleased with our quarterly financial data. In spite of this satisfaction, the board of directors did not elect to circulate a revised investment program during this quarter as initially proposed, with management wishing to continue to monitor the current health situation before making formal spending commitments. The changes were later promulgated in a briefing a few days ago. One event that did occur, on the other hand, was our annual awards ceremony at the beginning of December. The prize giving is an ample opportunity for us to display our gratitude to our staff for their hard work and achievements over the past twelve months, with special commendations being earned by twenty members of our team. Two of our personnel, Oleg Patrushev and Eduard Kopeykin, were named employee and young employee of the year respectively, and we hope that their outstanding endeavors will continue with us long into the future.

Whilst management have remained broadly optimistic about the prospects for our company in spite of the pandemic and the corresponding economic fallout, the global geopolitical situation has changed substantially following the end of the year. In the twelve months prior to the first quarter of 2022, the ruble was stable and there was little volatility in the value of the currency. However, following the escalation of the situation in the Donbass and the Black Sea regions since February, the board of directors has found it difficult to forecast our financial results for this year. It is not yet known if measures currently being implemented, including those that are currently being proposed, by other countries will affect Rusneftegaz's business or ability to trade internationally in the months or years ahead. It is vital to note, anyhow, that the majority of our sales are made in the Russian Federation, and our business is more dependent on local demand than global commerce. Whilst we remain vigilant to the possibility of hindrances to our growth occurring in the short term, management does not believe that this will necessarily undermine our operations. Our current expansion plans are not solely focused on development in the European Union and the Americas, and we retain interest in projects in emerging markets. Regardless of what occurs, we will remain adaptable in order to thrive, as we have done so through the entirety of our corporate history.

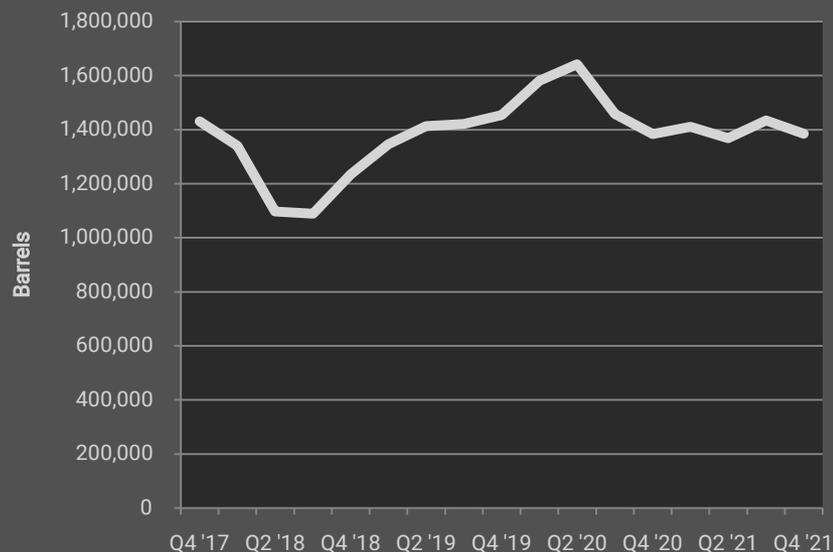
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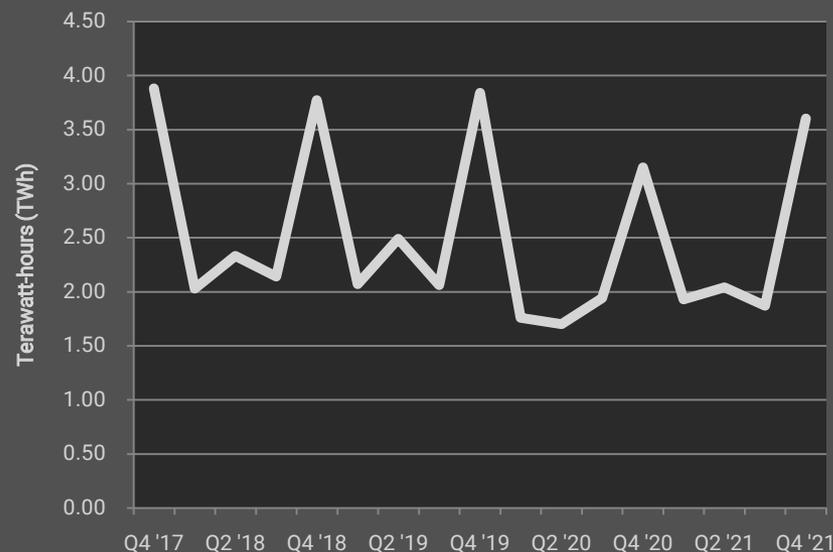


RUSNEFTEGAZ Q4 2021 OPERATING RESULTS

Quarterly oil production – Q4 2017 to present



Quarterly energy generation – Q4 2017 to present



Quarter	Q4 '17	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
Average barrels p/d	15.546	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

Quarter	Q4 '17	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
Total generated (TWh)	3,88	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

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