Rosneft Oil Company
IFRS Results
Q3 2020

November 13, 2020
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Facing the COVID-19 Challenge: Priority to People's Health and Well-being

### Care for employees
- Transition to remote work
- Regular testing (>560,000 tests)
- Psychological aid hotline
- >29.3 mln units of personal protective equipment
- Strict compliance with sanitary and epidemiological requirements
- >5.8 mln liters of disinfectant for offices and workplaces treatment

### Care for operations
- **Priority Action Plan** approved by the Board of Directors to ensure operational stability
- Emergency monitoring and response centers in 284 subsidiaries
- Epidemiological alertness regime in 117 rotation camps and 230 shift camps
- Rotation period is increased to 90 days
- 263 observation rooms for 21,400 patients and 398 isolation rooms for 13,400 patients

### Care for customers
- Production of two sanitizer components, ethyl alcohol (ethanol) and acetone
- 32,300 tons of acetone and 2,700 tons of ethyl alcohol sold on the domestic market
- Contactless fuel payment service
- Personal protective equipment and financial support for medical institutions
The Company's Progress in Sustainable Development is Reflected in Designated International ESG Ratings

**Bloomberg**
- One of the global leaders, ahead of most O&G companies
- Rating improved to 70.1

**CDP**
- The best Russian oil and gas company in the Global CDP climate change and water security rating
- The Climate change rating improved to B. Rosneft was assigned the B- Water security rating for the first time

**FTSE4Good**
- Rosneft was included in the international FTSE4Good Index
- The highest score in the Management category

**Refinitiv**
- Among top 10 industry leaders
- Rating improved to A

**Transition Pathway Initiative**
- 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

**Vigeo Eiris**
- The Company was included in the top 100 of 843 emerging market companies, representing 32 sectors of the economy from 31 countries
COVID-19 Impact on Crude Oil and Petroleum Products Demand

Oil demand in Europe, mmbd

Main petroleum products demand in Europe, mmt

Oil demand in Asia-Pacific region, mmbd

Domestic demand for main petroleum products, mmt

Source: Wood Mackenzie, Petromarket Research Group
Record Low Oil Prices Followed by Partial Recovery

Oil prices and differentials¹, $/bbl

Gross Upstream margin², ‘000 Rub/t

Note: (1) Monthly averages, (2) Calculated as Urals price less export customs duty and effective MET rate
Key Events

1. New tax initiatives for the Russian oil and gas sector were approved\(^1\)

2. Tightened cost control. Unit lifting costs reduced to $2.8 per bbl

3. Despite continued pressure from external factors, Q3 EBITDA exceeded the pre-crisis Q1 level

4. The Company generated positive free cash flow and continued to reduce debt

5. Over 80 mln shares and GDRs for a total of c. $370 mln have been purchased under the share buyback program\(^2\)

Note: (1) Come into force starting January 1, 2021, (2) Since the start of the Program as of November 6, 2020
## Impact of New Tax Initiatives

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>SUBJECT</th>
</tr>
</thead>
</table>
| **Cancellation of tax benefits for depleted fields with an option to switch to EPT regime** | Cancellation of MET relief  
Option to switch to EPT provided (Group 3)  
Provision of a 20% MET relief starting 2024 | c. 57 mmt of crude produced at depleted fields in 2019 subject to reduced MET rate |
| **Cancellation of tax benefits for high-vicious oil and export duty holidays for certain projects** | Zero/reduced MET and export duty rates were replaced by the standard ones, an option to switch to EPT provided | Russkoye,  
Vostochno-Messoyakhskoye  
Srednebotuobinskoye fields |
| **Revision of the EPT parameters** | Introduction of an increased MET coefficient for the fields included in Group 2  
Tax deductible historical costs, operating and capital expenses were limited | Prirazlomnoye field  
> 27 mmt of crude produced in 2019 at fields transferred to the EPT regime |
| **MET deduction for certain projects** | Reduction of the cut-off price for the MET deduction to $25/bbl Urals, zero MET period for greenfields extended to 16 years  
Provision of a MET deduction for the implementation of an investment agreement | Vankor cluster - funds for the construction of the Vostok Oil project infrastructure  
Priobskoye field - up to Rub 460 bn (until 2032) to finance the field development |

- mixed impact  
- negative impact  
- positive impact
Operating Results
Key Operating Indicators

### Liquids production, kbd
- **Q2’20 / Q3’20:** 4,036 / 3,908
- **9M’19 / 9M’20:** 4,674 / 4,193

### Gas production, mmcmd
- **Q2’20 / Q3’20:** 166.6 / 162.6
- **9M’19 / 9M’20:** 182.2 / 170.6

### Refining throughput, mmt
- **Q2’20 / Q3’20:** 2.51 / 2.94
- **9M’19 / 9M’20:** 7.31 / 8.22

- **in Russia:** 21.49 / 22.52
- **abroad:** 74.59 / 69.96
Navigating OPEC+ Environment

- The Company has started oil production cuts under the new OPEC+ agreement since May 2020
- Production cuts on a pro rata basis
- Stage 1 extended till the end of July 2020
- Easing of restrictions starting August until December 2020 under Stage 2
- Rapid production recovery in Stage 2 – a 6% increase already in early August
- Commitment to successful execution of the chosen approach to cut production:
  - Asset selection (to cut production) is based on economic efficiency
  - Continued development of new fields
  - Efficient long-cycle wellworks to be continued according to schedule
  - Efficient well stock management
Development of Key Oil Projects

**Severo-Komsomolskoye field**

- 3P (PRMS) reserves – 269 mmtoe
- The implementation of the 1st stage of full-scale field development (PK-1 horizon) has begun
- Development drilling is in progress, 51 wells have been drilled as of September 30, 2020
- Engineering preparation of the main facilities sites for the full-scale development of the field is underway

**Lodochnoye field**

- 3P (PRMS) reserves – 85 mmtoe
- Pilot development programs are being implemented with connection to the facilities of the Vankor field
- Development drilling is in progress, 41 well have been drilled as of September 30, 2020
- Construction and installation work is underway at infrastructure facilities and oil and gas processing facilities

**Erginskiy LA**

- 3P (PRMS) reserves – 89 mmtoe
- Launch – Q3 2020, production plateau – ~4.5 mmt (2024)
- Development drilling is in progress at 10 pads, 199 wells have been drilled as of September 30, 2020
- A 79 km pressure pipeline welding is completed, the pipeline was put into operation, shipping of commercial oil to the Transneft system began
- Construction of infrastructure facilities, pads, infield pipelines and electric power transmission lines is underway

**Severo-Danilovskoye**

- 3P (PRMS) reserves – 101 mmtoe
- Launch – Q4 2020, production plateau – ~2 mmt (2024)
- 95 well to be drilled, 13 wells have been drilled as of September 30, 2020. The majority of wells will be horizontal
- A 4 MW mobile power center was put into operation. The welding of the oil pipeline to the Verkhnechonskoye field is completed, preparatory work for hydraulic tests is underway
- Construction of pads, infrastructure facilities and motor roads is underway

Note: (1) Reserves volume of the entire field; (2) Reserves volume and production plateau of the entire field
The Company’s 9M 2020 gas production declined by 5.2% (YoY) compared to 8.1% total reduction in Russia¹.

The main growth driver is the Rospan project, which provides the largest incremental production increase for both gas and liquids.

Projects development at Sibneftegaz and Kharampurneftegaz fields is in active phase.

According to the Federal Antimonopoly Service gas prices for industrial consumers and citizens have been increased by 3% starting August 1, 2020.

Decrease of revenues was caused by demand reduction following warm weather conditions as well as external factors that negatively influenced end consumers.

Note: (1) Gas extracted less gas flared.
Refining

**Refining margins**, $/tonne

- Negative refining margin in Russia in Q3 2020 was caused by poor market environment:
  - Crude oil prices recovery
  - Decrease of wholesale prices starting August
  - Damper effect that remained in the negative zone. While its figure was better than in Q2 2020 providing positive margin dynamics in Q3
- Negative refining margin dynamics outside Russia in Q3 2020 was caused by crude oil prices recovery and reduction of key petroleum product crack spreads

**Key product prices less cost of feedstock, Russian refineries**, $/tonne

**Product output (mmt)**

Note: (1) Including the reverse excise tax on crude and damper for motor fuels. Prices for petroleum products are calculated «at the refinery gates»
Focus on Distribution Channels Development

Netbacks of the main crude oil marketing channels, $/tonne

Crude oil marketing breakdown, mmt

- In Q3 2020 crude oil supplies to non-CIS countries amounted to 23.5 mmt, including crude oil supplies eastwards that reached 13.0 mmt, i.e. 55.3% of total sales to non-CIS countries.
- In Q3 2020 crude oil exports to non-CIS countries amounted to 21.7 mmt while the share of 1+ years term contracts amounted to over 90%.
- In Q3 2020 motor fuel sales via the exchange exceeded the required level by 3x times.
Financial Results
Key Financial Indicators

- **366** Rub bn  
  Q3 2020 EBITDA  
  +18% vs. pre-crisis Q1

- **352** Rub bn  
  9M 2020 free cash flow

- **-5.7** $ bn  
  Reduction of debt and trading liabilities YTD
EBITDA and Net Income Dynamics

**EBITDA Q3 2020 vs. Q2 2020, Rub bn**

- Q2 2020: 170
- Exchange rate: 26
- Crude oil price: 157
- Share in profits of associates and JVs: 14
- Export duty lag: (8)
- Other taxes: 4
- Number of days: 6
- Damper and MET rates: 30
- Change in volumes: (7)
- Effect of provision recovery in Q2 2020: (23)
- OPEX: (9)
- General costs: 7
- Exploration costs: (1)
- Q3 2020: 366

**Net Income Q3 2020 vs. Q2 2020, Rub bn**

- Net income attr. to shareholders Q2 2020: 43
- Minorities: 2
- EBITDA: 196
- DDA: 5
- Financial expenses (net): (29)
- Other costs: (5)
- Pandemic costs: (1)
- Income tax: 21
- FX gains/losses: (282)
- Q3 2020: (50)
- Minorities: 14
- Net income attr. to shareholders Q3 2020: (64)
Costs Dynamics

**Lifting costs, Rub/boe**
- Q3'19: 201, -4.1%
- Q4'19: 196, -4.4%
- Q1'20: 191, -2.1%
- Q2'20: 208, 2.5%
- Q3'20: 205, 2.0%

**Refining costs in Russia, Rub/bbl**
- Q3'19: 184, 2.2%
- Q4'19: 220, 2.3%
- Q1'20: 181, -1.1%
- Q2'20: 207, 0.0%
- Q3'20: 226, 22.8%

**General and administrative costs1, Rub/boe**
- Q3'19: 64, -21.0%
- Q4'19: 90, -8.2%
- Q1'20: 73, -3.9%
- Q2'20: 90, 2.3%
- Q3'20: 74, 15.6%

**Producer Price Index (annual basis), %**
- Q3'19: -0.6%
- Q4'19: -5.6%
- Q1'20: -1.7%
- Q2'20: -11.6%
- Q3'20: -1.4%

**Note: (1) Excluding provisions**
**Strong Free Cash Flow**

### Free cash flow calculation, Rub bn

- Net cash provided by operating activities: 625
- Reimbursement of prepayments received (historical FX rate): 217
- Reimbursement of other financial obligations: 116
- FX rate change effect: 111
- Interest on prepayments: 29
- Net change in operations of subsidiary banks: (180)
- Prepayments for future supplies: 12
- Reimbursement of prepayments granted: (9)
- Adj. operating cash flow: 921

### CAPEX

- (569)

### Free cash flow

- 352

### Crude oil price and free cash flow dynamics, LTM

- Q3’19: 920
- Q4’19: 941
- Q1’20: 931
- Q2’20: 798
- Q3’20: 634

**Challenges**

- Extra costs associated with increased production
- Market volatility
- Government regulations

**Strategy**

- Focus on cost efficiency
- Maximize production
- Diversify revenue sources

**Future prospects**

- Positive growth in oil prices
- Increasing market demand
- Strategic partnerships with international companies

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*Note: All figures in Rub billion (bn)*
Debt Optimization

**Liquidity position as of September 30, 2020, $ bn**

![Bar chart showing liquidity position](chart1)

- Available credit lines
- Liquid financial assets

**Financial debt breakdown as of September 30, 2020**

![Pie chart showing debt breakdown](chart2)

- Rubles
- Foreign currencies
- Floating rates
- Fixed rates

**Gross debt and trading liabilities dynamics, $ bn**

![Graph showing debt dynamics](chart3)

**CBR key rate and LIBOR**

![Graph showing interest rate dynamics](chart4)
Following negative macro environment and production cuts, the CAPEX program was optimized by 20%.

The program still allows for fast project development recovery and production buildup whenever the market conditions change / production restrictions will be lifted.

Key areas for optimization:
- Postponing/eliminating less economically viable projects
- Rising hurdle rates for certain groups of projects
- Maintaining active pre-investment work on high-margin perspective projects
### Key Operational Highlights

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Q3 2020</th>
<th>Q2 2020</th>
<th>%</th>
<th>9M 2020</th>
<th>9M 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrocarbon production, incl. kboed</td>
<td>4,898</td>
<td>5,051</td>
<td>(3.0)%</td>
<td>5,232</td>
<td>5,783</td>
<td>(9.5)%</td>
</tr>
<tr>
<td>Liquids kboed</td>
<td>3,908</td>
<td>4,036</td>
<td>(3.2)%</td>
<td>4,193</td>
<td>4,674</td>
<td>(10.3)%</td>
</tr>
<tr>
<td>Gas kboed</td>
<td>990</td>
<td>1,015</td>
<td>(2.5)%</td>
<td>1,039</td>
<td>1,109</td>
<td>(6.3)%</td>
</tr>
<tr>
<td>Oil refining mmt</td>
<td>25.46</td>
<td>24.00</td>
<td>6.1%</td>
<td>78.18</td>
<td>81.90</td>
<td>(4.5)%</td>
</tr>
<tr>
<td>Product output in Russia mmt</td>
<td>21.76</td>
<td>20.93</td>
<td>4.0%</td>
<td>67.76</td>
<td>72.06</td>
<td>(6.0)%</td>
</tr>
</tbody>
</table>
## Key Financial Highlights

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Q3 2020</th>
<th>Q2 2020</th>
<th>%</th>
<th>9M 2020</th>
<th>9M 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA, Rub bn</td>
<td>366</td>
<td>170</td>
<td>&gt;100%</td>
<td>845</td>
<td>1 617</td>
<td>(47.7)%</td>
</tr>
<tr>
<td>Net Income, Rub bn</td>
<td>(64)</td>
<td>43</td>
<td>&gt;100%</td>
<td>(177)</td>
<td>550</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Net Income, Rub bn attributable to Rosneft shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted net income¹, Rub bn</td>
<td>108</td>
<td>(56)</td>
<td>–</td>
<td>86</td>
<td>733</td>
<td>(88.3)%</td>
</tr>
<tr>
<td>Adjusted operating cashflow², Rub bn</td>
<td>348</td>
<td>169</td>
<td>&gt;100%</td>
<td>921</td>
<td>1 293</td>
<td>(28.8)%</td>
</tr>
<tr>
<td>CAPEX, Rub bn</td>
<td>202</td>
<td>182</td>
<td>11.0%</td>
<td>569</td>
<td>634</td>
<td>(10.3)%</td>
</tr>
<tr>
<td>Free Cash Flow, Rub bn</td>
<td>146</td>
<td>(13)</td>
<td>–</td>
<td>352</td>
<td>659</td>
<td>(46.6)%</td>
</tr>
<tr>
<td>EBITDA, $ bn</td>
<td>5.0</td>
<td>2.5</td>
<td>100.0%</td>
<td>12.4</td>
<td>24.8</td>
<td>(50.0)%</td>
</tr>
<tr>
<td>Net Income, $ bn</td>
<td>(0.8)</td>
<td>0.7</td>
<td>–</td>
<td>(2.1)</td>
<td>8.5</td>
<td>–</td>
</tr>
<tr>
<td>Net Income, $ bn attributable to Rosneft shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted net income¹, $ bn</td>
<td>1.5</td>
<td>(0.8)</td>
<td>–</td>
<td>1.2</td>
<td>11.3</td>
<td>(89.4)%</td>
</tr>
<tr>
<td>Adjusted net income¹, $ bn attributable to Rosneft shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating cashflow², $ bn</td>
<td>4.7</td>
<td>2.4</td>
<td>95.8%</td>
<td>13.4</td>
<td>19.7</td>
<td>(32.0)%</td>
</tr>
<tr>
<td>CAPEX, $ bn</td>
<td>2.7</td>
<td>2.5</td>
<td>8.0%</td>
<td>8.0</td>
<td>9.7</td>
<td>(17.5)%</td>
</tr>
<tr>
<td>Free Cash Flow, $ bn</td>
<td>2.0</td>
<td>(0.1)</td>
<td>–</td>
<td>5.4</td>
<td>10.0</td>
<td>(46.0)%</td>
</tr>
<tr>
<td>Urals price, '000 Rub/bbl</td>
<td>3.17</td>
<td>2.26</td>
<td>40.1%</td>
<td>2.89</td>
<td>4.17</td>
<td>(30.8)%</td>
</tr>
</tbody>
</table>

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 2020 vs. 9M 2019, Rub bn

<table>
<thead>
<tr>
<th>Item</th>
<th>9M 2019</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax maneuver completion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPT effect</td>
<td></td>
<td></td>
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<tr>
<td>Crude oil price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share in profits of associates and JVs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export duty lag</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport tariffs indexation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damper and MET rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in volumes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery of provision accumulated in 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales mix and margin (trading)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPEX and general costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploration costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M 2019</td>
<td>1,617</td>
<td></td>
</tr>
</tbody>
</table>

### Net Income 9M 2020 vs. 9M 2019, Rub bn

<table>
<thead>
<tr>
<th>Item</th>
<th>9M 2019</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expenses (net)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other costs</td>
<td></td>
<td></td>
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<tr>
<td>Pandemic costs</td>
<td></td>
<td></td>
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<tr>
<td>Income tax</td>
<td></td>
<td></td>
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<tr>
<td>FX gains/losses</td>
<td></td>
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</tr>
<tr>
<td>9M 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minorities</td>
<td></td>
<td></td>
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<tr>
<td>Net income attr. to shareholders 9M 2020</td>
<td></td>
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</tr>
</tbody>
</table>

### Financial Highlights

- **EBITDA (9M 2020 vs. 9M 2019)**: 1,617 Rub bn vs. 845 Rub bn
- **Net Income (9M 2020 vs. 9M 2019)**: 550 Rub bn vs. 76 Rub bn
Calculation of Adjusted OCF

### Profit and Loss Statement

<table>
<thead>
<tr>
<th>№</th>
<th>Indicator</th>
<th>9M 2020, $ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Revenue, incl.</td>
<td>62.6</td>
</tr>
<tr>
<td>2</td>
<td>Costs and expenses, incl.</td>
<td>(57.4)</td>
</tr>
<tr>
<td></td>
<td>Reimbursement of prepayments granted</td>
<td>(0.1)</td>
</tr>
<tr>
<td>3</td>
<td>Operating profit (1+2)</td>
<td>5.2</td>
</tr>
<tr>
<td>4</td>
<td>Expenses before income tax</td>
<td>(7.2)</td>
</tr>
<tr>
<td>5</td>
<td>Income before income tax (3+4)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>6</td>
<td>Income tax</td>
<td>0.3</td>
</tr>
<tr>
<td>7</td>
<td>Net income (5+6)</td>
<td>(1.7)</td>
</tr>
</tbody>
</table>

### Cash Flow Statement

<table>
<thead>
<tr>
<th>9M 2020, $ bn</th>
<th>Indicator</th>
<th>№</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1.7)</td>
<td>Net income</td>
<td>1</td>
</tr>
<tr>
<td>7.0</td>
<td>Adjustments to reconcile net income to cash flow from operations, incl.</td>
<td>2</td>
</tr>
<tr>
<td>(4.6)</td>
<td>Reimbursement of prepayments received under crude oil and petroleum products supply contracts</td>
<td>2</td>
</tr>
<tr>
<td>(1.7)</td>
<td>Reimbursement of other financial obligations received</td>
<td>3</td>
</tr>
<tr>
<td>0.1</td>
<td>Reimbursement of prepayments granted under crude oil and petroleum products supply contracts</td>
<td>3</td>
</tr>
<tr>
<td>4.3</td>
<td>Changes in operating assets and liabilities, incl.</td>
<td>4</td>
</tr>
<tr>
<td>(0.4)</td>
<td>Interest on prepayments under long-term crude oil supply contracts</td>
<td>4</td>
</tr>
<tr>
<td>(0.3)</td>
<td>Income tax payments, interest and dividends received</td>
<td>5</td>
</tr>
<tr>
<td>9.3</td>
<td>Net cash from operating activities (1+2+3+4)</td>
<td>5</td>
</tr>
<tr>
<td>(2.7)</td>
<td>Net change in operations of subsidiary banks</td>
<td>6</td>
</tr>
<tr>
<td>0.2</td>
<td>Prepayments for future supplies</td>
<td>7</td>
</tr>
<tr>
<td>6.6</td>
<td>Effect from prepayments</td>
<td>8</td>
</tr>
<tr>
<td>13.4</td>
<td>Adjusted operational cash flow (5+6+7+8)</td>
<td>9</td>
</tr>
</tbody>
</table>
Finance Expenses, Rub bn

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Q3 2020</th>
<th>Q2 2020</th>
<th>%</th>
<th>9M 2020</th>
<th>9M 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interest accrued(^1)</td>
<td>66</td>
<td>63</td>
<td>4.8%</td>
<td>194</td>
<td>215</td>
<td>(9.8)%</td>
</tr>
<tr>
<td>2. Interest paid and offset(^2)</td>
<td>64</td>
<td>60</td>
<td>6.7%</td>
<td>190</td>
<td>211</td>
<td>(10.0)%</td>
</tr>
<tr>
<td>3. Change in interest payable (1-2)</td>
<td>2</td>
<td>3</td>
<td>(33.3)%</td>
<td>4</td>
<td>4</td>
<td>–</td>
</tr>
<tr>
<td>4. Interest capitalized(^3)</td>
<td>32</td>
<td>32</td>
<td>–</td>
<td>100</td>
<td>121</td>
<td>(17.4)%</td>
</tr>
<tr>
<td>5. Net loss from operations with financial derivatives(^4)</td>
<td>3</td>
<td>(4)</td>
<td>–</td>
<td>6</td>
<td>–</td>
<td>100.0%</td>
</tr>
<tr>
<td>6. Increase in provision due to the unwinding of a discount</td>
<td>6</td>
<td>6</td>
<td>–</td>
<td>18</td>
<td>14</td>
<td>28.6%</td>
</tr>
<tr>
<td>7. Interest on prepayments under long-term oil and petroleum products supply contracts</td>
<td>8</td>
<td>9</td>
<td>(11.1)%</td>
<td>29</td>
<td>56</td>
<td>(48.2)%</td>
</tr>
<tr>
<td>8. Change in fair value of financial assets</td>
<td>(1)</td>
<td>(20)</td>
<td>(95.0)%</td>
<td>1</td>
<td>–</td>
<td>100.0%</td>
</tr>
<tr>
<td>9. Increase in loss allowance for expected credit losses on debt financial assets</td>
<td>4</td>
<td>–</td>
<td>100.0%</td>
<td>5</td>
<td>3</td>
<td>66.7%</td>
</tr>
<tr>
<td>10. Other finance expenses</td>
<td>1</td>
<td>3</td>
<td>(66.7)%</td>
<td>7</td>
<td>9</td>
<td>(22.2)%</td>
</tr>
<tr>
<td><strong>Total finance expenses</strong></td>
<td><strong>55</strong></td>
<td><strong>25</strong></td>
<td><strong>120.0%</strong></td>
<td><strong>160</strong></td>
<td><strong>176</strong></td>
<td><strong>(9.1)%</strong></td>
</tr>
</tbody>
</table>

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 2020 EBITDA and net income sensitivity to +/- 10% change in Urals price, Rub bn

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(113)</td>
<td>(90)</td>
</tr>
</tbody>
</table>

-10% 40.8 $/bbl  +10%

9M 2020 EBITDA and net income sensitivity to +/- 10% change in Rub/$ exchange rate, Rub bn

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(149)</td>
<td>(119)</td>
</tr>
</tbody>
</table>

-10% 70.8 Rub/$  +10%