

2021 Operational and Financial Results Conference Call



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17 February 2022



Disclaimer – Forward Looking Statement

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “will,” “may,” “should” and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for our products; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- changes in the balance of oil and gas supply and demand in Russia and Europe;
- the effects of domestic and international oil and gas price volatility and changes in regulatory conditions, including prices and taxes;
- the effects of competition in the domestic and export oil and gas markets;
- our ability to successfully implement any of our business strategies;
- the impact of our expansion on our revenue potential, cost basis and margins;
- our ability to produce target volumes in the face of restrictions on our access to transportation infrastructure;
- the effects of changes to our capital expenditure projections on the growth of our production;
- inherent uncertainties in interpreting geophysical data;
- commercial negotiations regarding oil and gas sales contracts;
- changes to project schedules and estimated completion dates;
- potentially lower production levels in the future than currently estimated by our management and/or independent petroleum reservoir engineers;
- our ability to service our existing indebtedness;
- our ability to fund our future operations and capital needs through borrowing or otherwise;
- our success in identifying and managing risks to our businesses;
- our ability to obtain necessary regulatory approvals for our businesses;
- the effects of changes to the Russian legal framework concerning currently held and any newly acquired oil and gas production licenses;
- changes in political, social, legal or economic conditions in Russia and the CIS;
- the effects of, and changes in, the policies of the government of the Russian Federation, including the President and his administration, the Prime Minister, the Cabinet and the Prosecutor General and his office;
- the effects of international political events;
- the effects of technological changes;
- the effects of changes in accounting standards or practices; and
- inflation, interest rate and exchange rate fluctuations.

This list of important factors is not exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

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Summary Operational Highlights – 2021

Record revenues - RR 1,156.7 bln (an increase of 62.5% compared to 2020)

Record normalized EBITDA* - RR 748.3 bln (an increase of 90.9% compared to 2020)

Record normalized profit* excluding the effect of foreign exchange gain (losses) - RR 421.3 bln (an increase of 149.3% compared to 2020)

Record free cash flow - RR 228.2 bln (compared to RR -32.7 bln in 2020)

Record hydrocarbons production - 626.3 mmboe (an increase of 3.0% compared to 2020).

*Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration).

Key Events 2021

- Yamal LNG plant launched the 4th train with a nameplate capacity of 0.9 mmtpa of LNG. The total nameplate capacity was increased to 17.4 mmtpa.
- Arctic LNG 2 signed the loan agreements for external financing with Russian and international financial institutions and commercial banks with a maximum aggregate volume of 9.5 billion euros for up to 15 years.
- At the end of 2021, the overall project completion rate of the Arctic LNG 2 was estimated at 59%, with the progress on the construction of the first LNG train estimated at 78% complete.
- NOVATEK obtained licenses for the North-Gydanskiy license area, Arkticheskoye and Neytinskoye fields.
- NOVATEK started production from gas condensate deposits at the Kharbeyskoye field, part of the North-Ruskiy cluster.
- 🌱 As part of our work to further decarbonize our LNG value chain and develop the Company's low-carbon projects, we signed agreements with international and Russian companies (TotalEnergies, RWE, JBIC, Fortum, Uniper, Severstal, Sberbank, Gazprombank).
- 🌱 NOVATEK became signatory to the Principles of the UN Global Compact regarding human rights, labor standards, environmental protection, and anti-corruption.

Improving carbon management in 2021

Enhancing climate change management on the BoD level

- BoD Subcommittee on Climate and Alternative Energy was established
- 4 meetings were held in 2021

Improving the reliability and accuracy of the data

- GHG emissions management system was confirmed to comply with ISO standard
- First independent audit verified GHG emissions data in 2021

Improving transparency

- New Disclosure:
 - Scope 3 emissions
 - Scope 1 emissions by source
 - Physical risks in Permafrost
- Active cooperation with non-profit organizations:
 - Methane Guiding Principles
 - International Group of Liquefied Natural Gas Importers



Reducing GHG emissions in 2021

OUR TARGETS (2030)

9.96 tons/mmboe

Methane intensity

11.7 tons of CO₂e/mboe

GHG emissions intensity
in upstream

0.249 tons of CO₂e/ ton of LNG

GHG emissions per ton of LNG
produced

Energy Saving Program for 2022-2024 approved

Renewable energy for own needs:

- wind measurement in Sabetta launched
- renewable power supply agreement with Fortum

Carbon capture and storage projects:

- international certification for long-term CO₂ storage sites in January 2022

Pilot satellite monitoring for methane leakage detection performed

DEVELOPING COOPERATION ON DECARBONIZATION IN 2021

> 10 agreements



Sustainable Development in 2021



NOVATEK became signatory to the UN Global Compact



United Nations
Global Compact

Corporate Governance improvements

Human rights policy approved and published

Biodiversity Conservation Management standard approved

Improving Disclosure

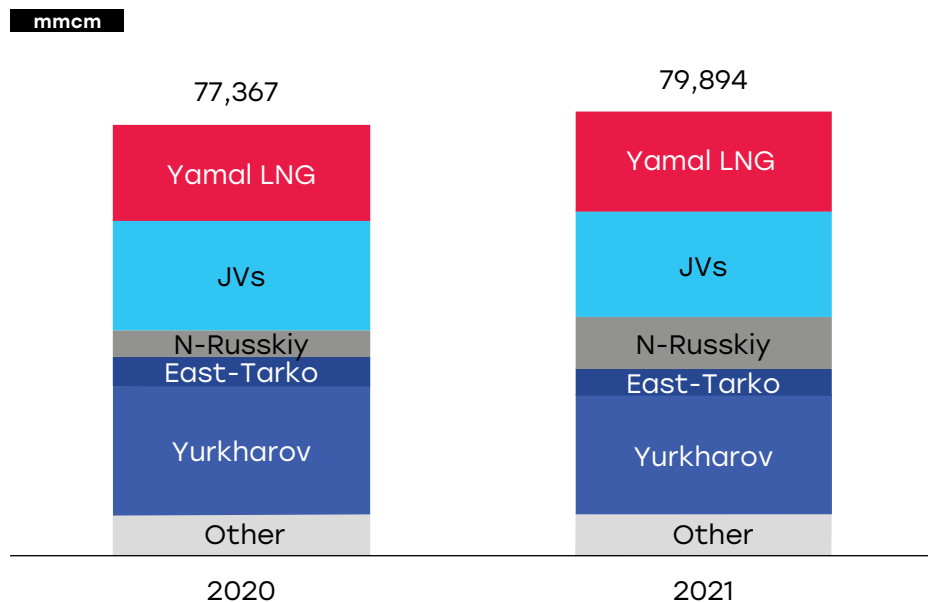
ESG databook

100+ new ESG metrics vs. 2018

Operational Overview

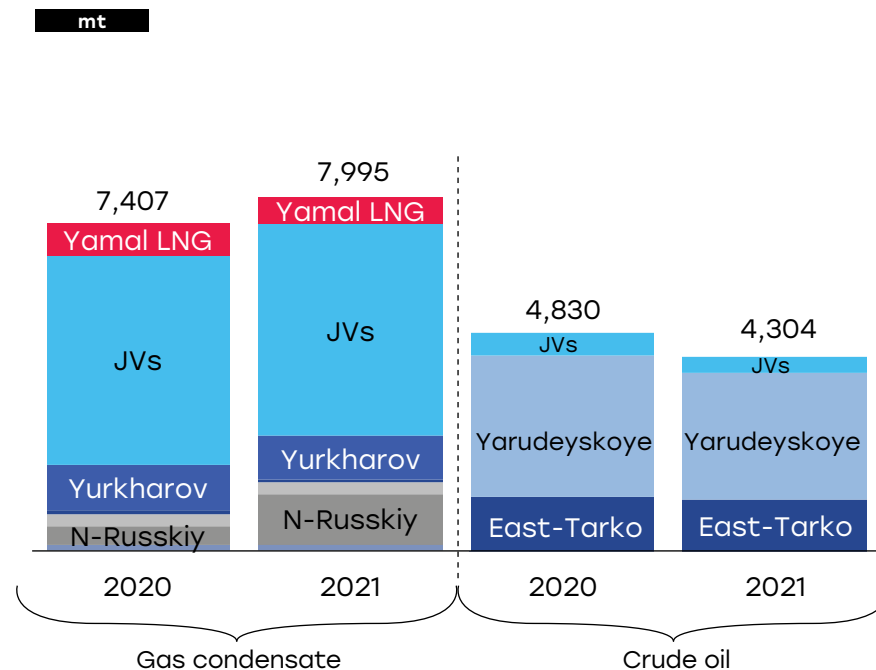
Hydrocarbon Production

NATURAL GAS PRODUCTION



N-Russkiy includes production at the North-Russkoye, East-Tazovskoye, Dorogovskoye and Kharbeyskoye fields

LIQUIDS PRODUCTION



The commissioning of gas condensate deposits within the fields of the North-Russkiy cluster (the North-Russkoye and East-Tazovskoye fields in the third quarter 2020, as well as the Kharbeyskoye field in the fourth quarter 2021) fully offset the declines in hydrocarbons production at mature fields of our subsidiaries and joint ventures.

Purovsky Plant and Ust-Luga Complex

Purovsky Plant

Total volumes delivered in 2021: 12,820 mt

- North-Russkiy cluster: 1,068 mt
- Yurkharovskoye field: 972 mt
- East-Tarkosalinskoye and Khancheyskoye fields: 414 mt
- Other fields: 468 mt
- Purchases from our joint ventures and 3rd parties: 9,898 mt

Total output of marketable products: 12,742 mt

- Stable gas condensate: 9,352 mt
- LPG: 3,390 mt

Ust-Luga Complex

Total volumes delivered in 2021: 6,958 mt

Total output of marketable stable gas condensate refined products: 6,779 mt

- Naphtha: 4,344 mt
- Other products: 2,435 mt

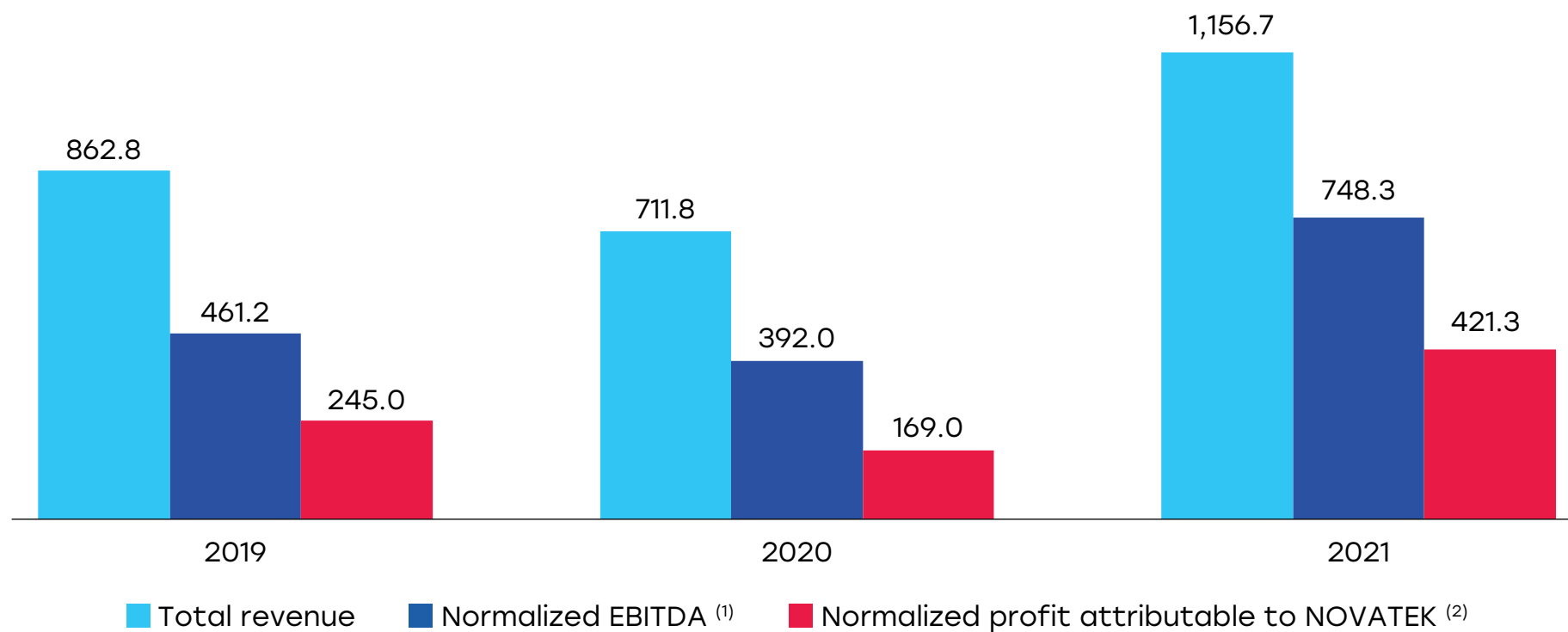
Stable gas condensate refined products sold: 6,785 mt

- to Europe: 2,481 mt
- to the Asian Pacific Region: 2,627 mt
- to North America: 1,008 mt
- Other: 669 mt



Financial Overview – 2021 to 2020

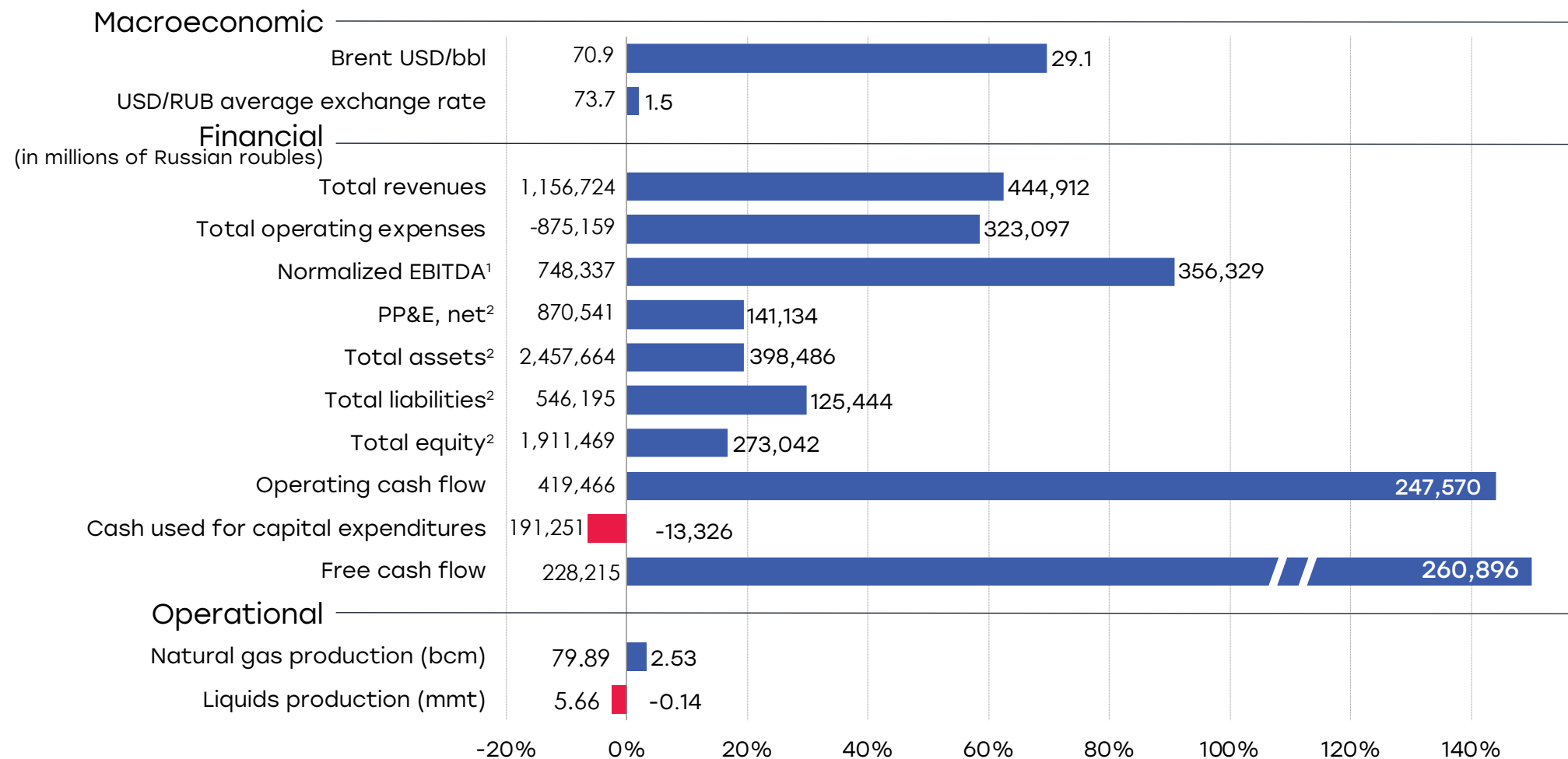
Financial Overview



⁽¹⁾ Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration)

⁽²⁾ Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration). And excluding the effect of foreign exchange gains (losses) of subsidiaries and our proportionate share in foreign exchange gains (losses) of our joint ventures

Performance Summary 2021/2020

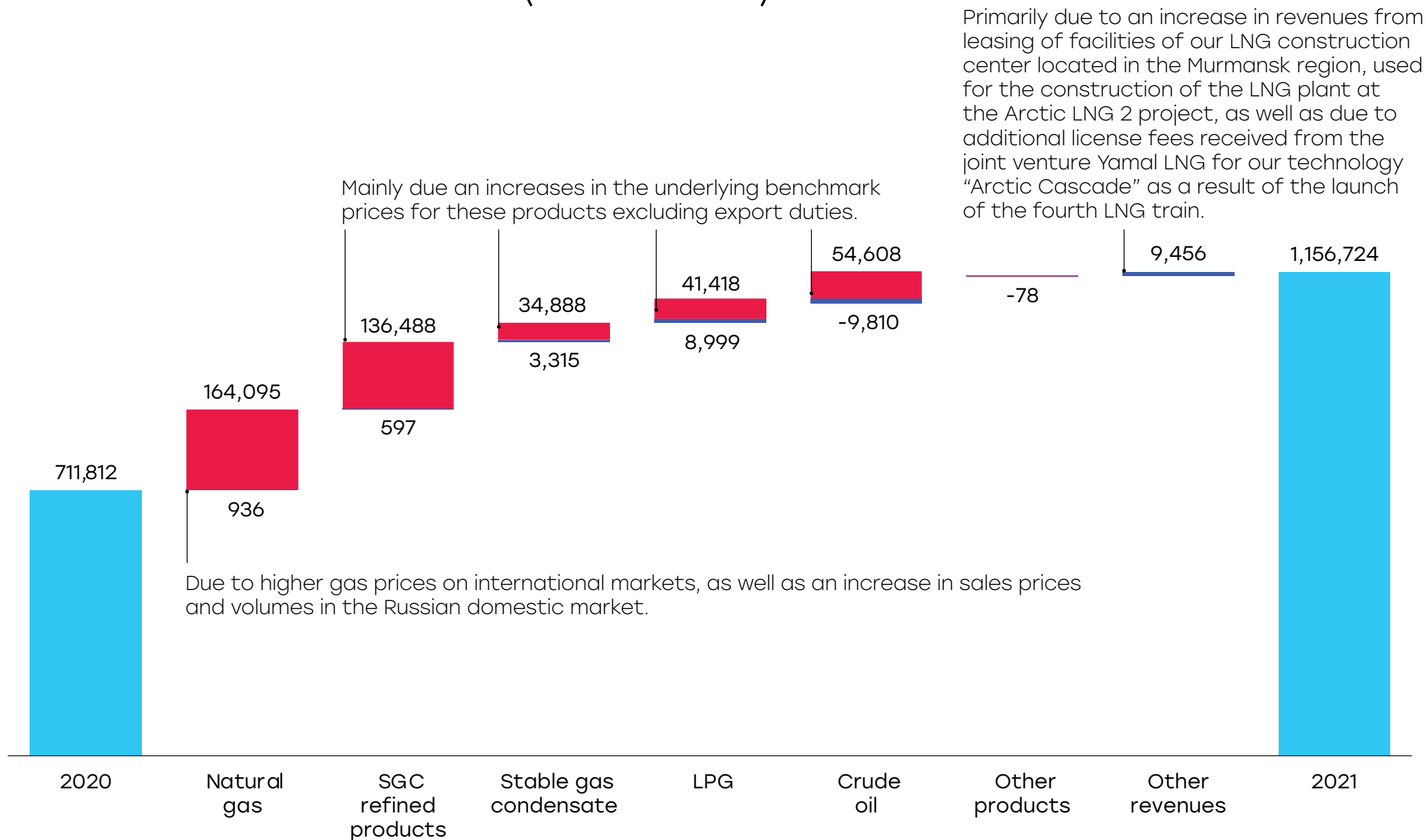


(1) Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration)

(2) 31.12.2021 to 31.12.2020

Note: Number on the right is the absolute change, number on the left is the value for the reporting period, size of bar is % change

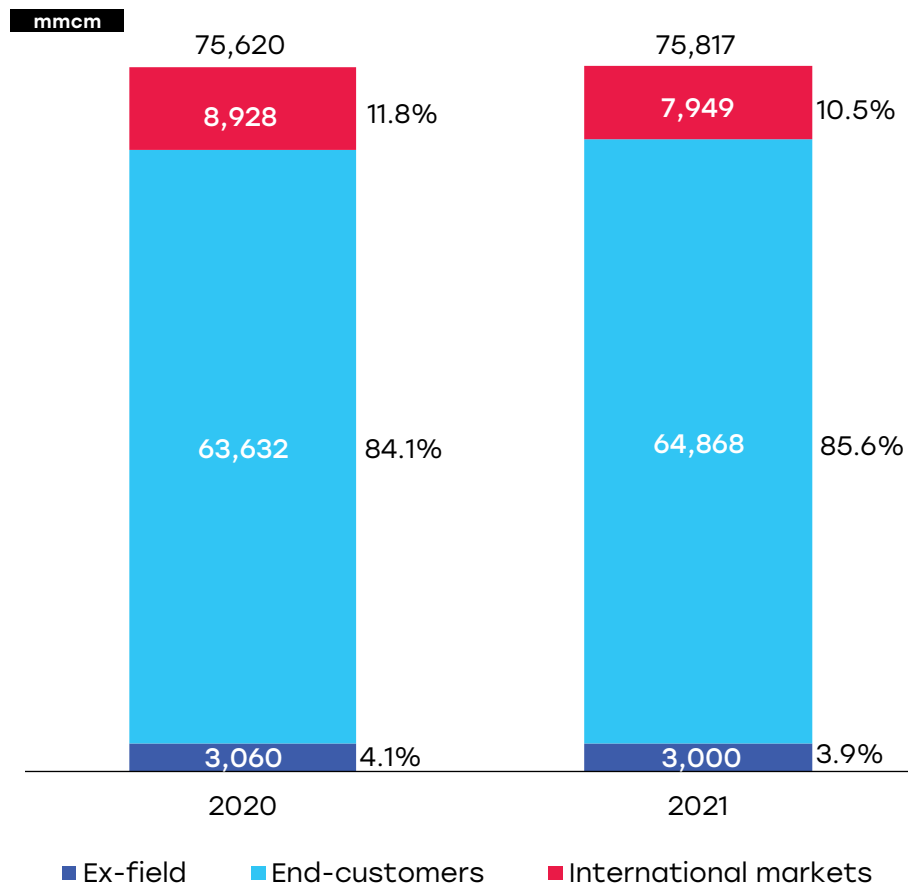
Total Revenues (RR million)



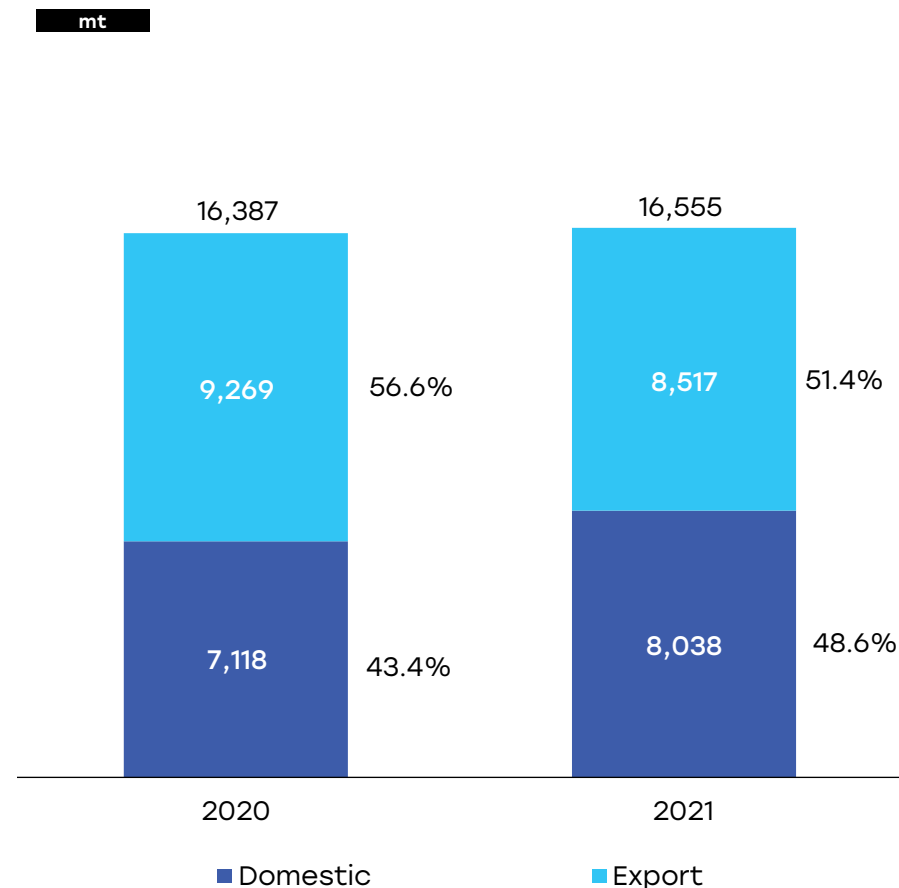
■ Change due to volume ■ Change due to price

Market Distribution - Sales Volumes

NATURAL GAS SALES VOLUMES



LIQUIDS SALES VOLUMES

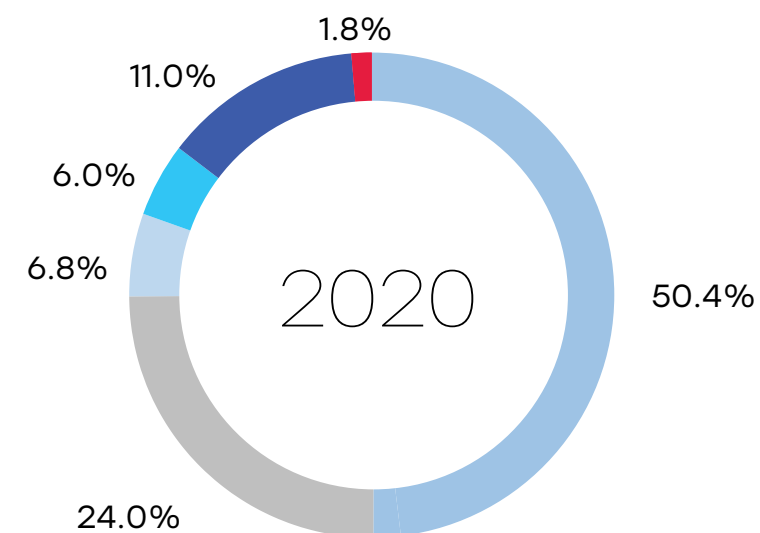
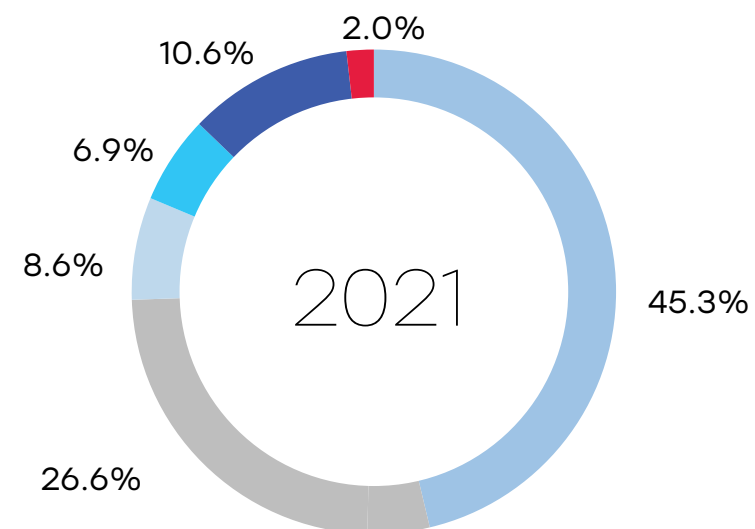


An increase in natural gas sales volumes on the domestic market fully offset a decline in volumes sold on the international markets. The increase in volumes sold on the domestic market resulted from the launch of additional production facilities, as well as higher demand from end-customers due to weather conditions. The decline in natural gas volumes sold on the international markets was due to a decrease in LNG sales volumes purchased primarily from our joint venture OAO Yamal LNG as a result of an increase in the share of Yamal LNG's direct LNG sales under long-term contracts.

Liquids sales volumes increased primarily due to an increase in gas condensate production.

Total Revenues Breakdown (RR billion)

- Natural gas, including LNG
- Stable gas condensate refined products
- LPG
- Stable gas condensate
- Crude oil
- Other



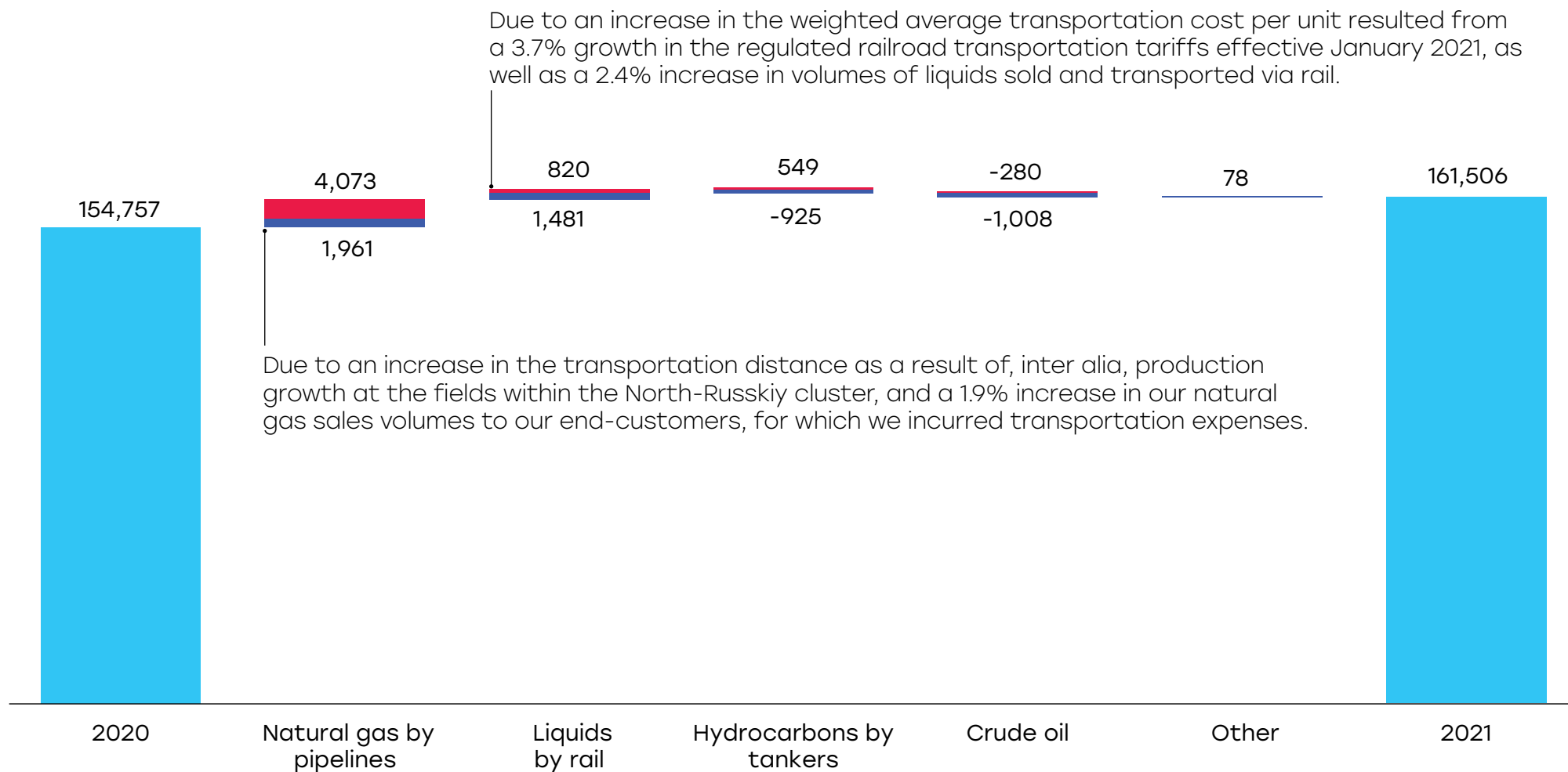
Operating Expenses

(RR million and % of Total Revenues (TR))

	2020	% of TR	2021	% of TR
Transportation expenses	154,757	21.7%	161,506	14.0%
Taxes other than income tax	54,501	7.7%	88,506	7.7%
Non-controllable expenses	209,258	29.4%	250,012	21.7%
Depreciation and amortization	39,238	5.5%	56,599	4.9%
Materials, services & other	29,577	4.2%	34,442	3.0%
General and administrative	26,795	3.8%	34,250	3.0%
Exploration expenses	9,103	1.3%	9,582	0.8%
Net impairment expenses (reversals)	254	n/a	1,908	0.2%
Change in natural gas, liquids and WIP	2,613	0.4%	-8,916	n/a
Subtotal operating expenses	316,838	44.6%	377,877	32.7%
Purchases of natural gas and liquid hydrocarbons	235,224	33.0%	497,282	43.0%
Total operating expenses	552,062	77.6%	875,159	75.7%

Our total operating expenses increased by 58.5% mainly due to an increase in global hydrocarbon commodity prices, which resulted in an increase in average hydrocarbon purchase prices and UPT rates.

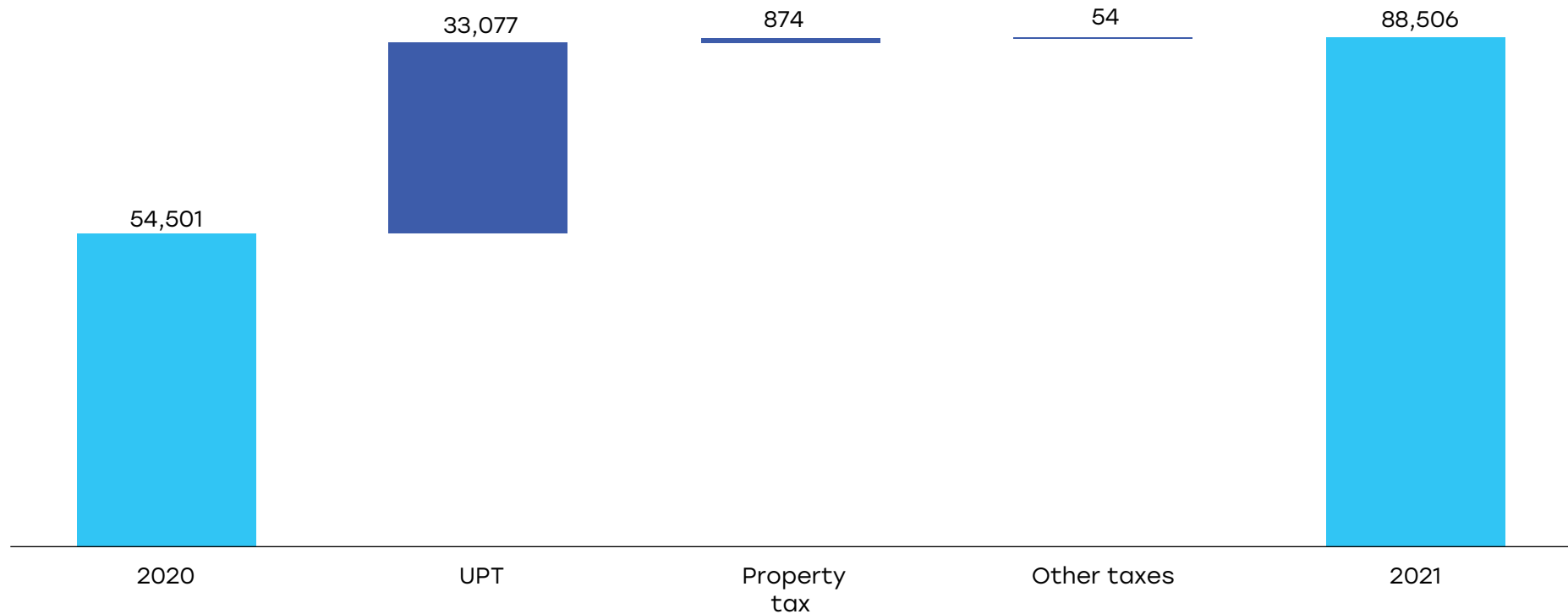
Transportation Expenses (RR million)



■ Change due to volume ■ Change due to tariff/geography

Taxes Other Than Income Tax Expense

(RR million)

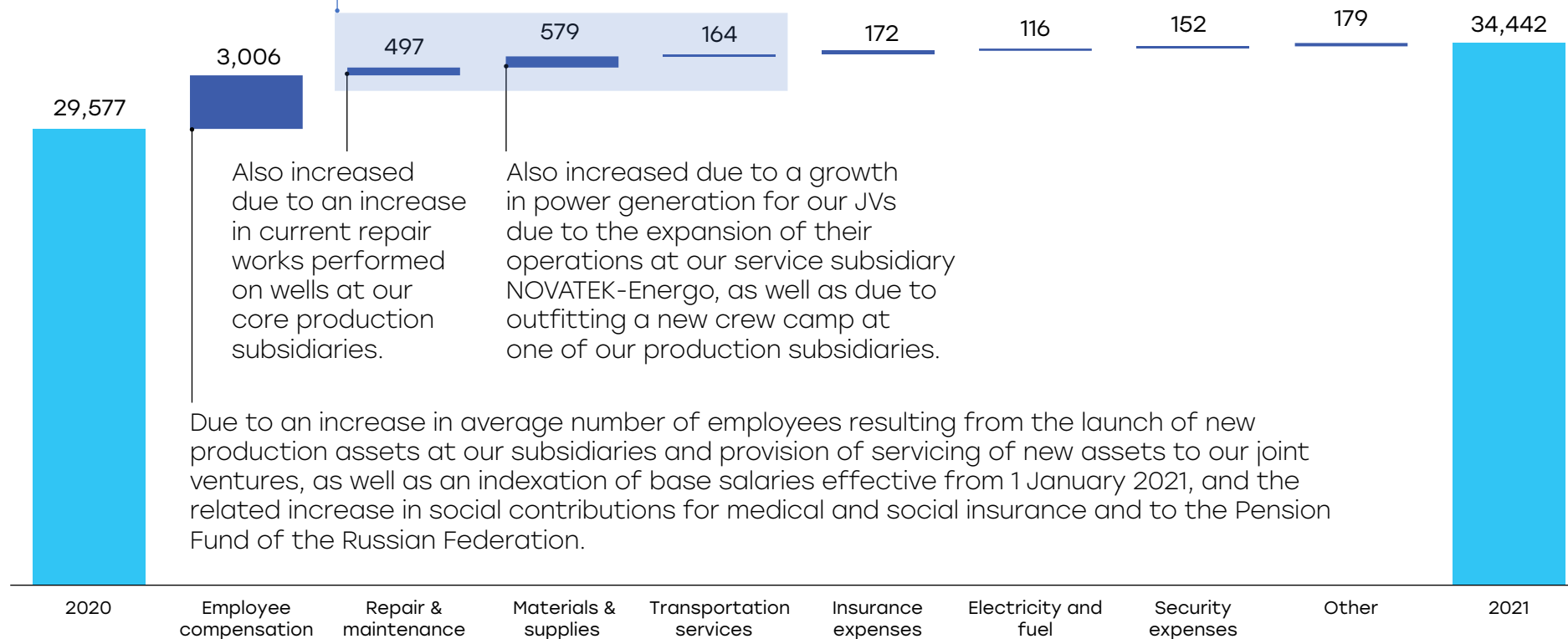


Our UPT expense increased primarily due to an increase in UPT rates, as well as an increase in gas condensate and natural gas production volumes. The increase in UPT rates was due to an increase in benchmark crude oil prices and changes in the UPT rates formulas caused by the completion of the tax maneuver in the oil and gas industry.

Materials, Services and Other Expenses

(RR million)

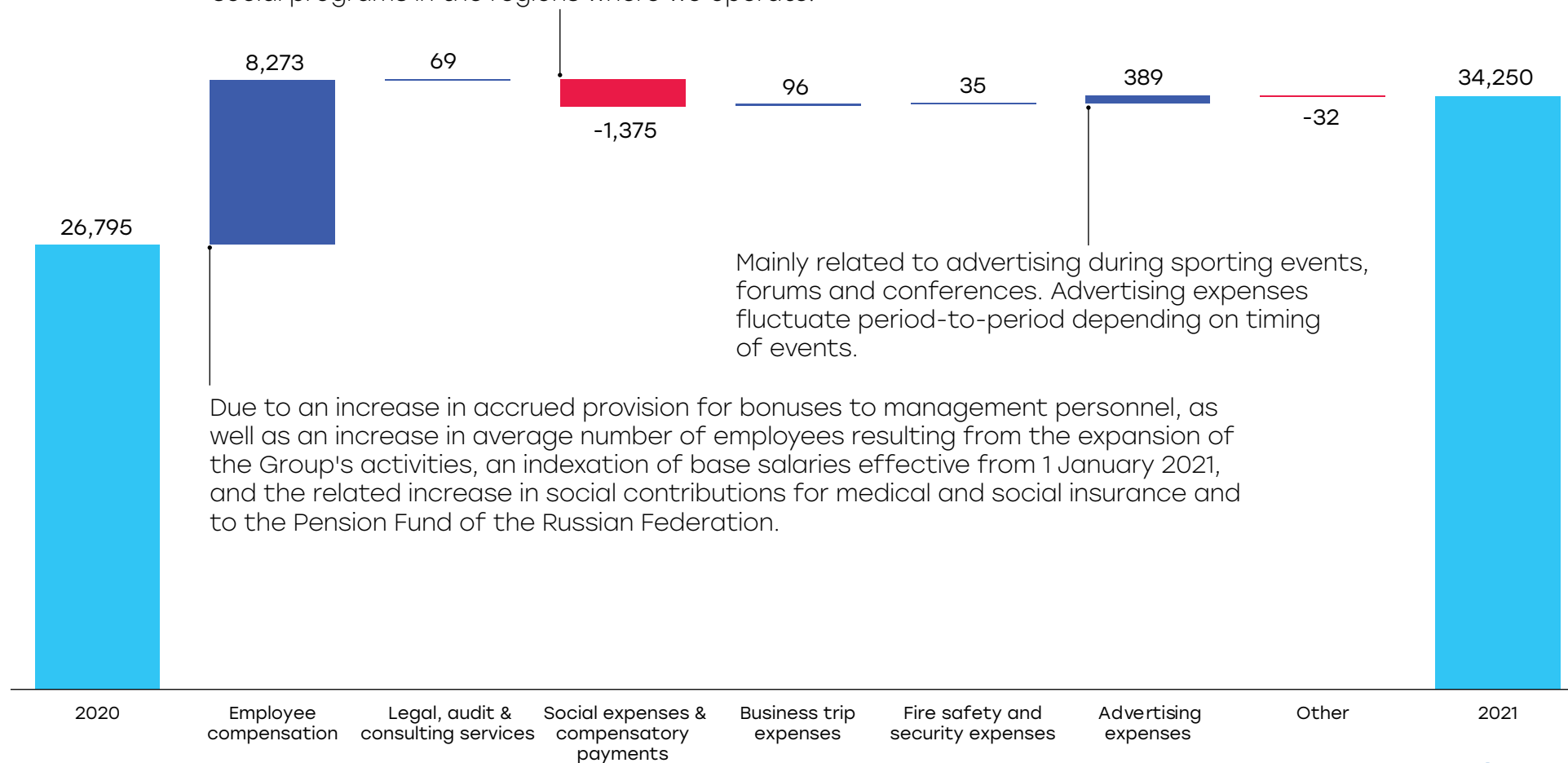
The launch of gas condensate deposits at the fields within the North-Ruskiy cluster resulted in an increase in maintenance expenses, expenses for materials and supplies required to maintain the technological process, as well as the expenses for its transportation.



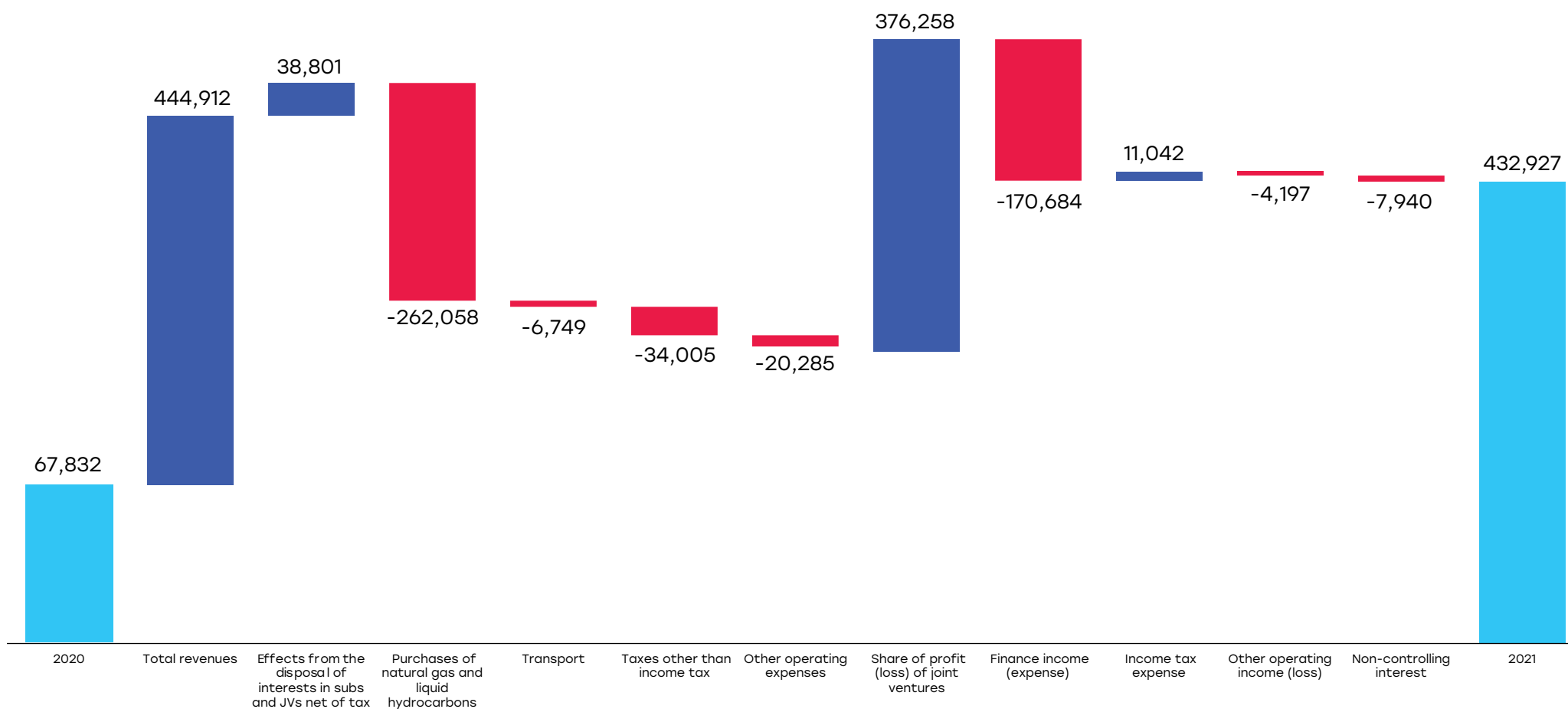
General and Administrative Expenses

(RR million)

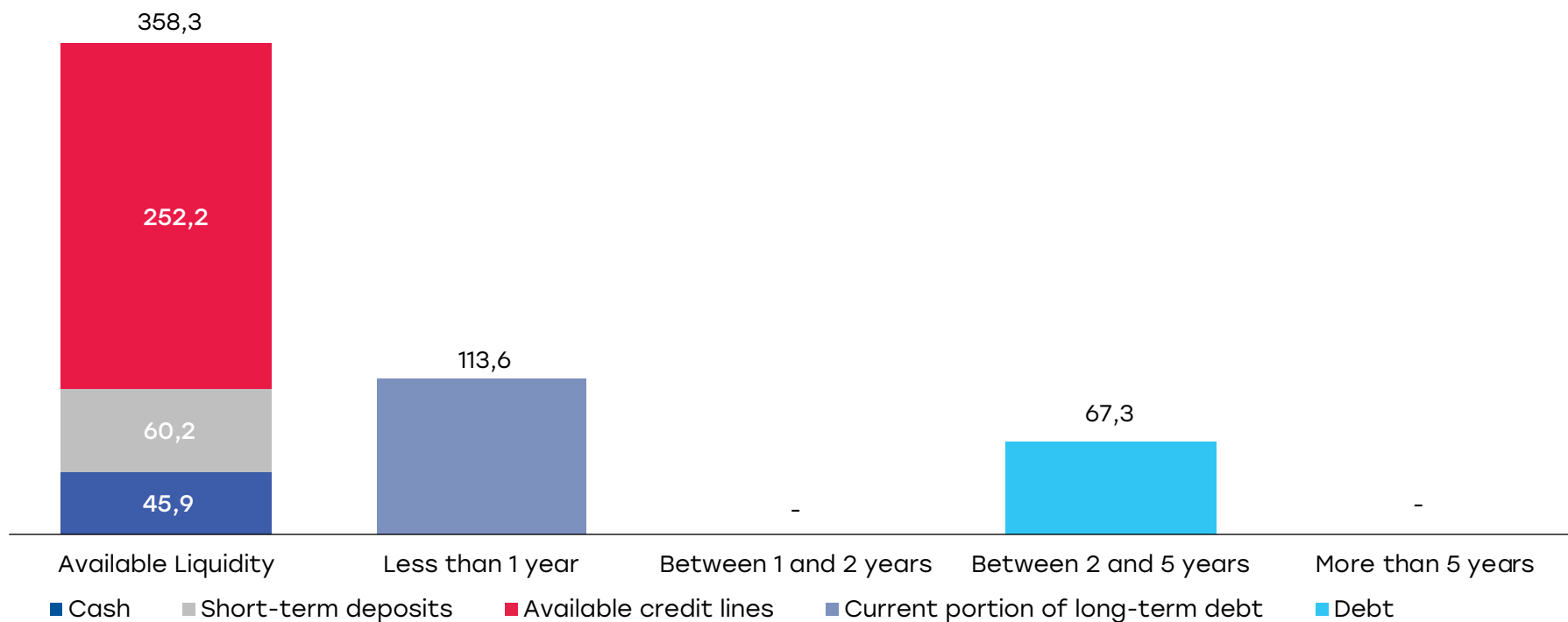
In 2021, we recorded compensatory payments in the total amount of RR 537 million, which primarily related to the development of the East-Tambeyskiy and North-Obskiy license areas and the East-Tarkosalinskoye field. In 2020, compensatory payments amounted to RR 1,602 million and mainly related to the development of the Yurkharovskoye and West-Yurkharovskoye fields, the Nyakhartinskiy and West-Yaroyakhinskiy license areas. The remaining expenses represented our social expenses and related to continued support of charities and social programs in the regions where we operate.



Profit Attributable to NOVATEK Shareholders (RR million)



Total Debt Maturity Profile (RR billion)



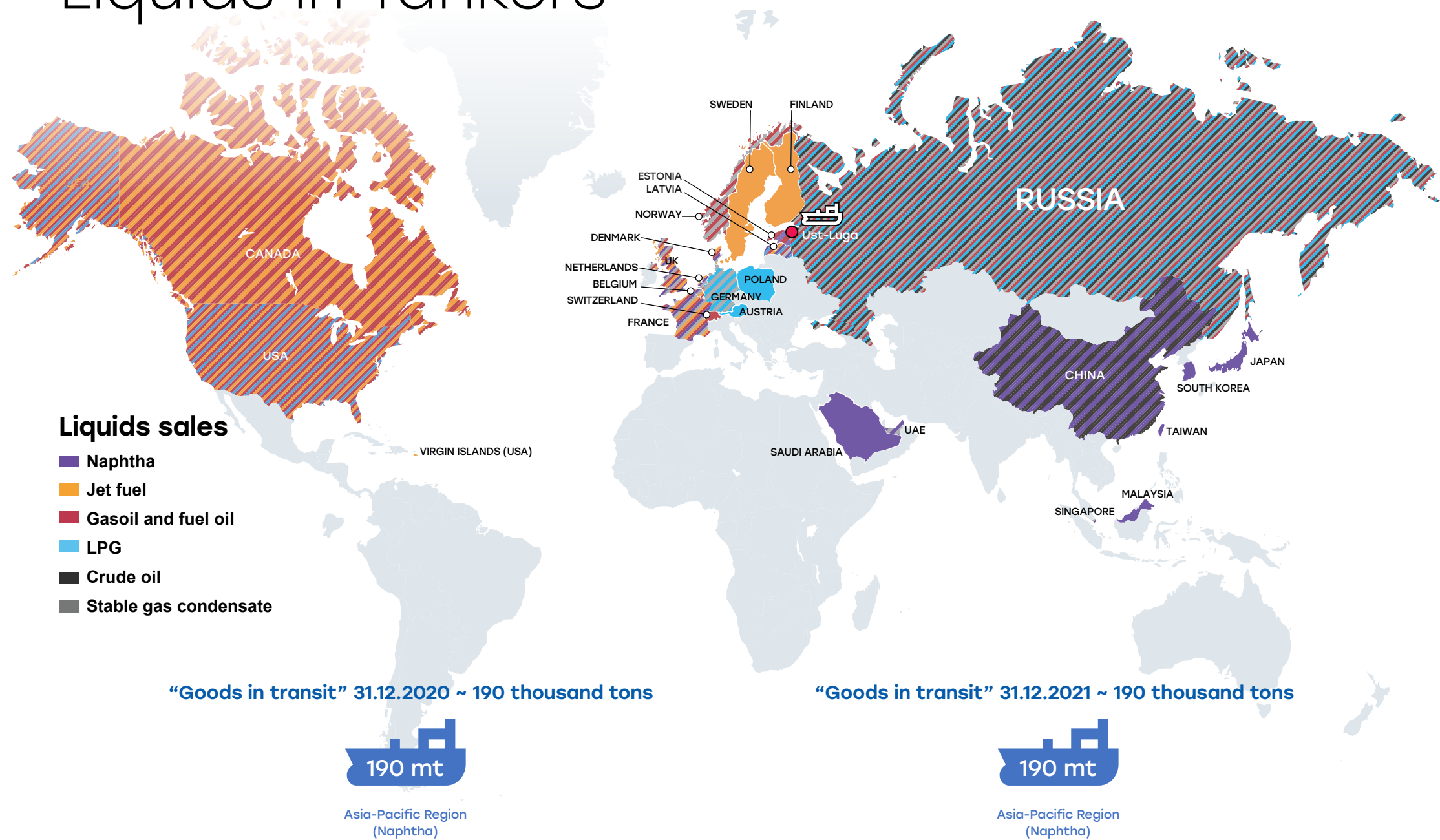
DEBT REPAYMENT SCHEDULE:

up to 31 december 2022 – loan from the Silk Road Fund, eurobonds ten-year (USD one bln) and other loans

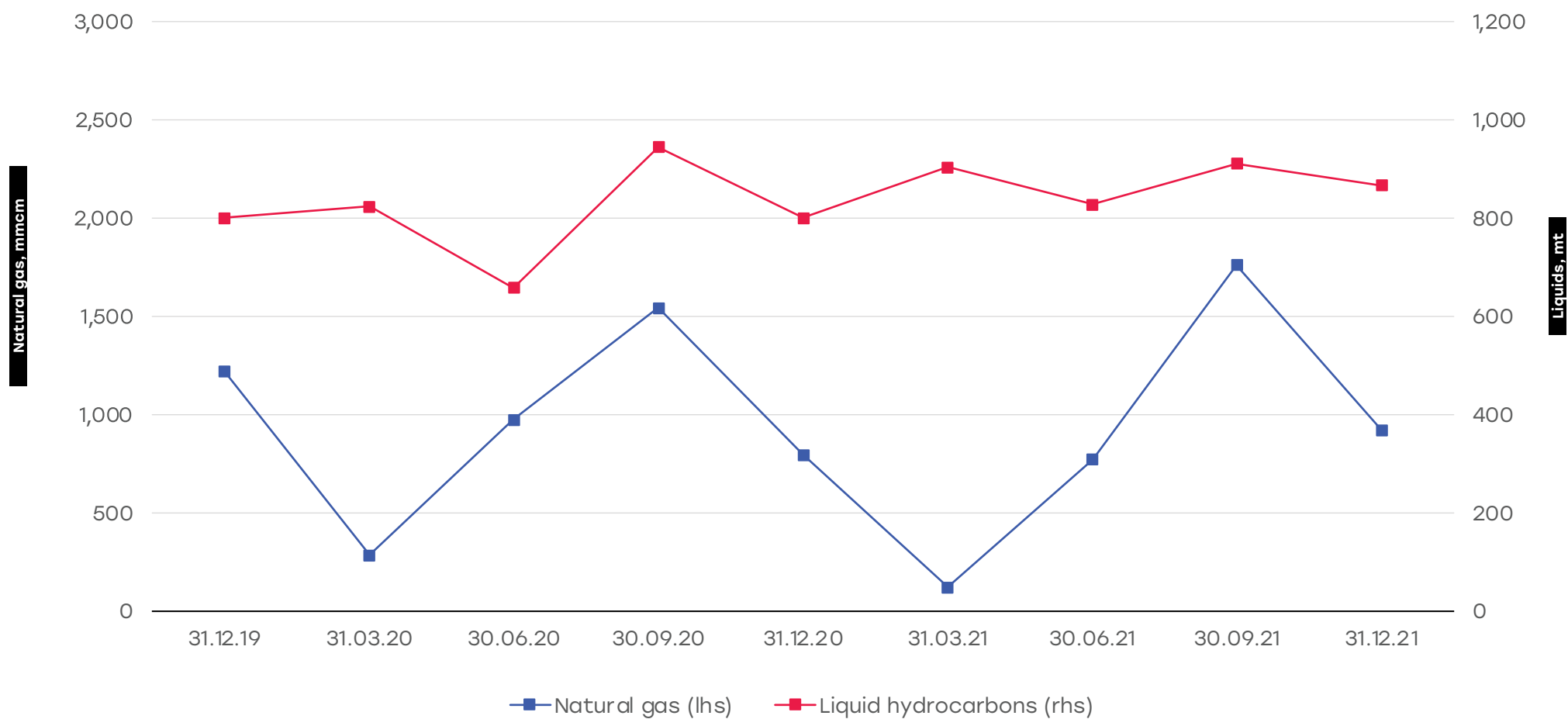
after 31 december 2023 – other loans

Appendices

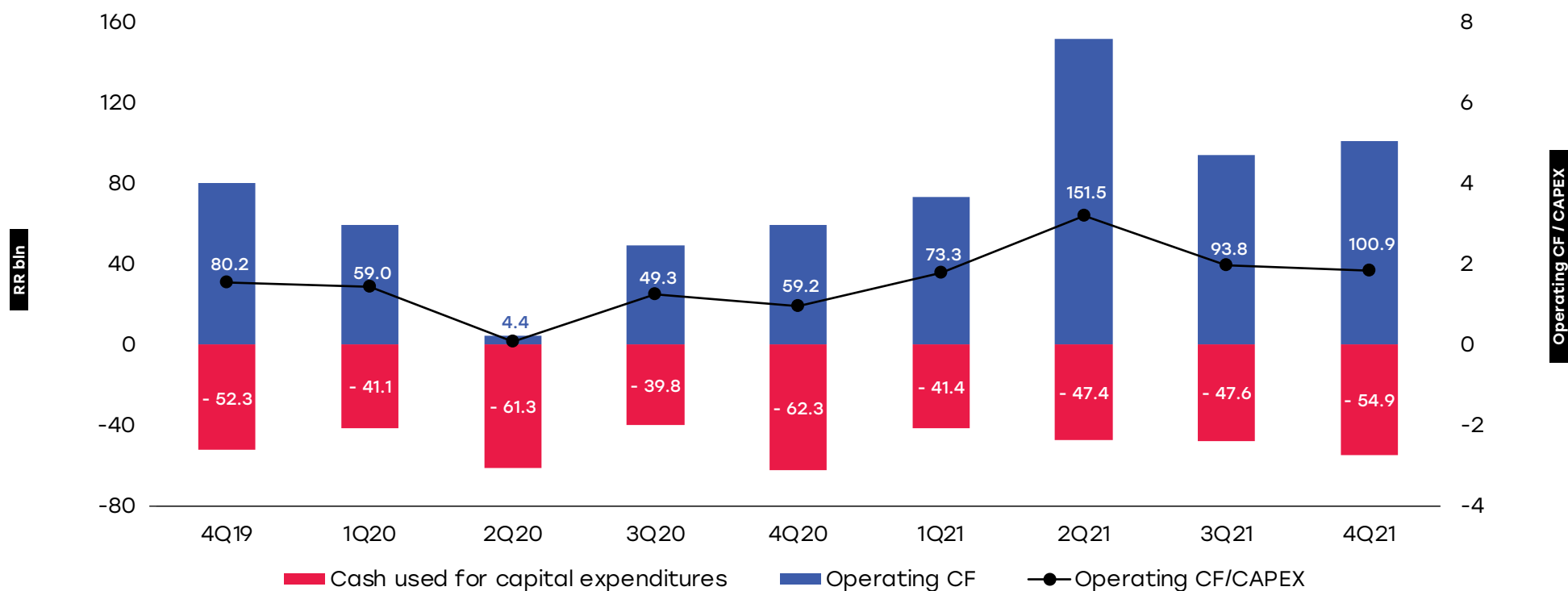
Liquids in Tankers



Change in Inventories



Internally Funded Investment Program



Questions and Answers