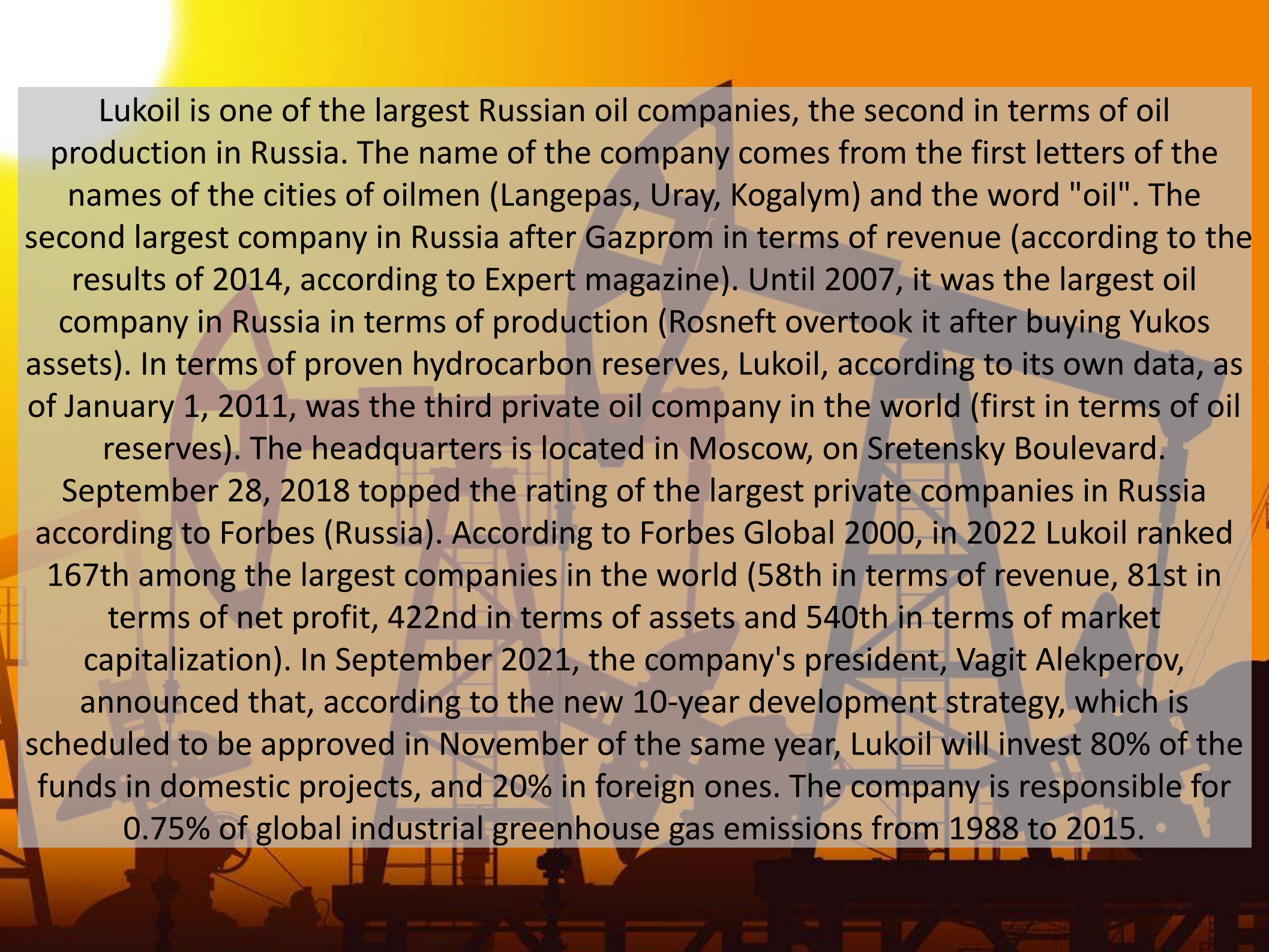


# Presentation “Lukoil company”

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The background of the slide features a silhouette of an oil rig against a bright orange and yellow sunset sky. The rig's structure, including its derrick and various pipes, is clearly visible in the foreground and middle ground. The overall scene is industrial and atmospheric, with the warm colors of the sun providing a strong contrast to the dark silhouettes.

Lukoil is one of the largest Russian oil companies, the second in terms of oil production in Russia. The name of the company comes from the first letters of the names of the cities of oilmen (Langeepas, Uray, Kogalym) and the word "oil". The second largest company in Russia after Gazprom in terms of revenue (according to the results of 2014, according to Expert magazine). Until 2007, it was the largest oil company in Russia in terms of production (Rosneft overtook it after buying Yukos assets). In terms of proven hydrocarbon reserves, Lukoil, according to its own data, as of January 1, 2011, was the third private oil company in the world (first in terms of oil reserves). The headquarters is located in Moscow, on Sretensky Boulevard.

September 28, 2018 topped the rating of the largest private companies in Russia according to Forbes (Russia). According to Forbes Global 2000, in 2022 Lukoil ranked 167th among the largest companies in the world (58th in terms of revenue, 81st in terms of net profit, 422nd in terms of assets and 540th in terms of market capitalization). In September 2021, the company's president, Vagit Alekperov, announced that, according to the new 10-year development strategy, which is scheduled to be approved in November of the same year, Lukoil will invest 80% of the funds in domestic projects, and 20% in foreign ones. The company is responsible for 0.75% of global industrial greenhouse gas emissions from 1988 to 2015.



# Foudation of the company

The state oil concern "LangepasUrayKogalymneft" ("Lukoil") was established by the Decree of the Government of the RSFSR No. 18 of November 25, 1991. The new oil concern united three oil producing enterprises Langepasneftegaz, Urayneftegaz, Kogalymneftegaz, as well as processing enterprises Permnefteorgsintez, the Volgograd and Novoufimsk refineries (the latter soon came under the control of the authorities of Bashkortostan).

On the basis of Decree of the President of the Russian Federation No. 1403 of November 17, 1992 "On the specifics of privatization and transformation into joint-stock companies of state enterprises, production and research and production associations of the oil, oil refining industry and oil products supply" on April 5, 1993, on the basis of the state concern, a joint-stock company was created type "Oil company" Lukoil "".

# 1990s

In 1994, the first privatization auctions for the company's shares took place; began trading shares on the secondary market. In 1995, in accordance with Decree of the Government of the Russian Federation No. 861 dated September 1, 1995, controlling stakes in nine oil producing, marketing and service enterprises in Western Siberia, the Urals and the Volga region were transferred to the authorized capital of Lukoil (including Nizhnevolzhskneft", "Permneft", "Kaliningradmorneftegaz", "Kaliningradorgmorneftegaz", "Astrakhannefteprodukt", etc.).

Also in 1995, 5% of Lukoil's shares were sold by the state at a privatization mortgage auction. This package went to a company affiliated with Lukoil with a minimum excess of the starting price; foreign participants were not allowed to participate in the competition. In 1996, Lukoil placed American Depository Receipts (ADRs) on Western stock markets. Also this year, Lukoil joined the Azerbaijani Shah Deniz oil project, and also began building its own tanker fleet.

In 1997, the company signed a contract with the Iraqi Ministry of Oil for the development and production of the second phase of the West Qurna-2 oil field. After the overthrow of the regime of Saddam Hussein, the project was suspended, and the contract was terminated. In the same 1997, Lukoil-Neftekhim was created, under whose management the petrochemical enterprises acquired over the next few years (Stavrolen, Saratovorgsintez and Kalush Lukor) are transferred.



## 2000s

In 2000, the Russian company acquired the American corporation Getty Petroleum Marketing Inc., thus gaining control over a network of gas stations in the United States and entering the American retail market of petroleum products for the first time. In the same year, the company took control of the Kstovsky refinery (NORSI-oil), which led to a conflict with Sibur, which claimed petrochemical enterprises technologically connected with the refinery. As a result, Lukoil also received the Perm GPP, yielding to Sibur only petrochemical enterprises in the Nizhny Novgorod region.

2001: the next major acquisitions - OAO Yamalneftegazdobycha, OAO Arkhangelskgeoldobycha, Lokosovsky Gas Processing Plant. In 2002, Lukoil began construction of its own terminal for the transshipment of petroleum products in the port of Vysotsk (Leningrad Region)

In 2004, Lukoil finally became a private company - the 7.59% of the company's shares remaining with the state were sold to the American oil company ConocoPhillips for \$1.988 billion. According to some commentators, the results of the open auction for the sale of this block of shares were predetermined in advance, during a personal meeting between Russian President Vladimir Putin and ConocoPhillips President James Mulva. After the auction, Lukoil and ConocoPhillips announced the creation of a strategic alliance. Later, the American company increased its stake in the capital of Lukoil, and also sold part of its network of gas stations in the US and Western Europe to the Russian company.

In 2005, Lukoil acquired Nelson Resources, a company operating in Kazakhstan, for \$2 billion. Also this year, the Nakhodka gas field was put into operation.

On January 25, 2006, the company announced the discovery of the first exploratory well at the Yuzhno-Rakushechnaya structure in the Severny licensed area in the northern part of the Caspian Sea, 220 km from Astrakhan, of a large multilayer oil and gas condensate field named after the famous oilman Vladimir Filanovsky. The probable reserves of the field are estimated at 600 million barrels of oil and 34 billion m<sup>3</sup> of gas; annual production can reach 5 million tons. In December 2006, Lukoil announced the acquisition of 376 filling stations in six European countries (Belgium, Finland, Czech Republic, Hungary, Poland and Slovakia) from ConocoPhillips. In 2007, Lukoil created joint ventures with Gazprom Neft , and in June 2008, with the Italian oil company ERG (on the basis of its two ISAB refineries in Sicily, moreover, Lukoil undertook to pay 1.3475 billion euros). In 2009, Lukoil, together with the Norwegian Statoil, won a tender for the development of the Iraqi West Qurna-2 hydrocarbon field (at the beginning of 2012, the Norwegians withdrew from the project, and Lukoil consolidated 75% in it).



# 2010s

By February 2011, ConocoPhillips completely withdrew from the capital of Lukoil, having sold its shares due to a difficult financial situation[26]. At the end of 2012, Lukoil won the state auction for the sale of rights to explore and develop the Imilorskoye, Zapadno-Imilorskoye and Istochnoye hydrocarbon fields located in the Khanty-Mansiysk Autonomous Okrug. In this competition, Lukoil bypassed Rosneft and Gazpromneft, paying the state 50.8 billion rubles.

In February 2013, Lukoil agreed to sell the Odessa oil refinery to the Ukrainian East European Fuel and Energy Company (VETEK). The deal for the sale of the enterprise, the production of which was stopped in October 2010 due to unprofitability, was closed in the summer of 2013.

In 2014, the company faced a sharp decline in retail sales in Ukraine, caused by a cooling in relations with Russia (according to Vagit Alekperov, sales in 2014 fell by 42% compared to the previous one). In this regard, the Lukoil management agreed to sell 100% of the Lukoil Ukraine subsidiary to the Austrian company AMIC Energy Management, which was announced at the end of July 2014.

In 2018, the net profit of NK LUKOIL under IFRS increased to 619.2 billion rubles. Thus, compared to 2017, the company's net profit increased by 47.8%. In 2019, net profit +640 billion rubles, and revenue amounted to +7.84 trillion rubles.

# 2020s

In December 2021, LUKOIL announced that it would buy a 9.99% stake in the Azerbaijani Shah Deniz field from Petronas instead of the 15.5% previously envisaged. The amount of the deal is \$1.45 billion. In early March, Lukoil became the owner of one of the largest networks of independent filling stations (90 stations) and car washes in Moscow and the Moscow region. Prior to this deal, Lukoil had more than 5,000 gas stations, more than 2,600 of which were in Russia.

In early May, a 50% stake was acquired in a joint venture with Gazprom Neft on the basis of Meretoyakhaneftegaz in the YaNAO for 52 billion rubles. In May 2022, against the background of the Russian invasion of Ukraine and the curtailment of activities in Russia of a number of major global oil and gas companies, it became known that Lukoil bought Shell Oil, a subsidiary of Shell, which includes a lubricants plant built in 2011 in Torzhok and more than 411 filling stations in Russia. Taking into account the peculiarities of regional markets, the transaction could cost 2.5-2.7 billion rubles, taking into account the circumstances against which the transaction takes place, the sale could be carried out with a discount of up to 50%.



# Litigation with Uralnedra

In August 2022, Uralnedra (a division of Rosnedra) rejected the application of Lukoil-Western Siberia to participate in the auction for the Nyatlongsky block in Khanty-Mansi Autonomous Okrug. The department referred to the lack of confirmation of the availability of technical means and specialists for the development of the site. As a result, only one company, Surgutneftegaz, was admitted to the auction, which won the auction at a starting price of 52 million rubles, and received a license in September 2022. In October 2022, Lukoil applied to the court, which on October 7 suspended the decision of Uralnedra as an interim measure, and on November 2 suspended the license of Surgutneftegaz. Based on court documents, Rosnedra conducted an audit and recognized Lukoil's claims as legitimate. Rosnedra stated that they did not specify in the protocols of consideration of applications what the non-confirmation of the provision of technical means and specialists consists of. Lukoil's interest in this production site is due to its proximity to the Imilorsky site of LUKOIL-Western Siberia, the transport infrastructure of which would reduce costs. The interest of Surgutneftegaz is also due to the proximity to the Yuzhno-Soimlor and Vostochno-Soimlor areas owned by the company.

# Shareholders

As of July 2010, the top managers of the company owned the largest stake (more than 30%) of the company's shares, including the president of Lukoil Vagit Alekperov - 20.6%, vice president Leonid Fedun - 9.08%. The American oil company ConocoPhillips owned 19.21% (by February 2011, this company completely withdrew from the shareholders of Lukoil, selling its shares, and partially to Lukoil itself). The remaining shares were freely floated on the London Stock Exchange, Frankfurt Stock Exchange, RTS, MICEX. Market capitalization - \$ 64.4 billion (September 1, 2008). The nominal holders of Lukoil shares, who store and record them, are: 61.78% - Bank of New York, 10.79% - the Cypriot company LUKOIL EMPLOYEE LIMITED (controlled by the Bank of Cyprus through Odella Resources Limited, owned by Dmitry Rybolovlev and top manager of Gazprom-Media Holding Sergey Ezubchenko).



# Management

From 1993 to 2022, the President of PJSC Lukoil was Vagit Alekperov.

Board of Directors The board of directors of the company includes 11 members. Board of Directors elected on June 21, 2017: Vagit Alekperov, Viktor Blazheev, Valery Graifer, Igor Ivanov, Ravil Maganov (died on September 1, 2022, falling from the 6th floor of the Central Clinical Hospital in Moscow), Richard H. Matske, Lyubov Khoba, Toby Gati, Roger Munnings, Ivan Pictet, Leonid Fedun. Valery Graifer was the chairman of the board of directors of the company from 2000 to 2020. On April 21, 2022, Vagit Alekperov left the board of directors and the post of president of the company. On September 1, 2022, the Chairman of the Board of Directors, First Executive Vice President Ravil Maganov was found dead after falling from a window.

**Thank you for your  
attention  
Ahmad - Strength!**

