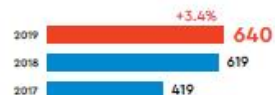


KEY PERFORMANCE INDICATORS

Financial performance

Profit

RUB billion

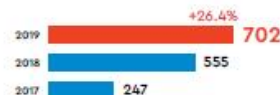


KPI
Key financial result

The net income increase was driven by better operating performance and cost reduction, offsetting the effect of lower hydrocarbon prices.

Free cash flow

RUB billion



KPI
Key metric to assess the Company's value; the starting point for dividend calculation and a cash source for dividend payouts

The Company posted higher free cash flow on the back of higher operating profit while capital expenditures remained almost flat.

ROACE

%

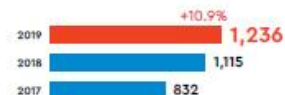


KPI
Key indicator of the efficient use of capital employed. Used for benchmarking performance across oil and gas industry

ROACE remained at 15%, in line with the Company's strategic target.

EBITDA

RUB billion



KPI
Financial result of core operations, a key analytical metric used to calculate multiples for peer comparisons

2019 EBITDA was at an all-time high, largely due to higher refining throughput and better refinery product mix, as well as higher production volumes and changes in its structure. Other positive factors included better performance of the retail and trading businesses, lower lifting costs per barrel, and the adoption of an excess profit tax (EPT) regime for several license areas.

Operational performance

Exploration and Production segment

Hydrocarbon production¹

million boe per day



KPI
Key operational indicator

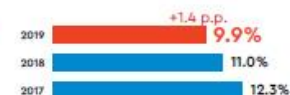
¹ Excluding the West Qurna-2 project.

Despite the external production limitations in Russia driven by the OPEC+ agreement, hydrocarbon production increased by 1.4% due to developing gas projects in Uzbekistan. The share of high-margin projects in total production increased substantially.

Refining, Marketing and Distribution segment

Fuel oil output

% of refining throughput



Reflects the quality of the petroleum product slate at the Company's refineries and directly impacts refining margins

The higher refining depth results from optimizations made to refinery unit operating modes, including through cross-supplies between refineries.

OPTIMAL BALANCE

Capital expenditures

RUB billion

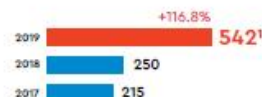


KPI
Investment into maintenance and growth of the Company's business operations

Capital expenditures remained broadly flat year-on-year despite higher drilling volumes.

Dividend per share

RUB



KPI
Cash distributions to shareholders in line with the Dividend Policy

The size of the dividend reflects LUKOIL's 2019 performance. The two-fold increase in the dividend amount was driven by the change in the dividend policy, whereby total dividends should equal at least 100% of the Company's adjusted free cash flow.

¹ Dividend amount recommended by the Board of Directors.

FINANCIAL STABILITY

Net debt / EBITDA



Reflects the level of debt burden

Low leverage results from conservative financial policy and supports a strong financial position in an environment of volatile hydrocarbon price and foreign exchange rate.

High corporate responsibility

Efficient APG use

%



KPI
Influences direct emissions into the atmosphere and is used to calculate the HSE Compliance KPI. In addition, wastewater discharge and waste disposal rates are also used to calculate this KPI

In 2019, efficient APG use was higher in the Company's key operating regions - West Siberia, Timan-Pechora and Volga.

Lost-time accident frequency rate (LTAFR)



KPI
One of the key indicators used to calculate the HSE Compliance KPI

In 2019, the LTAFR went down to 0.19, while the number of accidents declined from 21 to 19.

KPI - key performance indicators of the Group, which define the level of achievement of strategic targets.

Incentive KPI - is factored in when calculating the annual bonus payable to top managers.