

Market Capitalization

Market capitalization of preferred shares* (RUB billion)	215.6
Ticker (MOEX)	TRNFP

* As of June 10, 2020

Shares Outstanding

Ordinary shares (100% owned by the Russian Government)	5,694,468	78.55%
Preferred shares	1,554,875	21.45%
Total number of shares outstanding	7,249,343	

Credit Ratings

Moody's	Long-term rating for commitments in foreign currency	Baa2 / Stable
S&P	Long-term rating for commitments in foreign currency	BBB- / Stable
RAEX	Credit rating	ruAAA / Stable

Company Profile

- Transneft is the largest company in the world in terms of volumes of oil transportation by trunk pipelines.
- The monopoly operator of Russian network of oil and petroleum products pipelines. Russia owns 100% of ordinary shares.
- 51.05 thousand kilometers of oil pipelines, 16.45 thousand kilometers of petroleum products pipelines, more than 24 million cubic meters of storage tanks and over 500 pumping stations.
- Transportation of 83%* of crude oil and 31%* of light petroleum products produced in Russia.
- Transneft's oil pipelines link major Russian oilfields with refineries and export markets in Europe and Asia, either directly or through sea terminals. Petroleum products pipelines link refineries with key consumption centers, sea ports, and other domestic and export distribution markets.
- Tariffs for services of oil and petroleum transportation are set by the state regulatory body, the Federal Antimonopoly Service (FAS) of Russia.
- Transneft pursues high standards of transparency and corporate governance.

* Market share in 1Q 2020

Key Events for Shareholders and Investors

June 11, 2020	Publication of financial statements for 1Q 2020 in accordance with IFRS The Group's revenue in 1Q 2020 amounted to RUB 263 bln. Year-on-year increase by RUB 3 bln or 1% was mainly due to growing revenues from oil transportation services. Profit attributable to shareholders of Transneft amounted to RUB 57 bln, RUB 7 bln or 13% increase year-on-year. The total debt by the end of 1Q 2020 was RUB 652 bln, or 2% lower year-to-date.
April 17, 2020	The Russian Government extends the powers of Transneft President Mr. Nikolay Tokarev for 5 years
April 12, 2020	OPEC+ closed a deal OPEC+ countries including Russia agreed to limit temporarily oil extraction starting from 1 May 2020, which could lead to a decline in Transneft's turnover by about 11% relative to the plan for 2020
February 28, 2020	Moody's and S&P confirm credit ratings for Transneft The Moody's and S&P Global Ratings international ratings agencies confirmed the credit ratings of the Company on foreign currency obligations at the Baa2 and BBB- levels respectively. The ratings' outlook is stable.
November 27, 2019	The ESPO pipeline system reached its maximum designed throughput capacity: <ul style="list-style-type: none"> • at the Tayshet IPS – Skovorodino PS section (ESPO-1) to 80 Mtpa • at the Skovorodino PS – Kozmino SSOP section (ESPO-2) to 50 Mtpa
September 21, 2019	Commissioning of the plant for manufacturing drag reducing agents (DRA) in the Alabuga Special Economic Zone Transneft launched the DRA plant, fully localizing DRA production in the territory of the Russian Federation and fully covering its demand for DRA.
June 30, 2019	Dividends for 2018 In 2019 Transneft's General Meeting of Shareholders decided on the allocation of 51.2% of normalized consolidated net profit for 2018 under IFRS to dividends (total amount of dividends was equal to RUB 77.6 bln or RUB 10,706 per share).

Operational and Financial Indicators (IFRS)

		2018	2019	1Q20	Change, %	
					2019/2018	1Q20/1Q19
Oil delivered to consignees	mln tonnes	480	485	120.2	1.0	0.9
Petroleum products delivered to consignees	mln tonnes	39.2	37.9	10.5	(3.3)	8.2
Revenue	RUB bln	980.0	1,063.8	263.3	8.6	1.2
Revenue from oil transportation services	RUB bln	651.9	703.4	180.9	7.9	8.0
Revenue from petroleum products transportation services	RUB bln	72.2	68.3	21.5	(5.4)	5.1
Revenue from crude oil sales	RUB bln	206.4	198.7	40.3	(3.7)	(19.2)
Other revenue	RUB bln	49.5	93.4	20.6	88.8	(7.1)
EBITDA*	RUB bln	433.4	486.3	133.7	12.2	3.0
Profit attributable to shareholders of Transneft	RUB bln	224.3	179.4	56.7	(20.0)	13.3
Free cash flow	RUB bln	78.2	93.0	69.4**	18.9	↑ by 4x
Total dividend payments, for relevant year	RUB bln	77.6				
Dividends per preferred share, for relevant year	RUB per share	10,706				

* Less crude oil sale and purchase operations under contracts with Rosneft and the China National United Oil Corporation.

** Strong performance of free cash flow in 1Q 2020 was achieved mainly due to the decrease in receivables relating to operating activity and VAT assets by RUB 27 billion compared to the increase of this item by RUB 24.8 billion in 1Q 2019

Transneft's Strategy

The goal of the Strategy is to develop and upgrade the trunk pipeline transportation system of the Russian Federation to fully satisfy the demand for crude oil and light petroleum products transportation both on the domestic market and for export.

Transneft's Strategy provides for:

- ensuring the steady development of crude oil and petroleum products pipeline transportation;
- ensuring intake and transportation of petroleum products from newly connected refineries;
- reducing accident rate at trunk pipelines;
- completely precluding discharge of insufficiently treated wastewater;
- maintaining the sulphur content in oil pumped through Transneft's system within the limits prescribed by the rational routing scheme;
- reducing expenses on pipeline construction and operation, maintaining optimal costs of transportation services for clients;
- reducing the share of imported products procurements.

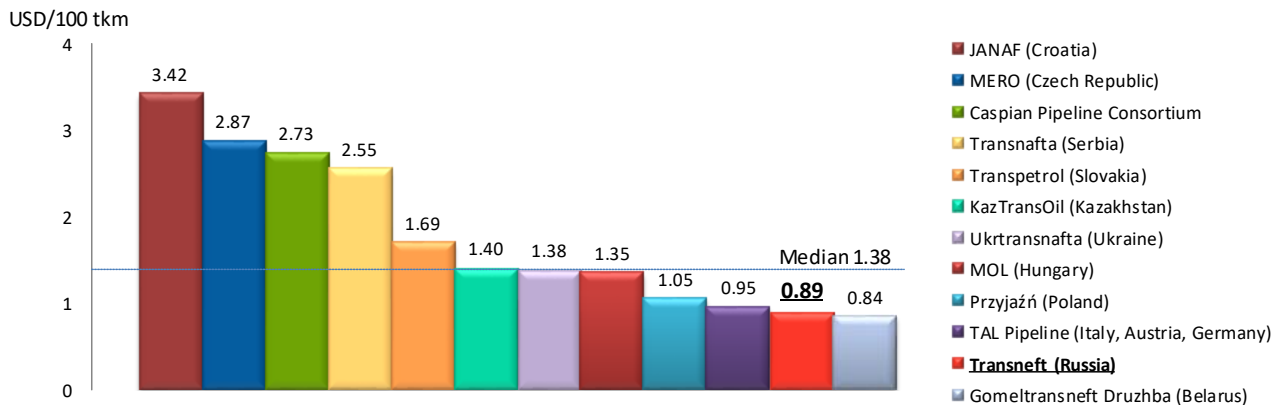
The NCSP's Strategy

On December 31, 2019 NCSP's Board of Directors approved the [NCSP's Development Strategy](#)

Capital Expenditures (including VAT)

Period	New projects, RUB bln	Technical re-equipment and revamping, RUB bln
2018	63.8	194.8
2019	38.1	244.5
2020 (planned)	3.6	236.8
2021-2024 (planned)	8.8	917.5

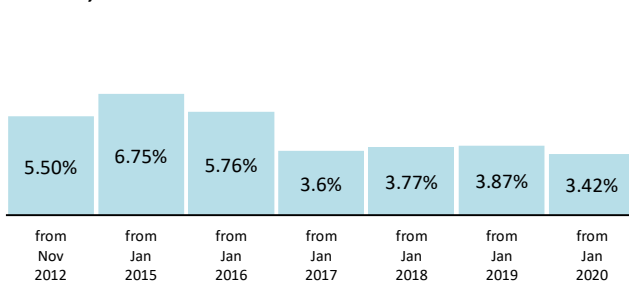
Average per unit tariff of Transneft compared to foreign peers (as of December 31, 2019)



Tariff Dynamics

- [Transneft tariffs](#) for oil transportation in the territory of Russia are set in RUB by the state regulatory authority – the Federal Antimonopoly Service (FAS).
- The Company annually submits to the state regulator information about its upcoming expenses and investment program for determining tariffs for the next year
- In accordance with Transneft's Strategy, the growth of tariffs for oil transportation shall not exceed the local rate of inflation

Indexation of Transneft's Tariffs for Oil Transportation Services, %*



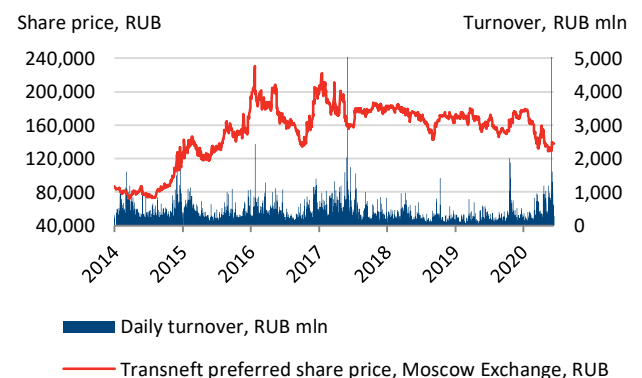
Source: FAS of Russia

* Tariff growth rates denominated in roubles

Shares

- Only preferred shares are traded on the stock market, while ordinary shares are 100% owned by Russia
- Preferred shares of Transneft are included in the tier 1 list of the Moscow Exchange
- In accordance with Transneft's Articles of Association (paragraph 8.2, as amended on April 6, 2017), the amount of dividends paid per 1 preferred share may not be less than the amount of dividends paid per 1 ordinary share

Transneft share price history and trading volume, preferred shares, Moscow Exchange



Key Information for Investors

[Investor presentation](#)

[For ESG investors](#)

[Annual report](#)

[Sustainable Development Report](#)