

Market Capitalization

Preferred share price (RUB)	147'550
Market capitalization of preferred shares* (RUB billion)	229.4
Ticker (MOEX)	TRNFP

* As of September 30, 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

* Market share in 1H 2020

Company Profile

- Transneft is the largest company in the world in terms of volumes of oil and petroleum product transportation by trunk pipelines.
- The monopoly operator of Russian network of oil and petroleum products pipelines. Russia owns 100% of ordinary shares.
- 50.8 thousand kilometers of oil pipelines, 16.4 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 markets.
- Tariffs for services of oil and petroleum transportation are set by the state regulatory body, the Federal Antimonopoly Service (FAS) of Russia.

Key Events for Shareholders and Investors

October 2, 2020	Publication of financial statements for 1H 2020 in accordance with IFRS A special characteristic of 1H 2020 was the combination of strong results of 1Q 2020 and a significant reduction in key operational and financial indicators in 2Q 2020 due to a considerable decrease in Russian oil production and, as a consequence, in transportation volumes via the Transneft system in the aftermath of the OPEC+ deal enacted from 1 May 2020.
September 30, 2020	Dividends for 2019 In 2020, Transneft's General Meeting of Shareholders decided on the allocation of 53.1% of normalized consolidated net profit for 2018 under IFRS to dividends (total amount of dividends was equal to RUB 84.2 billion or RUB 11,612.20 per share). The record date is 20 October 2020.
June 2020	Transneft took part in a clean-up operation for a third-party company after the fuel spill in the Ambarnaya river outside Norilsk, Krasnoyarsk Territory
April 12, 2020	OPEC+ closed a deal OPEC+ countries including Russia agreed to limit temporarily oil extraction starting from 1 May 2020.
February 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 – Skovorodino section (ESPO-1) to 80 Mtpa; • at the Skovorodino – Kozmino 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.

Key Operational and Financial Indicators (IFRS)

		2Q20	1Q20	1H20	1H19	2019	2Q20/1Q20	Change, % 2Q20/2Q19
Crude oil transported to consignees	mln tonnes	109.0	120.2	229.2	235.2	485	(9.3)	(6.1)
Petroleum products transported to consignees	mln tonnes	9.3	10.5	19.8	19.2	37.9	(11.4)	(1.1)
Revenue	RUB bln	228.3	263.3	491.7	520.3	1,063.8	(13.3)	(12.2)
Revenue from oil transportation services	RUB bln	166.1	180.9	347.0	336.8	703.4	(8.2)	(1.9)
Revenue from petroleum products transportation services	RUB bln	18.1	21.5	39.6	36.9	68.3	(15.8)	9.4
Revenue from crude oil sales	RUB bln	25.6	40.3	65.9	101.5	198.7	(36.6)	(50.4)
Other revenue	RUB bln	18.5	20.6	39.1	44.9	93.4	(10.0)	(18.4)
EBITDA*	RUB bln	115.6	133.7	249.3	248.0	486.3	(13.5)	(2.2)
Profit attributable to shareholders of Transneft	RUB bln	15.2	56.7	71.9	105.8	179.4	(73.3)	(72.8)
Free cash flow	RUB bln	0.6	69.4**	70.0	32.8	93.0	↓by 28x	↓by 126x
Total dividend payments, for relevant year	RUB bln					84.2		
Dividends per preferred share, for relevant year	RUB per share					11,612		

* 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 in procurements.

The NCSP's Strategy

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

Capital Expenditure (including VAT)

Actual for 2019 and Approved Programme for 2020-2021

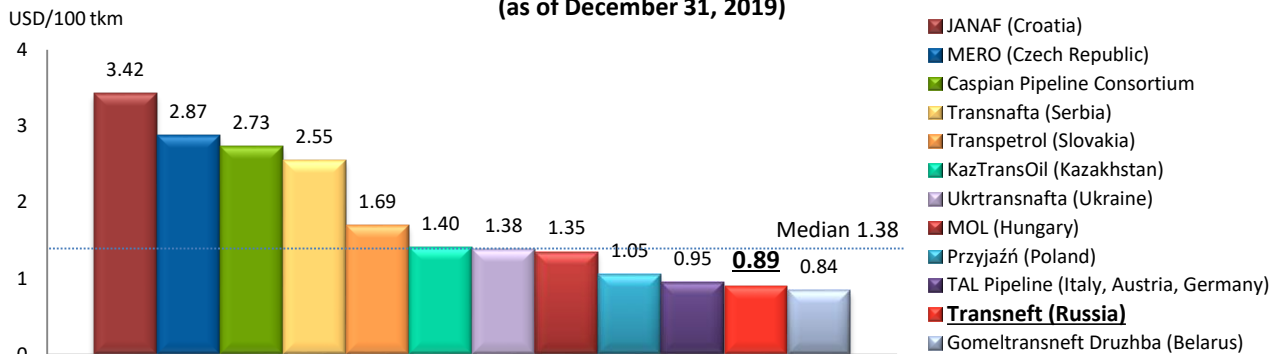
Period	New projects, RUB bln	Technical re-equipment and revamping, RUB bln
2019(actual)	38.1	244.5
2020(planned)	3.6	236.8
2021(planned)	2.5	234.9

Actual for 2019 and Stress-Scenario* for 2020-2021

Period	New projects, RUB bln	Technical re-equipment and revamping, RUB bln
2019(actual)	38.1	244.5
2020(planned)	3.8	191.4
2021(planned)	1.6	207.8

* In view of OPEC+ deal, the Company prepared stress-scenario, envisaging the reduction of financing of capital expenditures in 2020 by ~45 bln RUB (~20%) and by ~30 bln RUB (~12%) with further addition of these volumes to planned capital expenditures in 2022-2025.

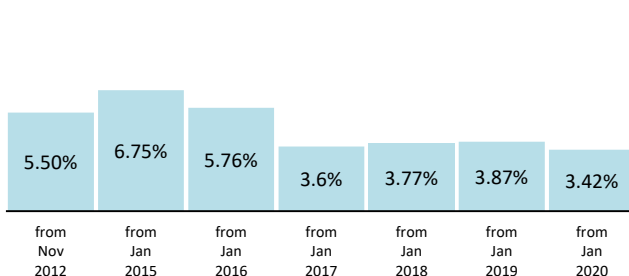
Average per unit tariff of Transneft compared to foreign peers (as of December 31, 2019)



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 of Russia).
- The Company annually submits to the state regulator - FAS of Russia – 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, % *



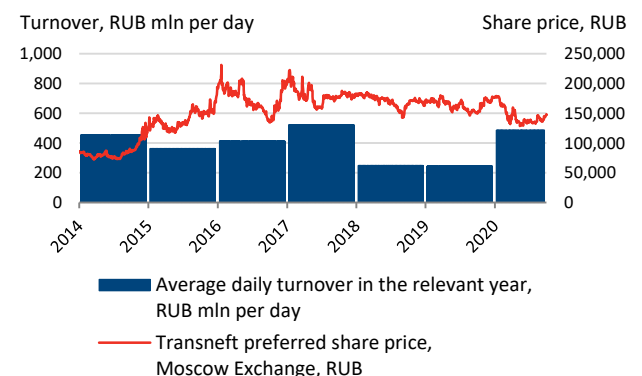
Source: FAS of Russia

* Tariff growth rates denominated in RUB

Shares

- Transneft preferred shares are traded on the stock market, while ordinary shares are 100% owned by the Government of the Russian Federation.
- 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 presentations](#)

[For ESG investors](#)

[Annual reports](#)

[Sustainable Development Reports](#)