

## 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. 100% of ordinary shares are federally owned.
- 50.8 tkm of oil trunk pipelines, 16.4 tkm of petroleum products pipelines, over 24 mcm of storage tanks, 500+ pumping stations.
- Transportation of 83%\* of crude oil and 30%\* of light petroleum products produced in Russia.
- Transneft's oil pipelines link major Russian oilfields with refineries and export markets of Europe and Asia, directly or via sea ports. Petroleum products pipelines link refineries with key consumption centers, sea ports, and other domestic and export markets.
- Tariffs for the oil and petroleum transportation services are set by the state regulatory body, the Federal Antimonopoly Service (FAS of Russia).

\* Market share in 9M 2020.

## Market Capitalization

Preferred share price (RUB)	142,500
Market capitalization of preferred shares* (RUB bn)	221.6
Ticker (MOEX)	TRNFP

\* As of November 30, 2020.

## Shares Outstanding\*

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

\* The Russian Federation represented by the Federal Property Management Agency owns 5,694,469 shares or 78.55% of total number of shares outstanding.

## 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	Creditworthiness rating	ruAAA / Stable
National Credit Ratings (NCR)	Creditworthiness rating	AAA.ru / Stable

## Key Events for Shareholders and Investors

December 2, 2020	<b>Publication of financial statements for 9M 2020 in accordance with IFRS</b> A significant impact on the negative dynamics of the financial and operational indicators of Transneft Group for 9 months of 2020 had a 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.
October 13, 2020	<b>Introduction of tariff regulation for 2021-2030</b> The Government has agreed Transneft's parameters of tariff regulation for 2021-2030 based on an annual increase in tariffs for oil transportation by 99.9% of the projected annual consumer price index for the subsequent regulatory period.
September 30, 2020	<b>Dividends for 2019</b> In 2020, Transneft's General Meeting of Shareholders decided on the allocation of 53.1% of normalized consolidated net profit for 2019 under IFRS to dividends (total amount of dividends was equal to RUB 84.2 bn 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 Ambarneya river outside Norilsk, Krasnoyarsk Territory
April 12, 2020	<b>OPEC+ closed a deal</b> OPEC+ countries including Russia agreed to limit temporarily oil extraction starting from 1 May 2020.
February 2020	<b>Moody's and S&amp;P confirm credit ratings for Transneft</b> 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	<b>The ESPO pipeline system reached its maximum designed throughput capacity:</b> <ul style="list-style-type: none"> <li>• at the Tayshet – Skovorodino section (ESPO-1) to 80 mtpa;</li> <li>• at the Skovorodino – Kozmino section (ESPO-2) to 50 mtpa.</li> </ul>

## Key Operational and Financial Indicators (IFRS)

		Q3 2020	Q3 2019	9M 2020	9M 2019	2019	Q3'20/Q3'19	Change, % 9M'20/9M'19
Crude oil transported to consignees	mt	105.6	126.9	334.8	362	485	(16.8)	(7.5)
Petroleum products transported to consignees	mt	9.2	9.3	29.0	28.4	37.9	(1.1)	2.1
Revenue	RUB bn	224.7	272.5	716.4	792.7	1,063.8	(13.3)	(9.6)
Revenue from oil transportation services	RUB bn	154.7	186.0	501.7	522.9	703.4	(17.5)	(4.1)
Revenue from petroleum products transportation services	RUB bn	16.3	16.6	55.9	53.6	68.3	(1.8)	4.3
Revenue from crude oil sales	RUB bn	37.6	48.0	103.6	149.5	198.7	(21.7)	(30.7)
Other revenue	RUB bn	16.1	21.9	55.3	66.8	93.4	(26.5)	(17.2)
EBITDA*	RUB bn	92.6	128.7	341.9	376.7	486.3	(28.0)	(9.2)
Profit attributable to shareholders of Transneft	RUB bn	38.2	38.2	110.1	144.0	179.4	0	(23.6)
Free cash flow	RUB bn	37.3	14.7	107.3	47.5	93.0	↑ by 2.5x	↑ by 2.3x
Total dividend payments, for relevant year	RUB bn					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.

## 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](#).

### CAPEX (including VAT)

after reduction\* in investment financing in 2020-2021, RUB bn

Period	New projects	Upgrade and revamp
2019(actual)	38.1	244.5
2020(planned)	3.8	191.4
2021(planned)	2.3	206.6

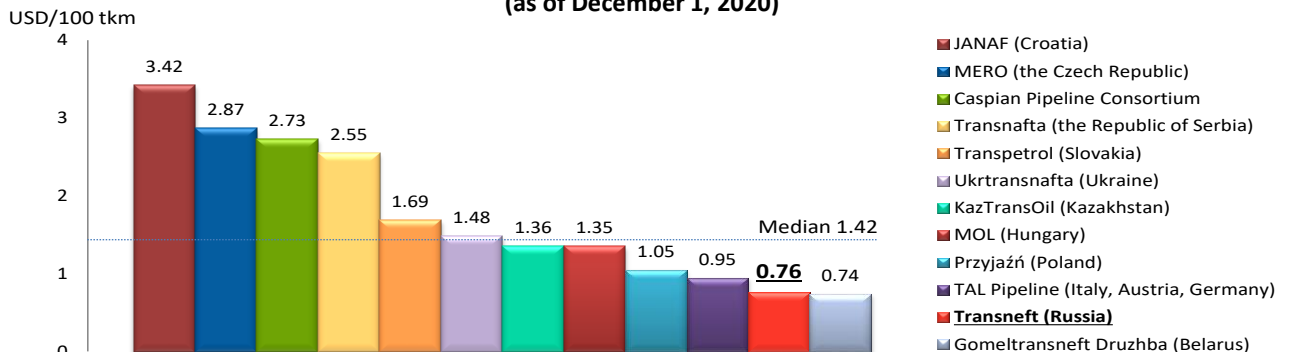
### CAPEX (including VAT)

before reduction\* in investment financing, RUB bn

Period	New projects	Upgrade and revamp
2019(actual)	38.1	244.5
2020(planned)	3.6	236.8
2021(planned)	2.5	234.9

\* In view of OPEC+ deal, the Company is planning to implement a stress-scenario of the Company's budget, 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.

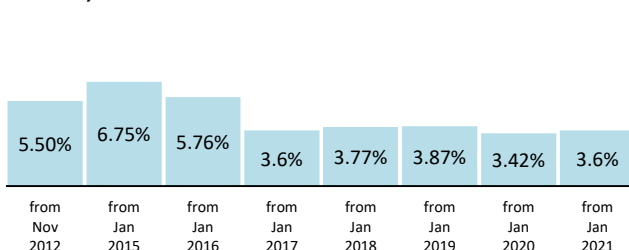
## Average per unit tariff of Transneft compared to foreign peers (as of December 1, 2020)



## 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.
- The Government approved annual increase in Transneft's tariffs for oil transportation in 2021-2030 by 99.9% of the projected annual consumer price index for the subsequent regulatory period.

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



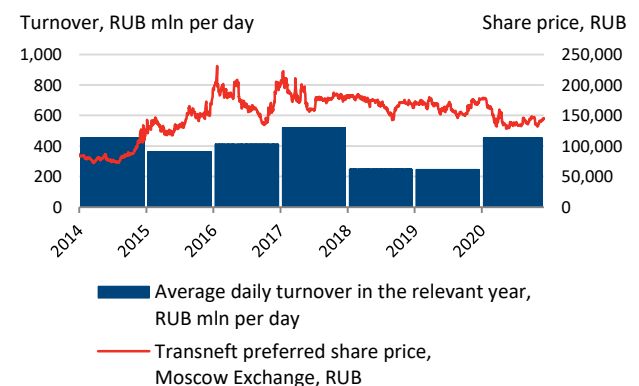
Source: FAS of Russia

\* Tariff growth rates denominated in RUB

## Shares

- Transneft's preferred shares are traded on the stock market, while 100% of ordinary shares are owned by the Russian Federation.
- Transneft's preferred shares are included in MOEX's Level One Quotation List.
- According to Transneft's Articles of Association (paragraph 8.2, as amended on April 6, 2017), dividend per preferred share may not be lower than dividend per ordinary share.

## Transneft Share Price History and Trading Volume, preferred shares, Moscow Exchange



## Key Information for Investors

[Investor presentations](#)

[Dividend History](#)

[For ESG investors](#)

[Annual reports](#)

[Sustainable Development Reports](#)