

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 82%* 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 2020.

Market Capitalization

Preferred share price (RUB)	146,550
Market capitalization of preferred shares* (RUB bn)	227.9
Ticker (MOEX)	TRNFP

* As of March 31, 2021.

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 100% of voting ordinary shares and 1 preferred share.

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

March 30, 2021	Publication of financial statements for 2020 in accordance with IFRS A special characteristic of the financial and operational performance of Transneft Group for 12 months of 2020 was a combination of high results during January-April of 2020 and significantly lower results in the subsequent months due to the OPEC+ agreement, enacted on 1 May 2020. A conference call with analysts and investors to discuss the results was held on 31 March 2021, during which the management announced a preliminary guidance on dividends for 2020 at the level of 50% of IFRS profit attributable to shareholders of Transneft.
January 22, 2021	Transneft Increased Petroleum Products Transportation Volume to Vysotsk to 3.5 MTPA Transneft has completed its project of building up the petroleum products transportation volume in the direction of the Vysotsk distribution and transshipment complex (DTC) from the port of Primorsk to 3.5 MTPA a year before the set deadline.
January 13, 2021	Plans for 2021 The 2021 plan for crude oil transported to customers amounts to 439.1 mt, while petroleum products transportation is expected to stand at 36.3 mt. The expected consolidated revenue of Transneft for 2021 is RUB 988.6 bn.
October 13, 2020	Government Approval of Transneft Tariff Regulation for 2021-2030 The Government 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 average annual consumer price index for the subsequent regulatory period.
September 30, 2020	Dividends for 2019 Transneft's General Meeting of Shareholders approved 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). Dividends were paid in November 2020.
April 12, 2020	OPEC+ agreement OPEC+ countries including Russia agreed on temporary limits of 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.

Key Operational and Financial Indicators (IFRS)

		2020E	2019	Q4 2020	Q4 2019	2020/2019	Change, % Q4'20/ Q4'19
Crude oil transported to customers	mt	442.2	485.0	107.5	123.0	(8.8)*	(12.6)*
Petroleum products transported to customers		37.9	37.9	9.0	9.4	-	(5.2)
Revenue		962.4	1,063.8	246.1	271.1	(9.5)	(9.2)
Revenue from oil transportation services		661.3	703.4	159.7	180.6	(6.0)	(11.6)
Revenue from petroleum products transportation services		72.7	71.0	16.8	17.5	2.3	(3.8)
Revenue from crude oil sales		147.5	198.7	43.9	49.2	(25.8)	(10.7)
Other revenue	RUB bn	80.9	90.7	25.7	23.9	(10.7)	7.4
EBITDA**		442.6	486.3	100.7	109.6	(9.0)	(8.1)
Profit attributable to shareholders of Transneft		133.2	179.4	23.2	35.3	(25.7)	(34.4)
Free cash flow		139.7	93.0	32.4	45.5	50.3	(28.7)
Total dividend payments, for relevant year			84.2				
- dividends per ordinary share			11,612				
- dividends per preferred share	RUB per share		11,612				

* Affected significantly by cuts in the volumes of crude oil produced in Russia in accordance with the OPEC+ agreement, enacted on 1 May 2020.

** 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](#).

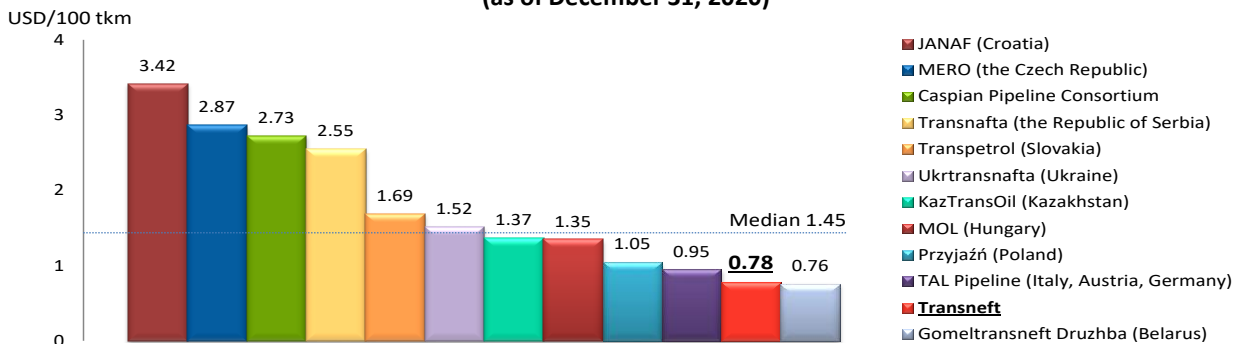
Assimilation of Transneft CAPEX after investment financing reduction in 2020-2021, RUB bn

Period	New projects* (with VAT / excl. VAT)	Upgrade and revamp* (with VAT / excl. VAT)	CAPEX of NCSP, the upgrade and revamp for service subsidiaries and other CAPEX (with VAT / excl. VAT)	TOTAL (excl. VAT and overhaul expenses**)
2019 (actual)	38.1 / 31.8	244.5 / 203.8	- / 32.9	268
2020 (actual)	3.1 / 2.6	193.3 / 161.1	- / 34.6	199
2021 (plan)	2.3 / 1.9	206.6 / 172.1	69.7 / 58.0	232 (estimate)

* Development Programme data. In view of OPEC+ deal, Transneft reduced its investment financing by RUB 44 bn in 2020 (ca. 20% of the initially planned CAPEX) and adopted plans for further reduction by RUB 30 bn in 2021 (ca. 12%) with further replenishment of these volumes to planned capital expenditures in 2022-2025.

** The funding of overhaul is accounted as operating expenses in IFRS. Data excluding VAT (value-added taxes) on this slide was calculated using VAT rate of 20%.

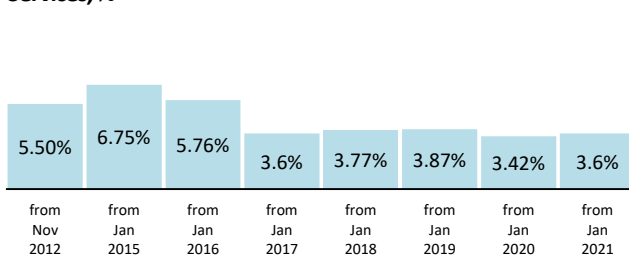
Average per unit tariff of Transneft compared to foreign peers (as of December 31, 2020)



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 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 average annual consumer price index for the subsequent regulatory period.

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



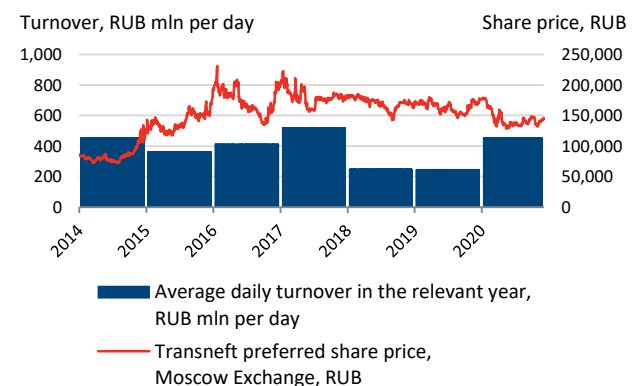
Source: FAS of Russia

* 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](#)