

## 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 owned by the Government of the Russian Federation.
- 50.9 tkm of oil trunk pipelines, 16.4 tkm of petroleum products pipelines, over 24 mcm of storage tanks, 500+ pumping stations.
- Transportation of 81%\* of crude oil and 29%\* 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 Q1 2021

## Market Capitalization

Preferred share price (RUB)	142,550
Market capitalization of preferred shares* (RUB bn)	221.6
Ticker (MOEX)	TRNFP

\* As of May 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 foreign currency liabilities	Baa2 / Stable
S&P	Long-term rating for foreign / national currency liabilities	BBB- / BBB Stable
Expert RA	Credit rating	ruAAA / Stable
National Credit Ratings (NCR)	Credit rating	AAA.ru / Stable

## Key Events for Shareholders and Investors

May 28, 2021	<b>Publication of financial statements for Q1 2021 in accordance with IFRS</b> Operational and financial indicators in Q1 2021 suffered a significant decrease y-o-y due to the world market turmoil caused by the COVID-19 global outbreak and oil production cuts by Russian oil and gas companies.
May 24, 2021	<b>Recommendation of the Board of Directors on dividends for 2020</b> The Board of Directors considered the preliminary profit distribution and recommended to the General Meeting of Shareholders to approve the payment of dividends for 2020 in the amount of RUB 9,224.28 per share (50% of net profit under IFRS without its normalisation, the amount of recommended dividends – RUB 66.9 bn).
April 2021	Conclusion of a contract for the provision of market-maker services in the preferred share and futures markets at the Moscow Exchange. Commencement of trading in futures contracts for 1/10 of Transneft's preferred share to increase the accessibility and liquidity of instruments, and to prepare for a share split.
January 22, 2021	<b>Transneft Increased Petroleum Products Transportation Volume to Vysotsk to 3.5 MTPA</b> Transneft 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	<b>Plans for 2021</b> The 2021 plan for crude oil transportation 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	<b>Government Approval of Transneft Tariff Regulation for 2021-2030</b> 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	<b>Dividends for 2019</b> 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.

## Key Operational and Financial Indicators (IFRS)

		Q1 2021	Q1 2020	2020	2019	Q1'21/ Q1'20	Change, % 2020/ 2019
Crude oil transported to customers	mt	105.6	120.2	442.2	485.0	(12.1)	(8.8)
Petroleum products transported to customers		9.5	10.5	37.9	37.9	(9.5)	-
Revenue		253.4	263.3	962.4	1,063.8	(3.8)	(9.5)
Revenue from oil transportation services		162.6	180.9	661.3	703.4	(10.1)	(6.0)
Revenue from petroleum products transportation services		20.4	21.5	72.7	71.0	(4.9)	2.3
Revenue from crude oil sales	RUB bn	50.9	40.3	147.5	198.7	26.1	(25.8)
Other revenue		19.6	20.6	80.9	90.7	(5.0)	(10.7)
EBITDA*		116.4	133.7	442.6	486.3	(12.9)	(9.0)
Profit attributable to shareholders of Transneft		50.4	56.7	133.2	179.4	(11.1)	(25.7)
Free cash flow		55.4	69.4	139.7	93.0	(20.2)	50.3
Total dividend payments, for relevant year				66.9**	84.2		
- dividends per ordinary share	RUB per share			9,224**	11,612		
- dividends per preferred share				9,224**	11,612		

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

\*\* Recommendation of the Board of Directors dated 24 May 2021.

## 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

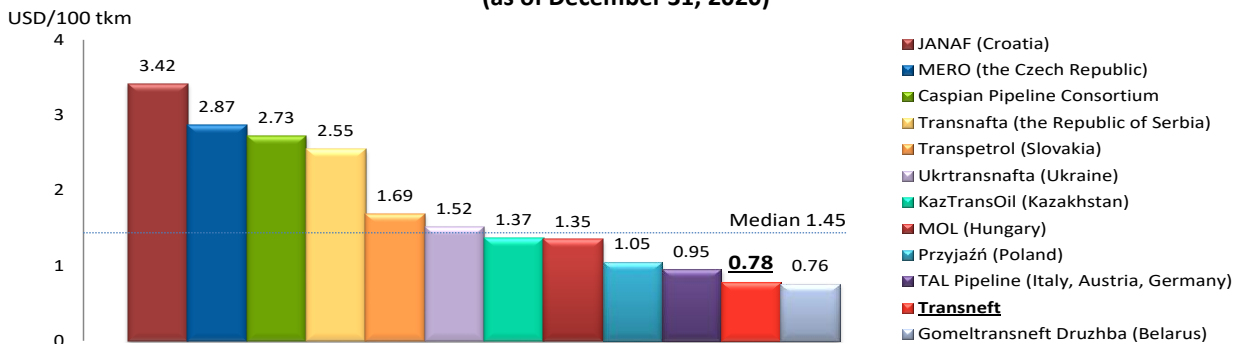
On December 31, 2019 NCSP's Board of Directors approved the [NCSP's Development Strategy](#).

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

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

\* Development Programme data. In view of the temporary restriction of oil production in Russia, 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. Data excluding VAT (value-added taxes) in this table was calculated using VAT rate of 20%.

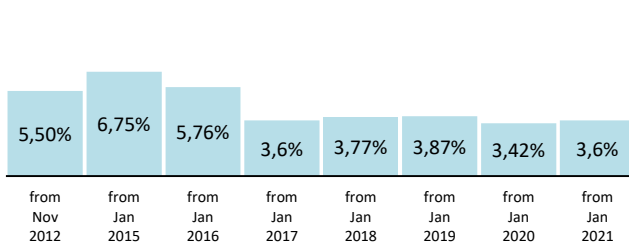
### Average per unit tariff of Transneft compared to foreign peers (as of December 31, 2020)



## 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 approved Transneft's tariff indexation 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, % \*



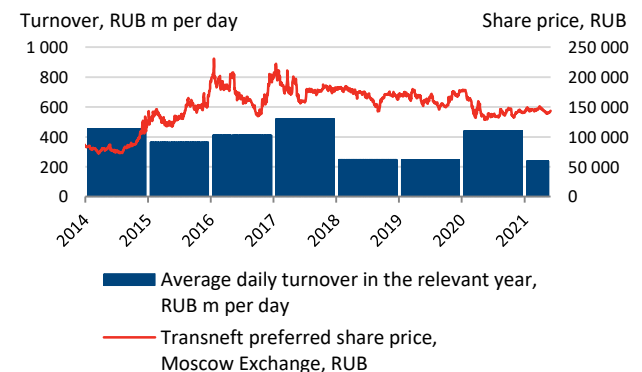
Source: FAS of Russia

\* 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](#)