

## 1.3. ADDRESS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



### DEAR SHAREHOLDERS!

The COVID-19 pandemic has had a significant impact on the global economy during 2020. Transneft successfully coped with the challenges of this difficult period: the Company ensured reliable and stable operation of the pipeline system and promptly took measures to protect the life and health of its employees.

The OPEC+ agreement allowed to avoid long-term adverse effects on the oil and gas industry and significantly reduce the imbalance between demand

and supply. The volume of oil production in Russia within the framework of the deal was limited, which naturally led to a reduction in transportation via Transneft system. The volume of oil supplies via the Company's pipelines decreased to 442.2 million tonnes: by 8.8% compared to 2019.

The temporary reduction in key performance indicators could not but affect the dynamics of Transneft's financial performance. In 2020, the Group's revenue decreased by RUB 101 bn compared to 2019. Shareholder profit for 2020 decreased by RUB 46 bn and amounted to RUB 133 bn. At the same time, the Company fully fulfilled its obligations to shareholders regarding the payment of dividends: Transneft is one of the largest payers of dividends among Russian oil and gas companies. We expect key production and financial indicators to recover as the oil market stabilises.

Transneft is a key element of the Russian oil and gas sector infrastructure, necessary for its uninterrupted operation and implementation of development programmes. To improve the efficiency of Transneft's investment projects and implement medium and long-term development programmes in 2020, the Government of the Russian Federation approved the principles for setting the Company's tariffs for a 10-year period.

**Transneft is a key element of the Russian oil and gas sector infrastructure, necessary for its uninterrupted operation and implementation of development programmes.**

Among Transneft's key priorities are further improvement of corporate practices, modernisation of operational assets, improvement of efficiency and ensuring the maximum level of environmental and industrial safety of operational activities.

## Alexander Novak

Deputy Chairman  
of the Government  
of the Russian Federation  
Chairman of the Board  
of Directors of Transneft



Annual report 2020: Avant-garde in detail