

## 7.12. AUTHORISED CAPITAL AND SECURITIES

As at 31 December 2020, the authorised capital of the Company amounted to RUB 7,249,343 (seven million two hundred and forty-nine thousand three hundred and forty-three rubles) and was split into 7,249,343 shares, including:

- 5,694,468 ordinary shares at par value of RUB 1 each;
- 1,554,875 preferred shares at par value of RUB 1 each.

The Russian Federation represented by the Federal Agency for State Property Management owns 100% of Transneft's ordinary voting shares and 1 preferred share.

Preferred shares of the Company are non-voting and entitle their owners only to receive fixed dividends based on the Company's performance during the year.

### Information on the Company's securities as of 31 December 2020, including on the Company's placement of additionally issued shares and on capital flows during the year

Type of shares	Total number	Par value of all shares, RUB	State registration number of the issue and date of state registration
Ordinary	5,546,847	5,546,847	No. 1-01-00206-A dated 20 December 2007
	21,901	21,901	No. 1-01-00206-A-002D dated 17 November 2016
	125,720	125,720	No. 1-01-00206-A-003D dated 11 January 2018
According to Paragraph 8 of Article 20 of Federal Law dated 22 April 1996 N 39-FZ On Securities Market and on request of the Issuer, the Bank of Russia retains individual numbers (codes) of the second and third additional share issues after three months from the date of state registration of reports on the results of the additional issue of equity securities.			
Preferred	1,554,875	1,554,875	No. 2-01-00206-A dated 20 December 2007

### Shareholders of the Company whose share in the authorised capital of Transneft exceeds 2%, and information on the shares owned by companies that are members of Transneft Group, as of 31 December 2020\*

Name	Address	Share in the authorised capital	Share for ordinary shares	Share for preferred shares
The Russian Federation represented by the Federal Agency for State Property Management	9 Nikolsky Lane, 109012, Moscow	78.55%	100%	0.000064% (1 preferred share)
National Settlement Depository (nominee)	12 Spartakovskaya Street, 105066, Moscow	20.86%	None	97.23%
Legal entities controlled by Transneft	–	0.02%	None	0.10% (1,561 preferred share)
Others	–	0.57%	None	2.67%

The Russian Federation enjoys no special right to participate in the management of the Company (the golden share).

As of 31 December 2020, the following were registered in the shareholder register:

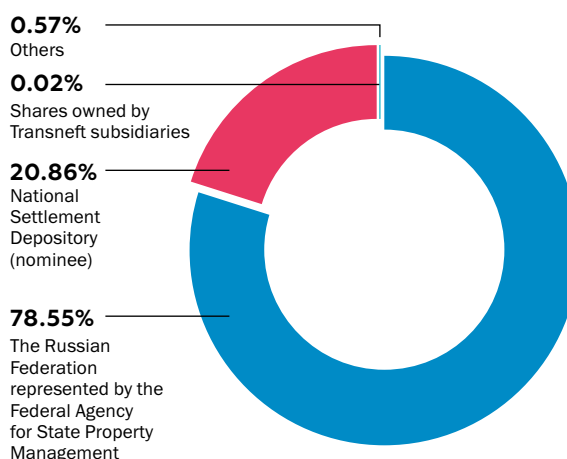
- 2,549 natural persons;
- 26 legal entities, including 1 nominee.

\*The information is presented based on the list of persons registered in the shareholder register of Transneft as of 31 December 2020. If the Company's shares amounting to two or more percent of the authorised capital or ordinary shares are registered in the shareholder register of the Company in the name of a nominee, this fact is specified. Pursuant to the Federal Law On Securities Market, the list of holders of the Company's securities can be provided if it is needed to perform the obligations stipulated by federal laws.

As of 31 December 2020, 0.02% of the authorised capital was owned by Transneft subsidiaries.

Full name and address of the registrar: R.O.S.T. Registrar, Joint-Stock Company, 18 bldg. 5B room 9, Stromynka Street, 107076, Moscow.

#### Authorised Capital Structure as of 31 December 2020



## Stock Exchange Information on Trading the Company's Shares

Preferred shares of the Company are included in the Level One listing of the Moscow Exchange, they are among the key indexes of the Exchange.



[The information on trading of preferred shares of Transneft is available in the For Investors and Shareholders/Share Listings section](#)

On 16 April 2020, the Moscow Exchange revised the free float factor of Transneft preferred shares and set it at the 37% mark (previously 32%). The upgraded free float factor will apply in the MOEX indices calculation from 19 June 2020.

Due to a sharp decline in share prices in the Russian stock market amid the coronavirus pandemic and falling oil prices, Transneft preferred shares were excluded from the MSCI indices in May 2020.

#### General information on the preferred shares of Transneft

Share category	Preferred registered book-entry share
Par value	RUB 1
Moscow Exchange ticker symbol	TRNFP
ISIN code	RU0009091573
Bloomberg Code	TRNFP RX

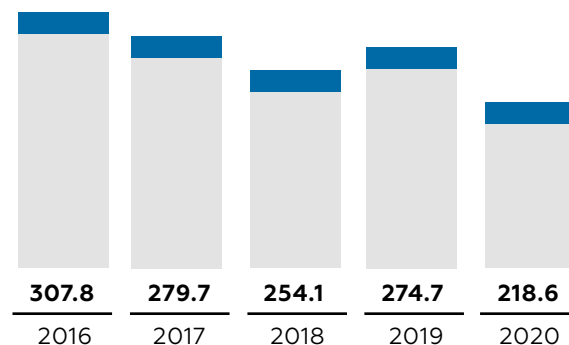
#### Weight of Transneft's preferred shares in the stock indexes of the Moscow Exchange, as of 31 December 2020

Index name	Weight, %
Broad Market Index	0.44
Moscow Exchange Index	0.48
Oil & Gas Sectoral Index	6.76

#### Trading results for preferred shares of the Company

Period	2017	2018	2019	2020
Trading volume, RUB bn	131.7	62.5	62.0	110.5
Minimum price, RUB	156,000	142,500	146,000	128,700
Maximum price, RUB	222,500	185,000	179,850	179,100
Year-end price, RUB	179,900	163,450	176,700	140,600

#### Market capitalisation of preferred shares, RUB bn



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## The Company's Bonds

### Issues of exchange bonds repaid in 2020

Series	Date of placement	Date of maturity	Nominal volume, RUB	Coupon rate, % per annum
Exchange bonds, series B0-001R-07	3 May 2017	28 October 2020	30,000,000,000	8.75%
Exchange bonds, series B0-001R-11	31 May 2019	27 November 2020	15,000,000,000	7.90%

### Issues of exchange bonds in circulation as of 31 December 2020

Series	Date of placement	Date of maturity / date of offer	Nominal volume, RUB	Coupon rate (current), % per annum
Exchange bonds, series B0-05	21 April 2016	9 April 2026/15 April 2021	17,000,000,000	10.10%
Exchange bonds, series B0-06	6 September 2016	25 August 2026/30 August 2022	17,000,000,000	9.30%
Exchange bonds, series B0-07	26 April 2017	17 April 2024	17,000,000,000	8.75%
Exchange bonds, series B0-001R-01	10 June 2016	2 June 2023	20,000,000,000	9.90%
Exchange bonds, series B0-001R-02	8 July 2016	30 June 2023	10,000,000,000	9.65%
Exchange bonds, series B0-001R-03	11 August 2016	3 August 2023	15,000,000,000	9.45%
Exchange bonds, series B0-001R-04	6 October 2016	29 September 2022	15,000,000,000	9.30%
Exchange bonds, series B0-001R-05	3 February 2017	26 January 2024	15,000,000,000	9.25%
Exchange bonds, series B0-001R-06	29 March 2017	24 March 2021	20,000,000,000	9.00%
Exchange bonds, series B0-001R-08	19 October 2017	9 October 2025	25,000,000,000	7.90%
Exchange bonds, series B0-001R-09	26 February 2018	21 February 2022	15,000,000,000	7.15%
Exchange bonds, series B0-001R-10	13 April 2018	8 October 2021	15,000,000,000	7.00%
Exchange bonds, series B0-001R-12	09 July 2019	05 July 2022	15,000,000,000	7.90%
Exchange bonds, series B0-001R-13	08 November 2019	30 October 2026	15,000,000,000	6.85%

### Information on credit ratings as of 31 December 2020

Rating agency	Rating tier 31 December 2020
Standard & Poor's	In foreign currency:
	BBB (stable outlook)
	In national currency:
	BBB (stable outlook)
Moody's	Baa2 (stable outlook)
Expert RA	RuAAA (stable outlook)
NCR	AAA.ru (stable outlook)



[For more detail, see Bonds on the Company's website](#)

In November 2020, the NCR rating agency assigned Transneft the AAA.ru credit rating with a stable outlook. The Agency pointed to the Company's strong market positions and sales markets' resilience, as well as the balanced throughput capacity of its westward and eastward pipelines.

## Dividend Policy and Profit Distribution

Subject to the Dividend Policy of Transneft, the following principles shall be observed when determining the amount of dividends paid out for shares of all categories (kinds):

- transparency of dividend amount determining procedure;
- unconditional accomplishment of the Company's primary objectives stipulated in the Articles of

Association, including investment activities for the development of the operational assets, expansion, revamping and technical upgrading of the trunk pipeline system;

- focus on enhancing the Company's investment appeal;
- ensuring financial stability and minimisation of potential negative effects on the Company's credit ratings;

- consideration of the amount of dividends on shares of all categories (kinds) when calculating tariffs for oil trunk pipeline transportation services set by the Federal Antimonopoly Service;
- sufficiency of the funds available to the Company and obtained from rendering services of oil and petroleum products transportation via trunk pipelines, with regard to the set values of tariff indexation, to finance operational, investment and financial activities.

Pursuant to the approved Policy, the base level of dividend payments amounts to 25% of the consolidated net profit for the reporting year calculated under IFRS and normalised taking into account the share of profit in subsidiaries and jointly controlled companies; income gained from revaluation of financial investments; exchange rate positive balance and other irregular (non-recurring) nonmonetary components of the net profit. From the 2017 reporting year, dividends were paid in the amount of at least 50% of the normalised net profit under IFRS.

The total amount of dividends is distributed between the categories (kinds) of the Company's shares pursuant to the Company's Articles of Association and requirements of the relevant Russian laws. According to the Articles of Association, 10% of the Company's net profit for any particular year is to be paid as dividends on all preferred shares. Nevertheless, the dividend paid on one preferred share cannot be less than the dividend paid on one ordinary share.

According to Order of the Federal Agency for State Property Management No. 413-r dated 30 September

2020, the dividends totalling RUB 84,180,820,784.60 were paid for 2019, including:

RUB 11,612.20 per one ordinary share (5,694,468 shares), amounting to RUB 66,125,301,309.60 in total;

RUB 11,612.20 per one preferred share (1,554,875 shares), amounting to RUB 18,055,519,475 in total.

The dividends resulting from the 2019 performance were paid in full and within the timeframe prescribed by the applicable Russian laws. As of 31 December 2020, Transneft has no dividend debt due to the federal budget.

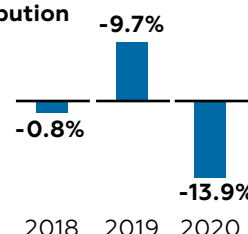
#### Dividends paid, RUB million

Name	2018	2019	2020
Dividend payments	54,937.5	77,611	84,181

#### Dynamics of the TSR indicator (total shareholder return) for preferred shares

##### Information on profit distribution

Period	TSR, %
2018	-0.8%
2019	+9.7%
2020	-13.9%
5 years (2016–2020)	-8.8%



#### Transneft's Dividend History

Name	2017 (interim, based on 1H 2017 results)	2018 (for 2017)	2019 (for 2018)	2020 (for 2019)
Share category, RUB per share	Ordinary	3,875.49	7,578.27	10,705.95
	Preferred	3,875.49	7,578.27	10,705.95
Total number of shares	7,123,623	7,249,343	7,249,343	7,249,343
Total amount of dividends, RUB	27,607,496,252.96	54,937,478,576.61	77,611,103,690.85	84,180,820,784.60
Dividend payout ratio from normalised net profit of Transneft under IFRS	50%		51.2%	53.1%
Resolution on dividend payment	EGM dated 30 August 2017	AGM dated 30 June 2018	AGM dated 30 June 2019	AGM dated 30 September 2020

The amount of dividends paid included dividends paid out from the retained earnings of the previous years

#### Information on profit distribution

Name	2018 (for 2017)	2019 (for 2018)	2020 (for 2019)
Retained profit (loss) in the reporting period (RUB million), including:	58,843.6	10,110.9	76,374.9
Dividends paid, RUB million	58,843.5	10,110.9	76,374.9
Reserve fund replenishment, RUB million	0.02		
Kept at Transneft's disposition, RUB million	0.06	0.036	0.009



For more  
details, see  
the Dividends  
section on the  
Company's  
website

## Shareholder Relations

The Company seeks most efficient interaction with the shareholders, investors and other stakeholders, ensuring regular, prompt, accessible, complete and unbiased disclosure of information, with emphasis on concurrently providing material information to stakeholders.

The Company mandatorily discloses information on its activities:

- on its official website <https://www.transneft.ru/>
- on the issuer's webpage <https://www.e-disclosure.ru/portal/company.aspx?id=636>.

In accordance with the Regulations on the Information Policy, the Company implements a number of activities for voluntary disclosure of information, including:

- publishing (placing) information on the Company's website;
- managing corporate social media accounts (Facebook, VK, Twitter, Instagram, Youtube, Viber);
- disclosing information during direct interaction of the Company with shareholders, investors, mass media and other stakeholders;

- issuing corporate publications (the Oil Pipeline Transportation magazine, the Science & Technologies: Oil and Oil Products Pipeline Transportation scientific journal);
- providing comments (both written and oral) to questions asked by mass media, securities' market professionals and other stakeholders;
- preparing and disclosing the Company's Sustainable Development Report compiled in accordance with the international GRI standards.

During the year, work with shareholders was carried out regarding changes in the information of their personal accounts, payment of dividends and registration of inheritance rights (~30 applications in 2020).

## Investor Relations

To improve work with the investment community, the Investor Relations Division was established in Transneft. Its main tasks are the development and implementation of measures aimed at enhancing the Company's investment appeal and capitalisation.

In 2020, the Investor Relations Division organised:

- a regular dialogue with analysts and investors to increase their awareness of Transneft's activities.
- coverage of the financial results of Transneft under IFRS in the format of a conference call with the Company's management, publication of presentations in Russian and English for investors;
- development and posting of presentation materials on the NCSP, PJSC Strategy on the website; support for disclosure of information on the NCSP segment in the Company's presentation materials.
- regular interaction with investors and specialised rating agencies on sustainable issues (ESG), creation and support of a specialised section and a guide of indicators for ESG investors on the website, communication with the functional divisions of the Company on key issues;
- participation of Transneft in major investment conferences.

The Company's website regularly publishes materials for analysts and investors in Russian and English: presentations, investor's calendar, information on dividends and others.

At the end of 2020, the valuation of shares and the activities of Transneft Group was covered by financial analysts of large investment banks and companies (Bank of America Merrill Lynch, VTB Capital, Raiffeisenbank, Renaissance Capital, Sberbank CIB, Sova Capital), as well as analysts from key rating agencies on sustainable development (ESG-agencies). Information about analysts studying the activities of Transneft is published on the Company's website in the For Investors and Shareholders section.

Transneft is interested in developing an effective dialogue with the investment community.

### Investor Relations Division Contacts:

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