

# ISSUER'S REPORT (QUARTERLY REPORT)

***“Surgutneftegas” Public Joint Stock Company***

***The issuer's code: 00155-A***

**for 1Q2020**

The issuer's location: **628415, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, 1**

**The information contained in this quarterly report is subject to disclosure pursuant to the Securities Legislation of the Russian Federation**

Director General  
Date: 11 June 2020

\_\_\_\_\_  
signature V.L.Bogdanov

Chief Accountant  
Date: 11 June 2020

\_\_\_\_\_  
signature A.V.Druchinin  
STAMP

Contact person: **Anton I. Molchanov, Securities Division Head**

Telephone: **+7 (3462) 42 65 89**

Fax: **+7 (3462) 42 63 40**

E-mail: **Molchanov\_AI@surgutneftegas.ru**

The information contained in this quarterly report is disclosed on the website(s):

**<http://www.surgutneftegas.ru/investors>;**

**<http://www.e-disclosure.ru/portal/company.aspx?id=312>**

## Table of Contents

Table of Contents .....	2
Introduction.....	5
Section I. The issuer's bank accounts, auditor (audit organization), appraiser and financial advisor as well as persons who signed the issuer's report (quarterly report) .....	6
1.1. The issuer's bank accounts.....	6
1.2. The issuer's auditor (audit organization).....	6
1.3. The issuer's appraiser(s) .....	8
1.4. The issuer's advisors .....	8
1.5. Persons who signed the issuer's report (quarterly report) .....	8
Section II. General information on the issuer's financial and economic position .....	9
2.1. The issuer's financial and economic performance .....	9
2.2. The issuer's market capitalization.....	9
2.3. The issuer's liabilities .....	10
2.3.1. Borrowed funds and accounts payable.....	10
2.3.2. The issuer's credit history .....	11
2.3.3. The issuer's liabilities related to security provided by the issuer .....	11
2.3.4. Other liabilities of the issuer .....	12
2.4. Risks related to acquisition of placed securities or those being placed .....	12
2.4.1. Industry risks .....	12
2.4.2. Country and regional risks .....	12
2.4.3. Financial risks .....	13
2.4.4. Legal risks .....	13
2.4.5. Reputation risk .....	14
2.4.6. Strategy risk .....	14
2.4.7. Risks related to the issuer's operations .....	15
2.4.8. Banking risks.....	15
Section III. Detailed information on the issuer .....	15
3.1. The history of the issuer's establishment and development .....	15
3.1.1. The issuer's corporate name (name) .....	15
3.1.2. State registration of the issuer .....	16
3.1.3. Establishment and development of the issuer .....	16
3.1.4. Contact information .....	16
3.1.5. Taxpayer identification number .....	17
3.1.6. Branches and representative offices of the issuer.....	17
3.2. Core business operations of the issuer .....	18
3.2.1. Core economic activities of the issuer.....	18
3.2.2. Core business operations of the issuer .....	18
3.2.3. The issuer's supplies, goods (raw materials) and suppliers.....	20
3.2.4. Marketing outlets for the issuer's products (works, services) .....	20
3.2.5. The issuer's permits (licenses) or authorizations for certain types of works.....	21
3.2.6. Activity of certain categories of issuers .....	21
3.2.7. Additional information on issuers whose core operation is mineral resources extraction.....	21

3.2.8. Additional information on issuers whose core operation is telecommunication services provision .....	27
3.3. Plans for the issuer's future activity .....	27
3.4. The issuer's share in banking groups, bank holding companies, holdings and associations .....	28
3.5. Organizations under the issuer's control which are material to the issuer .....	28
3.6. Constitution, structure and cost of the issuer's fixed assets; information on plans to purchase, replace and dispose of fixed assets as well as on all facts of encumbrance of the issuer's fixed assets .....	32
Section IV. Financial and business activities of the issuer .....	34
4.1. Results of the financial and business activities of the issuer .....	34
4.2. The issuer's liquidity position, capital and current assets adequacy .....	34
4.3. The issuer's financial investments .....	35
4.4. The issuer's intangible assets .....	36
4.5. Data on the issuer's policy and expenses for scientific and technical development, licenses and patents, new developments and research .....	36
4.6. Trends analysis in the sphere of issuer's core operation .....	40
4.7. Analysis of the factors influencing the issuer's operation .....	40
4.8. The issuer's competitors .....	42
Section V. Detailed data on the members of the issuer's management bodies, the issuer's agencies supervising its financial and business activities, and summary on the issuer's employees (workers) .....	42
5.1. Structure and terms of reference for the issuer's management bodies .....	42
5.2. Members of the issuer's management bodies .....	45
5.2.1. The issuer's Board of Directors (Supervisory Board) .....	45
5.2.2. Individual executive body of the issuer .....	49
5.2.3. The issuer's collegiate executive body .....	49
5.3. Remuneration and/or compensation for expenses for each management body of the issuer .....	49
5.4. Structure and terms of reference for the agencies supervising the issuer's financial and business activities and organization of the risk management and internal control system .....	50
5.5. Members of the agencies supervising the issuer's financial and business activities .....	52
5.6. Remuneration and (or) compensation for expenses for the agency supervising the issuer's financial and business activities .....	53
5.7. Number and summary records of the issuer's employees (workers), their categories and changes in their number ...	54
5.8. Obligations of the issuer to its employees (workers) relating to their possible participation in the issuer's charter capital .....	54
Section VI. The issuer's members (shareholders) and interested party transactions conducted by the issuer .....	54
6.1. Total number of the issuer's shareholders (members) .....	54
6.2. The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares as well as persons controlling such members (shareholders) and in absence of such persons – members (shareholders) holding at least 20 percent of the charter capital or at least 20 percent of their ordinary shares .....	55
6.3. Share of the state or a municipal formation in the issuer's charter capital; any special right ("golden share") .....	55
6.4. Restrictions on participation in the issuer's charter capital .....	56
6.5. Changes in the list and participation of the issuer's shareholders (members) holding at least five percent of its charter capital or at least five percent of its ordinary shares .....	56
6.6. Interested party transactions conducted by the issuer .....	56
6.7. Accounts receivable .....	56
Section VII. The issuer's accounting (financial) statements and other financial information .....	57
7.1. Annual accounting (financial) statements of the issuer .....	57
7.2. Interim accounting (financial) statements of the issuer .....	57
7.3. Consolidated financial statements of the issuer .....	57

7.4. Accounting policy of the issuer.....	57
7.5. Total export and share of export in total sales.....	60
7.6. Substantial changes in the issuer's property after the date when the last completed reporting year ended.....	60
7.7. The issuer's participation in litigations in case such participation may substantially affect the issuer's financial and business activities.....	60
Section VIII. Additional information on the issuer and equity securities placed by the issuer.....	60
8.1. Additional information on the issuer.....	60
8.1.1. Size and structure of the issuer's charter capital .....	60
8.1.2. Changes in the size of the issuer's charter capital.....	62
8.1.3. Convening and holding a meeting (session) of the issuer's supreme management body.....	62
8.1.4. Commercial organizations where the issuer holds at least five percent of the charter capital or at least five percent of ordinary shares.....	63
8.1.5. Major transactions conducted by the issuer .....	66
8.1.6. Credit ratings of the issuer .....	66
8.2. Data on each category (type) of the issuer's shares .....	66
8.3. Previous issues of the issuer's equity securities, excluding the issuer's shares .....	68
8.3.1. Issues with all securities redeemed .....	68
8.3.2. Issues with securities that are not redeemed.....	68
8.4. Person(s) who offered security for the issuer's secured bonds and security offered for the issuer's secured bonds....	68
8.4.1. Additional information on the mortgage collateral on the issuer's mortgage-backed bonds .....	68
8.4.2. Additional information on the collateral by money claims for the bonds of the issuer with the collateral by money claims .....	68
8.5. Organizations keeping records of rights for the issuer's equity securities .....	69
8.6. Legislative acts regulating import and export of capital which may influence dividend payment, interests and other payments to non-residents.....	69
8.7. Declared (accrued) and (or) paid dividends on the issuer's shares and the issuer's bond yield.....	69
8.7.1. Dividends declared and paid on the issuer's shares .....	69
8.7.2. Accrued and paid yield on the issuer's bonds .....	76
8.8. Miscellaneous information.....	76
8.9. Represented securities and the issuer of represented securities title to which is evidenced by Russian Depositary Receipts.....	76
Appendix No. 1 to this issuer's report (quarterly report). Annual accounting (financial) statements of the issuer .....	77
Appendix No. 2 to this issuer's report (quarterly report). Interim accounting (financial) statements of the issuer .....	122

## Introduction

Grounds for the issuer's obligation to disclose information in the form of an issuer's report (quarterly report)

*State registration of at least one issue (additional issue) of the issuer's securities was accompanied by registration of the issue prospectus and such securities were placed through a public or through a private subscription among more than 500 persons.*

*The issuer is a joint stock company formed through privatization of state and/or municipal enterprises (their business units); under the duly approved privatization plan, which was the issue prospectus of such an issuer as of the date of its approval, the issuer's shares may be disposed of in favor of more than 500 acquirers or the general public.*

*The issuer is a public joint stock company.*

This issuer's report (quarterly report) contains estimates and forecasts of the issuer's authorized management bodies as to the forthcoming events and/or actions, prospects of development of the issuer's main industry and the issuer's operating results, including the issuer's plans, probability of certain events and certain actions. Investors shall not entirely rely on the estimates and forecasts of the issuer's management bodies since the issuer's future actual operating results may differ from the forecast results for many reasons. Acquisition of the issuer's securities may entail risks described in this issuer's report (quarterly report).

## **Section I. The issuer's bank accounts, auditor (audit organization), appraiser and financial advisor as well as persons who signed the issuer's report (quarterly report)**

### **1.1. The issuer's bank accounts**

(The information is disclosed in relation to all settlement and other accounts of the issuer, and if their number is more than 3, then in relation to not less than 3 settlement and other accounts of the issuer which it considers to be its basic accounts)

#### **1. Banking institution**

Full corporate name: *Joint Stock Company "Surgutneftegasbank"*

Abbreviated corporate name: *JSC BANK "SNGB"*

Location: *Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut*

INN: *8602190258*

Bank identification code (BIK): *047144709*

Account number: *40702810000000100368*

Corr. account: *30101810600000000709*

Account type: *Settlement*

#### **2. Banking institution**

Full corporate name: *Public Joint Stock Company ROSBANK*

Abbreviated corporate name: *PJSC ROSBANK*

Location: *107078, Moscow, ul.Mashi Poryvaevoy, 34*

INN: *7730060164*

Bank identification code (BIK): *044525256*

Account number: *40702810700001013054*

Corr. account: *30101810000000000256*

Account type: *Settlement*

#### **3. Banking institution**

Full corporate name: *Uralsky subsidiary of Joint Stock Company "Raiffeisenbank" in Yekaterinburg*

Abbreviated corporate name: *Uralsky subsidiary of JSC "Raiffeisenbank"*

Location: *620075, Sverdlovskaya Oblast, Yekaterinburg, ul. Krasnoarmeyskaya, 10*

INN: *7744000302*

Bank identification code (BIK): *046577906*

Account number: *40702810904000430320*

Corr. account: *30101810100000000906*

Account type: *Settlement*

#### **4. Banking institution**

Full corporate name: *Western Siberian subsidiary of Public Joint-Stock Company Bank "Otkritie Financial Corporation"*

Abbreviated corporate name: *Western Siberian subsidiary of PJSC Bank "Otkritie FC"*

Location: *628012, Khanty-Mansiysky Autonomous Okrug – Yugra, Khanty-Mansiysk, ul.Mira, 38*

INN: *7706092528*

Bank identification code (BIK): *047162812*

Account number: *40702810300050001123*

Corr. account: *30101810465777100812*

Account type: *Settlement*

### **1.2. The issuer's auditor (audit organization)**

Specify the information concerning the auditor (audit organization) which is in charge of or has/have prepared independent audit of the accounting (financial) statements of the issuer and the consolidated financial

statements of the issuer incorporated into an issuer's report (quarterly report) as well as the auditor (audit organization) approved (selected) for audit of the issuer's annual accounting (financial) statements and consolidated financial statements for the current and the last completed financial year.

Full corporate name: **"Crowe Expertiza" Limited Liability Company**

Abbreviated corporate name: **"Crowe Expertiza" LLC**

Location: **127055, Moscow, Tikhvinsky Lane, 7, bld. 3, office 20**

INN: **7708000473**

OGRN: **1027739273946**

Telephone: **+7 (495) 721 3883**

Fax: **+7 (495) 721 3894**

E-mail: **office.msc@crowerus.ru**

Auditor's membership in self-regulated audit organizations

Full name: **Self-regulatory Auditor Organization of Auditors Association "Sodruzhestvo"**

Location: **119192, Moscow, prosp. Michurinsky, 21, 4**

Additional information: **none.**

Reporting year (years) for the period of last five completed financial years and the current financial year for which the auditor has carried out or will carry out independent audit of the issuer's annual accounting (financial) statements

Accounting (financial) statements, Year	Consolidated financial statements, Year
<b>2015</b>	<b>2015</b>
<b>2016</b>	<b>2016</b>
<b>2017</b>	<b>2017</b>
<b>2018</b>	<b>2018</b>
<b>2019</b>	<b>2019</b>

Periods of last five completed financial years and the current financial year for which the auditor has carried out or will carry out independent audit of the issuer's interim accounting (financial) statements

Accounting (financial) statements, Reporting date	Consolidated financial statements, Reporting date
	<b>6 months 2018 ended 30.06.2018</b>
	<b>6 months 2019 ended 30.06.2019</b>

Describe the factors that may affect the auditor's (audit organization's) independence from the issuer, including any material interests between the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization) and the issuer (officers of the management bodies and bodies supervising the financial and business activities of the issuer): **there are no factors that may affect the auditor's (audit organization's) independence from the issuer, including any material interests between the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization) and the issuer (officers of the management bodies and bodies supervising the financial and business activities of the issuer).**

The share of the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization) in the issuer's charter capital: **the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization) have no share in the issuer's charter capital.**

Borrowed funds provided by the issuer to the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization): **no borrowed funds have been provided by the issuer to the auditor (officers of the management bodies and bodies supervising the financial and business activities of the audit organization).**

Close business relations (promotion of the issuer's products (services), joint ventures, etc.) and kinship: **there are no close business relations (promotion of the issuer's products (services), joint ventures, etc.) and kinship.**

Officers of the management bodies and (or) bodies supervising the financial and business activities of the issuer who at the same time serve as officers of the management bodies and (or) bodies supervising the financial and business activities of the audit organization: ***there are no officers of the management bodies and (or) bodies supervising the financial and business activities of the issuer who at the same time serve as officers of the management bodies and (or) bodies supervising the financial and business activities of the audit organization.***

Other factors that may affect the auditor's independence from the issuer: ***there are no other factors that may affect the auditor's independence from the issuer.***

Selection of the issuer's auditor

Tender procedure for an auditor selection and its basic terms and conditions: ***no tender has been held.***

Auditor nomination for approval by the shareholders' (members') meeting, including the management body adopting such a resolution: ***the issuer's Board of Directors considers the proposals from the various auditing companies received by the date of the meeting. The Board of Directors considers the proposals from the auditing companies and, based on recommendations of the Audit Committee of the Board of Directors, adopts a resolution to recommend an auditor to be further approved by a general shareholders' meeting.***

***There was no special engagement of the auditor.***

Describe the procedure for determination of the auditor's (audit organization's) remuneration and specify the actual remuneration paid by the issuer to the auditor (audit organization) upon completion of the last completed reporting year for which the auditor (audit organization) has carried out independent audit of the annual accounting (financial) statements and (or) the annual consolidated financial statements of the issuer: ***"Crowe Expertiza" LLC tenders its commercial offer to the issuer's Board of Directors which specifies the audit procedure in all substantial aspects and contains an estimation of labor costs to conduct the audit of the issuer's annual accounting (financial) statements and consolidated financial statements and estimation of traveling expenses, as well as includes a draft auditing services agreement. If necessary, the Company may request information on additional expenses and explanations from "Crowe Expertiza" LLC. Based on the information provided, the issuer's Board of Directors adopts a resolution in regard to the amount of remuneration to be paid to "Crowe Expertiza" LLC.***

***The Company has no deferred and overdue payments for the services provided by the auditor.***

### 1.3. The issuer's appraiser(s)

***During 12 months before the date when the reporting quarter ended the issuer has engaged no appraisers to determine the market value of:***

- securities being placed and outstanding securities (obligations on which are not fulfilled);***
- property that is used to pay for securities being placed or that has been used to pay for outstanding securities (obligations on which are not fulfilled);***
- property that is the collateral for the issuer's collateral bonds being placed or the issuer's outstanding collateral bonds, obligations on which are not fulfilled;***
- property being objects of major transactions and interested party transactions.***

### 1.4. The issuer's advisors

***With reference to clause 1.4, Appendix 3 to Regulations No. 454-P of The Bank of Russia "On Disclosing Information by Equity Securities Issuers" dated 30 December 2014, the Company has engaged no financial advisors during 12 months before the date when the reporting quarter ended.***

### 1.5. Persons who signed the issuer's report (quarterly report)

Name: ***Bogdanov Vladimir Leonidovich***

Year of birth: ***1951***

Primary employment:

Company: ***"Surgutneftegas" PJSC***

Position: ***Director General***



Name: **Druchinin Andrei Vladislavovich**  
 Year of birth: **1969**  
 Primary employment:  
 Company: **“Surgutneftegas” PJSC**  
 Position: **Chief Accountant**

## Section II. General information on the issuer’s financial and economic position

### 2.1. The issuer’s financial and economic performance

The dynamics of indicators of the issuer’s financial and economic performance calculated on the basis of the accounting (financial) statements

Standard (rules) of the accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: **Russian Accounting Standards (RSBU)**

Measurement unit of labor efficiency: **thousand RUB per person**

Indicator	2018	2019
Labor efficiency	15,018	15,303
Debt to equity ratio	0.062	0.058
Long-term debt to total long-term debt and equity ratio	0.022	0.022
Debt to operating income (profit)	0.177	-0.038
Overdue debts, %	0.1712	0.1185

Measurement unit of labor efficiency: **thousand RUB per person**

Indicator	2019, 3 months	2020, 3 months
Labor efficiency	3,896	2,919
Debt to equity ratio	0.055	0.058
Long-term debt to total long-term debt and equity ratio	0.022	0.019
Debt to operating income (profit)	0.319	1.748
Overdue debts, %	0.2612	0.1419

The analysis of the issuer’s financial and economic performance based on the economic analysis of the above indicators

*The indicator of labor efficiency proves the effectiveness of labor potential use and production operations. The change in this indicator for 2019 and 1Q2020 is caused by the dynamics of revenue in accordance with the market conditions.*

*Such indicators as “Debt to equity ratio” and “Long-term debt to total long-term debt and equity ratio” for 2019 and 1Q2020 show a low level of the issuer’s dependence on raised and borrowed funds.*

*The indicator “Debt to operating income (profit)” demonstrates the issuer’s ability to cover its debts by operating income. Its negative value for 2019 is caused by the excess of cash and cash equivalents over short-term liabilities.*

*The level of the issuer’s overdue accounts payable in the reporting periods proves that the issuer redeems its liabilities in time.*

### 2.2. The issuer’s market capitalization

*Market capitalization shall be calculated by taking the total number of shares of a certain category (type) and multiplying it by the market price of one share which is disclosed by the market maker*

Unit of measure: **thousand RUB**

Indicator	As of 31.12.2019	As of 31.03.2020
Market capitalization	2,107,381,083.93	1,461,855,959.87

The securities market maker that provides data for calculation of market capitalization and any other additional information on outstanding securities at the issuer's discretion: *the issuer's market capitalization shall be calculated by PJSC "Moscow Exchange"*.

## 2.3. The issuer's liabilities

### 2.3.1. Borrowed funds and accounts payable

As of 31.12.2019

Structure of borrowed funds: *there are no borrowed funds.*

The structure of accounts payable

Unit of measure: *thousand RUB*

Indicator	Indicator value
Total accounts payable	138,444,545
including those overdue	296,095
including	
accounts payable to the budget and state non-budget funds	76,767,819
including those overdue	
accounts payable to suppliers and contractors	21,287,772
including those overdue	296,095
accounts payable to personnel	14,940,070
including those overdue	
other	25,448,884
including those overdue	

In case of any overdue accounts payable, including those under borrowed funds, specify the reasons for non-fulfillment of liabilities and consequences (both actual and possible) arising for the issuer from non-fulfillment of the relevant liabilities, including sanctions imposed on the issuer and the date when overdue accounts payable or overdue amount of borrowed funds will be paid or are expected to be paid.

*Non-fulfillment of the liabilities for overdue accounts payable will have no consequences for the issuer in the future.*

Creditors accounting for at least 10 percent of the total accounts payable or at least 10 percent of the total (long-term and short-term) borrowed funds: *No such creditors.*

As of 31.03.2020

Structure of borrowed funds: *there are no borrowed funds.*

The structure of accounts payable

Unit of measure: *thousand RUB*

Indicator	Indicator value
Total accounts payable	176,745,552
including those overdue	412,056
including	
accounts payable to the budget and state non-budget funds	117,528,449
including those overdue	
accounts payable to suppliers and contractors	23,832,601
including those overdue	412,056
accounts payable to personnel	9,029,826
including those overdue	
other	26,354,676
including those overdue	

In case of any overdue accounts payable, including those under borrowed funds, specify the reasons for non-fulfillment of liabilities and consequences (both actual and possible) arising for the issuer from non-fulfillment of the relevant liabilities, including sanctions imposed on the issuer and the date when overdue accounts payable or overdue amount of borrowed funds will be paid or are expected to be paid.

***Non-fulfillment of the liabilities for overdue accounts payable will have no consequences for the issuer in the future.***

Creditors accounting for at least 10 percent of the total accounts payable or at least 10 percent of the total (long-term and short-term) borrowed funds: ***No such creditors.***

### 2.3.2. The issuer's credit history

The issuer's liabilities fulfilled under the credit and (or) loan agreements having been in force during the last completed reporting year and current year, including those in the form of bonds issued and sold, the principal amount of which equaled to or exceeded five percent of the book value of the issuer's assets as of the last day of the last completed reporting period of 3, 6, 9 or 12 months preceding the conclusion of the relevant agreement as well as liabilities under other credit and (or) loan agreements which the issuer deems significant.

***The issuer had no such liabilities.***

### 2.3.3. The issuer's liabilities related to security provided by the issuer

**As of 31.12.2019**

Unit of measure: ***thousand RUB***

Indicator	As of 31.12.2019
The total amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full)	<b><i>22,923,749</i></b>
including liabilities of the third parties	<b><i>22,923,749</i></b>
The amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of pledge	
including liabilities of the third parties	
The amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of guarantee	<b><i>19,689,221</i></b>
including liabilities of the third parties	<b><i>19,689,221</i></b>

The issuer's liabilities related to security provided to the third parties, including pledge or guarantee, that account for five or more percent of the book value of the issuer's assets as of the last date of the relevant reporting period: ***no such liabilities in this reporting period.***

**As of 31.03.2020**

Unit of measure: ***thousand RUB***

Indicator	As of 31.03.2020
The total amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full)	<b><i>23,176,568</i></b>
including liabilities of the third parties	<b><i>23,176,568</i></b>
The amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of pledge	
including liabilities of the third parties	

The amount of security provided by the issuer (the amount (sum) of non-fulfilled liabilities in regard to which the issuer provided security, if in accordance with terms of provided security the fulfillment of the relevant liabilities is provided in full) in the form of guarantee	20,121,626
including liabilities of the third parties	20,121,626

The issuer's liabilities related to security provided to the third parties, including pledge or guarantee, that account for five or more percent of the book value of the issuer's assets as of the last date of the relevant reporting period: *no such liabilities in this reporting period.*

#### 2.3.4. Other liabilities of the issuer

*There are no other liabilities not shown in the accounting (financial) statements which may significantly affect the issuer's financial position, its liquidity, sources of funds, terms of their use, performance results and expenses.*

#### 2.4. Risks related to acquisition of placed securities or those being placed

The issuer's policy in the sphere of risk management: *in the course of its activities, the issuer seeks to fulfill its obligations and minimize the impact of the risks.*

##### 2.4.1. Industry risks

*The activity of the issuer is exposed to various industry risks, the major of which are the drop in oil and oil products prices and the growth of prices for raw materials and services.*

*The issuer's financial performance relates to the hydrocarbons market environment. Oil and oil products prices depend on many factors which are beyond the issuer's control. The drop in prices may lead to a decrease in the issuer's revenue, income and cash flow. The significant or prolonged drop in hydrocarbon prices may lead to a decrease in profitable oil production, review of feasibility of implementation of new projects in the sphere of oil and gas production and processing, impairment of assets, slowdown of reserves recovery and future production. Besides, a prolonged period of low oil and oil products prices may influence the financial stability of the issuer's counterparties, which increases risks of cooperation with them.*

*In order to mitigate the price risk the issuer applies scenario approaches which provide for different levels of oil and oil products prices and relevant adjustments of production and investment programs. The issuer takes into consideration this risk when planning investments in new projects in the sphere of production and processing of hydrocarbons.*

*Risk of an increase in current and capital expenditures resulting from the growth of expenses on purchase of feedstock and materials, equipment, fuel and electrical energy, oil and oil products transportation services significantly influences the issuer's financial performance. In order to mitigate this risk the issuer uses tender procedures when purchasing machinery, materials and equipment, monitors the quality of procurements and services, develops in-house production in key areas, electrical and thermal energy generation, diversifies the ways of transportation of the finished goods. In preparation of plans the issuer also takes into consideration high risks of a decrease in economic efficiency from projects which are technically complicated and remote from transport infrastructure.*

##### 2.4.2. Country and regional risks

*"Surgutneftegas" PJSC carries out its activity in the territory of the Russian Federation and is exposed to the country and regional risks.*

*The economic situation in Russia depends on many factors, the major of which are global economic growth rates and hydrocarbon prices. The decrease in oil demand and oil prices may have an adverse effect on the economy of the Russian Federation and worsen the issuer's financial performance. "Surgutneftegas" PJSC regularly analyzes the macroeconomic environment and in order to mitigate this risk diversifies the supply routes of the finished goods, avoids the high concentration of the revenue received in the certain regional markets and from the issuer's clients.*

*The issuer carries out its production operations in regions with stable indicators of social and economic development and levels of employment. In addition, the issuer's investments contribute to the economic development of the regions of its presence.*

*The locations of the issuer's production assets are characterized by stable weather conditions with the low probability of hurricanes, earthquakes, floods and other severe natural phenomena. At the same time, the issuer's production facilities for oil and gas production and gas processing are located in the regions with extremely low temperatures in winter. This creates a risk of failure of equipment and machinery, temporary stop of operating activities, breakdown of transportation of the finished goods. Fields that are remote from the main transport infrastructure, are exposed to the risk of delay in deliveries of materials and equipment. Failures of pipeline transportation, adverse weather conditions at the shipping ports may cause violation of the agreed terms and conditions regarding the volumes and time of delivery of the finished goods.*

*The impact of regional climatic characteristics on the issuer's activity is taken into consideration at the stage of design and during the operation of the oil and gas production assets. The issuer compiles optimal schedules for the required materials and equipment to be delivered to the facilities that are remote from the main transport and production infrastructure.*

#### **2.4.3. Financial risks**

*The issuer is mainly exposed to such financial risks as currency risk, interest rate risk, inflation risk, credit risk and liquidity risk. The realization of these risks may worsen the issuer's financial performance due to a decrease in assets profitability and their impairment, the growth of expenses on purchase of goods and services.*

*Currency risk characterized by exchange rate fluctuations may significantly influence the issuer's financial performance. Performance of foreign economy activities and financial assets nominated in a foreign currency expose the issuer to this risk. In order to manage it "Surgutneftegas" PJSC controls the key parameters and the structure of financial assets, plans cash flows, assesses the impact of risk of changes in currency rates on efficiency of its current activities and investments in new projects.*

*Interest rate risk has no material impact on the financial performance of the issuer as operational expenses and capital expenditures are financed from its own funds. At the same time, the issuer analyzes the actual levels and dynamics of interest rates, takes into consideration the level of risk and profitability when determining the best option for placement of financial assets in money and capital markets.*

*Inflation risk relates to the growth of expenses, decrease in profitability of current activities and efficiency of investments in new projects. The issuer considers possibility of different scenarios of changes in prices of purchased goods and services, controls the cost increase at all stages of production activities, evaluates investments in production, processing of raw materials and sales of finished goods taking into account inflation risk. Besides, the issuer regularly holds tenders to choose the most appropriate option for goods and services purchases taking into account their quality and cost, and reliability of the counterparty.*

*The exposure of the issuer to credit risk occurs in relation to trade receivables and financial assets in case counterparties fail to timely fulfill contractual obligations. In order to mitigate this risk "Surgutneftegas" PJSC applies the system of integrated assessment of counterparties which takes into consideration their financial position, credit history and the state of budget settlement. The issuer uses payback mechanisms when making advance payments to counterparties. In order to mitigate credit risk when placing financial assets, the issuer monitors the credit quality of financial organizations using its own formalized method of analysis of financial position and different aspects of their activities.*

*Liquidity risk has no material impact on "Surgutneftegas" PJSC. The issuer owns a sufficient amount of its liquid assets and does not raise borrowed funds in money and capital markets to finance its current operating activities and invest in new projects. The budgeting system of the issuer helps building the optimal structure of cash flows and keep the sufficient level of liquidity to settle all its liabilities in a timely manner.*

*The issuer does not apply derivative financial instruments to hedge financial risks, but the issuer takes into consideration their possible application when investing in new projects and making plans and budgets. In order to mitigate financial risks in production activities, the issuer uses insurance mechanisms to protect its assets and operations.*

#### **2.4.4. Legal risks**

*The issuer is exposed to risks of a change in the legislation in the area of currency, tax, customs and antimonopoly regulation as well as licensing in the oil and gas industry. The realization of these risks may lead to growing expenses, a decrease in profitability and adjustment of plans for commissioning the issuer's new production facilities.*

*Making changes to the current legislation of the Russian Federation on currency regulation and currency control may result in higher expenses and more complex procedures for conducting foreign trade transaction, disruption of the issuer's business processes and lower economic efficiency. The issuer carries out its operating activities in strict compliance with the requirements of the current currency legislation of the Russian Federation.*

*Changes in the tax legislation may significantly affect the operating and financial performance of the issuer. "Surgutneftegas" PJSC fulfills its obligations on tax payment and mandatory payments in accordance with the current legislation in full and on time. In order to mitigate this risk the issuer analyzes the impact of the tax burden on the current activity as well as the efficiency of investment in new projects, assesses the suggested changes in the legislation and takes them into consideration in its plans, takes part in considering the issues of taxation in the oil and gas industry as well as improvement and development of the current tax legislation.*

*The issuer conducts foreign trade transactions and is exposed to risks of growing time expenditures on the customs control procedures required by the legislation when transferring goods through the customs border of the Russian Federation, and increased customs duties on some goods. The negative outcomes of realization of these risks are a decrease in operating efficiency and financial performance of the issuer. The issuer meets the requirements of the current customs legislation of the Russian Federation, timely executes documents to conduct foreign trade transactions, takes into account possible sophistication of the customs administering process when planning its operating activities.*

*Change in the work principles of the state licensing system which regulates the procedure for subsoil licensing is a significant risk for the issuer and can affect its plans for extension of the territory of operations, worsen the financial performance and the efficiency of the existing fields. The issuer timely monitors the possible changes in the legislation in the sphere of licensing, evaluates their influence on the current and planned projects and in the event of realization of these risks can adjust its production program in order to minimize them. The issuer adheres to the existing licenses for subsoil use, has a sufficient amount of financial resources, materials and equipment as well as personnel and has considerable experience of projects implementation in the sphere of hydrocarbon production.*

#### **2.4.5. Reputation risk**

*The issuer is exposed to reputation risk and loss of trust from the key counterparties, issuer's clients and other stakeholders due to possible non-conformity of the produced goods with the declared quality, violation of the agreed periods of payment, non-fulfillment of other contractual obligations, violation of business customs and principles of professional ethics.*

*The issuer strictly oversees the adherence to all regulatory requirements that regulate the products production. The issuer monitors the quality at all stages of production. The issuer constantly informs clients and counterparties and communicates with the consumers of the produced goods and its rendered services.*

*The issuer strives to perform safe and efficient operating activity. The issuer annually implements measures to increase the industrial and environmental safety. The issuer checks the technical condition of production and transport infrastructure, special vehicles and equipment, oversees the occupational safety at the issuer's facilities. These measures allow the issuer to lower the risks of technological accidents, damaging the environment and the personnel health. Being in strict compliance with the current legislation of the Russian Federation, the issuer fulfills its obligations on tax payment and non-tax payment, makes timely salary payments and settlements with counterparties to minimize reputation risk. The issuer is a responsible party to the economic relations performing its production activities in accordance with high social and environmental standards.*

#### **2.4.6. Strategy risk**

*Strategy risk for the issuer is making incorrect management decisions that restrict development and hinder achievement of the issuer's long-term goals.*

*The issuer is exposed to the risk of not taking timely management decisions in response to internal and external threats. The realization of this risk may result in lower competitiveness as well as reduced financial and operating performance of the issuer.*

*The issuer pays close attention to changes in the internal and external environment, evolution of legislation, analyzes the competitors and implements new technologies. When planning new investment*

*projects, the issuer takes into consideration different macroeconomic scenarios, trends in the sphere of consumer preferences, dependence on goods and services suppliers.*

*Choosing inefficient ways of investment in new projects may lead to the reduction in hydrocarbon reserves and production output, overpricing of these projects and long terms of their implementation. Besides, the issuer may face the lack of materials and equipment as well as personnel and finance as the result of reallocation of these resources to the projects with lower efficiency.*

*The issuer has the required resources to implement current and planned projects. Active processes of the investment decision making employed by “Surgutneftegas” PJSC allow for key internal and external factors that influence the economic attractiveness of the projects, make it possible to minimize the risks of the negative impact of new investments on the current activity and achievement of the issuer’s long-term development goals.*

#### **2.4.7. Risks related to the issuer’s operations**

*The activities of the issuer as a Russian oil and gas production company are associated with a large number of risks, realization of which may negatively affect its production and financial performance. The policy in the sphere of risk management is aimed at providing sustainable continuous operation and development of the issuer, achievement of the strategic goals and accomplishment of the assigned tasks.*

*“Surgutneftegas” PJSC applies a complex risk management system which serves to timely identify them, evaluate their potential influence on the issuer’s activity in a quality and quantity manner as well as develop and timely take measures to reduce the possible adverse effect from their realization. The system covers all spheres of activity, stages of production and sales of finished goods in “Surgutneftegas” PJSC. The issuer uses modern practices and methods of control over the risk management, distributes functions and powers of the risk management between various levels. The Audit Committee one of the main functions of which is to control the reliability and efficiency of the risk management and internal control system operates in the Board of Directors of “Surgutneftegas” PJSC. The evaluation of the working efficiency of the risk management system is carried out by the Internal Audit Service.*

#### **2.4.8. Banking risks**

*The issuer is not a banking institution.*

### **Section III. Detailed information on the issuer**

#### **3.1. The history of the issuer’s establishment and development**

##### **3.1.1. The issuer’s corporate name (name)**

The issuer’s full corporate name: *“Surgutneftegas” Public Joint Stock Company*

Date of introduction of the issuer’s existing full corporate name: *03.07.2018*

The issuer’s abbreviated corporate name: *“Surgutneftegas” PJSC*

Date of introduction of the issuer’s existing abbreviated corporate name: *03.07.2018*

**The issuer’s corporate name is registered as a trademark or a service mark.**

##### **Trademark registration**

Certificate of trademark: *No. 438918 dated 09.06.2011*

Priority (commencement) of the document of title: *06.05.2010*

Validity period of the document of title: *06.05.2020*

Certificate of trademark (logotype): *No. 580396 dated 12.07.2016*

Priority (commencement) of the document of title: *25.03.2015*

Validity period of the document of title: *25.03.2025*

Certificate of trademark (logotype): *No. 723719 dated 16.08.2019*

Priority (commencement) of the document of title: *21.03.2019*

Validity period of the document of title: *21.03.2029*

### **All previous names of the issuer during its existence**

Full corporate name: *Production Association “Surgutneftegas”*

Abbreviated corporate name: *PO “Surgutneftegas”*

Introduced: *15.09.1977*

Full corporate name: *Joint Stock Company of Open Type “Surgutneftegas”*

Abbreviated corporate name: *AOOT “Surgutneftegas”*

Introduced: *06.05.1993*

Grounds for introduction: *Decree of the President of the Russian Federation No. 1403 “On Special Provisions for Privatization and Corporization of State Enterprises, Production and Scientific Production Associations in the Petroleum, Petroleum Refining and Petroleum Products Supply Industries” dated 17.11.92.*

Full corporate name: *Open Joint Stock Company “Surgutneftegas”*

Abbreviated corporate name: *OJSC “Surgutneftegas”*

Introduced: *27.06.1996*

Grounds for introduction: *Resolution of the annual general shareholders’ meeting of OJSC “Surgutneftegas” held on 15.06.1996, Minutes No. 3 dated 15.06.1996.*

### **3.1.2. State registration of the issuer**

Initial state registration

State registration number: *12-4782*

Date of state registration: *06.05.1993*

Body that conducted the state registration: *Administration of the city of Surgut, Khanty-Mansiysky Autonomous Okrug, Tyumenskaya Oblast*

Registration of the legal entity

Main state registration number of the legal entity: *1028600584540*

Date of entry of the legal entity registered prior to 1 July 2002 into the Uniform State Register of Legal Entities: *18.09.2002*

Name of the registration authority: *Inspectorate of the Ministry of Taxation of Russia for Surgut, Khanty-Mansiysky Autonomous Okrug*

### **3.1.3. Establishment and development of the issuer**

*The issuer is established for an unlimited period of time.*

Summary of the issuer’s establishment and development. The issuer’s corporate purposes, the issuer’s mission (if any) and other information on the issuer’s operations essential for a decision to acquire the issuer’s securities

*The name of oil and gas producing company “Surgutneftegas” goes hand in hand with the discovery of Big Oil in Western Siberia.*

*Back in March 1964, the first group of oilmen set foot on Surgut ground. The local climate and terrain made it impossible to use conventional methods for building roads, wells, pipelines and field facilities. In fact, the oil producing division “Surgutneft” was a real testing ground where various technologies and methods were created and applied to develop fields in severe geological and climatic conditions. The division proved to be a true forge of skilled workers for whole Western Siberia. Many oil and gas producing companies, such as “Kogalymneftegas”, “Noyabrskneftegas”, “Yuganskneft”, “Megionneft” and “Pravdinskneft” were once part of “Surgutneft” and later became separate entities.*

*At present, the issuer carries out its business in the territory of constituent entities of the Russian Federation.*

*The issuer’s main corporate objective is profit earning.*

### **3.1.4. Contact information**

The issuer’s location: *Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul. Grigoriya Kukuyevitskogo, 1, bld. 1*

Address of the issuer indicated in the Uniform State Register of Legal Entities: *628415, Khanty-Mansiysky*



**Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, 1**

Telephone: +7 (3462) 42 60 28; 42 61 33

Fax: +7 (3462) 42 64 94

E-mail: **Bogdanov-VL-REF@surgutneftegas.ru**

Website(s) where information on the issuer and securities issued and/or being issued by the issuer is available:

**<http://www.surgutneftegas.ru/investors;>**

**<http://www.e-disclosure.ru/portal/company.aspx?id=312>**

The name of the third party for shareholder and investor relations: **Joint Stock Company “Surgutinvestneft”**

The third party’s location: **628415, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52, bld. 1**

Telephone: +7 (3462) 55 09 22; +7 (800) 350 38 36

Fax: +7 (3462) 55 09 26

E-mail: **info@sineft.ru**

Website: **<http://sineft.ru/>**

The issuer’s special subdivision for shareholder and investor relations: **Investor relations and DR program support department of Securities Division of “Surgutneftegas” PJSC**

Subdivision’s location: **628415, Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

Telephone: +7 (495) 698 94 18

Fax: +7 (495) 698 94 14

E-mail: **ir-ext@surgutneftegas.ru**

Website: **[www.surgutneftegas.ru](http://www.surgutneftegas.ru)**

### **3.1.5. Taxpayer identification number**

**8602060555**

### **3.1.6. Branches and representative offices of the issuer**

Branches and representative offices of the issuer

Name: **Moscow Representative Office of “Surgutneftegas” PJSC**

Location: **Russian Federation, Moscow, ul.Myasnitskaya, 34**

Opened on: **27.09.1993**

Head of the branch (representative office)

Name: **Boger Veniamin Fridrikhovich**

Term of the Power of Attorney: **31.12.2020**

Name: **St. Petersburg Representative Office of “Surgutneftegas” PJSC**

Location: **197136, Saint Petersburg, ul.Podkovyrova, 37 Liter A**

Opened on: **28.05.1998**

Head of the branch (representative office)

Name: **Bandura Sergei Nikolaevich**

Term of the Power of Attorney: **31.12.2020**

Name: **Yakutsk Representative Office of “Surgutneftegas” PJSC**

Location: **Russian Federation, Republic of Sakha (Yakutia), Yakutsk, ul.Ordzhonikidze, 36**

Opened on: **01.06.2009**

Head of the branch (representative office)

Name: **Kruglov Dmitry Valerievich**

Term of the Power of Attorney: **03.04.2020**

### 3.2. Core business operations of the issuer

#### 3.2.1. Core economic activities of the issuer

Code of economic activity which is core for the issuer (OKVED2): **06.10.1**

#### 3.2.2. Core business operations of the issuer

Types of business operations (types of activity, types of products (works, services)) that accounted for at least 10 percent of the issuer's revenue (income) in the reporting period

Type of business operation: **sale of oil**

Unit of measure: **thousand RUB**

Indicator	2018	2019
Revenue from sales (volume of sales) related to the specified type of business operation, thousand RUB	1,011,114,933	1,002,849,192
Revenue from sales (volume of sales) related to the specified type of business operation in total revenue from sales (volume of sales) of the issuer, %	66.3	64.5

Type of business operation: **sale of oil**

Unit of measure: **thousand RUB**

Indicator	2019, 3 months	2020, 3 months
Revenue from sales (volume of sales) related to the specified type of business operation, thousand RUB	250,313,776	182,390,276
Revenue from sales (volume of sales) related to the specified type of business operation in total revenue from sales (volume of sales) of the issuer, %	63.5	61.8

Type of operation: **sale of oil products**

Unit of measure: **thousand RUB**

Indicator	2018	2019
Revenue from sales (volume of sales) related to the specified type of business operation, thousand RUB	474,803,426	513,702,766
Revenue from sales (volume of sales) related to the specified type of business operation in total revenue from sales (volume of sales) of the issuer, %	31.1	33

Type of operation: **sale of oil products**

Unit of measure: **thousand RUB**

Indicator	2019, 3 months	2020, 3 months
Revenue from sales (volume of sales) related to the specified type of business operation, thousand RUB	135,681,341	103,677,878
Revenue from sales (volume of sales) related to the specified type of business operation in total revenue from sales (volume of sales) of the issuer, %	34.4	35.1

Changes in the issuer's sales revenue (sales volume) from the core business operations equal to or exceeding 10 percent as compared with the same reporting period of the previous year and the reasons for such changes

***There were no changes in the issuer's sales revenue (sales volume) from the core business operations exceeding 10% in 2019 as compared to 2018.***

***The issuer's sales revenue (sales volume) derived from the core business operations decreased by more than 10% for 1Q2020 as compared to the same period of the previous year and amounted to 25.3%, including 27.1% from the sales of oil and 23.6% from the sales of oil products.***

*The main reason for decreased revenue of the issuer is drop in price quotations and prices of hydrocarbons and products of their processing.*

Cost structure of the issuer

<b>Indicator</b>	<b>2018</b>	<b>2019</b>
Raw materials and supplies, %	2.84	2.79
Acquired components and semi-finished articles, %	3.49	3.67
Production works and services performed/rendered by the third parties, %	13.91	15.17
Fuel, %	0.1	0.38
Energy, %	1.33	1.48
Labor costs, %	9.75	9.88
Interests on loans, %	0	0
Rental payments, %	0.02	0.02
Depreciation of fixed assets, %	11.84	10.21
Taxes included in production costs, %	52.86	52.5
Other costs, %	1.33	1.35
amortization of intangible assets, %	0.22	0.3
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.05	0.05
entertainment expenses, %	0	0
other (facility guard and fire protection services, crew transportation services, information and computer services, advertising and auditing services, other expenses, including business travel expenses, expenses for voluntary insurance), %	1.06	1
Insurance premiums	2.53	2.55
Total: costs of production and sale of goods (works, services) (production costs), %	100	100
For reference only: revenue from sale of goods (works, services), % to production costs	134.6	131.8

Cost structure of the issuer

<b>Indicator</b>	<b>2019, 3 months</b>	<b>2020, 3 months</b>
Raw materials and supplies, %	2.53	2.68
Acquired components and semi-finished articles, %	3.39	4.47
Production works and services performed/rendered by the third parties, %	14.39	17
Fuel, %	0.15	0.12
Energy, %	1.48	1.8
Labor costs, %	9.37	10.94
Interests on loans, %	0	0
Rental payments, %	0.02	0.03
Depreciation of fixed assets, %	10.81	10.96
Taxes included in production costs, %	53.58	47.59
Other costs, %	1.52	1.22
amortization of intangible assets, %	0.38	0.06
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.05	0.06
entertainment expenses, %	0	0
other (facility guard and fire protection services, crew transportation services, information and computer services, advertising and auditing services, other expenses, including business travel expenses, expenses for voluntary insurance), %	1.09	1.1
Insurance premiums	2.76	3.19
Total: costs of production and sale of goods (works, services) (production costs), %	100	100
For reference only: revenue from sale of goods (works, services), % to production costs	139.9	112.5

Essential new types of goods (works, services) offered by the issuer in its core market, to the extent that corresponds to publicly available information on such goods (works, services). Specify the development status of such types of products (works, services): *there are no essential new types of products (works, services).*

Standards (rules) used for the accounting (financial) statements and calculations shown in this subclause

*The accounting (financial) statements of the issuer have been prepared in accordance with:*

- *Federal Law of the Russian Federation No. 402-FZ "On Accounting" dated 06.12.2011;*
- *"Accounting and Reporting Regulations in the Russian Federation" approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated 29.07.98;*
- *"Accounting Regulations "Reporting of an Enterprise" (PBU 4/99)" approved by Order No. 43n of the Ministry of Finance of the Russian Federation dated 06.07.99;*
- *Order No. 66n of the Ministry of Finance of the Russian Federation "Reporting Standards of Enterprises" dated 02.07.2010;*
- *Approved Regulations "Accounting Policy of "Surgutneftegas" PJSC for 2019 for Accounting Purposes";*
- *Approved Regulations "Accounting Policy of "Surgutneftegas" PJSC for Taxation Purposes for 2019";*
- *Approved Regulations "Accounting Policy of "Surgutneftegas" PJSC for 2020 for Accounting Purposes";*
- *Approved Regulations "Accounting Policy of "Surgutneftegas" PJSC for Taxation Purposes for 2020".*

### **3.2.3. The issuer's supplies, goods (raw materials) and suppliers**

**For 2019**

*There are no suppliers that provide at least 10 percent of all supplies of materials and goods (raw materials).*

Change in prices by more than 10% for basic materials and goods (raw materials) during the relevant reporting period against the same reporting period of the previous year: *price change in 2019 as compared to 2018 by more than 10 percent was observed for the specific types of basic materials and goods (raw materials) – spare parts for drilling and oilfield equipment, cable products, lubricants and chemicals, oil production equipment, building materials, rolled metal products, inert materials, vehicles, tractors and oilfield machinery.*

The share of imported materials and goods in total supplies, expected availability of import sources in the future and possible alternative sources

*Imported materials and goods account for about 5% of total supplies to the issuer.*

*The issuer is expecting availability of these and alternative sources in the future.*

**For 3 months of 2020**

*There are no suppliers that provide at least 10 percent of all supplies of materials and goods (raw materials).*

Change in prices by more than 10% for basic materials and goods (raw materials) during the relevant reporting period against the same reporting period of the previous year: *price change for 3 months of 2020 against the same period of 2019 by more than 10 percent was observed for the specific types of basic materials and goods (raw materials) – spare parts for drilling and oilfield equipment, cable products, lubricants and chemicals, oil production equipment, building materials, rolled metal products, inert materials, vehicles, tractors and oilfield machinery.*

The share of imported materials and goods in total supplies, expected availability of import sources in the future and possible alternative sources

*Imported materials and goods account for about 5% of total supplies to the issuer.*

*The issuer is expecting availability of these and alternative sources in the future.*

### **3.2.4. Marketing outlets for the issuer's products (works, services)**

The main markets where the issuer carries out its operations: *the main market where the issuer carries out its operations is the oil and oil products market. The main oil markets are a number of the federal districts of*

*the Russian Federation, CIS and non-CIS countries. The main oil products markets are some of the federal districts of the Russian Federation and non-CIS countries.*

Factors that can adversely affect the issuer's sales of goods (works, services) and steps that may be taken by the issuer to mitigate such an impact

*The factors that adversely affect the sales include changes in global oil prices, tax legislation and natural monopoly prices.*

*To minimize the impact of the mentioned factors on sales, the issuer monitors prices in foreign and domestic oil and oil products markets on a routine basis and redirects export flows choosing those with better prices.*

### **3.2.5. The issuer's permits (licenses) or authorizations for certain types of works**

*The issuer has no permits (licenses), information on which shall be specified in the issuer's report (quarterly report).*

### **3.2.6. Activity of certain categories of issuers**

*The issuer is not a stock investment fund, insurance or banking institution, mortgage agent or specialized company.*

### **3.2.7. Additional information on issuers whose core operation is mineral resources extraction**

#### **a) Mineral resources**

The list of mineral deposits which have significant financial and business importance for the issuer to which the issuer or its subsidiaries hold the right of use

#### **1. Field: Vostochno-Surgutskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 61,136 thous. tonnes; B2 – 18,928 thous. tonnes*

Production rate for the relevant reporting period (periods): *865.714 thous. tonnes*

#### **2. Field: Vostochno-Surgutskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 3,718 mn cub m; B2 – 1,142 mn cub m*

Production rate for the relevant reporting period (periods): *55.068551 mn cub m*

#### **3. Field: Fedorovskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 238,946 thous. tonnes; B2 – 43,069 thous. tonnes*

Production rate for the relevant reporting period (periods): *2,436.694 thous. tonnes*

#### **4. Field: Fedorovskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 77,872 mn cub m; B2 – 3,563 mn cub m*

Production rate for the relevant reporting period (periods): *792.094145 mn cub m*

#### **5. Field: Lyantorskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 25,651 thous. tonnes; B2 – 409 thous. tonnes*

Production rate for the relevant reporting period (periods): *876.058 thous. tonnes*

**6. Field: Lyantorskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 59,618 mn cub m; B2 – 17 mn cub m*

Production rate for the relevant reporting period (periods): *495.584737 mn cub m*

**7. Field: Rogozhnikovskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 90,286 thous. tonnes; B2 – 24,131 thous. tonnes*

Production rate for the relevant reporting period (periods): *666.426 thous. tonnes*

**8. Field: Rogozhnikovskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 7,039 mn cub m; B2 – 2,221 mn cub m*

Production rate for the relevant reporting period (periods): *47.368474 mn cub m*

**9. Field: Russkinskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 50,728 thous. tonnes; B2 – 7,499 thous. tonnes*

Production rate for the relevant reporting period (periods): *678.696 thous. tonnes*

**10. Field: Russkinskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 2,591 mn cub m; B2 – 347 mn cub m*

Production rate for the relevant reporting period (periods): *33.685513 mn cub m*

**11. Field: Severo-Labatyuganskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 46,529 thous. tonnes; B2 – 10,411 thous. tonnes*

Production rate for the relevant reporting period (periods): *970.356 thous. tonnes*

**12. Field: Severo-Labatyuganskoye**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 3,337 mn cub m; B2 – 836 mn cub m*

Production rate for the relevant reporting period (periods): *90.563967 mn cub m*

**13. Field: Central Block of the Talakanskoye oil and gas condensate field**

Rights to the field are held by: *the issuer*

Type of minerals: *oil*

Proved reserves: *AB1 – 76,951 thous. tonnes; B2 – 372 thous. tonnes*

Production rate for the relevant reporting period (periods): *1,264.385 thous. tonnes*

**14. Field: Central Block of the Talakanskoye oil and gas condensate field**

Rights to the field are held by: *the issuer*

Type of minerals: *associated gas*

Proved reserves: *AB1 – 19,544 mn cub m; B2 – 27 mn cub m*

Production rate for the relevant reporting period (periods): *140.130122 mn cub m*

Licenses for subsoil use obtained by the issuer or its subsidiaries for the fields of significant financial and economic importance

Legal entity that obtained a license: *the issuer*

**1. Number: YaKU 05848 NE**

Date of issue: **07.11.2018**

Valid till: **31.12.2081**

**In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Basis for license issuance: **in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Description of the subsoil plot provided for use: **the Republic of Sakha (Yakutia), Lensky District, area (sq. km) - 410.57**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: **prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license**

Compulsory payments to be made under the terms and conditions of the license: **all kinds of payments are made in accordance with the current legislation of the Russian Federation**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2020 all terms and conditions are being met.**

Legal entity that obtained a license: *the issuer*

**2. Number: KhMN 03626 NE**

Date of issue: **23.04.2019**

Valid till: **31.12.2129**

**In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Basis for license issuance: **in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Description of the subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 1952.07**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: **prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license**

Compulsory payments to be made under the terms and conditions of the license: **all kinds of payments are made in accordance with the current legislation of the Russian Federation**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: **as of 31.03.2020 all terms and conditions are being met.**

Legal entity that obtained a license: *the issuer*

**3. Number: KhMN 03594 NE**

Date of issue: **11.04.2019**

Valid till: **31.12.2162**

**In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Basis for license issuance: **in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92**

Description of the subsoil plot provided for use: **Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 1815.72**

Type of the license: **exploration and production of mineral resources**

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: **prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license**

Compulsory payments to be made under the terms and conditions of the license: **all kinds of payments are made in accordance with the current legislation of the Russian Federation**

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**4. Number: KhMN 03603 NR**

Date of issue: **16.04.2019**

Valid till: **31.12.2095**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: ***in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Description of the subsoil plot provided for use: ***Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 167.45***

Type of the license: ***geological survey, including prospecting and estimation of mineral deposits, exploration and production of mineral resources***

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: ***prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license***

Compulsory payments to be made under the terms and conditions of the license: ***all kinds of payments are made in accordance with the current legislation of the Russian Federation***

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**5. Number: KhMN 03611 NR**

Date of issue: **18.04.2019**

Valid till: **31.12.2117**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: ***in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Description of the subsoil plot provided for use: ***Khanty-Mansiysky Autonomous Okrug – Yugra, Oktyabrsky and Khanty-Mansiysky Districts, area (sq. km) - 407.39***

Type of the license: ***geological survey, including prospecting and estimation of mineral deposits, exploration and production of mineral resources***

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: ***prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license***

Compulsory payments to be made under the terms and conditions of the license: ***all kinds of payments are made in accordance with the current legislation of the Russian Federation***

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**6. Number: KhMN 03516 NE**

Date of issue: **01.02.2019**

Valid till: **31.12.2100**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: ***in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Description of the subsoil plot provided for use: ***Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 1182.20***

Type of the license: ***oil and gas production***



The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: *prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license*

Compulsory payments to be made under the terms and conditions of the license: *all kinds of payments are made in accordance with the current legislation of the Russian Federation*

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**7. Number: KhMN 03528 NE**

Date of issue: **06.02.2019**

Valid till: **31.12.2083**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: ***in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Description of the subsoil plot provided for use: ***Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 959.79***

Type of the license: ***exploration and production of mineral resources***

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: *prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license*

Compulsory payments to be made under the terms and conditions of the license: *all kinds of payments are made in accordance with the current legislation of the Russian Federation*

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**8. Number: KhMN 03538 NR**

Date of issue: **08.02.2019**

Valid till: **31.12.2115**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: ***in accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Description of the subsoil plot provided for use: ***Khanty-Mansiysky Autonomous Okrug – Yugra, Oktyabrsky and Khanty-Mansiysky Districts, area (sq. km) - 1271.50***

Type of the license: ***geological survey, including prospecting and estimation of mineral deposits, exploration and production of mineral resources***

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: *prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license*

Compulsory payments to be made under the terms and conditions of the license: *all kinds of payments are made in accordance with the current legislation of the Russian Federation*

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020 all terms and conditions are being met.*

Legal entity that obtained a license: *the issuer*

**9. Number: KhMN 03560 NE**

Date of issue: **26.03.2019**

Valid till: **31.12.2087**

***In accordance with Law of the Russian Federation No. 2395-I "On Subsurface" dated 21.02.92***

Basis for license issuance: *in accordance with Law of the Russian Federation No. 2395-I “On Subsurface” dated 21.02.92*

Description of the subsoil plot provided for use: *Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, area (sq. km) - 1474.95*

Type of the license: *oil and gas exploration and production*

The main license provisions concerning the subsoil user obligations indicating the period of fulfillment of specified obligations: *prospecting and exploratory drilling, seismic surveys and putting fields into development in accordance with the terms and conditions of the license*

Compulsory payments to be made under the terms and conditions of the license: *all kinds of payments are made in accordance with the current legislation of the Russian Federation*

Fulfillment by the issuer, its subsidiaries and affiliates of license obligations and any factors that may adversely affect fulfillment of license obligations and the possibility of their occurrence: *as of 31.03.2020, all conditions are being met.*

*This section provides a list of the issuer’s main fields.*

*In the lines “Proved reserves” the current recoverable oil and condensate reserves in respect of oil are shown under the Russian classification of hydrocarbon reserves and resources.*

*In the lines “Proved reserves” the current recoverable associated gas reserves in respect of associated gas are shown under the Russian classification of hydrocarbon reserves and resources.*

*License KhMN 03516 NE is issued in lieu of License KhMN 00049 NE dated 13.07.1993, KhMN 00435 NE dated 05.03.1997.*

*License KhMN 03626 NE is issued in lieu of License KhMN 00052 NE dated 14.07.1993, KhMN 00408 NE dated 18.12.1996.*

*License KhMN 03594 NE is issued in lieu of License KhMN 00062 NE dated 15.07.1993, KhMN 00406 NE dated 18.12.1996.*

*License KhMN 03528 NE is issued in lieu of License KhMN 00054 NE dated 14.07.1993, KhMN 00417 NE dated 14.01.1997.*

*License YaKU 05848 NE is issued in lieu of License YaKU 12061 NE dated 26.12.2003.*

*License KhMN 03538 NR is issued in lieu of License KhMN 01525 NR dated 18.04.2001.*

*License KhMN 03560 NE is issued in lieu of License KhMN 11293 NE dated 05.09.2002.*

*License KhMN 03611 NR is issued in lieu of License KhMN 13143 NR dated 18.05.2005.*

*License KhMN 03603 NR is issued in lieu of License KhMN 14906 NR dated 27.04.2010.*

b) Mineral resources processing

Fixed assets used for processing

*The refining and processing sector of the issuer is represented by refinery LLC “KINEF” with a processing capacity of 20.1 million tonnes of oil per year located in Leningradskaya Oblast, and a gas processing complex with a capacity of 7.3 billion cubic meters of gas per year located in Khanty-Mansiysky Autonomous Okrug – Yugra.*

*The issuer and its controlled organizations do not engage any contractors to process mineral resources they produce.*

c) Products marketing

Permits granted by the authorized government agencies for sale of mineral resources and their processed products and quotas, including export quotas

*In accordance with Federal Law of the Russian Federation No. 147-FZ “On Natural Monopolies” dated 17.08.1995, a duly registered oil producer and an organization being a parent company of an oil producer are granted with the right of access to the system of Russian trunk pipelines and terminals to transport oil out of the customs territory of the Russian Federation, proportionally to the volumes of produced oil pumped into the system of trunk pipelines with a 100% trunk pipeline transmission capacity (subject to feasibility).*

### **3.2.8. Additional information on issuers whose core operation is telecommunication services provision**

Telecommunication services provision is not the core operation of the issuer.

### **3.3. Plans for the issuer's future activity**

*The long-term strategy of the issuer is aimed at strengthening its position of a financially sustainable company with good production growth prospects in the domestic oil and gas sector. To achieve its goal, the issuer is developing the following priority areas of business:*

#### *Oil and gas production:*

- to strengthen and enlarge the mineral resource base through geological exploration and acquisition of new promising subsoil blocks;*
- to develop and apply innovative solutions, extend the introduction of advanced technologies and equipment enhancing the efficiency of geological exploration and field development, including fields with low-margin reserves;*
- to provide the optimal volume of hydrocarbon production in accordance with the current conditions in the oil and gas market;*
- to form and develop new centers of hydrocarbon production;*
- to use the produced associated petroleum gas in the most efficient way;*
- to provide a high quality of work and control of costs.*

#### *Oil refining and gas processing:*

- to enhance refining and processing efficiency through modernization and reconstruction of production facilities and optimization of the existing production;*
- to increase an oil conversion ratio and share of the light oil products yield;*
- to provide an extensive range of products in accordance with the market needs.*

#### *Marketing:*

- to increase sales of high-margin products;*
- to attract and retain consumers by providing high-quality products and developing loyalty programs;*
- to increase the efficiency of retail sales, namely by expanding the range of related services.*

#### *Power generation:*

- to provide production facilities with electrical and thermal energy by developing the in-house energy complex;*
- to introduce energy saving and energy efficient solutions and technology within every area of the issuer's operations.*

#### *Social responsibility:*

- to mitigate the environmental impact, ensure environmental safety of production facilities and use natural resources in a responsible and rational way;*
- to ensure high industrial and occupational safety standards;*
- to maintain the reputation of an attractive and responsible employer and create the environment for personnel development;*
- to contribute to balanced social and economic development of the areas where the Company operates and preserve the status of a reliable partner and supplier of high quality products;*
- to offer extra social benefits and guarantees for the employees, their families and retired employees.*

*“Surgutneftegas” PJSC has drawn up and approved the production program for 2020.*

*On the upstream side, the issuer's efforts are aimed at ensuring target levels of hydrocarbon production based on the current reserve potential and subject to price environment in the hydrocarbons market. The issuer puts special emphasis on improving the efficiency of the existing fields development as well as on the measures for subsequent preparation of the fields for commercial development in the promising oil production centers of the issuer.*

*The programs of development, prospecting and exploratory drilling and well intervention services aimed at enhancing well productivity are drawn up for 2020.*

*We will keep developing the system for gathering, transportation and utilization of associated petroleum gas at the existing fields and constructing new facilities at the new ones. We plan the technical*

reequipment and reconstruction of the existing pipelines, and construction of field gas pipeline in Eastern Siberia. The level of associated petroleum gas utilization at the Company's fields is planned to be over 99%.

In the oil refining and gas processing sector, the issuer's efforts will focus on enhancement of the products slate and improvement of the quality of fuel. The refinery will continue to implement measures to increase the economic efficiency, including the optimization of the product slate and improvement of the energy efficiency by means of technical reequipment and replacement of the equipment. To ensure the safety of production facilities, the Company scheduled equipment maintenance and repair for 2020. The gas processing plant plans the technical reequipment of the production infrastructure.

In the oil products marketing sector, the issuer's efforts are aimed at improving the efficiency of operations, namely: further development of the loyalty program and related business at gas stations through diversification of related products and services. The implementation of measures of the program "Effective Gas Station" is scheduled.

In the energy sector, the issuer intends to continue the work on ensuring a reliable and efficient energy supply of production, rational use of all types of energy, introduction of highly automated equipment at the energy facilities.

The issuer will continue implementing the complex of social programs including measures for environmental and improved industrial safety. The issuer plans to keep contributing to the social and economic development of the regions of its operation, promoting comfortable work and leisure environment, and offering extra social benefits and guarantees for the employees.

Due to drastic changes in the key external factors affecting the oil and gas sector and the uncertainty of the situation in the future, the production program for 2020 is planned to be revised and timely adjusted on a regular basis by the issuer subject to the hydrocarbons market environment and agreements between the OPEC countries and other oil producing countries on the volume of oil production, government control of the sector and other conditions.

### 3.4. The issuer's share in banking groups, bank holding companies, holdings and associations

Name of group, holding or association: *Association of organizations in the field of subsoil use "National Association for Subsoil Use Auditing" (AOON "NAEN")*

The term of the issuer's participation: *since 13.11.2014*

The issuer's role (position) and functions in the organization: *member of the Association.*

### 3.5. Organizations under the issuer's control which are material to the issuer

#### 1. Full corporate name: *Limited Liability Company "Novgorodnefteproduct"*

Abbreviated corporate name: *LLC "Novgorodnefteproduct"*

Location: *Russian Federation, Veliky Novgorod*

INN: *5321059365*

OGRN: *1025300788644*

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: *right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.*

Type of control: *direct control*

The issuer's share in the charter capital of the controlled organization: *100%*

The share of the controlled organization in the issuer's charter capital: *0%*

The issuer's ordinary shares held by the controlled organization: *0%*

Description of the controlled organization's core operations: *procurement, storage and marketing of oil products.*

The controlled organization's Board of Directors (Supervisory Board)

*No provision is made for the board of directors (supervisory board).*

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Serebrennikov Viktor Georgievich	0.0008	0

The controlled organization's collegiate executive body  
*No provision is made for a collegiate executive body.*

2. Full corporate name: **Limited Liability Company "Marketing Association "Pskovnefteproduct"**

Abbreviated corporate name: **LLC "Pskovnefteproduct"**

Location: **Russian Federation, Pskov**

INN: **6027042337**

OGRN: **1026000970049**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operations: **procurement, storage and marketing of oil products.**

The controlled organization's Board of Directors (Supervisory Board)

*No provision is made for the board of directors (supervisory board).*

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Maleshin Yury Vladimirovich	0	0

The controlled organization's collegiate executive body

*No provision is made for a collegiate executive body.*

3. Full corporate name: **Limited Liability Company "Marketing Association "Tvernefteproduct"**

Abbreviated corporate name: **LLC "MA "Tvernefteproduct"**

Location: **Russian Federation, Tver, ul. Novotorzhskaya, 6**

INN: **6905041501**

OGRN: **1026900510647**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operations: **procurement, storage and marketing of oil products.**

The controlled organization's Board of Directors (Supervisory Board)

*No provision is made for the board of directors (supervisory board).*

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Latypov Ruben Nuretdinovich	0	0

The controlled organization's collegiate executive body

*No provision is made for a collegiate executive body.*

4. Full corporate name: **Limited Liability Company “Kaliningradnefteproduct”**

Abbreviated corporate name: **LLC “Kaliningradnefteproduct”**

Location: **Russian Federation, Kaliningrad, Central District, ul. Komsomolskaya, 22-b**

INN: **3900000136**

OGRN: **1023900589240**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operations: **procurement, storage and marketing of oil products.**

The controlled organization's Board of Directors (Supervisory Board)

**No provision is made for the board of directors (supervisory board).**

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Berdnikov Igor Vladimirovich	0	0

The controlled organization's collegiate executive body

**No provision is made for a collegiate executive body.**

5. Full corporate name: **Limited Liability Company “Kirishiavtoservis”**

Abbreviated corporate name: **LLC “Kirishiavtoservis”**

Location: **Russian Federation, Saint Petersburg**

INN: **7840016802**

OGRN: **1057807804064**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operations: **procurement, storage and marketing of oil products.**

The controlled organization's Board of Directors (Supervisory Board)

**No provision is made for the board of directors (supervisory board).**

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Farbman Valery Evseevich	0	0

The controlled organization's collegiate executive body

**No provision is made for a collegiate executive body.**

6. Full corporate name: **Limited Liability Company “Production Association “Kirishinefteorgsintez”**

Abbreviated corporate name: **LLC “KINEF”**

Location: **Russian Federation, Leningradskaya Oblast, Kirishi**

INN: 4708007089

OGRN: 1024701478735

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operations: **oil refining, production and marketing of oil products (motor gasoline, diesel and boiler fuels, petroleum bitumen, aromatic hydrocarbons and other refined and petrochemical products).**

The controlled organization's Board of Directors (Supervisory Board)

**No provision is made for the board of directors (supervisory board).**

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Somov Vadim Evseevich	0.0086	0.0103

The controlled organization's collegiate executive body

**No provision is made for a collegiate executive body.**

7. Full corporate name: **Joint Stock Company "Surgutneftegasbank"**

Abbreviated corporate name: **JSC BANK "SNGB"**

Location: **Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut**

INN: 8602190258

OGRN: 1028600001792

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **97.7591%**

The ordinary shares held by the issuer: **98.2389%**

The share of the controlled organization in the issuer's charter capital: **0.0015%**

The issuer's ordinary shares held by the controlled organization: **0.0018%**

Description of the controlled organization's core operation: **banking.**

The controlled organization's Board of Directors (Supervisory Board)

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Barankov Vladislav Georgievich (chairperson)	0.0139	0.0153
Burtsev Gennady Alekseevich	0.0341	0.0002
Zhernovkov Alexander Georgievich	0.0048	0.0001
Pospelova Natalia Evgenyevna	0.0017	0.0002
Druchinin Andrei Vladislavovich	0.0006	0.0004
Sobakinskikh Valery Leonidovich	0.0002	0
Tarasova Olga Ivanovna	0.0001	0

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Korol Andrei Vitalyevich	0	0

The controlled organization's collegiate executive body

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Korol Andrei Vitalyevich (chairperson)	0	0
Chaplin Dmitry Vladimirovich	0.0003	0
Cherednichenko Marina Vladimirovna	0	0
Chernozhukov Evgeny Nikolaevich	0	0
Krotov Sergei Grigoryevich	0	0

*The Board is the collegial executive body of JSC BANK "SNGB".*

8. Full corporate name: **Limited Liability Company "Oil Refining and Petrochemical Facilities Design Institute"**

Abbreviated corporate name: **LLC "Lengiproneftekhim"**

Location: **Russian Federation, Saint Petersburg, nab. Obvodnogo kanala, 94**

INN: **7810327462**

OGRN: **1057803105755**

The characteristics of the issuer's control exercised over the organization in respect to which the issuer is a controlling entity: **right to control over 50 percent of votes in the supreme management body of the organization under the issuer's control.**

Type of control: **direct control**

The issuer's share in the charter capital of the controlled organization: **100%**

The share of the controlled organization in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the controlled organization: **0%**

Description of the controlled organization's core operation: **design of buildings and constructions, including process design of facilities and constructions for fuel, mining and processing industry.**

The controlled organization's Board of Directors (Supervisory Board)

**No provision is made for the board of directors (supervisory board).**

Individual executive body of the controlled organization

Name	The person's share in the issuer's charter capital, %	The issuer's ordinary shares held by the person, %
Lebedskoy-Tambyev Mikhail Andreevich	0	0

The controlled organization's collegiate executive body

**No provision is made for a collegiate executive body.**

**3.6. Constitution, structure and cost of the issuer's fixed assets; information on plans to purchase, replace and dispose of fixed assets as well as on all facts of encumbrance of the issuer's fixed assets**

**As of 31.12.2019**

Unit of measure: **thousand RUB**

Name of fixed assets group	Historical (replacement) cost	Accumulated depreciation
Land and objects of environmental management	11,934,081	
Buildings, structures and transfer mechanisms	3,126,560,949	2,402,754,593



Machinery, equipment and vehicles	694,608,446	565,380,891
Other types of fixed assets	5,809,134	4,337,319
<b>TOTAL</b>	<b>3,838,912,610</b>	<b>2,972,472,803</b>

Depreciation methods for different groups of fixed assets: *historical (replacement) cost of fixed assets is redeemed through depreciation under the straight-line method in conformity with a depreciation rate calculated on the basis of useful life of such assets.*

**As of 31.03.2020**

Unit of measure: *thousand RUB*

Name of fixed assets group	Historical (replacement) cost	Accumulated depreciation
Land and objects of environmental management	11,937,284	
Buildings, structures and transfer mechanisms	3,156,966,183	2,426,337,827
Machinery, equipment and vehicles	695,386,729	565,586,336
Other types of fixed assets	5,869,133	4,408,706
<b>TOTAL</b>	<b>3,870,159,329</b>	<b>2,996,332,869</b>

Depreciation methods for different groups of fixed assets: *historical (replacement) cost of fixed assets is redeemed through depreciation under the straight-line method in conformity with a depreciation rate calculated on the basis of useful life of such assets.*

The results of the last revaluation of fixed assets and long-term leased fixed assets for the last completed financial year, specifying the date of revaluation, full and residual (net of depreciation) of the book value of fixed assets before revaluation and of full and residual (net of depreciation) replacement cost of fixed assets with regard to this revaluation. The information is provided for groups of fixed assets. Information on depreciation methods for different groups of fixed assets.

Unit of measure: *thousand RUB*

Name of fixed assets group	Full cost before revaluation	Residual (net of depreciation) cost before revaluation	Date of revaluation	Full replacement cost after revaluation	Residual (net of depreciation) replacement cost after revaluation
Land and objects of environmental management	13,883,839	13,883,839	31.12.2019	11,934,081	11,934,081
Buildings, structures and transfer mechanisms	3,128,385,554	724,335,186	31.12.2019	3,126,560,949	723,806,356
Machinery, equipment and vehicles	667,680,704	128,902,103	31.12.2019	694,608,446	129,227,555
Other types of fixed assets	5,764,640	1,470,535	31.12.2019	5,809,134	1,471,815
<b>Total</b>	<b>3,815,714,737</b>	<b>868,591,663</b>	<b>31.12.2019</b>	<b>3,838,912,610</b>	<b>866,439,807</b>

Specify the method of fixed assets revaluation (using the factors of the federal statistics body of executive authority or the market value of such fixed assets supported by documents or expert opinions. In case of an expert opinion, specify the assessment procedure): *revaluation of fixed assets was based on the replacement cost of fixed assets.*

Specify any plans to purchase, replace and dispose of fixed assets, the value of which is 10 and more percent of the value of the issuer's fixed assets and other fixed assets at the issuer's discretion. Specify all facts of encumbrance of the issuer's fixed assets (stating the nature of encumbrance, the date when such encumbrance occurred, its duration and other conditions at the issuer's discretion): *as of the last day of the reporting quarter, there are no plans to purchase, replace and dispose of fixed assets, the value of which is 10 and more percent of the value of the issuer's fixed assets as well as encumbered fixed assets.*

## Section IV. Financial and business activities of the issuer

### 4.1. Results of the financial and business activities of the issuer

The dynamics of indicators characterizing the financial and business results of the issuer, including its profit and loss calculated on the basis of the accounting (financial) statements

Standard (rules) of the accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: **Russian Accounting Standards (RSBU)**

The unit of measure for the amount of uncovered loss: **thousand RUB**

Indicator	2018	2019
Net profit margin, %	54.273	6.780
Asset turnover ratio, times	0.336	0.342
Return on assets, %	18.211	2.316
Return on equity, %	19.331	2.451
Uncovered loss as of the reporting date		
Uncovered loss as of the reporting date to the book value of assets, %		

The unit of measure for the amount of uncovered loss: **thousand RUB**

Indicator	2019, 3 months	2020, 3 months
Net profit margin, %		242.734
Asset turnover ratio, times	0.089	0.056
Return on assets, %		13.499
Return on equity, %		14.279
Uncovered loss as of the reporting date	82,728,408	
Uncovered loss as of the reporting date to the book value of assets, %	1.868	

*All indicators are calculated on the basis of the recommended accounting practices.*

The economic analysis of the profit/loss of the issuer based on the dynamics of these indicators as well as reasons which (according to the management bodies' opinions) led to the loss/profit of the issuer as recorded in the accounting (financial) statements

*The key factor that caused the decrease in net profit margin, return on assets and equity ratio for 2019 is the decrease in the issuer's net profit for 2019 due to market conditions and revaluation of the issuer's foreign currency assets.*

*The increase of the assets turnover ratio for 2019 is due to the increase in revenue from sales.*

*Indicators characterizing the issuer's profitability and return for 1Q2020 show the efficient use of the issuer's assets.*

*The dynamics of net profit margin, assets turnover ratio, return on assets and equity ratio for 1Q2020 are determined by market conditions.*

Opinions of the issuer's management bodies regarding the reasons or extent of their influence on the financial and business activities of the issuer differ: **no**.

A member of the issuer's board of directors (supervisory board) or collegiate executive body has his/her dissenting opinion on the specified reasons and/or extent of their influence on financial and business activities of the issuer, which is recorded in the minutes of the meeting (session) of the issuer's board of directors (supervisory board) or collegiate executive body considering the relative issues, and insists on this opinion to be included in the issuer's report (quarterly report): **no**.

### 4.2. The issuer's liquidity position, capital and current assets adequacy

The dynamics of indicators of the issuer's liquidity position calculated on the basis of the accounting (financial) statements

Standard (rules) of the accounting (financial) statements in accordance with which the accounting (financial) figures are calculated: **Russian Accounting Standards (RSBU)**

The unit of measure for net working capital: **thousand RUB**

Indicator	2018	2019
Net working capital	1,054,123,310	1,083,320,959

Current liquidity ratio	7.278	8.092
Quick liquidity ratio	6.601	7.366

The unit of measure for net working capital: *thousand RUB*

Indicator	2019, 3 months	2020, 3 months
Net working capital	1,043,105,933	1,162,581,176
Current liquidity ratio	8.785	7.020
Quick liquidity ratio	7.983	6.480

At the issuer's discretion, the dynamics of indicators of the issuer's liquidity position calculated on the basis of the issuer's consolidated accounting (consolidated financial) statements incorporated in the issuer's report (quarterly report): *no*.

All indicators are calculated on the basis of the recommended accounting practices: *yes*.

The economic analysis of the issuer's liquidity and solvency as well as adequacy of the issuer's equity to fulfill short-term liabilities and cover current operating costs based on the economic analysis of the above performance with a description of factors which (in the opinion of the issuer's management bodies) had the most considerable influence on the issuer's liquidity and solvency

*Changes in the net working capital and current and quick liquidity ratios for 2019 are determined by the dynamics of short-term financial investments and cash and cash equivalents in accordance with regulatory requirements to include the financial investments in current and non-current assets, and caused by the decrease in short-term liabilities.*

*Changes in the net working capital for 1Q2020 are determined by the dynamics of current assets structure.*

*The dynamics of current and quick liquidity ratios for 1Q2020 are determined by the dynamics of accounts payable as part of short-term liabilities.*

*Liquidity ratios for 2019 and 1Q2020 are significantly higher than recommended levels, which proves that the issuer enjoys a high level of solvency.*

Opinions of the issuer's management bodies regarding the reasons or extent of their influence on the financial and business activities of the issuer differ: *no*.

A member of the issuer's board of directors (supervisory board) or collegiate executive body has his/her dissenting opinion on the specified reasons and/or extent of their influence on financial and business activities of the issuer, which is recorded in the minutes of the meeting (session) of the issuer's board of directors (supervisory board) or collegiate executive body considering the relative issues, and insists on this opinion to be included in the issuer's report (quarterly report): *no*.

#### 4.3. The issuer's financial investments

##### As of 31.12.2019

Financial investments of the issuer constituting five and more percent of its total financial investments as of the last day of the reporting period

Investments in equity securities: *there are no investments in equity securities constituting five and more percent of total financial investments.*

Investments in non-equity securities: *there are no investments in non-equity securities constituting five and more percent of total financial investments.*

The amount of potential losses due to bankruptcy of organizations (enterprises) in which investments have been made, by each type of such investments: *no*.

Standards (rules) of the accounting (financial) statements used by the issuer to make calculations recorded in this clause of the quarterly report: *in accordance with Order No. 126n of the Ministry of Finance of the Russian Federation "Accounting Regulations "Financial Investments Accounting" PBU 19/02 dated 10.12.2002.*

##### As of 31.03.2020

Financial investments of the issuer constituting five and more percent of its total financial investments as of the last day of the reporting period

Investments in equity securities: *there are no investments in equity securities constituting five and more percent of total financial investments.*

Investments in non-equity securities: *there are no investments in non-equity securities constituting five and more percent of total financial investments.*

The amount of potential losses due to bankruptcy of organizations (enterprises) in which investments have been made, by each type of such investments: *no.*

Standards (rules) of the accounting (financial) statements used by the issuer to make calculations recorded in this clause of the quarterly report: *in accordance with Order No. 126n of the Ministry of Finance of the Russian Federation "Accounting Regulations "Financial Investments Accounting" PBU 19/02 dated 10.12.2002.*

#### 4.4. The issuer's intangible assets

As of 31.12.2019

Unit of measure: *thousand RUB*

Name of intangible assets group	Historical (replacement) cost	Accumulated depreciation
TOTAL	1,485,417	1,082,711

Accounting standards (rules) used by the issuer to disclose information on its intangible assets:

- *the issuer records intangible assets in accordance with Order No. 153n of the Ministry of Finance of the Russian Federation "On Approval of Accounting Regulations "Intangible Assets Accounting" PBU 14/2007" dated 27.12.2007.*

As of 31.03.2020

Unit of measure: *thousand RUB*

Name of intangible assets group	Historical (replacement) cost	Accumulated depreciation
TOTAL	1,477,723	1,096,860

Accounting standards (rules) used by the issuer to disclose information on its intangible assets:

- *the issuer records intangible assets in accordance with Order No. 153n of the Ministry of Finance of the Russian Federation "On Approval of Accounting Regulations "Intangible Assets Accounting" PBU 14/2007" dated 27.12.2007.*

#### 4.5. Data on the issuer's policy and expenses for scientific and technical development, licenses and patents, new developments and research

*The issuer's policy in scientific and technical development is aimed at providing support to the issuer's production potential, ensuring effective operations and creating long-term competitive advantages and is implemented in the following directions – introduction of new technological processes, production methods and equipment, testing new equipment and technologies, import substitution, rationalization and invention activities and acquisition of patents. In 2019, the issuer spent RUB 3,173.350 million on scientific and technical activities, for 3 months of 2020 – RUB 771.595 million.*

Intellectual industrial property (inventions, utility models, industrial prototypes, trademarks) of the issuer as of 31.12.2019

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of the document of title)	Period of validity of the document of title
1	2	3	4	5
1.	Method for development of complex deposits with low reservoir pressure and temperature	Patent (I) No. 2710050 dated 24.12.2019	22.01.2019	22.01.2039
2.	Trademark	Certificate of trademark No. 438918 dated 09.06.2011	06.05.2010	06.05.2020
3.	Design of an adsorber vessel	Patent (PM) No. 102307 dated 27.02.2011	19.07.2010	19.07.2020
4.	Well stream stimulation method	Patent (I) No. 2209948 dated 10.08.2003	20.11.2000	20.11.2020

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of the document of title)	Period of validity of the document of title
5.	Production tree heater	Patent (PM) No. 113902 dated 27.02.2012	20.07.2011	20.07.2021
6.	Sludge pump	Patent (PM) No. 124335 dated 20.01.2013	14.12.2011	14.12.2021
7.	Stand for pneumatic tests of screwed pipe joints	Patent (PM) No. 136570 dated 10.01.2014	01.10.2012	01.10.2022
8.	Equipment for multizone well operation and survey	Patent (PM) No. 131074 dated 10.08.2013	10.01.2013	10.01.2023
9.	Method of determination of SPM mass concentration with scratch resistance over 5 units by Mohs scale in a well production	Patent (I) No. 2273020 dated 27.03.2006	10.12.2003	10.12.2023
10.	Turning casing float valve	Patent (PM) No. 135706 dated 20.12.2013	23.07.2013	23.07.2023
11.	Method for removing insulating lacquer coatings of lacquer-impregnated windings of electric motors, including submersible electric motors (SEM)	Patent (I) No. 2396670 dated 10.08.2010	04.05.2009	04.05.2029
12.	Circular casing module	Patent (PM) No. 146266 dated 03.09.2014	19.05.2014	19.05.2024
13.	Trademark (logotype)	Certificate of trademark No. 580396 dated 12.07.2016	25.03.2015	25.03.2025
14.	Electric submersible pump of a packet assembly type comprised of stages stacked in series	Patent (PM) No. 161445 dated 01.04.2016	30.04.2015	30.04.2025
15.	Mobile pumping unit	Patent (PM) No. 159093 dated 29.12.2015	01.06.2015	01.06.2025
16.	Tubing-casing annulus sealing tool	Patent (I) No. 2311525 dated 27.11.2007	10.01.2006	10.01.2026
17.	Restoration method of disturbed wetlands (marshes)	Patent (I) No. 2459397 dated 27.08.2012	22.09.2010	22.09.2030
18.	Method for repairing a coiled tubing without retrieving the logging cable	Patent (I) No. 2513319 dated 18.02.2014	27.07.2012	27.07.2032
19.	Method for sludge pits reclamation without backfilling in the territory of the Forest Fund of the Russian Federation in the middle taiga subzone of Western Siberia	Patent (I) No. 2617632 dated 25.04.2017	17.06.2015	17.06.2035
20.	Fresh-water based visco-elastic compound for cementing wells made of recycled paper products and polyacrilamide	Patent (I) No. 2625128 dated 11.07.2017	15.02.2016	15.02.2036
21.	Technique and device to identify corrosion-aggressive intervals, rate of corrosion of metal in an active well	Patent (I) No. 2654915 dated 23.05.2018	01.08.2016	01.08.2036
22.	ESP bypass intake module	Patent (PM) No. 176533 dated 22.01.2018	09.01.2017	09.01.2027
23.	Polysalt biopolymer drilling fluid POLY-S	Patent (I) No. 2648379 dated 26.03.2018	22.05.2017	22.05.2037
24.	Electric centrifugal semi-submersible pump unit	Patent (PM) No. 182695 dated 28.08.2018	24.07.2017	24.07.2027

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of the document of title)	Period of validity of the document of title
25.	Stage for electric submersible pump for oil production in wells with increased concentration of dissolved salts	Patent (PM) No. 191352 dated 02.08.2019	04.02.2019	04.02.2029
26.	Trademark (logotype)	Certificate of trademark No. 723719 dated 16.08.2019	21.03.2019	21.03.2029
27.	Operable process tool for tubing string bottom isolation	Patent (PM) No. 192491 dated 18.09.2019	07.05.2019	07.05.2029
28.	Process piping of producing wells at well-pad	Patent (PM) No. 193244 dated 21.10.2019	07.05.2019	07.05.2029
29.	Nipple-to-nipple polymer insert (MNVP) for protection of the internal surface of the element for pipe connection	Patent (PM) No. 182696 dated 28.08.2018	18.12.2017	18.12.2027

Intellectual industrial property (inventions, utility models, industrial prototypes, trademarks) of the issuer as of **31.03.2020**

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of the document of title)	Period of validity of the document of title
1	2	3	4	5
1.	Method for development of complex deposits with low reservoir pressure and temperature	Patent (I) No. 2710050 dated 24.12.2019	22.01.2019	22.01.2039
2.	Trademark	Certificate of trademark No. 438918 dated 09.06.2011	06.05.2010	06.05.2020
3.	Design of an adsorber vessel	Patent (PM) No. 102307 dated 27.02.2011	19.07.2010	19.07.2020
4.	Well stream stimulation method	Patent (I) No. 2209948 dated 10.08.2003	20.11.2000	20.11.2020
5.	Production tree heater	Patent (PM) No. 113902 dated 27.02.2012	20.07.2011	20.07.2021
6.	Sludge pump	Patent (PM) No. 124335 dated 20.01.2013	14.12.2011	14.12.2021
7.	Stand for pneumatic tests of screwed pipe joints	Patent (PM) No. 136570 dated 10.01.2014	01.10.2012	01.10.2022
8.	Equipment for multizone well operation and survey	Patent (PM) No. 131074 dated 10.08.2013	10.01.2013	10.01.2023
9.	Method of determination of SPM mass concentration with scratch resistance over 5 units by Mohs scale in a well production	Patent (I) No. 2273020 dated 27.03.2006	10.12.2003	10.12.2023
10.	Turning casing float valve	Patent (PM) No. 135706 dated 20.12.2013	23.07.2013	23.07.2023
11.	Method for removing insulating lacquer coatings of lacquer-impregnated windings of electric motors, including submersible electric motors (SEM)	Patent (I) No. 2396670 dated 10.08.2010	04.05.2009	04.05.2029

No.	Description of intellectual property	Document of exclusive rights (patent, certificate)	Priority (commencement of the document of title)	Period of validity of the document of title
12.	Circular casing module	Patent (PM) No. 146266 dated 03.09.2014	19.05.2014	19.05.2024
13.	Trademark (logotype)	Certificate of trademark No. 580396 dated 12.07.2016	25.03.2015	25.03.2025
14.	Electric submersible pump of a packet assembly type comprised of stages stacked in series	Patent (PM) No. 161445 dated 01.04.2016	30.04.2015	30.04.2025
15.	Mobile pumping unit	Patent (PM) No. 159093 dated 29.12.2015	01.06.2015	01.06.2025
16.	Tubing-casing annulus sealing tool	Patent (I) No. 2311525 dated 27.11.2007	10.01.2006	10.01.2026
17.	Restoration method of disturbed wetlands (marshes)	Patent (I) No. 2459397 dated 27.08.2012	22.09.2010	22.09.2030
18.	Method for repairing a coiled tubing without retrieving the logging cable	Patent (I) No. 2513319 dated 18.02.2014	27.07.2012	27.07.2032
19.	Method for sludge pits reclamation without backfilling in the territory of the Forest Fund of the Russian Federation in the middle taiga subzone of Western Siberia	Patent (I) No. 2617632 dated 25.04.2017	17.06.2015	17.06.2035
20.	Fresh-water based visco-elastic compound for cementing wells made of recycled paper products and polyacrilamide	Patent (I) No. 2625128 dated 11.07.2017	15.02.2016	15.02.2036
21.	Technique and device to identify corrosion-aggressive intervals, rate of corrosion of metal in an active well	Patent (I) No. 2654915 dated 23.05.2018	01.08.2016	01.08.2036
22.	ESP bypass intake module	Patent (PM) No. 176533 dated 22.01.2018	09.01.2017	09.01.2027
23.	Polysalt biopolymer drilling fluid POLY-S	Patent (I) No. 2648379 dated 26.03.2018	22.05.2017	22.05.2037
24.	Electric centrifugal semi-submersible pump unit	Patent (PM) No. 182695 dated 28.08.2018	24.07.2017	24.07.2027
25.	Stage for electric submersible pump for oil production in wells with increased concentration of dissolved salts	Patent (PM) No. 191352 dated 02.08.2019	04.02.2019	04.02.2029
26.	Trademark (logotype)	Certificate of trademark No. 723719 dated 16.08.2019	21.03.2019	21.03.2029
27.	Operable process tool for tubing string bottom isolation	Patent (PM) No. 192491 dated 18.09.2019	07.05.2019	07.05.2029
28.	Process piping of producing wells at well-pad	Patent (PM) No. 193244 dated 21.10.2019	07.05.2019	07.05.2029
29.	Nipple-to-nipple polymer insert (MNVP) for protection of the internal surface of the element for pipe connection	Patent (PM) No. 182696 dated 28.08.2018	18.12.2017	18.12.2027

#### **4.6. Trends analysis in the sphere of issuer's core operation**

*In 2019, the volume of oil production in Russia increased by 0.9 % compared to 2018 and totaled 561.1 million tonnes. The level of oil production in Russia is still significantly influenced by an agreement between OPEC and non-OPEC countries (the OPEC+ agreement) concluded to stabilize the situation in the oil market.*

*In 2019, Russian oil and gas producers increased the scope of prospective and exploratory drilling by 6.4 % to 1,135.3 thousand meters against 2018. The development drilling meterage decreased by 1.2 % against 2018 to 27.3 million meters.*

*In 2019, refined crude oil amounted to 52% of the total oil produced. The volume of oil refining at the Russian refineries decreased by 0.6% to 285.1 million tonnes. At the same time, the production of the main oil products increased by 0.6 %. In 2019, the share of fuel oil kept on decreasing while the share of motor gasoline and diesel fuel continued to increase in the main oil product line. In 2019, the production of motor gasolines amounted to 40.2 million tonnes, diesel fuel – 78.4 million tonnes, jet kero – 12.5 million tonnes, fuel oil – 45.8 million tonnes.*

*In 2019, the export of Russian oil to non-CIS countries increased by 3.7% to 248,6 million tonnes on the back of significantly increased seaborne deliveries.*

*“Surgutneftegas” PJSC is one of the largest vertically integrated oil companies. At the end of 2019, it accounted for 10.8% of the industry oil production, 6.5% of total Russian oil refining.*

*In 2019, the volume of the issuer's oil production remained almost unchanged compared to the level of 2018 and totaled 60.8 million tonnes. The issuer will keep on developing its resource base and putting new fields on stream. In 2019, the volume of oil production in Eastern Siberia totaled 9.3 million tonnes or 15.4 % of the total volume of oil produced by the issuer.*

*In 2019, the issuer increased its share in domestic volume of development drilling to 18.1 %, and in exploratory drilling to 21.1 %. In 2019, the issuer increased the amount of development drilling by 2.1 % against 2018 to 4,948 thousand meters. The prospecting and exploratory drilling meterage increased by 13.1 % to 239.2 thousand meters.*

*On the refinery side, the issuer strives to maintain the optimum utilization of production capacities of its own refinery under the current economic conditions. In 2019, the amount of oil refined at the refinery amounted to 18.6 million tonnes.*

*The issuer pays special attention to the rational use of subsoil, natural resources and to the environmental issues. Due to construction of infrastructure facilities for gathering and utilization of associated petroleum gas, the level of its utilization in recent years remains at the level of more than 99 %. By the end of 2019, this indicator remained at the level of the previous year and equaled 99.6%, being one of the highest in the industry.*

*In 1Q2020, the oil production in Russia amounted to 140.4 million tonnes. As compared to 4Q2019, the indicator decreased by 0.6%, and increased by 0.8 % compared to 1Q2019. In the reporting quarter, the Russian refineries refined 73.3 million tonnes of oil. As compared to the previous quarter, the volume of oil refining decreased by 0.2 %, and increased by 4.1 % compared to 1Q2019. The production of main oil products decreased by 0.1 % against the previous quarter and increased by 3.1% against the same quarter of 2019. As compared to 1Q2019, the main oil product slate in 1Q2020 showed the increase of the share of motor gasoline and diesel fuel with reducing share of mazut.*

*In 1Q2020, the volume of exploratory drilling by the Russian oil companies reached 276 thousand meters, up 15.6% compared to the previous quarter. As compared to 1Q2019, the volume of exploratory drilling grew by 18.7%. The volume of development drilling amounted to 6,434.6 thousand meters, which is 2.3% higher compared to 1Q2019. As compared to the previous quarter, the volume of development drilling by oil companies decreased by 2.5%.*

*In 1Q2020, the issuer produced 15.1 million tonnes of oil, which is 10.8% of the industry oil production. In the reporting quarter, the issuer's development drilling amounted to 1,116.8 thousand meters, exploratory drilling – 62.7 thousand meters. The share of the issuer in the Russian development drilling amounts to 17.4 %, and in exploratory drilling to 22.7 %. In 1Q2020, the volume of the issuer's oil refining totaled 4.6 million tonnes which is 6.3 % of Russian refining volumes.*

#### **4.7. Analysis of the factors influencing the issuer's operation**

*The issuer's financial performance is affected by the following key factors:*

- hydrocarbon price trends in global and domestic markets;*
- tax burden ratio;*



- ruble / foreign currencies rate;
- inflation rate and transport monopoly tariffs.

#### **Hydrocarbon price trends in global and domestic markets**

*The issuer's operations are mostly affected by oil and oil products prices.*

*In 1Q2020, global oil prices decreased significantly:*

- *by the end of the quarter, the average Brent price amounted to 50.1 USD/bbl, which is 20.6% lower against the previous quarter and against 1Q2019;*
- *the average Urals price went down by 21.7 % compared to the previous quarter and amounted to 48.03 USD/bbl, and decreased by 24 % against 1Q2019.*

*The price in the domestic market of Russia depends on export alternatives and is based on seasonal demand for hydrocarbons, changes in taxes and levies rates, transportation tariffs and other factors. In 1Q2020, the weighted average oil price in the open Russian market increased by 1% against the previous quarter, and decreased by 3.9% against 1Q2019 to 24.4 thousand RUB/tonne (Western Siberia oil and gas province).*

*To fairly estimate the impact of the price factor on the issuer's operation, it is essential to take into account the tax burden ratio, since any changes in global oil quotations result in corresponding changes in export customs duties and the Mineral Extraction Tax.*

#### **Tax burden ratio**

*In 2020, as part of continuing tax maneuver, the oil and gas sector witnessed the gradual decrease in oil export customs duties down to zero and a simultaneous increase in the MET oil rate. Introduced in the course of the tax maneuver mechanism, a reverse excise duty for oil including a damping ratio remains in effect in 2020.*

*A tax on additional income from hydrocarbon production (AIT), introduced as a pilot project for a number of subsoil blocks in 2019, remains in force. The AIT rate is set at 50 % and is applied to estimated revenue from sales, excluding actual and estimated expenses. As for subsoil blocks to which the AIT is applied, a reduced MET oil rate is set.*

*MET on oil is calculated as the product of the quantity of mineral resources produced and a fixed tax rate adjusted depending on the average global market prices of the Urals oil and the USD/RUB exchange rate as well as on the indicator which characterizes the specifics of oil production. In 2019, the increasing coefficient was added to this indicator.*

*In 2020, the MET base oil rate remained at the level of the previous year and equaled 919 RUB/tonne. The additional coefficient  $K_k$  increasing MET oil rate also remained unchanged as compared to 2019 and equaled RUB 428. In 2020, the adjustive coefficient  $K_{corr}$  increased from 0.167 in 2019 to 0.333 in 2020.  $K_{ABDT}$  is an estimated coefficient which depends on motor gasoline and diesel fuel prices.*

*In 1Q2020, the applied MET rate decreased by 16.4% and 18.4 % against the previous quarter and 1Q2019, respectively, due to reduced global oil prices on the back of weakened national currency against the US dollar and changed additional coefficients ( $K_{corr}$  and  $K_{ABDT}$ ).*

*The export customs duty is set according to the formula based on Urals oil prices in the global market. Since 01 January 2019, as part of finalizing the tax maneuver, an adjustive coefficient applied to the oil export customs duty is set in the amount of 0.667 for 2020.*

*In 1Q2020, the average export customs duty rate for oil to be exported to non-CIS countries decreased by 16.4% against the previous quarter and amounted to 74.1 USD/tonne, and decreased by 15% against 1Q2019. At the same time, the reduced rate of the export customs duty for Eastern Siberian crude oil remained at a zero level.*

*The excise duties on oil products depend on the fuel ecology class. Since 01 January 2020, the excise duties on motor gasoline Euro 5, diesel fuel and medium distillates have increased.*

#### **Ruble/Foreign currencies rate**

*The issuer receives a part of its revenue from sales of products in a foreign currency and a part of the issuer's assets is denominated in a foreign currency. Therefore, any fluctuations in the exchange rate of the ruble to the main currencies influence the issuer's financial performance, including revenue, other income and expenses.*

*The average USD rate in 1Q2020 was 66.38 RUB/USD, which is 4.2% higher than in the previous quarter and 0.4 % higher compared to the indicator in 1Q2019.*

*In the reporting quarter, the average Euro rate was 73.23 RUB/Euro, which is 3.8 % higher than in the previous quarter and 2.6 % lower compared to 1Q2019.*

#### **The inflation rate and transport monopoly tariffs**

*The issuer's financial and business performance is adversely affected by inflation and higher tariffs as they lead to the price growth and, therefore, the increase in the costs.*

*In the reporting quarter, the growth of tariffs of PJSC "Transneft" for pipeline transportation and service tariffs for orders and supervision of oil delivery on the routes used by the issuer equaled 3.4 % compared to the previous quarter and 1Q2019.*

*The inflation rate in 1Q2020 amounted to 1.3 %, which is 0.5 percentage points higher than in the previous quarter. As compared to the same period of the previous year, the inflation rate decreased by 0.5 percentage points.*

#### **4.8. The issuer's competitors**

*"Surgutneftegas" PJSC is a vertically integrated oil company operating in the territory of the Russian Federation. The issuer's core business is production and sales of oil and gas, production and marketing of oil products. The competitors of the issuer are Russian and foreign oil companies.*

*Key competitive advantages of Surgutneftegas" PJSC in the oil and gas production sector include the sound resource base and availability of advanced equipment and technologies for oil production which ensure achievement of the high level oil recovery at the fields and development of oil reserves with different characteristics.*

*The competitive advantage in the refining segment includes the high quality of products and advantageous location of the issuer's refinery which ensures the efficient supply of oil products. In the domestic market, the Company sales its oil products mainly in the North-West of Russia.*

*The issuer's competitive advantage in the gas sector is the complete cycle for production, gathering and utilization of associated petroleum gas. For several years now, "Surgutneftegas" PJSC has been remaining one of the industry leaders among oil companies in terms of utilization of associated petroleum gas which is over 99%.*

### **Section V. Detailed data on the members of the issuer's management bodies, the issuer's agencies supervising its financial and business activities, and summary on the issuer's employees (workers)**

#### **5.1. Structure and terms of reference for the issuer's management bodies**

Full description of the structure of the issuer's management bodies and their terms of reference in accordance with the issuer's charter (constituent documents):

*The General shareholders' meeting of the Company is the supreme management body of "Surgutneftegas" PJSC (hereinafter in this clause – the Company).*

*The Company's Board of Directors shall perform general management of the Company's activities and shall have the right to adopt resolutions on any issues of the Company's activities except for those referred by the charter to the terms of reference of the General shareholders' meeting of the Company. The members of the Board of Directors in the number determined by a resolution of the Company's General shareholders' meeting are elected by the annual General shareholders' meeting in the order stipulated by the Company's charter for a term lasting till the next annual General shareholders' meeting. The persons elected to the Company's Board of Directors may be reelected an unlimited number of times.*

*Director General of the Company is the individual executive body of the Company and manages the Company's current activities in the manner and within the terms of reference stipulated by the Company's charter as well as in accordance with the resolution adopted by the Company's Board of Directors and the General shareholders' meeting of the Company. The Company's Board of Directors appoints Director General of the Company for a five-year period. At expiration of Director General's term of office, the Company's Board of Directors can appoint this person for the same term an unlimited number of times.*

*Director General of the Company shall report to the Board of Directors and the General shareholders' meeting of the Company.*

*The powers of the Company's management bodies are determined by the Company's charter.*

The terms of reference for the General shareholders' meeting of the Company as determined by the Company's charter.

*The following issues, the resolution on which is adopted if the shareholders who own more than 50 percent of the voting shares of the Company participating in the General shareholders' meeting of the Company have voted for it, unless otherwise specified in the Company's charter, fall within the terms of reference of the General shareholders' meeting of the Company:*

- 1) to amend the Company's charter or to approve the Company's charter in a new wording, excluding cases stipulated by the Federal Law "On Joint Stock Companies" and the Company's charter;*
- 2) to decrease the charter capital by decreasing the par value of the shares, by means of acquisition of a portion of the Company's shares in order to reduce their total number, as well as by means of redemption of the shares acquired or bought back by the Company;*
- 3) to approve the annual report and the annual accounting (financial) statements of the Company;*
- 4) to distribute profit and losses of the Company based on the results of the reporting year, to pay (declare) dividends;*
- 5) to elect the members to the Company's Auditing Committee and early terminate their powers, to approve the Regulations on the Company's Auditing Committee;*
- 6) to adopt resolutions to restructure the Company;*
- 7) to adopt resolutions to dissolve the Company, to appoint the liquidation committee and approve the interim and final liquidation balance sheets;*
- 8) to determine the number of the Company's Board of Directors, to elect the members to the Company's Board of Directors and early terminate their powers;*
- 9) to determine the amount, the par value, category (type) of the declared shares, and rights granted by these shares;*
- 10) to approve the Company's auditor;*
- 11) to determine the procedure for holding the General shareholders' meeting of the Company;*
- 12) to elect the members to the Ballot Committee and early terminate their powers;*
- 13) to carry out share split and share consolidation;*
- 14) to adopt resolutions to authorize transactions and further approve them in cases specified by Article 83 of the Federal Law "On Joint Stock Companies";*
- 15) to adopt resolutions to authorize major transactions and further approve them in cases specified by Article 79 of the Federal Law "On Joint Stock Companies";*
- 16) to increase the charter capital of the Company by placement of the additional ordinary shares through a public subscription, in cases when the quantity of the ordinary shares to be placed additionally constitutes over 25 percent of the ordinary shares placed by the Company earlier;*
- 17) to increase the charter capital of the Company by placement of the additional shares through a private subscription;*
- 18) to place equity securities convertible into shares through private subscription. To place, through a public subscription, convertible equity securities which may be converted into ordinary shares constituting over 25 percent of ordinary shares placed earlier;*
- 19) to increase the charter capital of the Company by increasing the par value of the shares;*
- 20) to adopt a resolution to participate in financial and industrial groups, associations and other unions of business organizations;*
- 21) to approve the internal documents regulating the activities of the Company's bodies;*
- 22) to adopt a resolution to file an application for delisting the Company's shares and (or) equity securities of the Company which are convertible into the shares of the Company;*
- 23) other issues stipulated by the Federal Law "On joint stock companies".*

*Issues within the terms of reference of the General shareholders' meeting shall not be delegated to the Company's Board of Directors and Director General to be resolved.*

The terms of reference for the Company's Board of Directors, as determined by the Company's charter.

*The terms of reference of the Company's Board of Directors shall be the following:*

- 1) to submit issues stipulated by the Company's charter to a General shareholders' meeting for adopting a resolution;*
- 2) to recommend the size of dividends on shares to be paid to the shareholders and the procedure for paying dividends;*
- 3) to determine priority lines of the Company's activity;*

- 4) to convene annual and extraordinary General shareholders' meetings of the Company;
- 5) to approve the agenda for General shareholders' meetings of the Company;
- 6) to determine the date of compiling the list of persons entitled to participate in the General shareholders' meeting, and other issues referred by the Federal Law "On Joint Stock Companies" to the terms of reference of the Company's Board of Directors and related to preparing and holding the General shareholders' meeting of the Company;
- 7) to make a preliminary approval of the annual report and the annual accounting (financial) statements of the Company;
- 8) to increase the charter capital of the Company by placement of the following additional shares within the number and categories (types) of the declared shares:
  - additional ordinary shares through a public subscription which constitute 25 or less percent of the ordinary shares placed by the Company earlier;
  - additional preference shares through a public subscription;
  - additional shares at the expense of the Company's property;
- 9) to approve the report (notice) on the results of the issue (additional issue) of securities;
- 10) to amend the Company's charter after an increase in the charter capital of the Company resulting from the placement of additional shares under the resolution of the Company's Board of Directors.
- 11) placement by the Company of:
  - bonds and other equity securities convertible into shares if the mentioned bonds (other equity securities) are placed through public subscription and can be converted into the Company's ordinary shares amounting to 25 percent or less of the ordinary shares placed earlier;
  - bonds and other equity securities if they are not convertible into the Company's shares under the subscription terms;
- 12) to determine the price (assessed cash value) of the property and the price of placement or the procedure applied to determine this price and the price of equity securities to be bought back in cases specified by the Federal Law "On Joint Stock Companies".
- 13) to acquire and buy back shares placed by the Company as well as bonds and other securities in cases specified by the Federal Law "On Joint Stock Companies" or other federal laws;
- 14) to dispose of shares purchased and bought back by the Company and of shares which came to the disposal of the Company due to the fact that their buyers have not fulfilled their payment obligations;
- 15) to elect the chairperson of the Company's Board of Directors and the deputy chairperson of the Board of Directors from the members of the Company's Board of Directors;
- 16) to appoint and to early terminate the powers of Director General of the Company, to determine the amount of remuneration and compensation paid to him/her;
- 17) to recommend the amount of remuneration and compensation paid to the members of the Company's Auditing Committee and to determine the amount of auditor's fees;
- 18) to use the reserve and other funds of the Company;
- 19) to approve the Company's internal documents, excluding those internal documents which, in conformity with the Federal Law "On Joint Stock Companies", shall be approved by the General shareholders' meeting of the Company, and other internal documents of the Company which, according to the Company's charter, shall be approved by Director General of the Company;
- 20) to establish branches and to open representative offices of the Company;
- 21) to authorize transactions and further approve them in cases specified by the Federal Law "On Joint Stock Companies";
- 22) to approve the Company's registrar, approve and cancel the contract with the Company's registrar;
- 23) to adopt resolutions on the Company's participation in other organizations and termination of such participation (excluding organizations stated in the Federal Law "On Joint Stock Companies");
- 24) to adopt a resolution to file an application for listing the Company's shares and (or) equity securities of the Company which are convertible into the shares of the Company;
- 25) other issues as provided for by the current legislation of the Russian Federation and the Company's charter.

The terms of reference for the individual executive body of the Company, as provided by the Company's charter.

*The terms of reference of Director General of the Company include the following:*

- 1) to implement resolutions of a General shareholders' meeting and the Board of Directors of the Company;

- 2) to issue orders, ordinances, guidelines and other acts concerning the Company's activities, which are mandatory for all employees of the Company;
- 3) to take all necessary actions to exercise legal powers to possess, use and dispose of the Company's property, including conclusion of contracts on acquisition and alienation of the Company's property, loan, credit, and other agreements on behalf of the Company and in accordance with the current legislation of the Russian Federation and the Company's charter;
- 4) to act on behalf of the Company in relations to any Russian and foreign legal and natural persons, to sign contracts and agreements in the Russian Federation and abroad, to carry out other transactions on behalf of the Company (including signing contracts on acquisition of property) not exceeding 25 percent of the book value of the Company's assets as per the Company's accounting (financial) statements as of the last reporting date, to employ the reserve fund and other funds of the Company in compliance with the directions of the Company's Board of Directors, to give powers of attorney to carry out transactions, to open settlement accounts and other accounts with banks, to promote interests of the Company in the governmental authorities, judicial bodies as well as in other organizations and institutions;
- 5) to deal with issues concerning investments in development of enterprises and organizations;
- 6) to approve and change the Company's structure, to establish and abolish the Company's business units, to approve the provisions on the Company's business units;
- 7) to approve the personnel list, the budget, the size and forms of payment for labor of the Company's employees, and internal labor regulations of the Company;
- 8) to employ, appoint, dismiss and discharge the Company's employees, heads of the business units, to determine their salaries and bonuses as well as incentives for and sanctions against them, to adopt resolutions on their material responsibility, to sign employment agreements (contracts) with employees on behalf of the Company;
- 9) to resolve issues related to the social development of the Company;
- 10) to adopt resolutions on behalf of the Company to raise claims and take legal actions against legal and physical persons both in the Russian Federation and abroad in accordance with the applicable laws;
- 11) to exercise rights and obligations of the Company being the principal company in relation to the subsidiaries.

Director General of the Company shall have the right to adopt resolutions on any issues concerning the management of the current operations of the Company which do not fall within the terms of reference of the General shareholders' meeting and the Board of Directors of the Company. Director General of the Company shall adopt resolutions on issues within his/her terms of reference independently.

Director General of the Company shall have the right to appoint any of the Company's officials as acting Director General of the Company for a period of his/her absence and under any other circumstances.

*The Company did not approve (adopt) any corporate governance code or any other similar document.*

*For the last reporting period, the issuer's charter or internal documents governing the activities of the issuer's management bodies were not amended.*

## 5.2. Members of the issuer's management bodies

### 5.2.1. The issuer's Board of Directors (Supervisory Board)

Name: *Erokhin Vladimir Petrovich (chairperson)*

Year of birth: *1949*

Education: *higher professional*

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	present	"Surgutneftegas" PJSC	Chairperson of the Board of Directors

The person's share in the issuer's charter capital, %: *0.0104*

The issuer's ordinary shares held by the person, %: *0.0126*

Participation in the work of the committees of the Board of Directors: *the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.*

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

Name: **Bogdanov Vladimir Leonidovich**

Year of birth: **1951**

Education: **higher professional, Doctor of Economics**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	present	"Surgutneftegas" PJSC	Director General
2015	June 2018	"Surgutneftegas" PJSC	Vice Chairperson of the Board of Directors
June 2018	present	"Surgutneftegas" PJSC	Member of the Board of Directors

The person's share in the issuer's charter capital, %: **0.3028**

The issuer's ordinary shares held by the person, %: **0.3673**

Participation in the work of the committees of the Board of Directors: *the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.*

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

Name: **Bulanov Alexander Nikolaevich**

Year of birth: **1959**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	present	"Surgutneftegas" PJSC	Chief Engineer – First Deputy Director General
2015	present	"Surgutneftegas" PJSC	Member of the Board of Directors

The person's share in the issuer's charter capital, %: **0.0005**

The issuer's ordinary shares held by the person, %: **0.0002**

Participation in the work of the committees of the Board of Directors: *the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.*

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

Name: **Dinichenko Ivan Kalistratovich**

Year of birth: **1946**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2015	present	“Surgutneftegas” PJSC	Member of the Board of Directors

The person’s share in the issuer’s charter capital, %: **0.0003**

The issuer’s ordinary shares held by the person, %: **0**

Participation in the work of the committees of the Board of Directors: ***the member of the Audit Committee of the Board of Directors.***

***The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.***

***The person has no options that, when their rights are exercised, may be used to acquire the issuer’s shares, subsidiary’s or affiliate’s shares.***

***The person has no kinship with persons who are the members of the issuer’s management bodies and/or agencies supervising the issuer’s financial and business activities.***

Name: ***Egorov Valery Nikolaevich***

***Independent Member of the Board of Directors***

Year of birth: **1949**

Education: ***higher professional***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2018	present	“Surgutneftegas” PJSC	Member of the Board of Directors

The person’s share in the issuer’s charter capital, %: **0.0029**

The issuer’s ordinary shares held by the person, %: **0.0028**

Participation in the work of the committees of the Board of Directors: ***Chairperson of the Audit Committee of the Board of Directors.***

***The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.***

***The person has no options that, when their rights are exercised, may be used to acquire the issuer’s shares, subsidiary’s or affiliate’s shares.***

***The person has no kinship with persons who are the members of the issuer’s management bodies and/or agencies supervising the issuer’s financial and business activities.***

Name: ***Krivosheev Viktor Mikhailovich***

Year of birth: **1953**

Education: ***higher professional***

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2015	present	“Surgutneftegas” PJSC	Member of the Board of Directors

The person’s share in the issuer’s charter capital, %: **0.0064**

The issuer’s ordinary shares held by the person, %: **0.0072**

Participation in the work of the committees of the Board of Directors: ***the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.***

***The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.***

***The person has no options that, when their rights are exercised, may be used to acquire the issuer’s shares, subsidiary’s or affiliate’s shares.***

***The person has no kinship with persons who are the members of the issuer’s management bodies and/or agencies supervising the issuer’s financial and business activities.***

Name: **Matveev Nikolai Ivanovich**

Year of birth: **1942**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	June 2018	“Surgutneftegas” PJSC	Member of the Board of Directors
June 2018	present	“Surgutneftegas” PJSC	Vice Chairperson of the Board of Directors

**No share in the issuer’s charter capital/no ordinary shares.**

Participation in the work of the committees of the Board of Directors: **the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.**

**The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.**

**The person has no options that, when their rights are exercised, may be used to acquire the issuer’s shares, subsidiary’s or affiliate’s shares.**

**The person has no kinship with persons who are the members of the issuer’s management bodies and/or agencies supervising the issuer’s financial and business activities.**

Name: **Mukhamadeev Georgy Rashitovich**

**Independent Member of the Board of Directors**

Year of birth: **1948**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2018	present	“Surgutneftegas” PJSC	Member of the Board of Directors

The person’s share in the issuer’s charter capital, %: **0.0031**

The issuer’s ordinary shares held by the person, %: **0.0034**

Participation in the work of the committees of the Board of Directors: **the member of the Audit Committee of the Board of Directors.**

**The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.**

**The person has no options that, when their rights are exercised, may be used to acquire the issuer’s shares, subsidiary’s or affiliate’s shares.**

**The person has no kinship with persons who are the members of the issuer’s management bodies and/or agencies supervising the issuer’s financial and business activities.**

Name: **Usmanov Ildus Shagalievich**

Year of birth: **1954**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
June 2015	present	“Surgutneftegas” PJSC	Member of the Board of Directors

The person’s share in the issuer’s charter capital, %: **0.0018**

The issuer’s ordinary shares held by the person, %: **0.0022**

Participation in the work of the committees of the Board of Directors: **the member of the Board of Directors does not participate in the work of the committees of the Board of Directors.**

**The person has no share in the charter capital of the issuer’s subsidiaries and affiliates.**



*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

### 5.2.2. Individual executive body of the issuer

Name: **Bogdanov Vladimir Leonidovich**

Year of birth: **1951**

Education: **higher professional, Doctor of Economics**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	present	"Surgutneftegas" PJSC	Director General
2015	June 2018	"Surgutneftegas" PJSC	Vice Chairperson of the Board of Directors
June 2018	present	"Surgutneftegas" PJSC	Member of the Board of Directors

The person's share in the issuer's charter capital, %: **0.3028**

The issuer's ordinary shares held by the person, %: **0.3673**

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

### 5.2.3. The issuer's collegiate executive body

*No provision is made for a collegiate executive body.*

### 5.3. Remuneration and/or compensation for expenses for each management body of the issuer

Remuneration for each management body (except for the individual who performs the functions of the individual executive body of the issuer). Specify all types of remuneration, including salary, bonuses, commissions, benefits and/or compensations for expenses and other material representations

#### Remuneration

The Board of Directors

Unit of measure: **thousand RUB**

Indicator	2019	2020, 3 months
Remuneration for the participation in the work performed by the management body	<b>51,796</b>	<b>4,798.5</b>
Salary		
Bonus		
Commission		
Other types of remuneration	<b>247.6</b>	<b>18.5</b>
TOTAL	<b>52,043.6</b>	<b>4,817</b>

Information on resolutions adopted by the authorized management bodies of the issuer and (or) on existing agreements regarding the amount of such remuneration to be paid and (or) the amount of such expenses to be compensated: **remunerations to the members of the issuer's Board of Directors are paid in accordance with the issuer's charter and the Regulations on the Board of Directors.**

## Compensation

Unit of measure: *thousand RUB*

Management body	2019	2020, 3 months
The Board of Directors	8,712.6	1,416.9

Additional information: *none*.

## 5.4. Structure and terms of reference for the agencies supervising the issuer's financial and business activities and organization of the risk management and internal control system

The full description of the structure of the agencies supervising the issuer's financial and business activities and their terms of reference in accordance with the issuer's charter (constituent documents) and internal documents

*The Auditing Committee of "Surgutneftegas" PJSC (hereinafter in this clause – the Company) shall be elected to supervise the Company's financial and business activities. The Company's Auditing Committee shall consist of three members elected by the General shareholders' meeting of the Company from the candidates nominated by the shareholders. The shares owned by the members of the Company's Board of Directors or Director General of the Company may not participate in voting when electing the members to the Company's Auditing Committee. The activity of the Company's Auditing Committee shall be determined by the internal document of the Company approved by the General shareholders' meeting of the Company.*

*A member of the Company's Auditing Committee may not concurrently be a member of the Company's Board of Directors and Director General of the Company.*

*The Company's Auditing Committee shall perform inspection (audit) of the Company's activities based on the results of the Company's annual performance. Unscheduled inspection (audit) may be conducted by the Company's Auditing Committee at any time on its own initiative, under the resolution of the General shareholders' meeting of the Company, upon written request of the Company's shareholder (shareholders) owning in the aggregate at least 10 percent of the voting shares of the Company, or under the resolution of the Company's Board of Directors. Upon request of the Company's Auditing Committee, the persons holding offices in the management bodies of the Company shall timely provide the Company's Auditing Committee with all necessary information and documents on the Company's financial and business activities. The Company's Auditing Committee shall prepare an opinion based on the results of inspection (audit) of the financial and business activities of the Company.*

*The Company's Auditing Committee shall have the right to request for an extraordinary General shareholders' meeting of the Company to be convened in the manner prescribed by the Company's charter.*

### The Company established the Audit Committee of the Board of Directors

Key functions of the Audit Committee

*The Audit Committee of the Company's Board of Directors (hereinafter – the Committee) was formed under the Company's Board of Directors.*

*The Committee shall be elected from among the members of the Company's Board of Directors and shall consist of 3 (three) members. The Committee shall be comprised of independent members of the Company's Board of Directors and ultimately accountable to the Board of Directors. If the Committee cannot be formed only from among the independent members of the Board of Directors due to objective reasons, other members of the Board of Directors who do not act as Director General of the Company and are not employees of the Company may be elected to the Committee. The Chairperson of the Committee shall be appointed from among the independent directors.*

*The members of the Committee shall be elected at a meeting of the Board of Directors for a period until new members of the Board of Directors are elected by the ordinary general shareholders' meeting of the Company. A resolution to elect the members to the Committee shall be adopted by a simple majority of the total number of the members of the Board of Directors.*

*The key objective of the Committee is effective supervision by the Board of Directors of the Company's financial and business activities.*

*The key functions of the Committee are as follows:*

- to control completeness, accuracy and authenticity of financial statements of the Company;*
- to control reliability and efficiency of the Company's risk management and internal control system;*

*- to ensure independence and objectiveness of functions of internal and external audit of the Company's financial and business activity.*

*When performing its duties, the Committee may communicate with the Company's Auditor, Auditing Committee, the Internal Audit Service, other subdivisions and the management of the Company.*

*The Committee shall annually report to the Board of Directors on its performance results.*

*The Committee's annual report shall include the following:*

- evaluation by the Committee of the Company's Auditor candidates;*
- evaluation of the opinion of the Company's Auditor on the financial and business activities of the Company for the year.*

Members of the Audit Committee of the Board of Directors: *Egorov Valery Nikolaevich (Chairperson), Mukhamadeev Georgy Rashitovich, Dinichenko Ivan Kalistratovich*

The issuer's separate business unit(s) for risk management and internal control (body (business unit) other than the Auditing Committee (Auditor), performing internal audit of the issuer's financial and business activities), its objectives and functions: *none*.

The issuer's separate business unit (service) for internal audit, its objectives and functions

*The structure and staff of the Internal Audit Service (hereinafter – the Service) are approved by Director General.*

*The Service's main tasks are:*

- to assist Director General of the Company and the Company's employees to develop and monitor implementation of procedures and measures on improvement of the Company's risk management system, internal control system and corporate governance;*
- to prepare and submit to the Board of Directors and Director General of the Company reports on the results of the Service's activities, including, but not limited to, information on significant risks, deficiencies, results and efficiency of measures implemented to eliminate identified deficiencies, results of the Service's activity plan execution, results of assessment of the factual state, reliability and effectiveness of the risk management system, internal control system and corporate governance;*
- to check compliance by the Company's employees with the provisions of the legislation and internal document of the Company.*

*Functions of the Internal Audit Service:*

- to assess effectiveness of the internal control system regarding efficiency and performance of the Company's business units, completeness and reliability of financial and management information, compliance of the Company, including all its subdivisions, with the current legislation of the Russian Federation, the Company's Charter and internal documents of the Company when carrying out business and financial transactions;*
- to assess efficiency of the risk management system;*
- to assess corporate governance;*
- to make an activity plan of the Service, which complies with the Service's objectives and is based on the performed risk analysis, for preliminary consideration by the Audit Committee of the Board of Directors and approval by the Board of Directors in coordination with Director General of the Company;*
- to determine the objects and frequency of internal audits in the Company's business units;*
- to carry out internal audits based on the approved activity plan of the Service;*
- to timely submit reports on the results of the Service's performance to the Board of Directors and Director General of the Company;*
- to analyze the results of the internal audits in the Company, monitor development and implementation of measures aimed at correction of infringements found in the course of previous audits, coordinate interaction of the Company and an external auditor in order to eliminate duplication of actions and mitigate audit expenses of the Company;*
- to assist in investigating infringements found in the course of internal audits and submit information on such infringements and taken corrective measures to the Board of Directors and Director General of the Company;*
- to cooperate with other divisions, departments and services of the administrative office of the Company on the issues relating to the Service's activity;*

- to perform other tasks and participate in other projects relating to the Service's activity and on the instruction of the Company's Board of Directors or the Audit Committee of the Board of Directors and at the request of Director General of the Company;
- to prepare all necessary information related to performance of the Service's functions and submit it to the Board of Directors;
- other functions necessary for accomplishing the tasks entrusted to the Service.

*In order to ensure independence and objectivity of internal control, the Internal Audit Service reports to the Company's Board of Directors on the functional level and to Director General of the Company on the administrative level.*

*The Company pays much attention to risk management.*

*The Company's policy in the sphere of risk management and internal control is given in clause 2.4 of this report of the Company (quarterly report).*

*The Company ratified (approved) the Company's internal document establishing rules to prevent unauthorized use of confidential and insider information.*

The issuer's internal document establishing rules to prevent unauthorized use of confidential and insider information: **"Regulations on Insider Information of Surgutneftegas" PJSC** are in free access on the Company's website in the Internet.

Additional information: *none*.

## 5.5. Members of the agencies supervising the issuer's financial and business activities

Agency supervising the issuer's financial and business activities: *the Auditing Committee*

Name: *Oleynik Tamara Fedorovna (chairperson)*

Year of birth: *1947*

Education: *Secondary vocational*

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		

The person's share in the issuer's charter capital, %: *0.0002*

The issuer's ordinary shares held by the person, %: *0.0002*

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

Name: *Prishchepova Lyudmila Arkadyevna*

Year of birth: *1951*

Education: *higher professional*

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	December 2015	"Surgutneftegas" PJSC	Deputy Head of Auditing Department, Administrative Office

*No share in the issuer's charter capital/no ordinary shares.*

*The person has no share in the charter capital of the issuer's subsidiaries and affiliates.*

*The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.*

*The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.*

Name: **Musikhina Valentina Viktorovna**

Year of birth: **1960**

Education: **Secondary vocational**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		

**No share in the issuer's charter capital/no ordinary shares.**

**The person has no share in the charter capital of the issuer's subsidiaries and affiliates.**

**The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.**

**The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.**

Agency supervising the issuer's financial and business activities: **the Internal Audit Service**

Head of such a separate business unit (body) of the issuer

Position of the head of the business unit: **Head of Internal Audit Service**

Name: **Arteeva Alexandra Ivanovna**

Year of birth: **1959**

Education: **higher professional**

All positions held by the person in the issuer and other organizations over the last 5 years and at present, including outside employment, in date order

Period		Organization	Position
from	to		
2015	present	"Surgutneftegas" PJSC	Head of Internal Audit Service

**No share in the issuer's charter capital/no ordinary shares.**

**The person has no share in the charter capital of the issuer's subsidiaries and affiliates.**

**The person has no options that, when their rights are exercised, may be used to acquire the issuer's shares, subsidiary's or affiliate's shares.**

**The person has no kinship with persons who are the members of the issuer's management bodies and/or agencies supervising the issuer's financial and business activities.**

## **5.6. Remuneration and (or) compensation for expenses for the agency supervising the issuer's financial and business activities**

### **Remuneration**

For each agency supervising the issuer's financial and business activities (except for the individual who holds the position (who performs the functions) of the issuer's auditor) all types of remuneration with their amount are specified, including salaries of the members of the agencies supervising the issuer's financial and business activities, who are (were) its employees, including ones having (had) other employment, bonuses, commissions, benefits paid separately for the participation in the work performed by the relevant agency supervising the issuer's financial and business activities, other types of remuneration paid by the issuer during the relevant reporting period, and also costs for performing the duties of the members of the agency supervising the issuer's financial and business activities remunerated by the issuer for the relevant reporting period are specified with their amount.

Agency supervising the issuer's financial and business activities: **the Auditing Committee**

**Remuneration for the participation in the work performed by the supervising agency**

Unit of measure: **thousand RUB**

Indicator	2019	2020, 3 months
Remuneration for the participation in work performed by the agency supervising the issuer's financial and business activities	<b>2,100</b>	

Salary		
Bonus		
Commission		
Other types of remuneration		
<b>TOTAL</b>	<b>2,100</b>	

Existing agreements in relation to such payments in the current financial year: *none*.

Agency supervising the issuer's financial and business activities: *the Internal Audit Service*

**Remuneration for the participation in the work performed by the supervising agency**

Unit of measure: *thousand RUB*

<b>Indicator</b>	<b>2019</b>	<b>2020, 3 months</b>
Remuneration for the participation in work performed by the agency supervising the issuer's financial and business activities		
Salary	<i>10,285.2</i>	<i>2,562</i>
Bonus	<i>2,329.5</i>	<i>437</i>
Commission		
Other types of remuneration	<i>480.6</i>	<i>104</i>
<b>TOTAL</b>	<b><i>13,095.3</i></b>	<b><i>3,103</i></b>

Existing agreements in relation to such payments in the current financial year: *none*.

#### **Compensation**

Unit of measure: *thousand RUB*

<b>Supervising body (of the business unit)</b>	<b>2019</b>	<b>2020, 3 months</b>
Auditing Committee	<i>67.3</i>	<i>0</i>
Internal Audit Service	<i>936.5</i>	<i>506.5</i>

Additional information: *none*.

### **5.7. Number and summary records of the issuer's employees (workers), their categories and changes in their number**

Unit of measure: *thousand RUB*

<b>Indicator</b>	<b>2019</b>	<b>2020, 3 months</b>
Average number of workers, people	<i>101,713</i>	<i>101,227</i>
Gross payroll for the reporting period	<i>130,925,383.6</i>	<i>30,940,643.4</i>
Social payments for the reporting period	<i>2,497,308.9</i>	<i>164,704.5</i>

*The employees (workers) of the issuer formed a trade union body.*

### **5.8. Obligations of the issuer to its employees (workers) relating to their possible participation in the issuer's charter capital**

*The issuer has no obligations to its employees (workers) relating to their possible participation in the issuer's charter capital, and neither provides nor makes provisions for the possibility of granting the issuer's options to the issuer's employees (workers), and nor did it enter into agreements with its employees (workers) regarding the possible participation in the issuer's charter capital.*

## **Section VI. The issuer's members (shareholders) and interested party transactions conducted by the issuer**

### **6.1. Total number of the issuer's shareholders (members)**

The total number of persons having non-zero balances on personal accounts registered in the issuer's shareholder register as of the date when the reporting quarter ended: *31,407*

The total number of the issuer's nominee shareholders: *4*

The total number of persons included in the most recently compiled list of persons who had (have) the right to participate in the issuer's general shareholders' meeting (the other list of persons compiled in order to exercise

(realize) rights to the issuer's shares, and for the compiling of which the nominee holders of the issuer's shares provided data on persons on behalf of whom they held (hold) the issuer's shares): **36,170**

The date when the list of persons included in the most recently compiled list of persons who had (have) the right to participate in the issuer's general shareholders' meeting is compiled (the other list of persons compiled in order to exercise (realize) rights to the issuer's shares, and for the compiling of which the nominee holders of the issuer's shares provided data on persons on behalf of whom they held (hold) the issuer's shares): **03.06.2019**

Holders of the issuer's ordinary shares who were to be included in such a list: **36,170**

Holders of the issuer's preference shares who were to be included in such a list: **0**

Information on the number of treasury shares on the issuer's balance as of the end of the reporting quarter

Category of shares: **ordinary**

The number of treasury shares on the issuer's balance: **361,600**

Information on the number of the issuer's shares held by its subordinates

Category of shares: **ordinary**

Number of the issuer's shares held by its subordinates: **650,000**

## **6.2. The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares as well as persons controlling such members (shareholders) and in absence of such persons – members (shareholders) holding at least 20 percent of the charter capital or at least 20 percent of their ordinary shares**

The issuer's members (shareholders) holding at least five percent of its charter capital or at least five percent of its ordinary shares

### **1. Nominee holder**

Information on the nominee holder

Full corporate name: ***Non-banking credit organization Joint-Stock Company "National Settlement Depository"***

Abbreviated corporate name: ***NCO JSC NSD***

Location: ***105066, Russia, Moscow, ul.Spartakovskaya, 12***

INN: ***7702165310***

OGRN: ***1027739132563***

Telephone: ***+7 (495) 232 0273***

Fax: ***+7 (495) 956 0938***

E-mail: ***reginfo@nsd.ru***

License of securities market professional participant

Number: ***045-12042-000100***

Date of issue: ***19.02.2009***

Valid till: ***unlimited***

Issuing authority: ***Federal Financial Markets Service (FSFR) of Russia***

Number of the issuer's ordinary shares registered in the issuer's shareholder register in the name of the said nominee holder: ***3,968,706,049***

Number of the issuer's preference shares registered in the issuer's shareholder register in the name of the said nominee holder: ***5,105,885,571***

Other information as the issuer may wish to disclose: ***none.***

## **6.3. Share of the state or a municipal formation in the issuer's charter capital; any special right ("golden share")**

Share of the charter capital of the issuer under state (federal, of constituent territories of the Russian Federation) municipal ownership and Persons who exercise functions of the issuer's member (shareholder) on behalf of the Russian Federation, constituent territory of the Russian Federation, or municipal formation

Persons who administer blocks of shares owned by the state, municipal formations

### ***Municipal ownership***

Name: ***Municipal unit City district, the city of Surgut as represented by the Administration of the city of Surgut***

Location: *ul.Engelsa, 8, Surgut, Khanty-Mansiysky Autonomous Okrug – Yugra, Tyumenskaya Oblast*  
 Share of the issuer's charter capital under state (federal, of constituent territories of the Russian Federation) municipal ownership, %: **0.0278**

***Municipal ownership***

Name: ***Department of Municipal Property Management and Housing Policy of Surgutsky District Administration***

Location: ***ul.Mayakovskogo, 1 A, Bely Yar, AO Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, 628433***

Share of the issuer's charter capital under state (federal, of constituent territories of the Russian Federation) municipal ownership, %: **0.0127**

Special right of the Russian Federation, the constituent territories of the Russian Federation or municipal formations to participate in the administration of the issuer – joint stock company (“golden share”) and duration of the special right (“golden share”): ***no such right.***

**6.4. Restrictions on participation in the issuer's charter capital**

***There are no restrictions on participation in the issuer's charter capital.***

**6.5. Changes in the list and participation of the issuer's shareholders (members) holding at least five percent of its charter capital or at least five percent of its ordinary shares**

The issuer's shareholders (members) holding at least five percent of the issuer's charter capital, and for issuers such as joint stock companies also holding at least five percent of the issuer's ordinary shares determined as of the date of compiling the list of persons entitled to participate in each general shareholders' (members') meeting of the issuer held in the last completed financial year preceding the date when the reporting quarter ended, and for the period from the date when the current year started till the date when the reporting quarter ended based on the list of persons entitled to participate in each of such meetings

Additional information: ***none.***

**6.6. Interested party transactions conducted by the issuer**

***No such transactions.***

**6.7. Accounts receivable**

**As of 31.12.2019**

Unit of measure: ***thousand RUB***

<b>Indicator</b>	<b>Indicator value</b>
Accounts receivable from buyers and customers	<b><i>98,045,300</i></b>
including those overdue	<b><i>13,719</i></b>
Notes receivable	
including those overdue	
Members' (incorporators') arrears of charter capital contributions	
including those overdue	
Other accounts receivable	<b><i>194,954,584</i></b>
including those overdue	<b><i>143</i></b>
Total accounts receivable	<b><i>292,999,884</i></b>
including total overdue accounts receivable	<b><i>13,862</i></b>

Debtors who account for at least 10 percent of the total accounts receivable in the reporting period: ***no such debtors.***



As of 31.03.2020

Unit of measure: *thousand RUB*

Indicator	Indicator value
Accounts receivable from buyers and customers	57,167,560
including those overdue	16,064
Notes receivable	
including those overdue	
Members' (incorporators') arrears of charter capital contributions	
including those overdue	
Other accounts receivable	227,272,964
including those overdue	2,923
Total accounts receivable	284,440,524
including total overdue accounts receivable	18,987

Debtors who account for at least 10 percent of the total accounts receivable in the reporting period: *no such debtors.*

## Section VII. The issuer's accounting (financial) statements and other financial information

### 7.1. Annual accounting (financial) statements of the issuer

The information is provided in appendix No. 1 to this quarterly report

Contents of the annual accounting (financial) statements of the issuer attached to this quarterly report: *balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the balance sheet and the income statement (table form), notes to the balance sheet and the income statement (text form), audit report.*

### 7.2. Interim accounting (financial) statements of the issuer

Information is provided in appendix No. 2 to this quarterly report

Contents of the interim accounting (financial) statements of the issuer attached to this quarterly report: *balance sheet, income statement.*

### 7.3. Consolidated financial statements of the issuer

*Consolidated financial statements were not prepared by the issuer in the reporting quarter.*

### 7.4. Accounting policy of the issuer

Information on accounting policy of the issuer for 2020 for accounting purposes

*1. Accounting policy of the issuer is developed in accordance with the legislation of the Russian Federation on accounting, federal and industry standards.*

#### *2. Intangible Assets Accounting*

*Asset is entered in accounting records as intangible asset if the requirements defined in Clause 3 of Accounting Regulations "Intangible Assets Accounting" PBU 14/2007 approved by Order of the Ministry of Finance of the Russian Federation No. 153n dated 27.12.2007 are met.*

*Intangible asset (hereinafter referred to as IA) is recorded at its actual (historical) cost determined as of the date when it was recorded.*

*The cost of IA is redeemed through amortization under the straight-line method within the fixed period of their useful life.*

*The useful life of IA is determined when an item is entered in accounting records based on the term of a patent or certificate and other limitations for the useful life of intellectual property in accordance with the legislation of the Russian Federation, and the expected useful life of such an item during which the issuer can obtain economic benefits (income).*

*The useful life of IA is checked by the issuer annually during inventory to see whether it needs to be adjusted. If the duration of the period during which the issuer expects to use the asset changes by more than 5%, the useful life of such asset shall be adjusted.*

*Changes in estimated values caused by this are shown in prospect.*

*Intangible assets are not revalued and not tested for impairment.*

### **3. Research, development and technological works accounting**

*Expenses related to research, development and technological works (hereinafter referred to as R&D) are recorded as R&D expenses if the requirements defined in Clause 7 of Accounting Regulations "Accounting of expenses on research, development and technological works" PBU 17/02 approved by Order of the Ministry of Finance of the Russian Federation No. 115n dated 19.11.2002 are all met.*

*The historical cost of R&D assets is the actual amount spent on their acquisition or development.*

*R&D cost is written off as the cost of goods manufacturing (works performing, services rendering) within the fixed period of their expected useful life (but not more than 5 years) from the first day of a month following the month when the R&D results were first applied.*

*Once R&D results have ceased to be used and when it becomes obvious that application of R&D results will not bring economic benefits in the future, the residual value of R&D assets is subject to a write-off as other expenses.*

### **4. Intangible Prospecting and Exploration Assets Accounting**

*Intangible prospecting assets include prospecting costs (costs of prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration) associated with acquisition of licenses and paid for discovery of hydrocarbon fields and preliminary appraisal of reserves.*

*The issuer's prospecting costs for discovery of hydrocarbon fields and preliminary appraisal of reserves before production was proved to be commercially feasible are accumulated by target at every license block against the field section and recorded as investments in non-current assets.*

*Intangible prospecting assets are not amortized during prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration, except for licenses which authorize to carry out prospecting, appraisal of hydrocarbon fields.*

*Part of the cost of licenses which authorize to carry out prospecting, appraisal of hydrocarbon fields is transferred equally during the term of these licenses and is included in the costs for creation of exploration assets.*

*As of the end of the reporting period the issuer analyzes factors which imply possible impairment of intangible prospecting assets. If prospecting assets show signs of impairment, the cost of intangible prospecting assets is lowered by means of other expenses.*

*If there are beneficial consequences for the issuer, occurred after recognizing losses from impairment of intangible prospecting assets or losses expected in the near future due to an increase in economic efficiency of the use of intangible prospecting assets or due to restructuring of activity in which the intangible prospecting asset is used, the adjustment of previously recognized losses by means of other expenses is made.*

*Intangible prospecting assets are not revalued.*

*The issuer's intangible prospecting assets are ceased to be recognized in relation to a certain subsurface area when hydrocarbons production is proved to be commercially feasible or recognized as unpromising.*

*If production of hydrocarbons at the relative license block (field) is recognized as unpromising, the cost of intangible prospecting asset is recorded in other expenses of the issuer.*

*If production of hydrocarbons at the relative license block (field) is proved to be commercially feasible, intangible prospecting asset is tested for impairment and transferred to fixed assets or other non-current assets:*

*prospecting and exploration wells built when developing intangible prospecting assets recognized by the issuer as suitable for further use in production activity, are recorded as fixed assets;*

*prospecting costs for discovery of hydrocarbon fields and preliminary appraisal of reserves form the value of exploration assets.*

*The value of the exploration asset is charged to the cost of oil and gas production evenly within the fixed period of their useful life starting from the month following the month when exploration assets were*

*entered in accounting records. The useful life is determined when the asset is entered in accounting records based on the expected term of its use during which the issuer can obtain economic benefits (profit).*

#### **5. Fixed Assets Accounting**

*Assets are entered in accounting records of the issuer as fixed assets if the requirements defined in Clause 4 of Accounting Regulations "Accounting of Fixed Assets" PBU 6/01 approved by Order of the Ministry of Finance of the Russian Federation No. 26n dated 30.03.2001 are met.*

*The historical (replacement) cost of fixed assets recorded on and after 01.01.2002 is redeemed through depreciation accrued on a straight-line basis in conformity with depreciation rates calculated based on the useful life of such asset determined when such asset is entered in accounting records.*

*The historical (replacement) cost of fixed assets recorded before 01.01.2002 is redeemed according to the procedure valid at the time when such asset was entered in accounting records, through depreciation accrued on a straight-line basis in conformity with depreciation rates for complete repair approved by Resolution No. 1072 of the USSR Council of Ministers dated 22.10.90.*

*Revaluation is conducted annually as of 31 December of the reporting year.*

#### **6. Financial Investments Accounting**

*Financial investments are entered in accounting records at their historical cost. The historical cost of financial investments acquired at a charge is the amount of the actual costs of their acquisition, excluding value-added tax and other reimbursed taxes (except for cases stipulated by the tax and levy legislation of the Russian Federation).*

*When financial investments with the current market value not being determined are disposed, their value is determined at historical cost of disposed financial investments.*

*When financial investments with the current market value being determined are disposed, their value is determined at their current book value.*

*Income from disposal of securities, interest and other income are recognized as other income.*

#### **7. Held-for-sale Long-term Assets Accounting**

*Held-for-sale long-term asset is an item of fixed assets or other non-current assets (excluding financial investments) the use of which is discontinued due to decision on its sale with a confirmation that this item is not expected to be used again.*

*Held-for-sale long-term assets also include tangible assets held for sale which are left from disposal of, including partial, non-current assets or which are being received as a result of their current maintenance, repairs, reconstruction, upgrading except when such tangible assets are recognized as materials, spare parts or other types of stock to be further used in production of goods, performing of works, rendering of services.*

#### **8. Stocks Accounting**

*The issuer accepts the following assets as stocks (hereinafter referred to as Stocks) :*

*assets used as feedstock, materials, etc. to manufacture goods, perform works or render services;*

*assets held for sale;*

*assets used for management needs.*

*Stocks are entered in accounting records at their actual cost.*

*Stocks (except for goods and assets with the maximum value of RUB 40,000 per item) are written off to production or otherwise disposed at their average cost of production. Goods and assets with the value not exceeding RUB 40,000 per item are disposed at their cost of production of each item.*

#### **9. Formation and Use of Reserves, Recording of Estimated Liabilities**

*An estimated liability is recorded in order to account for expenses for vacation payments to employees. Provision for vacation payments is formed against costs of goods manufacturing (works performing, services rendering). At the end of the reporting year provision is adjusted in line with the inventory check results. Provision is additionally accrued from costs of goods manufacturing (works performing, services rendering). Over-accrued provision is adjusted against other expenses.*

*As of 31 December, the issuer carries out an inspection for impairment of financial investments (not traded publicly) with the current market value not being determined. In case the inspection confirms that the cost of financial investments is substantially and persistently reducing (by more than 5%), an impairment provision of financial investments is formed; provision for doubtful debts is formed for loans granted, accounts receivable acquired on the basis of the assignment of a right to claim.*

*As of 31 December, an impairment provision of tangible assets is formed for slow moving stocks the market price for which decreased during the reporting year or which became obsolete or which lost, either fully or partially, their original qualities as well as for held-for-sale long-term assets the market price for which decreased. Provision is formed against other expenses.*

*Provisions for doubtful debts are formed if any accounts receivable are deemed doubtful. Accounts receivable are deemed doubtful if they are not redeemed, or if there is high risk of their non-redemption within the period established by the contract, if they are not duly guaranteed. Provision is formed against other expenses.*

*Estimated liabilities are created to dispose of facilities constructed (purchased) in the course of prospecting, hydrocarbon fields appraisal and hydrocarbon resources exploration, and to restore disturbed lands. The sums of the provision are included in intangible prospecting assets (explorations assets).*

#### **10. Revenue from Sale**

*For accounting purposes, the issuer's revenue from sale of products (goods), performance of works, rendering of services to other organizations and natural persons is recognized provided that the requirements stipulated by Clause 12 (including requirements of Clause 14) of the Accounting Regulations "Income of an Enterprise" PBU 9/99 approved by Order No. 32n of the Ministry of Finance of the Russian Federation of 06.05.99 are met.*

*Revenue from sale of products (goods), performance of works, rendering of services does not include VAT, excises and export duties.*

#### **11. Selling Expenses Accounting**

*Selling expenses related to the sale of oil, gas, oil and gas refined products, property, plant and equipment, apartments, held-for-sale long-term assets, securities, share in the charter capital of other companies, scrap metal, secondary material resources at the end of a reporting period are included in the cost of sales or other expenses subject to the type of assets sold.*

### **7.5. Total export and share of export in total sales**

*Total earnings of the issuer from export of products (goods, works, services) for 2019 – RUB 1,243,889,450 thousand, for 3 months of 2020 – RUB 231,137,833 thousand. The share of such earnings in sales revenue for 2019 – 80 %, for 3 months of 2020 – 78.3 %.*

### **7.6. Substantial changes in the issuer's property after the date when the last completed reporting year ended**

Substantial changes in the issuer's property during 12 months before the date when the reporting quarter ended

*There were no substantial changes in the issuer's property during 12 months before the date when the reporting quarter ended.*

Additional information: *none.*

### **7.7. The issuer's participation in litigations in case such participation may substantially affect the issuer's financial and business activities**

*The issuer did not/does not participate in any litigations which affected/may affect its financial and business activities for the period from the date when the last completed financial year started and till the date when the reporting quarter ended.*

## **Section VIII. Additional information on the issuer and equity securities placed by the issuer**

### **8.1. Additional information on the issuer**

#### **8.1.1. Size and structure of the issuer's charter capital**

The issuer's charter capital as of the end of the reporting quarter, RUB: **43,427,992,940**

Ordinary shares

Total nominal value, RUB: **35,725,994,705**

Share in the charter capital, %: **82.2648994034**

Preference

Total nominal value, RUB: **7,701,998,235**

Share in the charter capital, %: **17.7351005966**

Specify if the amount of the charter capital stated in this clause corresponds to the issuer's constituent documents: *the amount of the charter capital of the issuer corresponds to the constituent documents.*

*The issuer's shares are traded outside the Russian Federation by means of depositary securities trading (foreign issuer's securities which represent such shares of the Russian issuer).*

#### **Category (type) of shares traded outside the Russian Federation**

Type of securities: *shares*

Category of shares: *ordinary*

Shares traded outside the Russian Federation in the total number of shares of the relevant category (type), %:  
**3.92**

Foreign issuer whose securities represent the issuer's shares of this category (type)

Full corporate name: *The Bank of New York Mellon.*

Location: *240 Greenwich Street, New York, NY 10286, USA*

Summary of the issue program (type of the program) for the foreign issuer's depositary securities representing shares of the relevant category (type):

**sponsored, level I; one American depositary share represents 10 ordinary registered shares of the issuer.**

Information on the issuer's obtaining a permit issued by The Bank of Russia and (or) an authorized government body (authorized state authority) of the Russian Federation to place and (or) trade the issuer's shares of the relevant category (type) outside the Russian Federation: *not applicable.*

Foreign market maker(s) trading the issuer's shares (depositary securities representing the issuer's shares) (if such trading exists): *Berlin Stock Exchange, Frankfurt Stock Exchange, London Stock Exchange, Pink OTC Markets Inc.*

Other information on the issuer's shares traded outside the Russian Federation as the issuer may wish to disclose: *the date when the program was launched is 30 December 1996.*

Type of securities: *shares*

Category of shares: *preference*

Type of shares: -

Shares traded outside the Russian Federation in the total number of shares of the relevant category (type), %:  
**6.58**

Foreign issuer whose securities represent the issuer's shares of this category (type)

Full corporate name: *The Bank of New York Mellon.*

Location: *240 Greenwich Street, New York, NY 10286, USA*

Summary of the issue program (type of the program) for the foreign issuer's depositary securities representing shares of the relevant category (type):

**sponsored, level I; one American depositary share represents 10 preference registered shares of the issuer.**

Information on the issuer's obtaining a permit issued by The Bank of Russia and (or) an authorized government body (authorized state authority) of the Russian Federation to place and (or) trade the issuer's shares of the relevant category (type) outside the Russian Federation: *not applicable.*

Foreign market maker(s) trading the issuer's shares (depositary securities representing the issuer's shares) (if such trading exists): *Berlin Stock Exchange, Frankfurt Stock Exchange, Pink OTC Markets Inc.*

Other information on the issuer's shares traded outside the Russian Federation as the issuer may wish to disclose: *the date when the program was launched is 19 March 1998.*

### 8.1.2. Changes in the size of the issuer's charter capital

*There were no changes in the size of the issuer's charter capital for the last completed financial year preceding the date when the reporting quarter ended, and for the period from the date when the current year started till the date when the reporting quarter ended.*

### 8.1.3. Convening and holding a meeting (session) of the issuer's supreme management body

Supreme management body of the issuer: *general shareholders' meeting*

Notification of shareholders (members) about a meeting (session) of the issuer's supreme management body

*Notification of the General shareholders' meeting of "Surgutneftegas" PJSC (hereinafter in this clause – the Company) shall be given no later than 30 days prior to the date thereof, unless another term is specified by the Federal Law "On Joint Stock Companies". Notification shall be published on the official website of the Company [www.surgutneftegas.ru](http://www.surgutneftegas.ru) in the information and telecommunication network "Internet".*

*Notification of the General shareholders' meeting of the Company shall include:*

*full corporate name and location of the Company;*

*the form of the General shareholders' meeting of the Company (a meeting or absentee voting);*

*the date, venue and time of the General shareholders' meeting of the Company as well as the mailing address for sending the completed ballot papers to the Company; or in case the General shareholders' meeting of the Company is held by way of absentee voting – the final date when the ballot papers are accepted and the mailing address for sending the completed ballot papers;*

*the date as of which the persons entitled to participate in the General shareholders' meeting of the Company are determined (set);*

*the agenda for General shareholders' meetings of the Company;*

*categories (types) of shares the holders of which have the right to vote on all or some issues of the agenda of the General shareholders' meeting of the Company;*

*the procedure for reviewing the information (materials) to be submitted to the shareholders while arranging the General shareholders' meeting of the Company, and address(es) where this information is available;*

*other information as provided for by the current legislation of the Russian Federation.*

Persons (bodies) entitled to convene (request) an extraordinary meeting (session) of the issuer's supreme management body and the procedure for submitting (filing) such requests

*The extraordinary General shareholders' meeting of the Company shall be convened under the resolution of the Company's Board of Directors either on its own initiative or at the written request of the Auditing Committee, the Company's auditor, or the shareholders (shareholder) owning in the aggregate at least 10 percent of the voting shares of the Company as of the date the request is submitted. Such a request shall state the issues to be included in the agenda of the meeting. The request shall be signed by the person (persons) requesting to convene an extraordinary General shareholders' meeting of the Company.*

Determination of the date of a meeting (session) of the issuer's supreme management body

*The Company's Board of Directors shall set (determine) the date, venue and time of the General shareholders' meeting of the Company, its agenda and procedure for conducting the General shareholders' meeting, the date of determining (setting) persons entitled to participate in the General shareholder's meeting; the procedure for notifying the shareholders of the General shareholder's meeting of the Company; the list of materials (information) to be submitted while arranging the General shareholders' meeting of the Company and the form and text of the ballot paper.*

Persons entitled to introduce issues to the agenda of a meeting (session) of the issuer's supreme management body and the procedure of such proposals

*The shareholders (shareholder) owning in the aggregate at least two percent of the voting shares of the Company shall have the right to introduce issues to the agenda of the annual General shareholders' meeting of the Company and to nominate candidates to the Company's Board of Directors and the Company's Auditing Committee, provided that the number of candidates does not exceed the number of members of the relevant body not later than 30 days after the end of the reporting year.*

*The proposal to include the issues in the agenda of the General shareholders' meeting of the Company and to nominate candidates shall include the full name (names) of the shareholders*

*(shareholder), the number and category (type) of shares owned by them, and shall be signed by the shareholders (shareholder) or by their proxies.*

*The proposal to include the issues in the agenda of the General shareholders' meeting of the Company shall contain every proposed issue being formulated, and the proposal to nominate candidates shall include the name and details of the identification document (series and (or) number, date and place of its issue, the authority that issued the document) of every nominated candidate, the name of the body which he/she is nominated to be elected to, and other information about him/her as provided for by the current Regulations on the General shareholders' meeting of the Company. The proposal to include the issues in the agenda of the General shareholders' meeting of the Company may contain formulated resolutions on each proposed issue.*

*The Company's Board of Directors shall be obliged to consider submitted proposals and adopt a resolution to include them or reject including them in the agenda of the annual General shareholders' meeting of the Company not later than five days after the deadline for proposals to include the issues in the agenda and to nominate candidates. A motivated resolution of the Company's Board of Directors to reject including an issue in the agenda of the General shareholders' meeting of the Company or a candidate in the candidate list for voting shall be submitted to the shareholders (shareholder) who proposed an issue or nominated a candidate not later than three days after it is adopted.*

Persons who have the right to review information (materials) presented in order to arrange and hold a meeting (session) of the issuer's supreme management body and the procedure for reviewing such information (materials)

*In accordance with the Federal Law "On Joint Stock Companies", persons who have the right to review the information provided in order to arrange and hold a shareholders' meeting are the persons who have the right to participate in a general shareholders' meeting. The list of persons who have the right to participate in a general shareholders' meeting is compiled on the basis of the Company's shareholder register.*

*Review of the information provided in order to arrange a shareholders' meeting shall be made in compliance with Article 52 of the Federal Law "On Joint Stock Companies".*

Procedure of announcement (communication to the issuer's shareholders (members)) of resolutions adopted by the issuer's supreme management body and the results of voting

*Resolutions adopted by the General shareholders' meeting of the Company as well as the results of voting may be announced at the General shareholders' meeting at which voting is held and shall be brought to notice of the persons, included in the list of persons entitled to participate in the General shareholders' meeting, in the form of the report on the voting results in the manner prescribed by the current legislation of the Russian Federation.*

#### **8.1.4. Commercial organizations where the issuer holds at least five percent of the charter capital or at least five percent of ordinary shares**

Commercial organizations where the issuer holds at least five percent of the charter (share) capital (mutual fund) or at least five percent of ordinary shares as of the end of the last reporting quarter

1. Full corporate name: **Limited Liability Company "Novgorodnefteproduct"**

Abbreviated corporate name: **LLC "Novgorodnefteproduct"**

Location: **Russian Federation, Veliky Novgorod**

INN: **5321059365**

OGRN: **1025300788644**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

2. Full corporate name: **Limited Liability Company "Syrgutmebel"**

Abbreviated corporate name: **LLC "Syrgutmebel"**

Location: **Russian Federation, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgutsky District, poselok Barsovo, Vostochnaya industrial 1 territory, 2**

INN: **8617013396**

OGRN: **1028601679688**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

3. Full corporate name: ***Limited Liability Company "Marketing Association "Pskovnefteproduct"***

Abbreviated corporate name: ***LLC "Pskovnefteproduct"***

Location: ***Russian Federation, Pskov***

INN: **6027042337**

OGRN: **1026000970049**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

4. Full corporate name: ***Limited Liability Company "Marketing Association "Tvernefteproduct"***

Abbreviated corporate name: ***LLC "MA "Tvernefteproduct"***

Location: ***Russian Federation, Tver, ul.Novotorzhskaya, 6***

INN: **6905041501**

OGRN: **1026900510647**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

5. Full corporate name: ***Limited Liability Company "Kaliningradnefteproduct"***

Abbreviated corporate name: ***LLC "Kaliningradnefteproduct"***

Location: ***Russian Federation, Kaliningrad, Central District, ul.Komsomolskaya, 22-b***

INN: **3900000136**

OGRN: **1023900589240**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

6. Full corporate name: ***Limited Liability Company "Oil Refining and Petrochemical Facilities Design Institute"***

Abbreviated corporate name: ***LLC "Lengiproneftekhim"***

Location: ***Russian Federation, Saint Petersburg, nab.Obvodnogo kanala, 94***

INN: **7810327462**

OGRN: **1057803105755**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

7. Full corporate name: ***Limited Liability Company "Kirishiavtoservis"***

Abbreviated corporate name: ***LLC "Kirishiavtoservis"***

Location: ***Russian Federation, Saint Petersburg***

INN: **7840016802**

OGRN: **1057807804064**

The issuer's share in the charter capital of a commercial organization: **100%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**



8. Full corporate name: ***Limited Liability Company “Media-Invest”***  
Abbreviated corporate name: ***LLC “Media-Invest”***  
Location: ***Moscow***  
INN: ***7704667322***  
OGRN: ***1077762407580***  
The issuer’s share in the charter capital of a commercial organization: ***100%***  
The person’s share in the issuer’s charter capital: ***0%***  
The issuer’s ordinary shares held by the person: ***0%***
9. Full corporate name: ***Limited Liability Company “Production Association “Kirishinefteorgsintez”***  
Abbreviated corporate name: ***LLC “KINEF”***  
Location: ***Russian Federation, Leningradskaya Oblast, Kirishi***  
INN: ***4708007089***  
OGRN: ***1024701478735***  
The issuer’s share in the charter capital of a commercial organization: ***100%***  
The person’s share in the issuer’s charter capital: ***0%***  
The issuer’s ordinary shares held by the person: ***0%***
10. Full corporate name: ***Limited Liability Company “Rion”***  
Abbreviated corporate name: ***LLC “Rion”***  
Location: ***Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut***  
INN: ***8602293599***  
OGRN: ***1198617009788***  
The issuer’s share in the charter capital of a commercial organization: ***100%***  
The person’s share in the issuer’s charter capital: ***0%***  
The issuer’s ordinary shares held by the person: ***0%***
11. Full corporate name: ***Joint Stock Company “Surgutneftegasbank”***  
Abbreviated corporate name: ***JSC BANK “SNGB”***  
Location: ***Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut***  
INN: ***8602190258***  
OGRN: ***1028600001792***  
The issuer’s share in the charter capital of a commercial organization: ***97.7591%***  
The Company’s ordinary shares held by the issuer: ***98.2389%***  
The person’s share in the issuer’s charter capital: ***0.0015%***  
The issuer’s ordinary shares held by the person: ***0.0018%***
12. Full corporate name: ***Limited Liability Company “Invest-Zaschita”***  
Abbreviated corporate name: ***LLC “Invest-Zaschita”***  
Location: ***628400, Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52/1***  
INN: ***8602102332***  
OGRN: ***1028600581680***  
The issuer’s share in the charter capital of a commercial organization: ***15.13%***  
The person’s share in the issuer’s charter capital: ***0.1152%***  
The issuer’s ordinary shares held by the person: ***0.0236%***
13. Full corporate name: ***Joint Stock Company “St. Petersburg International Mercantile Exchange”***  
Abbreviated corporate name: ***JSC “SPIMEX”***

Location: **Russian Federation, Saint Petersburg**

INN: **7840389730**

OGRN: **1089847188903**

The issuer's share in the charter capital of a commercial organization: **8%**

The Company's ordinary shares held by the issuer: **8%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

14. Full corporate name: **Joint Stock Company "Airport Surgut"**

Abbreviated corporate name: **JSC "Airport Surgut"**

Location: **Russian Federation, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut**

INN: **8602060523**

OGRN: **1028600603998**

The issuer's share in the charter capital of a commercial organization: **5%**

The Company's ordinary shares held by the issuer: **5%**

The person's share in the issuer's charter capital: **0%**

The issuer's ordinary shares held by the person: **0%**

**8.1.5. Major transactions conducted by the issuer**

*In the reporting period, the issuer made no transactions falling under criteria stated in clause 8.1.5, Appendix 3 to Regulations No. 454-P of The Bank of Russia "On Disclosing Information by Securities Issuers" dated 30 December 2014.*

**8.1.6. Credit ratings of the issuer**

*There are no credit ratings known to the issuer.*

**8.2. Data on each category (type) of the issuer's shares**

Category of shares: **ordinary**

Par value of each share (RUB): **1**

Number of outstanding shares (number of shares that are placed and are not redeemed): **35,725,994,705**

Number of additional shares which can be or being placed (number of shares in an additional issue in respect to which the state registration has been granted, but the report on the additional issue was not registered, or a notification of the additional issue was not submitted in case the Federal Law "On Securities Markets" does not prescribe state registration of the report of the additional issue): **0**

Number of declared shares: **0**

Number of shares which came to the disposal (are on the balance) of the issuer: **361,600**

Number of additional shares that can be placed through conversion of the previously placed securities convertible into shares or by virtue of fulfillment of the issuer's option obligations: **0**

Issues of shares of this category (type):

Date of state registration	State registration number of the issue
24.06.2003	1-01-00155-A

Shares grant shareholders the following rights

*An ordinary share of the issuer entitles its owner to the same amount of rights:*

- the right to participate in the General shareholders' meeting of the issuer with the right to vote on all issues within his/her terms of reference;*
- the right to receive dividends and, in case of dissolution of the issuer, the right to receive a portion of its property.*
- the right to dispose of shares without consent of other shareholders and the issuer.*

- exercising his/her rights, including the right to participate in the General shareholders' meeting of the issuer both in person and by proxy.

*Each ordinary share shall provide its owner with the right to one vote when the issues put to vote at the General shareholders' meeting of the issuer are resolved, except when the members of the issuer's Board of Directors are elected. The issuer's Board of Directors shall be elected by cumulative voting. When conducting cumulative voting the number of votes for each issuer's voting share shall be equal to the total number of the issuer's Board of Directors. A shareholder shall have the right to cast votes represented by his/her share for one candidate or split them among several candidates to the issuer's Board of Directors.*

*The shareholders who own the voting shares shall have the right to demand from the issuer to buy back all or a portion of the shares owned by them in cases specified by the current legislation of the Russian Federation.*

*The shares shall be bought back by the issuer in accordance with the current legislation of the Russian Federation.*

*A shareholder shall have no ownership right to the property of the issuer except as in the event of distribution of the property upon dissolution of the issuer.*

*A shareholder of the issuer who owns ordinary shares shall have the pre-emptive right to acquire additional ordinary shares and equity securities placed through a public subscription, convertible into ordinary shares, in the amount proportional to that of the ordinary shares of the issuer held by them.*

Other information on the shares as the issuer may wish to disclose

*In accordance with Ordinance of the Federal Securities Market Commission of Russia No. 03-1215/r dated 24 June 2003, the additional issues of equity securities of OJSC "Surgutneftegas" were consolidated to cancel the following state registration numbers assigned to the issues of ordinary registered non-documentary shares of OJSC "Surgutneftegas":*

*87-1-664 dated 19.07.94;*

*MF 67-1-01430 dated 30.09.96;*

*1-05-00155-A dated 25.08.97;*

*1-06-00155-A dated 22.12.97;*

*1-07-00155-A dated 18.04.2000.*

Category of shares: **preference**

Type of shares:

Par value of each share (RUB): **1**

Number of outstanding shares (number of shares that are placed and are not redeemed): **7,701,998,235**

Number of additional shares which can be or being placed (number of shares in an additional issue in respect to which the state registration has been granted, but the report on the additional issue was not registered, or a notification of the additional issue was not submitted in case the Federal Law "On Securities Markets" does not prescribe state registration of the report of the additional issue): **0**

Number of declared shares: **0**

Number of shares which came to the disposal (are on the balance) of the issuer: **0**

Number of additional shares that can be placed through conversion of the previously placed securities convertible into shares or by virtue of fulfillment of the issuer's option obligations: **0**

Issues of shares of this category (type):

Date of state registration	State registration number of the issue
24.06.2003	2-01-00155-A

Shares grant shareholders the following rights

*A preference share of the issuer entitles its owner to the same amount of rights:*

*A shareholder shall have no ownership right to the property of the issuer except as in the event of distribution of the property upon dissolution of the issuer.*

*The shareholders shall have the right to dispose of shares owned by him/her without consent of other shareholders and the issuer.*

*The shareholders who own preference shares shall have the right to receive an annual fixed dividend.*

*The total amount payable as dividend on each preference share shall be set at the rate of 10 percent of the issuer's net profit based on the results of the last reporting year divided by the number of shares accounting for 25 percent of the charter capital of the issuer.*

*If the amount of dividends paid by the issuer on each ordinary share in a certain year exceeds the amount payable as dividends on each preference share, the dividend amount paid on the latter shall be increased up to the dividend amount paid per ordinary share.*

*The issuer shall have no right to pay dividends on preference shares otherwise than prescribed by the issuer's charter.*

*The shareholders of the issuer who own preference shares of the issuer shall have no right to vote at the General shareholders' meeting of the issuer, unless otherwise established by the Federal Law "On Joint Stock Companies".*

*In case of acquisition of the voting right, the owner of preference shares shall have the right to demand that the issuer buy back his/her shares if:*

*- the issuer is being restructured or a major transaction is being conducted, the resolution about which is adopted by the general shareholders' meeting in compliance with the issuer's charter, if he/she voted against such a resolution or transaction or did not vote on these issues;*

*- the issuer's charter is amended or approved in a new wording to restrict his/her rights if he/she voted against the corresponding resolution or did not participate in voting.*

*A shareholder of the issuer who owns preference shares of the issuer shall have the pre-emptive right to acquire additional preference shares and equity securities placed through a public subscription, convertible into preference shares, in the amount proportional to that of the preference shares of the issuer held by them.*

Other information on the shares as the issuer may wish to disclose

*In accordance with Ordinance of the Federal Securities Market Commission of Russia No. 03-1215/r dated 24 June 2003, the additional issues of equity securities of OJSC "Surgutneftegas" were consolidated to cancel the following state registration numbers assigned to the issues of preference registered non-documentary shares of OJSC "Surgutneftegas":*

*87-1-664 dated 19.07.94;*

*MF 67-1-01184 dated 05.04.96;*

*MF 67-1-01431 dated 30.09.96;*

*2-05-00155-A dated 25.08.97;*

*2-06-00155-A dated 24.10.97.*

### **8.3. Previous issues of the issuer's equity securities, excluding the issuer's shares**

#### **8.3.1. Issues with all securities redeemed**

*No such issues.*

#### **8.3.2. Issues with securities that are not redeemed**

*No such issues.*

### **8.4. Person(s) who offered security for the issuer's secured bonds and security offered for the issuer's secured bonds**

*As of the date when the reporting quarter ended, there are no issuer's outstanding secured bonds with non-fulfilled obligations in respect of which the prospectus and (or) admission to trading were registered.*

#### **8.4.1. Additional information on the mortgage collateral on the issuer's mortgage-backed bonds**

*The issuer placed no mortgage-backed bonds obligations on which are non-fulfilled yet.*

#### **8.4.2. Additional information on the collateral by money claims for the bonds of the issuer with the collateral by money claims**

*The issuer placed no bonds with the collateral by money claims obligations on which are non-fulfilled yet.*

## 8.5. Organizations keeping records of rights for the issuer's equity securities

Information on the registrar

Full corporate name: **Joint Stock Company "Surgutinvestneft"**

Abbreviated corporate name: **JSC "Surgutinvestneft"**

Location: **628415, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52, bld. 1**

INN: **8602039063**

OGRN: **1028600588246**

License for keeping the register of security holders

Number: **10-000-1-00324**

Date of issue: **24.06.2004**

Valid till: **unlimited**

Issuing authority: **Russian Federal Commission for the Securities Market (FKTsB) (Federal Financial Markets Service (FSFR) of Russia**

The date when the registrar started keeping the register of holders of the issuer's securities: **02.04.1994**

## 8.6. Legislative acts regulating import and export of capital which may influence dividend payment, interests and other payments to non-residents

*As of 31.03.2020, the following legislative acts regulating import and export of capital which may influence the payment of dividends, interests and other payments to non-residents were in force:*

*Federal Law No. 173-FZ dated 10.12.2003 "On Currency Exchange Regulation and Control";*

*Federal Law No. 208-FZ dated 26.12.1995 "On Joint Stock Companies";*

*Federal Law No. 160-FZ dated 09.07.1999 "On Foreign Investments in the Russian Federation";*

*Federal Law No. 39-FZ dated 25.02.1999 "On Investment Activities in the Form of Capital Investments in the Russian Federation";*

*Tax Code of the Russian Federation;*

*Federal Law No. 115-FZ dated 07.08.2001 "On Counteraction of the Legitimization of Proceeds from Crime and the Financing of Terrorism";*

*Double taxation treaties between the Russian Federation and foreign states where holders of the issuer's securities reside.*

## 8.7. Declared (accrued) and (or) paid dividends on the issuer's shares and the issuer's bond yield

### 8.7.1. Dividends declared and paid on the issuer's shares

Information for last five completed reporting years or for each completed reporting year if the issuer conducts its business for less than five years, and for the period from the date when the current year started till the date when the reporting quarter ended

Indicator	Indicator value for the relevant reporting period – 2014, full year
Category of shares, for preference shares – type	ordinary
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 27.06.2015, Minutes No. 26 dated 30.06.2015
Dividends declared per one share, RUB	0.65
Total dividends declared on all shares of this category (type), RUB	23,221,896,558.25
Date as of which the persons entitled to dividends are (were) determined	16.07.2015
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2014, full year
Due period (date) of declared dividend payment	dividends shall be paid not later than on 20 August 2015

Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	2.6
Total dividends paid on the shares of this category (type), RUB	23,208,648,207.83
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.94
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2014 on the issuer's ordinary shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Article 44 of the Federal Law "On Joint Stock Companies" for the reasons beyond the issuer's control when incorrect, incomplete or outdated information on bank details and/or mail address was entered in a registered person's dividends questionnaire.
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	Declared unclaimed dividends are reinstated as part of the issuer's undistributed profits.

Indicator	Indicator value for the relevant reporting period – 2014, full year
Category of shares, for preference shares – type	preference
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 27.06.2015, Minutes No. 26 dated 30.06.2015
Dividends declared per one share, RUB	8.21
Total dividends declared on all shares of this category (type), RUB	63,233,405,509.35
Date as of which the persons entitled to dividends are (were) determined	16.07.2015
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2014, full year
Due period (date) of declared dividend payment	dividends shall be paid not later than on 20 August 2015
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	7.09
Total dividends paid on the shares of this category (type), RUB	62,619,662,368.77
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.03
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2014 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Article 44 of

	the Federal Law “On Joint Stock Companies” for the reasons beyond the issuer’s control when incorrect, incomplete or outdated information on bank details and/or mail address was entered in a registered person’s dividends questionnaire.
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	Declared unclaimed dividends are reinstated as part of the issuer’s undistributed profits.

Indicator	Indicator value for the relevant reporting period – 2015, full year
Category of shares, for preference shares – type	ordinary
Issuer’s management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer’s management body when such a resolution was adopted	The resolution was adopted by the general shareholders’ meeting on 29.06.2016, Minutes No. 27 dated 30.06.2016
Dividends declared per one share, RUB	0.60
Total dividends declared on all shares of this category (type), RUB	21,435,596,823.00
Date as of which the persons entitled to dividends are (were) determined	18.07.2016
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2015, full year
Due period (date) of declared dividend payment	22.08.2016
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	2.85
Total dividends paid on the shares of this category (type), RUB	21,423,379,131.16
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.94
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2015 on the issuer’s ordinary shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law “On Securities Market”
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	Declared unclaimed dividends are reinstated as part of the issuer’s undistributed profits.

Indicator	Indicator value for the relevant reporting period – 2015, full year
Category of shares, for preference shares – type	preference
Issuer’s management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer’s management body when such a resolution was adopted	The resolution was adopted by the general shareholders’ meeting on 29.06.2016, Minutes No. 27 dated 30.06.2016
Dividends declared per one share, RUB	6.92

Total dividends declared on all shares of this category (type), RUB	53,297,827,786.20
Date as of which the persons entitled to dividends are (were) determined	18.07.2016
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2015, full year
Due period (date) of declared dividend payment	22.08.2016
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	7.09
Total dividends paid on the shares of this category (type), RUB	52,789,443,657.57
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.05
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2015 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	Declared unclaimed dividends are reinstated as part of the issuer's undistributed profits.

Indicator	Indicator value for the relevant reporting period – 2016, full year
Category of shares, for preference shares – type	ordinary
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 29.06.2017, Minutes No. 28 dated 29.06.2017
Dividends declared per one share, RUB	0.6
Total dividends declared on all shares of this category (type), RUB	21,435,596,823.00
Date as of which the persons entitled to dividends are (were) determined	19.07.2017
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2016, full year
Due period (date) of declared dividend payment	23.08.2017
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	undistributed profits of the previous years
Declared dividends ratio in the net profit of the reporting year, %	-
Total dividends paid on the shares of this category (type), RUB	21,423,827,809.18
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.95
In case the declared dividends are not paid by the issuer or	Obligations to pay dividends for 2016 on the



paid not in full – reasons for non-payment of the declared dividends	issuer's ordinary shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2016, full year
Category of shares, for preference shares – type	preference
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 29.06.2017, Minutes No. 28 dated 29.06.2017
Dividends declared per one share, RUB	0.60
Total dividends declared on all shares of this category (type), RUB	4,621,198,941.00
Date as of which the persons entitled to dividends are (were) determined	19.07.2017
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2016, full year
Due period (date) of declared dividend payment	23.08.2017
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	undistributed profits of the previous years
Declared dividends ratio in the net profit of the reporting year, %	-
Total dividends paid on the shares of this category (type), RUB	4,577,236,768.50
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.05
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2016 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2017, full year
Category of shares, for preference shares – type	ordinary
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting	The resolution was adopted by the general shareholders' meeting on 29.06.2018, Minutes No. 29 dated 29.06.2018

(session) of the issuer's management body when such a resolution was adopted	
Dividends declared per one share, RUB	0.65
Total dividends declared on all shares of this category (type), RUB	23,221,896,558.25
Date as of which the persons entitled to dividends are (were) determined	19.07.2018
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2017, full year
Due period (date) of declared dividend payment	23.08.2018
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	15.51
Total dividends paid on the shares of this category (type), RUB	23,207,635,939.15
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.94
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2017 on the issuer's ordinary shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2017, full year
Category of shares, for preference shares – type	preference
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 29.06.2018, Minutes No. 29 dated 29.06.2018
Dividends declared per one share, RUB	1.38
Total dividends declared on all shares of this category (type), RUB	10,628,757,564.30
Date as of which the persons entitled to dividends are (were) determined	19.07.2018
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2017, full year
Due period (date) of declared dividend payment	23.08.2018
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	7.1
Total dividends paid on the shares of this category (type), RUB	10,526,284,624.00

Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.04
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2017 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2018, full year
Category of shares, for preference shares – type	ordinary
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted by the general shareholders' meeting on 28.06.2019, Minutes No. 30 dated 28.06.2019
Dividends declared per one share, RUB	0.65
Total dividends declared on all shares of this category (type), RUB	23,221,896,558.25
Date as of which the persons entitled to dividends are (were) determined	18.07.2019
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2018, full year
Due period (date) of declared dividend payment	22.08.2019
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	2.81
Total dividends paid on the shares of this category (type), RUB	23,207,187,326.61
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.94
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2018 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

Indicator	Indicator value for the relevant reporting period – 2018, full year
Category of shares, for preference shares – type	preference
Issuer's management body which adopted a resolution of dividend declaration, the date when such a resolution was adopted, the date and number of the minutes of the meeting	The resolution was adopted by the general shareholders' meeting on 28.06.2019, Minutes No. 30 dated 28.06.2019

(session) of the issuer's management body when such a resolution was adopted	
Dividends declared per one share, RUB	7.62
Total dividends declared on all shares of this category (type), RUB	58,689,226,550.70
Date as of which the persons entitled to dividends are (were) determined	18.07.2019
Reporting period (year, quarter) for which (at the end of which) the declared dividends are (were) paid	2018, full year
Due period (date) of declared dividend payment	22.08.2019
Form of declared dividend payment (cash, other property)	cash
Sources of payment of the declared dividends (net profit of the reporting year, net undistributed profits of the previous years, special fund)	net profit of the reporting year
Declared dividends ratio in the net profit of the reporting year, %	7.09
Total dividends paid on the shares of this category (type), RUB	58,104,395,349.91
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.00
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	Obligations to pay dividends for 2018 on the issuer's preference shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with Clause 16 of Article 8.2 of the Federal Law "On Securities Market"
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

*Obligations to pay dividends for 2016 – 2018 on the issuer's shares were fulfilled except for the situations when the issuer does not bear responsibility in accordance with the legislation of the Russian Federation.*

#### **8.7.2. Accrued and paid yield on the issuer's bonds**

*The issuer issued no bonds.*

#### **8.8. Miscellaneous information**

*The growing COVID-19 pandemic increased the issuer's risks caused by a decrease in economic activity and international trade, implementation of various restrictive measures, including:*

- fall of demand and prices for hydrocarbons;*
- supply disruption of feedstock, materials, machinery and equipment;*
- decreased solvency of the partners.*

*Besides, the emergence of the infection foci among the issuer's employees can lead to the disruption of the production process. In order to mitigate this risk the issuer firmly adheres to the requirements and recommendations of the relevant government bodies due to the COVID-19 pandemic.*

#### **8.9. Represented securities and the issuer of represented securities title to which is evidenced by Russian Depositary Receipts**

*The issuer does not issue any represented securities title to which is evidenced by Russian Depositary Receipts.*

**Appendix No. 1 to this issuer's report (quarterly report). Annual accounting (financial) statements of the issuer**

**Appendix No. 2 to this issuer's report (quarterly report). Interim accounting (financial) statements of the issuer**