

# QUARTERLY REPORT

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

***The issuer’s code: 00155-A***

**for 2Q2019**

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

**The information contained herein is subject to disclosure pursuant to the Securities Legislation of the Russian Federation**

Director General

Date: 14 August 2019

signature

V.L.Bogdanov

First Deputy Chief Accountant – Head of Accounting and Reporting Division

Date: 14 August 2019

signature  
STAMP

P.V.Shevelev

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The information contained herein is disclosed on the website(s): **<http://www.surgutneftegas.ru/investors>;  
<http://www.e-disclosure.ru/portal/company.aspx?id=312>**

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## Introduction

Grounds for the issuer's obligation to disclose information in the form of a 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 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 quarterly report.

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

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

*There were no changes in the information contained in this clause in the reporting quarter.*

### **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 a 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: ***107078, Russian Federation, Moscow, ul.Mashi Poryvaevoy, 34***

INN: ***7708000473***

OGRN: ***1027739273946***

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

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

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

Auditor's membership in self-regulated audit organizations

Full name: ***Self-Regulated Auditor Organization "Russian Union of Auditors (Association)"***

Location: ***107031, Russian Federation, Moscow, Petrovsky pereulok, 8, bld. 2***

Additional information

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

<b>Accounting (financial) statements, year</b>	<b>Consolidated financial statements, year</b>
<b><i>2014</i></b>	<b><i>2014</i></b>
<b><i>2015</i></b>	<b><i>2015</i></b>
<b><i>2016</i></b>	<b><i>2016</i></b>
<b><i>2017</i></b>	<b><i>2017</i></b>
<b><i>2018</i></b>	<b><i>2018</i></b>
<b><i>2019</i></b>	<b><i>2019</i></b>

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

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

Describe 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 and 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 Company'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 Company'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 Company'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 Company'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)

*There were no changes in the information contained in this clause in the reporting quarter.*

### 1.4. The issuer's advisors

*With reference to clause 1.4., Appendix 3 to Regulation No. 454-P of The Bank of Russia "On Disclosing Information by 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 quarterly report

Name: *Bogdanov Vladimir Leonidovich*

Year of birth: *1951*

Primary employment

Company: *“Surgutneftegas” PJSC*

Position: *Director General*

Name: *Shevelev Pavel Vadimovich*

Year of birth: *1974*

Primary employment

Company: *“Surgutneftegas” PJSC*

Position: *First Deputy Chief Accountant – Head of Accounting and Reporting Division*

## 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 productivity: *thousand RUB per person*

Indicator	2018, 6 months	2019, 6 months
Labor efficiency	<i>7,087</i>	<i>7,864</i>
Debt to equity ratio	<i>0.064</i>	<i>0.074</i>
Long-term debt to total long-term debt and equity ratio	<i>0.021</i>	<i>0.023</i>
Debt to operating income (profit)	<i>0.456</i>	<i>0.458</i>
Overdue debts, %	<i>0.0974</i>	<i>0.1753</i>

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

*The indicator of labor efficiency proves the effectiveness of labor potential use and production operations.*

*The change in this indicator for 6 months of 2019 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 6 months of 2019 show a low level of the Company’s dependence on raised and borrowed money.*

*The indicator “Debt to operating income (profit)” remains on a low level, which demonstrates the Company’s ability to cover its debts by operating income.*

*The minimum level of the Company’s overdue accounts payable in the reporting period proves that the Company redeems its obligations 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 securities market trading organizer*

Unit of measure: *thousand RUB*



Indicator	As of 31.12.2018	As of 30.06.2019
Market capitalization	1,261,584,898.54	1,273,179,714.64

The securities market trading organizer that provides data for calculation of market capitalization and any other additional information on outstanding securities at the issuer's discretion: *the Company's market capitalization is calculated in accordance with data of PJSC "Moscow Exchange"*.

## 2.3. The issuer's liabilities

### 2.3.1. Borrowed funds and accounts payable

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

Structure of accounts payable

Unit of measure: *thousand RUB*

Indicator	As of 30.06.2019
Total accounts payable	195,622,342
including those overdue	536,422
including	
accounts payable to the budget and state non-budget funds	65,690,977
including those overdue	
accounts payable to suppliers and contractors	28,451,343
including those overdue	536,422
accounts payable to personnel	8,023,538
including those overdue	
other	93,456,484
including those overdue	

In case of any overdue accounts payable, including those under loan agreements, specify the reasons for non-fulfillment of obligations and consequences (both actual and possible) arising for the issuer from such non-fulfillment, 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 overdue accounts payable obligations will have no consequences for the Company 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 obligations fulfilled under the credit and (or) loan agreements having been in force during the last completed reporting and current years, 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 obligations under other credit and (or) loan agreements which the issuer deems significant.

*The issuer had no such obligations.*

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

Unit of measure: *thousand RUB*

Indicator	As of 30.06.2019
The total amount of security provided by the issuer (the amount (sum) of non-fulfilled	22,403,883

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)	
including liabilities of the third parties	<b>22,403,883</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>18,894,943</b>
including liabilities of the third parties	<b>18,894,943</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.*

#### 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

*There were no changes in the information contained in this clause in the reporting quarter.*

### 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 (name for a noncommercial organization) 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**

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**

*There were no changes in the information contained in this clause in the reporting quarter.*

### **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: *Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52/1*

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

Changes in the list of branches and representative offices of the issuer during the reporting quarter; in the event of any changes in the name or location of a branch or representative office or the first, middle or last names of its head, term of the power of attorney issued by the issuer to the head of a branch or representative office, please also include information about such changes

*In the reporting quarter, the Company issued the power of attorney to the head of Yakutsk Representative Office of "Surgutneftegas" PJSC*

Name: *Yakutsk Representative Office of "Surgutneftegas" PJSC*

Head: *Kruglov Dmitry Valerievich*

Term of the Power of Attorney: *until 03.04.2020*

### 3.2. Core operations of the issuer

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

Code of economic activity which is core for the issuer

OKVED2 codes
06.10.1

#### 3.2.2. Core operations of the issuer

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

Type of operation: *sale of oil*

Indicator	2018, 6 months	2019, 6 months
Revenue from sales (volume of sales) related to the specified type of operation, thousand RUB	473,189,380	502,967,624
Revenue from sales (volume of sales) related to the specified type of operation in total revenue from sales (volume of sales) of the issuer, %	65.8	62.9

Type of operation: *sale of oil products*

Indicator	2018, 6 months	2019, 6 months
Revenue from sales (volume of sales) related to the specified type of operation, thousand RUB	227,944,890	277,461,823
Revenue from sales (volume of sales) related to the specified type of operation in total revenue from sales (volume of sales) of the issuer, %	31.7	34.7

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

*The Company's sales revenue (sales volume) derived from the core operations increased by more than 10% as compared to the same period of the previous year and amounted to 11.2%, including 6.3% from the sales of oil and 21.7% from the sales of oil products.*

*The key factor behind the increase in the Company's revenues is a stronger US dollar and 10.0% growth in oil product supplies.*

Cost structure of the issuer

Indicator	2018, 6 months	2019, 6 months
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Raw materials and supplies, %	2.85	2.73
Acquired components and semi-finished articles, %	3.46	3.48
Production works and services performed/rendered by the third parties, %	14.32	14.8
Fuel, %	0.14	0.3
Energy, %	1.39	1.45
Labor costs, %	9.41	8.98
Interests on loans, %	0	0
Rental payments, %	0.02	0.02
Depreciation of fixed assets, %	13.01	10.42
Taxes included in production costs, %	51.33	53.82
Other costs, %	1.33	1.39
amortization of intangible assets, %	0.23	0.33
remuneration for innovation proposals, %	0	0
compulsory insurance payments, %	0.06	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), %	1.04	1.01
Insurance premiums	2.74	2.61
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	133.9	136.1

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 subparagraph

***The accounting (financial) statements of the Company 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”.***

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

For 6 months of 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 for 6 months of 2019 compared to the same period of 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, 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 Company.*

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

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

*There were no changes in the information contained in this clause in the reporting quarter.*

### 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 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 activity 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 – 68,533 thous. tonnes; B2 – 10,404 thous. tonnes*

Production rate for the relevant reporting period (periods): *825.105 thous. tonnes*

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

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

Type of minerals: *associated gas*

Proved reserves: *AB1 – 4,146 mn cub m; B2 – 629 mn cub m*

Production rate for the relevant reporting period (periods): *52.146745 mn cub m*

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

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

Type of minerals: *oil*

Proved reserves: *AB1 – 253,188 thous. tonnes; B2 – 28,507 thous. tonnes*

Production rate for the relevant reporting period (periods): *2,278.151 thous. tonnes*

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

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

Type of minerals: *associated gas*

Proved reserves: *AB1 – 123,078 mn cub m; B2 – 3,268 mn cub m*

Production rate for the relevant reporting period (periods): **796.800839 mn cub m**

**5. Field: Lyantorskoye**

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

Type of minerals: *oil*

Proved reserves: **AB1 – 29,476 thous. tonnes; B2 – 409 thous. tonnes**

Production rate for the relevant reporting period (periods): **978.600 thous. tonnes**

**6. Field: Lyantorskoye**

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

Type of minerals: *associated gas*

Proved reserves: **AB1 – 61,506 mn cub m; B2 – 17 mn cub m**

Production rate for the relevant reporting period (periods): **480.184037 mn cub m**

**7. Field: Rogozhnikovskoye**

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

Type of minerals: *oil*

Proved reserves: **AB1 – 98,779 thous. tonnes; B2 – 27,445 thous. tonnes**

Production rate for the relevant reporting period (periods): **677.510 thous. tonnes**

**8. Field: Rogozhnikovskoye**

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

Type of minerals: *associated gas*

Proved reserves: **AB1 – 7,015 mn cub m; B2 – 2,105 mn cub m**

Production rate for the relevant reporting period (periods): **48.687267 mn cub m**

**9. Field: Russkinskoye**

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

Type of minerals: *oil*

Proved reserves: **AB1 – 52,249 thous. tonnes; B2 – 7,898 thous. tonnes**

Production rate for the relevant reporting period (periods): **692.277 thous. tonnes**

**10. Field: Russkinskoye**

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

Type of minerals: *associated gas*

Proved reserves: **AB1 – 2,669 mn cub m; B2 – 366 mn cub m**

Production rate for the relevant reporting period (periods): **34.607108 mn cub m**

**11. Field: Severo-Labatyuganskoye**

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

Type of minerals: *oil*

Proved reserves: **AB1 – 47,663 thous. tonnes; B2 – 10,542 thous. tonnes**

Production rate for the relevant reporting period (periods): **1,140.199 thous. tonnes**

**12. Field: Severo-Labatyuganskoye**

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

Type of minerals: *associated gas*

Proved reserves: **AB1 – 3,459 mn cub m; B2 – 847 mn cub m**

Production rate for the relevant reporting period (periods): **98.309310 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 – 104,277 thous. tonnes; B2 – 1,146 thous. tonnes*

Production rate for the relevant reporting period (periods): *1,252.575 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 – 36,280 mn cub m; B2 – 386 mn cub m*

Production rate for the relevant reporting period (periods): *132.414365 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*

*According to Law of the Russian Federation No. 2395-1 “On Subsurface” dated 21.02.92*

Basis for license issuance: *according to Law of the Russian Federation No. 2395-1 “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 subsoil user obligations indicating the period of given obligations fulfillment: *prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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*

*According to Law of the Russian Federation No. 2395-1 “On Subsurface” dated 21.02.92*

Basis for license issuance: *according to Law of the Russian Federation No. 2395-1 “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 subsoil user obligations indicating the period of given obligations fulfillment: *prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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: **16.05.2030**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

**According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92**

Basis for license issuance: **according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 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**

*According to Law of the Russian Federation No. 2395-1 "On Subsurface" dated 21.02.92*

Basis for license issuance: *according to Law of the Russian Federation No. 2395-1 "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 subsoil user obligations indicating the period of given obligations fulfillment: **prospecting and exploratory drilling, seismic surveys and putting fields into development according to 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 30.06.2019 all terms and conditions are being met.**

*This section provides a list of the Company'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 Company 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 subordinates 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

*There were no changes in the information contained in this clause in the reporting quarter.*

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

*There were no changes in the information contained in this clause in the reporting quarter.*

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

*There were no changes in the information contained in this clause in the reporting quarter.*

### 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 30.06.2019

Unit of measure: *thousand RUB*

Name of fixed assets group	Historical (replacement) cost	Accumulated depreciation
Land and objects of environmental management	13,889,721	
Buildings, structures and transfer mechanisms	3,045,194,390	2,347,503,205
Machinery, equipment and vehicles	670,074,546	549,215,644
Other types of fixed assets	5,697,114	4,207,400
TOTAL	3,734,855,771	2,900,926,249

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	13,887,861	13,887,861	31.12.2018	13,890,429	13,890,429
Buildings, structures and transfer mechanisms	2,987,548,680	685,195,200	31.12.2018	2,984,908,698	685,197,647
Machinery, equipment and vehicles	656,992,131	120,316,816	31.12.2018	665,787,973	121,127,522
Other types of fixed assets	5,659,170	1,587,952	31.12.2018	5,681,516	1,595,911
Total	3,664,087,842	820,987,829	31.12.2018	3,670,268,616	821,811,509

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 Company's fixed assets as well as encumbered fixed assets.*

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

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

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, 6 months	2019, 6 months
Net profit margin, %	<i>51.687</i>	
Asset turnover ratio, times	<i>0.177</i>	<i>0.179</i>
Return on assets, %	<i>9.127</i>	
Return on equity, %	<i>9.715</i>	
Uncovered loss as of the reporting date		<i>37,929,780</i>
Uncovered loss as of the reporting date to the book value of assets, %		<i>0.849</i>

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

The economic analysis of 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

*Loss from financial and business activities for 6 months of 2019 is caused by the reflection of the foreign exchange losses in the other expenses according to the change in exchange rates.*

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

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 relative issues, and insists on this opinion to be included in the 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 based on 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, 6 months	2019, 6 months
Net working capital	<i>887,812,552</i>	<i>1,144,225,309</i>

Current liquidity ratio	6.445	6.465
Quick liquidity ratio	5.886	5.913

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

All indicators are calculated based on 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 are determined by the growth of short-term investments and cash and cash equivalents in accordance with regulatory requirements to include the financial investments to current and non-current assets.***

***Liquidity ratios are significantly higher than recommended levels, which proves that the Company enjoys a high level of financial 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 relative issues, and insists on this opinion to be included in the quarterly report: **no**.

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

**As of 30.06.2019**

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**.

***Losses are included in the issuer's assessment of financial investments recorded in the issuer's accounting statements for the period from the beginning of the reporting year till the last day of the last reporting quarter.***

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 "On Approval of Accounting Regulations "Financial Investments Accounting" PBU 19/02" dated 10.12.2002.***

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

**As of 30.06.2019**

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

Name of intangible assets group	Historical (replacement) cost	Accumulated depreciation
TOTAL	1,436,578	1,041,131

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

***- intangible assets are recorded at their actual (historical) cost determined as of the date when such***

*assets were recorded;*

*- the Company 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 Company’s policy in scientific and technological development is aimed at providing support to the Company’s production potential, ensuring effective operations and creating long-term competitive advantages and is implemented in the following directions – introduction of new operating procedures, production methods and equipment, testing new equipment and technologies, import substitution, rationalization and invention activities and acquisition of patents in the Company. The Company spent RUB 1,489.206 million on scientific and technical activities for 6 months of 2019.*

Intellectual industrial property (inventions, utility models, industrial prototypes, trademarks) of the Company as of **30.06.2019**

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.	Trademark of STsBPO EPU (service mark)	Certif. (TZ) No. 248903 dated 16.06.2003	02.11.1999	02.11.2019
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 survey and operation	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

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
11.	Circular casing module	Patent (PM) No. 146266 dated 03.09.2014	19.05.2014	19.05.2024
12.	Trademark (logotype)	Certificate of trademark No. 580396 dated 12.07.2016	25.03.2015	25.03.2025
13.	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
14.	Mobile pumping unit	Patent (PM) No. 159093 dated 29.12.2015	01.06.2015	01.06.2025
15.	Tubing-casing annulus sealing tool	Patent (I) No. 2311525 dated 27.11.2007	10.01.2006	10.01.2026
16.	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
17.	Restoration method of disturbed wetlands (swamplands)	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 reclamation of sludge pits without backfilling in the territory of the State 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.	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 the issuer's core operation

*In 2018, the volume of oil production in Russia increased by 1.7% compared to 2017 and totaled*



555.9 million tonnes. The level of oil production in Russia was significantly influenced by an agreement between OPEC and non-OPEC countries (the OPEC+ agreement), concluded to stabilize the situation in the oil market.

In 2018, Russian oil and gas producers increased the scope of prospective and exploratory drilling by 8% up to 1,066.9 thousand meters against 2017. The development drilling meterage remained on the level of 2017 and amounted to 27.6 million meters.

In 2018, refined crude oil amounted to 52% of the total oil produced, which is the same as in the previous year. The volume of oil refining at the Russian refineries increased by 2.5% to about 287 million tonnes. At the same time, the production of the main oil products decreased by 1.3%. In 2018, the decrease of the share of mazut in the main oil products structure was maintained. In 2018, the production of motor gasolines amounted to 39.5 million tonnes, diesel fuel – 77.5 million tonnes, jet kero – 12.7 million tonnes, mazut – 46.4 million tonnes.

In 2018, the export of Russian oil increased by 0.3% to 257.7 million tonnes, including the export to non-CIS countries increasing to 240 million tonnes.

“Surgutneftegas” PJSC is one of the largest vertically integrated oil companies. At the end of 2018, it accounted for 11% of the industry oil production, 6.3% of total Russian oil refining.

In 2018, the volume of the Company’s oil production totaled 60.9 million tonnes, which is 0.6% higher than in 2017. The Company continues to actively develop fields in Eastern Siberia. In 2018, the share of this region reached 15% of the total volume of oil produced by “Surgutneftegas” PJSC.

In the existing economic conditions the Company strives to maintain the optimal load of production capacities of its own refinery. In 2018, the amount of oil refined at the refinery amounted to 18.2 million tonnes.

“Surgutneftegas” PJSC pays special attention to the rational use of subsoil and natural resources, and to 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%. At the end of 2018, this indicator reached 99.56% and is one of the highest in the industry.

In 2018, the Company performed 17.5% of development drilling and 19.8% of exploratory drilling in Russia. In 2018, the Company increased the amount of development drilling by 3.4% against 2017 and it reached 4,845.5 thousand meters. The prospecting and exploratory drilling meterage increased by 4.5% to 211.5 thousand meters.

For the first half of 2019 against the same period of 2018, the oil production in Russia increased by 2.5% and amounted to 277.9 million tonnes. Refined crude oil amounted to 50% of the total oil produced. The volume of oil refining at the Russian refineries amounted to 137.4 million tonnes, a 2.3% decrease against the first half of 2018. The companies of the industry decreased the production of main oil products by 1.7%. The production structure of oil products showed the continuous reduction of mazut. For 6 months of 2019 the volume of mazut production decreased by 5.8%, jet kero by 1.3% while the production of motor gasoline insignificantly increased.

For the first half of 2019 the volume of exploratory drilling by the Russian oil companies increased against the same period of 2018 by 4% and amounted to 573.5 thousand meters, the volume of development drilling decreased by 2.4% to 13,275.7 thousand meters.

For the first half of 2019 the volume of the oil production by the Company increased by 0.5% against the first half of 2018 and amounted to 29.9 million tonnes, which amounts to 10.8% of the industry oil production. The volume of drilling by the Company for the first half of 2019 increased against the first half of 2018: development drilling by 5.8% to 2,459.8 thousand meters, exploratory drilling by 19.7% to 127.4 thousand meters. The share of the Company in development drilling in Russia amounts to 18.5%, and in exploratory drilling – 22.2%. In the first half of 2019, the volume of the Company’s oil refining totaled 9.4 million tonnes, which is 6.8% of the whole Russian oil refining volumes.

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

*The Company’s financial results are affected by the following key factors:*

- hydrocarbon price trends in global and domestic markets;
- tax burden ratio;
- ruble / foreign currencies rate
- inflation rate and natural monopoly tariffs.

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

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

*In 2Q2019, global oil prices had the following tendency:*

- by the end of the quarter, the average Brent price amounted to 68.86 USD/bbl, which is 9.1% higher against the previous quarter and 7.4% lower against 2Q2018;*
- the average Urals price went up by 7.5% compared to the previous quarter and amounted to 67.88 USD/bbl, and decreased by 6.4% against 2Q2018.*

*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 2Q2019, the weighted average oil price in the open Russian market increased by 11.6% against the previous quarter, and increased by 9.7% against 2Q2018 to 28.3 thousand RUB/tonne (Western Siberian oil and gas province).*

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

### **Tax burden ratio**

*Since 01 January 2019, as part of the tax maneuver, the oil and gas sector witnessed the beginning of a gradual decrease in oil export customs duties down to zero within six years and a simultaneous increase in MET oil rate. Furthermore, in the course of the tax maneuver mechanism, a reverse excise duty for oil was introduced, which includes a damping ratio.*

*In 2019, for several fields a tax on additional income from hydrocarbon production was introduced. The rate of the tax on additional income from hydrocarbon production is set at 50% and is applied to estimated revenue from sales, excluding actual and estimated expenses. As for the fields to which the tax on additional income from hydrocarbon production is applied, a reduced MET rate is set.*

*In 2019, the MET base oil rate remained at the level of 2017 and equaled 919 RUB/tonne. An additional indicator Kk increasing the MET oil rate was fixed at RUB 428 (in 2018 – RUB 357). Moreover, since 01 January 2019, the formula for MET oil rate calculation includes additional coefficients.*

*In the reporting quarter, against the previous quarter, MET effective rate increased by 9.4% (the increase in oil quotations in the global market and strengthening of the national currency against the US dollar). As compared to the same period of 2018, MET effective rate increased by 10.1% due to the introduction of new coefficients into the formula for MET oil rate calculation and weakening of the national currency against the US dollar with the decrease in oil price quotations.*

*Export customs duty is set according to the formula based on Urals oil prices in the global market. Since 01 January 2019, an adjustive coefficient is applied to the oil export customs duty is set in the amount of 0.833 for 2019.*

*In 2Q2019, the average export customs duty rate for oil to be exported to non-CIS countries increased by 19.5% against the previous quarter and amounted to 104.1 USD/tonne, and decreased by 13.6% against 2Q2018. 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 2019, the excise duties on gasoline Euro 5, diesel fuel and medium distillates were increased.*

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

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

*The average USD rate for 2Q2019 was 64.56 RUB/USD that is 2.4% lower than in the previous quarter and 4.5% higher as compared to the same indicator in 2Q2018.*

*In the reporting quarter, the average Euro rate was 72.52 RUB/Euro that is 3.5% lower than in the previous quarter and 1.7% higher as compared to 2Q2018.*

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

*The Company's financial and business activity is adversely affected by inflation and higher natural monopoly tariffs because they lead to the price growth and, therefore, the increase in the Company's costs.*

*In the reporting quarter, there were no changes in tariffs of PJSC “Transneft” for pipeline transportation and service tariffs for orders and supervision of oil delivery on the routes used by the Company compared to the previous quarter. The growth of tariffs of PJSC “Transneft” amounted to 3.9% compared to 2Q2018.*

*The inflation rate in 2Q2019 amounted to 0.7%, which is 1.1 percentage points lower than in the previous quarter. As compared to the same period of the previous year, the inflation rate decreased by 0.6 percentage points.*

#### 4.8. The issuer’s competitors

*There were no changes in the information contained in this clause in the reporting quarter.*

### Section V. Detailed data on 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

*There were no changes in the information contained in this clause in the reporting quarter.*

#### 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		
2014	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 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		
2014	present	“Surgutneftegas” PJSC	Director General
2014	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 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		
2014	present	"Surgutneftegas" PJSC	Chief Engineer – First Deputy Director General
2014	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 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 2014	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 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, %: **0.0047**

The issuer’s ordinary shares held by the person, %: **0.0050**

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 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 2014	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 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		
2014	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 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, %: **0.0044**

The issuer's ordinary shares held by the person, %: **0.0050**

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 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 2014	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 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		
2014	present	"Surgutneftegas" PJSC	Director General
2014	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 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

The Board of Directors

Unit of measure: **thousand RUB**

Indicator	2019, 6 months
Remuneration for the participation in the work performed by the management body	<b>10,899.1</b>
Salary	
Bonus	
Commission	
Other types of remuneration	<b>135.8</b>
TOTAL	<b>11,034.9</b>

Information on resolutions made 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 are paid to the members of the Company's Board of Directors in accordance with the Company's charter and the Regulations on the Board of Directors.*

### Compensation

Unit of measure: **thousand RUB**

Management body	2019, 6 months
The Board of Directors	<b>6,018.9</b>

Additional information: **none.**

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

*There were no changes in the information contained in this clause in the reporting quarter.*

## 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: **Average 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		

*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 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		
2014	December 2015	"Surgutneftegas" PJSC	Deputy Head of Audit 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 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: **Average 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		

*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 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 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		
2014	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 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

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, 6 months
Remuneration for the participation in work performed by the agency supervising the issuer's financial and business activities	
Salary	
Bonus	
Commission	
Other types of remuneration	
TOTAL	

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*

Indicator	2019, 6 months
Remuneration for the participation in work performed by the agency supervising the issuer's financial and business activities	
Salary	4,986.5
Bonus	890.4
Commission	
Other types of remuneration	258.4
TOTAL	6,135.3

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

Compensation

Unit of measure: *thousand RUB*

Supervising body (of the business unit)	2019, 6 months
Auditing Committee	45.4
Internal Audit Service	0

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*

Indicator	2019, 6 months
Average number of employees, people	101,664
Gross payroll for the reporting period	60,374,802.6
Social payments for the reporting period	491,436

*The employees (workers) of the Company 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 employees (workers) with the issuer's options, 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 a non-zero balance accounts registered in the issuer's shareholder register as of the date when the reporting quarter ended: **31,696**

The total number of the issuer's nominee shareholders: **6**

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 which 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 which 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 date when the reporting quarter ended: **there are no treasury shares on the issuer's balance.**

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, shares: *3,933,400,448*

Number of the issuer's preference shares registered in the issuer's shareholder register in the name of the said nominee holder: *5,099,662,974*

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”)**

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: *628408, 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: *Surgutsky District, urban-type settlement Bely Yar, ul.Mayakovskogo 1 A*

Share of the issuer's charter capital under state (federal, of constituent territories of the Russian Federation) municipal ownership, %: *0.0127*

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

#### ***Municipal ownership***

Name: *Municipal unit City district, the city of Surgut as represented by the Administration of the city of Surgut*

Location: **628408, 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: **Surgutsky District, urban-type settlement Bely Yar, ul.Mayakovskogo 1 A**

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 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 30.06.2019**

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

<b>Indicator</b>	<b>Indicator value</b>
Accounts receivable from buyers and customers	<b><i>115,771,360</i></b>
including those overdue	<b><i>25,036</i></b>
Notes receivable	
including those overdue	
Members' (incorporators') arrears of charter capital contributions	
including those overdue	

Other accounts receivable	205,298,737
including those overdue	15,741
Total accounts receivable	321,070,097
including total overdue accounts receivable	40,777

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**

*Not subject to presentation in this reporting quarter.*

### **7.2. Interim accounting (financial) statements of the issuer**

**The information is provided in appendix No. 1 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**

**Information is provided in appendix No. 2 to this quarterly report**

Standards (rules) used for preparing the consolidated financial statements for 2018 shown in this section of the quarterly report: *IFRS*

Contents of the report attached to this quarterly report: *consolidated statements of financial position, consolidated statements of profit and loss and other comprehensive income, consolidated cash flow statements, consolidated statements of changes in equity, notes to the consolidated financial statements, audit report.*

### **7.4. Accounting policy of the issuer**

*There were no changes in the information contained in this clause in the reporting quarter.*

### **7.5. Total export and share of export in total sales**

*Total earnings of the issuer from export of products (goods, works, services) for 6 months of 2019 – RUB 663,548,232 thousand. The share of such earnings in sales revenue for 6 months of 2019 – 83%.*

### **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 Company's charter capital corresponds to the constituent documents.***

***The issuer's shares are traded outside the Russian Federation by means of depositary receipts trading (the foreign issuers' 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), %: **5.07**

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 receipts representing shares of the relevant category (type):

**sponsored, level I; one American depositary share represents 10 ordinary registered shares of the Company.**

Information on the Company'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 securities of the relevant category (type) outside the Russian Federation: ***not applicable.***

Foreign market maker(s) trading the issuer's shares (depositary receipts 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), %: **6.83**

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 receipts representing shares of the relevant category (type):

**sponsored, level I; one American depositary share represents 10 preference registered shares of the Company.**

Information on the Company'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 securities of the relevant category (type) outside the Russian Federation: ***not applicable.***

Foreign market maker(s) trading the issuer's shares (depositary receipts 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**

***There were no changes in the information contained in this clause in the reporting quarter.***

#### **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**

***There were no changes in the information contained in this clause in the reporting quarter.***

#### **8.1.5. Major transactions conducted by the issuer**

***In the reporting period, the Issuer made no transactions in compliance with criteria stated in clause 8.1.5. of Regulation No. 454-P "On Disclosing Information by Securities Issuers" dated 30 December 2014.***

#### **8.1.6. Credit ratings of the issuer**

***There were no changes in the information contained in this clause in the reporting quarter.***

#### **8.2. Data on each category (type) of the issuer's shares**

***There were no changes in the information contained in this clause in the reporting quarter***

#### **8.3. Previous issues of the issuer's equity securities, excluding the issuer's shares**

##### **8.3.1. Issues with all securities redeemed**

***There were no changes in the information contained in this clause in the reporting quarter.***

### 8.3.2. Issues with securities that are not redeemed

*There were no changes in the information contained in this clause in the reporting quarter.*

### 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: *Russian Federation, Tyumenskaya Oblast, Khanty-Mansiysky Autonomous Okrug – Yugra, Surgut, ul.Entuziastov, 52/1*

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 the payment of dividends, interests and other payments to non-residents

*There were no changes in the information contained in this clause in the reporting quarter.*

### 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	The resolution was adopted at the general shareholders' meeting on 27.06.2015, Minutes No. 26 dated 30.06.2015



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
The date as of which the persons entitled to dividends are (were) determined	16.07.2015
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2014, full year
The due period (date) of declared dividend payment	dividends shall be paid not later than 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, %	2.60
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 Company's ordinary shares were fulfilled except for the situations when the Company does not bear responsibility in accordance with Article 44 of the Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control when incorrect, incomplete or outdated information on banking details and/or mailing 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 Company'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 at 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
The date as of which the persons entitled to dividends are (were) determined	16.07.2015
Reporting period (year, quarter) for which (on the results of	2014, full year

which) the declared dividends are (were) paid	
The due period (date) of declared dividend payment	dividends shall be paid not later than 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 Company's preference shares were fulfilled except for the situations when the Company does not bear responsibility in accordance with Article 44 of the Federal Law "On Joint Stock Companies" for the reasons beyond the Company's control when incorrect, incomplete or outdated information on banking details and/or mailing 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 Company'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 at 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
The date as of which the persons entitled to dividends are (were) determined	18.07.2016
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2015, full year
The 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	21,423,362,246.92

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 Company's ordinary shares were fulfilled except for the situations when the Company 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 – 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 at 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
The date as of which the persons entitled to dividends are (were) determined	18.07.2016
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2015, full year
The 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	52,789,498,543.59
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 Company's preference shares were fulfilled except for the situations when the Company 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
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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 at the general shareholders' meeting 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	21,435,596,823.00
The date as of which the persons entitled to dividends are (were) determined	19.07.2017
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2016, full year
The 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 profit 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	21,423,082,252.86
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 2016 on the Company's ordinary shares were fulfilled except for the situations when the Company 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 at the general shareholders' meeting 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
The date as of which the persons entitled to dividends are (were) determined	19.07.2017
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2016, full year
The 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 profit 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	4,575,917,879.61
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.02
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 Company's preference shares were fulfilled except for the situations when the Company 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 (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted at the general shareholders' meeting 29.06.2018 Minutes No. 29 dated 29.06.2018
Dividends declared per one share, RUB	0.65
Total dividends declared on all shares of this category (type), RUB	23,221,896,558.25
The date as of which the persons entitled to dividends are (were) determined	19.07.2018
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2017, full year
The 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	23,205,802,087.19
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	99.93
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 Company's ordinary shares were fulfilled except for the situations when the Company 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 at the general shareholders' meeting 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
The date as of which the persons entitled to dividends are (were) determined	19.07.2018
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2017, full year
The 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	10,521,526,822.82
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	98.99
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 Company's preference shares were fulfilled except for the situations when the Company 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	The resolution was adopted at the general shareholders' meeting 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	0.65
Total dividends declared on all shares of this category (type), RUB	23,221,896,558.25
The date as of which the persons entitled to dividends are (were) determined	18.07.2019
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2018, full year
The 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	0.00
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	0.00
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	The annual general shareholders' meeting for 2018 approved the date as of which the persons entitled to dividends are determined – 18 July 2019
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 (session) of the issuer's management body when such a resolution was adopted	The resolution was adopted at the general shareholders' meeting 28.06.2019 Minutes No. 30 dated 28.06.2019
Dividends declared per one share, RUB	7.62
Total dividends declared on all shares of this category (type), RUB	58,689,226,550.70
The date as of which the persons entitled to dividends are (were) determined	18.07.2019
Reporting period (year, quarter) for which (on the results of which) the declared dividends are (were) paid	2018, full year
The 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	0.00
Payout ratio in the total amount of the declared dividends on the shares of this category (type), %	0.00
In case the declared dividends are not paid by the issuer or paid not in full – reasons for non-payment of the declared dividends	The annual general shareholders' meeting for 2018 approved the date as of which the persons entitled to dividends are determined – 18 July 2019
Other information on the declared and (or) paid dividends as the issuer may wish to disclose	

*Obligations to pay dividends for 2015 – 2017 on the Company's shares were fulfilled except for the situations when the Company 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**

*There were no changes in the information contained in this clause in the reporting quarter.*

#### **8.8. Miscellaneous information**

*None.*

#### **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 quarterly report. Interim accounting (financial) statements of the issuer**

**Appendix No. 2 to this quarterly report. The annual summary accounting (consolidated financial) statements compiled in accordance with the International Financial Reporting Standards**

**Balance Sheet  
as of 30 June 2019**

Company **"Surgutneftegas" PJSC**

Taxpayer identification number

Type of economic

activity **crude oil production**

Form of legal organization/form of ownership

**public joint stock company/private property**

Unit of measure: **thousand RUB**

Location (address)

**628415, Russian Federation, Tyumenskaya Oblast,**

**Khanty-Mansiysky Autonomous Okrug – Yugra**

**Surgut, ul.Grigoriya Kukuyevitskogo, 1, bld. 1**

Accounting statements are subject to statutory audit

☐ YES

☒ NO

Name of audit organization/last name, first name, patronymic name (if any)

of individual auditor

-

Taxpayer identification number

of audit organization/individual auditor

INN

Main state registration number

of audit organization/individual auditor

OGRN

OGRNIP

Codes		
0710001		
30	06	2019
05753490		
8602060555		
06.10.1		
12247		16
384		

Notes	Indicator	Code	As of 30 June	As of 31 December	As of 31 December
			2019	2018	2017
	<b>ASSETS</b>				
	<b>I. NON-CURRENT ASSETS</b>				
	Intangible assets	1110	452 602	443 364	572 897
	R&D results	1120	33 379	99 755	267 803
	Intangible prospecting assets	1130	64 816 543	57 899 221	47 979 317
	Tangible prospecting assets	1140	-	-	-
	Fixed assets	1150	884 327 600	866 873 313	836 009 871
	including				
	buildings, machinery, equipment, and other fixed assets, excluding land, objects of environmental management, and capital investments in progress	1151	820 039 801	807 921 080	772 133 643
	Income yielding investments in tangible assets	1160	2 355 232	2 456 728	2 672 188
	Financial investments	1170	2 029 835 676	2 256 249 325	1 539 907 397
	including other financial investments, excluding investments in organizations and loans granted	1171	1 958 812 758	2 180 334 781	1 409 937 695
	Deferred tax assets	1180	44 350	39 534	8 693 537
	Other non-current assets	1190	50 861 947	53 984 986	59 352 979
	Total for Section I	1100	3 032 727 329	3 238 046 226	2 495 455 989
	<b>II. CURRENT ASSETS</b>				
	Stocks	1210	109 614 789	107 540 945	86 965 050
	Value Added Tax on acquired valuables	1220	5 886 664	6 098 816	4 921 233
	Accounts receivable	1230	321 070 097	311 271 618	281 648 471
	Financial investments (excluding cash equivalents)	1240	915 744 079	807 894 926	765 615 792
	including other financial investments, excluding investments in organizations and loans granted	1241	847 420 686	732 775 889	738 351 384
	Cash and cash equivalents	1250	81 237 457	71 923 660	62 235 108
	Other current assets	1260	1 266 927	2 070 149	1 960 542
	Total for Section II	1200	1 434 820 013	1 306 800 114	1 203 346 196
	<b>BALANCE</b>	<b>1600</b>	<b>4 467 547 342</b>	<b>4 544 846 340</b>	<b>3 698 802 185</b>

Notes	Indicator	Code	As of 30 June	As of 31 December	As of 31 December
			2019	2018	2017
	<b>LIABILITIES</b>				
	<b>III. CAPITAL AND RESERVES</b>				
	Charter capital (share capital, authorized fund, partners' contributions)	1310	43 427 993	43 427 993	43 427 993
	Treasury shares	1320	-	-	-
	Revaluation of non-current assets	1340	512 031 024	514 666 175	518 252 396
	Additional capital (no revaluation)	1350	192 511 786	192 511 786	192 511 786
	Reserve capital	1360	6 514 198	6 514 198	6 514 198
	Retained profit (uncovered loss)	1370	3 407 019 797	3 524 225 549	2 725 058 334
	Total for Section III	1300	4 161 504 798	4 281 345 701	3 485 764 707
	<b>IV. LONG-TERM LIABILITIES</b>				
	Borrowed funds	1410	-	-	-
	Deferred tax liabilities	1420	95 621 492	94 495 005	81 281 076
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	181 246	174 768	199 902
	Total for Section IV	1400	95 802 738	94 669 773	81 480 978
	<b>V. SHORT-TERM LIABILITIES</b>				
	Borrowed funds	1510	-	-	-
	Accounts payable	1520	195 441 096	153 562 013	117 173 980
	Deferred income	1530	861 161	927 073	689 238
	Estimated liabilities	1540	13 672 669	14 025 450	13 339 290
	Other liabilities	1550	264 880	316 330	353 992
	Total for Section V	1500	210 239 806	168 830 866	131 556 500
	<b>BALANCE</b>	<b>1700</b>	<b>4 467 547 342</b>	<b>4 544 846 340</b>	<b>3 698 802 185</b>

First Deputy  
Director General "Surgutneftegas" PJSC  
on Finance and Taxation

\_\_\_\_\_  
(signature)

V.G.Barankov

\_\_\_\_\_  
(printed name)

First Deputy Chief Accountant -  
Head of Accounting and Reporting Division  
"Surgutneftegas" PJSC

\_\_\_\_\_  
(signature)

P.V.Shevelev

\_\_\_\_\_  
(printed name)

" 29 " July 2019

**Income Statement  
for January – June 2019**

Company **“Surgutneftegas” PJSC**  
Taxpayer identification number  
Type of economic activity **crude oil production**  
Form of legal organization/form of ownership  
**public joint stock company/private property**  
Unit of measure: **thousand RUB**

Form by OKUD  
Date (day, month, year)

by OKPO

INN

by OKVED2

by OKOPF/OKFS

by OKEI

Codes		
0710002		
30	06	2019
05753490		
8602060555		
06.10.1		
12247	16	
384		

Notes	Indicator	Code	For January - June	For January - June
			2019	2018
1	2	3	4	5
	Revenue	2110	798 999 319	718 614 964
	Cost of sales	2120	( 532 096 735 )	( 489 525 781 )
	Gross profit (loss)	2100	266 902 584	229 089 183
	Selling expenses	2210	( 55 091 858 )	( 47 240 042 )
	Management expenses	2220	-	-
	Sales profit (loss)	<b>2200</b>	<b>211 810 726</b>	<b>181 849 141</b>
	Income from participation in other organizations	2310	771 686	683 880
	Interest receivable	2320	59 143 578	47 624 966
	Interest payable	2330	-	-
	Other income	2340	639 493 867	849 053 033
	Other expenses	2350	( 948 123 696 )	( 631 245 768 )
	Profit (loss) before tax	<b>2300</b>	<b>( 36 903 839 )</b>	<b>447 965 252</b>
	Current profit tax	2410	( - )	( 68 628 679 )
	including permanent tax liabilities (assets)	2421	7 375 369	716 434
	Change in deferred tax liabilities	2430	( 1 126 487 )	( 1 192 666 )
	Change in deferred tax assets	2450	4 816	( 8 411 142 )
	Other	2460	( 1 699 )	245 457
	Reallocation of profit tax within the consolidated group of taxpayers	2465	97 429	1 454 632
	Net profit (loss)	<b>2400</b>	<b>( 37 929 780 )</b>	<b>371 432 854</b>

Notes	Indicator	Code	For January - June	For January - June
			2019	2018
1	2	3	4	5
	Results of revaluation of non-current assets not included in net profit (loss) for the period	2510	-	-
	Results of other operations not included in net profit (loss) for the period	2520	-	-
	For reference only Comprehensive income for the period	<b>2500</b>	<b>( 37 929 780 )</b>	<b>371 432 854</b>
	Base profit (loss) per share	2900		
	Diluted profit (loss) per share	2910	-	-

First Deputy  
Director General "Surgutneftegas" PJSC  
on Finance and Taxation

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
V.G.Barankov  
(printed name)

First Deputy Chief Accountant -  
Head of Accounting and Reporting Division  
"Surgutneftegas" PJSC

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
P.V.Shevelev  
(printed name)

" 29 " July 2019