

## ZARNESTSERVICE LLC

Zarnebservice LLC is a company who sales oil produced by Zarubezhneft Group on national and foreign markets, supplies equipment, materials and oil products, and provides services to JV Vietsovetro, other companies within Zarubezhneft Group, and external parties.

### ACTIVITY AREAS

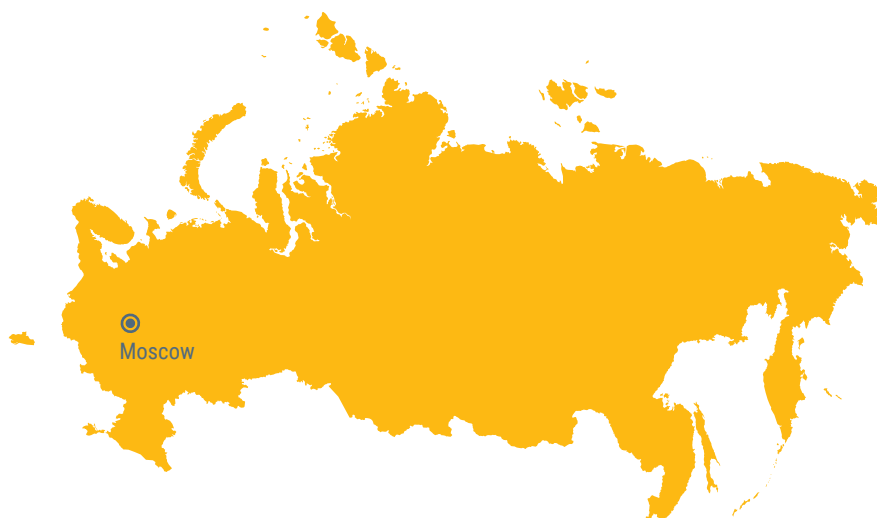
The order portfolio of Zarnebservice LLC is oriented on Zarubezhneft Group.

Primary areas of Zarnebservice LLC activities are as follows:

- delivery of Russian goods to JV Vietsovetro;
- commission activity on the sale of oil produced by Zarubezhneft JSC subsidiaries on national and foreign markets;
- trading operations with oil and oil products from resources of companies not included in Zarubezhneft Group;
- delivery of diesel fuel to support trading operations of OPTIMA Group;
- commission activity on the freight of a supply vessel/tug for JV Vietsovetro needs;
- delivery of goods to Zarubezhneft JSC subsidiaries.

### PERFORMANCE IN 2019

Zarnebservice LLC is a commissionaire in oil sales from resources of subsidiaries who produce oil in the territory of the Russian

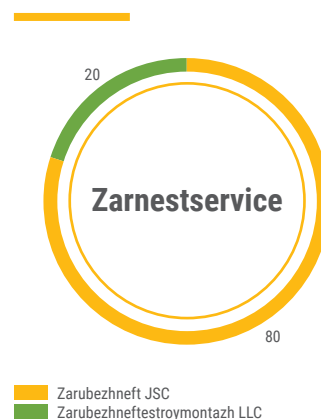


Federation. In 2019, 3,621 thous. tons of oil were sold, 1,944 thous. tons of which – on the national market, and 1,678 thous. tons – for export.

In 2019, apart from the sales of Zarubezhneft Group's oilGroup, contracts were concluded for the sale of oil produced by NK Yangpur OJSC and INTEK-Zapadnaya Sibir LLC under the relevant purchase and sale conditions.

In terms of materials and equipment delivery, the scope of production supplied was extended. Spare parts for repair of vessels, pipes, string wedges, centralizers and drill rods were delivered. Furthermore, tubulars were delivered to 3 entities (beyond Zarubezhneft

### Ownership structure, %



Group): Sibirsky Promyshlenny Holding Trading House, ASDM Trading House, and Zavod Sovremenniye Tekhnologiyi Izolyatsiyi LLC.

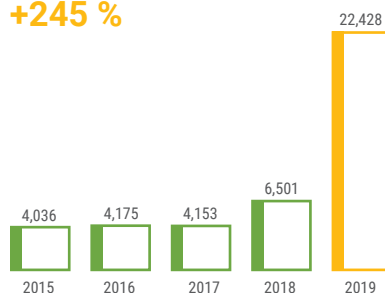


Additional revenue in 2019 resulted from the trading operations such as naphtha, gasoil and oil supply on foreign markets: 2.7 MM bbl of naphtha for 10,218 MM RUB and 0.62 MM bbl of gasoil for 2,726 MM RUB to the Emirates National Oil Company (ENOC), as well as 0.92 MM bbl of Djeno oil (Republic of Kongo) for 3,704 MM RUB.

The revenue volume in 2019 stood at 22.4 bln RUB, which was significantly higher than in 2018. The revenue growth is first of all can be explained by export supplies of oil and gasoil. The growth of operating expenses is directly related to higher revenue on purchase and sales transactions.

**Revenue, MM RUB**

**+245 %**



**EBITDA, MM RUB**

**+333 %**

