



12M and Q4 2020  
Financial Results



# Investor Presentation

March 2021

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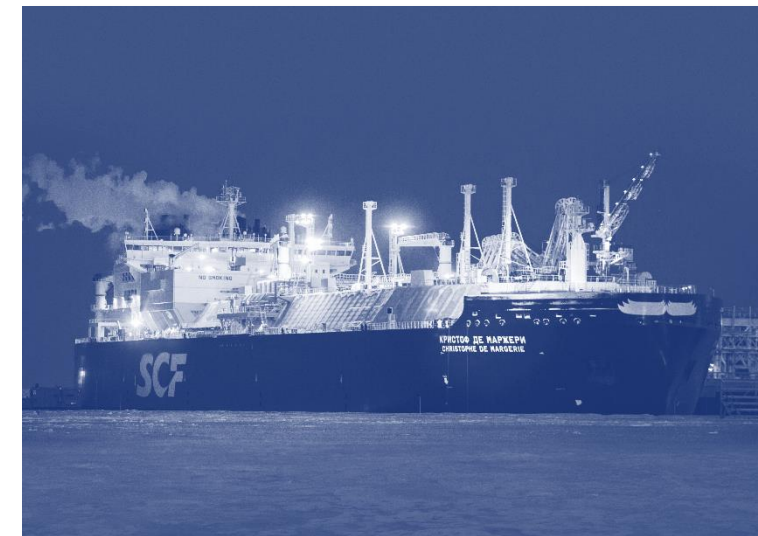
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# 1. Key Investment Highlights



# Global Leader in Marine Energy Transportation Solutions

*Integrated international energy shipping operator providing unique services to energy majors*

## SCF at a Glance

30+ years history of operations

Engaged in marine services and transportation of liquefied gas, crude oil and petroleum products

Focused on large-scale industrial energy projects and long-term contracts

Specialises on operating in ultra harsh environments and challenging ice conditions

Owns and operates world's largest fleet of ice-class vessels

In-house engineering expertise to meet customer requirements

## One of World's Largest Fleets<sup>(1)</sup>

#1

Ice-class  
Shuttle  
Tankers



#1

Ice-breaking  
Supply &  
Stand-by  
Vessels



#1

Aframax  
Crude Oil  
Tankers



#1

Ice-class <sup>(2)</sup>  
LNG Carriers



171

vessels<sup>(3)</sup>

15<sub>m</sub>

DWT

USD 6.2<sub>bn</sub>

Net Fleet Value<sup>(4)</sup>



MOSCOW  
EXCHANGE

FLOT ticker on MOEX  
c. USD3 bn market cap



Seatrade  
Maritime Awards  
International

Shipping Company  
of the Year 2020

Source: Company data, Clarksons Research (November 2020), public sources.

Note: (1) As of 31 December 2020. (2) As of 31 December 2020 by number of vessels; includes orderbook as per Clarksons Research estimates. Sovcomflot's number of vessels and orderbook as per Company data. (3) includes JVs' fleet and 26 newbuildings as of 15 March 2021 (4) Net book value of fleet as of 31 December 2020; for fleet excluding JVs.

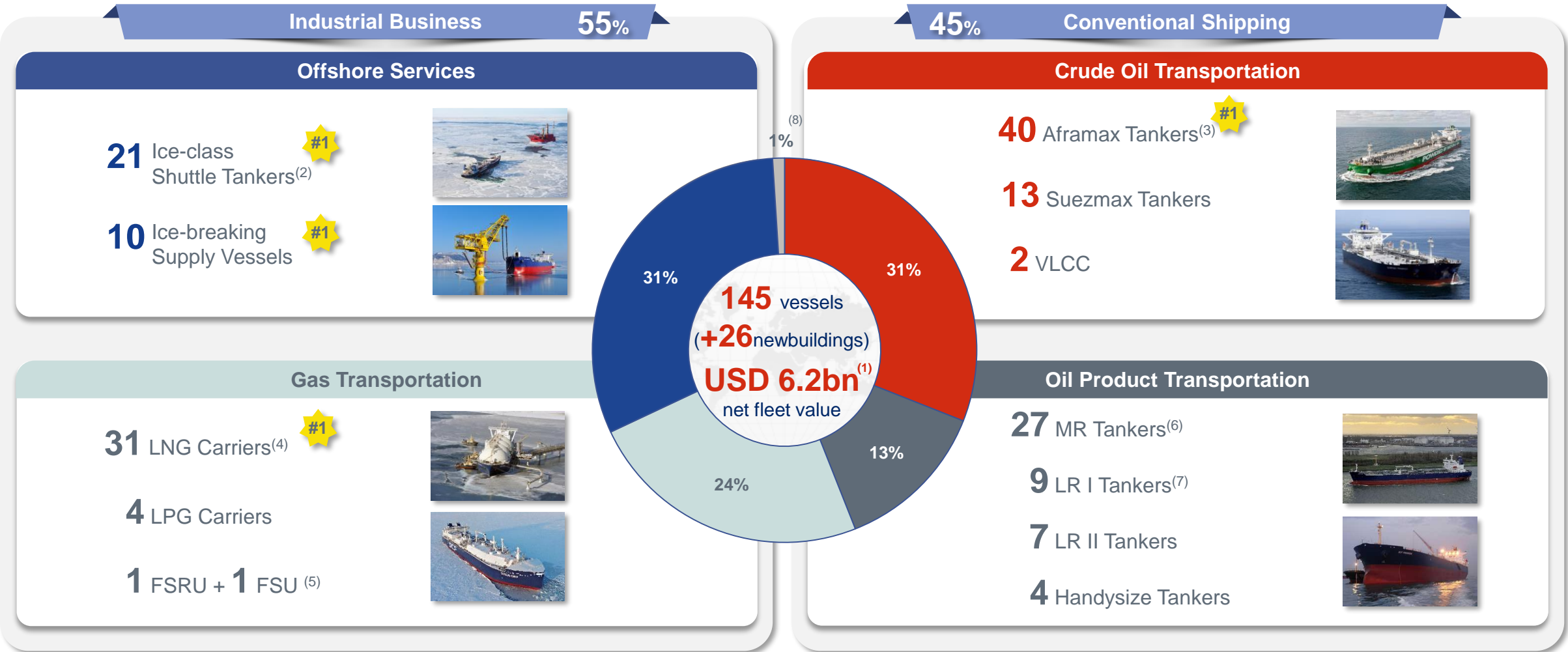
## 2. Operations and Business Update





# Global Leadership Across Industrial Marine Transportation

*Integrated international energy shipping operator providing a wide range of services to energy majors*



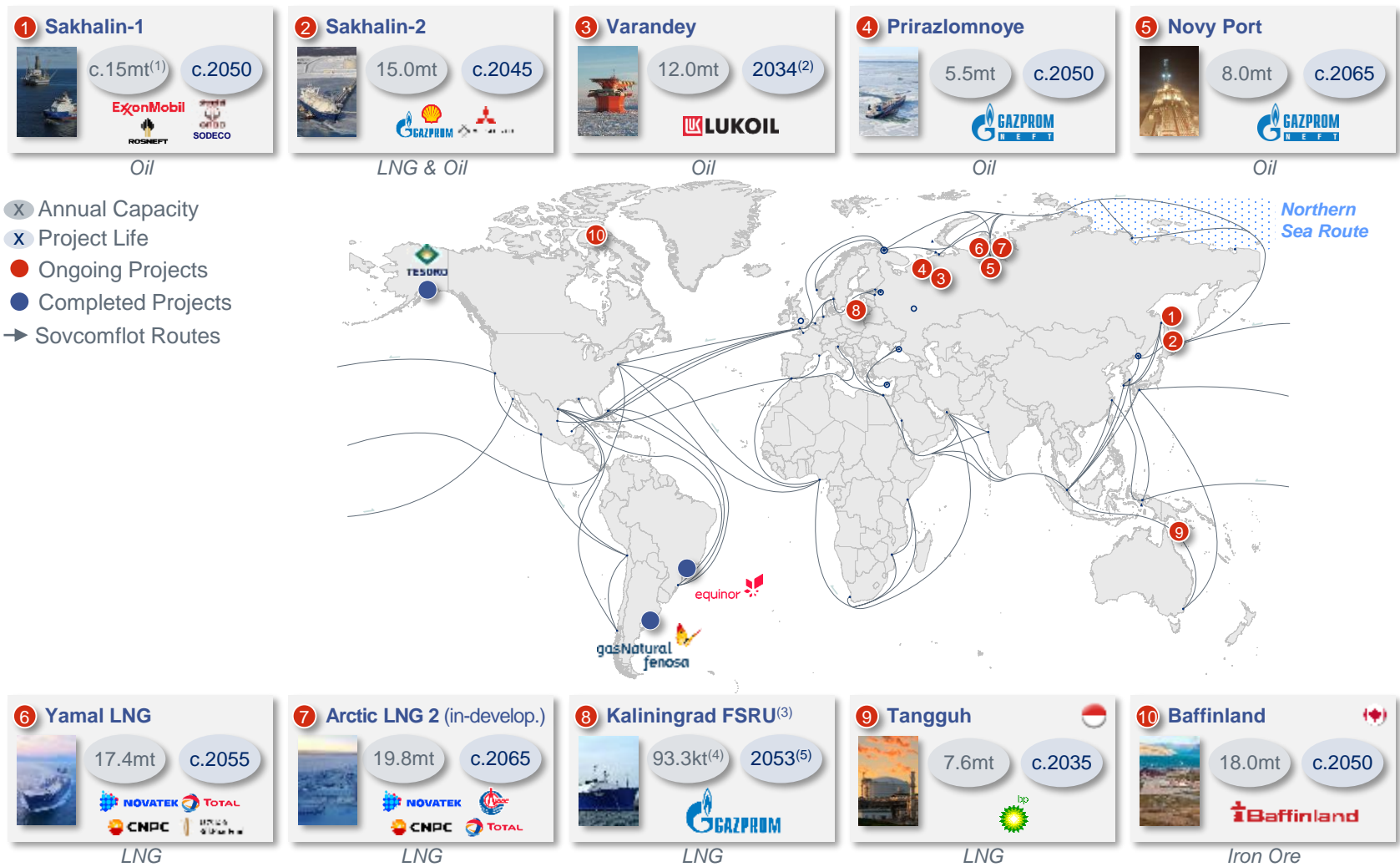
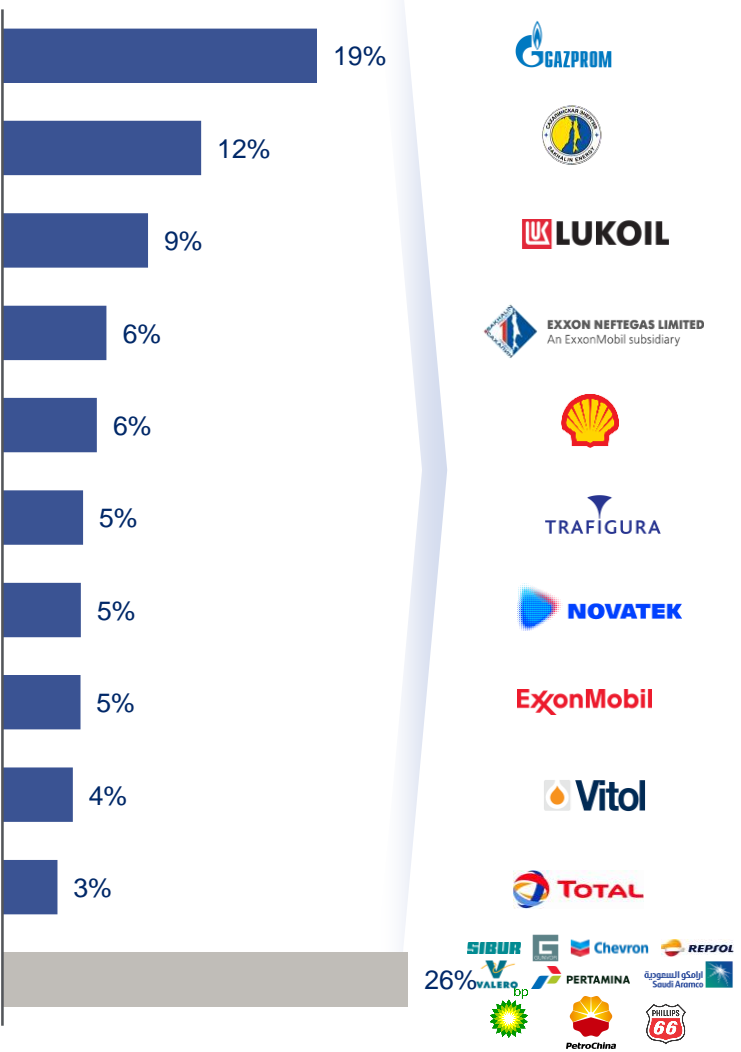
# Global ranking

Source: Company data, Clarksons Research (December 2020).  
Note: Number of vessels includes fully owned vessels, vessels owned through JVs, chartered in vessels and newbuilds as of 15 March 2021. The donut chart indicates % fleet net carrying value contribution. (1) Net book value as of 31 December 2020, for fleet excluding JVs. (2) Includes 2 newbuilds. (3) Includes 2 newbuilds. (4) Includes 4 vessels owned via JV and 19 newbuilds (14 through JV and 5 own); the ranking takes into account ice-class vessels only. (5) SCF has a technical management contract for FSRU Marshal Vasilevsky and FSU Portovy, two floating storage and regasification units of Gazprom. (6) Includes 3 newbuilds. (7) Includes 9 vessels owned via JV (8) 1% of total net carrying value is related to other marine services segment which operates three vessels not included in Industrial or Conventional businesses.

# Global Presence and Long-established Relationships with Customers

Provider of “floating pipeline” critical infrastructure for global energy suppliers to connect to their customers

Key customers - Share in 2020 TCE Revenue<sup>(6)</sup>

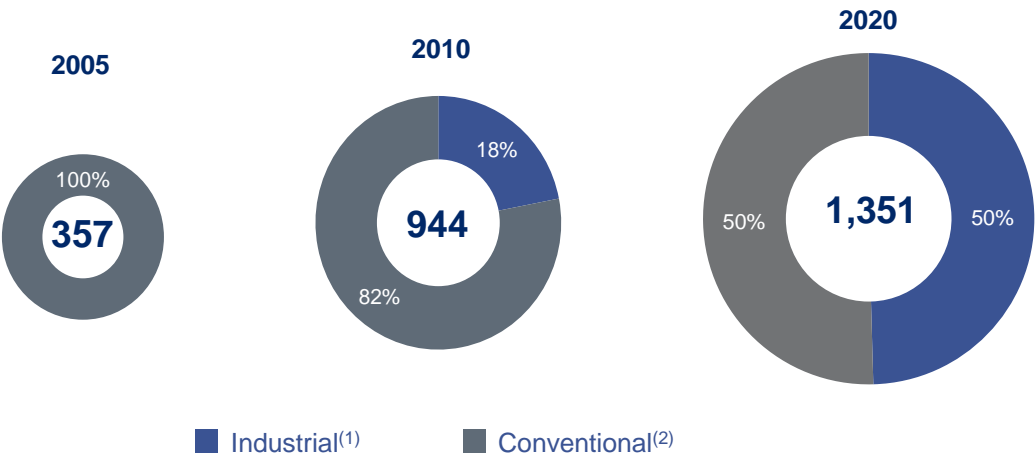


Source: Company data for project status, public sources for project life and project capacity.  
Note: (1) Actual production in 2018. (2) SCF contract option life. (3) Technical management contract with Gazprom's Marshal Vasilevskiy floating storage and regasification unit. (4) DWT. (5) Assuming the FSRU's economic useful life of 35 years and given the construction year of 2018. (6) Gazprom owns 50%+1 share but Sakhalin Energy operates under the production sharing agreement.

7

# Focus on Higher Value-added LNG and Upstream Services to Deliver Predictable and Steady Cash Flows

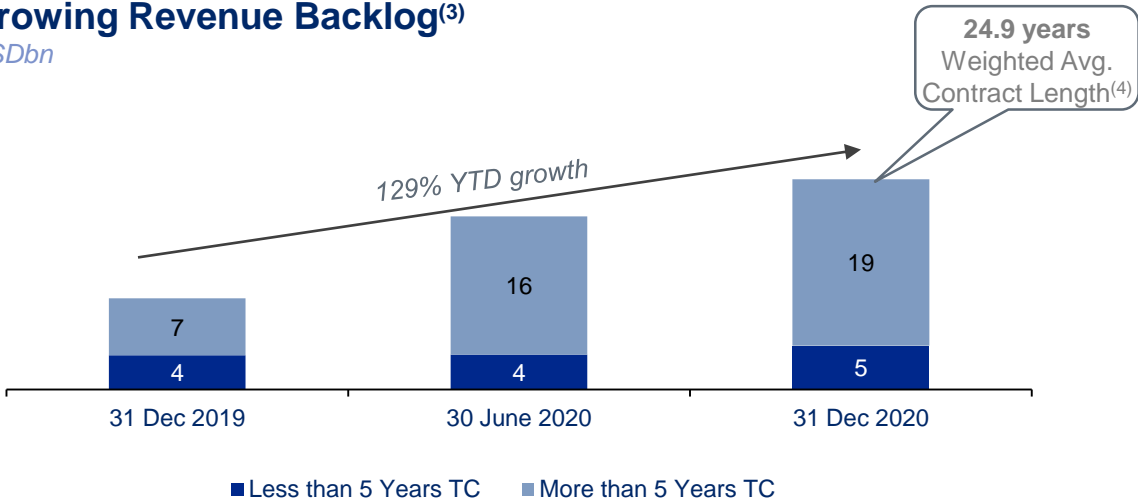
TCE Revenue by Segment, USDm



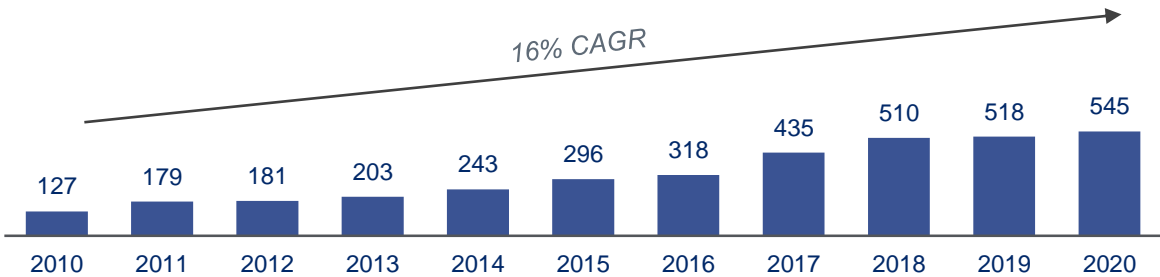
Target 2025  
Industrial  
TCE Revenue  
Contribution

**70%**

Growing Revenue Backlog<sup>(3)</sup> USDbn



Steady Build-up of Industrial Projects' Earnings  
Net Earnings from Vessels' Trading from Industrial Segment<sup>(1)</sup>, US\$m



Continue to increase exposure to long-term contracted gas transportation and offshore services

Source: Company data  
Note: (1) Includes Offshore and Gas. (2) Includes Crude Oil, Oil Product and Other (3) Time charter (4) Based on time charter contracts (including JVs).



# Industrial Fleet Update – New Deliveries

**SCF La Perouse** LNG carrier delivered in February 2020



**Vessel Type:** Atlanticmax LNG carrier  
**Capacity:** 174,000 cbm  
**Engine:** Dual-fuel X-DF  
**Year Built:** 2020-2021  
**Shipyard:** HHI

**SCF Barents** LNG carrier delivered in September 2020  
**SCF Timmerman** LNG carrier delivered in January 2021



- In February 2020, SCF Group added to its fleet *SCF La Perouse* - a new-generation Atlanticmax LNG carrier (174,000 cbm). The vessel features a slow-speed dual-fuel X-DF engine and gas boil-off partial liquefaction system and is chartered to Total under a long-term time-charter.
- In September 2020, SCF Group took delivery of *SCF Barents*, a new 174,000 cbm LNG carrier (sister-vessel to *SCF La Perouse*). *SCF Barents* is chartered to Shell under a long-term time-charter agreement.
- In January 2021, *SCF Timmerman* LNG carrier, a sister vessel to early delivered *SCF La Perouse* and *SCF Barents*, became a part of SCF fleet. A vessel is chartered to Shell under a long-term agreement.

**Gas segment revenue growth to be supported by new fleet additions with a c. USD 0.5 bn contribution to contract backlog**

# Industrial Fleet Update – New Contracts

## Arctic LNG 2 project

- In September 2020 SCF Group concluded 30-year time charter agreements for three new icebreaking LNG carriers (cargo capacity of 172,410 cbm, ice class Arc7). These vessels were ordered by SCF at Daewoo Shipbuilding & Marine Engineering (DSME, Republic of Korea) earlier in October 2020, following the tender held by the project's operator.
- SCF Group through a SMART LNG (JV with NOVATEK), time chartered 14 icebreaking LNG carriers (cargo capacity of 172,410 cbm, ice class Arc7) to Arctic LNG 2, the operator of the eponymous project: four in January 2020 and ten in September 2020.
- Combined, these 17 time charters add approximately USD 14 bn of contract backlog attributable to SCF Group.



**USD 14 bn of contract backlog attributable to SCF Group**

## New project with Total

- In January 2021, SCF and Total concluded a long-term time charter agreement for a newbuilding 174,000-cbm Atlanticmax LNG carrier, to be owned and operated by SCF.
- Total has an option of up to two similar vessels.
- The new LNG carrier will be the latest in a series of three sister ships (*SCF Timmerman*, *SCF Barents* and *SCF La Perouse*) previously delivered to SCF in 2020-2021 and employed under comparable contract terms.
- The delivery of the LNG carrier to the Charterer is scheduled for the third quarter of 2023.



**SCF added new contracts to its LNG portfolio. Newbuilding vessels will be built using most advanced technological solutions.**

# Contracted Newbuilding Program

22  
LNG Carriers

2  
Shuttle Tankers

2  
Crude Oil Tankers

3  
Oil Product Tankers



**Contract Backlog<sup>(2)</sup>**

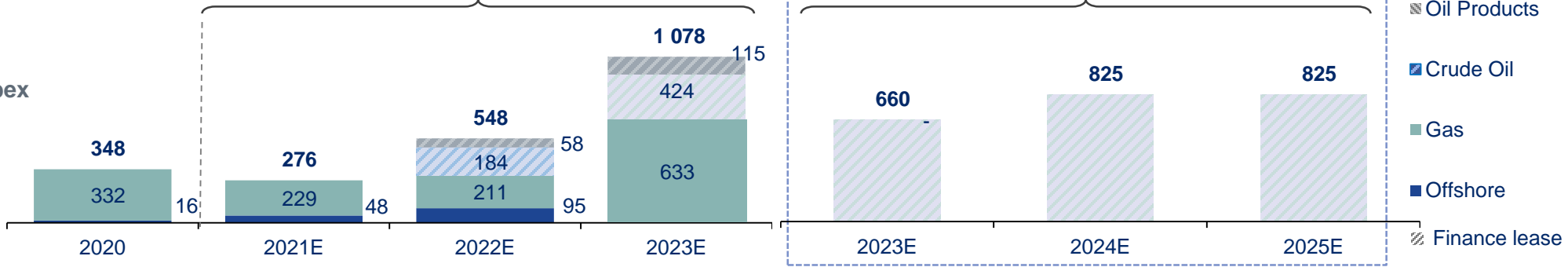
USD 8<sub>bn</sub>

USD 10<sub>bn</sub>

USD 1.9<sub>bn</sub>

USD 2.3<sub>bn</sub>

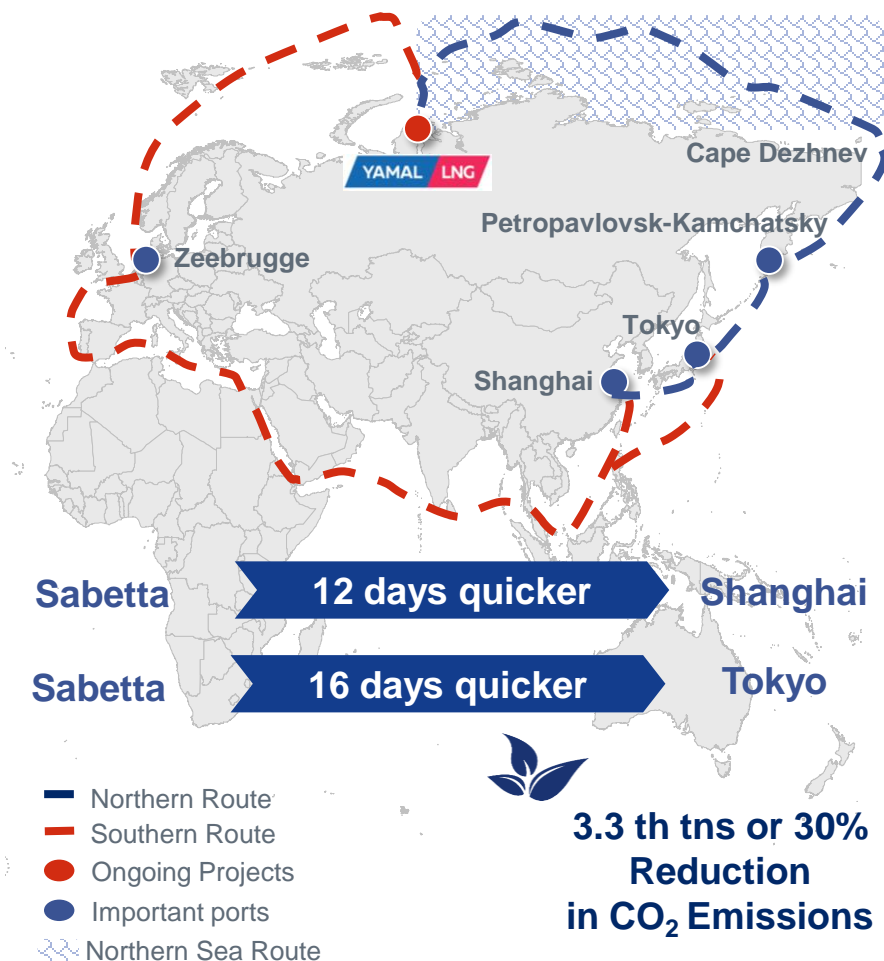
**Contracted Newbuilding Capex**  
USDmn



Source: Company data  
 Notes: (1) JV with Novatek., SCF share is 50%. (2) Contract backlog, as of any date, is the total amount receivable by the Group under the Group's currently outstanding time-charter agreements as of such date, including arising from the Group's share in the joint ventures. It is presented either for a specified period or for the total term of such agreements, in each case excluding extension options.



# Industrial Fleet Update – Expanding Transit Window through the Russian Arctic

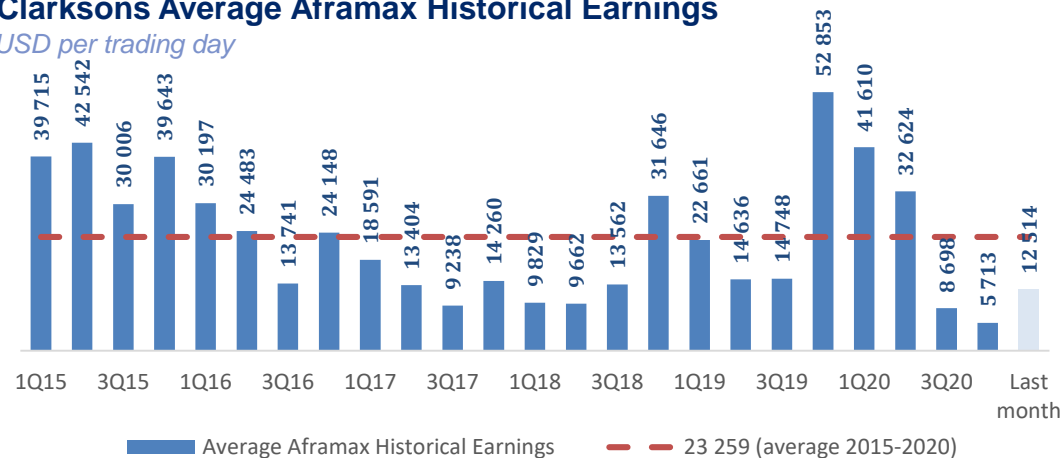


SCF continues the longstanding efforts to develop large-capacity cargo shipping along the Northern Sea Route

# Conventional Business – Rates Recovery Will Drive Segment Performance

## Clarksons Average Aframax Historical Earnings

USD per trading day



- After reaching record highs in the first half of 2020, the tanker market rates came under pressure in Q3 2020 and remained low in Q4 2020
- Strong supply fundamentals: order book stays at historic lows – 8.9% of the fleet for oil tankers
- Freight rates will respond positively to any increase in the refining output of oil products and the return of crude production and shipping volumes to pre-pandemic levels.

## Track record of managing conventional tanker cycles

- 62% of conventional fleet employed under time-charter in Q4 2020, which resulted in muted 22% QoQ decline in Q4 2020 TCE revenue for the conventional segment comparing to 30% Clarkson average tanker index decline in the same period.

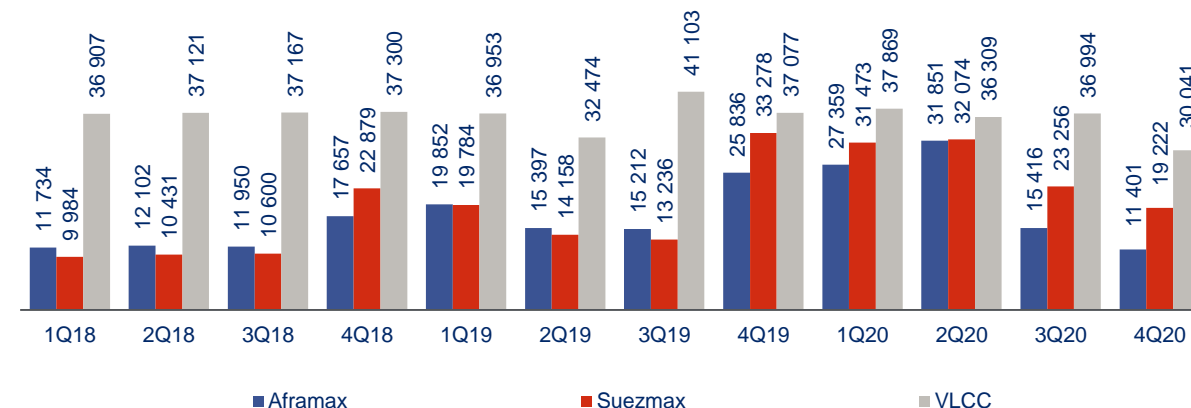
## Operational Excellence

- Uninterrupted service for customers: 95% fleet utilisation in 2020.
- Established COVID-19 task force: focus on personnel health & safety

Source: Company data, Clarksons

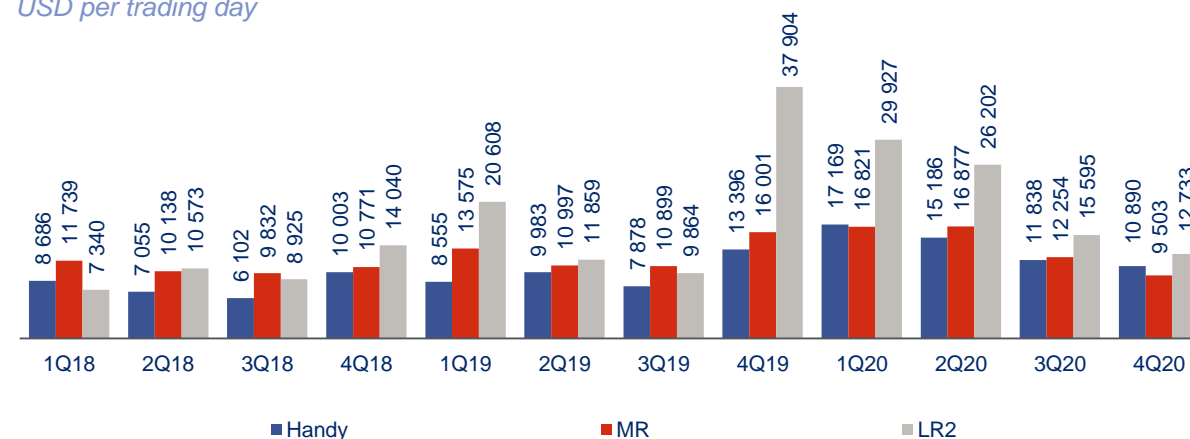
## SCF Crude oil segment TCE rates achieved

USD per trading day



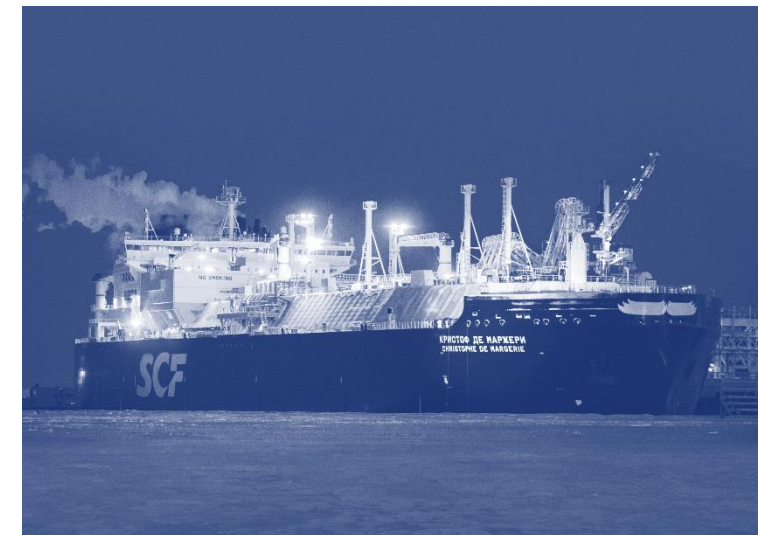
## SCF Oil products segment TCE rates achieved

USD per trading day





### 3. Financial Highlights

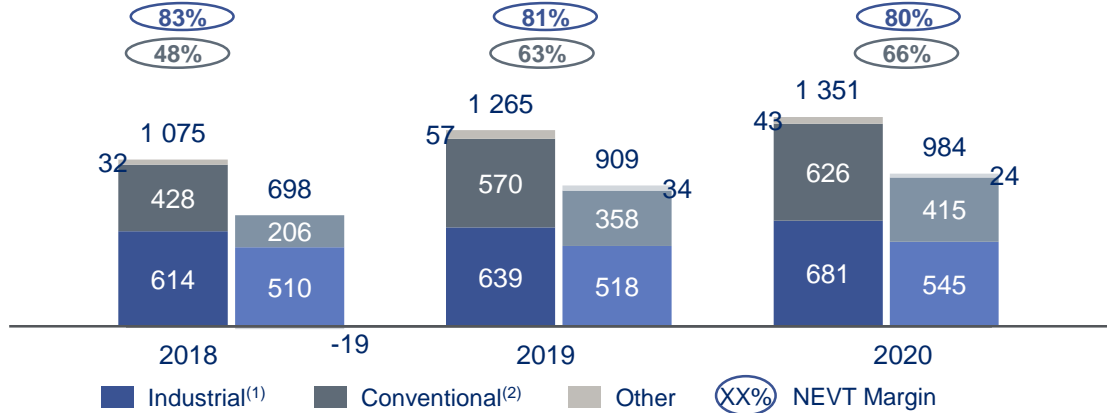




# Growth Delivered with Solid Profitability and Rich Cashflow

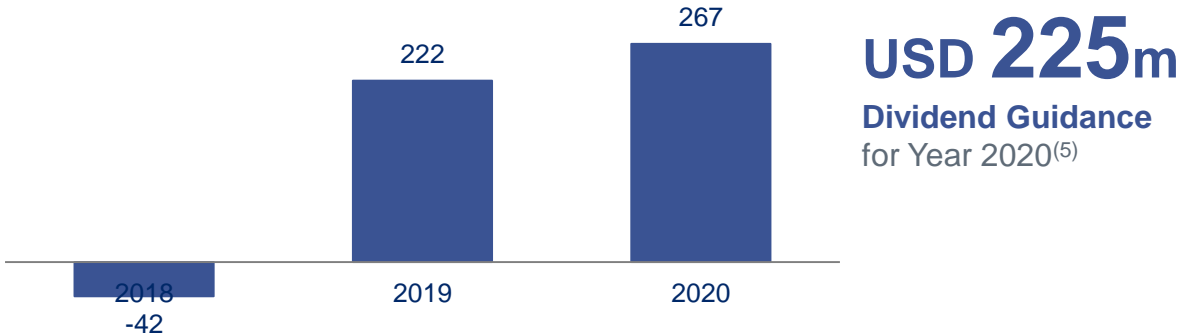
## Focus on Growing Contribution of Higher Margin Industrial Business

TCE Revenue and NEVT, USDm



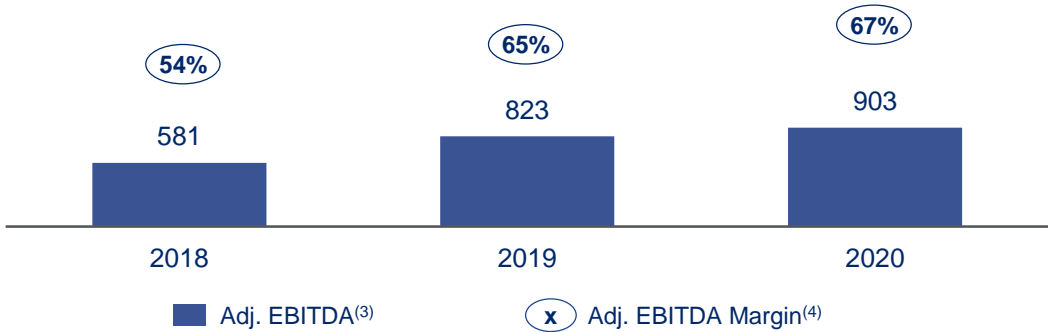
## Growing net profit and commitment for dividend payments

USDm



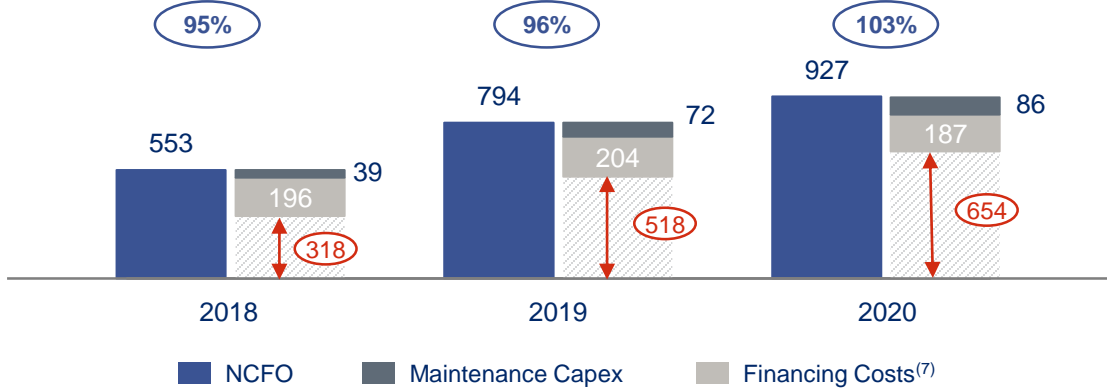
## Historically Stable and Consistently High Adj. EBITDA Margin

USDm



## High Adj. EBITDA / NCFO<sup>(6)</sup> Conversion and Robust Cash Flow Generation

USDm



**Strong financials underpinned by growing contribution from cyclically resistant and higher-margin industrial business**

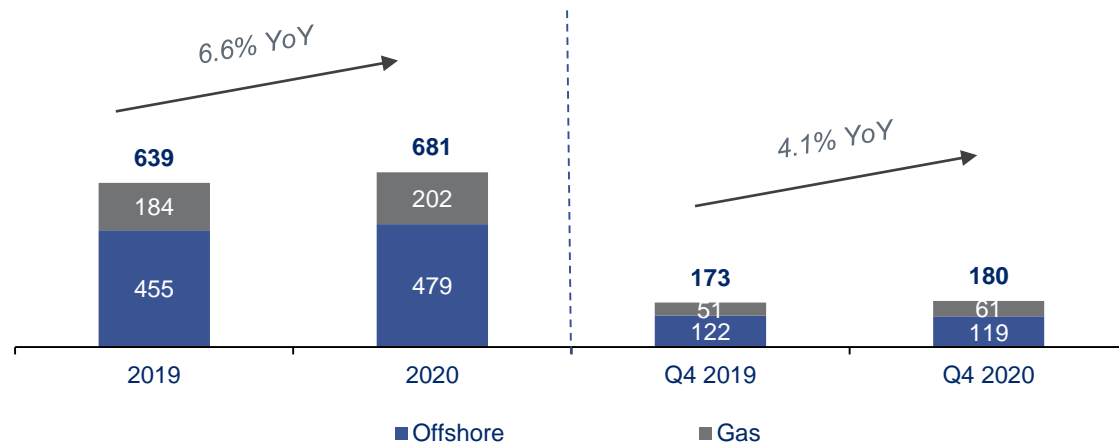
Source: PAO Sovcomflot IFRS financials for 2018-2020

Notes: (1) Includes Offshore and Gas. (2) Includes Crude Oil, Oil Product and Other. (3) Calculated as the financing costs divided by average of debt levels as of beginning and end of period. (4) Excluding finance lease, as of 31 December 2020. (5) EBITDA adjusted for other non-operating income and expenses; gain/loss on derivative financial instruments held for trading; gain/loss on ineffective portion of hedges; profit/loss on sale of subsidiaries; foreign exchange gain/loss; gain/loss on sale of equity investments; other operating income and expenses. (6) Adj. EBITDA margin calculated as adjusted EBITDA divided by TCE revenue. (7) Subject to board and shareholder approval. (8) Net cash flow from operating activities. (9) Calculated as the sum of Interest paid on borrowings, Interest paid on lease liabilities and Financing costs as per IFRS financial statements.

# Industrial Segment Financial Analysis

## TCE revenue

USDmln

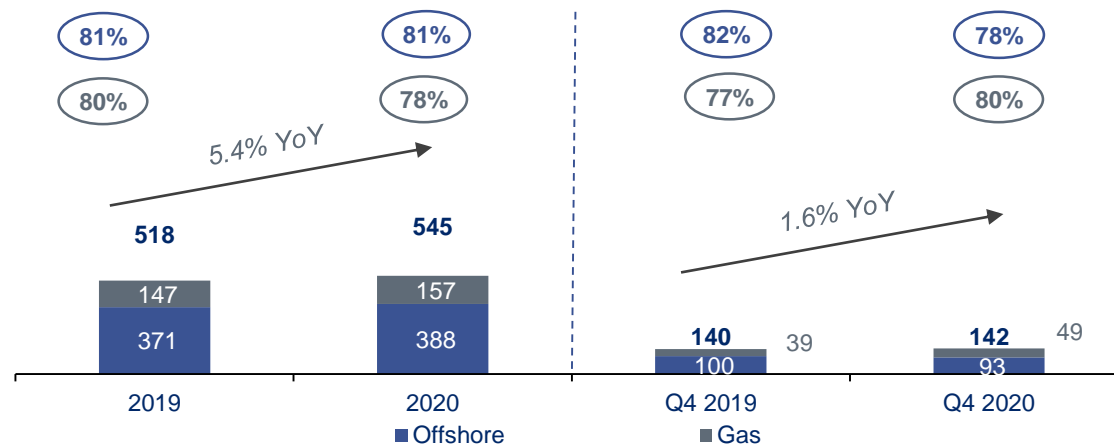


### FY 2020 and Q4 2020 TCE revenue highlights

- SCF Group's industrial business portfolio, which provided a long-term fixed income revenue stream, contributed USD 681 mln to 12 months 2020 TCE revenue, delivering c.7% YoY growth. Gas transportation business grew with the addition of two new LNG carriers (SCF La Perouse and SCF Barents) employed in February and September 2020 under long-term contracts with energy majors Shell and Total.
- Q4 2020 TCE revenue went up by 4.1% YoY lead by gas segment TCE revenue growth of 19.9%. Offshore segment revenue was down 2.5% YoY in Q4 2020 due to scheduled maintenance works in Q4 2020.

## Net earnings from vessels' trading

USDmln



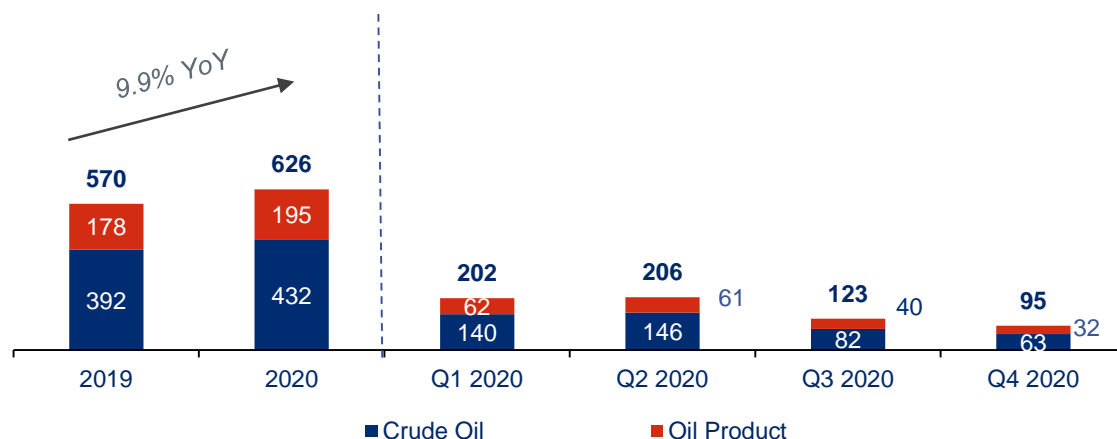
### FY 2020 and Q4 2020 NEVT highlights

- 12M 2020 NEVT in the industrial business segment grew by 5.4 per cent to USD 545.4 mln. Segments profitability remains high and stood at 81% for offshore segment and 78% for gas segment. Gas segment profitability declined by 2pp YoY due to vessels' maintenance in Q3 2020.
- Q4 2020 NEVT went up 1.6% YoY to USD 142 mln. Q4 2020 gas segment NEVT went up 25.2% due to additional contribution of two new vessels. Offshore segment NEVT went down 7.6% affected by scheduled repairs and maintenance works in Q4 2020.

# Conventional Segment Financial Analysis

## TCE revenue

USDmln

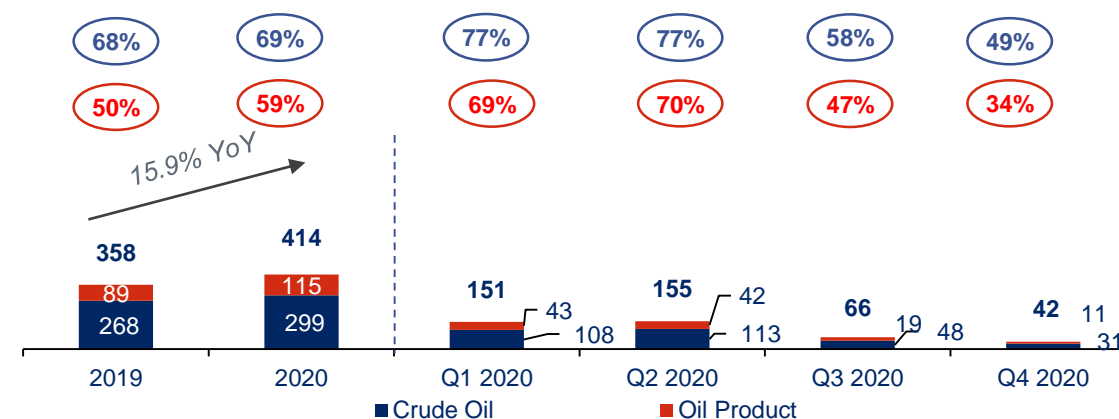


### FY 2020 and Q4 2020 TCE revenue highlights

- 12M 2020 conventional tanker business increased by 9.9 per cent to USD 626.4 mln on the back of strong freight market dynamics in the first half of 2020. In the third quarter of 2020 the market started to decline due to seasonality and COVID-19 pandemic-driven impact on demand for oil and oil products.
- After reaching record highs in the first half of 2020, the tanker markets came under pressure in Q3 2020 as a result of low oil consumption in the Northern hemisphere. In addition, this seasonal downswing was further amplified by a slowdown in demand for oil products on the back of the COVID-19 pandemic, coupled with producers simultaneously cutting oil supply to support prices. Spot tanker freight weakness persisted into Q4 2020.

## Net earnings from vessels' trading

USDmln



### FY 2020 and Q4 2020 NEVT highlights

- 12M2020 NEVT in conventional tanker business reached USD 414.4 mln, up 15.9 per cent YoY. Segments profitability remains high and stood at 69% for crude oil segment and 59% for oil products segment. Profitability improved YoY due to higher annualized TCE rates.
- In the face of this challenging environment and extreme earnings volatility SCF Group continued to apply where possible, its conservative chartering policy. Entering Q3 2020 the conventional tanker segment fleet operated under time-chartered contracts increased to about 62% and as a result SCF Group reported muted 22% QoQ decline in Q4 2020 TCE revenue for the conventional segment comparing to 30% Clarkson average tanker index decline in the same period.

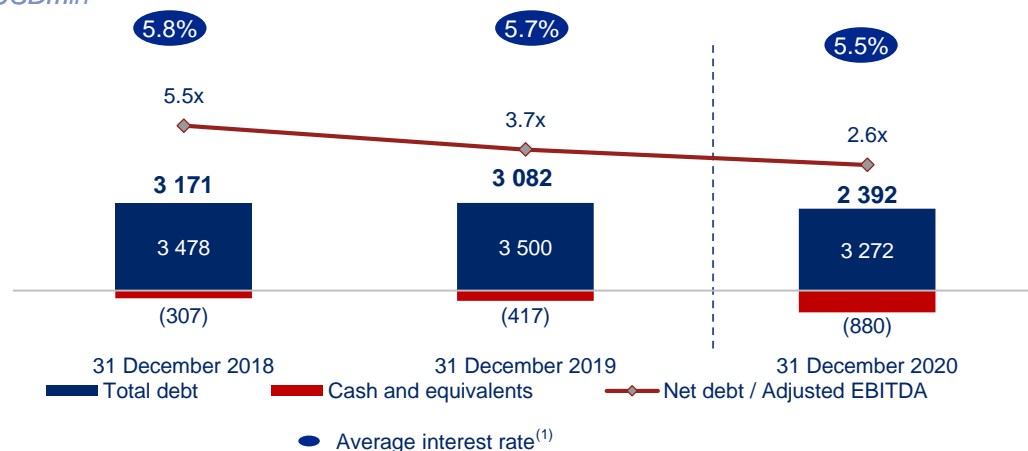


# Well-balanced capital structure

Conservative leverage by industry standards

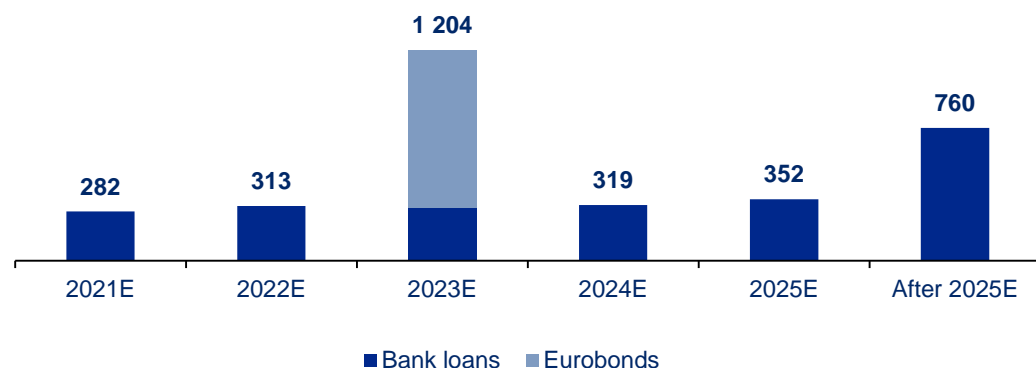
## Net debt evolution

USDmln



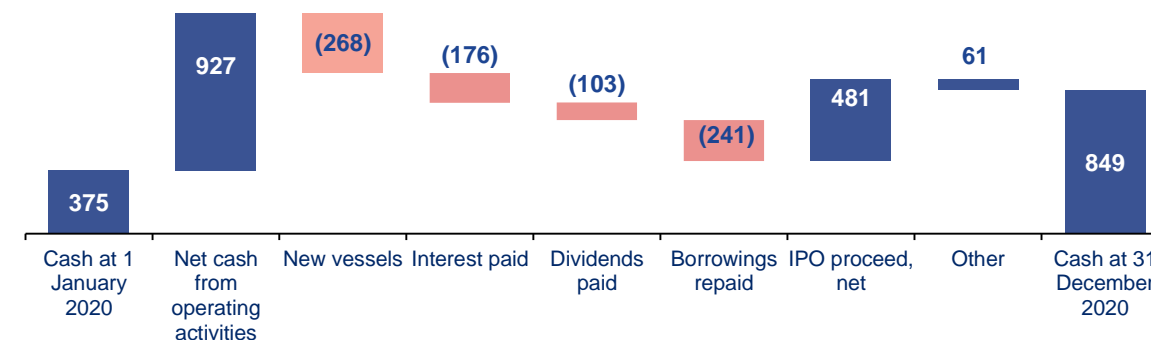
## Debt maturity profile<sup>(2)</sup>

USDmln



## Cashflow breakdown

USDmln



## Highlights

- The Company's debt portfolio is well-diversified across various types of debt instruments and capital providers
- Strong financial position of the Company with Net Debt/ adj. EBITDA ratio of 2.6x as of 31 December 2020
- 100% of the Company's debt is denominated in hard currencies (mostly USD) to be aligned with the revenue streams (no foreign exchange exposure)
- Largely long-term debt structure with 80% of maturities after 2022

S&P Global  
Ratings

BB+  
Positive

FitchRatings

BB+  
Stable

MOODY'S

Ba1  
Stable

**Strong financial position with access to multiple sources of debt, including international debt and equity capital markets**

Source: PAO Sovcomflot IFRS financials for 2018-2020, Company data.

Notes: (1) Calculated as the financing costs divided by average of debt levels as of the beginning and end of each quarter and averaged than (excludes non-debt related interest expense). (2) Excluding finance lease, as of 31 December 2020

## 4. Questions and Answers



# Financial Summary

(USD mln unless stated otherwise)	2020	2019	Change, YoY
<b>Operating figures (excl. JVs)</b>			
Total fleet, end of period (eop)	132	134	
incl. ice-class vessels	80	81	
Deadweight	11,642	11,885	
<b>Key financials</b>			
Freight and hire revenue	1,653	1,665	-0.7%
Voyage expenses and commissions	(302)	(400)	-24.5%
<b>TCE revenue</b>	<b>1,351</b>	<b>1,265</b>	<b>6.8%</b>
Direct operating expenses	(367)	(356)	3.1%
<b>Net earning from vessels trading</b>	<b>984</b>	<b>909</b>	<b>8.3%</b>
as % of TCE revenue	73%	72%	
<b>Share % of profits in equity-acc. investments</b>	<b>17</b>	<b>16</b>	<b>7.1%</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>903</b>	<b>823</b>	<b>9.7%</b>
as % of TCE revenue	67%	65%	
<b>Net profit</b>	<b>267</b>	<b>225</b>	<b>18.7%</b>
as % of TCE revenue	20%	18%	
Debt	3,272	3,500	
Cash and equivalents	880	417	
Book value of equity	4,098	3,505	
Net Debt <sup>(2)</sup>	2,392	3,082	
Net Debt / Adjusted EBITDA	2.6x	3.7x	
Gross CAPEX <sup>(3)</sup>	443	426	
Total dividends paid	103	25	

Source: PAO Sovcomflot IFRS financials for 2019-2020.

Notes: (1) EBITDA adjusted for other non-operating income and expenses; gain/loss on derivative financial instruments held for trading; gain/loss on ineffective portion of hedges; profit/loss on sale of subsidiaries; foreign exchange gain/loss; gain/loss on sale of equity investments; other operating income and expenses. (2) Net debt includes total secured bank loans, other loans and finance lease liabilities after deducting cash and bank deposits and restricted cash. (3) Gross capex is defined as expenditure on fleet, vessels under construction, other PP&E, investments in JV and fleet acquisition.