

transaction consisting of a series of related transactions involving the initial public offering of PAO Sovcomflot shares by Order No. 367-r dated 10 September 2020.

On 14 September 2020 the PAO Sovcomflot Board of Directors made a decision to file an application for the listing of the Company's ordinary shares to Public Joint-Stock Company Moscow Exchange (MICEX-RTS).

On 6 October 2020 the PAO Sovcomflot Board of Directors made a decision to set the placement price for ordinary shares (registration number of the additional issue: No. 1-01-10613-A dated 22 November 2018) at RUB105 for each additionally placed ordinary share of PAO Sovcomflot.

PAO Sovcomflot conducted an initial public offering of 408,296,691 shares in accordance with the above corporate resolutions on 7 October 2020.

The notice on the results of an additional issue of PAO Sovcomflot securities was approved by the Company's CEO on 21 October 2020 and was submitted to the Bank of Russia on 22 October 2020.

Amendments to the Charter of PAO Sovcomflot regarding the amount of the Company's authorised capital after the initial public offering of shares were registered by a tax authority on 25 November 2020. The Charter also provides that the Company is entitled to place 247,269,044 shares with a nominal value of RUB 1 each (authorised shares) in addition to the placed ordinary registered uncertified shares.

Distribution of profit

In relation to the distribution of net profit and the payment of dividends, PAO Sovcomflot is governed by Instructions No. 774-r of the Russian Government dated 29 May 2006 "On Establishing the Position of the Shareholder – the Russian Federation - in Joint-Stock Companies", as well as the Regulations on the Dividend Policy of PAO Sovcomflot.

Main areas of expenditure of the 2019 net profit¹

Area	Amount, RUB million	Comment
Amount of dividends transferred to the federal budget	7,181	Paid from the 2019 profit
Amount allocated to the reserve fund	0	The reserve fund is fully formed
Amount allocated to other funds and their names	0	There are no other funds
Amount allocated to implement investment projects	24	Recapitalization of a subsidiary to finance the construction of an LNG carrier (hull 8008)

A resolution regarding the allocation of the financial result for the reporting year, including the dividend payment for 2020, will be adopted at the Annual General Meeting of Shareholders in 2021.

¹ Pursuant to the current Regulations on the Dividend Policy of PAO Sovcomflot, the source of dividend payments is the Company's net profit based on the audited accounting (financial) statements of the Company prepared in accordance with Russian statutory requirements.