

# Company's profile

Public Joint-Stock Company Sovcomflot is Russia's largest shipping company, as well as a global leader in the maritime transportation of hydrocarbons and the servicing of offshore oil and gas exploration and production.

## Structure of the SCF Group fleet includes five operating segments<sup>2</sup>

OFFSHORE	
Supply and servicing of off-shore platforms, management of terminals, shuttle transportation	<b>10</b> Aframax shuttle tankers (and 2 more under construction) <b>5</b> Panamax shuttle tankers <b>4</b> MR shuttle tankers <b>10</b> multifunctional ice-breaking vessels
GAS TRANSPORTATION	
Transportation of liquefied natural and petroleum gas (LNG and LPG)	<b>11<sup>3</sup></b> LNG carriers (and <b>19</b> under construction) <b>4</b> LPG carriers <sup>4</sup>
CRUDE OIL	
Crude oil transportation	<b>2</b> VLCC tankers <b>13</b> Suezmax tankers <b>38</b> Aframax tankers (and <b>2</b> more under construction)
OIL PRODUCTS	
Oil products transportation	<b>7</b> LR II tankers <b>9<sup>5</sup></b> LR I tankers <b>25</b> MR tankers (and <b>3</b> under construction) <b>4</b> Handysize tankers
OTHERS	
Offshore seismic exploration, bulk cargo transportation	<b>1</b> seismic research vessel <b>2</b> Panamax bulkers

More detailed information can be found in the **Composition of the fleet** and **Investment activities** sections of this Annual Report and on the SCF website in the **List of vessels** section.

Sovcomflot Group operates vessels in segments which are in demand by leading Russian and international oil and gas companies. SCF Group is involved in servicing large energy projects in Russia, including Yamal LNG, Arctic LNG 2, Sakhalin-1, Sakhalin-2, Varandey, Prirazlomnoye, Novy Port, and abroad: Tangguh (Indonesia), and Baffinland (Canada).

Our in-house capabilities and set of advanced technologies, especially related to operations in ultra-harsh environments and challenging ice conditions are unique and enable the Group to

satisfy various requirements of our customers and to provide them with a safe, reliable and efficient transport service.

Commercial units of Sovcomflot Group focus on work with major oil & gas and trading companies. Tonnage is chartered out on a competitive basis under the principles of equal conditions and opportunities for all customers. This results in a balanced customer base structure, with the 10 largest customers accounting for less than 80% of revenue.

SCF's own and chartered fleet includes

# 145<sup>1</sup>

vessels

with a total deadweight of

# 12.63

million tonnes

and an average age of

# 11.6

years

# 82

vessels

have an ice class

<sup>1</sup> Including the fleet of joint ventures (4 LNG carriers and 9 LR I product tankers).

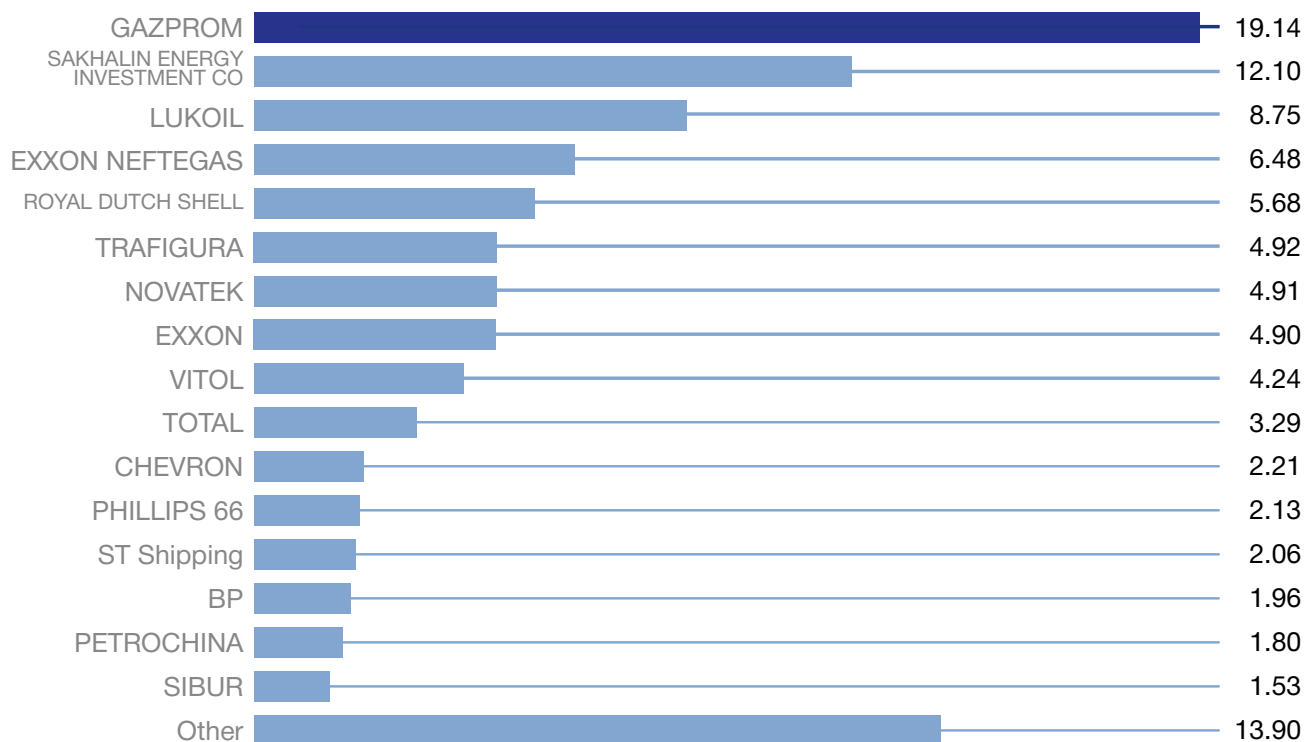
<sup>2</sup> The breakdown into operating segments is provided in accordance with the IFRS financial statements.

<sup>3</sup> Including the fleet of joint ventures: 4 LNG carriers.

<sup>4</sup> Including 15 vessels, one of which is being built to order from SCF Group and 14 to order from SMART LNG, LLC, a joint venture between Sovcomflot Group and NOVATEK. The construction of these 15 vessels is financed with the participation of VEB.RF. The number also includes the LNG carrier SCF Timmerman commissioned on 15 January 2021.

<sup>5</sup> The fleet of joint ventures.

## Share of TCE revenue accounted for by first tier oil and gas and trading companies, (%)



## Major charterers of Sovcomflot Group vessels by share of TCE revenue



Sovcomflot Group cooperates with both foreign and Russian customers. In the reporting year the Group continued to meet Russian foreign trade requirements: its vessels participated in transportation of oil and petroleum products from different Russian ports, including Novorossiysk, Murmansk, Primorsk, Ust-Luga, Prigorodnoye, and others. In addition, the Group's vessels were used as floating storage units to facilitate the transshipment of export oil and petroleum products from river tanker vessels to sea tankers.

In 2020 the Group carried 64 million tonnes of Russian export and transit cargo exported through Russia, which is 2.6% more than in 2019.

## Key competitive strengths

Sovcomflot Group has a number of competitive strengths that have enabled it to expand significantly the business horizons over the last several years and provided the foundation for strategic directions of its further development.

### Global leadership across industrial marine transportation

SCF Group is the world's leading diversified energy shipping company that provides services to its customers in different market segments around the world that meet quality requirements of its blue-chip clients, including Russian and international oil and gas companies, and has ongoing or completed long-term projects in Russia, Canada, Indonesia, Brazil and Argentina. The Group is a leader in crude oil, oil products and liquefied gas transportation as well as support services for offshore oil and gas production and has particular expertise in challenging ice-water conditions. The Group's reputation as a first-class service provider, together with the scale, quality and complexity of its operations, enables Sovcomflot to strengthen its market positions.

### A diversified business integrated into the energy value chain, with significant expertise in large-scale, harsh environment projects

SCF Group's business is diversified across industrial projects (offshore services and gas transportation), conventional shipping (crude oil transportation and oil products transportation) and other marine services. A diversified business portfolio provides the Group with additional opportunities to expand its existing client relationships. For example, in the offshore services segment the Group operates a specialised fleet consisting of high

ice-class vessels for which no alternatives exist. Accordingly, charter contracts for these vessels tend to be for longer durations with fewer termination-for-cause provisions than contracts for conventional vessels. The skills and experience accumulated by SCF crews and shore-based personnel represent a compelling argument for customers along with the high-tech fleet.

### Predictable, long-term and growing infrastructure cash flows through industrial projects

The Group actively manages its vessel employment mix with a strong focus on increasing time charter equivalent revenues from long-term fixed rate contracts within industrial projects. This approach makes the Group's cash flows highly predictable. Most gas carriers, supply vessels and shuttle tankers are employed on long-term time charter contracts. Participation of the Company's fleet in industrial projects enhances business potential and ensures business stability going forward, in particular owing to their long term nature and potential for time charter extension in case of project expansion.

### Long-established relationships with leading "blue-chip" international and national energy companies

SCF Group has developed partner relationships with a broad group of blue-chip clients, including