

Investment activities

Dynamics of investments

The investment activities of Sovcomflot Group are performed as part of the Long-Term Development Programme. Every specific project is developed and evaluated according to the Company's internal regulations.

With due regard for SCF Group's strategic priorities, the Investment Programme chiefly focuses on the implementation of high-yield industrial projects in the field of liquefied gas transportation and the servicing of offshore hydrocarbon fields. In 2020 most investments were directed to these segments. Investments were also made in the repair and modernisation of the existing fleet of the Group.

Dynamics of SCF Group investments, 2018-2020, (000' US\$)¹



Investment projects of Sovcomflot Group in 2020

Client / project	Target	Number of vessels	Implementation stage (as of 31 December 2020)
PAO NOVATEK	Construction of dual-fuel MR tankers	3	The vessels are under construction ²
Exxon Neftegas Limited / Sakhalin-1	Construction of Aframax shuttle tankers	2	The vessels are under construction
PAO NK Rosneft	Construction of dual-fuel Aframax tankers	2	The vessels are under construction ³
PAO NOVATEK / Arctic LNG 2	Construction of Yamalmax Arctic LNG carriers	15	The vessels are under construction ⁴
Shell	Construction of Atlanticmax LNG carriers	2	One vessel has been put into service, the second one is under construction ⁵
Total	Construction of an Atlanticmax LNG carrier	1	The vessel has been put into service ⁶
PAO NOVATEK / Arctic LNG 2	Construction of Yamalmax Arctic LNG carriers	3	The vessels are under construction

353
US\$ million

the volume of investment projects financing in 2020 (comparable to the 2019 level)

¹ These are the costs of vessel construction in progress as reported in the cash flow statement in the consolidated financial statements of PAO Sovcomflot prepared under IFRS.

² The vessels were ordered by a VEB Leasing Group company and are to be subsequently transferred to SCF Group for operation after completion of construction.

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⁴ One vessel 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.

⁵ LNG carriers *SCF Barents* and *SCF Timmerman* were commissioned on 15 September 2020 and 15 January 2021, respectively.

⁶ The LNG carrier *SCF La Perouse* was accepted for operation on 10 February 2020.