

Dividend policy

The dividend policy is based on maintaining an optimal balance of interests between PAO Sovcomflot and its shareholders when distributing net profit, and on the need to increase the investment appeal of the Company and its capitalisation.

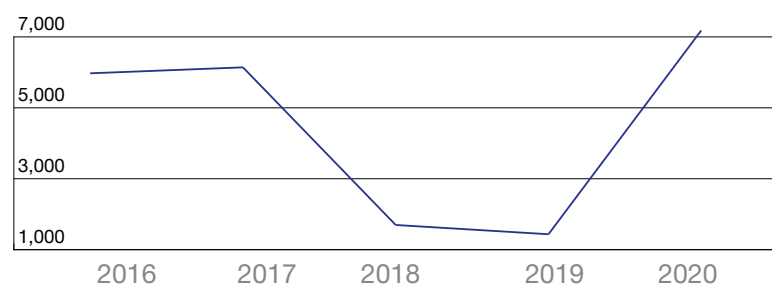
On 7 April 2020 the PAO Sovcomflot Board of Directors made a decision^{1,2} to amend the Regulations on the Company's Dividend Policy approved on 14 December 2012^{3,4}.

The Company's dividend policy provides that the amount of dividends shall be no less than 25 percent of the Company's net profit attributable to the owners of PAO Sovcomflot according to the audited consolidated financial statements prepared under International Financial Reporting Standards (IFRS) in accordance with the requirements of legislation of the Russian Federation, unless otherwise stipulated by acts issued by the Government of the Russian Federation.

7,181 RUB million

the amount of dividends for 2019 paid by PAO Sovcomflot in 2020

Dynamics of dividend payments to the Russian Federation, 2016–2020, (RUB million)



On 22 June 2020 the Board of Directors recommended that the General Meeting of Shareholders allocate RUB 7,181 million in dividend payments, based on the 2019 results. This amount of dividends represented 50% of the profit based on the annual consolidated financial statements of PAO Sovcomflot for 2019 prepared under IFRS attributable to the owners of PAO Sovcomflot or 99.7% of the profit according to the accounting (financial) statements of PAO Sovcomflot under RAS.

Amount of annual dividends paid per PAO Sovcomflot share, (RUB)

Reporting period	Date of the general meeting of shareholders at which the resolution on dividend payment was adopted	Total amount of dividends (RUB)	Amount of dividends per share (RUB)
2015	30/06/2016	5,972,697,977.80	3.04
2016	16/06/2017	6,141,000,000.00	3.12
2017	29/06/2018	1,696,000,000.00	0.86
2018	26/06/2019	1,434,795,000.00	0.73
2019	04/08/2020	7,181,000,000.00	3.65

On 4 August 2020 the Annual General Meeting of Shareholders of PAO Sovcomflot adopted a resolution on the payment of dividends in accordance with recommendations from the Board of Directors. The amount of dividends was transferred in full by PAO Sovcomflot on 17 August 2020. Dividends based on the operating results for 2019 were

paid in 2020 in full and by the deadlines set by Russian legislation. As at 31 December 2020 PAO Sovcomflot had no outstanding dividend payments.

¹. Minutes of the Board of Directors No. 192 dated 8 April 2020.

². Minutes of the Board of Directors No. 125 dated 14 December 2012.

³. Minutes of the Board of Directors No. 195 dated 23 June 2020.

⁴. Order No. 297-r of the Federal Agency for State Property Management dated 4 August 2020.

Considering the financial result according to the consolidated financial statements of PAO Sovcomflot and its subsidiaries for 2020 prepared in accordance with IFRS, the Board of Directors at its meeting held on 14 April 2021 decided to recommend that the Annual General Meeting of Shareholders of PAO Sovcomflot allocate RUB 15,841 million, representing 84% of the consolidated profit attributable to the owners

of PAO Sovcomflot according to the IFRS financial statements prepared in accordance with the requirements of Federal Law No. 208-FZ «On Consolidated Financial Statements» dated 27 July 2010, to payment of dividends.

15,841
RUB million

the amount of dividends for 2020 recommended by the PAO Sovcomflot Board of Directors for the Annual General Meeting of Shareholders in 2021

Interaction with investors

PAO Sovcomflot shares represent a vehicle for investment in predictable and growing long-term infrastructure projects. The free float amounts to 15.6% of the outstanding shares listed on the Moscow Exchange. The Company has a diversified investor base, which includes both international and local funds, as well as private individuals.

PAO Sovcomflot is committed to regular interaction with existing and potential investors. In 2020 the Company established an Investor Relations Department responsible for maintaining regular and open communication with the market. This interaction carried out with the participation of top management of PAO Sovcomflot includes group and individual calls with investors, meetings, and participation in specialised conferences. Such meetings allow investors, analysts and representatives of international rating agencies to receive information on the vector of the Company's strategic development, its operating activities and management of financial resources directly from company management.

The website of PAO Sovcomflot has a dedicated [section for investors and shareholders](#) containing press releases, presentations, reports and regular disclosures, as well as contact details of analysts and an investor calendar.

Analytical coverage of the Company is currently provided by 6 investment banks. PAO Sovcomflot interacts with analysts from investment banks on a regular basis. As of the date on which this report was preliminarily approved, all investment banks hold on to a «buy» recommendation for the PAO Sovcomflot shares.

PAO Sovcomflot share price and trading volume during the period from October to December 2020

