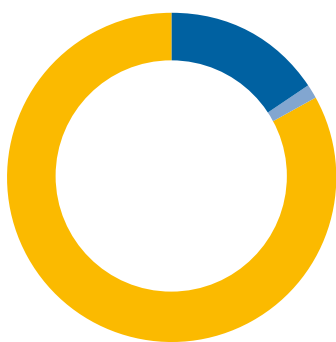


Structure of the share capital

In 2020 the authorised capital of PAO Sovcomflot increased and as at 31 December 2020 amounted RUB 2,374,993,901 and consisted of 2,374,993,901 ordinary registered shares with a nominal value of RUB 1 each.

Structure of the share capital of PAO Sovcomflot, (%)



15,6 ■ Floating shares
1,6 ■ Quasi-treasury shares
82,8 ■ Shares in federal ownership

Implementation of the plan to privatize 25 percent minus 1 share in Sovcomflot approved by the Government of the Russian Federation

In 2020 the forecast plan for the privatization of federal property and the main areas of federal property privatization for 2020-2022, approved by Russian Government Order No. 3260-r dated 31 December 2019, was partially implemented in relation to PAO Sovcomflot. The document provides for the reduction of the government's stake in Sovcomflot planned earlier¹.

The following measures were carried out to implement the plan.

In pursuance of the resolution of an extraordinary general meeting of shareholders (Instructions No. 95-r of the Federal Agency for State Property Management dated 1 March 2018) to increase the authorised capital by placing 280,956,743 additional ordinary registered shares, on 28 August 2018 the PAO Sovcomflot Board of Directors (Minutes No. 174) approved

the decision on the additional issue of ordinary registered uncertified shares of PAO Sovcomflot and the securities prospectus for these shares. The said documents were registered by the Bank of Russia on 22 November 2018 (state registration number of the additional issue: 1-01-10613-A).

The decision on the additional issue of ordinary registered shares of PAO Sovcomflot and the securities prospectus for these shares were amended according to the decision made by the PAO Sovcomflot Board of Directors on 12 November 2019 (Minutes No. 186 dated 13 November 2019). The securities placement period was extended by one year. The amendments were registered by the Bank of Russia on 30 December 2019.

By a resolution of an extraordinary general meeting of shareholders (Instructions No. 70-r of the Federal Agency for State Property Management dated 13 February 2010) the Charter of PAO Sovcomflot was amended to increase the number of authorised shares to 655,565,735 as part of implementing the forecast plan for the privatization of federal property for 2020-2022 approved by Russian Government Order No. 3260-r dated 31 December 2019. The amendments to the Company's Charter were registered on 26 February 2020.

On 22 June 2020 the PAO Sovcomflot Board of Directors adopted a decision to make amendments to the decision on an additional issue of PAO Sovcomflot securities and the securities prospectus, including as regards the increase in the number of the Company's shares to be placed to 655,565,735.

The sole shareholder of PAO Sovcomflot represented by the Federal Agency for State Property Management adopted a decision to approve a major interested-party

In October 2020, Sovcomflot conducted an initial public offering of

408,296,691

newly issued ordinary shares at a price of RUB 105 per ordinary share and listed them on the Moscow Exchange

¹ In accordance with the forecast plan (programme) for the privatization of federal property and the main areas of federal property privatization for 2017-2019 approved by Russian Government Order No. 227-r dated 8 February 2017.

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.