



The PAO Sovcomflot Board of Directors notes with satisfaction that the hardships occasioned by the global economy did not deviate the Company from its strategic course. Moreover, it achieved record results on a number of key operating and financial indicators.

Message from the Chairman of the Board of Directors

PAO Sovcomflot management, shore-based employees, ship captains and crews ensured that all of the Company's obligations to its customers were fully met in this reporting period despite the unprecedented challenging conditions faced by the shipping industry as a result of the COVID-19 Pandemic restrictions.

The PAO Sovcomflot Board of Directors notes with satisfaction that the hardships occasioned by the global economy did not deviate the Company from its strategic course. Moreover, it achieved record results on a number of key operating and financial indicators. The Company continued to consistently implement its Development Strategy to 2025. This has significantly strengthened its position in LNG shipping, one of the most promising business segments.

The past year was marked by a very important event for the Company's institutional development. In accordance with a decision of our shareholders, in October 2020 Sovcomflot entered the stock market with an IPO on the Moscow Exchange. Total proceeds of the IPO amounted to RUB 43 billion. Access to equity capital provided the Company with additional resources for the continued development of its long-term strategy.

In 2020, PAO Sovcomflot posted a net profit of USD 266.9 million, up 18.4 percent from 2019. The Board of Directors has recommended that RUB 15.8 billion (vs. RUB 7.18 billion in 2020) be allocated to dividend payment, which is in line with the forecast in Sovcomflot's investment memorandum published in the run-up to the IPO.

Excellent operating results were achieved while continuously paying attention to sustainable development issues, including a significant programme to reduce our carbon footprint, improve the energy efficiency of the fleet and protect the environment.

Results achieved by the Company over the last 10 years show a reduction of 32% against the CO₂ emissions intensity index over the 2010-2020 period. SCF's 'Green Charter', the primary document laying down the

Company's sustainable development policy, took account of the Paris Agreement on Climate Change, the International Maritime Organisation's emissions reduction targets for the year 2050 and other regulations at the international, regional and national levels.

In the reporting period, the Board of Directors paid particular attention to improving the corporate governance system and to the augmentation and continuous development of its human capital, the Company's most valuable asset.

The results achieved would not have been possible without the support of our customers and business partners. On behalf of Sovcomflot's Board of Directors, I wish to express our sincere gratitude to them for their trust and support and would like to assure them that the Company will do everything in its power to provide them with a first-class service in every respect.

The Pandemic caused the closure of borders and difficulties with crew changes, supplies to ships and fleet maintenance. Sovcomflot's seagoing personnel demonstrated the very best qualities of the Russian seafarer - excellent skills, organisation and loyalty to the Company and their profession.

The Board of Directors wishes to express their deep gratitude to Sovcomflot's crews and shore-based employees whose dedicated work made it possible to ensure uninterrupted fleet operations.

With wishes for health and good luck,



Sergey Frank
Chairman of the PAO Sovcomflot
Board of Directors