



Q3 AND 9M 2021 RESULTS

16 NOVEMBER 2021

SCF
Sovcomflot

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01

KEY HIGHLIGHTS & BUSINESS UPDATE



Global Leader in Marine Energy Transportation Solutions

Unique Expertise in Large-Scale Ultra Harsh Environment Projects

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Key Highlights

01

30+ years history of operations

02

Engagement in marine services and transportation of liquefied gas, crude oil and petroleum products

03

Focus on servicing large-scale industrial energy projects under long-term contracts

04

Specialisation in operating in ultra harsh environment and challenging ice conditions

05

Ownership and operation of world's largest fleet of ice-class vessels

06

In-house engineering expertise to satisfy customer needs

Global Leadership in Core Segments ⁽¹⁾

#1 Ice-class
LNG Carriers



#1 Ice-class
Shuttle Tankers



#1 Ice-breaking
Supply Vessels



#1 Aframax
Crude Oil Tankers



~ USD 2.8bn
market cap⁽²⁾



Deal (IPO) of the Year Award
Winner 2021

Shipping Company
of the Year Award
Winner 2020



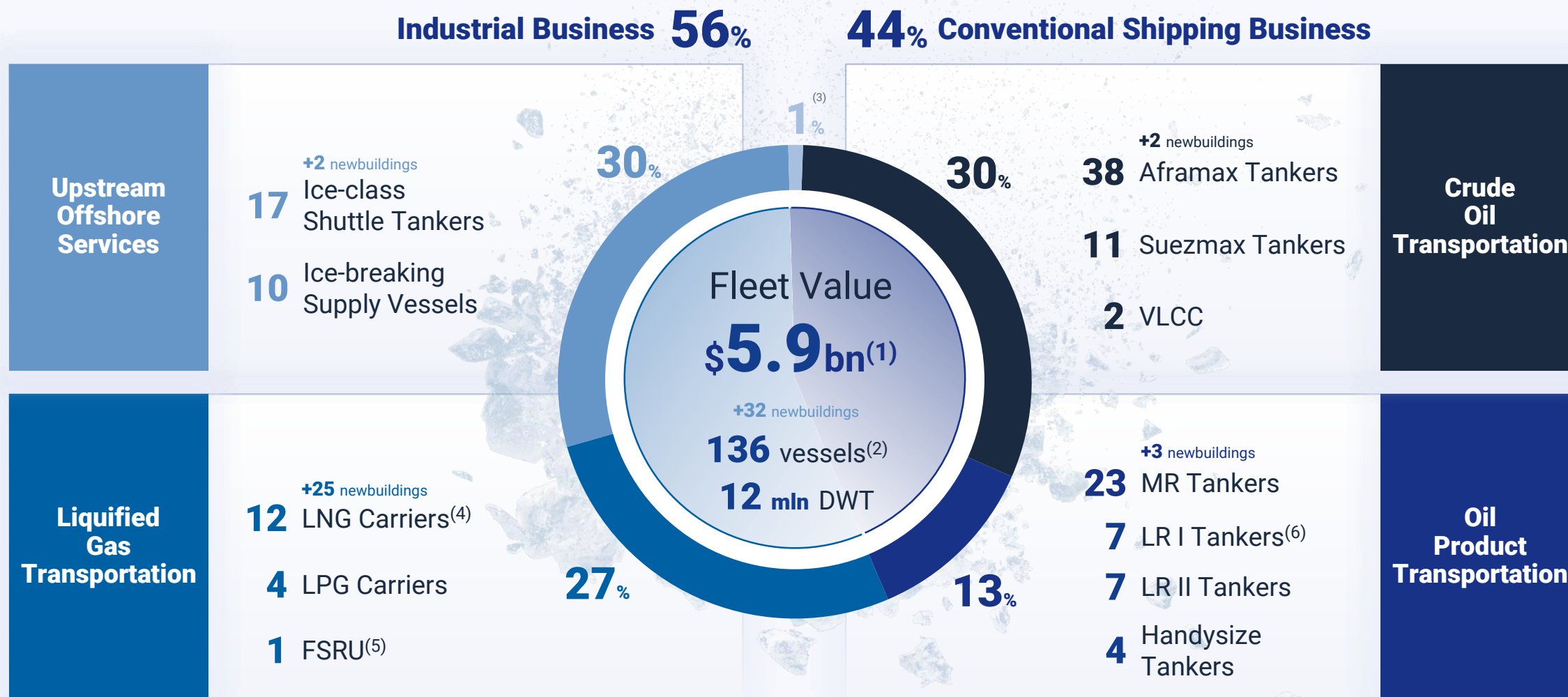
IPO of the Year Award
Winner 2020

Source: Company data, Clarksons Research, public sources.

Note: (1) As of 30 September 2021 by number of vessels; includes orderbook as per Clarksons Research estimates. Sovcomflot's number of vessels and orderbook as per Company data. (2) As of 30 September 2021. Converted to U.S. dollars using USD/RUB exchange rate of 72.76.

Diversified International Energy Shipping Operator Provides a Spectrum of Services to Energy Majors

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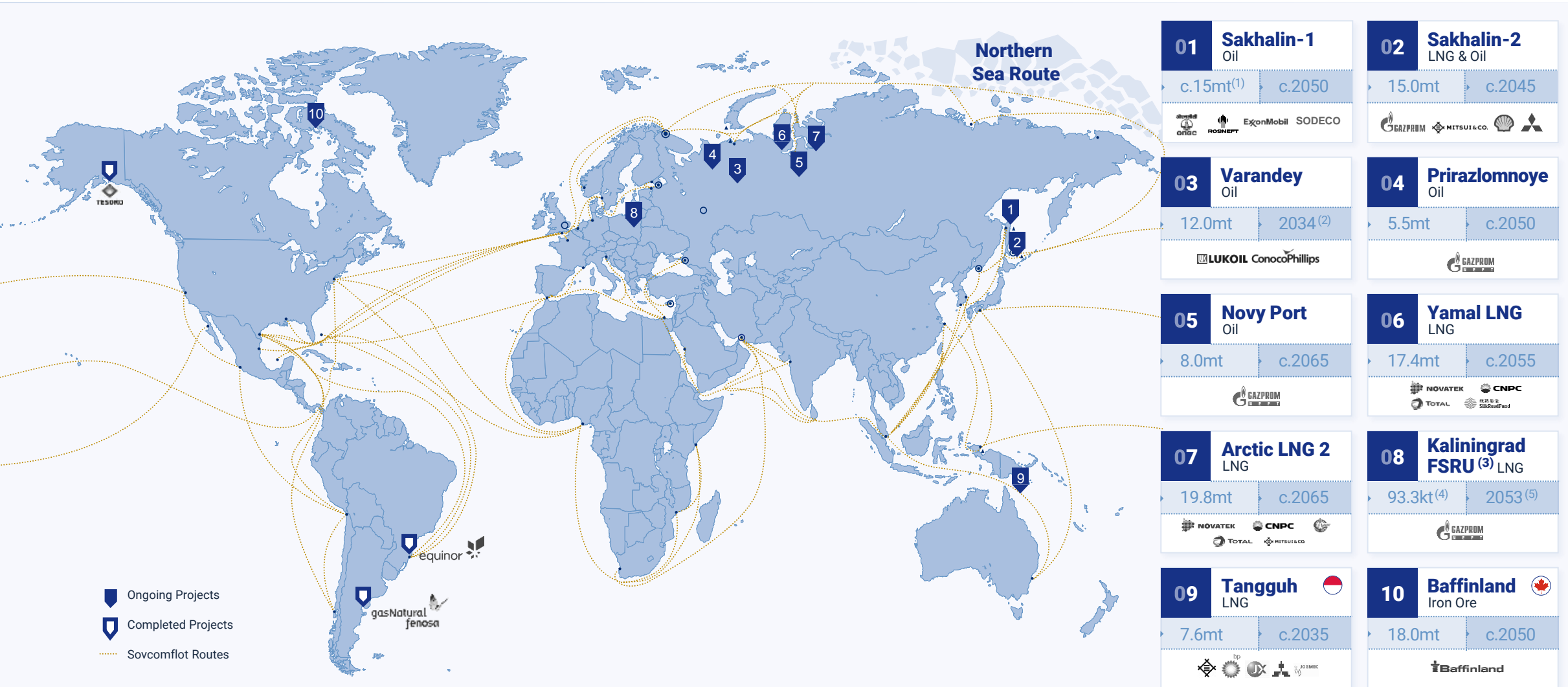


Source: Company data.

Note: Number of vessels includes fully owned vessels, vessels owned through JVs, chartered in vessels and newbuilds as of 30 September 2021. The chart indicates % fleet net carrying value contribution as of 30 September 2021. (1) Net book value of total fleet as of 30 September 2021; excluding JVs. (2) As of 30 September 2021 (3) 1% of total net carrying value is related to other marine services segment which operates one vessel not included in Industrial or Conventional businesses. (4) Includes 4 vessels owned via JV; 18 JV newbuildings and 7 own newbuildings. (5) SCF has a technical management contract for Marshal Vasilevsky, a floating storage and regasification unit of Gazprom. (6) Includes 7 vessels owned via JV.

Global Footprint with Focus on Industrials Projects in Harsh Environment

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Source: Company data for project status, public sources for project life and project capacity.

Note: (1) Actual production in 2018. (2) SCF contract option life. (3) Technical management contract with Gazprom's Marshal Vasilevskiy floating storage and regasification unit.

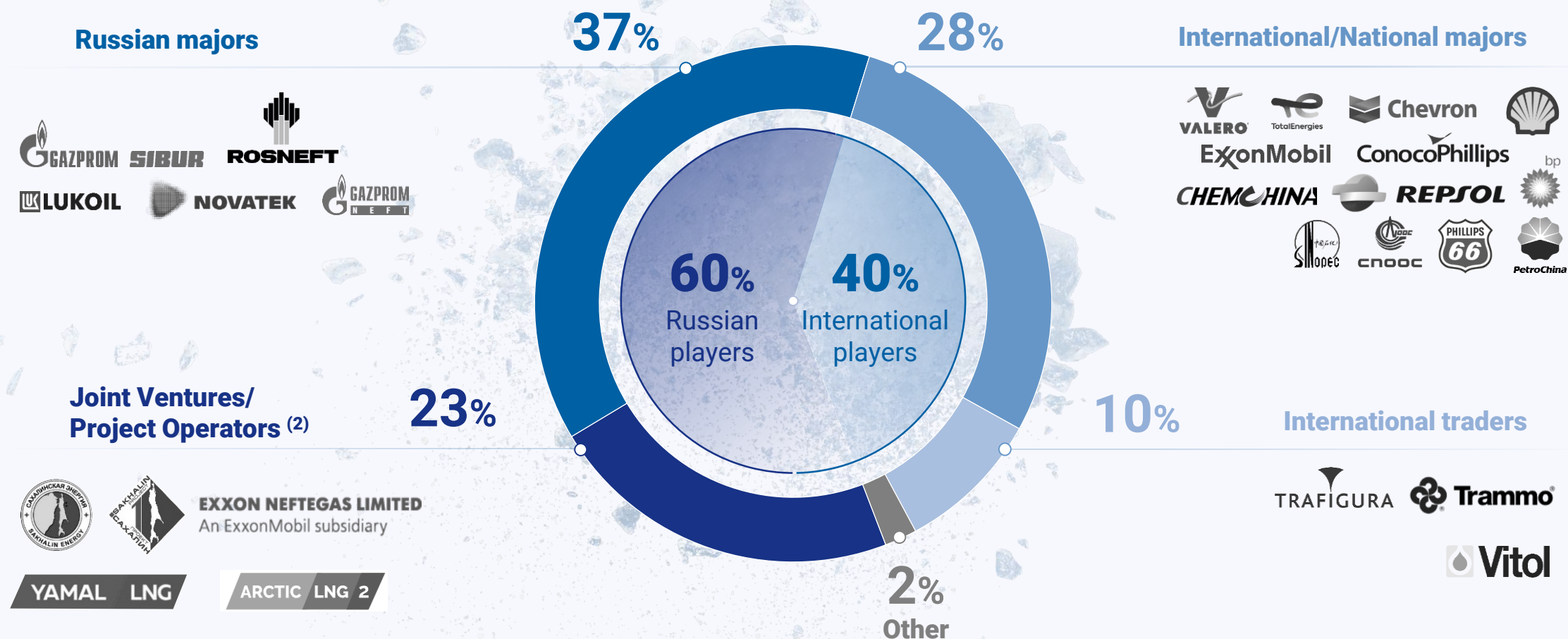
(4) DWT. (5) Assuming the FSRU's economic useful life of 35 years and given the construction year of 2018.

■ Annual Capacity
 ■ Project Life

Long-Established Relationships with “Blue-Chip” Customers

Diversified customer base and established relationships with leading energy companies⁽¹⁾

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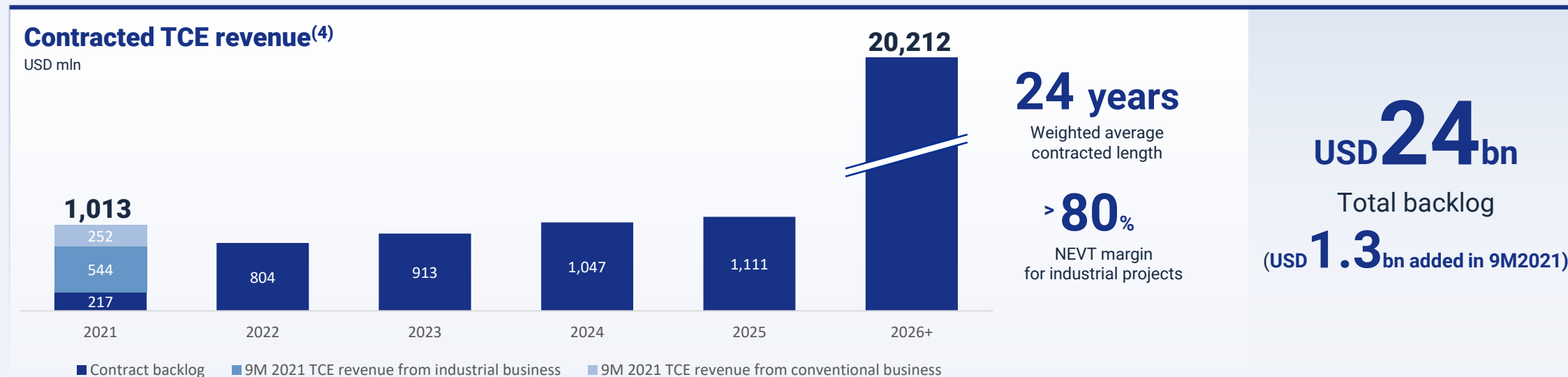
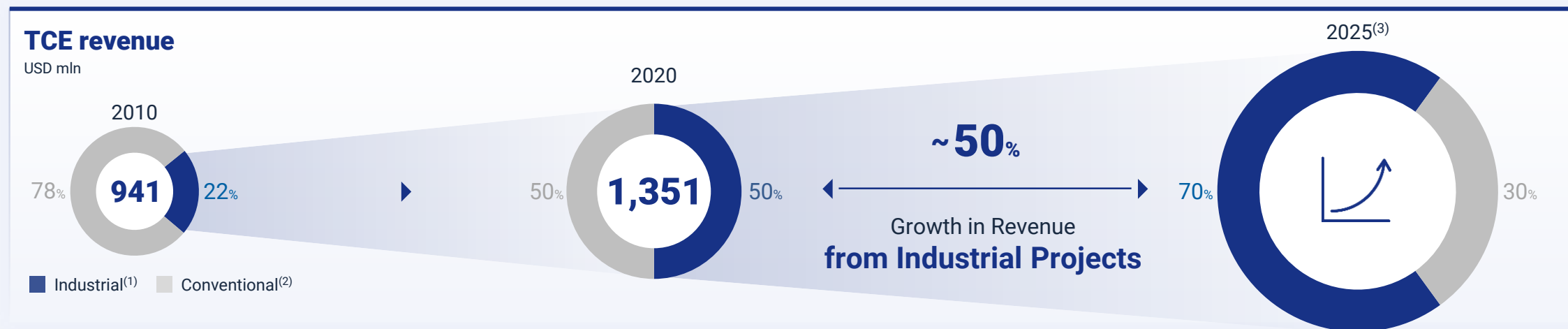


Source: Company data.

Notes: (1) Share in TCE revenue for 9 months 2021. 100% = customers with a share in TCE revenue >0,1% (98,5% from SCF TCE revenue in total); main customers in the particular segment. (2) Gazprom owns 50%+1 share but Sakhalin Energy operates under the production sharing agreement.

Quality Earnings Growth Through Industrial Portfolio Expansion

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Source: Company data.

Note: (1) Includes Offshore and Gas. (2) Includes Crude Oil, Oil Product and Other. (3) Target revenue structure. (4) Including JV.

Industrial Business. Gas Segment: New Contracts with TotalEnergies

Gas segment revenue growth to be supported by new fleet additions

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Timely deliveries of LNG carriers



USD **480** mln

Contract backlog

- **X-DF propulsion system**
operated by a slow-speed DF diesel engine with a direct drive to the propellers
- **Reliquification Plant**
boil-off gas partial re-liquefaction system

3 LNG Carriers: put in operations in 2020 – Jan 2021

Deadweight: 174,000 m³

Engine: Dual-fuel X-DF

Shipyard: HSHI

Charter up to 7 years under a long-term time-charter



Future growth of LNG projects portfolio



USD **360** mln

Contract backlog

- **X-DF propulsion system**
operated by a slow-speed DF diesel engine with a direct drive to the propellers
- **Reliquification Plant**
boil-off gas partial re-liquefaction system
- **Air-lubrication system**
technology provides fuel savings and CO₂ emission reduction by reducing hull friction
- **ESD (Energy Saving Devices)**
improves propeller efficiency by establishing more uniform inflow into propeller
- **Shaft Generator**
allows to use energy produced by efficient 2 stroke low revolution engine

3 LNG Carriers: will be put in operations in Q3 2023 – Q3-Q4 2024

Deadweight: 174,000 m³

Engine: Dual-fuel X-DF

Shipyard: HSHI

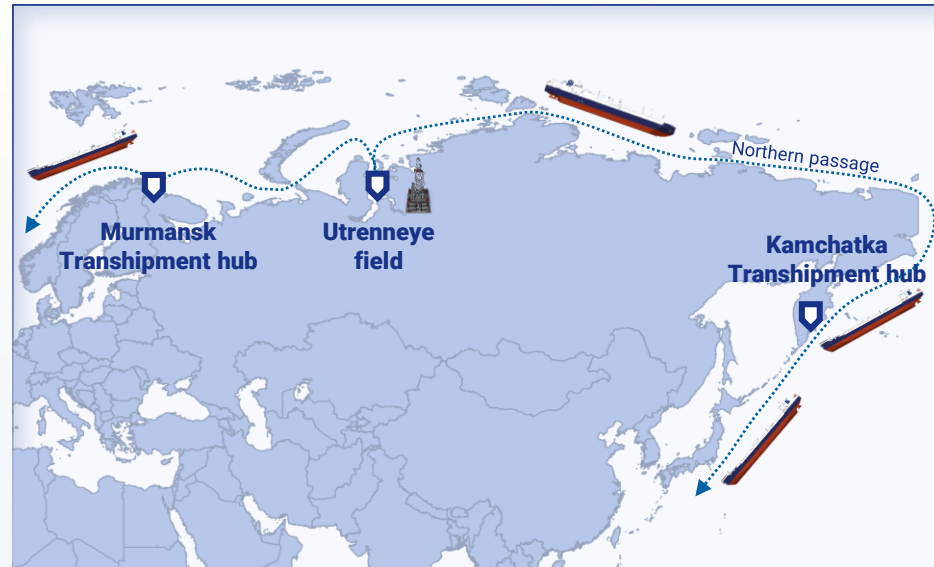
Charter up to 7 years under a long-term time-charter



Industrial Business. Gas Segment: New Project with NOVATEK

Final destination logistic service for Arctic LNG 2 through 50%/50% JV with NYK

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 Arc7 LNG carrier
  Arc4 LNG carrier
  LNG carrier's route

4 LNG carriers

contracted through
50%/50% JV with NYK

13 years

Contract length
(+2 years option)

USD 700 mln

Contract backlog

Onward LNG shipment from 2 Transshipment Complexes

Murmansk Transshipment Complex

Phase 1 to be completed
in December 2022
Phase 2 in 2025-2026

Kamchatka Transshipment Complex

Phase 1 to be completed
in February 2023
Phase 2 in 2025-2026

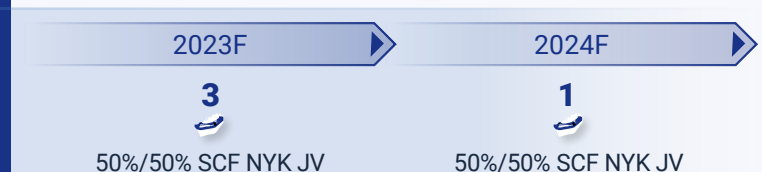
- Vessels are intended to service these movements but also able to call directly to Ob estuary in the July/December open ice season if required to meet any dislocation of the Arc7 fleet
- Arc4 ice class permits operations in harsh environment and ice conditions

01 Project description

02 Project party



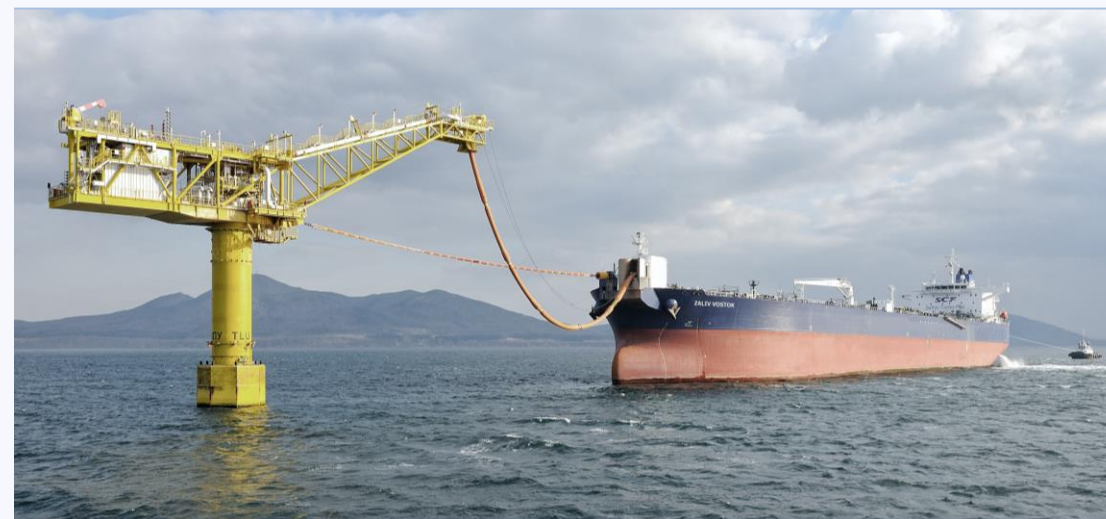
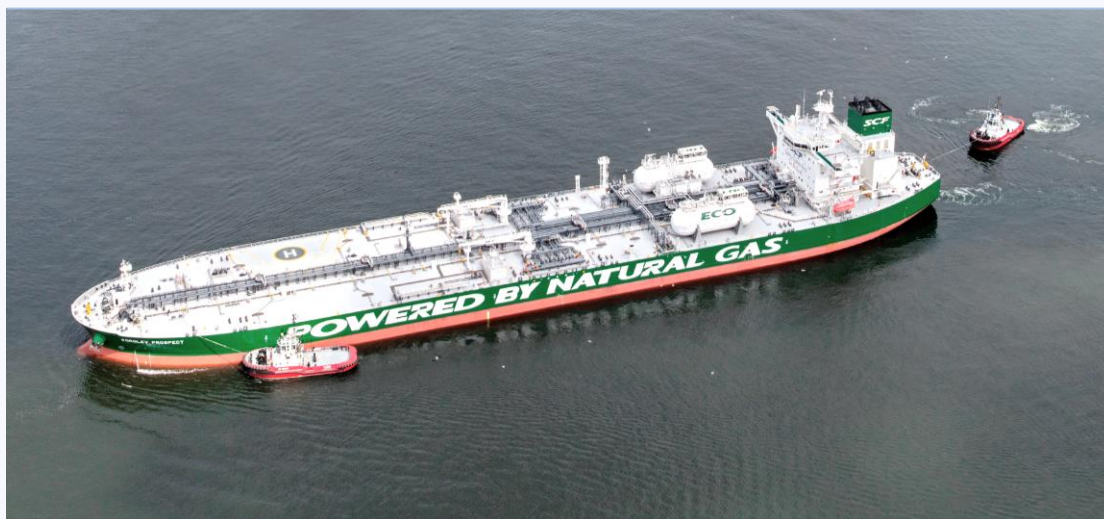
03 Project timeline



Industrial Business. Offshore Segment: New Contracts with Sakhalin Energy

SCF undertakes a responsible investment approach and finds best value solutions for existing vessels

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2 LNG-fueled tankers

- Will be employed to shuttle crude oil for the Sakhalin-2 project
- SCF is experienced in modification of conventional tankers into project specific shuttle tankers

Tankers' upgrade

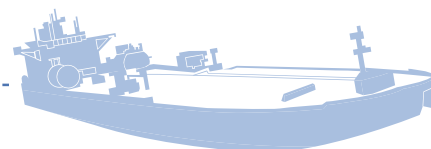
- Installation of a bow loading system
- Modification to their LNG bunkering systems

USD 215 mln
Contract backlog



10 years charter duration

(2024-2034)



3 years extension option

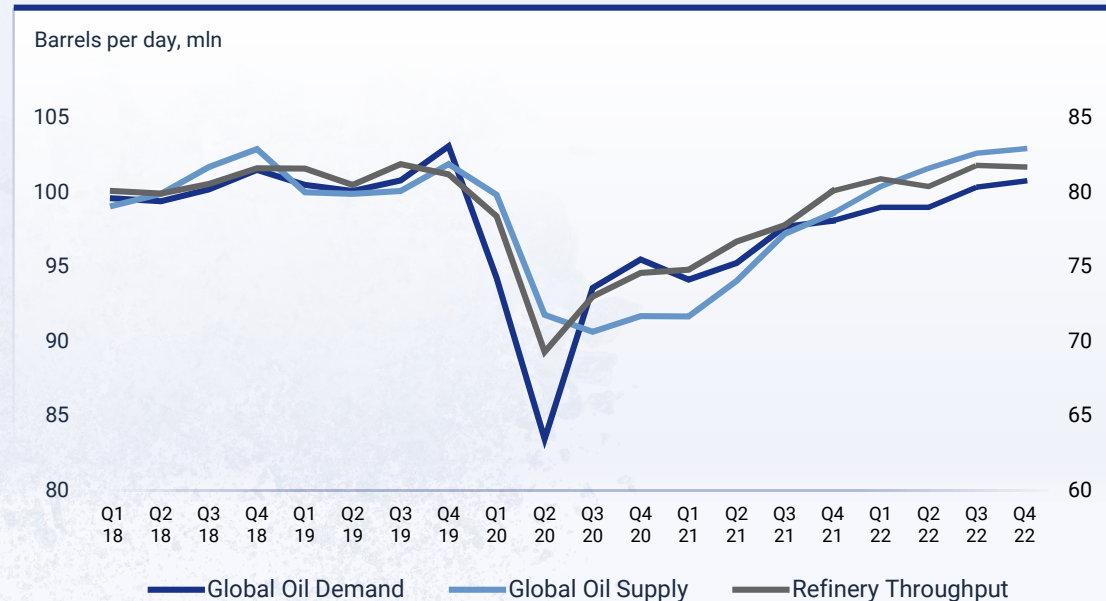
(2037)

Conventional Business: Tanker recovery a matter of when, not if

Restrained supply coupled to increased demand translates into stronger earnings

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Crude and Product Demand and Supply to Recover to Pre-Pandemic Levels in 2022



- Demand for oil transportation is recovering as oil product consumption heads towards pre-pandemic levels.
- Crude and Product Inventories now at or below the 5 year averages
- Energy switching due to high gas prices presents further upside to current projections.

Restrained Tanker Supply Picture Evolving



- Global Tanker Orderbook as a % of the fleet at its lowest level since 1996.
- High steel prices are both encouraging an increase in vessel demolitions and discouraging owners from adding further newbuildings to the supply side.

Conventional Business: First Signs of Recovery

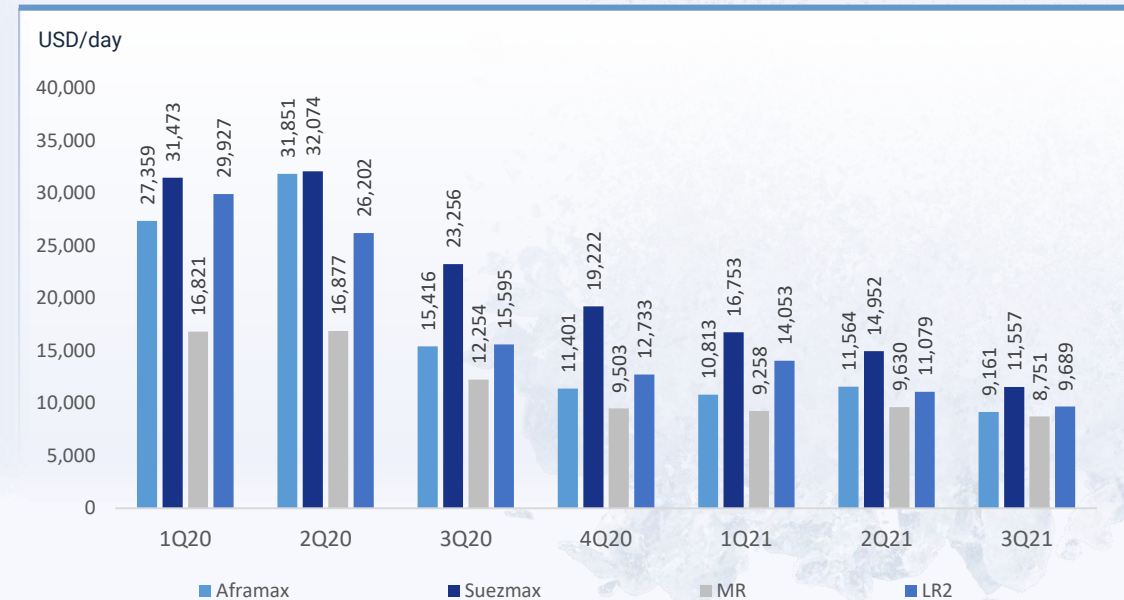
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Clarksons Average Tanker Earnings



- Signs of recovery in freight rates from October 2021
- Seasonal momentum is supportive ahead of the winter season in Northern Hemisphere
- Aframax segment (core for SCF) is particular promising with rates almost doubled on the 12th of November 2021 to USD 15,608/day comparing to October 2021

SCF TCE Rates Achieved



- USD 1,000/day increase in average daily freight rate would translate in ~USD 30 mln of incremental cash flow for SCF

02

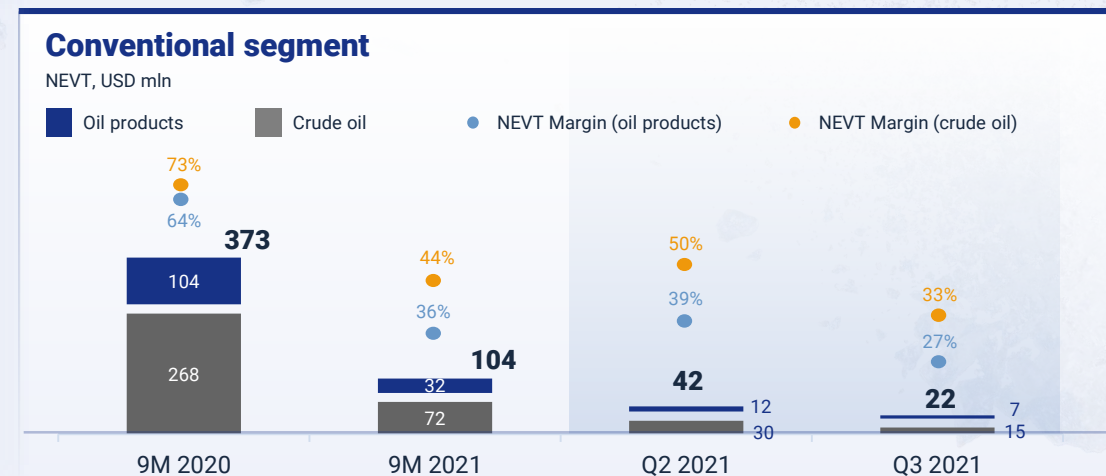
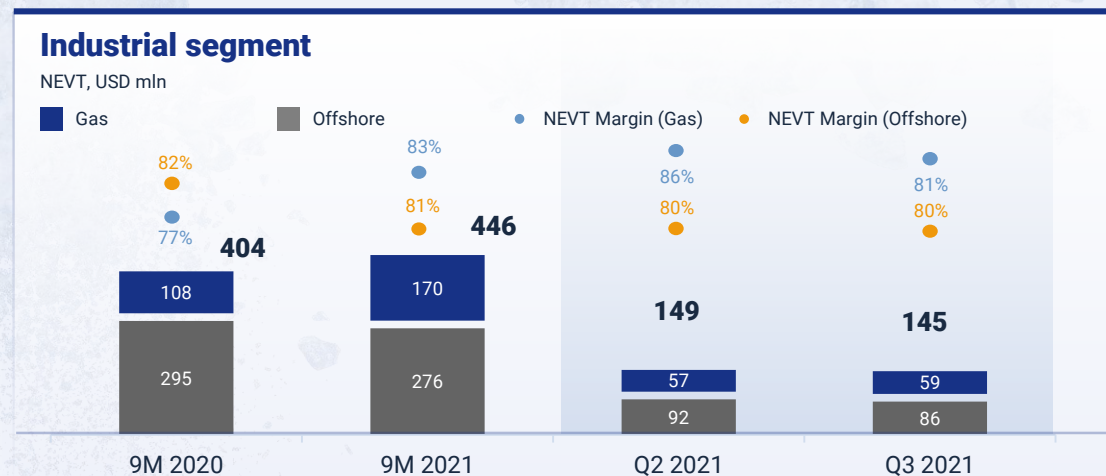
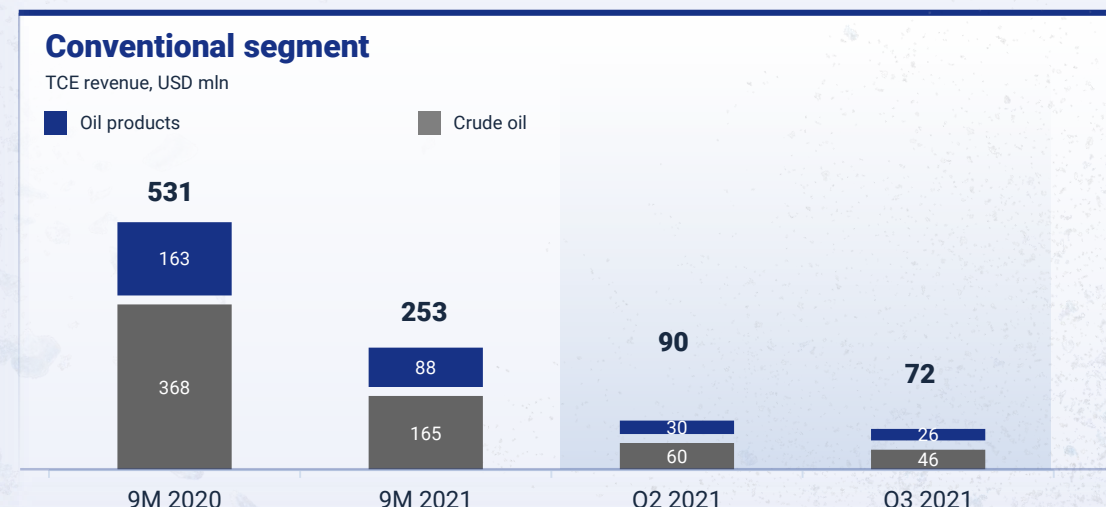
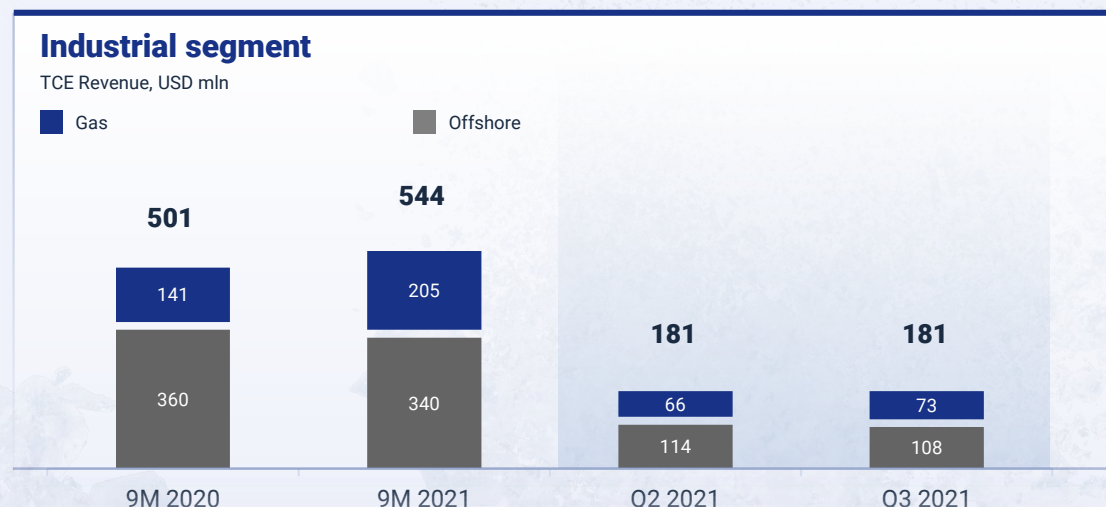
FINANCIALS



Segments Financial Analysis

Industrial segment performed strongly and in line with our previous guidance

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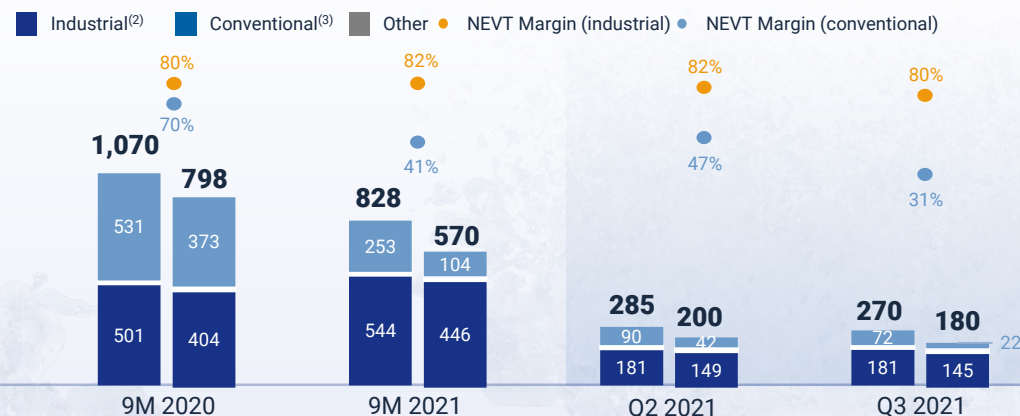
Financial Highlights

Financials underpinned by growing contribution from cyclically resistant and higher-margin industrial business

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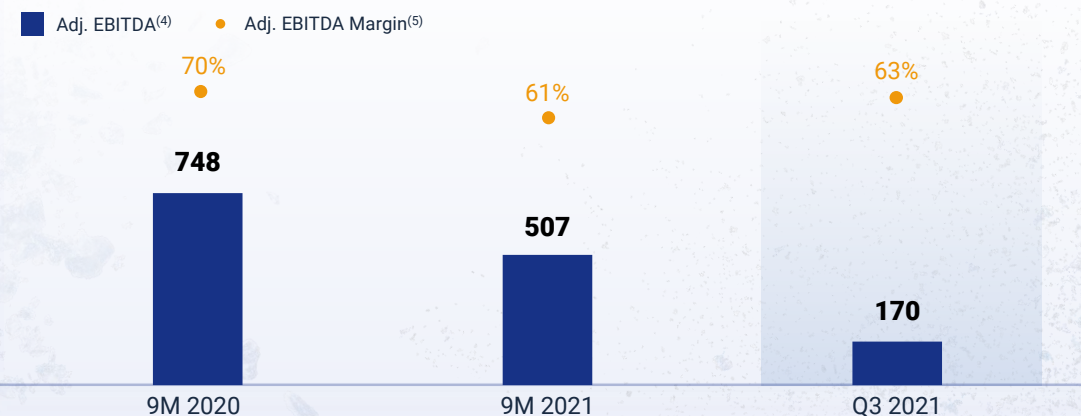
Focus on Growing Contribution of Higher Margin Industrial Business

TCE Revenue and NEVT, USD mln



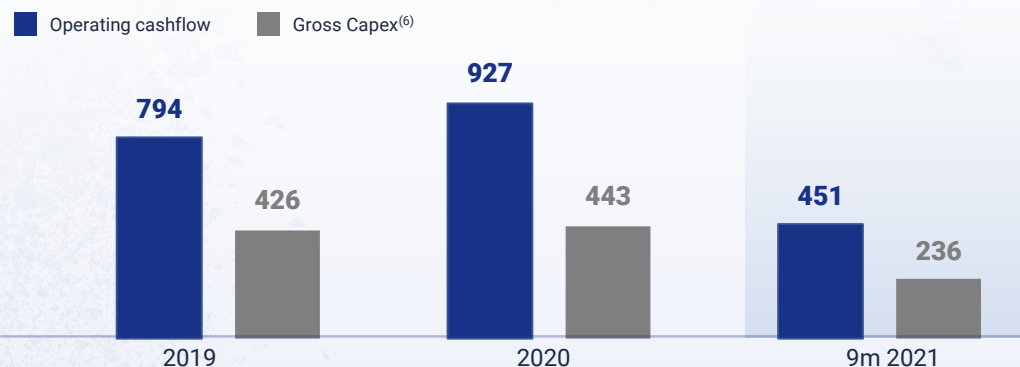
Historically Stable and Consistently High Adj. EBITDA Margin

USD mln



Robust Cash Flow Generation Sufficient to Cover Capex Requirements

USD mln



Dividend Will be paid on the Adjusted Profits⁽⁷⁾ Basis

USD mln



Source: Company data.

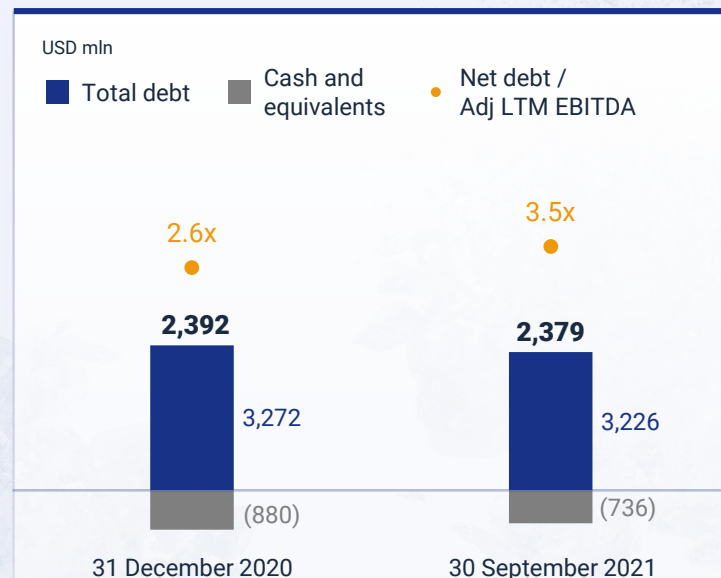
Note: (2) Industrial includes Offshore and Gas. (3) Conventional includes Crude Oil and Oil Product. (4) EBITDA adjusted for other non-operating income and expenses; gain/loss on derivative financial instruments held for trading; gain/loss on ineffective portion of hedges; profit/loss on sale of subsidiaries; foreign exchange gain/loss; gain/loss on sale of equity investments; other operating income and expenses. (5) Adj. EBITDA margin calculated as adjusted EBITDA divided by TCE revenue. (6) Gross capex is defined as expenditure on fleet, vessels under construction, other PP&E, investments in JV and fleet acquisition. (7) Adjusted profit/loss for the period – calculated as a basis for dividends payment starting from FY as a net profit attributed to shareholders of PAO Sovcomflot less impairment for fixed and intangible assets, foreign exchange gains and losses and gains and losses related to revaluation of financial assets.

Strong Capital Structure

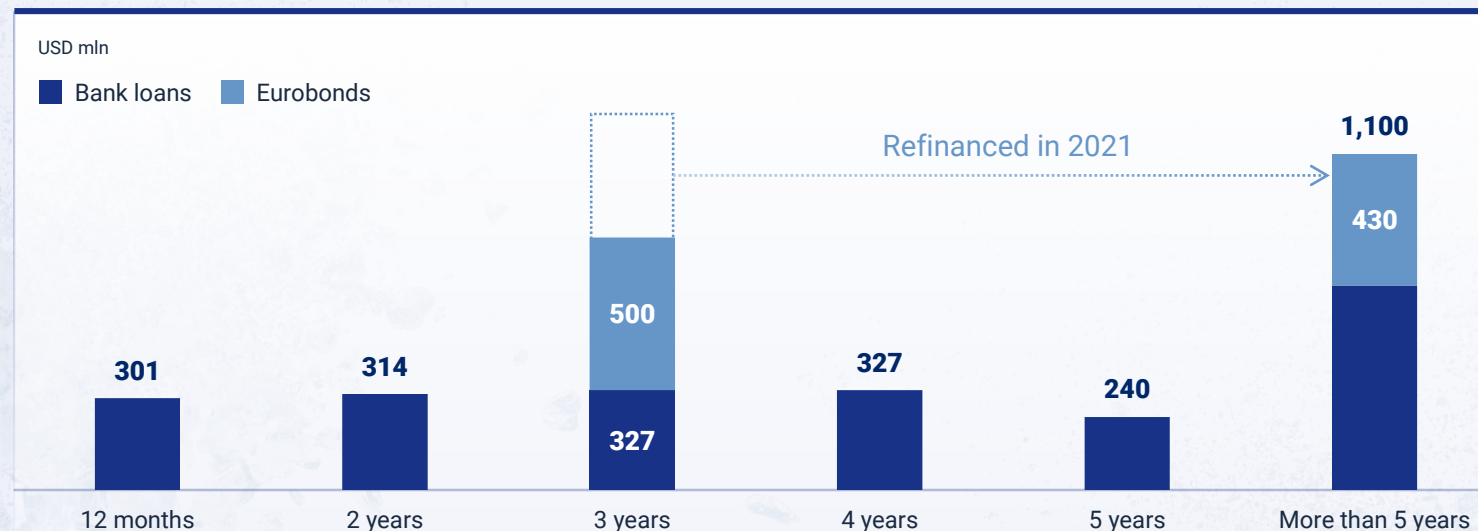
Conservative leverage by industry standards

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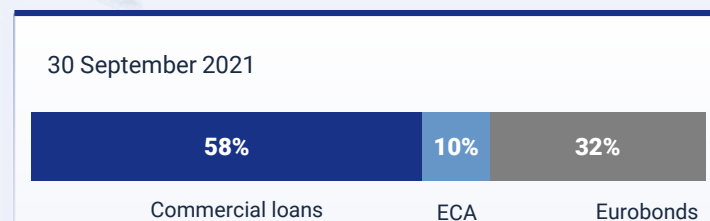
Debt & Liquidity Position



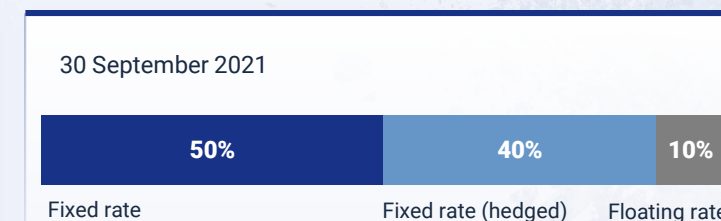
Debt Repayment Schedule



Debt by Instruments



Debt Portfolio Structure



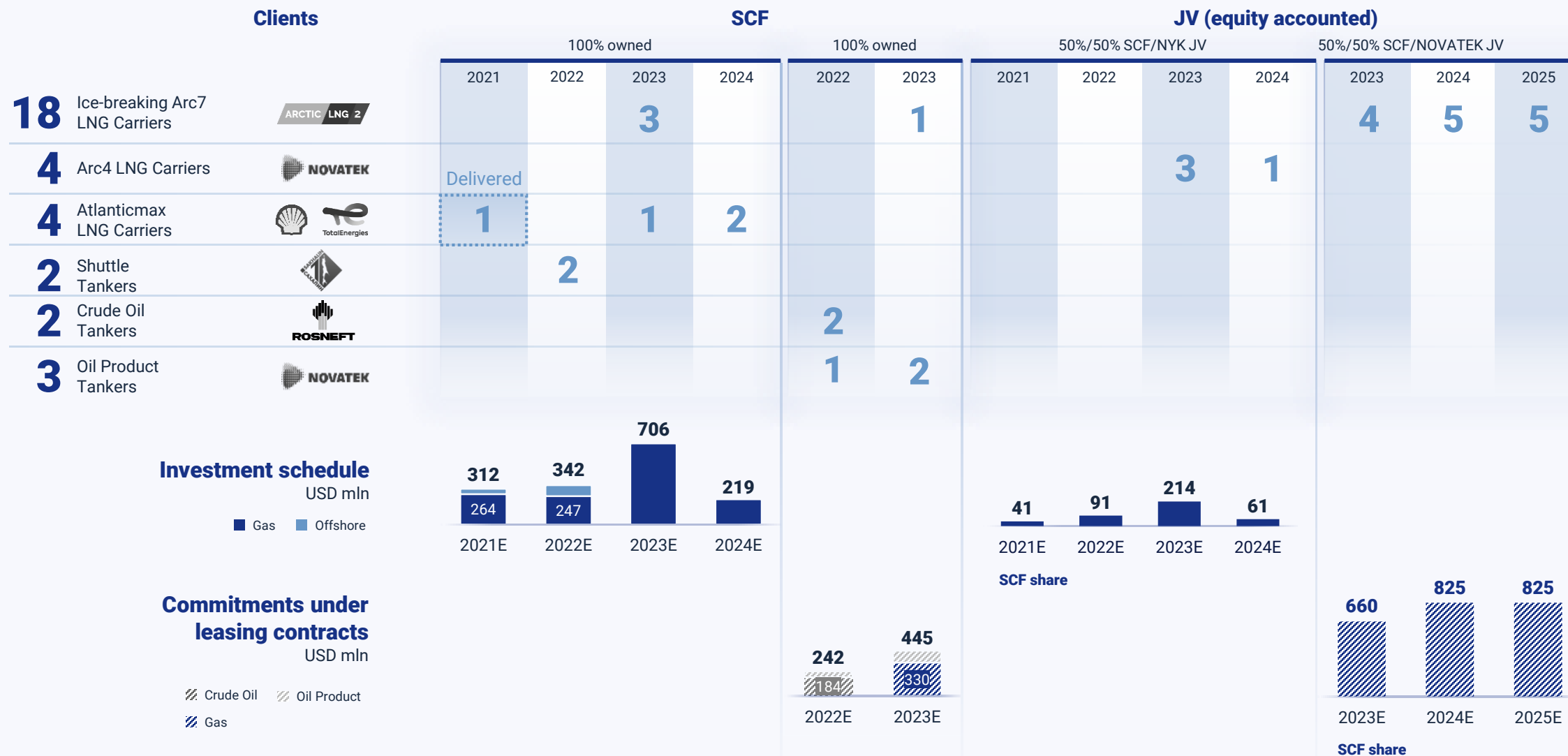
S&P Global Ratings **BBB-** Stable

FitchRatings **BBB-** Stable

MOODY'S **Baa3** Stable

Investment Program

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Financial Targets

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EBITDA margin **$\geq 60\%$** Sustainable EBITDA margin
through the cycle**Revenue share****70%**from industrial
segment**Investment
grade
credit ratings****Gross CAPEX** **$\sim \$0.5\text{bn}$**

per annum

Net Debt / EBITDA **$< 3.5-4x$**

target

Dividend payout **$\geq 50\%$**

Investments Highlights

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03

Q&A SECTION



04

APPENDIX



Financial Summary

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USD mln	9M 2021	9M 2020	%	Q3 2021	Q2 2021	%
Revenue	1,160.0	1,298.3	-10.7	400.2	397.0	0.8
Time charter equivalent (TCE) revenues	829.7	1,069.8	-22.4	269.8	284.9	-5.3
Vessels' running costs	-259.6	-272.1	-4.6	-89.5	-84.8	5.5
Net earnings from vessels trading	570.1	797.6	-28.5	180.3	200.0	-9.9
Net other operating revenue	14.2	7.0	NM	9.2	2.9	NM
Depreciation, amortization and impairment	-347.1	-312.3	11.1	-105.4	-139.7	-24.6
General and administrative expenses	-67.9	-67.1	1.1	-23.6	-23.4	0.6
Operating profit	163.5	436.0	-62.5	66.0	41.5	59.2
Financing costs	-144.4	-146.0	-1.1	-40.1	-61.9	-35.2
Profit before income taxes	43.8	277.9	-84.2	25.0	10.7	132.7
Income tax expense	-23.6	-28.4	NM	-10.5	-3.4	NM
Adjusted profit/loss for the period⁽¹⁾	87.4	282.1	-69.0	28.4	36.1	-21.4
Profit/loss for the period	20.2	249.5	NM	14.6	7.3	99.0
EBITDA⁽²⁾	507.3	748.3	-32.2	170.1	181.2	-6.2
Debt	3,114.9	3,492.0	-10.8			
Cash and deposits	736.1	640.0	15.0			
Book value of equity	3,932.3	3,601.0	9.2			
Net debt ⁽³⁾	2,378.8	2,852.0	-16.6			
Net debt/Adjusted LTM EBITDA	3.5	2.9				

Source: Company data.

Notes: (1) Adjusted profit/loss for the period – calculated as a net profit attributed to shareholders of PAO Sovcomflot less impairment for fixed and intangible assets, foreign exchange gains and losses and gains and losses related to revaluation of financial assets. (2) EBITDA adjusted for other non-operating expenses; hedge ineffectiveness and termination of hedge; gain on derecognition of dividend liability; loss on sale and dissolution of subsidiaries; foreign exchange gains; foreign exchange losses and gain/loss on sale of equity accounted investments. (3) Net debt includes total secured bank loans, other loans and finance lease liabilities after deducting cash and bank deposits and restricted cash