

2021 Full Year Financial Results

14 March 2022, Moscow, Russia: PAO Sovcomflot (SCF Group, the Company; MOEX: FLOT) releases its Consolidated Financial Statements for the periods ended 31 December 2021.

2021 Full Year Financial Highlights (IFRS audited accounts – year to 31 December 2021)

USD million	2021	2020	%
Revenue	1,540.3	1,652.5	-6.8
Time charter equivalent (TCE) revenues	1,095.7	1,350.6	-18.9
Vessels' running costs	-338.8	-366.9	-7.7
Net earnings from vessels trading	756.9	983.7	-23.1
Adjusted profit/loss for the period*	61.8	300.6	-79.4
Profit/loss for the period	35.8	267.1	-86.6
EBITDA**	678.5	912.8	-25.7

KEY HIGHLIGHTS

- During the reporting period, SCF Group achieved solid operating results despite a difficult year for the conventional tanker market. A strong performance from the Group's industrial fleet offset weakness in the conventional tanker fleet over 2021 and helped drive the Group's adjusted net profit to USD 61.1 million
- The Group's contract backlog rose by further USD 0.4 billion over the reporting period and the total contract backlogⁱ stood at USD 24 billion as of 31 December 2021.
- SCF Group's **industrial business** portfolio, comprising liquefied gas transportation (LNG and LPG vessels) and harsh environment offshore services (ice-class shuttle tankers and ice-breaking supply and stand-by vessels) continued to show a stable growth due to input from new vessels put into operations and employed under long-term contracts with international energy majors. Industrial business delivered 6.3 per cent year-on-year revenue growth.
- Conventional tanker market began to show initial signs of recovery with a seasonal uplift in charter rates since October 2021. And benefiting from that SCF **conventional tanker business** (crude and oil products transportation business segments) showed a growth of 15.4 per cent quarter-on-quarter in the fourth quarter 2021.

* Adjusted net profit – calculated as a net profit attributed to shareholders of PAO Sovcomflot less impairment for fixed and intangible assets (excluding impairment for vessels sold during reporting period), foreign exchange gains and losses and gains and losses related to revaluation of financial assets.

** EBITDA – Earnings before interest, tax, depreciation and amortisation 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.

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About SCF Group

PAO Sovcomflot (SCF Group) is one of the world's leading marine energy transportation companies, specialising in the transportation of liquefied gas, crude oil, and petroleum products, as well as the servicing of offshore upstream energy production. The Group's fleet comprises 133 vessels with a total deadweight of 11.62 million tonnes, including vessels owned through joint ventures. About 77 vessels have an ice class.

SCF is involved in servicing large oil and gas projects in Russia and around the world: Sakhalin-1; Sakhalin-2; Varandey; Prirazlomnoye; Novy Port; Yamal LNG, and Tangguh (Indonesia). The Group is headquartered in St. Petersburg, with offices in Moscow, Novorossiysk, Murmansk, Vladivostok, Yuzhno-Sakhalinsk, London, Limassol, and Dubai.

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The Materials contain certain non-IFRS financial measures. These measures have been calculated using the financial information of the Company group but are not defined or detailed in the applicable financial information framework or under IFRS. Information needed to reconcile such non-IFRS financial measures to the most directly comparable measures under the IFRS can be found in the Company's Presentation on the same matter, which is posted on the Company's web site. The Company uses these measures when planning, monitoring and evaluating its performance. The Company considers these measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period. Whilst the Company believes these measures are useful in evaluating its business, this information should be considered as supplemental in nature and is not meant as a substitute for IFRS measures.

ⁱ Contract backlog is the total amount receivable by the Group under the Group's currently outstanding time-charter agreements including arising from the Group's share in the joint ventures. It is presented for the total term of such agreements, in each case excluding extension options. It is based on the applicable time-charter-equivalent rate and management's estimate of the total trading days in the period for which it is presented (calculated as the total number of days for which the vessel is in possession of the owner less any scheduled or unscheduled maintenance or repairs during such period). The calculation of contract backlog (an operational measure) involves management judgment and is subject to a number of risks and uncertainties.