



9M and Q3 2020
Financial Results



Investor Presentation

17 November 2020

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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.

1. Key Investment Highlights



Global Leader in Marine Energy Transportation Solutions

Integrated international energy shipping operator providing unique services to energy majors

SCF at a Glance

30+ years history of operations

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

Focused on large-scale industrial energy projects and long-term contracts

Specialises on operating in ultra harsh environments and challenging ice conditions

Owns and operates world's largest fleet of ice-class vessels

Unique in-house engineering to satisfy various customer needs

One of World's Largest Fleets⁽¹⁾

#1

Ice-class
Shuttle
Tankers



#1

Ice-breaking
Supply
Vessels



#1

Aframax
Crude Oil
Tankers



#1

Ice-class
LNG Carriers



171

vessels⁽²⁾

15_m

DWT

US\$6.3_{bn}

Net Fleet Value⁽³⁾

Recognised Industry Leadership



Company of the Year 2020



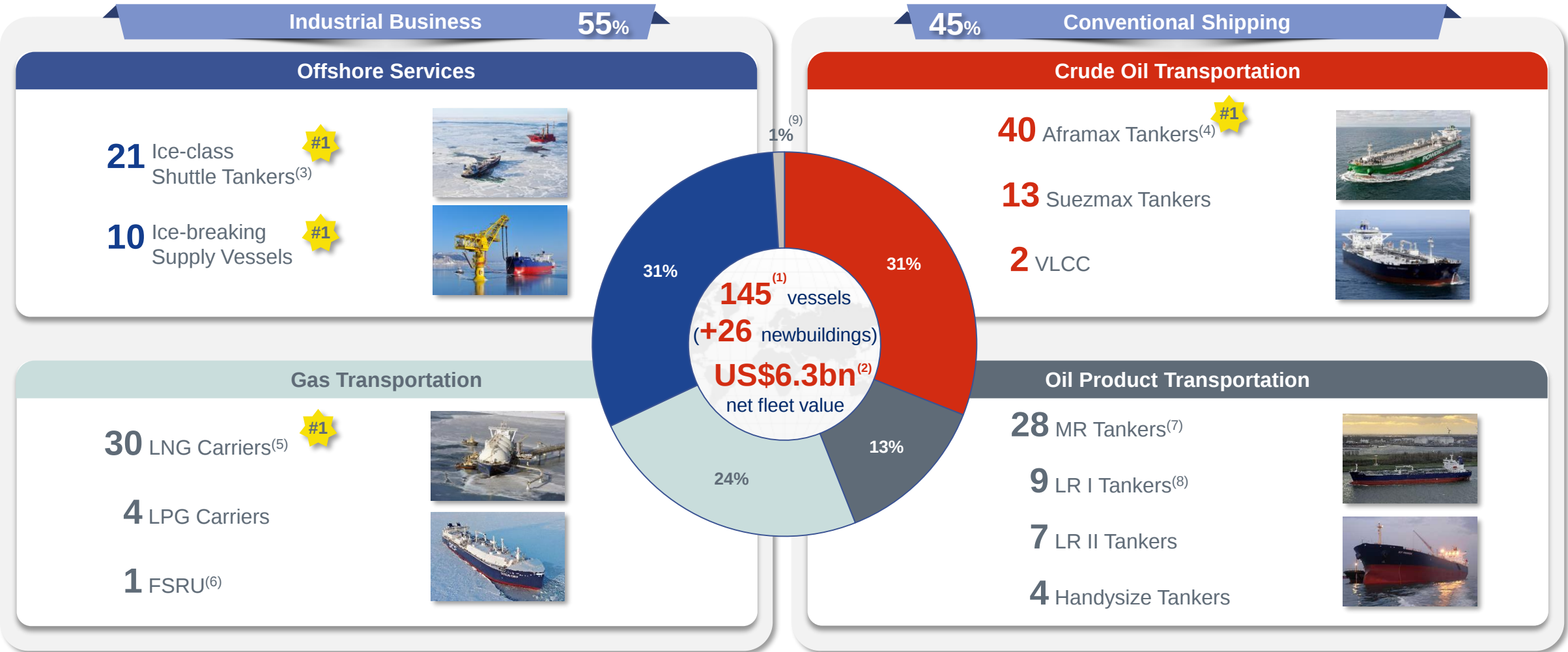
Company of the Year 2019

Source: Company data, Clarksons Research (November 2020), public sources.

Note: (1) As of 30 September 2020. (2) Includes JVs' fleet and 26 newbuildings. (3) Net book value of fleet as of 30 September 2020; for fleet excluding JVs.

Global Leadership Across Industrial Marine Transportation

Integrated international energy shipping operator providing a wide range of services to energy majors



Global ranking

Source: Company data, Clarksons Research (February 2020).
 Note: Number of vessels includes fully owned vessels, vessels owned through JVs, chartered in vessels and newbuilds as of 30 September 2020. Residual term and value of contacts as of 30 September 2020 for fleet including JVs. The donut chart indicates % fleet net carrying value contribution. (1) Includes 14 newbuilds in progress. (2) Net book value as of 30 September 2020, for fleet excluding JVs. (3) Includes 2 newbuilds. (4) Includes 2 newbuilds. (5) Includes 4 vessels owned via JV and 19 newbuilds; the ranking takes into account ice-class vessels only. (6) SCF has a technical management contract for Marshal Vasilevsky, the floating storage and regasification unit of Gazprom. (7) Includes 3 newbuilds. (8) Includes 9 vessels owned via JV (9) 1% of total net carrying value is related to other marine services segment which operates three vessels not included in Industrial or Conventional businesses.

2. Operations and Business Update

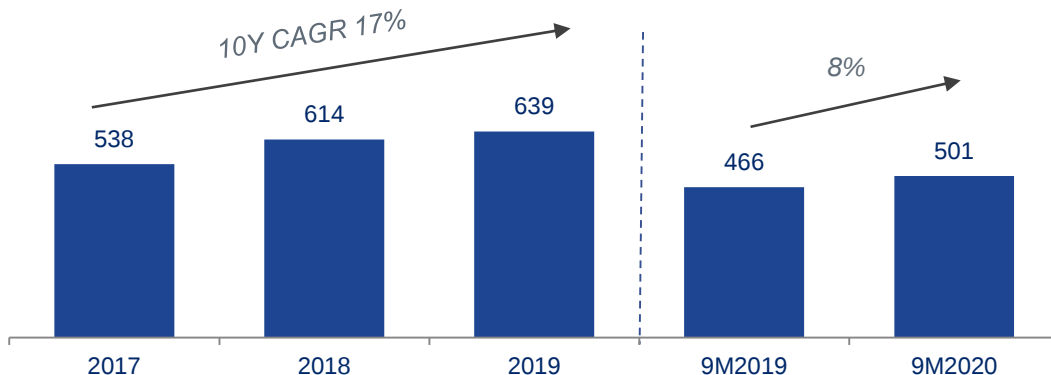


Industrial Business – Continuing Organic Growth in line with Group's Strategy

Highly visible long-term cash flows based on increasing exposure to gas transportation and offshore services contracts

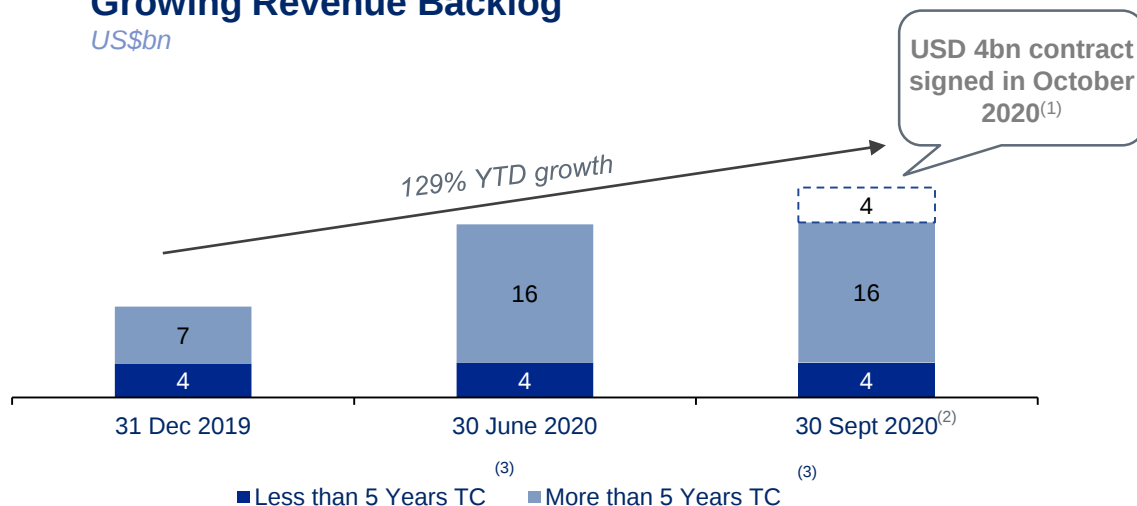
TCE Industrial Business Revenue

USDmln



Growing Revenue Backlog

US\$bn



Source: Company data.

Note: (1) Based on time charter contracts. (2) Includes JVs. (3) Time charter.



- In February 2020, SCF Group added to its fleet *SCF La Perouse* - a new-generation Atlanticmax LNG carrier (174,000 cbm). The vessel features a slow-speed dual-fuel X-DF engine and gas boil-off partial liquefaction system and is chartered to Total under a long-term time-charter.



- In September 2020, SCF Group took delivery of *SCF Barents*, a new 174,000 cbm LNG carrier (sister-vessel to *SCF La Perouse*). *SCF Barents* is chartered to Shell under a long-term time-charter agreement.



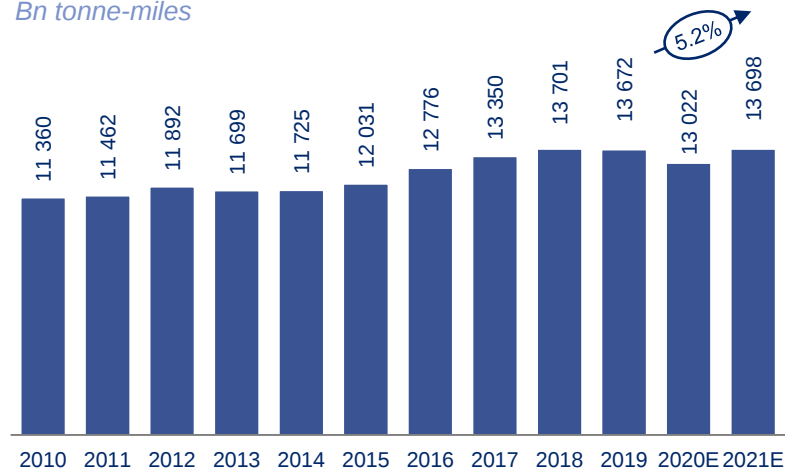
- In September 2020, SMART LNG, a 50/50 JV of SCF and NOVATEK, entered into contracts for the construction of 10 ice-breaking Arc7 LNG carriers to serve under long-term time charter agreements for Arctic LNG 2 project in addition to the earlier signed contract for 4 new vessels. Total size of the contracts is 14 vessels with USD 10 bn contract backlog attributable to SCF Group.
- In October 2020, SCF Group and Arctic LNG 2, concluded 30-year time charter agreements for a further three Arc7 LNG carriers (fully owned by SCF) with USD 4 bn contract backlog.

Conventional Tanker Business - Outlook Supported by Supply-demand Fundamentals

5% forecasted 2021 growth in seaborne oil demand and continuing low orderbook

Strong Seaborne Trade Demand

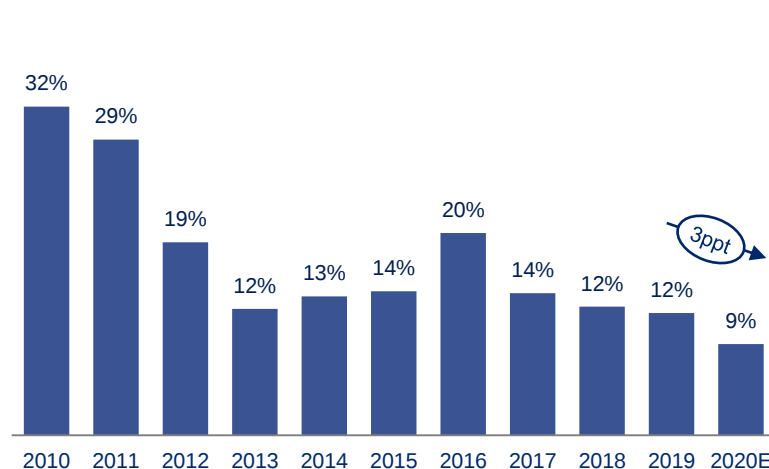
World Seaborne Oil Trade Volumes⁽¹⁾
Bn tonne-miles



- 2021 demand growth is expected to exceed supply by 3.2pp (0.2pp if adjusted for potential supply growth from tankers returning from floating storage and off-hire time for scrubber retrofits)⁽⁶⁾
- Increased growth as economic activity normalises

Supportive Tanker Supply Dynamics

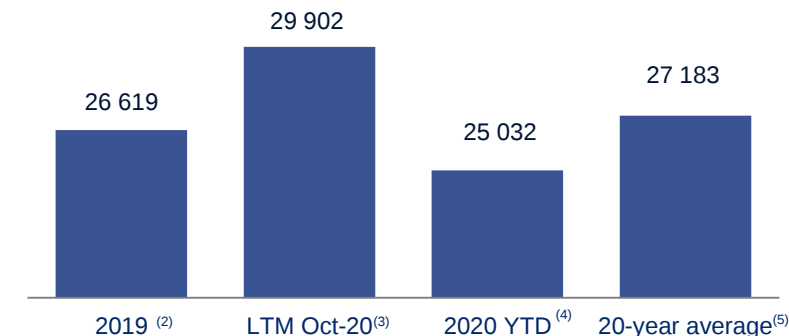
Tanker Orderbook as % of Tanker Capacity⁽¹⁾



- Responsible ordering trend to continue in light of growing regulatory and environmental pressure
- Increased retirement of inefficient / older vessels

Freight Rates are Leaning Towards 20-year Average

Aframax Spot Rate – average earnings (TCE equivalent)
US\$/day



- 2021E demand growth exceeding 2021E supply growth by approximately 1.6%⁽⁶⁾
- Demand-supply expected to tighten further beyond 2021
- Seasonally low period (3Q) to drive rate improvement
- Industry fundamentals support 20-year avg. rate outlook

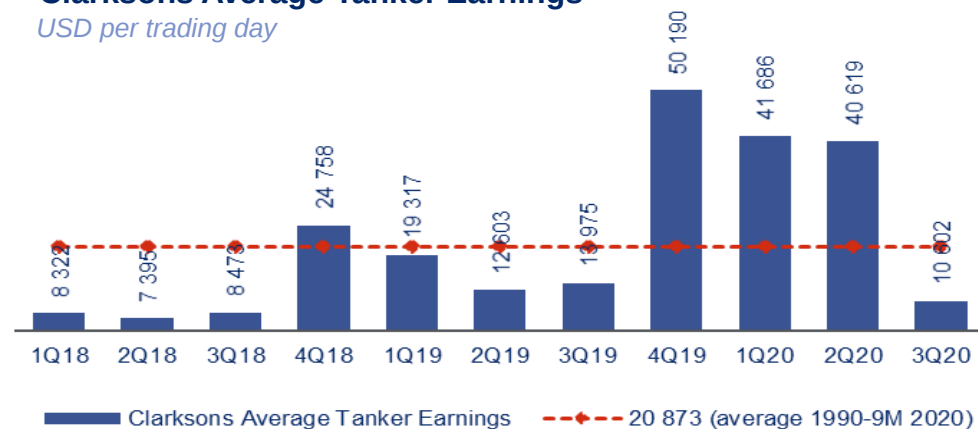
Source: Company data, Clarksons Research (November, 2020)

Note: All forward-looking information is sourced from Clarksons Research. (1) Includes both crude and oil product. (2) Based on annual average dayrate for Aframax tankers. (3) Average dayrate for Aframax tankers from November 2019 to October 2020. (4) Average dayrate for Aframax tankers from January to October 2020. (5) Average dayrate for Aframax tankers from November 2000 to October 2020. (6) Per Clarksons Research (November, 2020).

Conventional Tanker Business – Resilient Performance

Clarksons Average Tanker Earnings

USD per trading day



- After reaching record highs in the first half of 2020, the tanker market rates came under pressure in 3Q2020
- Third quarter is seasonally the lowest quarter due to the summer decline in crude oil and oil products demand in northern hemisphere
- Year 2020 seasonality effect more pronounced due to COVID-19 pandemic-driven impacts on demand

Track record of managing conventional tanker cycles

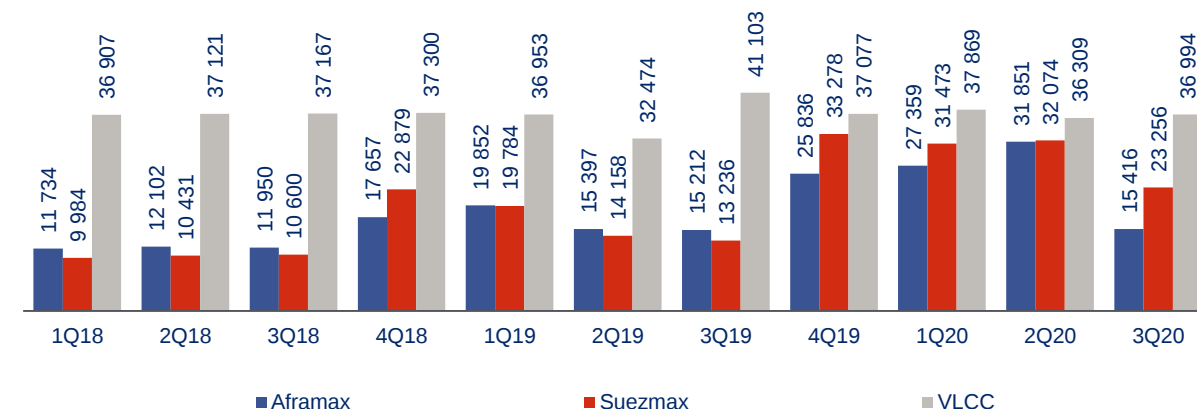
- 45% of conventional fleet in 9M 2020 employed under time-charter, allowing for cyclical resilience

Operational Excellence

- Uninterrupted service for customers: 95% fleet utilisation in YTD 2020.
- Established COVID-19 task force: focus on personnel health & safety

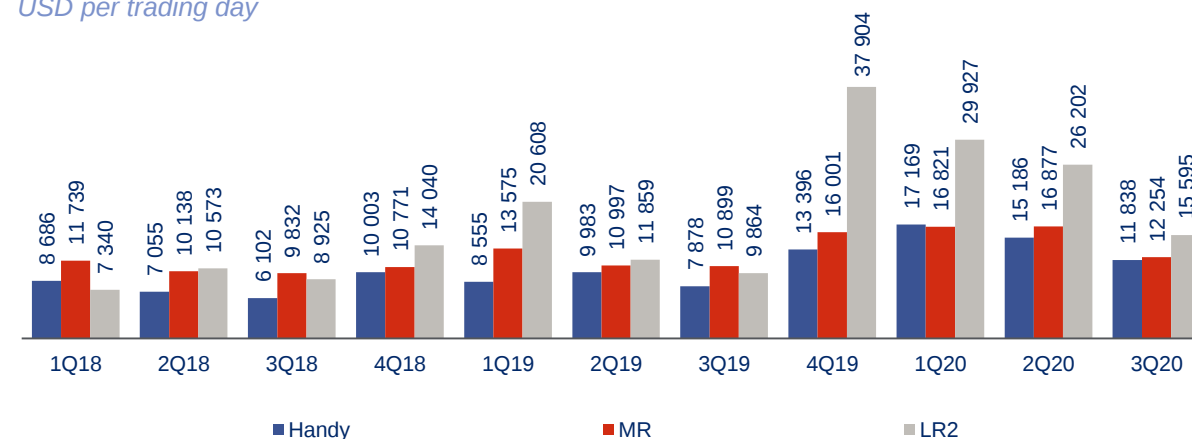
SCF Crude oil segment TCE rates achieved

USD per trading day

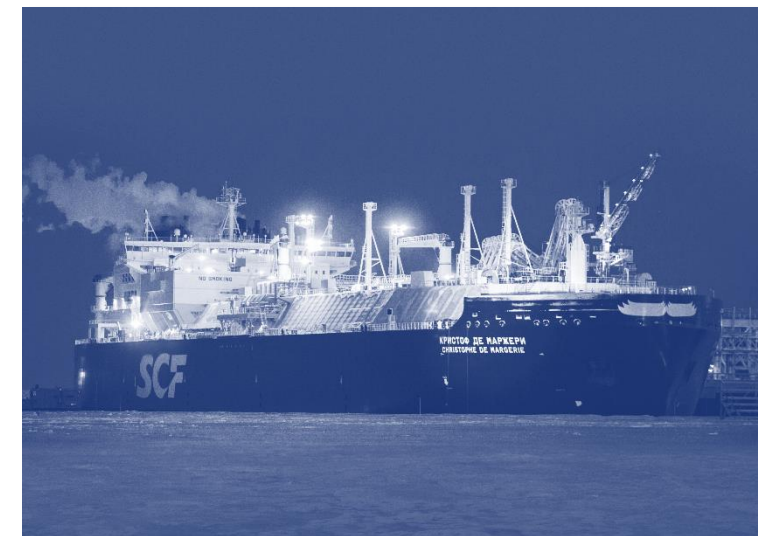


SCF Oil products segment TCE rates achieved

USD per trading day



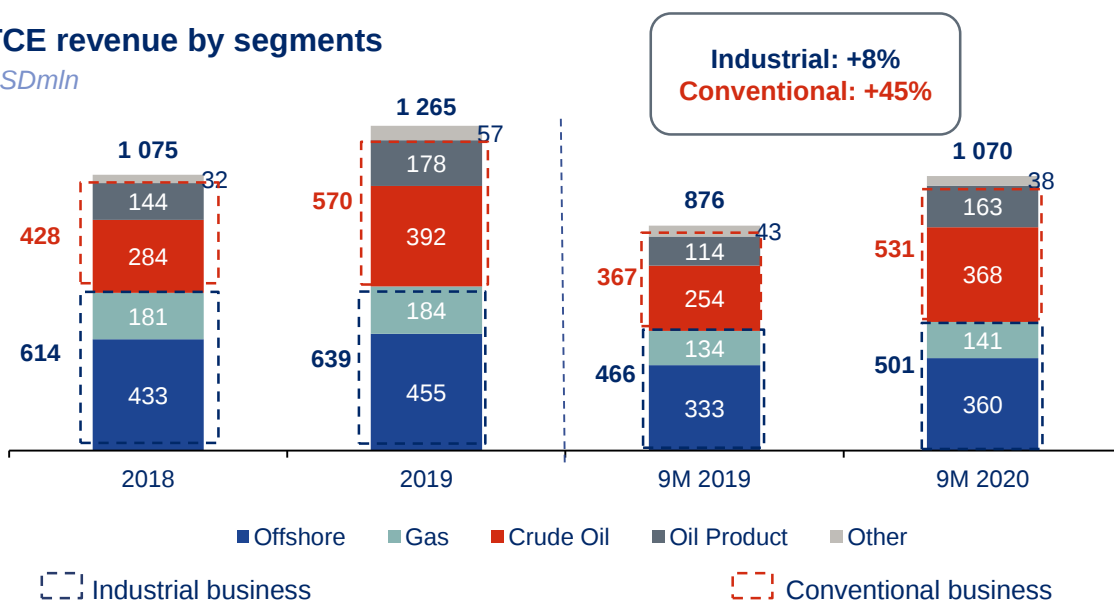
3. 9M and Q3 2020 Financial Highlights



Revenue analysis

TCE revenue by segments

USDmln

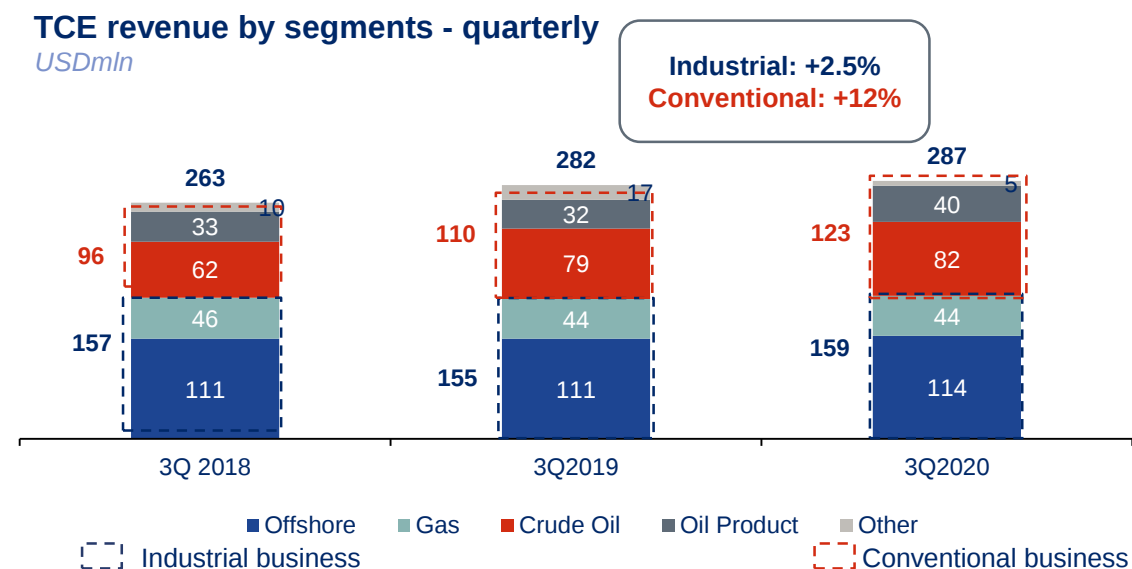


9 Months 2020 Highlights

- 45% growth to USD 531.0 mln of 9 months 2020 conventional tanker fleet TCE came on the back of strong freight market dynamics in the first six months 2020. The market has started to adjust in the third quarter 2020 due to seasonality and certain COVID-19 pandemic-driven demand destruction.
- SCF Group's industrial business portfolio, which provided a long-term fixed income revenue stream, contributed USD 501.3 mln to 9 months 2020 TCE revenue, delivering 8% YoY growth. It came as a result of two new LNG carriers employed under long-term contracts with international energy majors, delivered and put into operation.

TCE revenue by segments - quarterly

USDmln



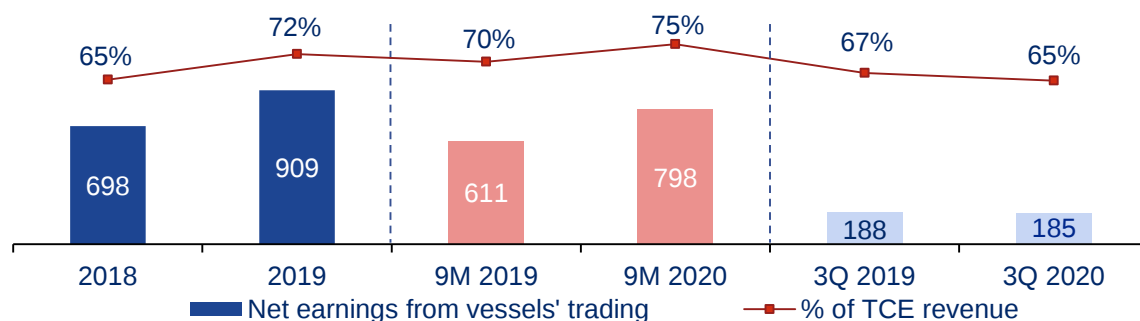
3Q 2020 Highlights

- Conventional business revenue in Q3 2020 of USD 123 mln grew by 12% from USD 110 mln in Q3 2019 helped by earlier secured TC contract cover
- Industrial segment revenue totaled USD 159 mln in 3Q2020 with growth slow down to 2.5% due to scheduled vessels' maintenance in both gas and offshore segments.

Profitability Profile

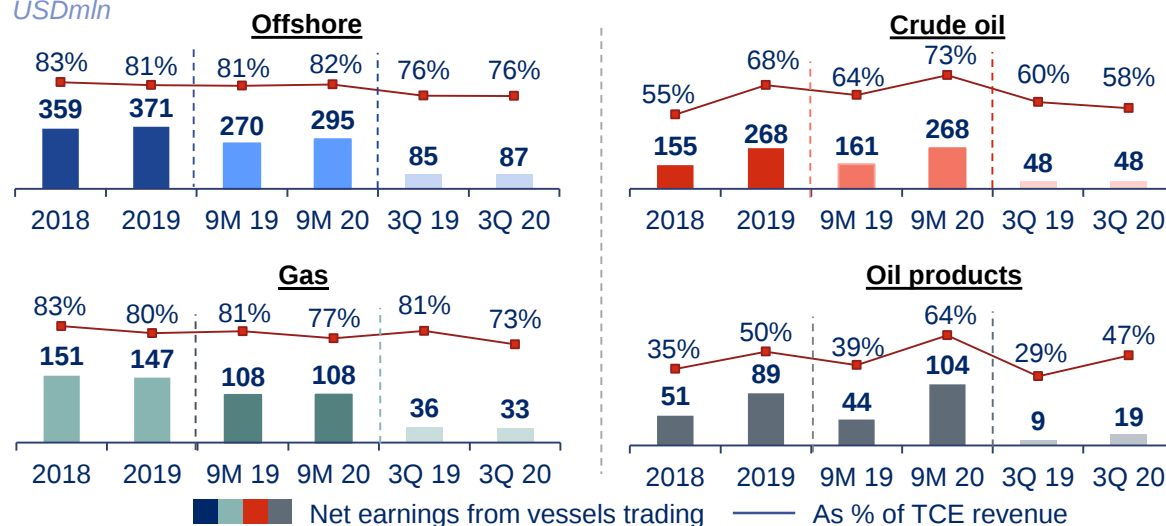
Net earnings from vessels' trading (consolidated)

USDmln



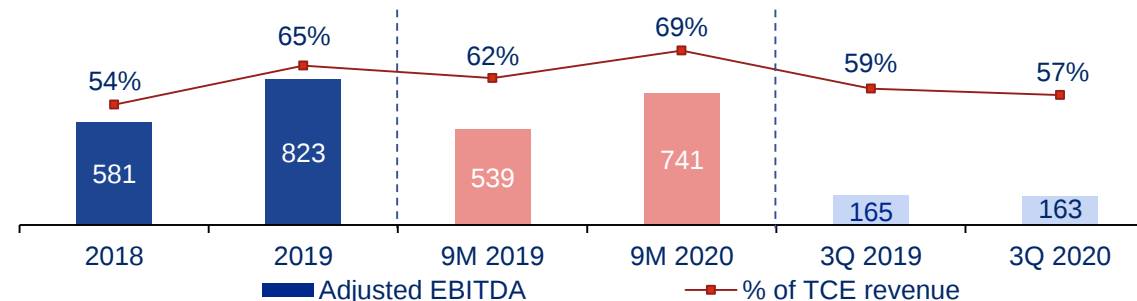
Net earnings from vessels' trading (by segments)

USDmln



Adjusted EBITDA (consolidated)

USDmln



Highlights

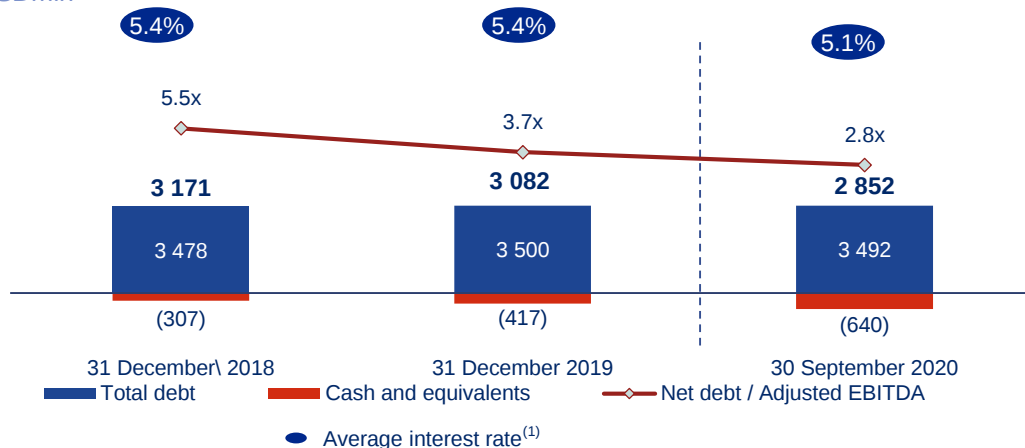
- The Company reports segmental profitability on the basis of Net earnings from vessels' trading, which is calculated as TCE revenue less direct OPEX
- Gas segment profitability declined YoY in 9M 2020 due to extended dry dock repairs, which have been delayed by lock downs in respective countries
- 9M 2020 EBITDA was supported by 19% YoY SGA decline affected by weaker RUB

Consistently strong SCF EBITDA margin supported by continuous expansion in higher margin industrial business

Debt Portfolio Structure

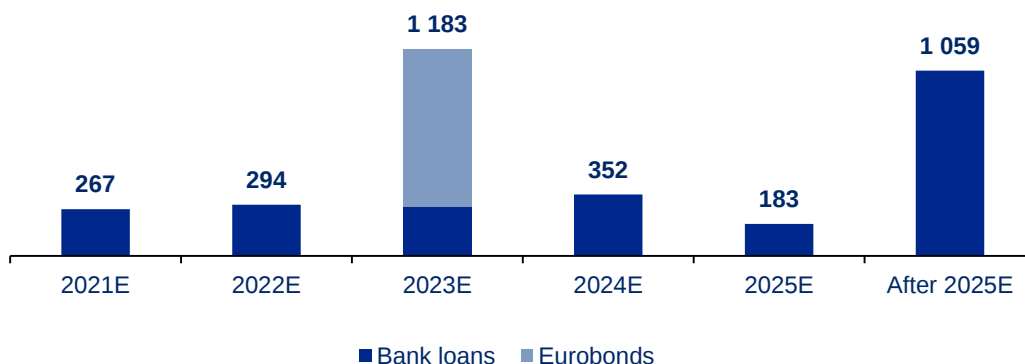
Net debt evolution

USDmln



Debt maturity profile (as of 30 September 2020)⁽²⁾

USDmln



Highlights

- The Company's debt portfolio is well-diversified across various types of debt instruments and capital providers
- Strong financial position of the Company with Net Debt/ adj. EBITDA ratio of 2.8x as of 30 September 2020
- 100% of the Company's debt is denominated in hard currencies (mostly USD) to be aligned with the revenue streams (no foreign exchange exposure)
- 69% of the Company's exposure to floating rates is hedged by interest rate swaps as at 30 September 2020
- Largely long-term debt structure with 80% of maturities after 2022
- Current relationships with over 20 financial institutions. USD 287 mln of refinancing deals signed in 3Q 2020 with international banks

MOODY'S
Ba1 / Stable

S&P Global
BB+ / Positive

FitchRatings
BB+ / Stable

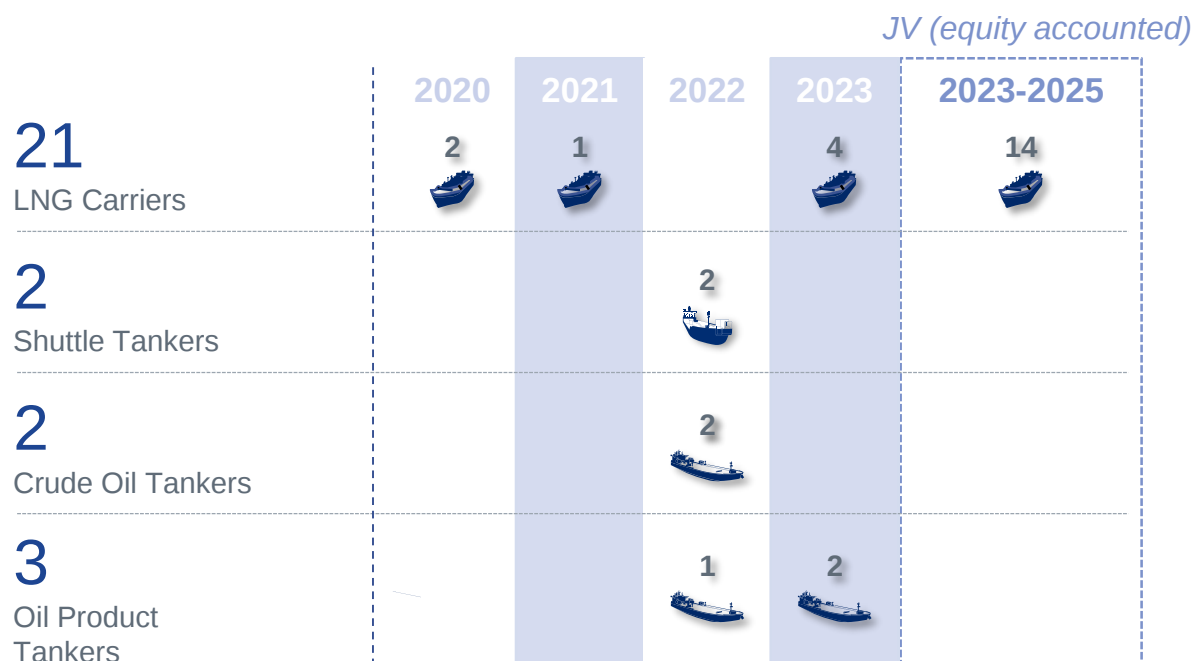
Strong financial position with access to multiple sources of debt, including international debt capital markets

Source: PAO Sovcomflot IFRS financials for 2016-2019, 9M 2019-9M 2020, Company data.

Notes: (1) Calculated as the financing costs divided by average of debt levels as of beginning and end of period. (2) Excluding finance lease.

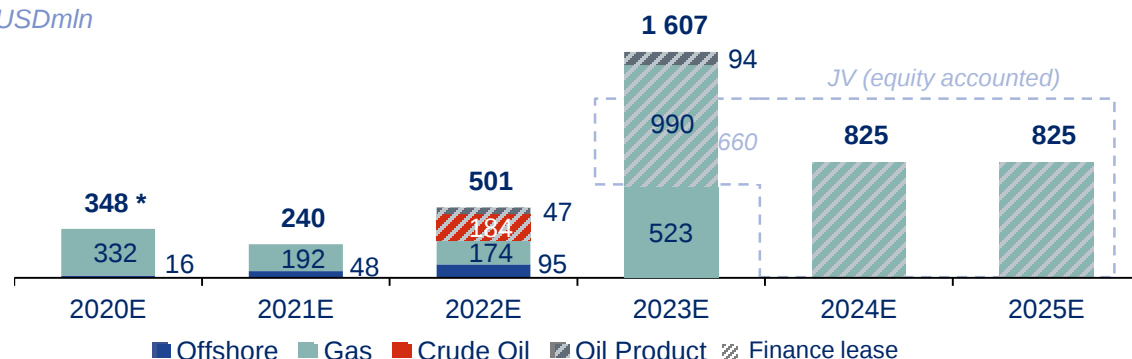
Cashflow, Capex and Dividends update

Contracted and recently delivered newbuilds



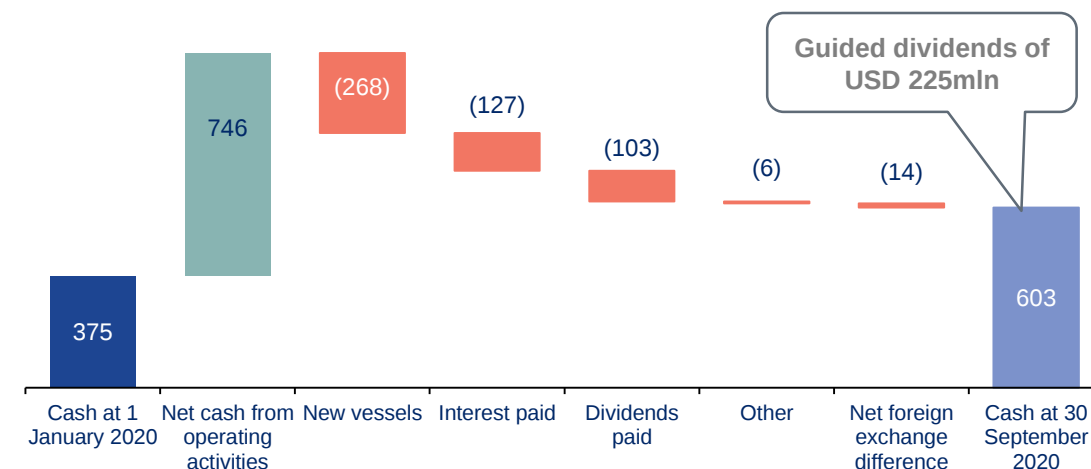
Contracted CAPEX payments to the shipyards for 2020E-2023E

USDmln



Cashflow breakdown

USDmln



Highlights

- Total on balance sheet capital expenditures for newbuildings - USD 1,171 mln
- Additional USD 655 mln of lease financed newbuildings
- Equity accounted JV's capital expenditures for newbuildings of USD 2,310 mln (SCF's share) are fully lease financed
- SCF targets paying dividends of 50% of its IFRS net profit, and reconfirms its dividend guidance for the year ended 31 December 2020 of USD 225 mln, subject to board and shareholders' approval

Financial Summary

(US\$m unless stated otherwise)	2018	2019	9M'19	9M'20	Growth	3Q'19	3Q'20	growth
Operating figures (excl. JVs)								
Total fleet, end of period (eop)	131	134	134	132	(1.5%)			
incl. ice-class vessels	78	81	81	80	(1.2)			
Deadweight	11,553	11,885	11,885	11,642	(2.0)			
Average age (years)	10.3	11.0	10.7	11.4	6.5%			
Key financials								
Freight and hire revenue	1,520	1,665	1,170	1,298	10.9%	376.5	347.0	(7.8%)
Voyage expenses and commissions	(445)	(400)	(294)	(228)	(22.4%)	(94.0)	(59.9)	(36.3%)
TCE revenue	1,075	1,265	876	1 070	22.1%	282.5	287.1	1.6%
Direct operating expenses	(377)	(356)	(265)	(272)	2.6%	(94.2)	(101.7)	8.0%
Net earning from vessels trading	698	909	611	798	30.6%	188.3	185.4	(1.5%)
as % of TCE revenue	65%	72%	70%	75%	5.0 p.p.	66.7%	64.6%	(2.1 p.p.)
% of profits in equity-acc. investments	3	16	9	14	55.6%	3.1	0.7	(77.4%)
Adjusted EBITDA⁽¹⁾	581	823	539	741	37.5%	165.4	162.8	(1.6%)
as % of TCE revenue	54%	65%	62%	69%	7.0 p.p.	58.5%	56.7%	(1.8 p.p.)
Adjusted profit⁽²⁾	7	251	122	266	118.0%	26.3	7.5	(71.5%)
as % of TCE revenue	1%	20%	14%	25%	11.0 p.p.	9.3%	2.6%	(6.7 p.p.)
Net profit	(46)	225	117	249	112.8%	25.9	23.1	(10.8%)
as % of TCE revenue	(4%)	18%	13%	23%	(10.0 p.p.)	9.2%	8.0%	(1.2 p.p.)
Debt	3,478	3,500	3,552	3,492	(1.7%)			
Cash and equivalents	307	417	341	640	87.7%			
Book value of equity	3,350	3,505	3,391	3,601	6.2%			
Net Debt ⁽³⁾	3,171	3,082	3,211	2,852	(11.2%)			
Net Debt / Adjusted EBITDA	5.5x	3.7x	4.5x	2.8x	(37.8)			
Gross CAPEX ⁽⁵⁾	420	426	400	323	(19.3%)			
Total dividends paid	30	25	25	103	312%			

Revenue

- Sustainable revenue stream due to significant share of long-term contracts and diversification across various business segments
 - Industrial segments, in aggregate accounting for up to 46.9% of TCE revenue in 9M 2020, create ground for stable performance through the cycle
- TCE revenue for 9M 2020 increased by 22% compared to 9M 2019, to US\$1 070m against US\$876m
- All revenues are denominated in US\$

OPEX and profitability

- In 9M 2020, direct operating expenses remained stable y-o-y
- Adj. EBITDA margin increase of 7p.p. (69% in 9M 2020 vs. 62% in 9M 2019) is driven by continued and sustainable growth of the industrial business segments, as well as a strong performance of the conventional tanker fleet in the first half of the year.

CAPEX

- SCF has been focusing on increasing its exposure to the industrial segment by acquiring specialized vessels backed up by long-term contracts, while in the conventional segment it selectively acquires LNG-fueled vessels for selected clients
- SCF has USD 4.1 bn orderbook for the next 3 years

Leverage

- Improved leverage position (from 3.7x on 31-Dec-2019 to 2.8x on 30-Sep-2020 of Net Debt / Adj. EBITDA)
- Strong liquidity profile with US\$640m of total cash and bank deposits as of 30 September 2020
- Access to multiple sources of debt, incl. international debt capital markets

Source: PAO Sovcomflot IFRS financials for 2017-2019, 9M 2019-9M 2020.

Notes: (1) 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. (2) Net profit/loss adjusted on fleet and other assets impairment and non-operating income/expense. (3) Net debt includes total secured bank loans, other loans and finance lease liabilities after deducting cash and bank deposits and restricted cash. (4) Calculated on LTM basis. (5) Gross capex is defined as expenditure on fleet, vessels under construction, other PP&E, investments in JV and fleet acquisition.

4. Questions and Answers



5. Appendix



SCF Projects and Trading Map

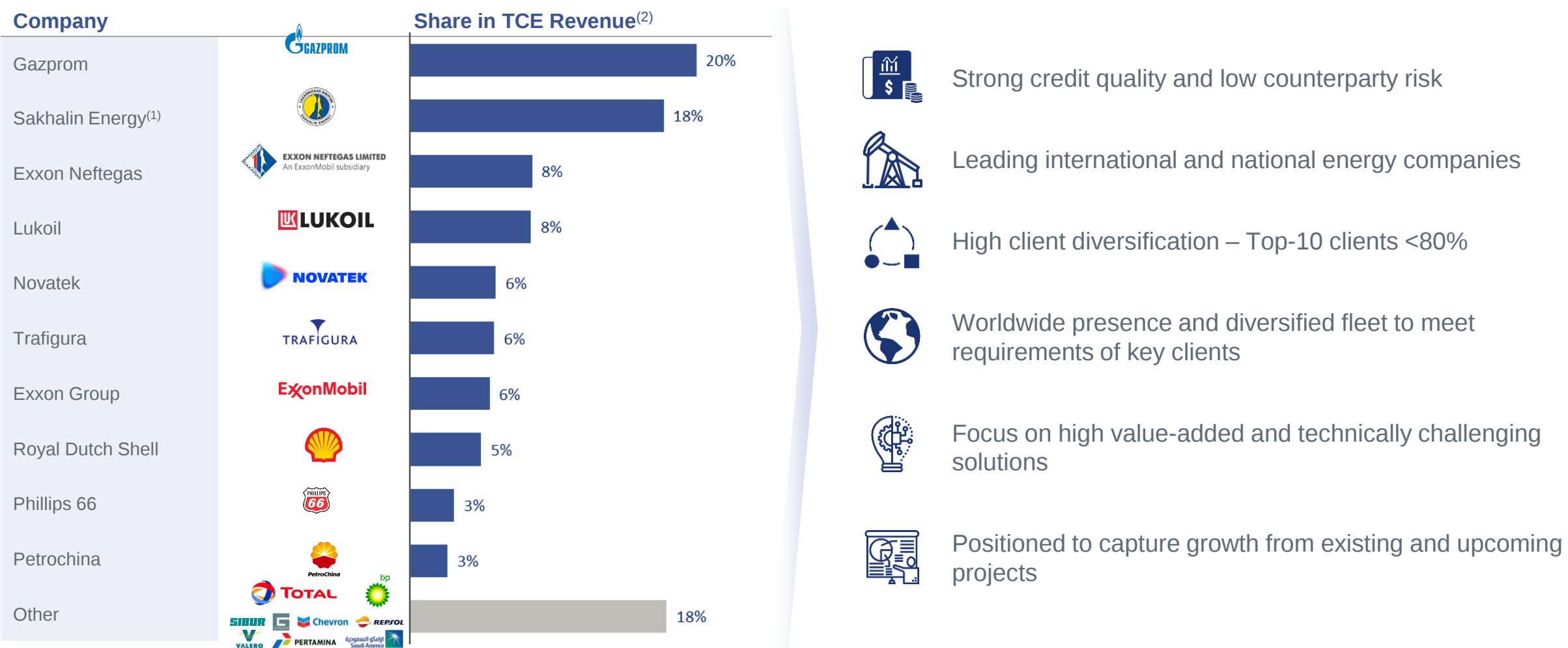
Provider of “floating pipeline” critical infrastructure for global energy suppliers to connect to their customers



Long-Established Relationships with “Blue-Chip” Customers

Diversified customer profile and established relationships with leading international and national energy companies

Key Customers



Source: Company data.
Notes: (1) Gazprom owns 50%+1 share but Sakhalin Energy operates under the production sharing agreement. (2) For 9M2020.

Culture of Safety, Environmental Responsibility and Innovation

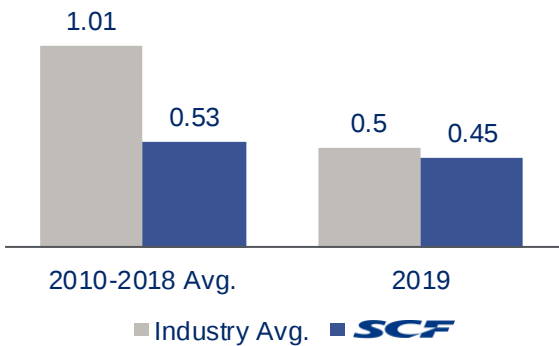


Safety Comes First®

Globally recognised strong safety record, employee retention, environmental track record and culture of innovation

Strong Safety Track Record

Lost Time Injury Frequency



Integrated Safety Management



ISM Code

Ship Operations



ISO 14001

Environment Management



ISO 9001

Quality Assurance

Investing in Human Capital

Seagoing Personnel Top Priority⁽¹⁾

>200 cadets

Hired / Trained Annually



Access to Seafarers from
Russian Maritime Academies

96%

Officer Retention

>11 years

Avg. Experience of Masters

Environmental Responsibility

Commitment to Shipping Industry's Decarbonisation

5%

Reduction in CO₂ Emissions⁽²⁾



16%

Growing Share of LNG Fuel
in Total Ship Fuel Consumed⁽¹⁾



Environmental Award Winner

Culture of Innovation

Cutting-edge Vessels

1st in the world

LNG-fuelled Aframax Crude Oil Tanker



1st in the world

Ice-breaking LNG Tanker



Source: Company data.
Note: (1) As of 31 December 2019. (2) End 2019 vs. end 2018.

Highly Regarded Management Team and Strong Governance

Internationally Recognised and Highly Experienced Management

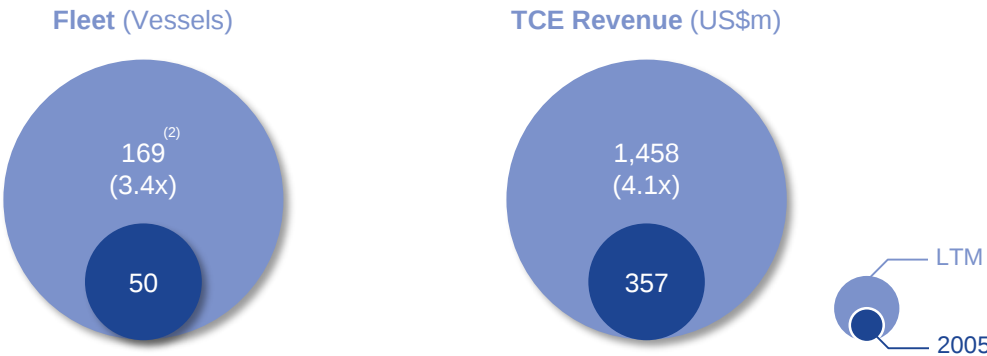
25+ Years **average industry experience**⁽¹⁾

 Track record of **successful execution** of large complex projects, innovative vessel designs, acquisition integrations and financings

 Successful diversification into **industrial segments**

 **LTIP aligning interests** of shareholders and management both ashore and at sea

Sustainable Growth Track Record under Current Management



Awards



Source: Company data.
Note: (1) For Executive Board members. (2) As of 30 September 2020, excluding newbuilds.

Track Record of Public Company Governance and Disclosure

1st
Russian SOE introduced INEDs

4
Board Committees

3/11
INEDs on Board of Directors


History of Public Company Disclosure Standards

Board Committees

 Strategy Committee
2 INEDs out of 7

 HR and Compensation Committee
2 INEDs out of 3

 Audit Committee
2 INEDs out of 3

 Committee for Innovative Development and Technical Policy
1 INED out of 4