

Message from the Chairman of the Board of Directors



2019 was the first year of implementation of our new strategy through to 2025 – Strategy 2025. This strategy is consistent with the successfully implemented Strategy 2005-2010 and Strategy 2011-2018. It retains the focus on further aligning SCF Group's business model with the servicing of long-term industrial projects, while maintaining pre-eminence in our traditional segments of the conventional tanker market. To achieve this we will need to further strengthen our technological leadership and operational excellence.

Strategy 2025 continues our adherence both to our guiding principles of doing business in a responsible manner, for which SCF has gained a strong reputation within the global shipping and offshore industries, and to our spirit of innovators and explorers, which has led us to introduce several game-changing vessels and trading routes over the recent years.

Strategy 2025 goes further by acknowledging some fundamental changes to the mechanics of the global economy, the constraints governing the development of the energy sector and how they may impact the economics of global shipping and last but not least, the environmental challenge to shipping itself and its environmental footprint for the future.

The Board was very pleased with the financial and operational results from the first year of Strategy 2025. In 2019, the Group achieved all its key performance targets, whilst substantially outperforming on several.

In 2019, SCF's net profit climbed to USD 225.4 million and, in accordance with our dividend policy, this enabled a significant RUB 7.18 billion dividend payment to be distributed to our Shareholder.

In the reporting period, the Board remained committed to incorporating sustainable business practices across the Group. Strategy 2025 details our sustainability priorities, namely: ensuring the highest possible safety and quality standards of our services; reducing the Group's environmental impact; remaining supportive and responsible towards communities and maritime clusters we operate in; supporting maritime education and research, and retaining and developing our human capital, which remains our most valuable asset.

We have made it our priority to reduce the emissions footprint of our operations and made significant progress during the year. All vessels delivered to SCF Group in 2019 comply with both existing and anticipated environmental regulations and requirements. Similarly, all future vessels added to our order book during the year are, without any exaggeration, the smartest and most technically advanced in their categories. In 2019, we became one of the first shipowners to support the Poseidon Principles, an initiative launched by leading international banks to promote environmentally responsible shipping.

The Board of Directors would like to express its gratitude to all of SCF's partners and clients for their continued support and collaboration and for entrusting us with their valuable cargoes and service requests. On behalf of the Board, I would like to thank our masters and crews across the whole of our fleet, and likewise, our shorebased personnel, for their continued dedication and excellent performance in 2019.

Sergey Frank
Chairman
of the Board of Directors
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