

5.2. Distribution of profit

In relation to the distribution of net profit and the payment of dividends, PAO Sovcomflot is governed by Instructions No. 774-r of the Russian Government dated 29 May 2006 “On Establishing the Position of the Shareholder – the Russian Federation in Joint-Stock Companies” as well as the Regulations on the Dividend Policy of PAO Sovcomflot.

Main areas of expenditure of the 2018 net profit

Area	Amount	Comment
Amount of dividends transferred to the federal budget	RUB 1,435 million	Paid from the 2018 profit
Amount allocated to the reserve fund	0	The reserve fund is fully formed
Amount allocated to other funds and their names	0	There are no other funds
Amount allocated to implement investment projects	RUB 1,435 million	Recapitalisation of subsidiaries to finance the vessels under construction (hulls S923 and S924)

A resolution regarding the allocation of the financial result for the reporting year¹, including the dividend payment for 2019, will be adopted at the Annual General Meeting of Shareholders in 2020.

¹ For more information on the income statement see section [3.4, Financial results](#).