

## 2.4. Key performance indicators of the Long-Term Development Programme

The table below shows the attainment of targets set by the PAO Sovcomflot LDP for 2019 broken down by approved KPIs.

### Attainment of KPI targets set by the LDP in 2019<sup>1</sup>

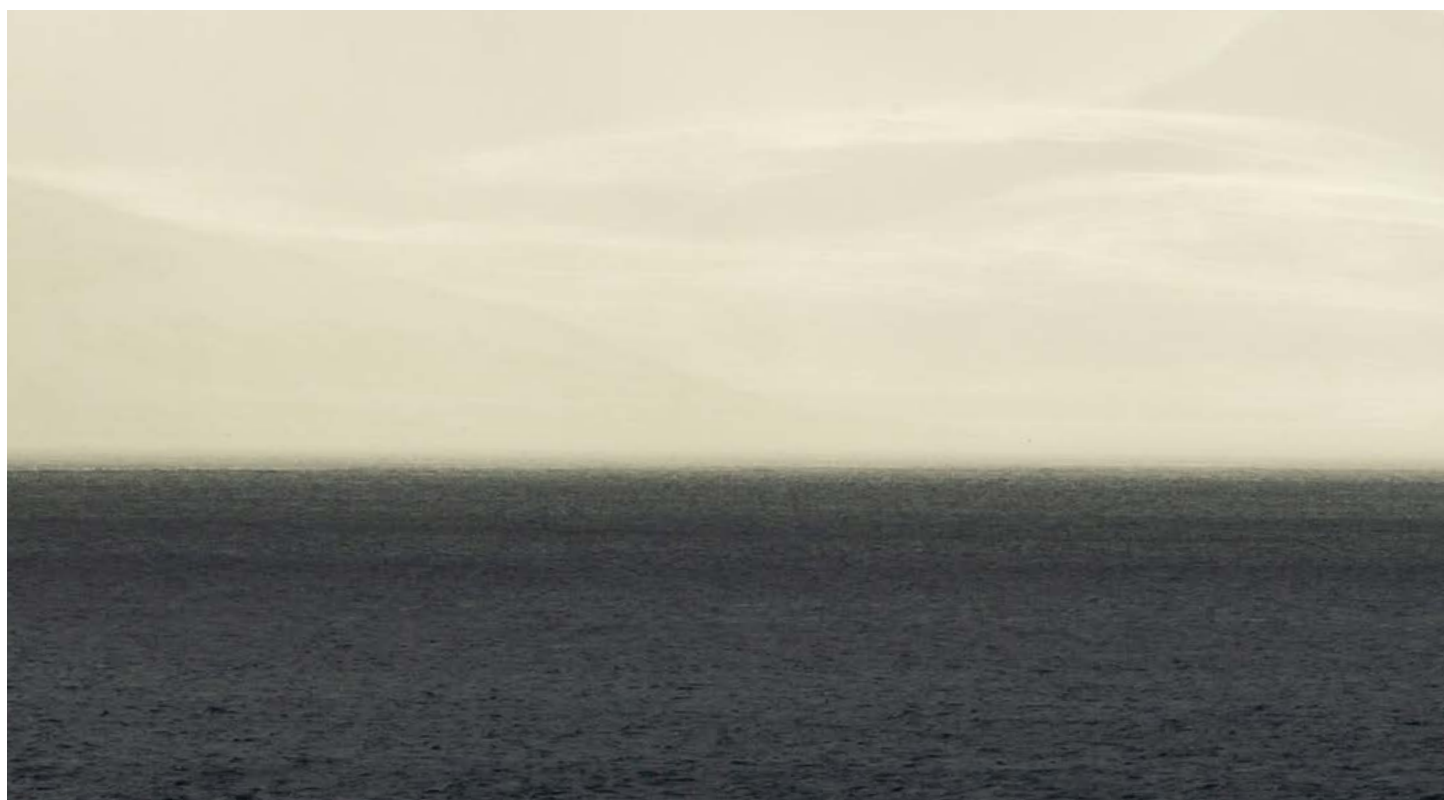
Nº	KPI	Target value (basic scenario)	The lowest scenario	Actual value	Comments
1	Net revenue (time charter equivalent income), USD million	≥1,560	≥1,230	1,337.51	The main reasons for the deviation <sup>2</sup> : <ul style="list-style-type: none"> <li>Significant changes in global geopolitics and in the macroeconomic and industrial environment that have taken place since the approval of the current version of LDP in 2014 and have affected the prospects for implementing the projects embedded in the LDP;</li> <li>Unfavourable freight market conditions.</li> </ul>
2	Profit/loss, USD million	≥350	≥130	225.38	
3	EBITDA margin, %	≥65 %	≥64 %	68.39 %	
4	EBITDA, USD million (for reference)	≥1 020	≥790	914.77	
5	Total dividends (index of dynamics of dividend payments vs. average level during the past three years), %	≥100 %	100 %	208.92 %	
6	Return on Invested Capital (ROIC), %	≥6.6 %	≥5.3 %	6.11 %	
7	Return on Equity (ROE), %	≥7.3 %	≥4.1 %	6.73 %	
8	Net Debt / EBITDA	≤8	≤8	3.58	Attained
9	Utilisation efficiency of fixed assets (fleet), %	≥95 %	≥95 %	96.82 %	Attained
10	Implementation of the innovative development programme, %	≥100 %	≥100 %	105.57 %	Attained

<sup>1</sup> Except for items 5, 9 and 10, target and actual KPI values are calculated using proportional consolidation of the results of joint venture operations according to the methodology approved by the Board of Directors on 10 December 2014 (Minutes of the Board of Directors No. 140 dated 12 December 2014).

<sup>2</sup> Relevant to items 1, 2, 4, 6, 7

The table below shows the attainment of targets set by the PAO Sovcomflot LDP for 2019 compared to the previous year.

No.	KPI	Actual for 2018	Actual for 2019
1	Net revenue (time charter equivalent income), USD million	1,138.05	1,337.51
2	Profit/loss, USD million	- 45.56	225.38
3	EBITDA margin, %	54.40 %	68.39 %
4	EBITDA, USD million (for reference)	619.10	914.77
5	Total dividends (index of dynamics of dividend payments vs. average level during the past three years), %	46.42 %	208.92 %
6	Return on Invested Capital (ROIC), %	2.75 %	6.11 %
7	Return on Equity (ROE), %	- 1.34 %	6.73 %
8	Net Debt / EBITDA	5.48	3.58
9	Utilisation efficiency of fixed assets (fleet), %	97.85 %	96.82 %
10	Implementation of the innovative development programme, %	114.07 %	105.57 %



### Attainment of targets set by the PAO Sovcomflot LDP broken down by approved KPIs on average for 2015-2019<sup>1</sup>

No.	KPI	Target value (basic scenario)	The lowest scenario	Actual	Comments
1	Net revenue (time charter equivalent income), USD million	≥1,401.78	≥1,201.78	1,225.63	Actual between the basic and lowest scenario
2	Net profit, USD million	≥262.74	≥92.74	125.63	
3	EBITDA margin, %	≥61.86 %	≥60.06 %	60.29 %	Actual is comparable to the lowest scenario (the margin is less than 2 %)
4	EBITDA, USD million (for reference)	≥876.16	≥722.16	745.89	Actual between the basic and lowest scenario
5	Total dividends (index of dynamics of dividend payments vs. average level during the past three years), %	≥100.00 %	≥100.00 %	135.03 %	Attained
6	Return on Invested Capital (ROIC), %	≥6.03 %	≥4.49 %	4.83 %	Actual between the basic and lowest scenario
7	Return on Equity (ROE), %	≥6.16 %	≥2.64 %	3.88 %	
8	Net Debt / EBITDA	≤8.00	≤8.00	4.54	Attained
9	Utilisation efficiency of fixed assets (fleet), %	≥95.00 %	≥95.00 %	97.36 %	Attained
10	Implementation of the innovative development programme, %	≥100.00 %	≥100.00 %	113.80 %	Attained

<sup>1</sup> Except for items 5, 9 and 10, target and actual KPI values are calculated using proportional consolidation of the results of joint venture operations according to the methodology approved by the Board of Directors on 10 December 2014 (Minutes of the Board of Directors No. 140 dated 12 December 2014).

