



JOINT-STOCK FINANCIAL CORPORATION
SISTEMA

Sistema PJSFC Financial Results 3Q 2020

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DISCLAIMER



Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within Sistema PJSC. The words “expect”, “estimate”, “intend”, “will”, “could” and similar expressions identify forward-looking statements. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the above-mentioned date or to reflect the occurrence of unanticipated events. Many factors could cause Sistema's actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, deteriorating economic and credit conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, as well as many other risks specifically related to Sistema and its operations.



FINANCIAL REVIEW

HIGH PACE OF BUSINESS GROWTH AND DECREASE IN FINANCIAL LIABILITIES



Results of portfolio companies

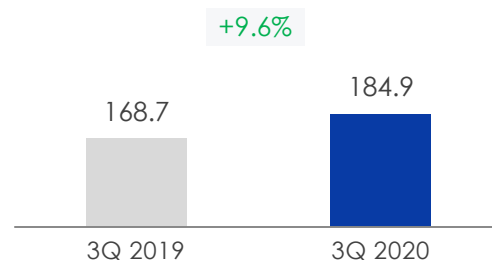
- **Revenue** grew significantly year-on-year¹ in 3Q 2020, driven by the strong results of MTS, Segezha Group, Steppe and Medsi.
- **Adj. OIBDA** significantly increased year-on-year in 3Q 2020 on the back of the growth in adj. OIBDA at MTS, Segezha Group and Steppe and due to the gain from the sale of Detsky Mir shares in September 2020.

Key events in 3Q 2020 and after the reporting period

- In September 2020, Sistema **fully disposed of its shareholding in Detsky Mir** through a public offering, with proceeds amounting to **RUB 16.9 bln.**
- In September 2020, Expert RA rating agency **upgraded Sistema's credit rating** by two notches to **ruAA-**, and S&P rating agency upgraded Sistema's credit rating to **BB.**
- In November 2020, Sistema attracted the first **ESG financing** from Sberbank. Under **RUB 10 bln** credit line interest rate on each loan could be tied to sustainability performance.
- In November 2020, Ozon held an **initial public offering (IPO)** of its American Depositary Shares (ADSs) on NASDAQ and obtained listing of the ADSs on the Moscow Exchange. Gross proceeds to the company, including the underwriters' overallotment option and the concurrent private placement, where Sistema participated and invested USD 67.5 million, amounted to **approx. USD 1.25 billion.** Upon completion of the IPO, fulfilment of the private placement agreement and conversion of the convertible loans previously provided to. Ozon, Sistema's total stake in Ozon will amount to at least **33.1%**⁵

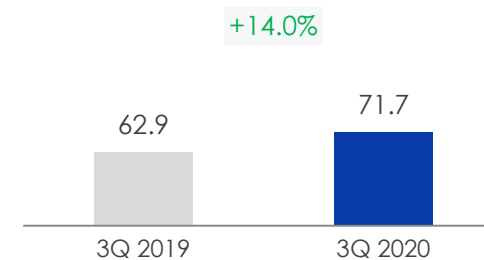
Consolidated revenue

RUB bln

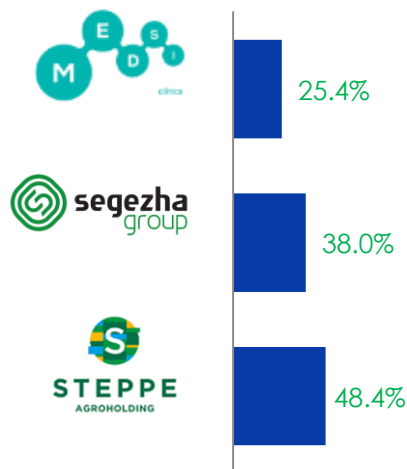


Adj.² OIBDA

RUB bln

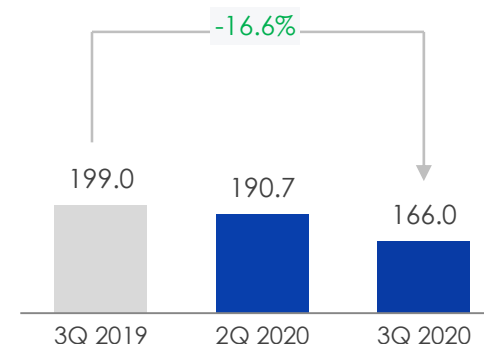


Assets leading by revenue growth year-on-year in 3Q 2020



Net financial liabilities at Corporate Centre^{3,4}

RUB bln



¹ Hereinafter results for 3Q 2019 are presented to reflect the reclassification of assets of Detsky Mir and MTS's business in Ukraine as part of discontinued operations, and divestiture of AGK Yuzhny.

² Hereinafter please see Appendix A of the financial results press-release for 3Q 2020.

³ Source: Management accounts.

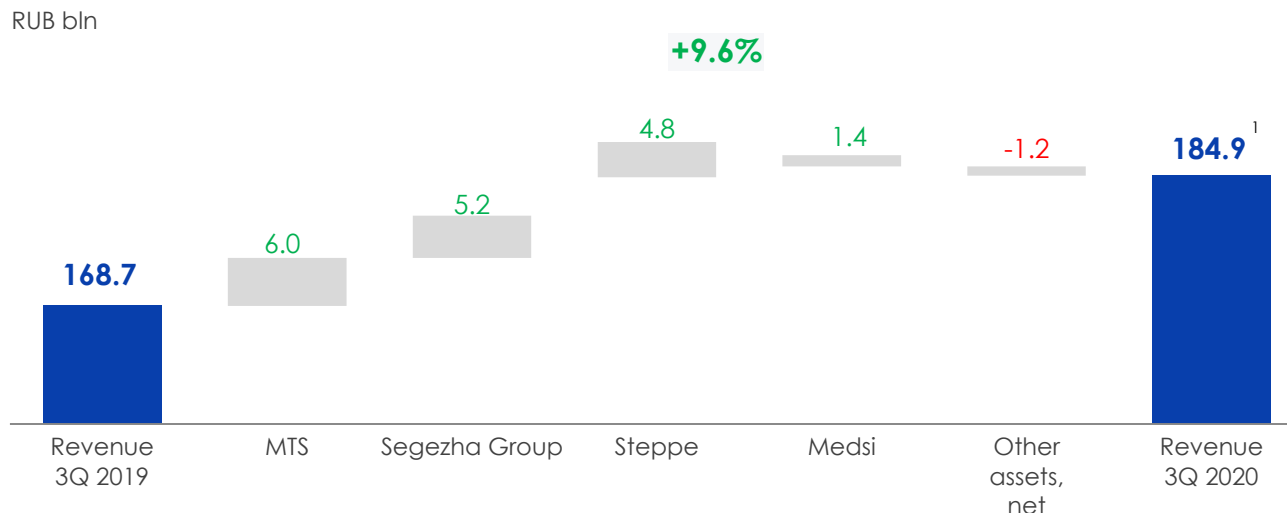
⁴ Including total borrowings, liability to Rosimushchestvo, financial lease net of cash and cash equivalents at the Corporate centre level.

⁵ Assuming 4,472,969 ordinary shares issuable upon exercise of outstanding vested share-based awards under the employee incentive program of Ozon.

FINANCIAL REVIEW: 3Q 2020



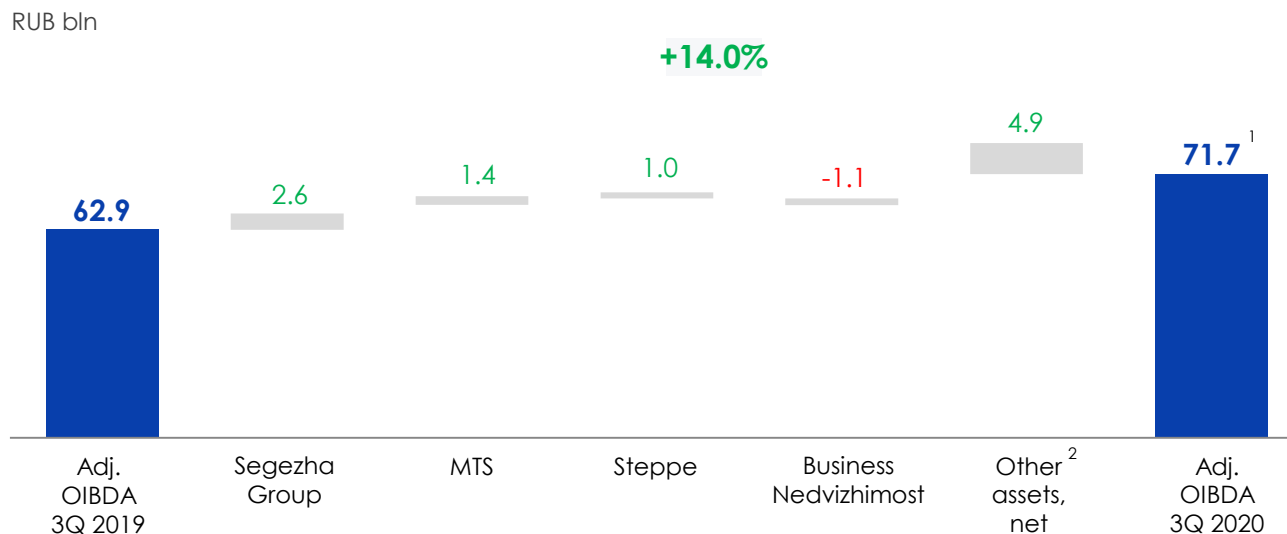
Revenue: 3Q 2020



MTS: growth in mobile service revenue and revenue from other segments (Fintech, Media and B2B Digital & Cloud); increase in adj. OIBDA following revenue growth and reduced commercial and personnel expenses, and despite a fall in revenue from international roaming.

Segezha Group: strong growth in revenue and OIBDA, driven by increased production and sales of paper and sawn timber, and impacted by rouble depreciation.

Adj. OIBDA: 3Q 2020



Steppe: significant growth in revenue and OIBDA due to increased sales of agricultural products and higher grain prices, as well as positive dynamics in the Dairy Farming segment.

Medsi: increase in revenue and OIBDA due to the deferred demand for medical services, growth in revenue from diagnostics and the treatment of COVID-19, and development of home care services.

Business Nedvizhimost: decrease in revenue and OIBDA due to the completion of the commercial real estate sales programme.

¹ Numbers may not add up due to rounding.

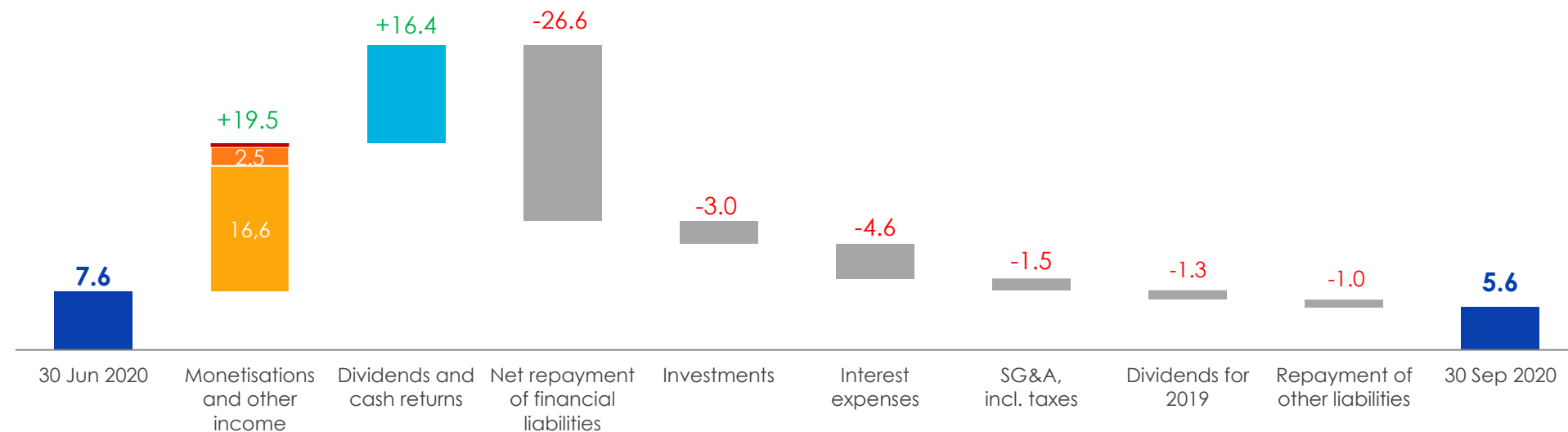
² The dynamics of the Group's adj. OIBDA in 3Q 2020 were affected by the reflection of the financial result from the sale of Detsky Mir shares in September 2020 in the amount of RUB 3.7 bln, and the reflection of the Group's share in reduction of Ozon's net loss in the amount of RUB 0.2 bln (in 3Q 2020 the loss amounted to RUB 1.6 bln, in 3Q 2019 – RUB 1.8 bln).

CASH FLOWS AT THE CORPORATE CENTRE



RUB bln

- Placement of Detsky Mir shares
- Participation in the MTS buyback programme
- Other income



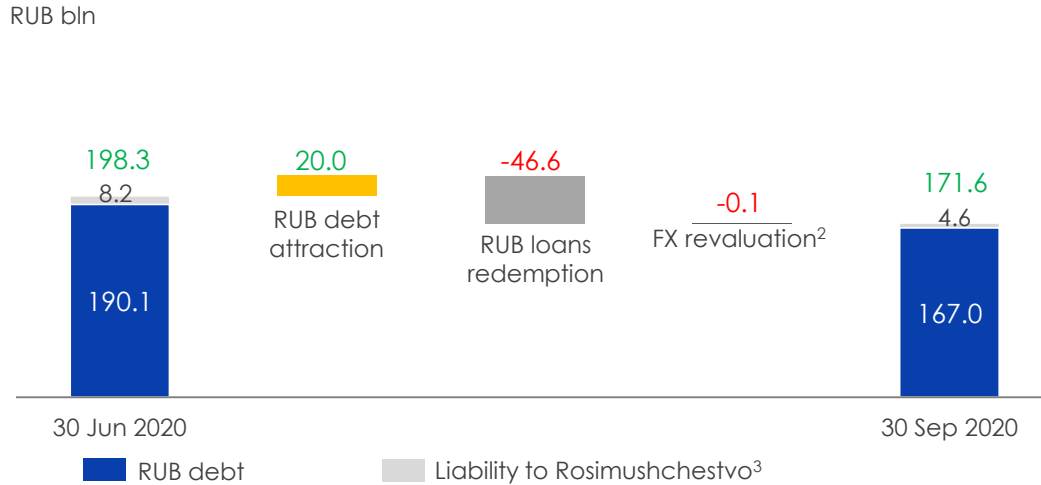
- **Cash inflows** in 3Q 2020 were driven primarily by the placement of Detsky Mir shares (RUB 16.6 bln), participation in the MTS buyback programme (RUB 2.5 bln), and MTS dividends (RUB 15.8 bln).
- The change in **financial liabilities** was due to the issue of series 001P-14 bonds (RUB 10 bln) and series 001P-15 bonds (RUB 10 bln), as well as repayment of bank loans in the amount of RUB 31.9 bln and repayment of the liability to Rosimushchestvo in the amount of RUB 4.1 bln. In addition, the repurchase of series 001P-06 bonds in the amount of RUB 4.4 billion and series 001P-09 bonds in the amount of RUB 6.2 bln was completed.
- **The total volume of investments** in 3Q 2020 amounted to RUB 3.0 bln, including the purchase of Etalon Group shares and investments in promising projects and startups through the platform of funds.
- **Interest expenses** were due to interest payments on loans and coupon payments on local rouble bonds.
- **Dividend payments** for FY 2019 amounted to RUB 1.3 bln.

Source: Management accounts. Numbers may not add up due to rounding.

CORPORATE CENTRE'S FINANCIAL LIABILITIES

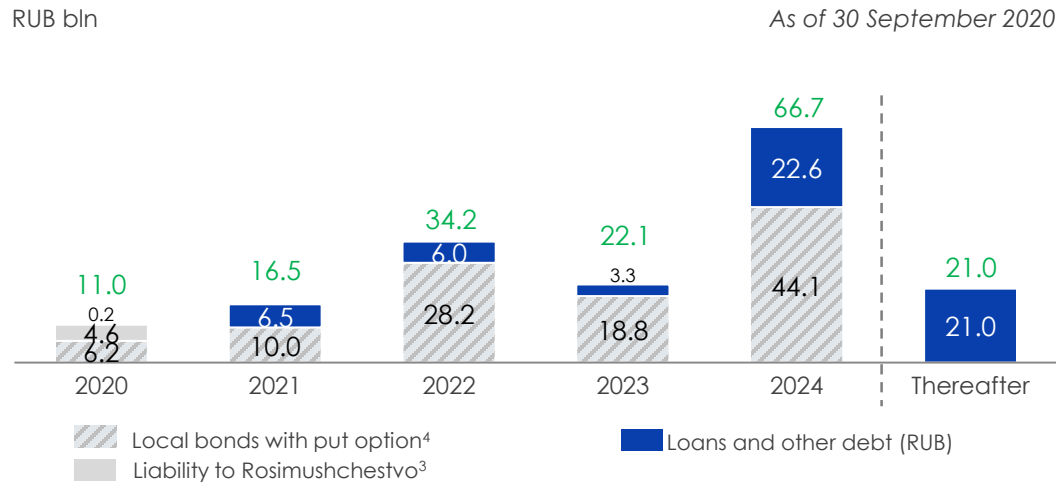


Corporate Centre's financial liabilities¹

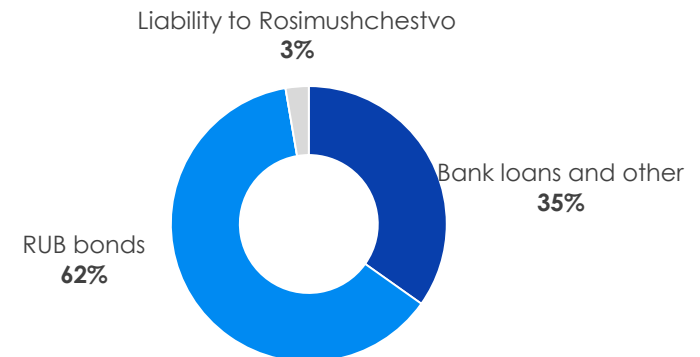


- Active participation in the domestic capital market allowed Sistema to significantly **reduce the average interest rate** of the debt portfolio, **extend its maturity** and establish a **comfortable repayment schedule**.
- In 3Q 2020, the Corporation's financial liabilities decreased to **RUB 171.6 bln** due to the repayment of rouble-denominated loans and repayment of liabilities to Rosimushchestvo.
- As of 30 September 2020, the share of rouble-denominated financing stood at **97%** of the Corporate Centre's financial liabilities.

Comfortable repayment schedule



Structure analysis¹



¹ Hereinafter the Corporate Centre's financial liabilities are presented based on management accounts.

² Including other non-cash flows.

³ As of the end of 3Q 2020, USD-denominated liability to Rosimushchestvo for shares of SSTL are presented at the RUB/USD exchange rate as of 30 September 2020.

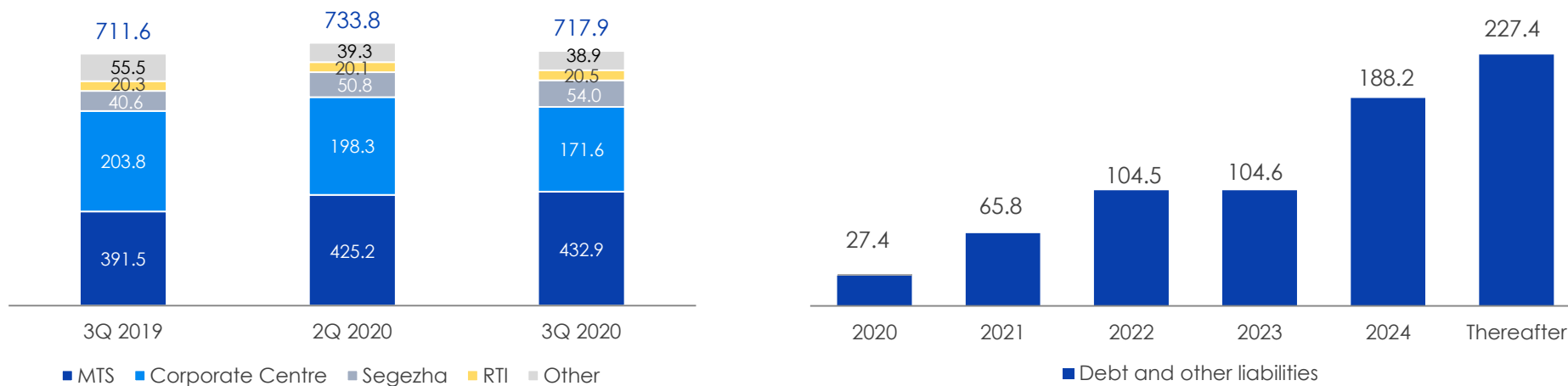
⁴ RUB series 001P-04 bonds with a put option in 2020; 001P-07 with a put option in 2021; 001P-01, 001P-06, 001P-09 and 001P-10 with a put option in 2022; 001P-11 and 001P-14 with a put option in 2023; 001P-05, 001P-08, 001P-12, 001P-13 and 001P-15 with a put option in 2024.

CONSOLIDATED FINANCIAL LIABILITIES



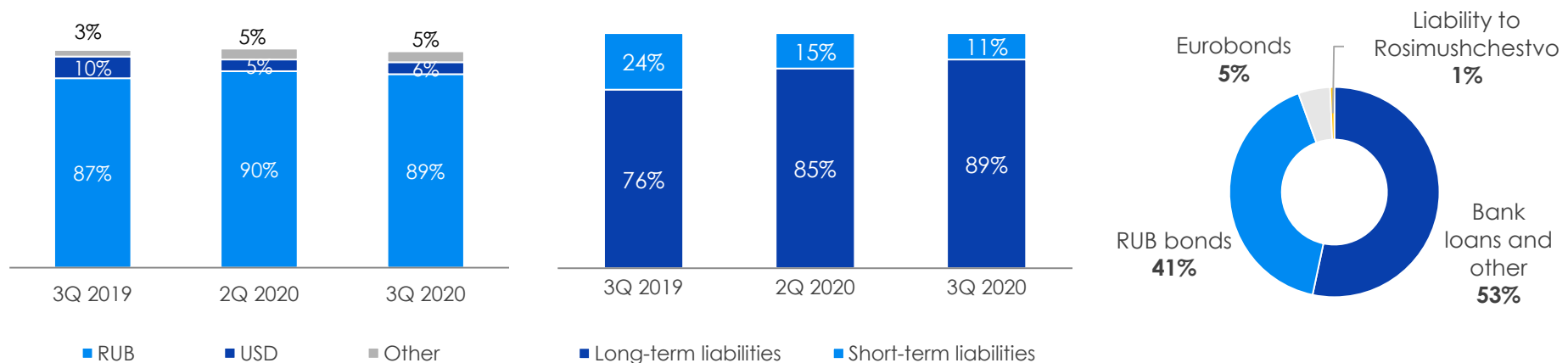
Consolidated financial liabilities^{1,2}: composition by borrower and maturity profile

RUB bln



Structure analysis^{1,2}

RUB bln



¹ Including financial liabilities at the Corporate Centre, financial leases and total borrowings of portfolio companies.

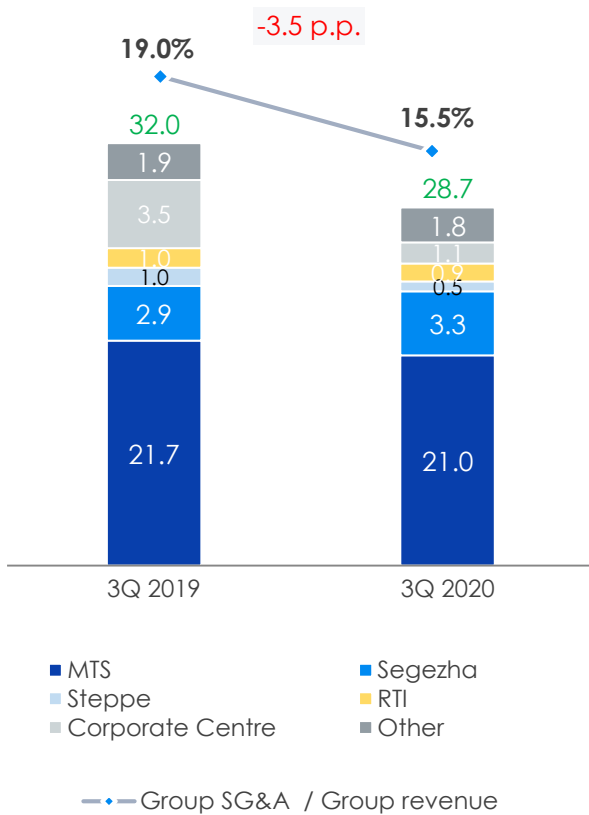
² Management accounts data is presented as of 30 September 2020.

SG&A EXPENSES



Group SG&A expenses¹

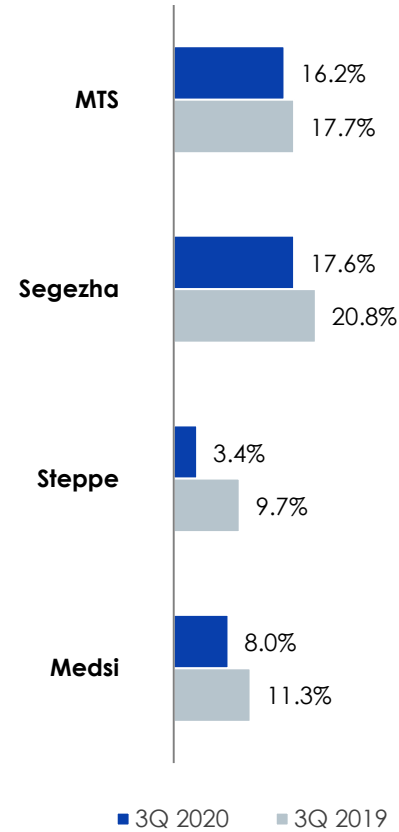
IFRS, RUB bln



Group SG&A declined by **10.5%** year-on-year in 3Q 2020 **primarily due to reduced SG&A** of the Corporate Centre and reduced commercial and personnel expenses at MTS. The **SG&A/Group revenue ratio** decreased by 3.5 p.p. year-on-year to **15.5%**.

SG&A expenses: portfolio companies¹

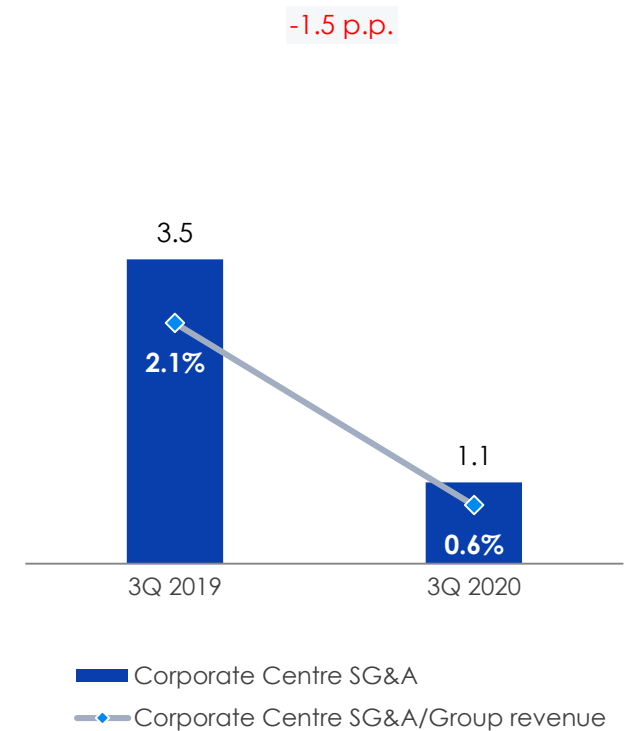
SG&A / Revenue, %



The **SG&A/revenue** ratio significantly **decreased** year-on-year across most key assets in 3Q 2020.

SG&A expenses: Corporate Centre¹

RUB bln



The **Corporate Centre SG&A** and the **Corporate Centre SG&A/Group revenue ratio** decreased significantly year-on-year as a result of the high base effect - bonuses were paid out in 3Q 2019 due to the monetisation of assets.

¹ Source: management accounts.



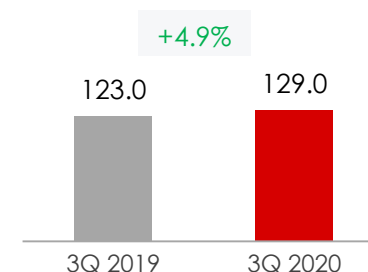
KEY PORTFOLIO ASSETS

MTS: SUSTAINABLE FINANCIAL GROWTH AND HIGH DIVIDEND PAYOUT



RUB bln ¹	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	129,0	123,0	4,9%	366,4	349,0	5,0%
Adj. OIBDA ²	58,8	57,4	2,4%	161,8	160,8	0,6%
Adj. OIBDA margin	45,6%	46,7%	(1,1) п.п.	44,2%	46,1%	(1,9) п.п.
Adj. net profit ³	9,4	9,2	2,6%	24,8	22,6	9,7%
Net debt ⁴	349,8	339,0	3,2%	349,8	339,0	3,2%
Capex	23,4	22,0	6,1%	64,2	61,3	4,6%

Revenue, RUB bln



Revenue

increased year-on-year in 3Q 2020 due to growth in mobile services revenue on the back of a tariff increase in 1Q 2020. In addition to the key Telecom segment, growth was delivered across other business segments, including Fintech, Media and B2B Digital & Cloud. Growth in the revenue of MTS Bank amounted to 15.5% year-on-year, and revenue from the sale of smartphones and accessories increased by 2.9% year-on-year.

Adj. OIBDA

increased year-on-year in 3Q 2020, following revenue growth and reduced commercial and personnel expenses, and despite a fall in revenue from international roaming.

Adj. net profit

grew year-on-year in 3Q 2020 due to a steady revenue flow from the core telecom business and lower net interest expenses on the back of lower interest rates.

Capex

grew year-on-year in 3Q 2020 mainly due to increased investments in network development and growth in foreign currency expenditure amid rouble depreciation.

Outlook for 2020

MTS expects revenue growth of more than **3%** in 2020, OIBDA growth of up to **2%**, and capital expenditure to remain at **RUB 90 bln**, including the realised effect from the use of derivatives.

High dividend payout ratio

In September 2020, the Extraordinary General Meeting of Shareholders approved dividends for 1H 2020 to the amount of **RUB 8.93** per ordinary share.

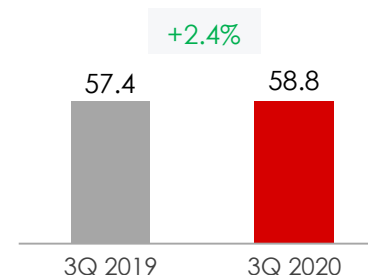
Key highlights

MTS announced a **partnership** with the **Spotify** streaming service. As part of an exclusive offer, MTS subscribers receive a free subscription to Spotify Premium for six months.

MTS was granted Russia's first **license for 5G** operations in the 24.25–24.65 GHz mmWave band. The license covers 83 Russian regions. Business clients and large industrial enterprises will be the first to use the 5G network.

In September 2020, **S&P upgraded its credit rating on MTS** to the BBB- investment grade.

Adj. OIBDA, RUB bln



¹ MTS's results reflect reclassification of the Ukrainian business as part of discontinued operations since 4Q 2019. The results for 3Q 2019 and 9M 2019 have been restated to reflect the results of this reclassification.

² Adjustment for a one-off asset disposal in the amount of RUB 1.2 bln in 9M 2020.

³ Hereinafter net profit is presented in Sistema's share.

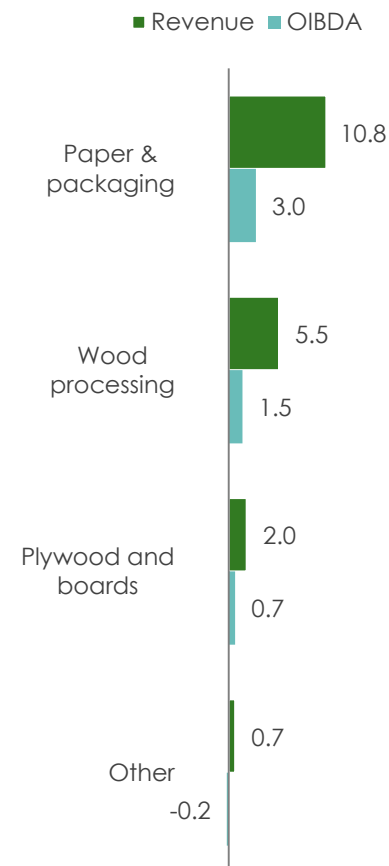
⁴ Hereinafter net debt includes financial lease.

SEGEZHA GROUP: STRONG FINANCIAL PERFORMANCE AMID EXPORT REVENUE GROWTH



RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	19,0	13,7	38,0%	50,2	43,7	14,7%
Adj. OIBDA	5,1	2,5	105,8%	11,3	10,2	10,4%
Adj. OIBDA margin	26,8%	18,0%	8,8 p.p.	22,5%	23,4%	(5,9 p.p.)
Adj. net profit / (loss)	(3,3)	0,2	n/a	(5,4)	4,3	n/a
Net debt	49,7	38,0	30,9%	49,7	38,0	30,9%
Capex	2,2	1,6	42,0%	9,5	4,2	123,4%
FX-denominated rev., %	70,1%	67,8%	2,3 p.p.	70,5%	70,0%	0,5 p.p.
Own consumption, %	85,6%	74,1%	11,5 p.p.	77,8%	73,0%	4,8 p.p.
Total forestry, thsd cu m	1 246,9	1 147,5	8,7%	4 092,1	3 703,1	10,5%

Revenue and OIBDA by segments in 3Q 2020, RUB bln



Revenue increased significantly year-on-year in 3Q 2020 mainly due to growth in sales and production of paper and sawn timber. Export revenue dynamics were significantly impacted by the growth of the average FX rate year-on-year: EUR by 20%, USD by 14%.

Adj. OIBDA increased by more than twofold year-on-year in 3Q 2020 following revenue growth due to increased share of high-margin products and rouble depreciation.

Adj. net loss in 3Q 2020 compared to adjusted net profit in 3Q 2019 was mainly due to the effect of currency exchange differences from the revaluation of the company's FX-denominated debt.

CAPEX in 3Q 2020 amounted to RUB 2.2 bln, investments were focused on the construction of a CLT plant, the purchase of logging equipment, the integration of the SAP S/4HANA system, and the modernization of existing facilities.

Business development In August 2020, the Sokol PPM launched a new production facility for technical **powdered lignosulphonates** which are used for the production of black carbon for cement manufacturing and road construction, with an annual capacity of 21 thousand tonnes per year.

In July 2020, a **new splicing line** with a capacity of 25 cu m of glued products per hour was launched at the Sokol Wood Processing Plant in the Vologda region. As a result, the production of finished glued products at the facility will increase by **20% to 100 thsd cu m per year**.

In Q3 2020, Segezha Group continued to integrate a new enterprise management system based on **SAP S/4HANA**. The system is expected to be fully operational in 2021.

In October 2020, the first trial CLT panel was produced at a new CLT plant in the Vologda region. The capacity of the new production line will amount to **50 thsd cu m**. The plant is at the final stage of construction, and is scheduled for launch in December 2020.

SEGEZHA GROUP: GROWTH IN SALES OF PAPER, SACKS AND SAWN TIMBER



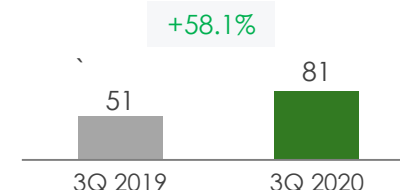
Trends across key segments

Sack paper

In 3Q 2020, Segezha Group's paper production increased by 16.4% year-on-year to 102.71 thsd tonnes mainly due to the postponement of planned annual equipment maintenance works from 3Q 2020 to 4Q 2020, as well as improved efficiencies. The volume of paper sales increased by 58.1% to 81.2 thsd tonnes following the growth in production volumes and as a result of inventory reduction. Additional volume was sold to existing customers.

Sales

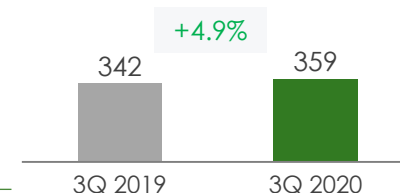
Sack paper¹, thsd tonnes



Paper sacks

In 3Q 2020, the sales volume increased by 4.9% year-on-year to 358.9 mln units due to a recovery in demand from the European construction industry, following a downturn in 1H 2020 as a result of the COVID-19 pandemic. The recovery in demand allowed for a reduction in warehouse inventory. The decrease in production volume by 1.0% year-on-year to 335.62 mln units was due to a decrease in demand in the Russian market during the COVID-19 pandemic.

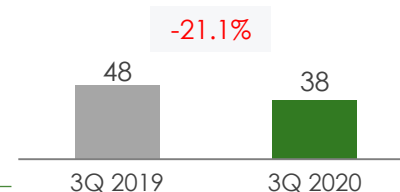
Paper sacks, mln units



Plywood

In 3Q 2020, plywood production decreased by 2.7% year-on-year to 45.8 thsd cu m. Sales volume in 3Q 2020 decreased by 21.1% to 38.1 thsd cu m. mainly due to the weakening of demand in the main sectors of plywood consumption due to the COVID-19 pandemic. Revenue from plywood sales was maintained at the level of 3Q 2019 due to an increased share of higher-margin products in sales in key markets, including the promotion of a new type of plywood in Australia, New Zealand and North America.

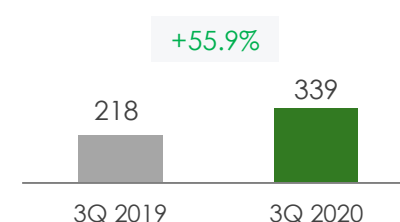
Plywood, thsd m³



Sawn timber

In 3Q 2020, sawn timber production increased by 17.2% year-on-year to 325.6 thsd cu m due to the acquisition of Karelian Wood Company LCC, a logging and woodworking enterprise, in early 2020, and an increase in production volumes at existing enterprises. Output was also significantly impacted by the reallocation of production capacity at the Sokol PPM from glulam products to sawn timber in 3Q 2020 due to the commissioning of a new splicing line, which will increase the glulam production capacity of the Sokol PPM by 20%. Sawn timber sales volume in 3Q 2020 increased by 55.9% year-on-year to 339.3 thsd cu m following an increase in production. The year-on-year growth was also due to an uneven distribution of revenue in the segment between 3Q 2019 and 4Q 2019.

Sawn timber, thsd m³



¹ Circa 26.7% of paper produced was supplied to Segezha Group's own converting facilities to produce paper packaging.

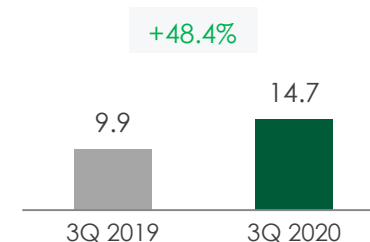
² Including 18.8 mln consumer paper bags.

STEPPE: IMPRESSIVE REVENUE AND OIBDA GROWTH AS BUSINESS EXPANDS



RUB bln ^{1,2}	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	14,7	9,9	48,4%	22,3	19,1	16,7%
OIBDA	2,2	1,2	80,9%	4,9	3,6	37,3%
OIBDA margin	14,9%	12,3%	2,7 п.п.	21,9%	18,7%	3,3 п.п.
Net profit / (loss)	(0,2)	(0,0)	n/a	1,6	0,7	124,1%
Net debt	23,1	21,4	8,1%	23,1	21,4	8,1%
Capex	0,9	0,5	97,8%	1,8	1,2	53,4%

Revenue, RUB bln

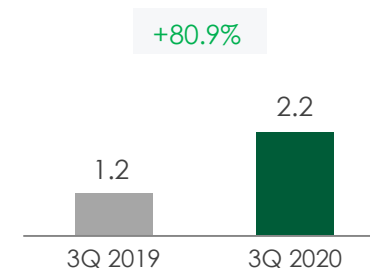


Revenue

significantly increased year-on-year in 3Q 2020 primarily due to:

- increased revenues in the Crop Production and Agrotrading segments through increased sales volumes of agricultural products and higher grain prices;
- positive dynamics in the Dairy Farming segment as a result of higher production volumes due to an increase in the number of highly productive lactating cows and improved efficiency of dairy farms;
- Increase in sales volume and price of sugar.

OIBDA, RUB bln



OIBDA

significantly increased year-on-year in 3Q 2020 due to an effective sales strategy for own agricultural products, improved operating efficiency in the Agrotrading segment and successful implementation of the strategy of time arbitrage in the Sugar and Grocery Product Trading segment.

CAPEX

amounted to RUB 0.9 bln in 3Q 2020. The bulk of capital investments were made to renew the agricultural machinery fleet, implement projects to build and modernise dairy farms, and buy out land shares.

Net debt

increased year-on-year in 3Q 2020 due to the acquisition of land assets in 1H 2020 and implementation of the capital investment programme.

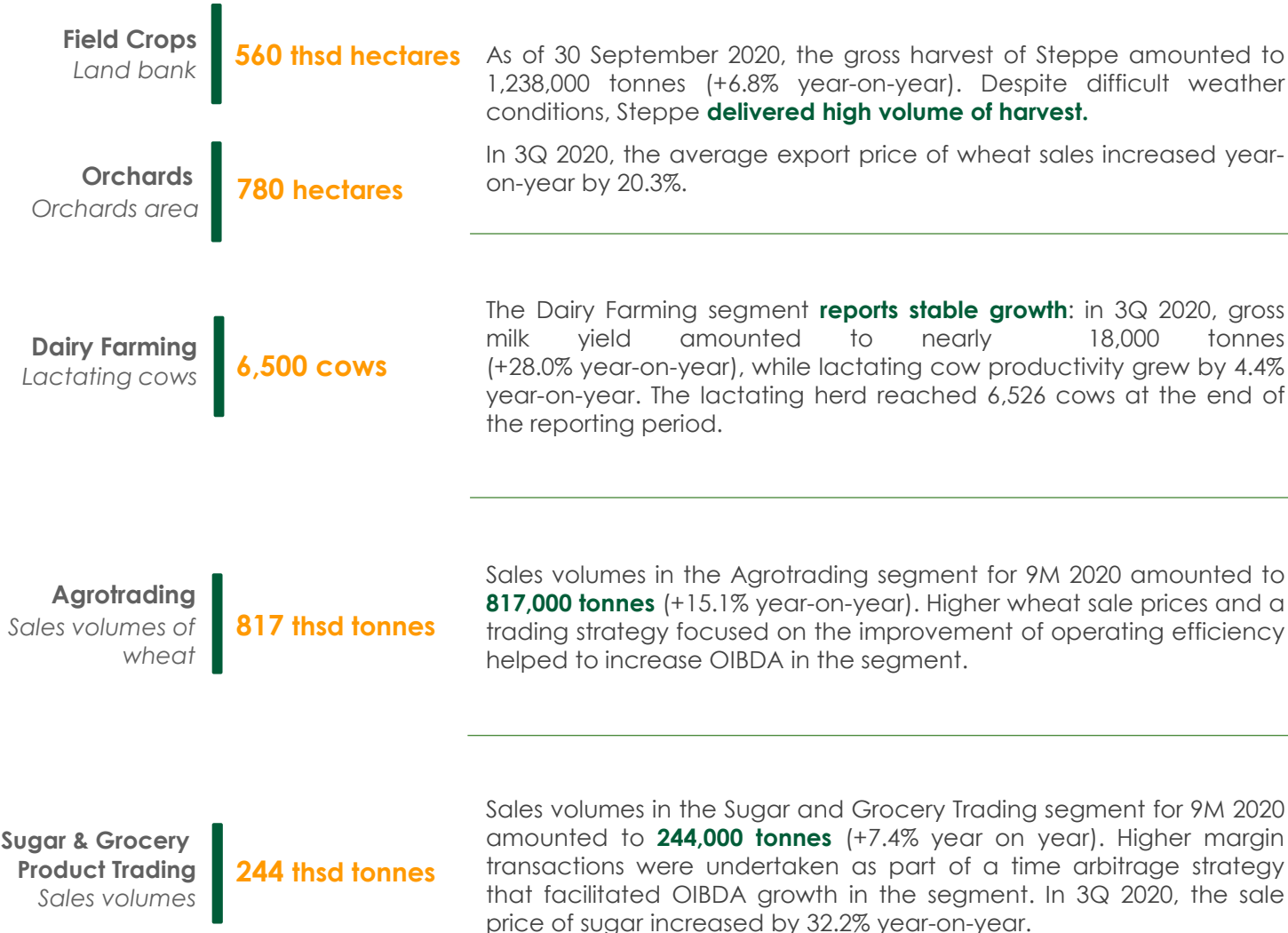
¹ Steppe results are presented net of results of AGK Yuzhny due to its divestiture in May 2020. Results for 3Q 2019 and 9M 2019 have been revised to reflect the results of this reclassification. OIBDA, OIBDA margin, operating profit and net loss of Steppe for 3Q 2020 and 9M 2020 reflect the adjustment as a result of 3Q 2020 review of fair value allocation of assets disposed and purchased as part of the buy and sell transactions in 1H 2020.

² RZ Agro is accounted for as an investment in a joint venture in Agroholding Steppe's IFRS financial statements.

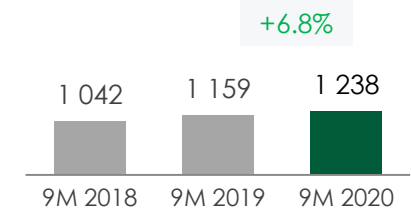
STEPPE: INCREASE IN SALES PRICES AND FOCUS ON IMPROVING OPERATING EFFICIENCY



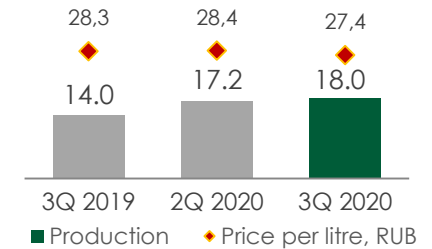
Trends in key segments



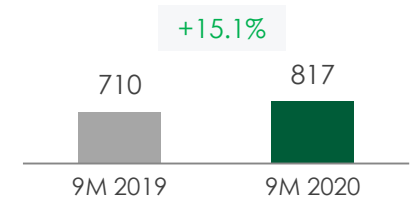
Gross harvest, thsd tonnes



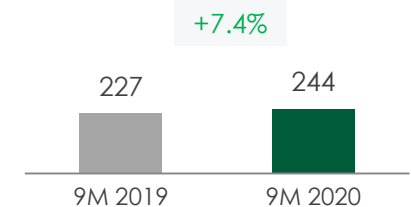
Milk production, thsd tonnes



Sales volumes, thsd tonnes



Sales volumes, thsd tonnes

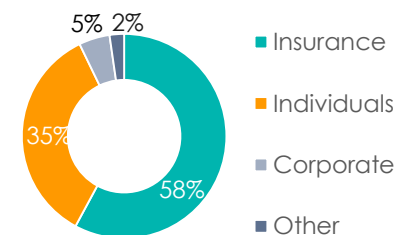


MEDSI: GROWTH IN FINANCIAL RESULTS ON THE BACK OF DEFERRED DEMAND FOR MEDICAL SERVICES



RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	9M 2019	9M 2019
Revenue	6,7	5,4	25,4%	17,2	16,1		7,2%
Adj. OIBDA ¹	1,8	1,5	21,0%	4,1	4,0		1,8%
Adj. OIBDA margin ¹	27,2%	28,2%	(1,0) п.п.	23,8%	25,1%		(1,3) п.п.
Adj. net profit ¹	1,0	0,8	23,5%	1,6	1,9		(15,4%)
Net debt	3,0	2,7	14,5%	3,0	2,7		14,5%
Capex ²	1,3	1,1	13,1%	3,7	2,9		26,2%
Patient visits, thsd	2 177	2 330	(6,6%)	5 396	7 016		(23,1%)
Services provided, thsd	4 339	4 165	4,2%	10 644	12 731		(16,4%)
Average ticket, thsd RUB	3,1	2,3	34,1%	3,2	2,3		39,4%

Revenue by clients, 3Q 2020



Revenue

increased year-on-year in 3Q 2020 due to the deferred demand for medical services following the easing of COVID-19 restrictions introduced in 2Q 2020, the return to routine medical care services, revenues generated from repurposing the hospital in Otradnoe as an in-patient infectious diseases' unit, as well as increased demand for COVID-19 testing and the development of home care and telemedical support services.

Adj. OIBDA

grew year-on-year in 3Q 2020 on the back of the revenue growth. **Adj. net profit** year-on-year was impacted by the adj. OIBDA dynamics.

Net debt

increased year-on-year in 3Q 2020 due to the drawing down of credit lines to finance CAPEX programmes, including the construction of a medical centre on Michurinsky Prospekt in Moscow. Debt to OIBDA LTM remains at a comfortable level of 0.7x.

Key highlights

Due to the recent new wave of COVID-19 cases, at the end of 3Q 2020 the **Hospital in Otradnoe** again switched to providing in-patient infectious disease services focused on screening and the **treatment of patients with COVID-19**.

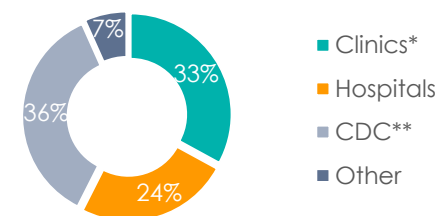
The Clinical Diagnostics Centre (CDC) on Belorusskaya opened a **Centre for diagnostics and the treatment of health complications caused by COVID-19**.

The construction of a **new multifunctional centre on Michurinsky Prospekt, with more than 34,000 sq m of space**, is nearing completion, with the opening planned for 1Q 2021. The medical centre will include a CDC for children and adults, a daytime in-patient clinic and a 24-hour in-patient clinic with a centre for high-tech surgery.

In September and October 2020, Medsi opened a CDC in Maryino with a total area of 4,400 sq m, and two *Smart 500* clinics on Poletayev Street and Aviatsionnaya Street in Moscow.

The number of downloads of the **SmartMed** telemedical application and the number of users is growing rapidly. The proportion of appointments made through the application has reached 35-40% of total bookings. A new version of the application has been released that now enables in-app payments.

Revenue by assets, 3Q 2020



* Primary Care Clinics

** Clinical Diagnostics Centre

¹ Adjustments for accruals related to the LTI programme, the effect of clinic acquisitions in Izhevsk.

² Capex excluding M&A.

MEDSI: INCREASE IN THE AVERAGE CHEQUE DUE TO DIAGNOSTICS AND THE TREATMENT OF COVID-19



Number of facilities¹

49

Number of patient visits²

2.2 mln

Number of physicians

4,000

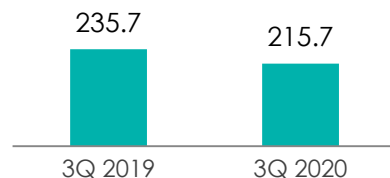
Capacity²

5 mln visits

Floor space

thsd m²

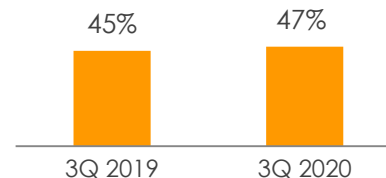
-8.4%



Utilisation, clinics³

%

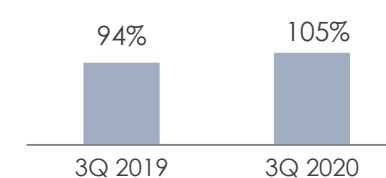
+2 p.p.



Utilisation, hospitals⁴

%

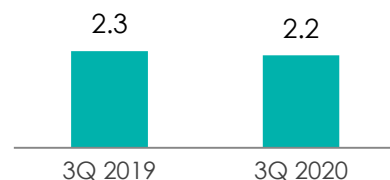
+11 p.p.



Patient visits

mln

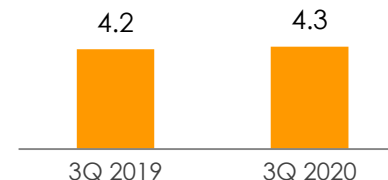
-6.6%



Services provided

mln

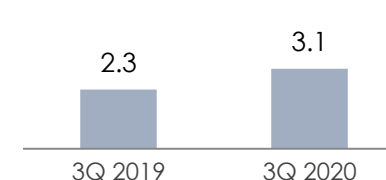
-4.2%



Average cheque

thsd RUB

+34.6%



- The **increase in utilisation was** due to deferred demand, changes in seasonal pattern, and the COVID-19 pandemic.
- **The decrease in floor space** resulted from the non-core assets optimisation programme.
- The **average cheque** grew due to the rising share of cost-intensive services in the outpatient coronavirus diagnostics segment, and the high average cost of a COVID-19 treatment at the hospital in Otradnoe.

¹ Metrics in the table and hereafter are presented as of 30 September 2020.

² These metrics are for 3Q 2020 with capacity calculated as the number of possible out-patient visits at Medsi facilities, and the visits as the actual number of patient visits for the period.

³ Outpatient clinics in Moscow.

⁴ Utilisation accounts for multiple use of one in-patient bed in daytime in-patient facilities.

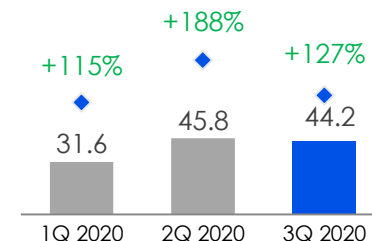
OZON¹: OUTSTANDING GMV GROWTH, EXPANSION OF LOGISTICS INFRASTRUCTURE AND MARKETPLACE DEVELOPMENT



Key highlights:

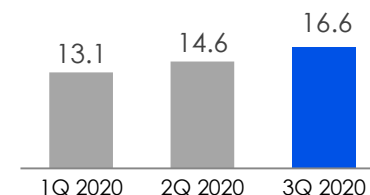
- **The Company retained a triple-digit GMV growth rate** year-on-year in 3Q 2020 on the back of an increased number of marketplace sellers, expansion of the assortment and last mile delivery network.
- Throughout 3Q 2020, Ozon worked to expand its logistics infrastructure in order to provide faster delivery to customers and make a wider range of products available in remote cities. The Company commissioned new **fulfilment-centres in Saint Petersburg and Rostov-on-Don** with a total floor area of more than **18,000 and 22,000 sqm** respectively³.
- In August 2020, Ozon signed an agreement with Orientir development company to construct a **logistics centre with a floor area of over 150,000 sqm in the Moscow region**. Its first phase is expected to launch in 2021.
- The Company continues to develop its marketplace platform. As of 30 September 2020, more than **18,000 active sellers** were registered on the platform.
- Ozon is developing its **financial services ecosystem**. As of 30 September 2020, approximately **260,000 OZON.Cards** were activated. Card holders made an average of approximately three orders per month over the first nine months of 2020, which is approximately 1.6 times more than an average number of orders made by customers that made at least one order per month over the same period in 2020.
- In November 2020, Ozon held an **initial public offering (IPO)** of its American Depositary Shares (ADSs) on NASDAQ and obtained listing of the ADSs on the Moscow Exchange. Gross proceeds to the company, including the underwriters' overallotment option and the concurrent private placement, where Sistema participated and invested USD 67.5 million, amounted to approximately **USD 1.25 billion**.

GMV, incl. services²
RUB bln

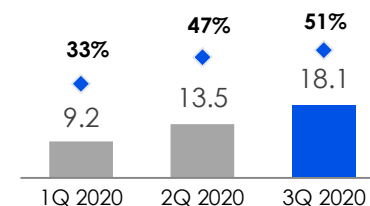


■ GMV, incl. services
◆ Growth year-on-year

Number of orders⁴,
mln



Number of active sellers⁵,
thsd



■ Active sellers
◆ Share of Marketplace GMV, %

¹ Ozon's financial results are not consolidated in the financial statements of Sistema PJSC.

² GMV incl. services (gross merchandise value including revenue from services) comprises the total value of orders processed through Ozon's platform, as well as revenue from services to buyers and sellers, such as delivery, advertising and other services rendered by Ozon.ru operating segment. GMV incl. services is inclusive of value added taxes, net of discounts, returns and cancellations.

³ Footprint area

⁴ Number of orders is the total number of orders delivered in a given period, net of returns and cancellations

⁵ Number of active sellers is the number of sellers that sold at least one order on the OZON.ru marketplace over the previous 12 months.

ETALON GROUP: STRONG DYNAMICS OF OPERATING RESULTS AND AMBITIOUS STRATEGIC GOALS



Strategic goals to be achieved by 2024

Operational goals:

- Easy to scale business model through a transition to **digital end-to-end architecture**
- **Leadership through partnerships:** less capital-intensive approach to creation of digital infrastructure
- **Long-term focus on landbank replenishment** through acquisition of unzoned land plots
- **Leadership in cost efficiency and the speed of project implementation** by standardising the product line and integrating new technologies
- **Industry-leading customer experience** through the development of additional services and improved customer communications

Financial goals:

- **Double-digit sales and revenue growth rates**
- Gross profit **margin** before purchase price allocation (PPA) of assets of **more than 35%**
- SG&A cost-to-revenue ratio of less than 10%
- **Guaranteed minimum dividend payment** of at least RUB 12/GDR with the possibility of the upside as net profit increases

Key highlights

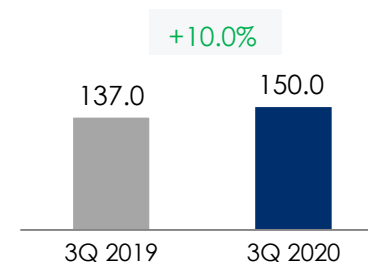
- Thanks to a balanced product offering, the company's efforts to improve sales efficiency, an updated subsidised mortgage programme, and the growing investment demand for real estate, Etalon Group delivered **strong results for the first 10 months of 2020**.
- Sales in October 2020: **60.7 thsd m²** worth **RUB 9.8 bln** – **record-setting metrics in RUB equivalent**
- Average price for apartments in October: **RUB 191.6 thsd / m²** – **record-setting metrics**
- Average downpayment amount: **93%** - **one of the highest metrics in the history of the Group**

Agreement on the ZIL-YUG project

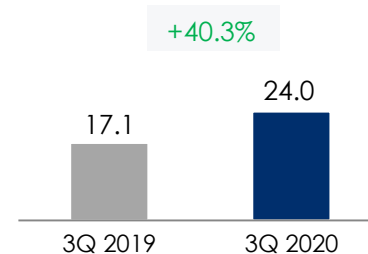
- In 3Q 2020, Etalon Group **reached an agreement with Moscow authorities on the final conditions of the Zil-YUG project implementation**, the largest complex development project in the Moscow region. According to the agreement, the company shall pay RUB 32.2 bln in installments till 2024.
- **1.2 mln m²** – total project area
- **1Q 2021** – planned launch of the sales
- **12 years** – project implementation period
- **RUB 230 thsd/ m²** – starting price

Operating results of the Group

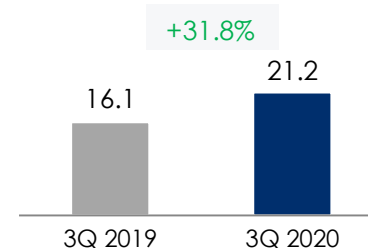
New sales, thsd m²



New sales, RUB bln



Cash proceeds, RUB bln



PHARMA ASSETS (BINNOPHARM GROUP¹): INCREASE IN SALES ACROSS ALL SEGMENTS



RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	5,4	4,2	26,4%	14,8	12,1	21,9%
OIBDA	1,5	0,9	59,9%	3,2	2,7	18,9%
OIBDA margin	28,2%	22,3%	5,9 p.p.	21,9%	22,5%	(0,6) p.p.
Net profit	0,6	0,1	643,0%	1,0	0,5	78,5%
Net debt	9,9	11,3	(12,4%)	9,9	11,3	(12,4%)

- **The joint Binnopharm Group holding** includes five production sites across JSC Alium (formerly named Obolenskoe, Serpukhov district of the Moscow region), JSC Binnopharm (2 sites: Zelenograd and Krasnogorsk), JSC Sintez (Kurgan), and JSC Biocom (Stavropol).
- The holding operates a portfolio of **more than 450 products**, the largest among Russian drug manufacturers.
- In October 2020, Binnopharm Group **announced its strategy** to significantly increase the scale of the business. The main drivers of further growth will be the diversification of sales channels, new product development and updating the portfolio of medical products.
- The **CEO** of Binnopharm Group is Rustem Muratov.

Revenue

in 3Q 2020 **increased by 26%** year-on-year on the back of increased sales across all channels. Sales in the tender channel increased by 117% year-on-year, in part due to increased sales of antibiotics and drugs used to treat COVID-19. Export growth amounted to 55% year-on-year with sales growth in all foreign markets. In the retail segment, sales increased by 15% year-on-year.

OIBDA

in 3Q 2020 **significantly increased** year-on-year following revenue growth, mainly due to an increased share of high-margin drugs sales in revenue and cost control.

Net profit

in 3Q 2020 **increased** year-on-year primarily due to OIBDA growth, as well as lower interest expenses.

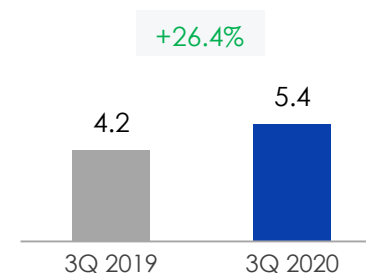
Net debt

in 3Q 2020 **decreased** year-on-year due to positive cash flow and effective working capital management.

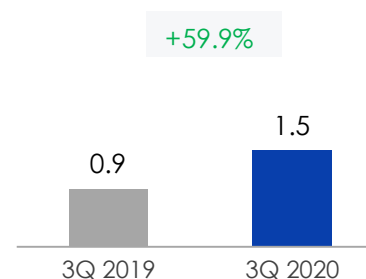
Key highlights

Since August 2020, production of the "Gam-COVID-VAK" (Sputnik V) COVID-19 vaccine, developed at the Gamaleya Scientific Research Institute of Epidemiology and Microbiology, has been underway at the Binnopharm plant in Zelenograd. The plant has the capacity to produce approximately 1.5 million doses of the vaccine per year, with planned future upgrades designed to increase production volumes.

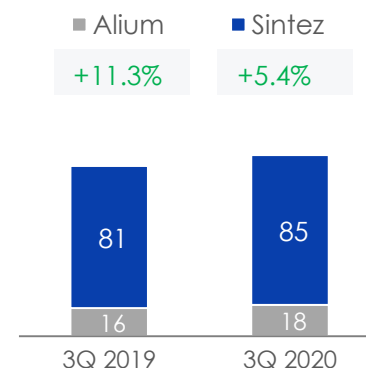
Revenue, RUB bln



OIBDA, RUB bln



Production of pharmaceutical products, mln units



¹ Financial results of Binnopharm Group are presented to reflect the combination of the financial results of JSC Alium and JSC Sintez based on management accounts. Financial results of Binnopharm Group are not consolidated in the financial statement of Sistema PJSC. The data shows 100% net profit.

POWER GRIDS (BPGC) AND HIGH-TECH (RTI)



BPGC

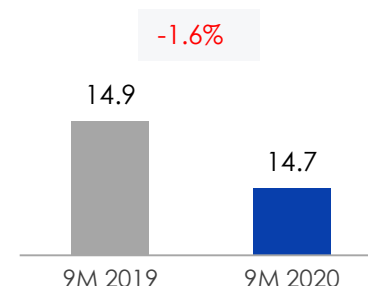
RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	4,3	5,0	(14,1%)	14,7	14,9	(1,6%)
OIBDA	0,5	1,7	(70,5%)	3,7	4,5	(18,8%)
OIBDA margin	12,0%	35,0%	(23,0) p.p.	24,9%	30,2%	(5,3) p.p.
Net profit / (loss)	(0,1)	0,9	n/a	1,2	2,0	(41,4%)
Capex	1,0	0,9	11,7%	2,5	2,5	(0,9%)

Revenue decreased year-on-year in 3Q 2020 due to a reduction in capacity and net electricity supply. This resulted from a decrease in energy consumption in the oil and gas sector following the OPEC+ agreement, and reduced economic activity in the region amid the COVID-19 pandemic.

OIBDA and Net profit OIBDA declined year-on-year in 3Q 2020 on the back of the decrease in revenue, and due to an increase in costs, including wage indexation, repair costs and services provided to Federal Grid Company (FGC). The decrease was also significantly affected by creating provisions for accounts receivable for a number of counterparties. OIBDA dynamics were also affected by the restoration of previously accrued reserve on unsettled contractual arrangements with FGC in 3Q 2019. **Net loss** in 3Q 2020, as opposed to net profit in 3Q 2019, was driven by OIBDA dynamics and a decline in finance income.

Key highlights In October 2020, Sergey Gurin was appointed CEO of BPGC. Sergey was Director for Human Resources and Administrative Affairs at BPGC from 2012.

Revenue, RUB bln



RTI

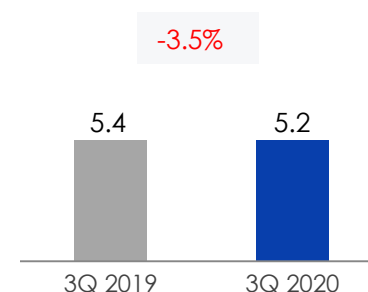
RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	5,2	5,4	(3,5%)	13,7	13,9	(1,7%)
Adj. OIBDA ¹	0,1	1,3	(95,2%)	(0,1)	1,6	n/a
Adj. OIBDA margin	1,2%	24,3%	(23,0) p.p.	n/a	11,3%	n/a
Adj. net profit / (loss)	(1,1)	0,2	n/a	(3,6)	1,7	n/a
Net debt	20,2	20,1	0,4%	20,2	20,1	0,4%

Revenue decreased year-on-year in 3Q 2020 due to a number of new state procurement contracts by RTI Group companies being postponed.

Adj. OIBDA and margin Adj. OIBDA decreased year-on-year in 3Q 2020 mainly due to the financial results of Element LLC, a joint venture with the Rostec State Corporation in microelectronics, and the effect of a high base: in 3Q 2019, RTI Group companies performed a significant amount of work on a number of projects, which drove a **higher adj. OIBDA margin**.

Adj. net loss and Net debt Adj. net loss in 3Q 2020 relative to net profit in 3Q 2019 was due to OIBDA dynamics. **Net debt** remained largely unchanged year-on-year, amounting to RUB 20.2 bln. In addition, as of the end of 3Q 2020, RTI's accounts include RUB 3.1 bln of funds earmarked for work under state defence contracts, which are not included in the calculation of net debt.

Revenue, RUB bln



¹ Adj. OIBDA for 3Q 2020 includes net loss of Element LLC which is accounted for using the equity method of accounting (classified as investments in associates). Excluding the results of Element LLC, adj. OIBDA of RTI in 3Q 2020 amounted to RUB 0.3 billion.

HOSPITALITY (COSMOS HOTEL GROUP) & RENTAL ASSETS (BUSINESS NEDVIZHIMOST)



Hospitality assets¹

RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	0,9	1,5	(41,8%)	1,9	3,8	(50,3%)
Adj. OIBDA ²	0,3	0,6	(53,4%)	0,1	1,1	(89,5%)
Adj. OIBDA margin ²	31,7%	39,6%	(7,9) п.п.	5,9%	28,0%	(22,1) п.п.
Adj. net profit / (loss) ²	(0,0)	0,2	n/a	(0,8)	(0,2)	n/a
Net debt	4,1	3,6	13,2%	4,1	3,6	13,2%
Room capacity	4 132	4 132	0,0%	4 132	4 132	0,0%

Revenue

decreased year-on-year due to a sharp drop in occupancy caused by the COVID-19 pandemic.

Adj. OIBDA and Net loss

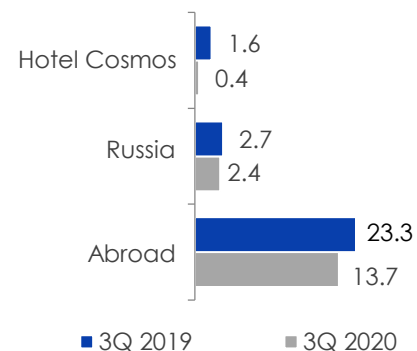
Adjusted OIBDA decreased year-on-year on the back of the decline in revenue, while hotels maintained an austerity regime to minimise losses. **Adj. net loss** was due to the negative OIBDA dynamics. The share of revenue from hotels outside Russia in 3Q 2020 fell to 23.3% (from 28.8% in 3Q 2019).

Key indicators

In 3Q 2020, **ADR⁴** for the Group's hotel portfolio increased year-on-year from RUB 4,200 to RUB 4,600 (+ 8%) primarily due to foreign hotels (Euro +14%) and the Cosmos Collection Izumrudny Les and Cosmos Collection Altay Resort hotels (RevPAR growth of 17% due to high demand for hotels in this segment).

RevPAR³ of the hotel portfolio decreased from RUB 2,900 to RUB 1,900 against the backdrop of a collapse in occupancy. **The average occupancy** fell by 34 p.p. to 40% due to a significant drop in demand for hotel services.

RevPar³, RUB thsd



Business Nedvizhimost

RUB bln	3Q 2020	3Q 2019	YoY	9M 2020	9M 2019	YoY
Revenue	2,1	2,4	(9,6%)	4,1	4,8	(14,9%)
OIBDA	0,6	1,7	(62,9%)	1,3	3,4	(61,7%)
OIBDA margin	29,7%	72,3%	(42,6) п.п.	32,0%	71,2%	(39,1) п.п.
Net profit	0,5	1,2	(59,8%)	0,7	2,2	(66,5%)
Net debt/(cash position)	2,0	(0,6)	n/a	2,0	(0,6)	n/a

Revenue

in 3Q 2020, **revenue** from rental assets decreased year-on-year due to the completion of the 2019 commercial real estate sales programme.

OIBDA and net profit

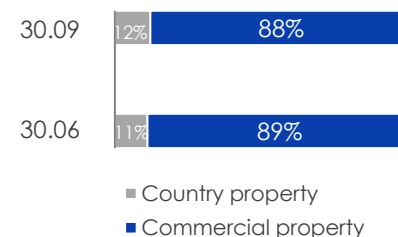
OIBDA and OIBDA margin decreased year-on-year due to a change in revenue structure in favour of lower margin rental revenue. **Net profit** dynamics were impacted by a decline in OIBDA.

Key highlights

In August 2020, the Company successfully placed the **debut bond issue** for RUB 4 billion at a 7.9% coupon rate with a 4-year put option. Funds from the placement are being used to refinance the current debt portfolio and repay non-current assets liabilities to MGTS, and for investment projects. Expert RA rating agency assigned Business Nedvizhimost a ruA- rating with a stable forecast.

In September 2020, **Artemy Marinin was appointed CEO of Business Nedvizhimost**. Mr Marinin has considerable professional experience in real estate and construction.

Portfolio of assets under ownership, 2020



¹ Based on management accounts

² Adjusted in 1Q 2020 as a result of a one-time write-off due to the COVID-19 pandemic affecting the financial performance of the international hotels.

³ Revenue per available room per day ⁴ Average daily rate



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