



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

# **Sistema PJSFC Financial Results 1 Q 2021**

**Vladimir Chirakhov**  
President

**Vladimir Travkov**  
Vice President for Finance

# DISCLAIMER



Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within Sistema PJSC or its portfolio companies. 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, impact of COVID-19 pandemic on macroeconomic situation on the markets of presence and financial results of Sistema and its subsidiaries and associates, as well as many other risks specifically related to Sistema and its operations.



## FINANCIAL REVIEW

# STRONG PACE OF BUSINESS GROWTH, SUCCESSFUL CAPITAL MARKETS TRANSACTIONS, NEW DIVIDEND POLICY AND PROGRESS IN ESG



## Results of portfolio companies

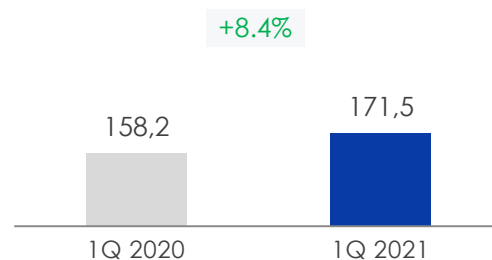
- **Revenue and adj. OIBDA** in 1Q 2021 increased significantly year-on-year due to strong results at MTS, Segezha Group, Agroholding Steppe ("Steppe") and Medsi.

## Key events

- With the aim of creating a **unified pharmaceutical holding**, in February 2021 Sistema and financial partner VTB contributed their 56.2% stake in OJSC Sintez to the equity of **Binnopharm Group**. Concurrently, Sistema, VTB and an investor consortium consisting of the Russia-China Investment Fund (created by RDIF and CIC) and leading Mideast funds (the "Consortium") contributed an 85.6% stake in JSC Alium to the equity of Binnopharm Group.
- In March 2021 Sistema acquired a 32.4% stake in JSC Sintez from JSC National Immunobiological Company, controlled by Rostec Corporation, and in May 2021 contributed this stake to the authorised **capital of LLC Binnopharm Group**. As a result, Binnopharm Group's ownership stake in JSC Sintez totalled 88.6%.
- **The IPO of Segezha Group** took place in April 2021 on Moscow Exchange, with a market capitalisation of RUB 125.5 bln, a free float of 23.9% and Sistema's stake stands at 72.0%<sup>5</sup>.
- In May 2021 the Board of Directors adopted an **Environmental Policy and a Human Rights Policy**.
- In May 2021 the Board of Directors approved **a new dividend policy for 2021-2023** aimed at steady growth of dividend payments.

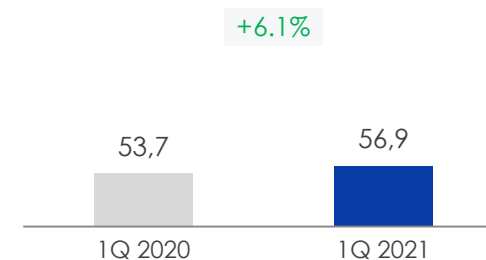
## Consolidated revenue<sup>1</sup>

RUB bln

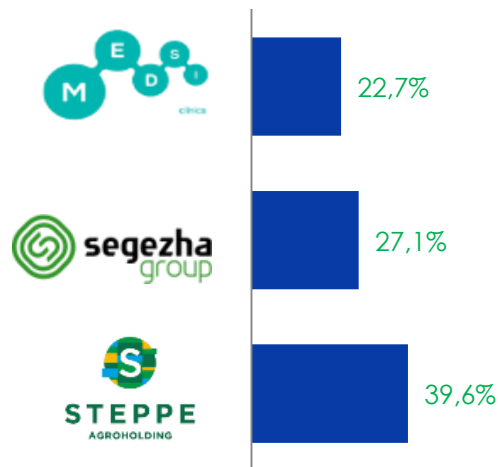


## Adj<sup>2</sup> OIBDA

RUB bln

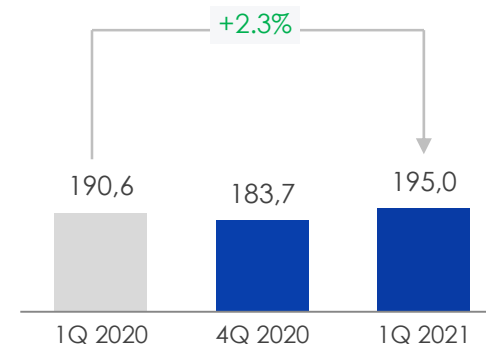


## Consolidated assets leading by revenue growth year-on-year



## Net Corporate Centre financial liabilities<sup>3,4</sup>

RUB bln



<sup>1</sup> Hereinafter results for 1Q 2020 are presented to reflect the divestiture of AGK Yuzhny.

<sup>2</sup> Hereinafter please see Appendix A of the financial results press release for 1Q 2021.

<sup>3</sup> Based on management accounts.

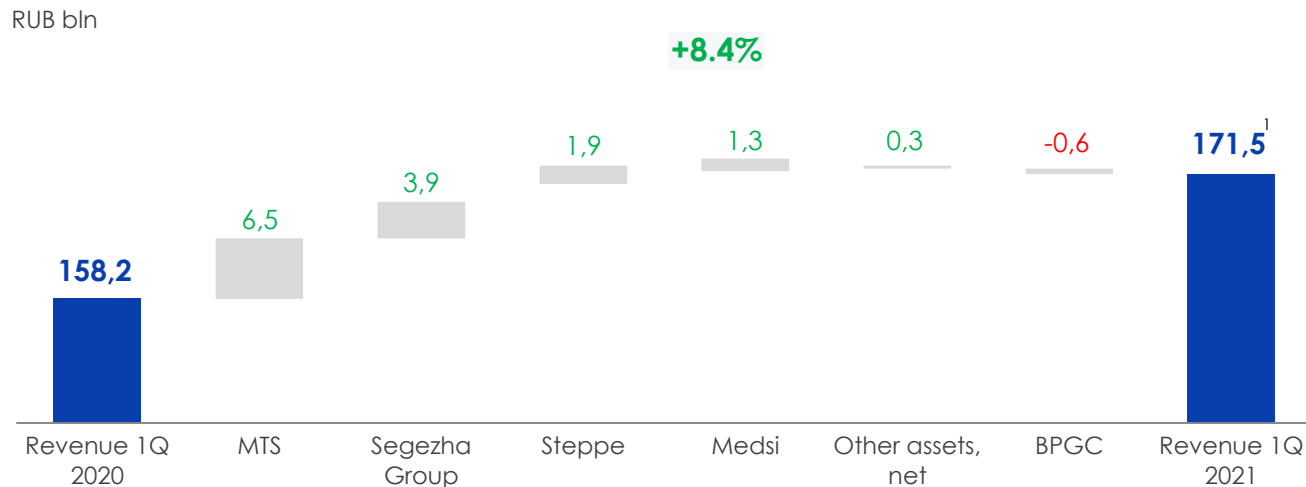
<sup>4</sup> Including total volume of borrowing with the exception of cash and cash equivalents at the Corporate Centre level.

<sup>5</sup> Taking into account the partial exercise of the over-allotment option in connection with stabilisation procedure after the IPO of Segezha Group PJSC and the exercise of the option by Mikhail Shamolin, President of Segezha Group PJSC.

# FINANCIAL REVIEW: 1Q 2021



## Revenue: 1Q 2021

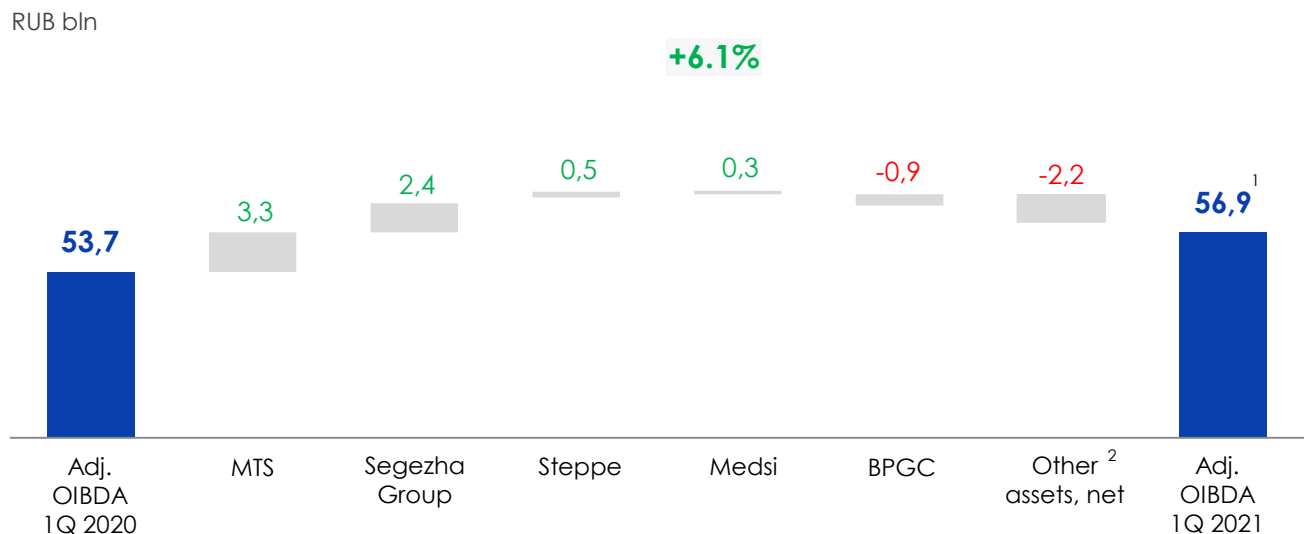


**MTS:** growth of revenue due to increased consumption of core telecom and financial services, higher handset and accessory sales and a positive contribution from enterprise digital and cloud solutions as well as media products. Adj. OBDA grew on the back of revenue, despite a significant reduction in revenue from international roaming.

**Segezha Group:** strong revenue and OIBDA growth as a result of increases in sawn timber and plywood prices amidst a recovery in demand from the construction sector, implementation of measures to control growth of production costs and weakening of the rouble.

**Steppe:** significant increase in revenue and OIBDA in the Field Crop and Agrotrading segments on the back of successful sales of remainders from last year's harvest, expansion of export volumes of agricultural products and an increase in global wheat prices; positive dynamics in the Dairy Farming segment as a result of an increase in gross milk yield; an increase in revenue in the Sugar & Grocery Trading segment.

## Adj. OIBDA: 1Q 2021



**Medsi:** an increase in revenue and OIBDA due to recovery in demand for routine medical care amidst continued demand for services related to COVID-19, development of home and telemedicine services.

**BPGC:** the negative revenue dynamic was due to reduction in capacity and net supply as a result of a decrease in energy consumption in the oil sector following the OPEC+ agreement; OIBDA decline following revenue and an increase in costs, including expenses for services provided by Federal Grid Company (FCG).

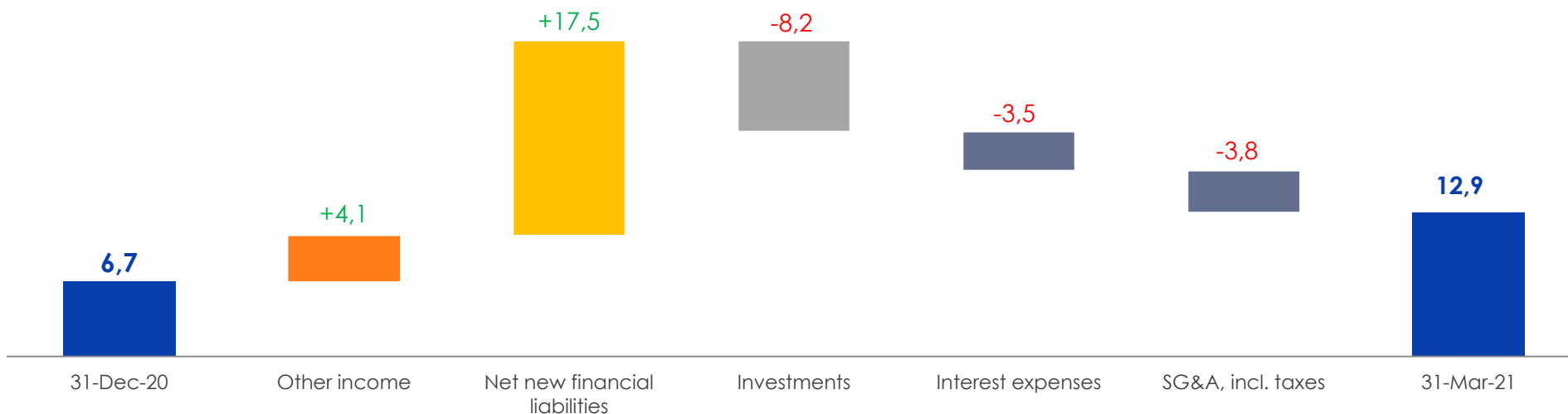
<sup>1</sup>Numbers may not add up due to rounding

<sup>2</sup>Group OIBDA in 1Q 2021 was impacted by reflection of the Group's share in the decrease of Ozon's net loss in the amount of RUB 0.1 bln (1Q 2021 net loss was RUB 2.3 bln, 1Q 2020 net loss was RUB 2.4 bln)

# CASH FLOWS AT THE CORPORATE CENTRE



RUB bln



- **Cash inflows** in 1Q 2021 were primarily the result of sales of securities.
- The change in **financial liabilities** was due to the issue of series 001P-18 (RUB 5 bln) and series 001P-19 (RUB 12.5 bln) bonds.
- **The total volume of investments** in 1Q 2021 was RUB 8.2 bln, including payment for the repurchase of shares in Sintez from National Immunobiological Company, as well as investments in promising projects and start-ups, including through the platform of funds.
- **Interest expenses** were due to interest payments on loans and coupon payments on local rouble bonds.

# CORPORATE CENTRE'S FINANCIAL LIABILITIES

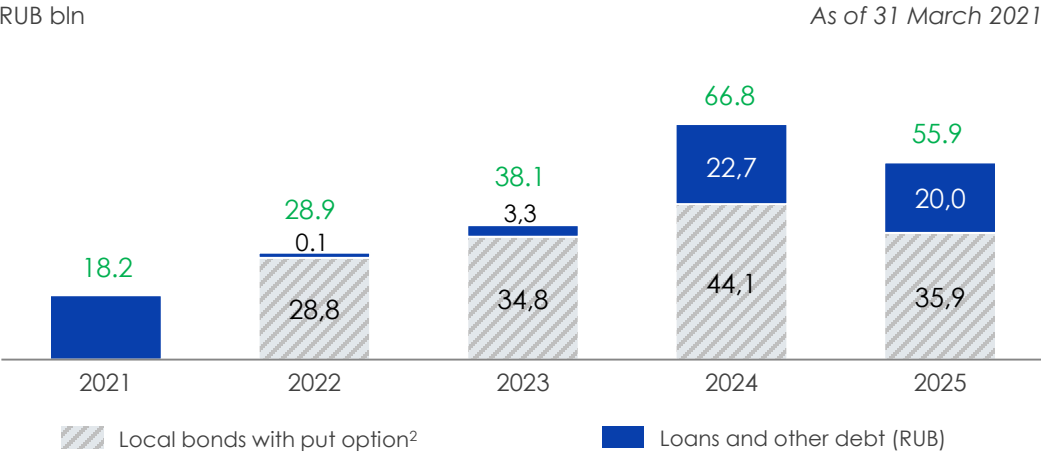


## Corporate Centre's financial liabilities<sup>1</sup>

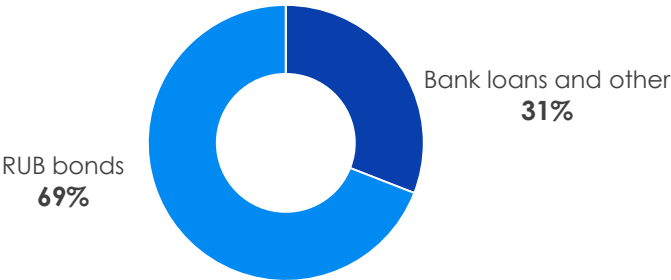


- Activity on the local capital market in the last 12 months allowed the Corporation to significantly **reduce the average interest rate** of the debt portfolio, **lengthen maturity** and establish a **comfortable repayment schedule**.
- In 1Q 2021 the Corporation's financial liabilities increased to **RUB 207.9 bln as a result of RUB bond placements**.
- As of 31 March 2021 RUB-denominated liabilities accounted for **100%** of the Corporate Centre's financial liabilities.

## Comfortable repayment schedule



## Structure analysis<sup>1</sup>



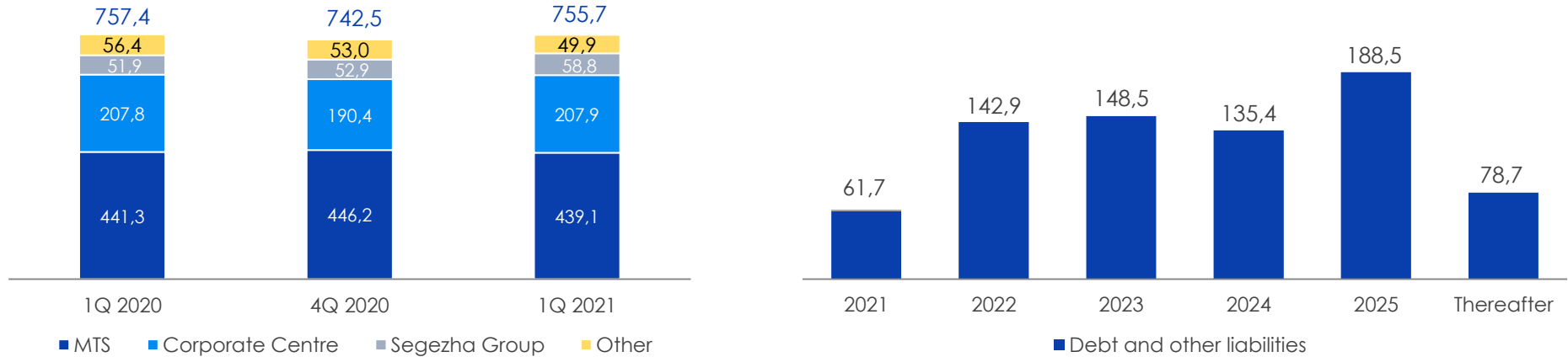
<sup>1</sup> Hereinafter the Corporate Centre's financial liabilities are presented based on management accounts.  
<sup>2</sup> RUB bonds series 001P-01, 001P-06, 001P-09 and 001P-10 with a put option in 2022.; series 001P-04, 001P-11, 001P-14, 001P-16 and 001P-18 with a put option in 2023; series 001P-05, 001P-08, 001P-12, 001P-13 and 001P-15 with a put option in 2024; series 001P-7, 001P-17 and 001P-19 with a put option in 2025.

# CONSOLIDATED FINANCIAL LIABILITIES



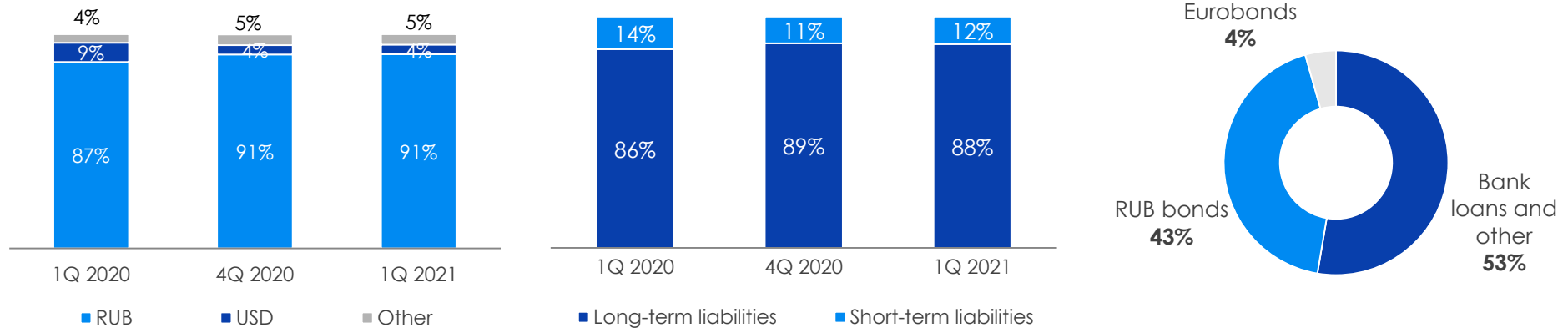
## Consolidated financial liabilities<sup>1,2</sup>: composition by borrower and maturity profile

RUB bln



## Structure analysis<sup>1,2</sup>

RUB bln



<sup>1</sup> Including financial liabilities at the Corporate Centre, financial leases and total borrowings of portfolio companies

<sup>2</sup> Management accounts data is presented as of 31 March 2021

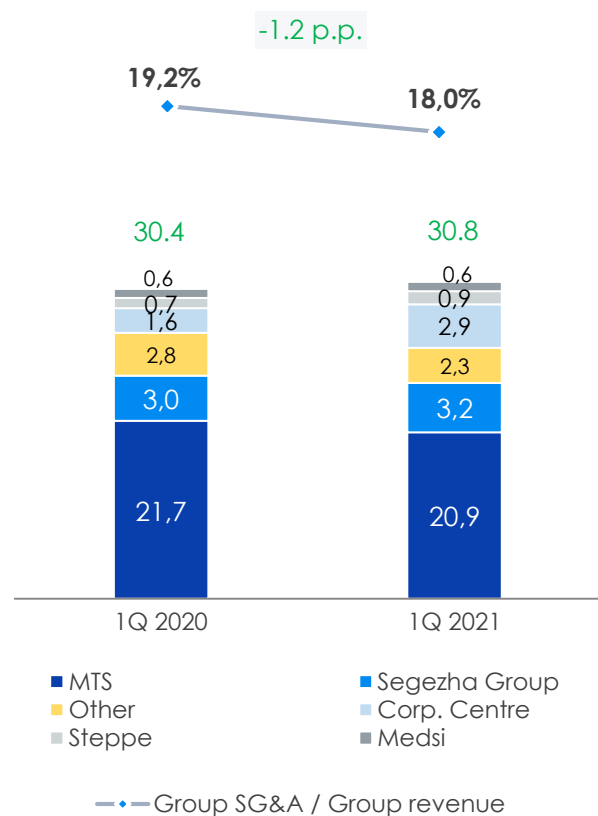


# SG&A EXPENSES



## Group SG&A expenses<sup>1</sup>

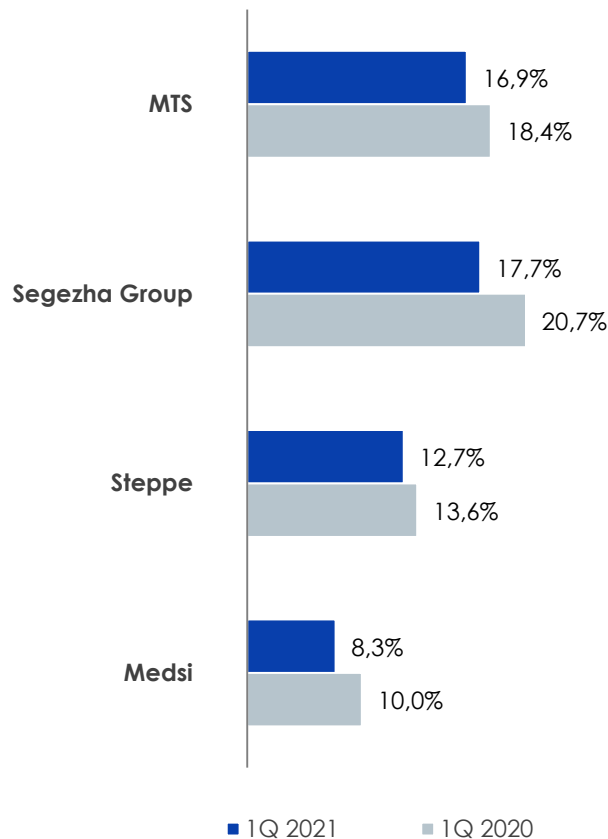
RUB bln



**Group SG&A** in 1Q 2021 was in line with 1Q 2020, primarily as a result of higher SG&A at the Corporate Centre due to accruals under the LTI programme. **The Group SG&A/revenue** ratio declined 1.2 p.p. year-on-year to **18.0%**.

## SG&A expenses: portfolio companies<sup>1</sup>

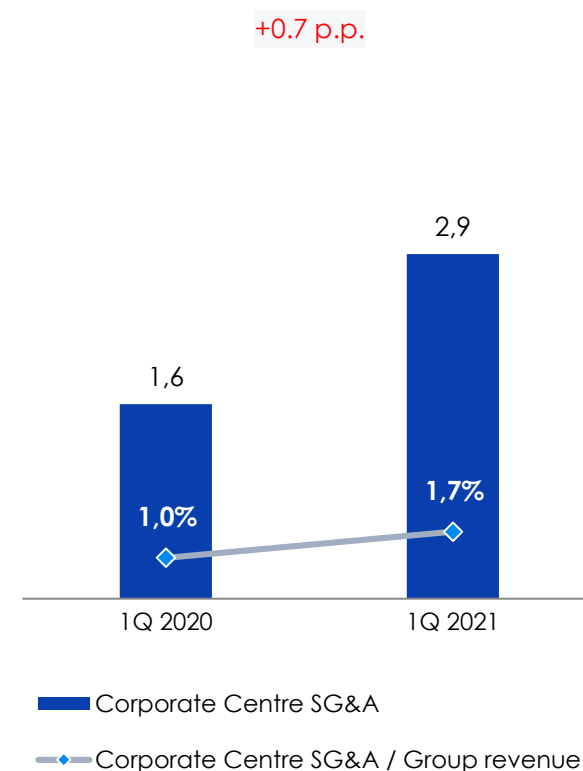
SG&A / Revenue, %



The **SG&A/revenue ratio declined** year-on-year across most assets as a result of a focus on operational efficiency.

## SG&A expenses: Corporate Centre<sup>1</sup>

RUB bln



**The Corporate Centre SG&A and the Corporate Centre SG&A/Group revenue increased year-on-year** due to reflection of provisions under the LTI programme that had been suspended in 2018 and reinstated in 2020.

<sup>1</sup> Source: Management accounts



## KEY PORTFOLIO ASSETS

# MTS: SUSTAINABLE GROWTH OF FINANCIAL RESULTS AND HIGH DIVIDEND PAYOUTS



RUB bln <sup>1</sup>	1Q 2021	1Q 2020	YoY
Revenue	123,9	117,5	5,5%
Adj. OIBDA	55,4	52,2	6,2%
Adj. OIBDA margin	44,7%	44,4%	0,3 p.p.
Adj. net profit <sup>2</sup>	8,1	9,0	(10,4%)
Net debt <sup>3</sup>	381,8	340,1	12,3%
Capex	29,3	20,2	45,3%

## Revenue

in 1Q 2021 **increased year-on-year** due to growth in consumption of the company's core telecommunications and financial services, an increase in handset and accessory sales and a positive contribution from enterprise digital and cloud solutions as well as media products.

## Adj. OIBDA

in 1Q 2021 **grew year-on-year** on the back of revenue, despite a significant reduction in revenue from international roaming.

## Adj. Net profit

in 1Q 2021 **declined year-on-year** due to the high base in the corresponding period last year that was the result of changes in exchange rates. At the same time, net profit was supported by sustainable growth of the core business, contribution from MTS Bank and lower financial expenses as a result of optimisation of the debt portfolio amidst declining interest rates.

## Capex

in 1Q 2021 **grew year-on-year** primarily as a result of increased investments in network development with a focus on expansion of 4G networks.

## Outlook for 2021

MTS forecasts revenue growth in 2021 of no less than **4%**, OIBDA growth of no less than **4%** and capital expenditures of **RUB 100-110 bln**.

## High dividend payouts

In April 2021 MTS's Board of Directors recommended that the Annual General Meeting of shareholders approve annual dividends of RUB **26.51** per ordinary share of MTS (RUB 53.02 per ADR).

## Key highlights

In March 2021 a **share repurchase programme** was announced totaling up to RUB 15 bln through year-end 2021.

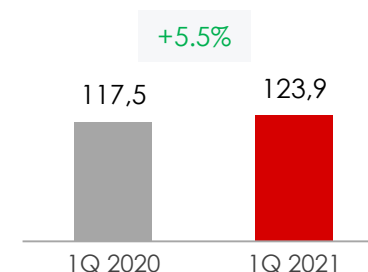
In February 2021 NCR assigned MTS a **AAA.ru** rating with a stable outlook — the agency's highest possible assessment of creditworthiness.

In April 2021 launched **new video-streaming platform KION**, offering more than 200 TV channels and thousands of films, serials, cartoons and documentaries.

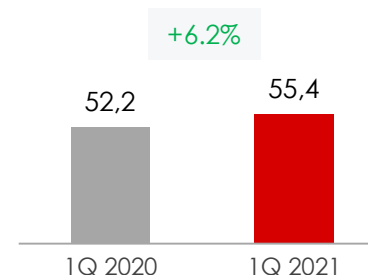
In March 2021 MTS placed RUB 4.5 bln in **exchange-traded social bonds** series 001P-18 on Moscow Exchange.

In March 2021 MTS announced the creation of a Board of Directors' **ESG Committee**.

Revenue, RUB bln



Adj. OIBDA, RUB bln



<sup>1</sup> MTS's results are presented including the divestment of Envision Group in 4Q 2020. Results for 2020 have been restated due to the divestment of Envision Group.

<sup>2</sup> Hereinafter net profit is presented in Sistema's share.

<sup>3</sup> Hereinafter net debt includes financial lease.

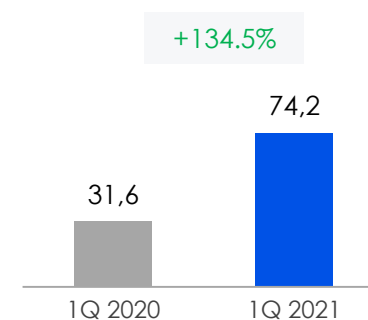
# OZON<sup>1</sup>: CONTINUED RAPID GROWTH OF FINANCIAL PERFORMANCE

OZON



RUB bln	1Q 2021	1Q 2020	YoY
GMV incl. services <sup>2</sup>	74,2	31,6	134,5%
Revenue	33,4	19,9	67,5%
Gross profit <sup>3</sup>	11,6	4,7	147,4%
Gross profit margin	15,6%	14,8%	0,8 p.p.
Adj. EBITDA <sup>4</sup>	(4,9)	(4,5)	n/a
as % of GMV incl. services	(6,5%)	(14,2%)	7,7 p.p.
Net loss	(6,7)	(5,7)	n/a
Operating Cash Flow	(12,1)	(2,4)	n/a
Capex	2,0	1,1	76,3%
Free Cash Flow <sup>5</sup>	(14,8)	(4,0)	n/a
Cash and cash equivalents	140,6	10,9	1195,7%

GMV, incl services, RUB bln



## GMV, incl. services

In 1Q 2021 grew by 134.5% year-on-year to RUB 74.2 bln due to significant growth in orders (+160.7% year-on-year) on the back of growth of the active customer base (+77.4% year-on-year) and an increase in order frequency of more than 30% versus 1Q 2020. The marketplace is a key growth driver of the business thanks to a four-fold year-on-year increase in the number of sellers as the company actively develops its fulfilment and logistics infrastructure as well as strengthens the functionality of the platform for sellers. Development of the marketplace facilitated a 2.5x year-on-year increase in the assortment to 19 mln SKUs.

## Adj. EBITDA

loss in 1Q 2021 was RUB (4.9) bln, versus a loss of RUB (4.5) bln in 1Q 2020. **Adj. EBITDA as a percentage of GMV including services improved** to minus (6.5%) in 1Q 2021, as compared to minus (14.2%) in 1Q 2020. The key drivers were (1) an increase of the marketplace's share (2) the effect of operating leverage, and (3) improved cost efficiency on fulfilment and delivery as a percentage of GMV due to an increase in utilisation of infrastructure amidst growth in the number of buyers and order frequency.

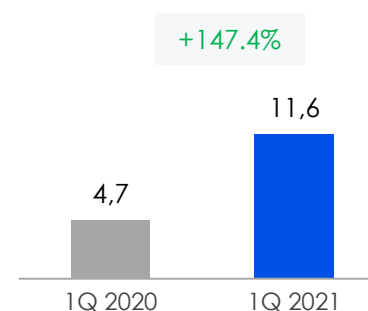
## Operating cash flow

In 1Q 2021 stood at minus RUB (12.1) bln compared to minus RUB (2.4) bln in 1Q 2020, as a result of seasonality of the company's business model and growth in the scale of the business. The significant cash outflow in the first quarter was the result of payment for the majority of accounts payable for goods sold in the peak fourth quarter.

## Cash & cash equivalents

In 1Q 2021 Ozon raised RUB 54.5 bln via the placement of convertible bonds. As of the end of 1Q 2021 cash and cash equivalents stood at RUB 140.6 bln.

Gross profit, RUB bln



<sup>1</sup> Ozon's financial results are not consolidated within Sistema's financial statements. Investments in Ozon are reflected in Sistema's financial reporting using the equity method. The share of Ozon's profit/loss attributable to Sistema is included in Sistema's operating results. Investments are reflected at book value adjusted for attributable share of profit/loss for the period, and are not marked to market.

<sup>2</sup> GMV incl. Services is the value of goods sold on Ozon together with revenue from other services provided to buyers and sellers, inclusive of VAT minus discounts, cost of returns and cancelled orders. This figure does not take into account sales from Ozon.Travel.

<sup>3</sup> Gross profit is defined as revenue minus cost of sales

<sup>4</sup> Adj. EBITDA is not an IFRS metric. Adj. EBITDA is treated as a pre-tax loss, prior to the deduction of non-operating income (expenses), depreciation and option programmes expenses

<sup>5</sup> Free cash flow is not an IFRS metric. Free cash flow is calculated as operating cash flow minus any fixed-asset acquisitions, intangible assets and repayments made on the principal debt of lease liabilities.

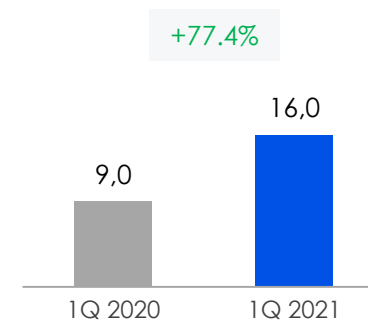
# OZON: DEVELOPMENT OF FINTECH, ENLARGEMENT OF LOGISTICS INFRASTRUCTURE AND INTERNATIONAL EXPANSION



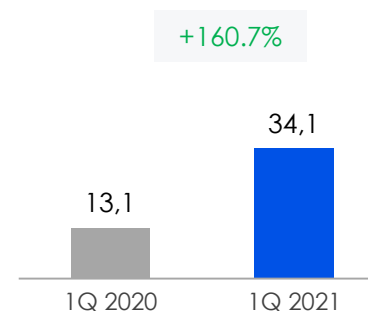
## Key highlights:

- Ozon is consistently executing its transformation strategy to become an **open trading platform**. In 1Q 2021 the share of GMV<sup>1</sup> accounted for by the marketplace<sup>2</sup> reached a record 58.4%, nearly doubling from 32.6% in 1Q 2020. In the reporting period, the number of active sellers<sup>3</sup> increased four-fold year-on-year as a result of improved functionality of the platform for sellers as well as a reduction in commissions on the platform in February 2021.
- The number of active buyers<sup>4</sup> increased by 77.4% year-on-year to 16 mln as of the end of the first quarter 2021. Average order frequency per buyer increased to 5.9 in 1Q 2021 from 4.5 in 1Q 2020. This trend was driven, amongst other factors, by a significant expansion of the assortment: more than **19 mln SKUs** are now offered on the platform. Additionally, in the reporting period the company made courier delivery more accessible by cutting by nearly a third the minimum order size that qualifies for free delivery.
- Ozon continues to develop a **system of financial services**. In May 2021 Ozon acquired 100% of **Oney Bank** from Sovcombank with the aim of integrating it into the fintech vertical. A banking license will give Ozon additional flexibility in supporting existing and launching new financial products for buyers and sellers, while also helping to optimise expenses related to acquiring.
- In May 2021 the Central Bank of the Russian Federation qualified **Ozon Credit** as a microfinance organisation. The company plans to make Ozon Credit a full-fledged participant in the Ozon.Invest lending platform for sellers that helps entrepreneurs finance their businesses on the marketplace.
- Performance metrics of the B2C products in the fintech vertical continue to grow. As per 31 March 2021 approximately **780,000 Ozon Cards** had been issued, nearly half of which are digital cards.
- Ozon continues to scale up its **logistics infrastructure** in Russia and beyond. In April 2021 the company opened its largest logistics hub in the Siberian Federal District, in Novosibirsk. The new fulfilment centre can store more than 4 mln items and process more than 85,000 parcels per day. The hub significantly strengthens storage and delivery service for sellers in the Siberian region.
- In May 2021 Ozon announced the launch of **international expansion** of its logistics infrastructure and operations. The company is scaling up its business in Belarus, where in 2021 it plans to open a logistics centre and develop the network of order delivery points. To engender local entrepreneurship, Ozon plans to create a special storefront featuring products from Belorussian manufacturers.

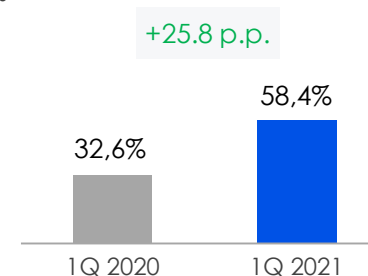
Number of active buyers<sup>4</sup>, mln



Number of orders, mln



Marketplace's share of GMV, %



<sup>1</sup> GMV incl Services is the value of goods sold on Ozon and revenue from services rendered to buyers and sellers, inclusive of VAT, less discounts, cost of returns and cancelled orders. The figure does not include Ozon.Travel and the value of canceled orders and discounts provided.

<sup>2</sup> Marketplace's share of GMV is defined as the ratio of the total value of all orders made through the marketplace (including VAT, minus discounts, the cost of returns and cancelled orders) to GMV incl. services.

<sup>3</sup> The number of active sellers is the number of sellers who sold at least one product on the Ozon.ru marketplace in the previous 12 months.

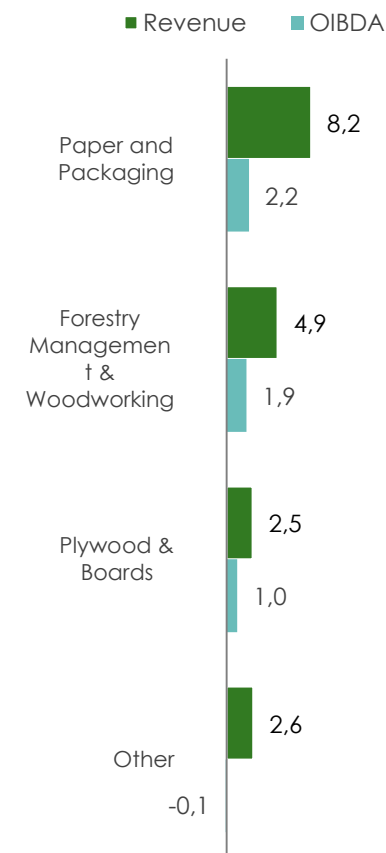
<sup>4</sup> The number of active buyers is the number of buyers who made at least one order (excluding refunds and canceled orders) on Ozon.ru in the previous 12 months.

# SEGEZHA GROUP: STRONG GROWTH OF FINANCIAL PERFORMANCE ON THE BACK OF HIGHER PRICES, A SUCCESSFUL IPO



RUB bln	1Q 2021	1Q 2020	YoY
Revenue	18,2	14,3	27,1%
OIBDA	5,0	2,6	91,4%
OIBDA margin	27,6%	18,3%	9,3 p.p.
Net profit / (loss)	2,4	(5,2)	n/a
Net debt	56,3	48,0	17,3%
Capex <sup>1</sup>	3,9	3,9	0,7%
FX-denominated rev., %	70,8%	69,8%	1,0 p.p.
Own consumption, %	80,0%	70,8%	9,2 p.p.
Total forestry, thsd cu m	1 892,0	1 681,9	12,5%

Revenue and OIBDA by segment for 1Q 2021, RUB bln



**Revenue** increased significantly in 1Q 2021, mainly on the back of increased sawn timber and plywood prices amidst a recovery in demand from the construction industry. Revenue was also significantly impacted by the growth of average exchange rates against the rouble in 1Q 2021: the EUR advanced by 22.7%, and the USD by 12.2%.

**OIBDA** grew by 91.4% year-on-year in 1Q 2021, mainly due to increased plywood and sawn timber prices. The rouble's depreciation, coupled with measures taken to curb production cost growth, both had a tangible impact on OIBDA performance.

**Net Profit** totalled RUB 2.4 bn in 1Q 2021, compared with a RUB 5.2 bn loss in 1Q 2020. This was driven by OIBDA growth and impacted by revaluation of foreign-currency denominated debt due to FX rate changes.

**Capex** stood at RUB 3.9 bln for 1Q 2021, with investment largely centring around the purchase of logging and log transport equipment, modernising Segezha Pulp and Paper Mill, implementing the SAP S/4HANA platform and the purchase of converting lines.

**Key Highlights** Russia's first CLT panel production site, with a capacity of 50,000 cu m a year, was rolled out in Sokol, Vologda Region.

In March 2021, the Company joined the UN Global Compact, while also signing an agreement with WWF Russia for the preservation of Frontier Forests in the Arkhangelsk Region.

In April 2021, Segezha Group adopted a new sustainability strategy and an ESG policy. The strategy focuses on four key areas: an innovative forestry business, making Russia's forest regions a better place to live, climate-smart forest management and production, and a responsible forest supply chain.

In April 2021, Segezha Group conducted an IPO on Moscow Exchange, attracting a wide range of institutional investors from across Europe, the UK, the US and Asia, along with a sizeable number of both institutional and retail investors from Russia. The Company raised RUB 30 bln through the transaction. Upon completion of the IPO, Segezha Group's free float stood at 23.9%, with Sistema's stake at 72.0%<sup>2</sup>. The Group's shares have been included in MOEX'S Level 1 quotation list.

<sup>1</sup> Capex excluding M&A

<sup>2</sup> Taking into account the partial exercise of the over-allotment option in connection with stabilisation procedure after the IPO of Segezha Group PJSC and the exercise of the option by Mikhail Shamolin, President of Segezha Group PJSC..

# SEGEZHA GROUP: PRICE GROWTH FOR KEY PRODUCTS



## Trends across key segments

### Sack Paper

In 1Q 2021, Segezha Group's paper production decreased by 9.7% year-on-year to 89.6 thsd tonnes, mainly due to renovation works carried out at Segezha Pulp and Paper Mill. Paper sales volumes dropped 22.1% to 51,700 tonnes, on the back of lower 1Q 2021 production and a larger inventory at the beginning of 2020.

### Paper Sacks

In 1Q 2021, Segezha Group sold 305.4 mln units, down 2.6% year-on-year. The transfer of some sales from 1Q to 2Q at Segezha's Russian assets had a negative impact on this figure. The lower sales figure for the Russian market was partially offset by higher shipments at the Group's European assets, on the back of restored demand from the construction industry, which led to increased sales of sacks for cement. Production volume rose 1.6% year-on-year to 339.6 mln units, thanks to sales growth at Western assets.

### Plywood

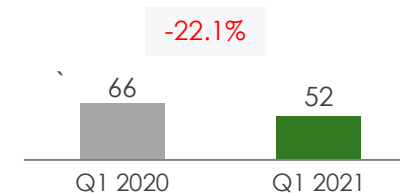
In 1Q 2021, birch plywood production amounted to 49,800 cu m, maintaining its 1Q 2020 level. Sales volume totaled 47.2 thsd cu m, down 3.4% from 1Q 2020 due to a larger inventory in the previous year. Revenue from plywood sales increased, due to higher prices and an increased sales' share of high-margin products. Global price growth is mainly down to pent-up demand in the construction industry.

### Sawn Timber

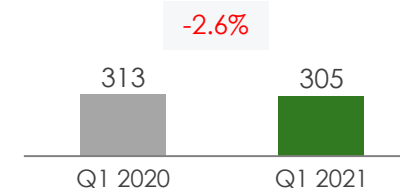
In 1Q 2021, sawn timber production fell by 9.2% year-on-year to 241,700 cu m, mainly down to the increased use of marketable sawn timber from Sokol PPM to produce glulam products and CLT panels. At the same time, sawn timber sales dropped by 0.7%, due to sales of inventoried product. Global sawn timber prices continued to rise, mainly thanks to pent-up demand in the construction industry.

## Sales

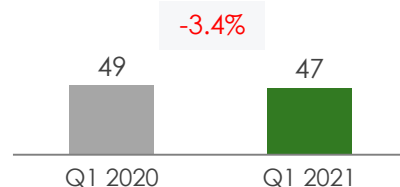
### Sack Paper<sup>1</sup>, thsd tonnes



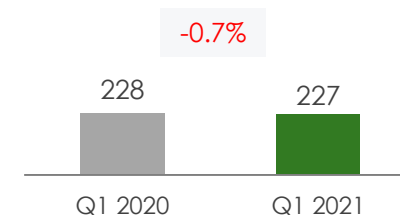
### Paper Sacks<sup>2</sup>, mln units



### Plywood, thsd cu m



### Sawn Timber<sup>3</sup>, thsd cu m



<sup>1</sup> Apx 29.1% of paper produced was supplied to Segezha Group's own converting facilities to produce paper packaging

<sup>2</sup> Including 18.8 mln consumer paper bags

<sup>3</sup> Including sawn timber produced at Sokol PPM

# STEPPE: SIGNIFICANT REVENUE AND OIBDA GROWTH



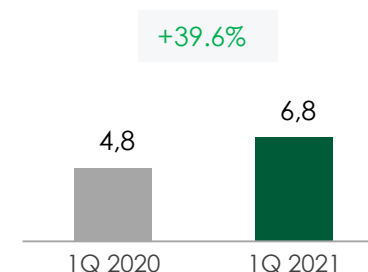
RUB bln <sup>1</sup>	1Q 2021	1Q 2020	YoY
Revenue	6,8	4,8	39,6%
OIBDA	1,2	0,7	65,4%
OIBDA margin	17,7%	15,0%	2,8 p.p.
Net profit	0,3	0,1	145,3%
Net debt	23,9	20,4	17,2%
Capex	0,8	0,4	120,2%

## Revenue

in 1Q 2021 increased by 39.6% year-on-year primarily as a result of:

- increased revenue in the Field Crop and Agrot trading segments on the back of effective sales of remainder crops from last year's harvest, expansion of export volumes of agricultural products and an increase in global grain prices;
- positive dynamics in the Dairy Farming segment as a result of increased gross milk yield;
- revenue growth in the Sugar & Grocery Trading segment.

## Revenue, RUB bln



## OIBDA

in 1Q 2021 increased by 65.4% year-on-year, primarily as a result of:

- implementation of an effective trading strategy for export sales of the company's own and third-party agricultural products;
- price growth in wheat and corn ahead of the imposition of export tariffs;
- growth in production volumes and an increase in the number of high-yielding dairy cows in the Dairy Farming segment.

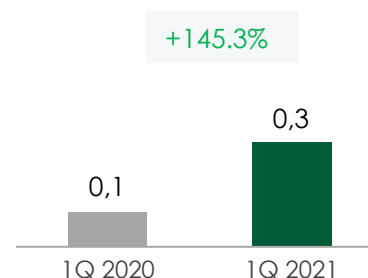
## Adj. OIBDA, RUB bln



## Net profit

in 1Q 2021 increased by 145.3% year-on-year on the back of OIBDA dynamics.

## Net profit, RUB bln



## Capex

in 1Q 2021 totaled RUB 0.8 bln with the majority of capital expenditures going to infrastructure development, completing construction and modernisation of dairy farms and acquisition of land plots.

## Net debt

in 1Q 2021 increased by 17% year-on-year as a result of investments made throughout 2020.

<sup>1</sup> RZ Agro is accounted for in Agroholding Steppe's IFRS financial statements as an investment in a joint venture. Agroholding Steppe's financial results reflect the divestiture of AGK Yuzhny in May 2020.



# STEPPE: FOCUS ON STRENGTHENING OPERATIONAL EFFICIENCY AND GROWTH OF FINANCIAL METRICS



## Trends in key segments

**Field crops**  
Land bank

**566 thsd hectares**

Steppe's land bank totals **566,000 hectares**, and the company is among the **Top-6** largest landowners in the Russian Federation. Steppe is gradually increasing its land bank by consolidating neighboring land assets.

The average export sales price for wheat in 1Q 2021 increased by 14% year-on-year.

**Dairy farming**  
Dairy cows

**7 thsd cows**

The Dairy Farming segment's operating performance is **demonstrating stable growth**: the gross milk yield in 1Q 2021 stood at approximately 20,000 tonnes (+14.6% year-on-year), and the herd stood at 7,043 dairy cows at the end of the quarter. Average daily productivity per cow in 1Q 2021 was 31.7 kg of milk.

**Agrotrading**  
Sales volumes

**1,206 thsd tonnes**

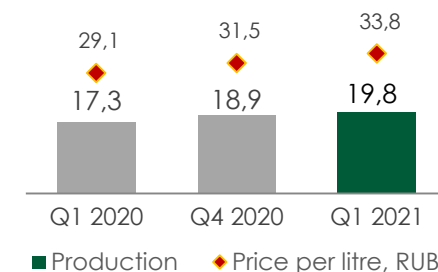
Sales volumes in the Agrotrading segment from the start of the 2020/2021 season amounted to **1,206 thsd tonnes** (+9.4% year-on-year). An increase in export volumes and implementation of an efficient sales strategy facilitated achievement of strong financial performance in the segment.

**Sugar & Grocery**  
Product Trading  
Sales volumes

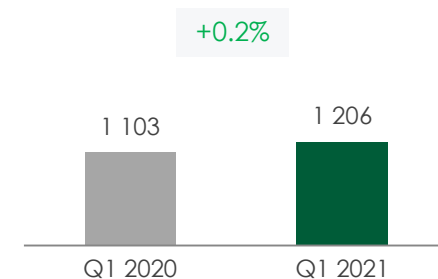
**57 thsd tonnes**

Sales volumes in the Sugar & Grocery Trading segment in 1Q 2021 totaled **57 thsd tonnes**, with strong demand for sugar and grocery products, which had a positive impact on the financial performance of the segment.

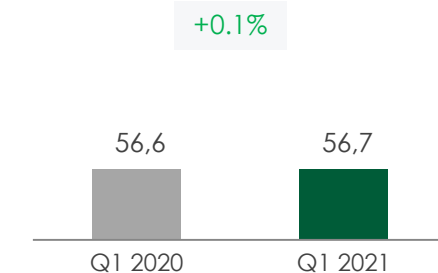
Milk production, thsd tonnes



Agrotrading sales volumes, thsd tonnes



Sugar & Grocery sales volumes, thsd tonnes

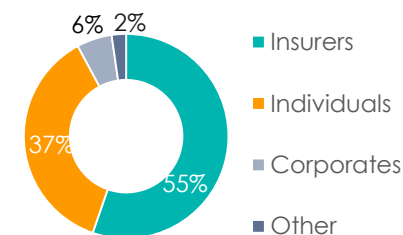


# MEDSI: STRONG FINANCIAL GROWTH ON THE BACK OF RENEWED DEMAND FOR MEDICAL SERVICES



RUB bln	1Q 2021	1Q 2020	YoY
Revenue	7,2	5,9	22,7%
Adj. OIBDA <sup>1</sup>	1,4	1,1	24,5%
Adj. OIBDA margin <sup>1</sup>	19,2%	18,9%	0,3 p.p.
Adj. net profit <sup>1</sup>	0,5	0,3	48,6%
Net debt <sup>2</sup>	4,7	3,2	47,2%
Capex <sup>3</sup>	1,7	1,2	45,3%
Patient visits, thsd	2 387	2 093	14,0%
Services provided, thsd	5 293	4 047	30,8%
Average ticket, thsd RUB	3,0	2,8	7,5%

Revenue by client type, 1Q 2021



## Revenue

**grew** year-on-year in 1Q 2021, due to renewed demand for routine medical care services and continued high revenue from COVID-19 services, including testing, chest CT scans, treatment at the Otradnoe infectious diseases clinic, as well the development of home care and telemedicine services.

## Adjusted OIBDA

**increased significantly** in 1Q 2021, on the back of positive revenue growth. The Net Debt / adjusted OIBDA LTM ratio also remained at a comfortable level of 1.0x. The Company's participation in the "Nebo" residential development project made a RUB 0.1 bln contribution to adjusted OIBDA. **Adjusted net profit** rose year-on-year in 1Q 2021, driven by adjusted OIBDA dynamics.

## Key Highlights

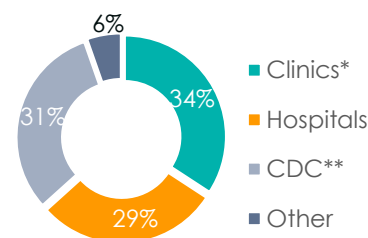
A project is being developed to **centralise laboratory work** and replace outsourcing. This focus on meeting diagnostic standards will lead to an increase in laboratory revenue.

Construction is nearing completion of the **multifunctional medical centre on Michurinsky prospect, with a total space of more than 34 thsd sq m**. The Medical Centre will include a CDC for both children and adults, a daytime in-patient clinic and a 24-hour in-patient clinic, complete with a high-tech surgery centre. It is expected to open in 1H 2022.

In May 2021, the **CDC at Schelkovo**, Moscow region, with a total space of 3,633 sq m, was launched.

Downloads of the **SmartMed** telemedicine app and usage of the service are actively growing. The number of appointments made through the app, excluding instrumental and laboratory diagnostics, now exceeds appointments made through all other channels. In 1Q 2021, the number of telemedicine consultations increased four-fold year-on-year.

Revenue by assets, 1Q 2021



\* Primary care clinics

\*\* Clinical-diagnostic centres

<sup>1</sup> Adjusted for allocations related to the LTI programme and the effect of the acquisition of the Izhevsk clinic

<sup>2</sup> Including loan from LLC Project Michurinsky of RUB 4.0 bln

<sup>3</sup> Capex excluding M&A

# MEDSI: GROWTH ON THE BACK OF RENEWED DEMAND FOR ROUTINE MEDICAL CARE, WITH DEMAND FOR COVID TREATMENT STILL HIGH



Number of facilities<sup>1</sup>

49

Floor space  
thsd sq m

+2.4%

Utilisation, clinics<sup>3</sup>  
%

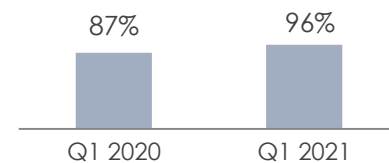
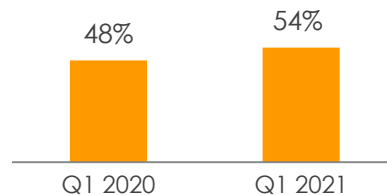
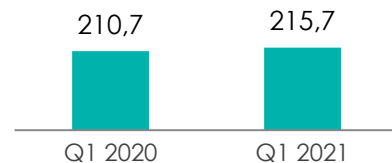
+6 p.p.

Utilisation, hospitals<sup>4</sup>  
%

+9 p.p.

Number of patient visits<sup>2</sup>

2.4 mln



Number of doctors

3,800

Patient visits  
mln

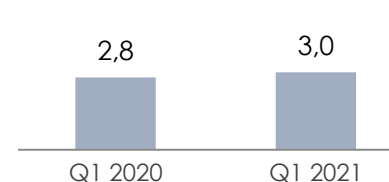
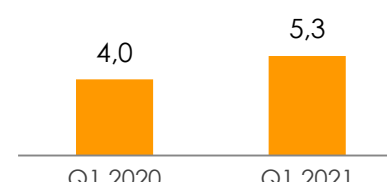
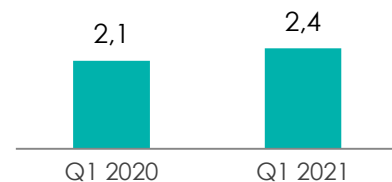
+14.3%

Services provided  
mln

+30.8%

Average cheque  
RUB thsd

+7.5%



Capacity<sup>2</sup>

5 mln visits

- **Utilisation growth** due to a recovery in the level of routine medical care, while additional income from COVID-19 diagnostics and treatment remained high.
- **Floor space growth** on the back of new clinics opening in Moscow.
- **Average cheque growth** was driven by growth in the share of cost-intensive COVID-19 diagnostic services, as well as a higher average cheque for COVID-19 treatment at the Otradnoe hospital.

<sup>1</sup> Metrics in the table and elsewhere are shown as of 31 March 2021.

<sup>2</sup> Metrics are for 1Q 2021, with capacity calculated as the total number of possible outpatient visits at Medsi facilities and visits as the actual number of patient visits for the period.

<sup>3</sup> Out-patient facilities in Moscow.

<sup>4</sup> Utilisation accounts for multiple use of one in-patient bed at daytime in-patient facilities.

# BINNOPHARM GROUP<sup>1</sup>: SIGNIFICANT GROWTH IN FINANCIAL PERFORMANCE AND DECREASED LEVERAGE



RUB bln	1Q 2021	1Q 2020	YoY
Revenue	5,4	3,9	37,5%
OIBDA	1,6	0,4	280,3%
OIBDA margin	30,5%	11,0%	19,5 p.p.
Net profit	0,8	(0,4)	n/a
Net debt	9,5	10,3	(8,7%)

**Revenue** grew by **37.5%** year-on-year in 1Q 2021, thanks to the implementation of a sales growth strategy in both the hospital and retail segments. **Growth in the hospital segment totalled 148%** year-on-year in 1Q 2021, on the back of strong antibiotics and COVID-19 medication sales. **Retail segment growth was 22%**, with significant sales growth for products aimed at improving quality of life, such as Venarus, Maxilak and Neobutin.

**OIBDA** increased significantly year-on-year in 1Q 2021, on the back of increased revenue and new synergies between the holding company's portfolio companies, as well as a reduced share of management and commercial costs in revenue. **Positive net profit dynamics** are mainly down to this increase in OIBDA.

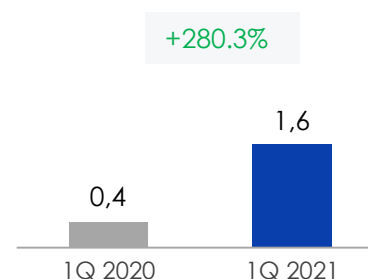
**Net debt** declined year-on-year as of end of 1Q 2021, on the back of positive cash flow from operating activities and as a result of efficient management of working capital.

**Key highlights** In February 2021, Sistema and VTB Group contributed their 56.2% stake in OJSC Sintez to the equity of Binnopharm Group. Concurrently, Sistema, VTB Group and an investor consortium consisting of the Russia-China Investment Fund and leading Mideast funds contributed an 85.6% stake in JSC Alium to the equity of Binnopharm Group. In March 2021, Sistema acquired 32.4% of OJSC Sintez from JSC National Immunobiological Company, which is controlled by Rostec. In May, Sistema contributed this stake to the equity of Binnopharm Group, bringing Binnopharm Group's total stake in OJSC Sintez to 88.6%.

Revenue, RUB bln



OIBDA, RUB bln



<sup>1</sup> 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 GRID NETWORK (BPGC) AND RENTAL ASSETS (BUSINESS NEDVIZHIMOST)



**BPGC** 

RUB bln	1Q 2021	1Q 2020	YoY
Revenue	5,2	5,8	(10,4%)
OIBDA	1,0	1,9	(49,0%)
OIBDA margin	18,6%	32,7%	(14,1) p.p.
Net profit	0,2	0,9	(79,7%)
Capex	0,7	0,7	5,2%

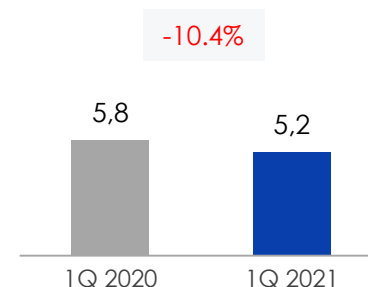
**Revenue** **decreased** in 1Q 2021 year-on-year as a result of a decrease in capacity and net electricity supply due to reduced consumption in the oil sector on the back of the OPEC+ agreement.

**OIBDA** **decreased** in 1Q 2021 year-on-year following revenue, and also due to cost growth including payments for services from Federal Grid Company (FGC) and expenditures from technical losses.

**Net profit** **decreased** in 1Q 2021 year-on-year following the decrease in OIBDA and reduction in finance income.

**Progress on ESG** In March 2021, BPGC was awarded **the highest category of environmental efficiency** by the ERA agency for 2020. This underscores the Company's transparency, improvements to quality and environmental activity, and also the efficient usage of resources to achieve these results.

Revenue, RUB bln



**Business Nedvizhimost** 

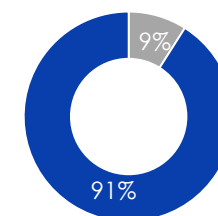
RUB bln	1Q 2021	1Q 2020	YoY
Revenue	0,9	1,0	(6,3%)
OIBDA	0,3	0,3	8,3%
OIBDA margin	31,8%	27,5%	4,3 p.p.
Net profit	0,0	0,2	(75,3%)
Net debt	2,8	1,3	120,2%

**Revenue** **Revenue decreased** in 1Q 2021 year-on-year primarily due to a change in the structure of sales revenue: in 1Q 2020 Business Nedvizhimost sold land plots located in the Moscow region and within the city limits (Serebryanny bor), while in 1Q 2021 only land plots in the Moscow region were sold.

**OIBDA** **OIBDA and OIBDA margin increased** in 1Q 2021 year-on-year primarily due to cost optimisation.

**Key highlights** Business Nedvizhimost is continuing the active development of a network of co-working spaces at ATS buildings acquired from MGTS. This project will offer potential clients a network of contemporary, comfortable and high-tech flexible offices located both in the centre of Moscow and in densely populated residential areas outside the centre. Co-working members can choose the most suitable location for their business or remain mobile and move among facilities in the network. In addition, the company is working on new service concepts to make more efficient use of the company's assets and promote the Business Nedvizhimost brand..

Portfolio of assets under ownership, 1Q 2021



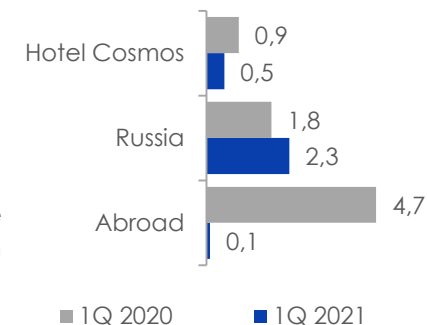
■ Country property  
■ Commercial property

# HOSPITALITY ASSETS<sup>1</sup> (COSMOS HOTEL GROUP)



RUB bln	1Q 2021	1Q 2020	YoY
Revenue	0,6	0,8	(20,7%)
Adj. OIBDA	(0,1)	0,0	n/a
Adj. OIBDA margin	(10,2%)	2,9%	(13,2) p.p.
Adj. net loss	(0,3)	(0,4)	n/a
Net debt	4,2	3,7	11,6%
Room capacity	4 162	4 132	0,7%

RevPar<sup>2</sup>, RUB thsd



## Revenue

**declined significantly in 1Q 2021** year-on-year due to ongoing restrictions and challenges in the tourism and hospitality sectors (COVID-19), and also due to the hotel having operated as normal in 1Q 2020.

## Adj. OIBDA

**declined in 1Q 2021** on the back of the revenue decrease, despite the hotels maintaining an austerity regime in order to minimise losses during the pandemic.

## Adj. net profit

for the period was the result of OIBDA dynamics.

## Key indicators

**The share of revenue accounted for by hotels outside Russia** in 1Q 2021 was 3.5% (versus 15.4% in 1Q 2020), due to the fact that foreign hotels did not have permission to operate and they remained closed.

**ADR<sup>3</sup>** for the Group's hotel portfolio in 1Q 2021 declined by 13.8% year-on-year and stood at RUB 3,000.

**RevPAR<sup>2</sup>** for the hotel portfolio declined by 2.8% from RUB 1,500 to RUB 1,400 on the back of a significant drop in occupancy. The Russian hotels in the portfolio posted an improvement (+27% year-on-year) on the back of partial lifting of restrictions on domestic travel.

**Average occupancy** in 1Q 2021 increased by 5.5 p.p. to 48.3% thanks to a positive dynamic in the Russian hotel segment. Some international destinations remained closed for Russian citizens, which drove an increase in domestic tourism.

## Key highlights

In May 2021, **Cosmos Hotel Group signed an agreement to operate Hilton Garden Inn.**, located at 2-4 Kozhevnickeskaya St in Moscow. The opening of the hotel is scheduled for November 2021. Hilton Garden Inn Moscow Paveletskaya will be a 4\* hotel with **237 comfortable modern rooms**. It will become the fifth hotel of Cosmos Hotel Group in Moscow. This is the first hotel which is part of an international chain which will be operated by Cosmos Hotel Group but not owned by the company, in line with Cosmos Hotel Group's current strategy aimed at creating the leading hotel chain in Russia.

<sup>1</sup> Based on management accounts

<sup>2</sup> Revenue per available room per day

<sup>3</sup> Average daily rate



JOINT-STOCK FINANCIAL CORPORATION  
**SISTEMA**

## **Investor Relations**

Tel. +7 (495) 730 66 00

[www.sistema.com](http://www.sistema.com)

[ir@sistema.com](mailto:ir@sistema.com)