



JOINT-STOCK FINANCIAL CORPORATION
SISTEMA

Sistema PJSFC Financial Results 2Q 2021

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DISCLAIMER



Certain statements in this presentation may contain assumptions or forecasts in respect to forthcoming events within Sistema PJSFC 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

HIGH PACE OF BUSINESS GROWTH ATTRIBUTED TO STRONG DYNAMICS OF PUBLIC AND NON-PUBLIC ASSETS



Results of portfolio companies

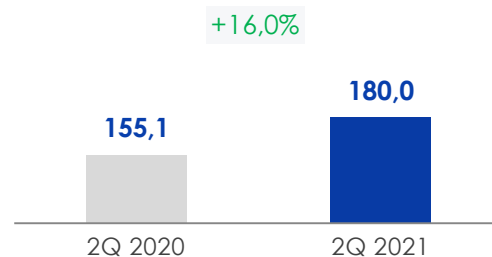
- **Revenue growth accelerated** in 2Q 2021 year-on-year due to strong results of MTS, Segezha Group, Medsi and Agroholding Steppe ("Steppe").
- **Strong pace of OIBDA growth** on the back of the performance of MTS, Segezha Group and Medsi and despite a higher net loss at Ozon.

Key events

- **The IPO of Segezha Group** took place in April 2021 on Moscow Exchange, with a market capitalization of RUB 125.5 bln and a free float of 23.9%. Sistema's stake stands at 72.0%.⁴
- 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 consistent growth of dividend payments. **The recommended basic dividend will grow** every year and total **≈RUB 3 billion in 2021**, **≈RUB 4 billion in 2022** and **≈RUB 5 billion in 2023**. It is expected that, **starting from 2022**, Sistema distributes **10%** of the absolute **growth** in its **OIBDA** for the previous year to shareholders, **in the event** that the Corporation delivers **absolute OIBDA growth of more than 5% for the previous year** and that the net debt/OIBDA ratio stands at no more than 3.0x as of the end of the previous year.
- In June 2021, the Annual General Meeting of shareholders **approved the distribution of dividends** totaling RUB 2,991.5 million, or **RUB 0.31 per ordinary share** for full year 2020.
- In June 2021 VTB Capital acquired **11.2% of Ristango Holding Limited** which is 100% shareholder of **Binnopharm Group**⁵, from Sistema for RUB 7 bln.

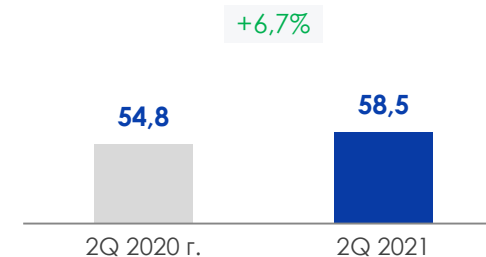
Consolidated revenue

RUB bln

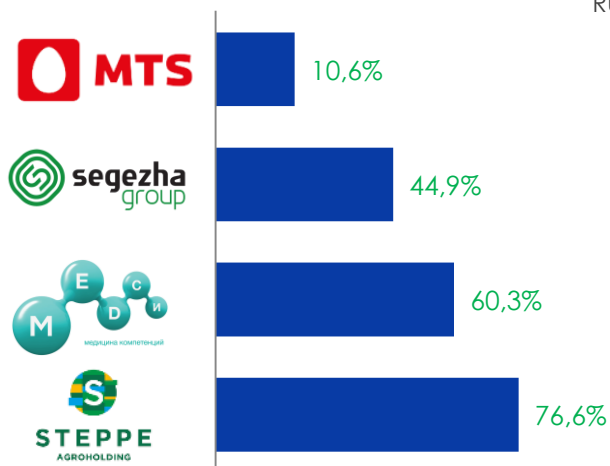


Adj.¹ OIBDA

RUB bln

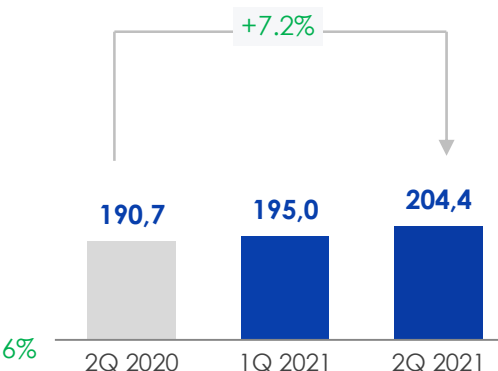


Consolidated assets leading by revenue growth in 2Q 2021 (year-on-year)



Net Corporate Centre financial liabilities^{2,3}

RUB bln



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

² Based on management accounts.

³ Including total volume of borrowing with the exception of cash and cash equivalents at the Corporate Centre level.

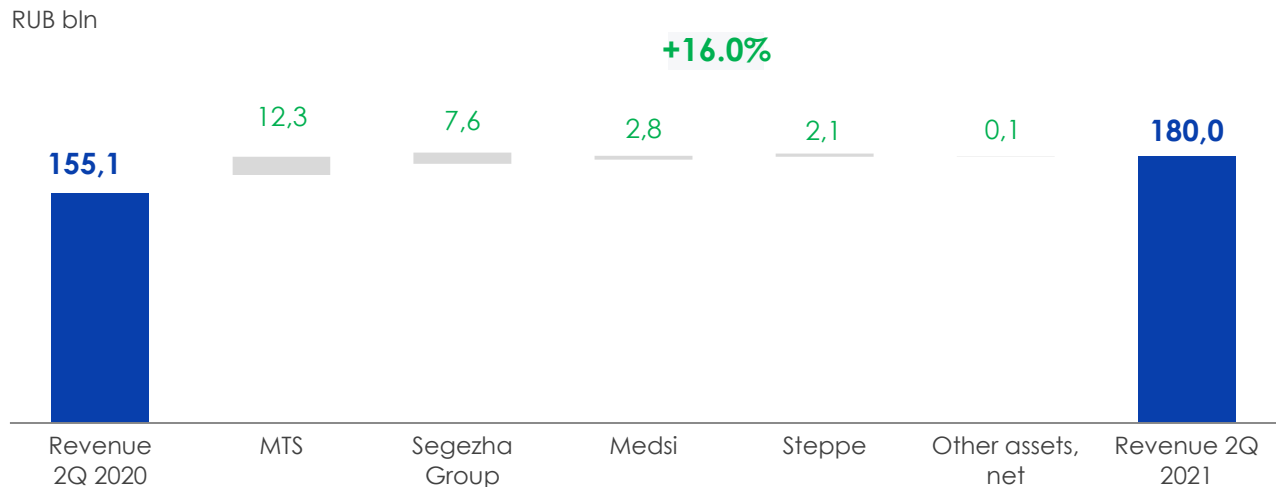
⁴ Including partial exercise of an over-allotment option to offer secondary shares under the stabilisation programme following the IPO as well as the exercise of options by Segezha President Mikhail V Shamolin.

⁵ By buying a 11,2% share in Ristango Holding Limited – which is 100% owner of Binnopharm Group

FINANCIAL REVIEW: 2Q 2021¹



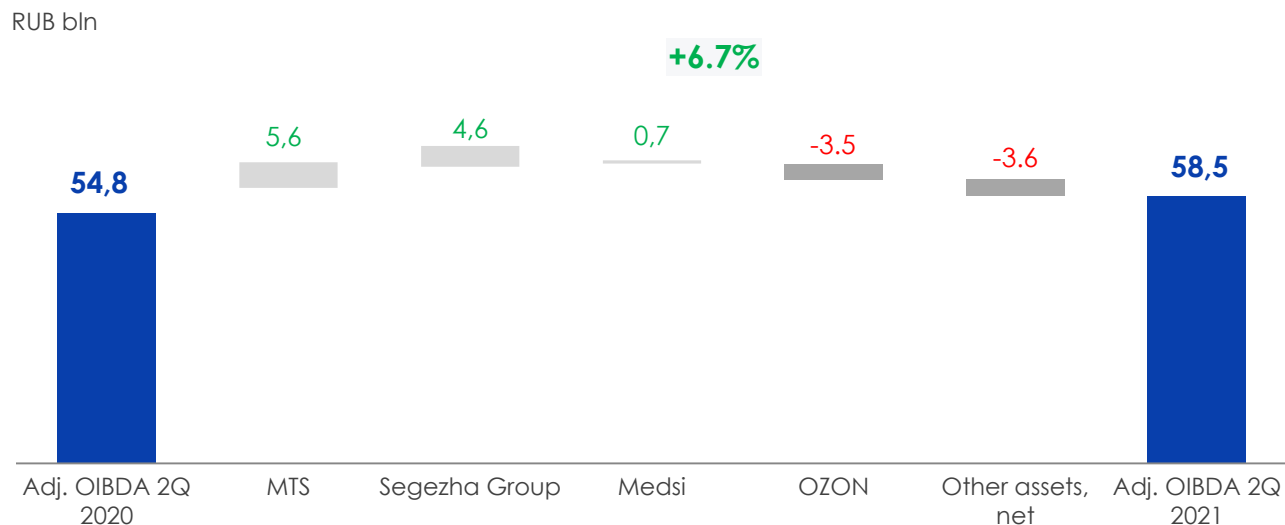
Revenue: 2Q 2021



MTS: accelerated pace of revenue and OIBDA growth due to increased consumption of telecom and financial services, higher revenue in the retail segment in part due to the effect of a low base in 2Q 2020 when stores were shut due to the COVID-19 pandemic, and also as a result of a significant contribution from enterprise digital and cloud solutions and media products.

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

Adj. OIBDA: 2Q 2021



Steppe: significant increase in revenue due to higher sales in the Field Crop and Agrot trading segments as a result of: ramp-up of export volumes of agricultural products, sales of inventoried product from the previous year's harvest and higher global grain prices; positive performance of the Dairy segment as a result of increased sales volumes of milk; and an increase in revenue in the Sugar and Grocery Trading segment.

Medsi: increase in revenue due to recovery in demand for routine medical care amidst ongoing demand for services related to COVID-19 as well as development of home and telemedicine services; OIBDA increased due to the revenue increase as well as due to the effect from participation in the real estate development project to construct the Nebo residential complex.

¹Numbers may not add up due to rounding

CASH FLOWS AT THE CORPORATE CENTRE¹



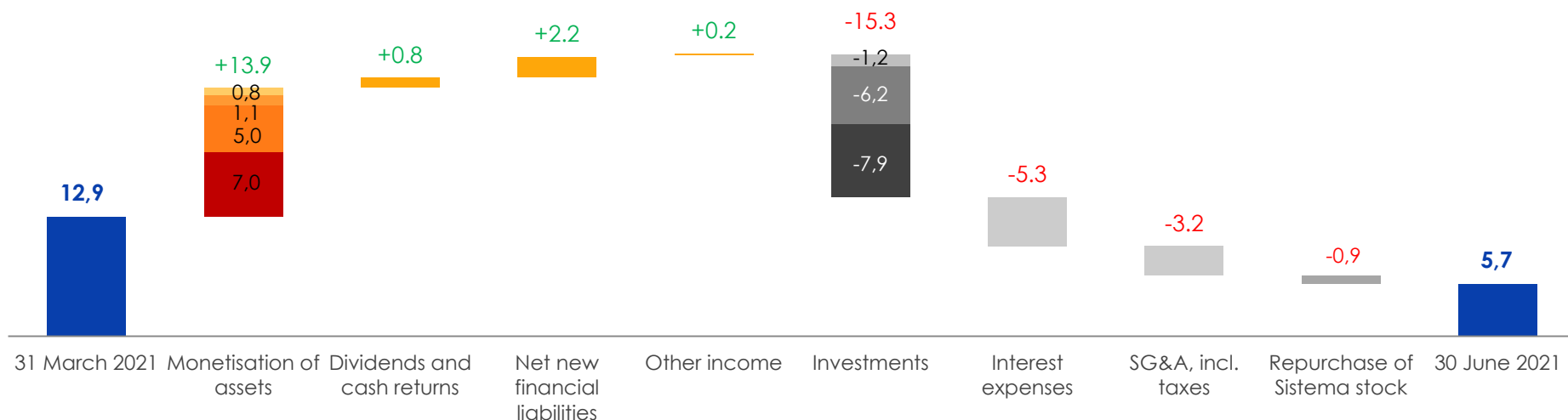
RUB bln

Monetisation of assets

- IPO of Segezha Group
- Other
- Participation in MTS share repurchases
- Sale of stake in Binnopharm Group

Investments

- Buyout of minority shareholders of Ristango Holding Limited
- Other
- Participation in Etalon Group SPO



Monetisation of assets in 2Q 2021 included the sale of an equity stake in Binnopharm Group to VTB Capital (RUB 7 bln), participation in MTS's stock buyback programme (RUB 5 bln) and proceeds from execution of the green shoe option as part of Segezha Group's IPO (RUB 0.8 bln).

Dividends and cash returns in the reporting period included dividends from Medsi (RUB 0.5 bln) and BPGC (RUB 0.3 bln)

Changes in the size of outstanding financial liabilities was the result of the series 001P-20 bond issue (RUB 10 bln) and repayment of bank loans as the Corporation optimised its debt portfolio.

Total investments in 2Q 2021 amounted to RUB 15.3 bln, of which RUB 7.9 bln was accounted for by Sistema's participation in Etalon Group's SPO (directly and via financial instruments) and buyout of minority shareholders of Etalon Group; RUB 1.2 bln was the buyout of minority shareholders of Ristango Holding Limited – which is 100% owner of Binnopharm Group; and other investments, including investments in promising projects and start-ups through the platform of funds.

The volume of Sistema's share repurchase in 2Q 2021 amounted to RUB 0.9 bln.

Interest expenses were due to interest payments on loans and coupon payments on rouble bonds.

Numbers may not add up due to rounding.

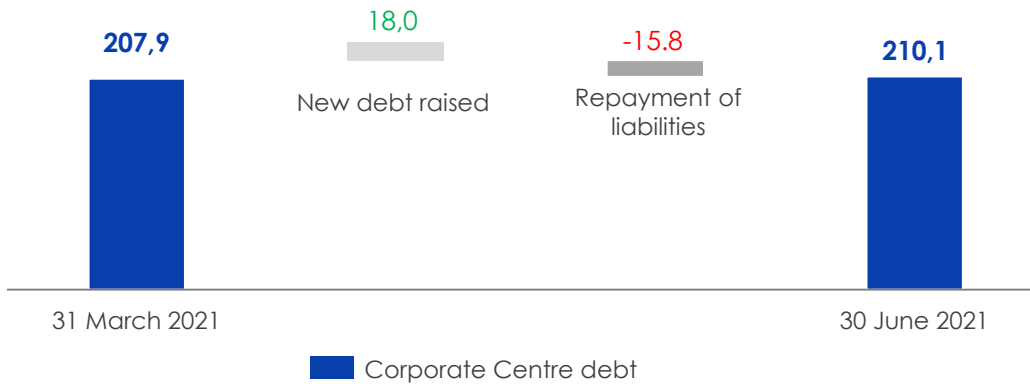
¹ Source: Management accounts.

CORPORATE CENTRE'S FINANCIAL LIABILITIES



Corporate Centre's financial liabilities¹

RUB bln

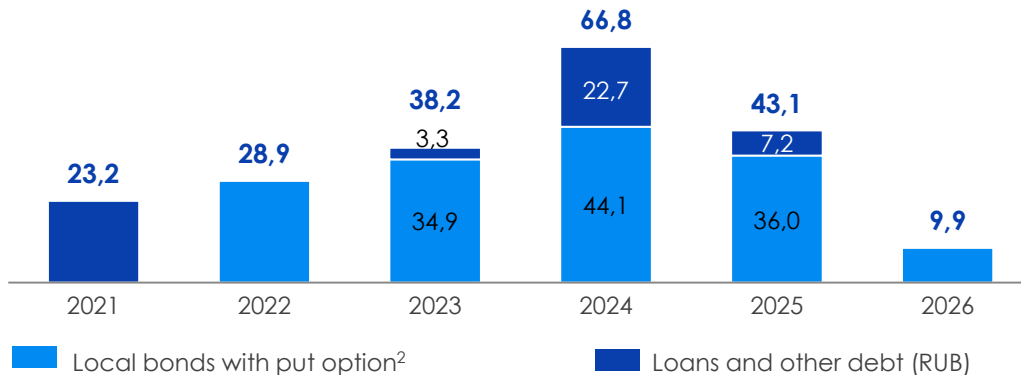


- As of the end of 2Q 2021 the Corporation's financial liabilities increased modestly to **RUB 210.1 bln as a result of RUB bond placements.**
- As of 30 June 2021 RUB-denominated liabilities accounted for **100%** of the Corporate Centre's financial liabilities.
- The share of the debt portfolio accounted for by bonds grew from 50% as of the end of 2Q 2020 to **73%** as of the end of 2Q 2021.
- In June 2021 Fitch Ratings upgraded Sistema's rating to **BB with a Stable Outlook.**

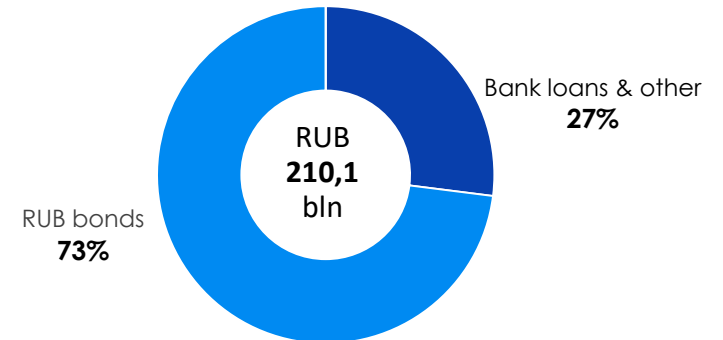
Comfortable repayment schedule

RUB bln

As of 30 June 2021



Structure analysis¹



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

² RUB bond 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; series 001P-20 with a put option in 2026.

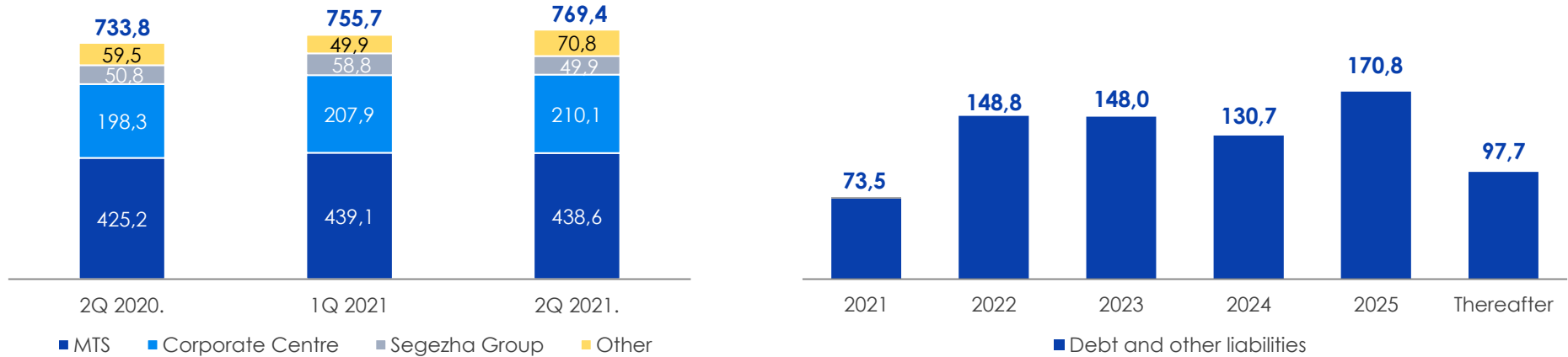
CONSOLIDATED FINANCIAL LIABILITIES



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

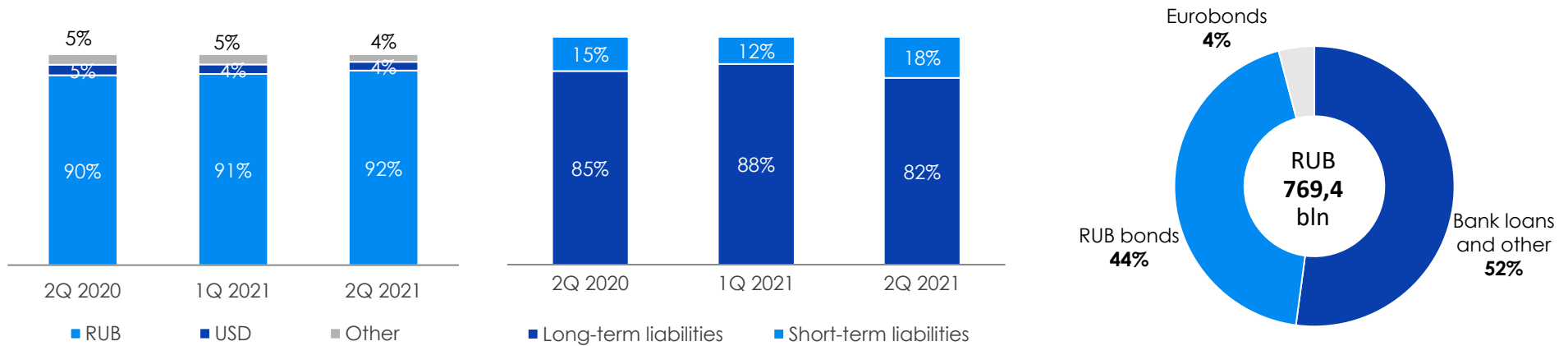
RUB bln

As of 30 June 2021



Structure analysis of the debt portfolio^{1,2}

RUB bln



Numbers may not add up due to rounding

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

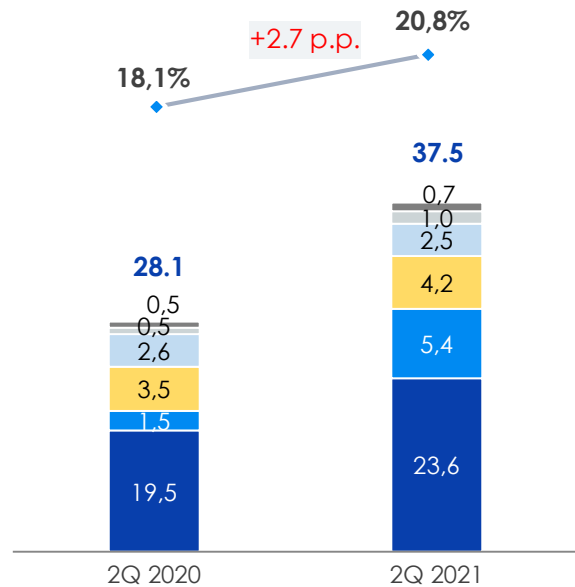
² Management accounts data are presented as of 30 June 2021

SG&A EXPENSES



Group SG&A expenses¹

RUB bln



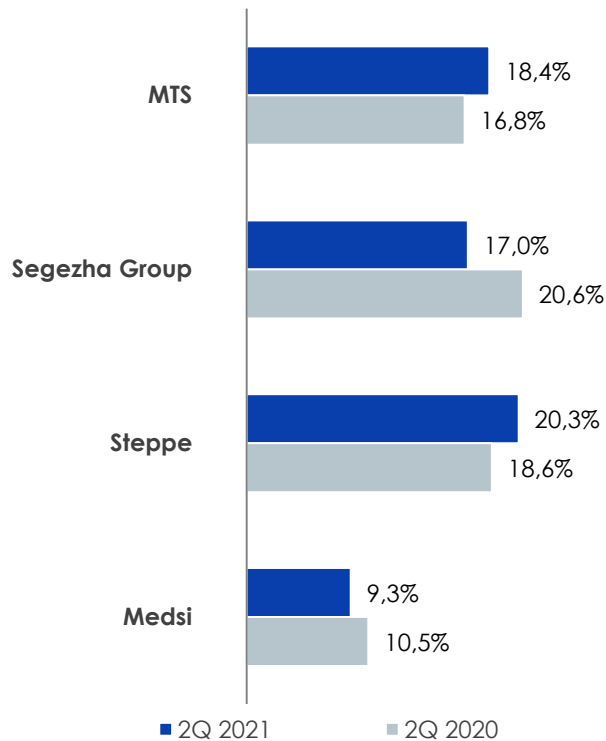
—◆— Group SG&A / Group revenue

- MTS
- Corp. Centre
- Segezha
- Other
- Steppe
- Medsi

Group SG&A in 2Q 2021 increased as a result of an increase in SG&A at MTS as payroll at the retail chain was up from a low base in 2Q 2020 when many stores were closed; Corporate Centre expenses grew as a result of monetisations and contributions to the LTI programme; increased SG&A at Segezha Group was due to expenses related to the IPO. **Group SG&A / Group revenue** increased by 2.7 p.p. year-on-year to **20.8%**.

SG&A expenses: portfolio companies¹

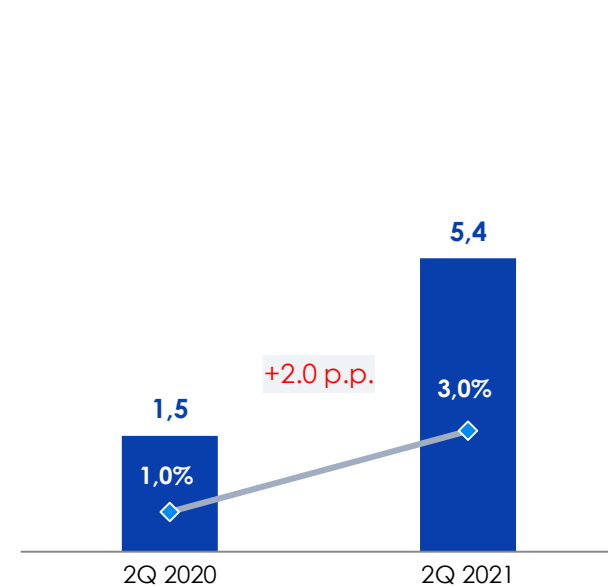
SG&A / Revenue, %



The **SG&A/revenue ratio declined** in 2Q 2021 year-on-year at Segezha Group and Medsi due to improved operating performance; the increase in SG&A/revenue at MTS was due primarily to growth in payroll on the back of a low base in 2Q 2020 when a large proportion of the chain's retail outlets were closed due to the pandemic; Steppe's SG&A/revenue ratio was associated with an increased contribution to revenue from the trading division.

SG&A expenses: Corporate Centre¹

RUB bln



- Corporate Centre SG&A
- ◆— Corporate Centre SG&A / Group revenue

Corporate Centre SG&A and the Corporate Centre SG&A / Group revenue increased year-on-year due to higher expenses as a result of monetisations and due to reflection of provisions under the LTI programme that had been suspended in 2018 and reinstated in 2020.

¹ Source: Management accounts



KEY PORTFOLIO ASSETS

MTS: ACCELERATED FINANCIAL GROWTH AND HIGH DIVIDEND PAYOUTS



RUB bln ¹	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	128.6	116.2	10.6%	252.5	233.7	8.0%
Adj. OIBDA	57.1	51.5	10.8%	112.5	103.7	8.5%
Adj. OIBDA margin	44.4%	44.3%	0.1 p.p.	44.5%	44.4%	0.2 p.p.
Adj. net profit ²	8.6	6.3	35.8%	16.7	15.4	8.7%
Net debt ³	394.8	326.1	21.1%	394.8	326.1	21.1%
Capex	25.8	20.6	25.2%	55.1	40.8	35.1%

Revenue

increased year-on-year in 2Q 2021 due to growth in consumption of the company's core telecommunications and financial services, growth in retail revenue owing in part to the low base effect of Q2 2020 when stores were closed due to the pandemic, and also due to a significant contribution from digital and cloud-based solutions for business and media products.

Adj. OIBDA

grew year-on-year in 2Q 2021 on the back of revenue growth due in part to an increase in telecom segment revenues and MTS Bank's positive contribution to OIBDA growth.

Adj. net profit

increased year-on-year in 2Q 2021 due to a significant contribution from MTS Bank, the positive effect of foreign currency and derivatives operations, and decreased debt servicing costs.

Capex

grew year-on-year in 2Q 2021 primarily due to increased investments in network development with a focus on expansion of 4G networks and investments in business lines.

Outlook for 2021

MTS has increased its guidance for 2021: it expects **high single-digit** revenue growth, at least **5%** OIBDA growth and capital expenditures of **RUB 100-110 bln**.

High dividend payouts

In August, MTS completed dividend payments for FY 2020 in the amount of **RUB 26.51** per ordinary share (RUB 53.02 per ADR). In July, the Board of Directors recommended an Extraordinary General Meeting of Shareholders approve interim dividends for 1H 2021 in the amount of **RUB 10.55** per ordinary share (RUB 21.10 per ADR).

Key highlights

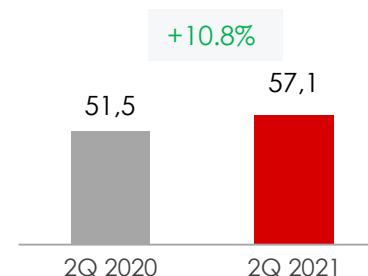
In June 2021, MTS closed a transaction to acquire a 100% equity stake in OJSC Multiregional TransitTelecom (MTT), a federal provider of intelligent telecom and IT solutions for businesses.

In June 2021, Fitch Ratings affirmed MTS's credit rating at BB+ and upgraded the outlook from stable to positive.

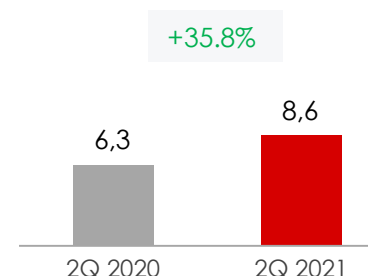
Revenue, RUB bln



Adj. OIBDA, RUB bln



Adj. net profit, RUB bln



¹ MTS results reflect the divestment of nVision Group in 4Q 2020. The results for 2020 have been restated due to this divestment of nVision Group.

² Hereinafter net profit is presented in Sistema's share.

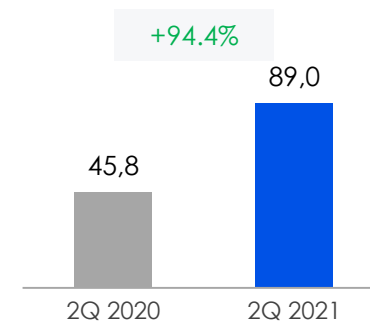
³ Hereinafter net debt includes financial lease

OZON¹: EXCEPTIONAL GMV GROWTH RATE, DESPITE A HIGH BASE FROM 2Q 2020



RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
GMV incl. services ²	89.0	45.8	94.4%	163.2	77.4	110.8%
Revenue	37.0	24.2	52.9%	70.4	44.2	59.5%
Gross profit ³	11.8	7.7	52.8%	23.3	12.4	88.6%
Gross profit margin	13.2%	16.8%	(3.6 p.p.)	14.3%	16.0%	(1.7 p.p.)
Adj. EBITDA ⁴	(9.1)	(1.8)	n/a	(14.0)	(6.3)	n/a
as % of GMV incl. services	(10.3%)	(3.9%)	(6.4 p.p.)	(8.6%)	(8.1%)	(0.5 p.p.)
Net loss	(15.2)	(3.3)	n/a	(22.0)	(9.0)	n/a
Operating Cash Flow	(7.7)	(2.1)	n/a	(19.8)	(4.5)	n/a
Capex	3.9	2.0	96.5%	5.9	3.1	89.3%
Free Cash Flow ⁵	(12.6)	(4.5)	n/a	(27.4)	(8.5)	n/a
Cash and cash equivalents	122.8	6.5	1,790.0%	122.8	6.5	1,790.0%

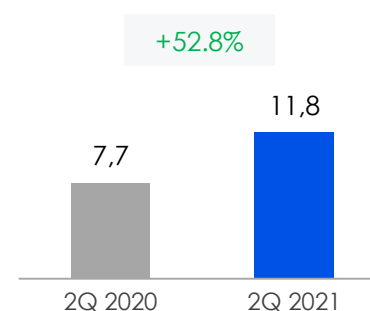
GMV, incl. services, RUB bln



GMV, incl. services

grew **94.4% year-on-year in 2Q 2021, reaching RUB 89.0 billion** despite the high base effect from 2Q 2020, when COVID-19 restrictions were in place and GMV growth stood at 188%. Strong growth has continued as a result of order growth reached 180% year-on-year, on the back of an **80.4% increase in the customer base** and 40% higher order frequency. The number of orders reached 40.9 million in 2Q 2021, thanks to the expansion of fulfillment and logistics infrastructure that ensures availability of a wide, high-quality assortment and fast and reliable delivery to more than 15,000 locations, with **98%** of deliveries arriving on time.

Gross Profit, RUB bln



Adj. EBITDA

stood at negative RUB 9.1 billion in 2Q 2021, compared to negative RUB 1.8 billion in 2Q 2020. **Adjusted EBITDA as a percentage of GMV incl. services decreased to negative 10.3%** in 2Q 2021, in comparison with negative 3.9% for the corresponding period in 2020. The key drivers were (1) Ozon's strategic investments in a range of high turnover categories of goods, which has boosted customer loyalty, (2) increased expenditures on fulfillment and delivery associated with the launch of new infrastructure and developing a "last mile" delivery network which have not yet reached target levels of usage, and (3) user acquisition investments, as well as increased marketing expenses, in part on the back of a low base effect from 2Q 2020.

Operating cash flow

stood at negative RUB 7.7 in 2Q 2021, compared to negative RUB 2.1 billion in 2Q 2020, due to growth of operating expenses which were partially offset by improvements to working capital.

Cash & cash equivalents

The Company had cash and cash equivalents of **RUB 122.8 billion** as of the end of 2Q 2021.

¹ 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. As of 28 May 2021, 8.4 million shares have been issued as part of Ozon's management incentive program. Taking into account the execution of all options as part of this program, Sistema's effective stake in the Company, including Sistema VC, stands at 32.4%.
² 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.
³ Gross profit is defined as revenue minus cost of sales
⁴ 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
⁵ 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.

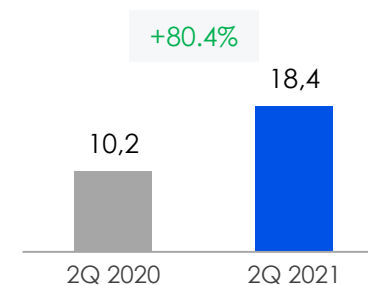
OZON: GROWTH IN NUMBER OF ORDERS, DEVELOPMENT OF MARKETPLACE, EXPANSION OF LOGISTICS INFRASTRUCTURE



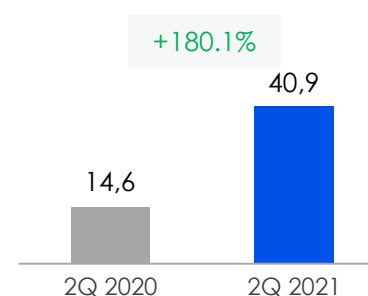
Key highlights:

- Ozon continued to grow rapidly despite the high base in 2Q 2020 that was the result of to the abnormal popularity of online shopping over the lockdown period. GMV¹ in 2Q 2021 was up **94%**, and the average annual GMV growth rate over the past two years was **136%**, reflecting a continued trend of triple digit growth rates. The company raised its growth guidance for GMV to **110%** for the full year 2021.
- Investments in the development of high-turnover categories (primarily FMCG and fresh produce) led to an **almost 3-fold increase in the total number of orders** (+180% year-on-year) in 2Q 2021. At the same time, order frequency per user also increased: as of the end of June, each active Ozon buyer made an average of 6.6 orders a year vs. 4.7 in 2Q 2020.
- Development of the last mile delivery network has boosted both the number and frequency of orders; at the the end of June, Ozon had more than **15,000 branded pick-up points** across the country. Moreover, as part of its expansion in CIS countries, the company concluded partnership agreements with Belarusian and Kazakh national postal operators, securing nation-wide coverage of last mile delivery.
- Ozon's trading platform continued to grow exponentially in popularity among entrepreneurs: in 2Q 2021, the marketplace had about **50,000 active merchants**², up 3.5x year-on-year. Meanwhile, 60% of new merchant registrations came from entrepreneurs operating in the regions. Product improvements contributed to this influx, namely: a large-scale reduction in sales commissions in February 2021, the expansion of logistics cooperation models and infrastructure, the simplification of content creation and moderation procedures, as well as the development of advertising and promotional tools.
- Marketplace GMV increased by more than **150%** in 2Q 2021, while the marketplace's share of GMV³ reached a record **62.1%**, up from 47.4% in 2Q 2020.
- As a result of growth in the number of merchants, the platform's assortment increased to **27 mln SKUs**. The fastest-growing categories in 2Q 2021 were fresh produce, furniture, automotive goods, and pet products – each of which saw their assortment increase by more than 2.5x.
- The development of infrastructure in the regions was an important driver of growth. In 2Q 2021, operations began at fulfilment facilities in Novosibirsk and Khabarovsk. The fulfilment centre in Khabarovsk will help Ozon to complete its strategic goal of expanding in the Far East.
- Ozon continues to develop its **financial services ecosystem**. As of 30 June 2021, it had issued **1 mln Ozon cards**, holders of which place on average 1.6x more orders than users without cards. In June, the Ozon Premium loyalty programme was updated, allowing merchants from the marketplace to now take part, where they will receive "premium status" alongside promotional benefits.

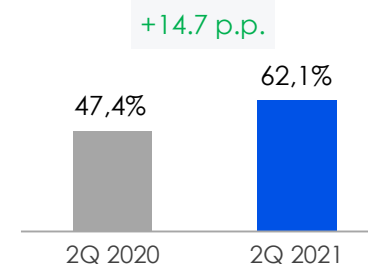
Number of active buyers⁴, mln



Number of orders, mln



Marketplace's share of GMV, %



¹ 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

² 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

³ 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.

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

SEGEZHA GROUP: SIGNIFICANT FINANCIAL GROWTH ON THE BACK OF PRICE INCREASES; A SUCCESSFUL IPO



RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	24.5	16.9	44.9%	42.7	31.2	36.7%
OIBDA	8.2	3.6	128.0%	13.2	6.2	112.5%
OIBDA margin	33.4%	21.2%	12.2 p.p.	30.9%	19.9%	(11.0 p.p.)
Net profit / (loss)	4.2	3.2	32.6%	6.6	(2.1)	n/a
Net debt	28.6	47.2	(39.4%)	28.6	47.2	(39.4%)
Capex	4.7	3.4	38.2%	8.6	7.2	19.4%
FX-denominated rev., %	74.9%	72.8%	2.1 p.p.	72.8%	70.8%	2.0 p.p.
Own consumption, %	77.9%	76.7%	1.2 p.p.	80.5%	73.4%	7.1 p.p.
Total forestry, thsd cu m	879.0	1,040.6	(15.5%)	1,994.0	2,722.5	(26.8%)

Revenue increased 45% year-on-year in 2Q 2021, mainly due to recovery in demand from the construction industry, which drove positive price dynamics across all of the Group's product types. Revenue dynamics were also positively impacted by increases in the average RUB exchange rate year-on-year in 2Q 2021: EUR by 12.1% and USD by 2.5%.

OIBDA grew 128% year-on-year in 2Q 2021 mainly due to an increase in prices across all of the Group's product types, and also due to the execution of a strategy to produce higher-margin plywood and packaging products. OIBDA was also significantly impacted by measures taken to curb increases in production costs, such as the development of the Group's own logging operations, which brought the company's own timber supply to 78%, higher productivity, additional logistics subsidies and a reduction in administrative costs.

Net profit increased 32.6% year-on-year in 2Q 2021 as a result of higher operating profit.

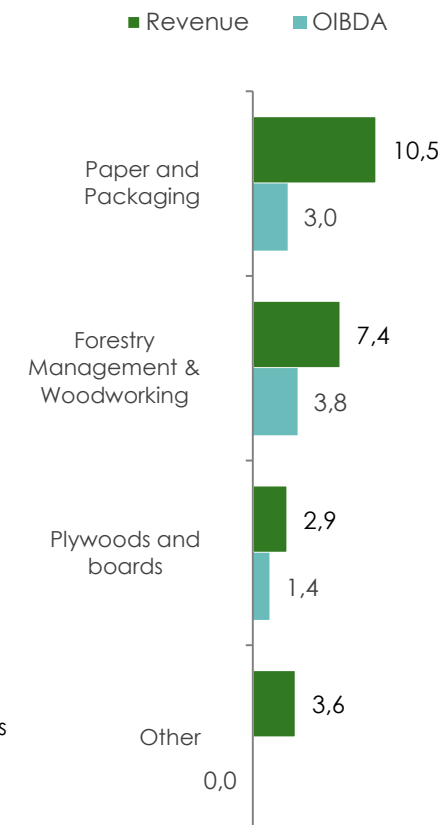
CAPEX totalled RUB 4.7 bln in 2Q 2021, with investments aimed at implementing the Group's approved development strategy, notably: the modernisation of the Segezha and Sokol PPMs, development of the paper packaging segment (the acquisition of new converting lines), and the construction of a boiler and pellet plant in Sokol (at the site of the Sokol Woodworking Plant).

Net debt totalled RUB 28.6 bln in 2Q 2021, a decline of 39.4% year-on-year as a result of the Company raising RUB 30.0 bln in its IPO on Moscow Exchange in April 2021.

Key highlights A dividend policy was approved under which the Group aims to pay up to RUB 5.5 bln per year in 2021-2023, and up to 100% of free cash flow starting from 2024. The policy also provides for the possibility to increase dividends in the case of stronger markets and provided there is leverage headroom.

In August 2021, Segezha Group received its first international ESG rating from Sustainalytics, one of the sector's leading rating agencies. The agency assigned the Company an ESG Risk Rating of medium (with a score of 21.4, where 0 represents the top value), which places it in the first quartile among companies in the Paper and Forestry sector.

Revenue and OIBDA by segment in 2Q 2021, RUB bln



SEGEZHA GROUP: PRICE GROWTH ACROSS KEY PRODUCTS



Trends across key segments

Sack paper

In 2Q 2021, Segezha Group's paper production decreased by 7.1% year-on-year to 97,400 tonnes mainly due to planned renovation works at the Segezha PPM (as part of the mill's approved modernisation program). Sales volumes of paper declined by 20.4% to 58,600 tonnes following a decrease in production volumes in 2Q 2021.

Paper sacks

In 2Q 2021, Segezha sold 400.3 mln units, up 15.9% year-on-year. Recovery in demand from the construction industry was a favourable factor, driving an increase in sales of cement sacks. Production volumes increased by 14.2% year-on-year to 385.9 mln, in line with increased sales.

Plywood

In 2Q 2021, production of birch plywood totalled 48,000 cu m, a 2.9% year-on-year decline. Sales volumes in Q2 2021 totalled 50,400 cu m, which is 11.5% higher than the result for 2Q 2020, thanks to a recovery in demand. The company increased revenue from plywood sales due to higher prices and high-margin products accounting for a larger share of sales. The increase in global prices was mainly due to deferred demand in the construction industry.

Sawn timber

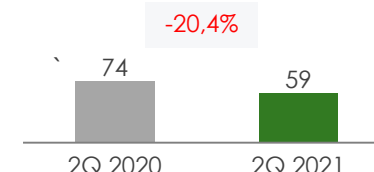
In 2Q 2021, sawn timber production decreased by 8.8% year-on-year to 273,000 cu m, mainly as a result of greater volumes of marketable sawn timber from the Sokol Woodworking Plant being directed towards glulam products and CLT panels. Meanwhile, sales volumes of sawn timber decreased by 18.2% in 2Q 2021 following the decrease in production volumes. Global prices for sawn timber continued to rise, largely due to deferred demand in the construction industry.

Glulam products and house kits

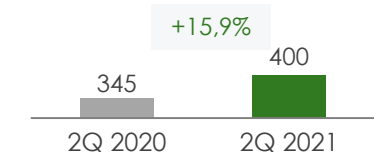
In 2Q 2021, production of glulam products and house kits grew 6.5x thanks to the launch of a new splicing line. Sales grew 4.9x year-on-year on the back of growth in production volumes and sales thanks to the launch of the new splicing line. Global prices continued to rise against a backdrop of deferred demand in the construction industry.

Sales

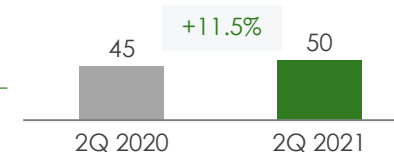
Sack paper¹, thsd tonnes



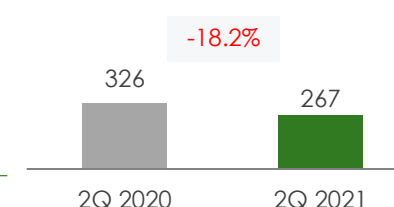
Paper sacks², mln units



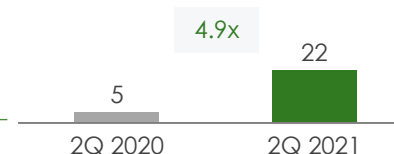
Plywood, thsd cu m



Sawn timber³, thsd cu m



Glulam and house kits, thsd cu m



¹ Apx 42% of paper produced was supplied to Segezha Group's own converting facilities to produce paper packaging.

² Including 27.2 mln consumer paper bags

³ Including sawn timber produced at the Sokol woodworking plant

ETALON GROUP: STABLE SALES GROWTH WITH A STRONG FINANCIAL FOUNDATION



Average price growth¹

+39%

Share of mortgages in sales²

66%

New acquisitions³

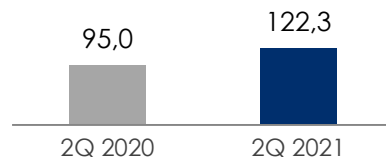
145
thsd sqm

Net corporate debt⁴

626
RUB mln

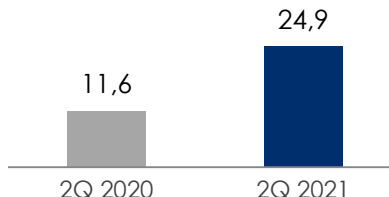
New sales
thsd sqm

+28.7%



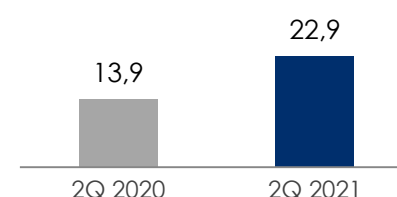
New sales
RUB bln

+115.2%



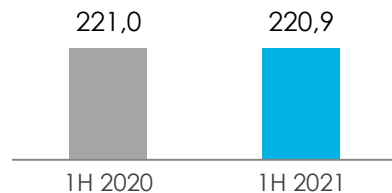
Cash collections
RUB bln

+63.9%



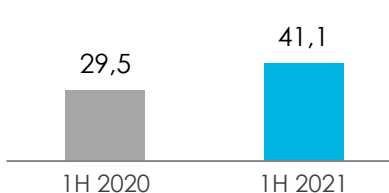
New sales
thsd sqm

0%



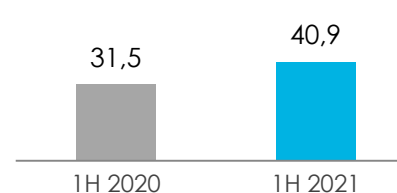
New sales
RUB bln

+39.4%



Cash collections
RUB bln

+29.6%



- **Robust year-on-year sales growth** for 2Q 2021, in rouble terms, primarily due to an increase in the share of business class projects, up from 23% to 67%. This accounts for the disparity between monetary and physical growth figures.
- **To deliver future sales growth**, Etalon Group has already begun first phase sales at its flagship "Zil-South" project, as well as second stage sales at the Nagatino i-Land project. Additionally, sales at a business class residential complex on Moscow's Letnikovskaya Street are expected to begin in the near future.
- **The company also aims to expand its offering** via the acquisition of new projects, with some of these set to launch in 1H 2022. In 2021, Etalon Group intends to make acquisitions with a total selling space of 1.1 mln sq m.

¹ Average year-on-year price growth for 1H 2021.

² Share of apartments sold with a mortgage agreement.

³ Overall selling space of the project in St Petersburg's Pushkin District acquired by the company in 2Q 2021.

⁴ Net corporate debt as of 30 June 2021, as per management accounts.

STEPPE: STRONG REVENUE GROWTH AND HIGH OIBDA MARGIN



RUB bln ¹	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	4.8	2.7	76.6%	11.6	7.6	53.0%
Adj. OIBDA	2.0	2.0	2.2%	3.2	2.7	19.2%
Adj. OIBDA margin	41.6%	71.8%	(30.3 p.p.)	27.7%	35.5%	(7.9 p.p.)
Net profit	1.1	1.7	(37.7%)	1.4	1.8	(25.6%)
Net debt	29.3	24.1	21.7%	29.3	24.1	21.7%
Capex	1.0	0.5	89.4%	1.8	0.9	99.1%

Agroholding Steppe's performance in 1H 2021 reflects the seasonal nature of the business, with the majority of revenue and OIBDA coming in the second half of the year.

Revenue

in 2Q 2021 grew by 76.6% year-on-year primarily due to:

- Increased revenue in the Field Crop and Agrot trading segments due to higher export volumes of agricultural products, sales of the remainder of the previous year's harvest and increased global grain prices;
- positive dynamics in the Dairy Farming segment as a result of increased milk sales;
- revenue growth in the Sugar & Grocery Trading segment.

OIBDA

in 2Q 2021 increased by 2.2% year-on-year due to:

- efficient sales of own and third-party agricultural products;
- growth of prices for wheat, corn and niche agricultural products;
- increase in the gross yield as a result of growth in the size of the high-productivity dairy herd in the Dairy Farming segment;

Revenue grew faster than OIBDA due to an increased contribution to revenue from trading operations.

Capex

in 2Q 2021 totalled RUB 1.0 billion. The majority of capex was used to fund construction and upgrades of dairy farms, machinery purchases and acquisitions of land plots.

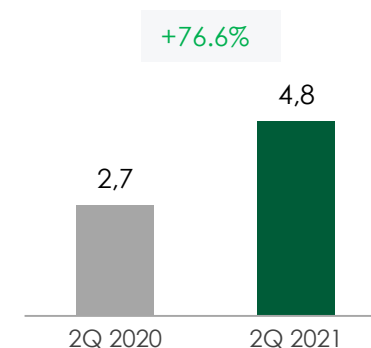
Net debt

in 2Q 2021 increased by 21.7% year-on year as a result of implementation of projects to increase output of value-added products.

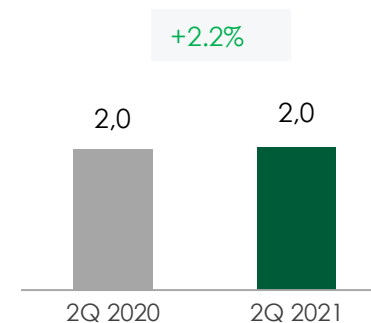
Key events

In July 2021 Agroholding Steppe acquired a 100% stake in PIR Group, a holding company that is a leading producer of packaged cheese in Russia and one of the largest distributors of cheese, dairy products and plant-based alternatives.

Revenue, RUB bln



Adj. OIBDA, RUB bln



¹ RZ Agro is reflected in Steppe's IFRS accounts as an investment in a joint venture. Agroholding Steppe's financial results reflect the divestiture of AGK Yuzhny in May 2020.

STEPPE: IMPROVED PRODUCTION PERFORMANCE AND INCREASED OPERATIONAL EFFICIENCY



Trends in key segments

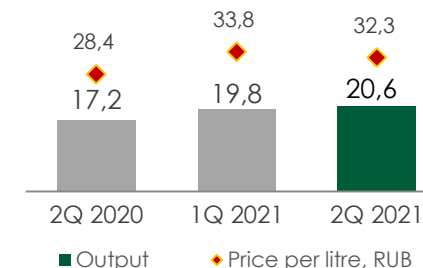
Field crops
Land bank

578 thsd hectares

In the 2020/2021 season Steppe harvested record wheat volumes of **approximately 1 million tonnes**, which will be sold starting in 2H 2021. The share of niche crops in crop rotation also increased.

The average export price for wheat in 1H 2021 increased by 16% year-on-year.

Milk production
thsd tonnes

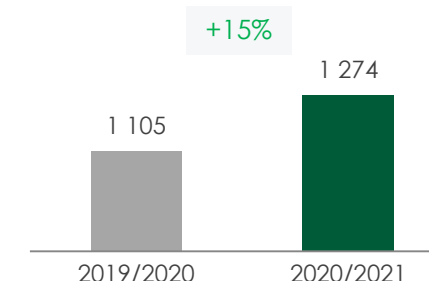


Dairy farming
Dairy cows

7.5 thsd cows

The Dairy Farming segment continues to **deliver steady growth** of operating performance: the gross yield in 2Q 2021 was 20.6 thousand tonnes (+20% year-on-year), and the dairy herd numbered 7,496 head of cattle as of the end of the period. Average daily productivity per cow in 2Q 2021 was 31.0 kg of milk.

Agrotrading sales volumes,
thsd tonnes

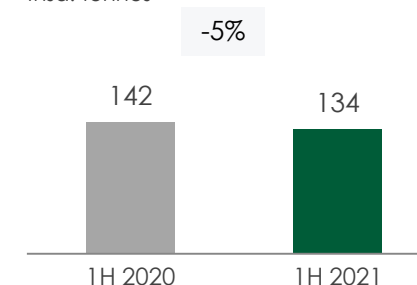


Agrotrading
Sales volumes

1,274 thsd tonnes

Sales volumes in the Agrotrading segment for the 2020/2021 season totalled **1,274 thousand tonnes** (+15.2% year-on-year). An efficient sales strategy and the launch of Swiss-based agricultural trading operations drove strong financial performance.

Sugar & Grocery Trading sales volumes,
thsd. tonnes



Sugar & Grocery Trading
Sales volumes

134 thsd tonnes

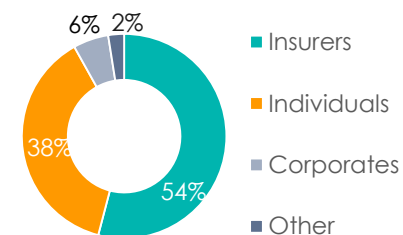
Sales volumes in the Sugar & Grocery Trading segment in 1H 2021 totalled **134 thousand tonnes**, a slight decrease year-on-year due to the introduction of price caps for sugar. The company is working to increase sales volumes of packaged products, and entered a new market in 2Q 2021 with the launch of production and sales of Steppe-branded snacks.

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



RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	7.4	4.6	60.3%	14.6	10.5	39.1%
Adj. OIBDA ¹	1.9	1.2	60.7%	3.2	2.3	42.9%
Adj. OIBDA margin ¹	25.2%	25.2%	0.1 p.p.	22.2%	21.7%	0.6 p.p.
Adj. net profit ¹	1.1	0.3	232.6%	1.6	0.7	139.4%
Net debt ²	5.2	2.9	83.8%	5.2	2.9	83.8%
Capex	1.9	1.2	59.3%	3.7	2.4	52.4%
Patient visits, thsd	2,584	1,126	129.5%	4,953	3,219	53.9%
Services provided, thsd	5,773	2,258	155.7%	11,066	6,304	75.5%
Average ticket, thsd RUB	2.9	4.1	(29.3%)	2.9	3.3	(12.1%)

Revenue by client type, 2Q 2021



Revenue

demonstrated significant growth year-on-year in 2Q 2021, due to the recovery in demand for routine medical care and continued demand for COVID-19-related services, including testing, CT chest scans and treatment at the Otradnoe infectious diseases clinic, and also thanks to developments in in-home care and telemedicine. The acceleration in growth rates compared with 1Q 2021 was due to the low base effect as 2Q 2020 saw a sharp decrease in patient flows as a result of restrictions introduced to combat COVID-19.

Adj. OIBDA

increased significantly in 2Q 2021 on the back of positive revenue growth. The Net Debt / adjusted OIBDA LTM ratio remained at a comfortable level of 1.0x. The Company's participation in the "Nebo" residential development project made a RUB 0.6 bln contribution to adjusted OIBDA in 2Q 2021. **Adjusted net profit** rose year-on-year in 2Q 2021, driven by adjusted OIBDA dynamics.

Key highlights

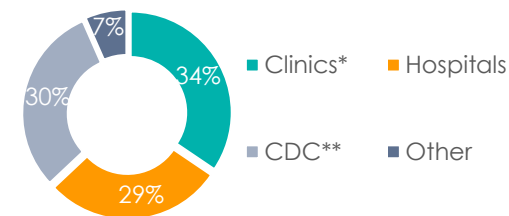
Construction continued on a new **medical centre on Michurinsky prospect, with a total space of more than 34 thsd sq m**. The Medical Centre will include a CDC for both children and adults, a daytime in-patient clinic and a 24-hour in-patient clinic, complete with a high-tech surgery centre.

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. By the end of 2Q 2021, **the number of downloads** had increased 2.2x year-on-year. The number of appointments made through the app, excluding instrumental and laboratory diagnostics, now exceeds appointments made through all other channels.

In June 2021, Gazprombank provided Medsi with a **RUB 2 bln credit line** for a term of three years. The loan will be used for general corporate purposes.

Revenue by assets, 2Q 2021



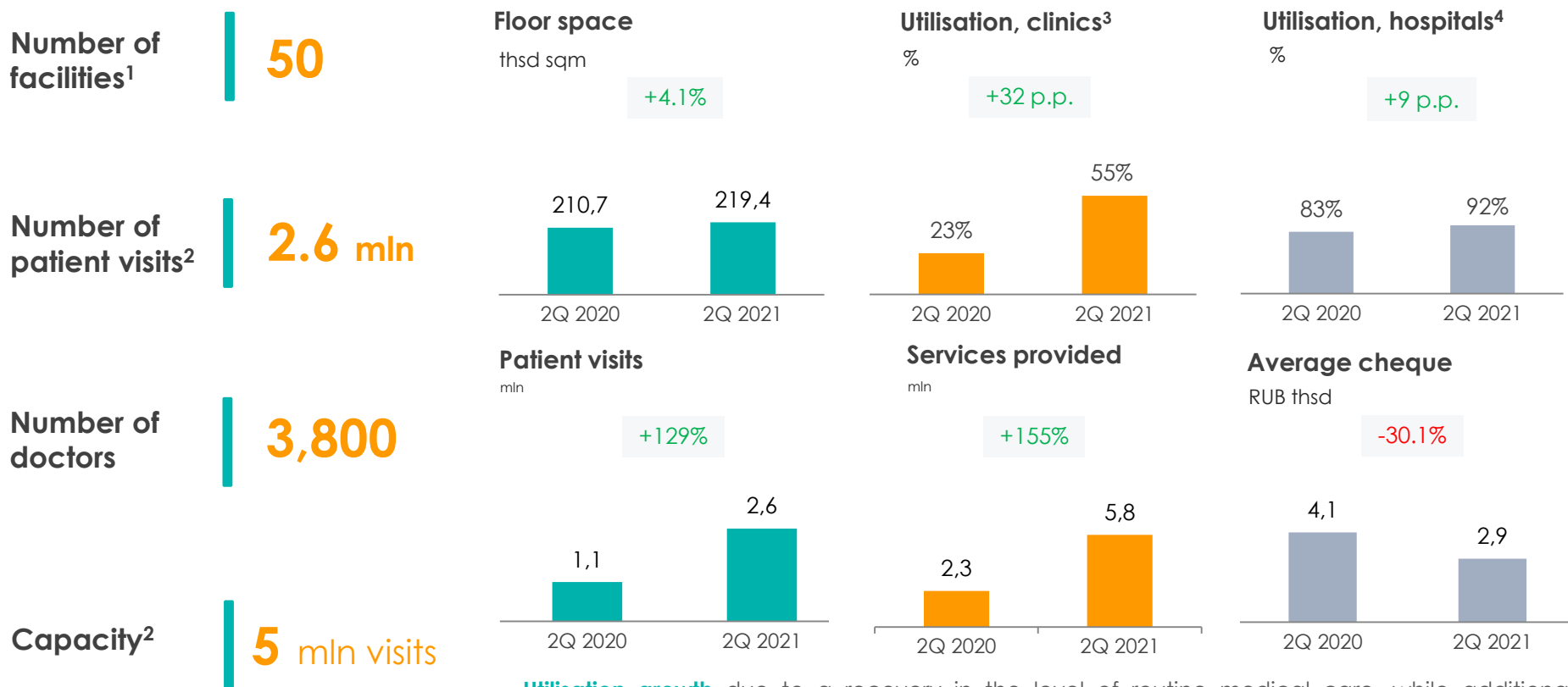
* Primary care clinics

** Clinical diagnostic centres

¹ Adjusted for allocations related to the LTI programme

² Including loan from LLC Project Michurinsky of RUB 4.8 bn

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



- **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 (CDCs at Marino and Schelkovo, Clinics at Aviatsionnaya and Poletaeva.)
- **A decline in average cheque size** was driven by a reduction in the share of COVID-19 diagnostics and treatment services. At the same time, the decrease in the average cheque was offset by a significant increase in patient visits and services provided.

¹ Metrics in the table and elsewhere are shown as of 30 June 2021

² Metrics are for 2Q 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

³ Out-patient facilities in Moscow

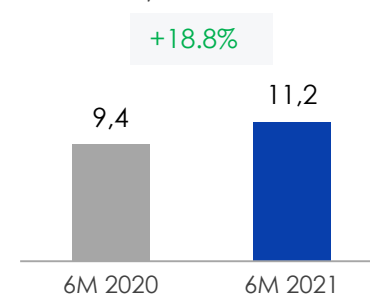
⁴ Utilisation accounts for multiple use of one in-patient bed at daytime in-patient facilities

BINNOPHARM GROUP¹: GROWTH OF FINANCIAL PERFORMANCE AND DECREASED LEVERAGE

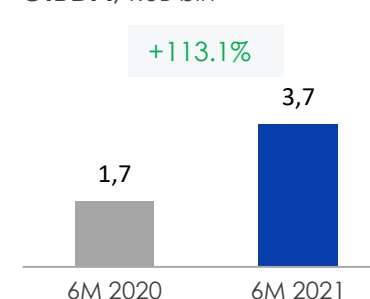


RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	5.8	5.5	5.6%	11.2	9.4	18.8%
OIBDA	2.1	1.3	58.4%	3.7	1.7	113.1%
OIBDA margin	35.5%	23.7%	12 p.p.	33.1%	18.4%	15 p.p.
Net profit	1.3	0.6	124.7%	2.0	0.2	848.8%
Net debt	8.6	10.2	(15.7%)	8.6	10.2	(15.7%)

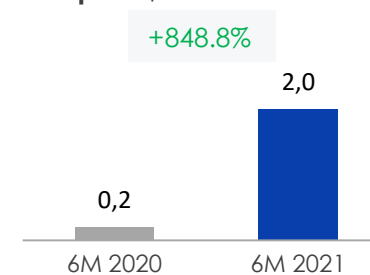
Revenue, RUB bln



OIBDA, RUB bln



Net profit, RUB bln



Revenue

in 1H 2021 **grew by 18.8%** year-on-year, as a result of execution of diversified commercial strategy focused on expanding Binnopharm's product presence in different segments of pharmaceutical market. **Growth in the hospital segment** in 1H 2021 expanded by **35%** year-on-year in part due to strong sales of antibiotics and medicines used to treat COVID-19. Due to successful contracting, **retail sales rose 20%**, notably with a significant increase in sales of products that improve quality of life: the vein tonic Venarus, the synbiotic Maxilac and the antispasmodic Neobutin. According to the analytical agency Allpharm, for 1H 2021, the growth rate of sellouts (supplies to retail pharmacy chains) of the Group year-on-year exceeded the market growth rate by 20 p.p.

OIBDA

in 2Q 2021 and 1H 2021 **delivered substantial growth of 58.4% and 113.1%** year-on-year, respectively on the back of revenue growth, product portfolio optimization and the results of realising synergies across the holding's businesses, including reduction in management and commercial costs as a share of revenue. **Positive net profit dynamics in 2Q 2021 and 1H 2021 year-on-year** were mainly driven by the increase in OIBDA.

Net debt

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

Key events

In May 2021 Sistema contributed the 32.4% equity stake in OJSC Sintez it acquired from JSC National Immunobiological Company, which is controlled by Rostec, to the equity of Binnopharm Group, bringing Binnopharm Group's total stake in OJSC Sintez to 88.6%.

In June 2021 wholly owned Sistema subsidiary Sistema Telecom Assets sold an 11.2% stake in the equity capital of Ristango Holding Limited – which is 100% owner of Binnopharm Group – to VTB Capital's Nevsky Property Investments Limited for a consideration of RUB 7 bln.

¹ Binnopharm Group's financial results are presented as a combination of the financial results of JSC Alium and JSC Sintez based on management accounts. Binnopharm Group's financial results have been consolidated in Sistema's financial statements since 25 June 2021. Net profit figures are shown as 100% attributable to Sistema. Net profit is shown as excluding accrued deferred profit tax liabilities (RUB 935 million), accounted with the acquisition of Binnopharm Group's assets.

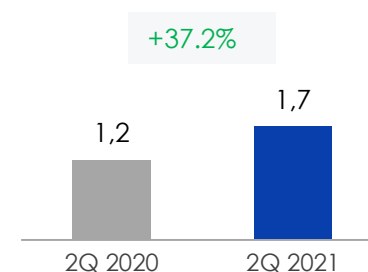
POWER GRID NETWORK (BPGC) AND RENTAL ASSETS (BUSINESS NEDVIZHIMOST)



BPGC

RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	4.5	4.5	(0.0%)	9.8	10.4	(5.9%)
OIBDA	1.7	1.2	37.2%	2.7	3.1	(15.3%)
OIBDA margin	37.1%	27.1%	10.1 p.p.	27.2%	30.2%	(3.0 p.p.)
Net profit	0.7	0.4	92.2%	0.9	1.3	(28.6%)
Capex	0.8	0.8	(2.2%)	1.5	1.4	1.2%

OIBDA, RUB bln



Revenue was flat year-on-year. Revenue growth was constrained by lower consumption in the oil and gas sector due to the OPEC+ deal that entered into force in May 2020.

OIBDA increased in 2Q 2021 year-on-year mainly as a result of other operating income due to resolution of disputes related to operating activities, which partially offset the increase in costs for services from Federal Grid Company (FGC).

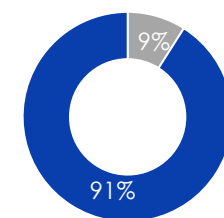
Net profit increased in 2Q 2021 year-on-year primarily as a result of OIBDA growth.

Business Nedvizhimost



RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	0.9	1.0	(4.8%)	1.9	2.0	(5.5%)
OIBDA	0.7	0.4	73.2%	1.0	0.7	47.5%
OIBDA margin	75.7%	41.6%	34.1 p.p.	54.0%	34.6%	19.4 p.p.
Net profit	0.3	0.1	199.2%	0.3	0.3	13.0%
Net debt	2.6	1.4	84.4%	2.6	1.4	84.4%

Portfolio of assets under ownership, 2Q 2021



■ Country property
■ Commercial property

Revenue Revenue in 2Q 2021 decreased slightly, by 4.8% year-on-year, mainly due to lower revenue from the sale of land plots in the Moscow region.

OIBDA OIBDA growth and OIBDA margin growth in 2Q 2021 year-on-year were due primarily to cost optimisation and a decrease in the cadastral value of land plots.

Net profit increased by 199.2% to RUB 0.3 billion on the back of operating income growth.

Key events

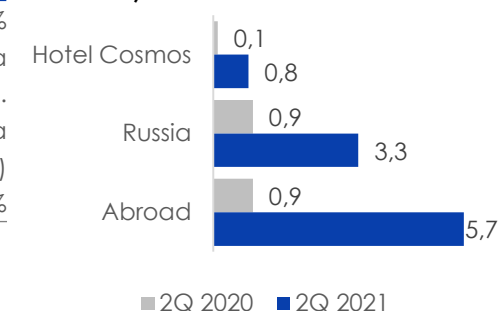
In July 2021, the Annual General Meeting of Shareholders of Business Nedvizhimost approved the restructuring of the company through a spin-off of the country properties segment. This reorganisation will enable Business Nedvizhimost to focus on **improving the efficiency of its core business**.

HOSPITALITY ASSETS¹ (COSMOS HOTEL GROUP)



RUB bln	2Q 2021	2Q 2020	YoY	6M 2021	6M 2020	YoY
Revenue	1.0	0.2	431.7%	1.7	1.0	65.8%
Adj. OIBDA	0.3	(0.2)	n/a	0.2	(0.2)	n/a
Adj. OIBDA margin	28.1%	(100.6%)	128.7 p.p.	13.3%	(16.9%)	30.1 p.p.
Adj. net loss	0.0	(0.4)	n/a	(0.3)	(0.9)	n/a
Net debt	3.7	4.0	(7.3%)	3.7	4.0	(7.3%)
Room capacity	4,162	4,132	0.7%	4,162	4,132	0.7%

RevPar², RUB thsd



Revenue

grew significantly in 2Q 2021 year-on-year as most restrictions imposed on hotel operations due to the COVID-19 pandemic were lifted. Nearly all hotel operations were halted in 2Q 2020.

Adj. OIBDA

increased in 2Q 2021 on the back of partial recovery in revenue.

Key indicators

The share of revenue accounted for hotels outside Russia in 2Q 2021 was 15.5%.

ADR³ for the Group's hotel portfolio in 2Q 2021 increased 20.8% year-on-year and stood at RUB 3,800.

Average occupancy in 2Q 2021 increased by 41.6 p.p. to 59.2% due to the lifting of restrictions on the operation of hotels and a partial recovery in tourist and business flows.

RevPAR² for the hotel portfolio increased by 305% from RUB 600 to RUB 2,300 on the back of recovery in occupancy.

Key highlights

In May 2021 Cosmos Hotel Group **signed an agreement to operate Hilton Garden Inn** located at 2-4 Kozhevnikovskaya Street. The opening of the hotel is scheduled for November 2021. The four-star Hilton Garden Inn Moscow Paveletskaya will offer guests **237 comfortable modern rooms**. It will become the fifth hotel of Cosmos Hotel Group in Moscow. The hotel will be the first international brand property to be operated but not owned by Cosmos Hotel Group, in line with the company's strategy aimed at creating the leading hotel chain in Russia.

In June 2021 **an agreement was signed to construct a hotel complex at the Sheregesh alpine ski resort in the Kemerovo region**. Investment in the project will total RUB 1.2 bln. The complex, with opening planned for early 2023, will consist of 200 guest rooms and will meet all international standards for four-star resort hotels.

In July 2021, as part of the **rebranding program**, the Park Inn hotels in B Astrakhan, Volgograd, Izhevsk, Kazan, Sochi, Novosibirsk and Yaroslavl were renamed Cosmos Hotels, new service standards were rolled out and the properties were linked to the Cosmos Travel booking system.

¹ Based on management accounts

² Revenue per available room per day

³ Average daily rate



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