



**MOSCOW
EXCHANGE**

15 May 2020

1Q 2020 Earnings Presentation

Delivery on strategic initiatives in 1Q 2020 and beyond

Moscow Exchange's AGM took place in absentia on 28 April 2020 (the planned AGM date), adopting a DPS of RUB 7.93 (89% payout) and electing 8 independent BoD members out of 12. Oleg Viyugin remains Board Chairman.

- New Products -

- A Russian-law ETF tracking global tech stocks began trading. 37 ETFs with a total NAV > RUB 50 bln now trade on MOEX.
- Deliverable futures on Yandex shares were launched as well as weekly options on futures of Gazprom and Sberbank shares.
- Money Market now allows dealing in Kazakh securities as its central bank's bonds were admitted to inter-dealer repo section.

- New Services -

- MOEX published its inaugural Sustainability Report for 2019, prepared in accordance with GRI Core Reporting Standards.
- NSD began publishing data on foreign ownership of OFZs on a daily basis.
- A "retail investor's portfolio" service showing the most popular stocks among retail investors was introduced.

- New Clients & Partners -

- MOEX launched the "Capital Raising Academy" program for corporates in collaboration with Skolkovo business school.
- In 1Q 2020, 53 corporates – including 10 newcomers – placed 143 bond issues, raising a total of RUB 588 bln.
- The number of registered IIAs surpassed 2.2 mln¹. The total number of unique retail clients reached 5 mln².

Business continuity during coronavirus pandemic

~90% of employees work from home

In-office employees rotate in shifts

Extensive precautions in the office

No reduction in trading hours

Higher collateral requirements

Acute intraday volatility



Discrete auctions, no suspensions

A discrete auction lasts 30 min and involves three separate 10-min sessions

Bid/ask limit orders accumulate during a session, get executed at its expiration

Stock price $\Delta > +/- 20\%$ within 10 min \Rightarrow discrete auction for this stock

MOEX Russia Index $\Delta > +/- 15\%$ within 10 min \Rightarrow discrete auction for all stocks

NCC reviews market risk parameters for the majority of instruments as a response to high volatility

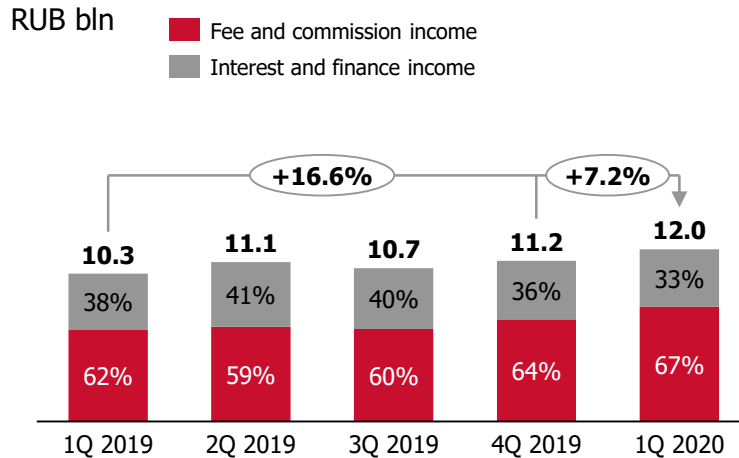
Additional measures are in place to ensure the stability and availability of IT systems as well as cybersecurity

Business continuity projects Stabilization 2.0 and Stabilization 3.0 are being implemented

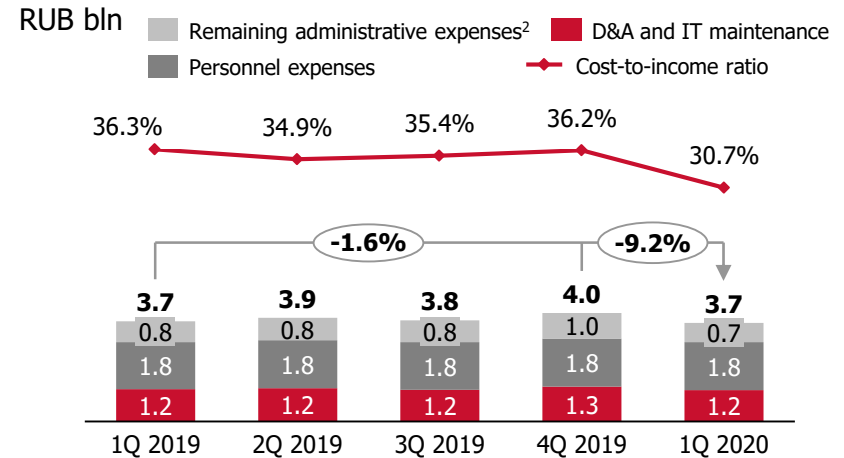


1Q 2020 summary of financials

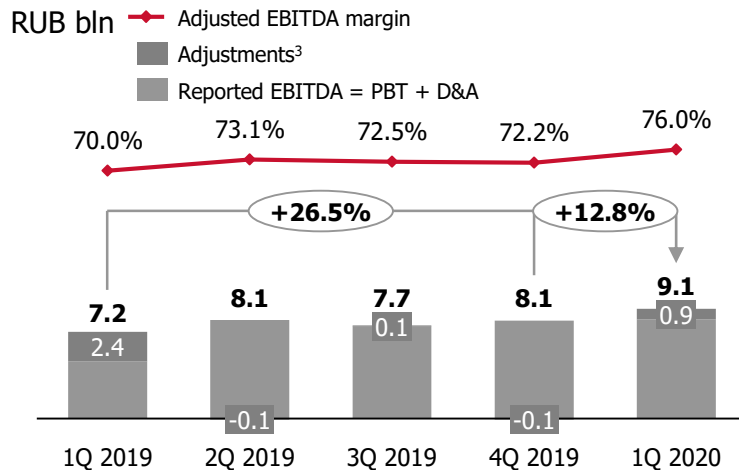
Operating income¹



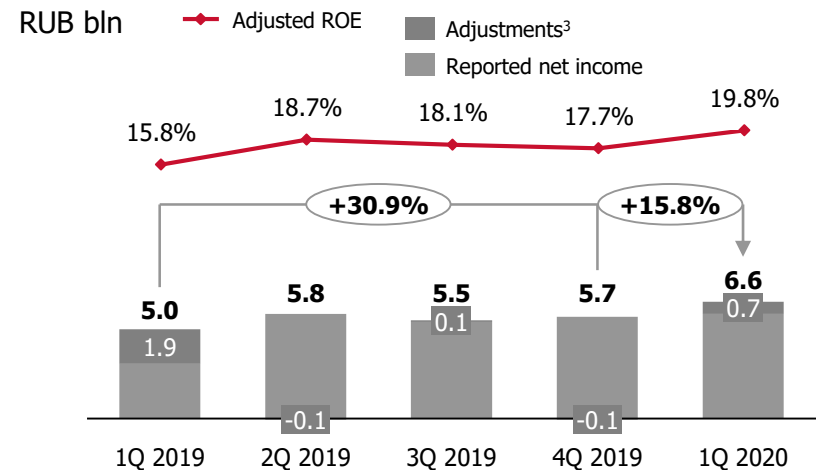
Operating expenses (excl. other operating expenses)



EBITDA and EBITDA margin



Net income



Source: Moscow Exchange

- Includes Other operating income, Interest and other finance income, Interest expense, Net gain on financial assets FVTOCI and Foreign exchange gains less losses
- Includes Remaining administrative expenses are calculated as General and administrative expenses less D&A and Equipment and intangible assets maintenance
- Adjustments are related to 1) IFRS 9 movement in allowance for ECLs and 2) one-off provisions' accrual/release



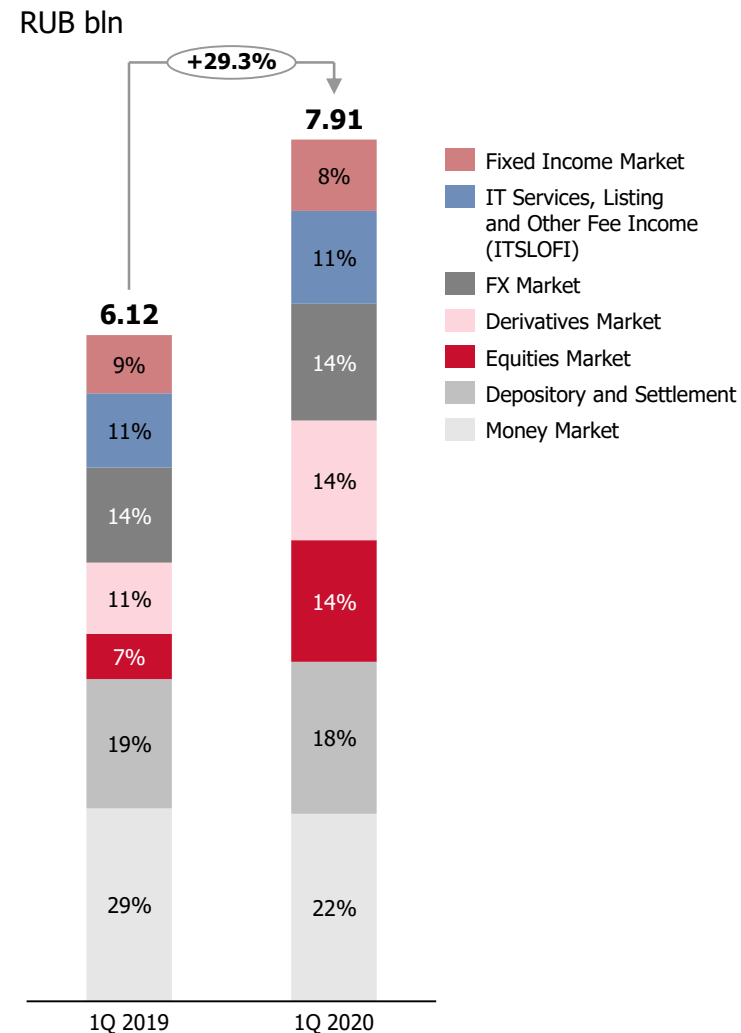
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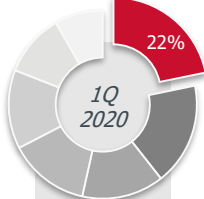
Diversified fee and commission income

Fee & commission income performance

RUB bln	1Q 2019	1Q 2020	Change YoY, bln	Change YoY, %
Money Market	1.77	1.72	<i>-0.05</i>	<i>-2.8%</i>
Depository and Settlement	1.19	1.39	<i>0.21</i>	<i>17.5%</i>
Equities Market	0.41	1.12	<i>0.70</i>	<i>169.6%</i>
Derivatives Market	0.66	1.10	<i>0.44</i>	<i>67.7%</i>
FX Market	0.87	1.07	<i>0.20</i>	<i>22.8%</i>
IT Services, Listing and Other Fee Income (ITSLOFI)¹	0.68	0.85	<i>0.17</i>	<i>25.1%</i>
Fixed Income Market	0.54	0.66	<i>0.12</i>	<i>21.9%</i>

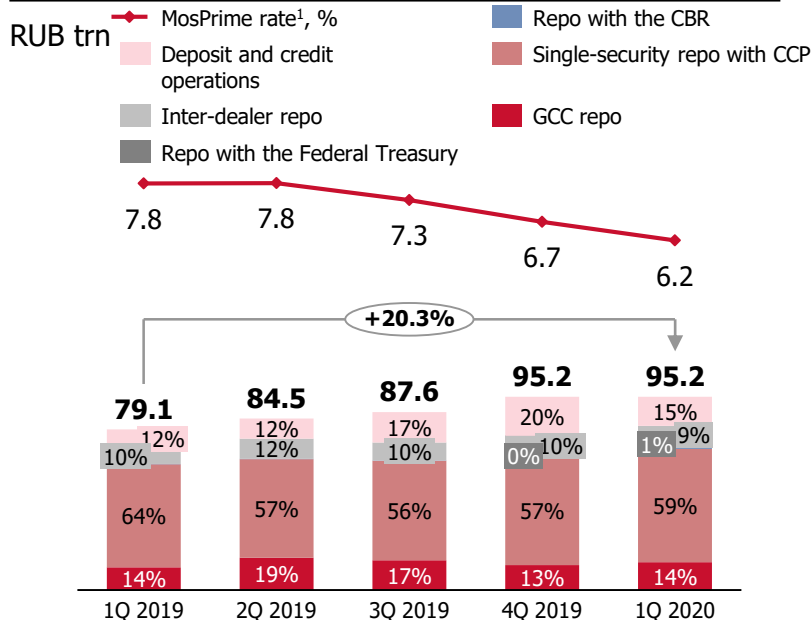
Fee & commission income breakdown



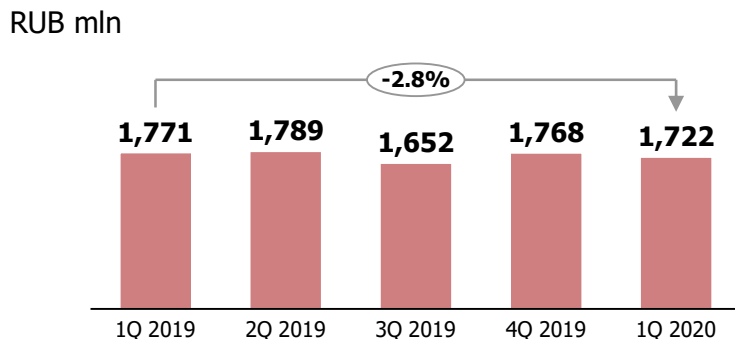


Money Market

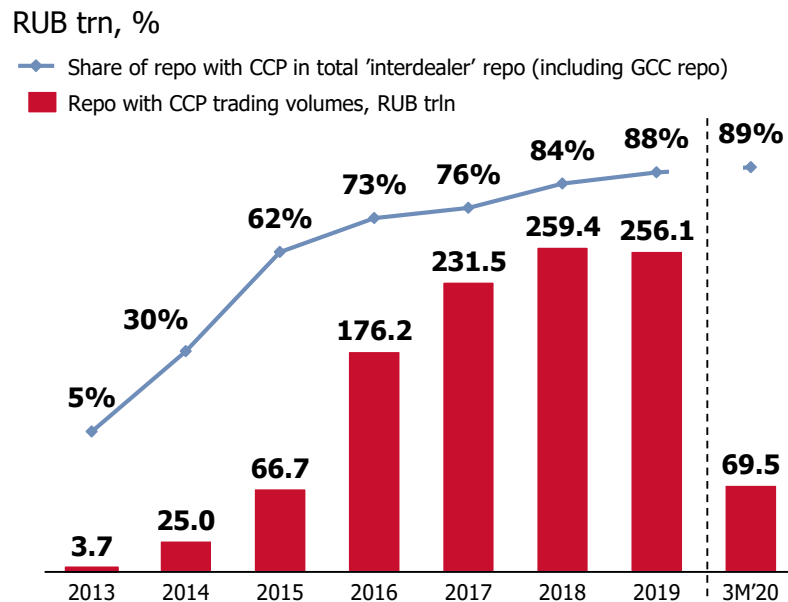
Trading volumes



Fee & commission income

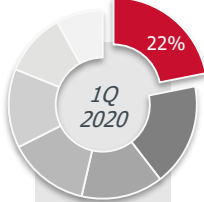


Trading volumes of repo with CCP



Comments

- F&C contracted by 2.8% YoY, whereas trading volumes increased 20.3% YoY.
- The discrepancy between the YoY dynamics of F&C and volumes was due to: [1] Shorter terms of value-added GCC repo, [2] IFRS adjustments, [3] smaller size of the position (open interest), [4] lower effective fee of the credit market.
- Recently introduced repo with the Federal Treasury (non-CCP) showed meaningful volumes of RUB 1.3 tn in 1Q'20.
- Interdealer repo volumes were up 10.4% YoY, while repo with CBR amounted to RUB 1.5 tn, up 12x (both non-CCP).
- The share of CCP repo in total 'interdealer' repo stood at 89%.

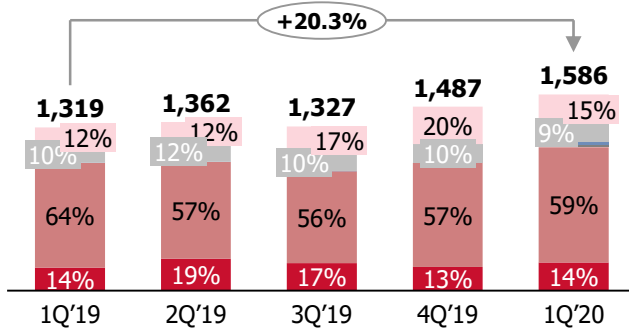


Money Market: recent trends

Money Market ADTV

RUB bln

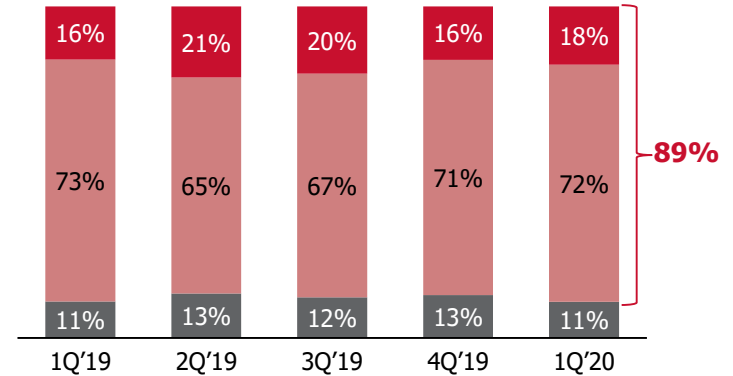
- Deposit and credit operations
- Single-security repo with CCP
- Interdealer repo
- Repo with the CBR
- Repo with the Federal Treasury
- GCC repo with CCP



High share of CCP repo

volume, %

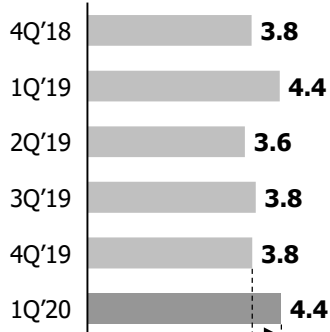
- GCC repo with CCP
- Single-security repo with CCP
- Interdealer repo



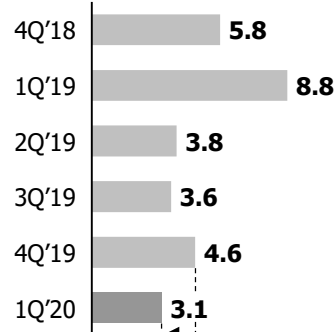
Average repo term dynamics

days

Overall on-exchange repo

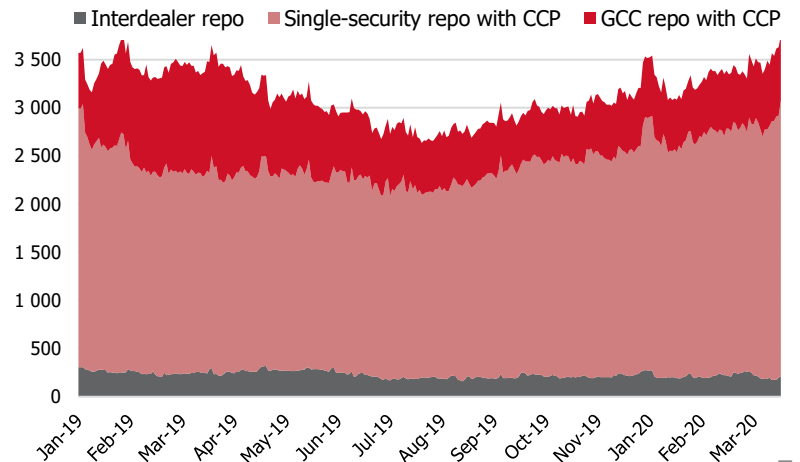


GCC repo (incl. deposits with CCP)



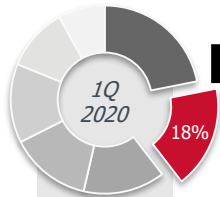
Stable to growing open interest supports F&C income

RUB bln



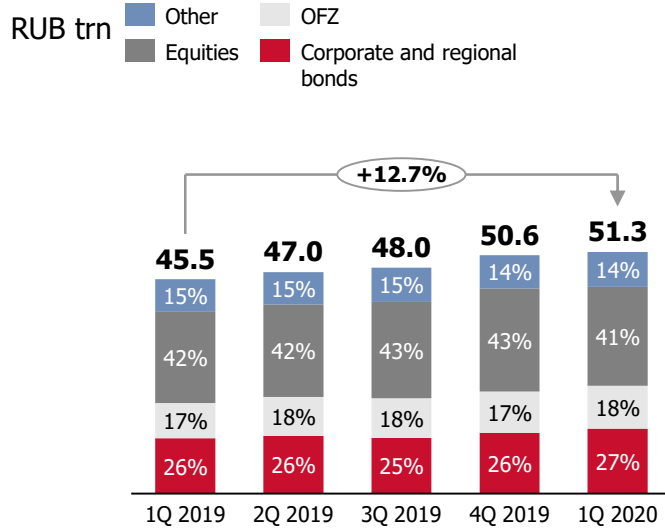
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Source: Moscow Exchange

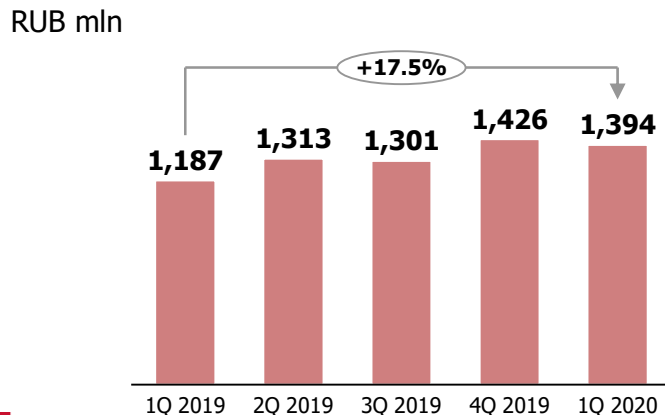


Depository and Settlement Services

Assets on deposit (average for the period)

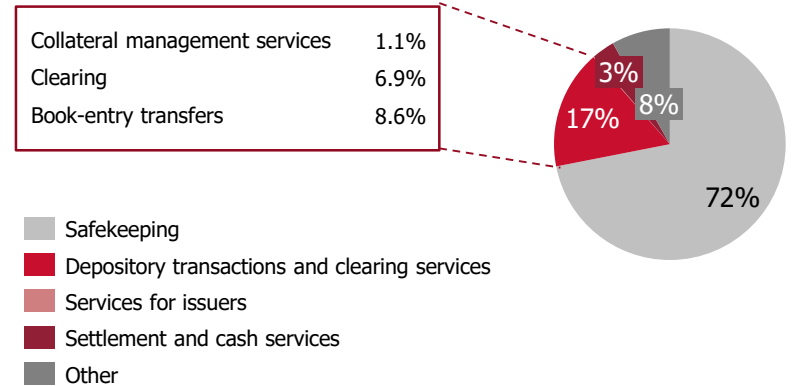


Fee & commission income



Fee & commission income breakdown

1Q 2020



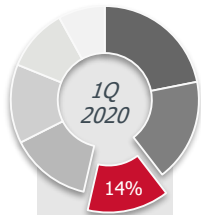
Comments

- F&C income grew 17.5% YoY; average assets on deposit increased 12.7% YoY.
- The YoY growth in assets on deposit was still registered across all asset classes: federal government bonds were up 20.9% YoY, equities were up 8.6% YoY, corporate and regional bonds were up 17.6% YoY.
- F&C income growth compared to 1Q'19 was driven mainly by safekeeping.
- The discrepancy between growth rates of F&C income and assets is the result of business lines beyond safekeeping, such as book-entry transfers, settlement and cash services as well as clearing.



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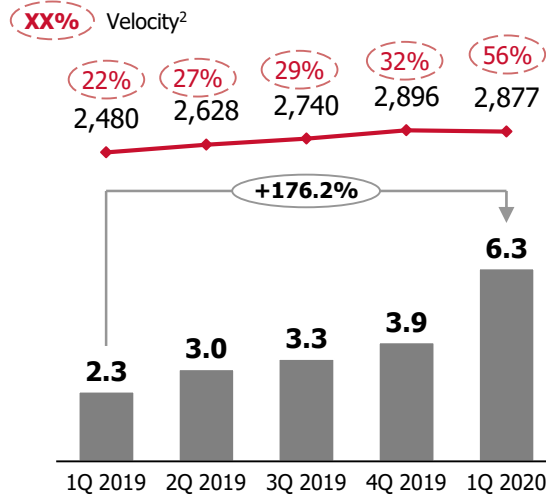
Source: Moscow Exchange



Equities Market

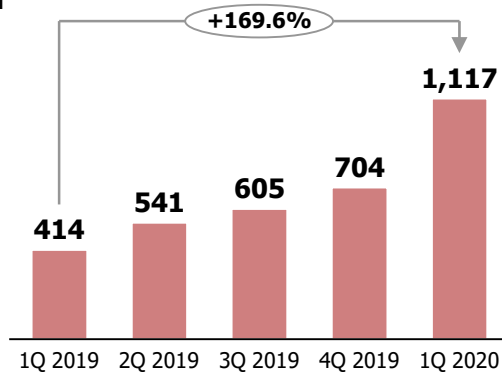
Trading volumes¹

RUB trn ■ Equities — MOEX Index (average for the period)



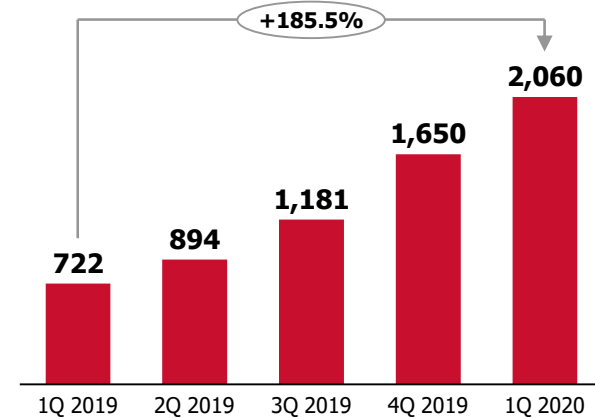
Fee & commission income

RUB mln



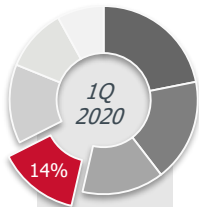
Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



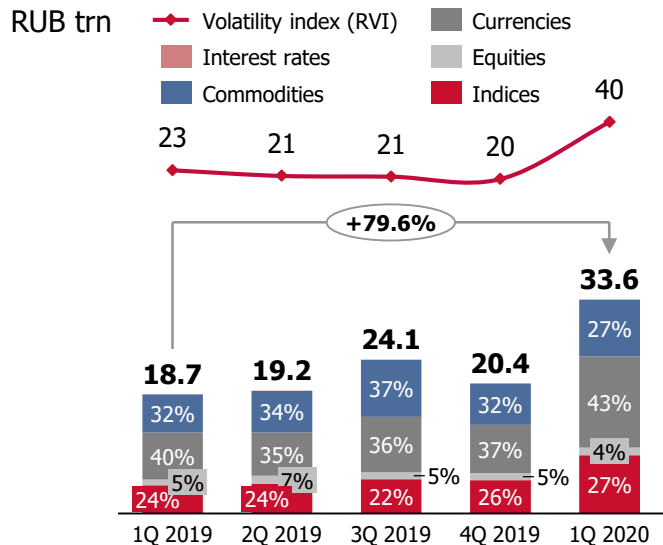
Comments

- Equity trading volumes and F&C income surged by 176.2% YoY and 169.6% YoY, respectively.
- The discrepancy between F&C income and trading volume dynamics was due to the tariff structure that provides fee incentives for higher volume traded.
- The velocity of trading volumes more than doubled YoY, helped by on-boarding of new international clients and strong retail activity.
- MOEX Russia Index volatility increased nearly tenfold YoY.
- MOEX's market share vs the LSE in trading of dual-listed stocks was record high and amounted to 75% in 1Q'20 (up from 65% in 1Q'19).



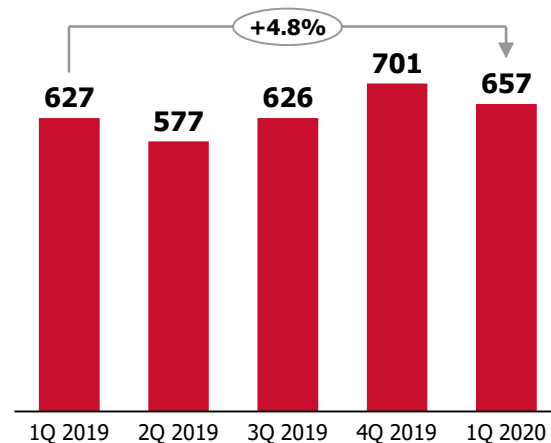
Derivatives Market

Trading volumes



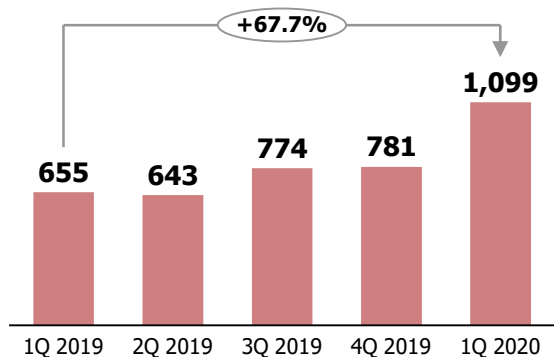
Open interest

RUB bln



Fee & commission income

RUB mln

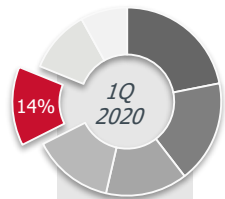


Comments

- F&C grew 67.7% YoY, trading volumes increased by 79.6% YoY.
- Trading volumes of FX derivatives expanded by 92.7% YoY and 88.7% QoQ on the back of a volatility spike.
- Index derivatives' volumes surged by 107.1% YoY and 75.2% QoQ, while volumes of equity derivatives added 36.5% YoY.
- Trading volumes of commodity contracts improved by 49.5% YoY and 37.5% QoQ.
- Open interest remained virtually flat YoY, up by 4.8%.
- The effective fee was down YoY due to: [1] a shift in the mix in favor of less profitable FX and index derivatives (70% in 1Q'20 vs 63% in 1Q'19), [2] IFRS adjustments, [3] lower share of options.

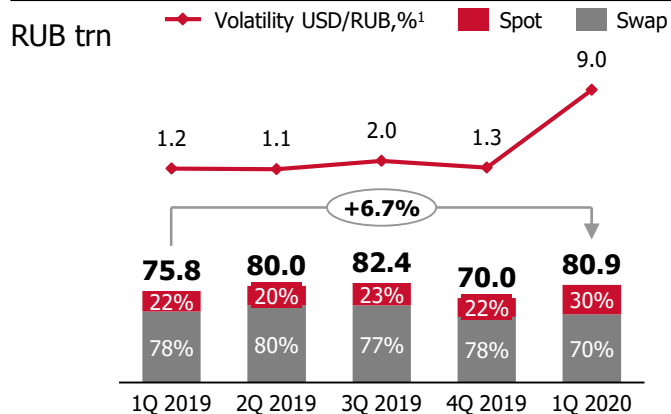


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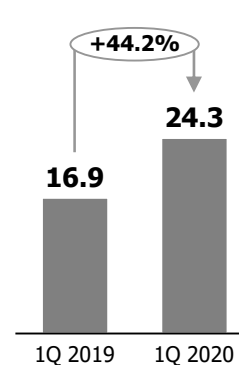
FX Market

Trading volumes



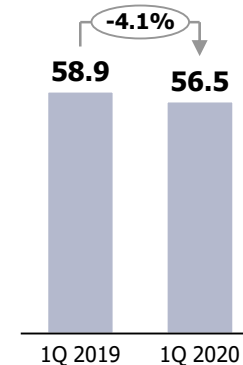
Spot trading volumes

RUB trn



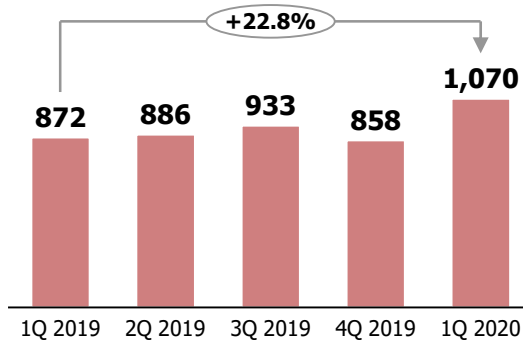
Swap trading volumes

RUB trn



Fee & commission income

RUB mln



Comments

- Fee income increased by 22.8% YoY, volumes grew 6.7% YoY.
- Spot volumes were up 44.2% YoY due to volatility surge and higher demand for CCP services in changing economic conditions.
- Swap and forward volumes declined by 4.1% YoY.
- MOEX's 1Q'20 market share vs onshore OTC added 2.7 pp QoQ to reach 45.5%.
- The effective fee was supported by: [1] a higher share of spot trading, [2] clients using more expensive tariff plans.
- The number of active clients approached 247,000 – up 4x YoY – with retail accounting for nearly 99% of these.
- The ADTV of corporates was RUB 4.5 bln in 1Q'20, up 69% YoY.



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Source: Moscow Exchange, CBR

1 Calculated as daily standard deviation for the period divided by the average value for the period

11%

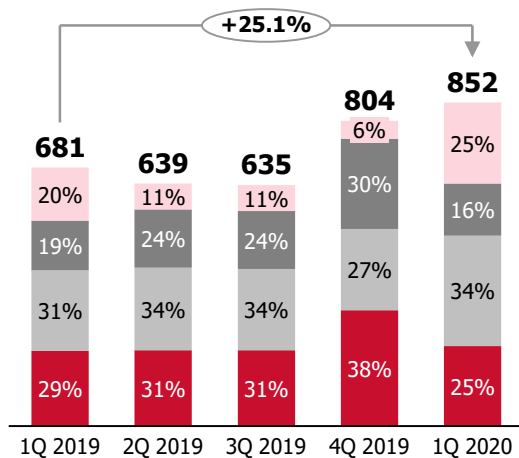
1Q
2020

IT Services, Listing and Other Fee Income (ITSLOFI)

IT Services, Listing and Other Fee Income¹ (ITSLOFI)

RUB mln

- Other fee and commission income
- Listing and other fees related to Securities Market
- Information services
- Sale of software and technical services



Comments

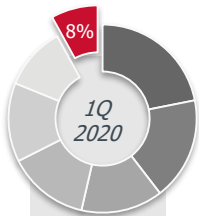
- Listing and other fees related to the Securities Market increased 4.0% YoY.
- Sales of information services rose by 36.9% YoY on the back of extra revenue from audit of information use and RUB weakening.
- Sales of software and technical services grew 6.7% YoY.
- Other fee and commission income expanded by 53.2% YoY as lower contribution from the Grain Market was more than compensated for by additional fee on EUR balances.
- The additional fee for recording individual clearing collateral on EUR balances is 0.2% on top of the ECB rate, effective 1 January 2020.



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Source: Moscow Exchange

1 Includes Other fee and commission income

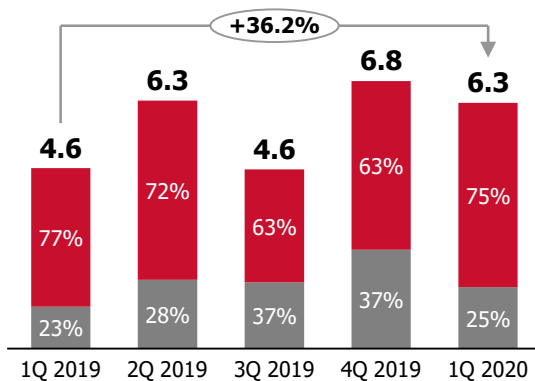


Fixed Income Market

Trading volumes¹

RUB trn

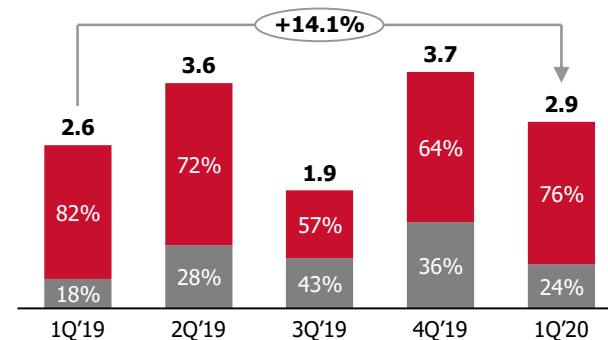
- Government and CBR bonds (OFZ, OBR)
- Corporate, municipal and other bonds (excl. overnight bonds)



Primary market

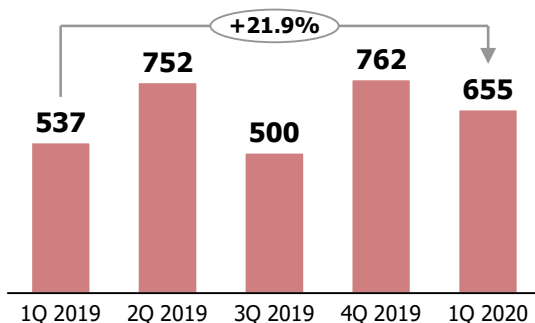
RUB trn

- Government and CBR bonds (OFZ, OBR)
- Corporate, municipal and other bonds (excluding ON bonds)



Fee & commission income

RUB mln



Comments

- Fee income increased by 21.9% YoY on the back of a 36.2% YoY growth in trading volumes (excl. overnight bonds).
- Primary placements were up 14.1% YoY (excl. overnight bonds) due to higher placements of corporate and municipal bonds (up 50.7% YoY). Placements of OFZs were up 9.3% YoY.
- Secondary trading volumes increased by 64.2% YoY, mainly due to the 87.5% YoY rise in OFZ trading.
- The QoQ effective fee dynamics were affected by a lower share of the primary market in total volumes (excl. overnight bonds) and also a lower share of corporate placements.



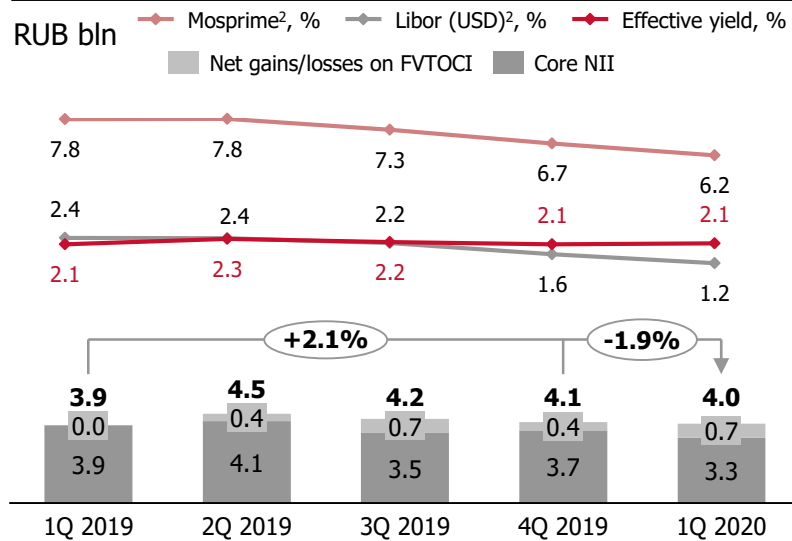
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Source: Moscow Exchange

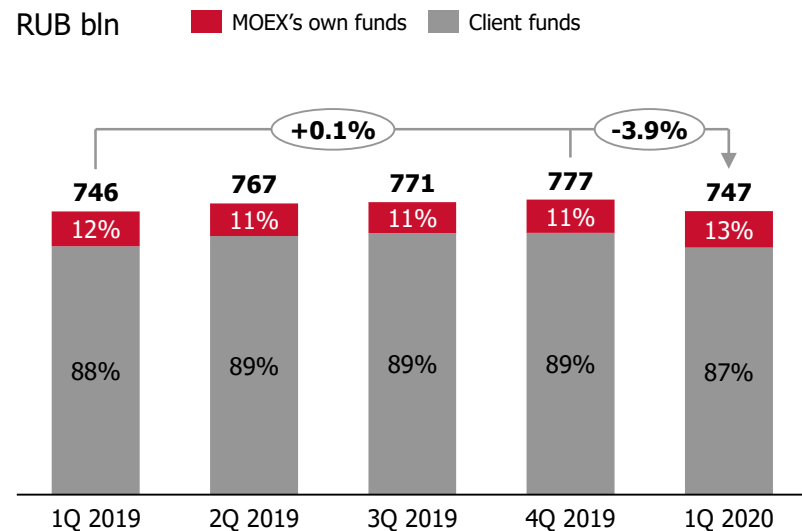
¹ Trading volumes on the Fixed Income Market include placements

Interest and finance income in 1Q'20

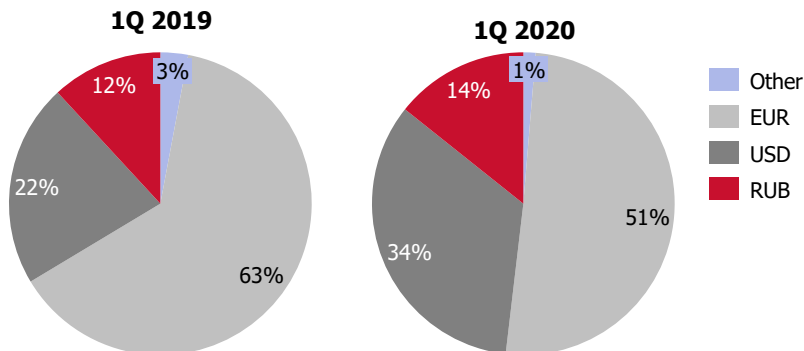
Interest and finance income¹



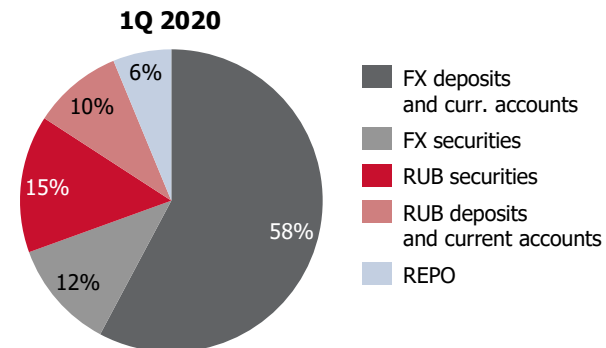
Investment portfolio sources³



Client funds by currency



Investment portfolio by type of asset



Source: NFA, Bloomberg, Moscow Exchange

1 Interest and other finance income, Interest expense, Net gain on financial assets at fair value through other comprehensive income and Foreign exchange gains less losses

2 Average daily rate for the period

3 Based on average daily investment portfolio sources for the period according to management accounts



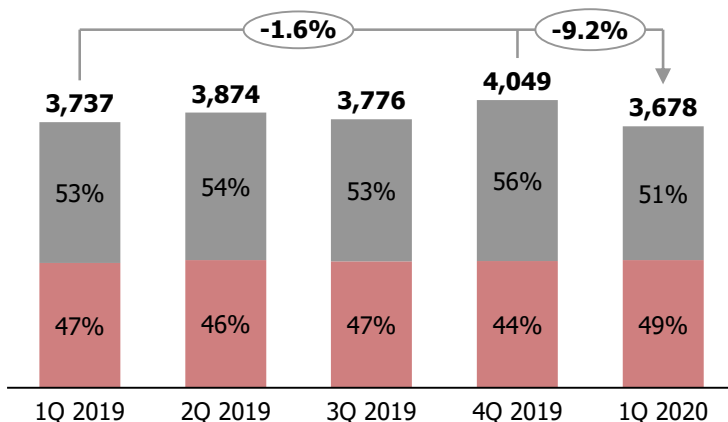
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Operating expenses in 1Q'20 (excl. provisions)

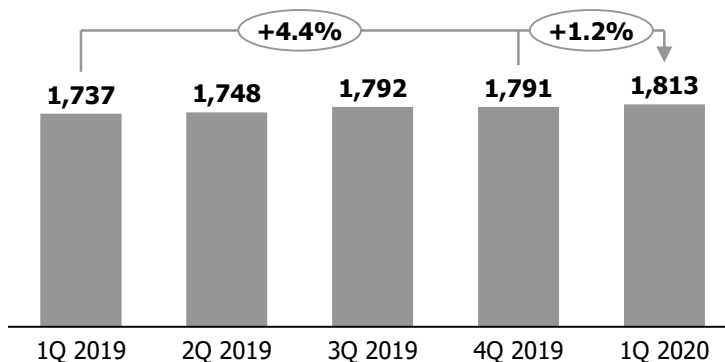
Operating expenses

RUB mln

- General and administrative expenses
- Personnel expenses



Headcount



Major expense items

RUB mln	1Q 2019	1Q 2020	Change YoY
Personnel expenses	1755.9	1794.7	2.2%
D&A and IT maintenance	1204.9	1169.1	-3.0%
Remaining administrative expenses¹	776.1	714.4	-8.0%
Incl. Professional Services	155.5	107.5	-30.9%
Total OPEX	3736.9	3678.2	-1.6%
Cost / Income Ratio	36.3%	30.7%	-5.6 p.p.

Comments

- OPEX for 1Q'20 declined by 1.6% YoY, naturally coming below the FY'20 OPEX growth guidance range of 6.5-9.5%.
- Bonus provision reduction of 38.0% YoY mitigated personnel expenses growth in 1Q'20 amid a 4.4% headcount increase.
- D&A contraction of 8.8% YoY drove a 3.0% YoY decline in D&A and IT maintenance.
- Remaining administrative expenses declined by 8.0% thanks to savings on professional services – that contained grain pass-through expenses in 1Q'19 – and information services.
- Anti-COVID protection costs were immaterial due to early response.
- CAPEX for the quarter was RUB 0.6 bln.
- **Updated FY'20 OPEX growth guidance: 6.0-8.5%.**

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– perception of market services offered by the Company and its subsidiaries;

– volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;

– changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;

– competition increase from new players on the Russian market;

– the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;

– the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;

– the ability to attract new customers on the domestic market and in foreign jurisdictions;

– the ability to increase the offer of products in foreign jurisdictions.

• Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding such future performance.

