



**MOSCOW
EXCHANGE**

21 August 2020

2Q 2020 Earnings Presentation

Delivery on strategic initiatives in 2Q 2020 and beyond

- New Products -

- Five new Russian-law ETFs began trading. 41 ETFs with a total NAV of nearly RUB 70 bln are now available on MOEX.
- Deliverable futures on Sistema shares as well as DRs of X5 Retail Group and TCS Group were launched.
- Petropavlovsk and Mail.ru Group completed secondary listings on MOEX.

- New Services -

- After-hours (a.k.a. evening) trading session commenced on the Equities Market, satisfying demand from retail investors.
- All corporate bonds and Eurobonds listed on MOEX are now traded in T+ mode.
- A service showing dynamics of intraday open interest by different client groups in the most liquid futures was introduced.
- Moscow Exchange began calculating and publishing the Moscow Real Estate DomClick Index based on data from Sberbank.
- MOEX completed acquisition of a 17% stake in BierbaumPro AG, the parent company of OTC FX platform NTPro.

- New Clients & Partners -

- Non-state pension funds are now admitted to deposit operations on MOEX. NPF Blagosostoyanie was the first comer.
- GV Gold, one of the top gold mining companies in Russia, obtained direct access to the FX and Precious Metals Markets.
- Transit 2.0 is gaining ground as 11 banks and 19 corporates are now using this interface.
- In 2Q 2020, 66 corporates – including 8 newcomers – placed 155 bond issues, raising a total of RUB 702 bln.
- The number of registered IIAs surpassed 2.5 mln¹. The total number of unique retail clients approached 5.7 mln¹.



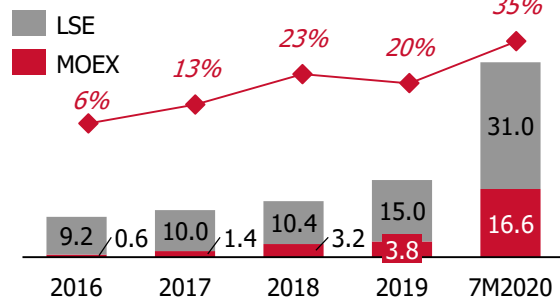
MOEX listings of Russian companies incorporated abroad

- **13 Russian companies incorporated abroad have obtained a secondary listing** on Moscow Exchange
- Listing on MOEX has **substantially increased their total liquidity**; MOEX's share in trading volumes is growing
- Shares of Polymetal and Yandex & depositary receipts of X5 Retail Group and TCS Group are **included in the MOEX Russia Index**
- Polymetal shares & depositary receipts of X5 Retail Group were **added to the MSCI Russia Index**, Yandex will follow on Aug 31

◆ MOEX share in Average Daily Trading Volumes (ADTV)

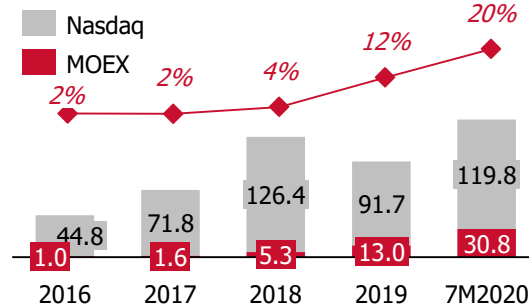
Polymetal

ADTV, USD mln



Yandex

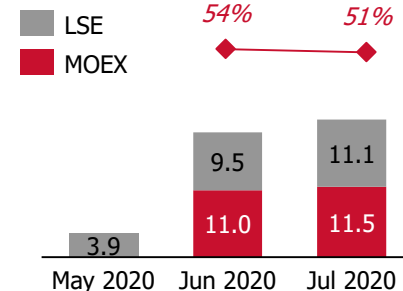
ADTV, USD mln



An immediate boost to newcomers

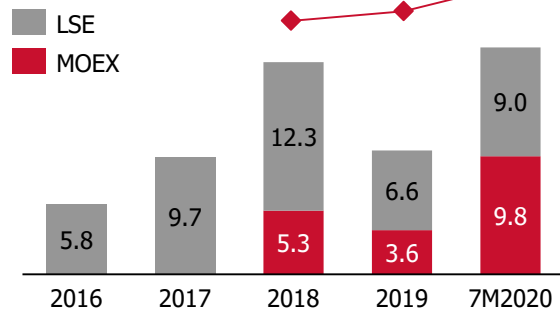
Petropavlovsk – listing on 25 Jun

ADTV, USD mln



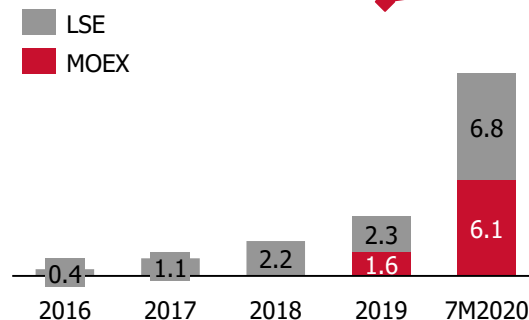
X5 Retail Group

ADTV, USD mln



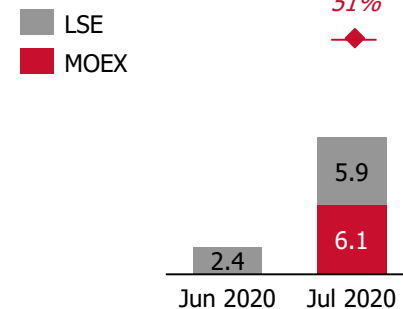
TCS Group

ADTV, USD mln



Mail.ru – listing on 2 Jul

ADTV, USD mln



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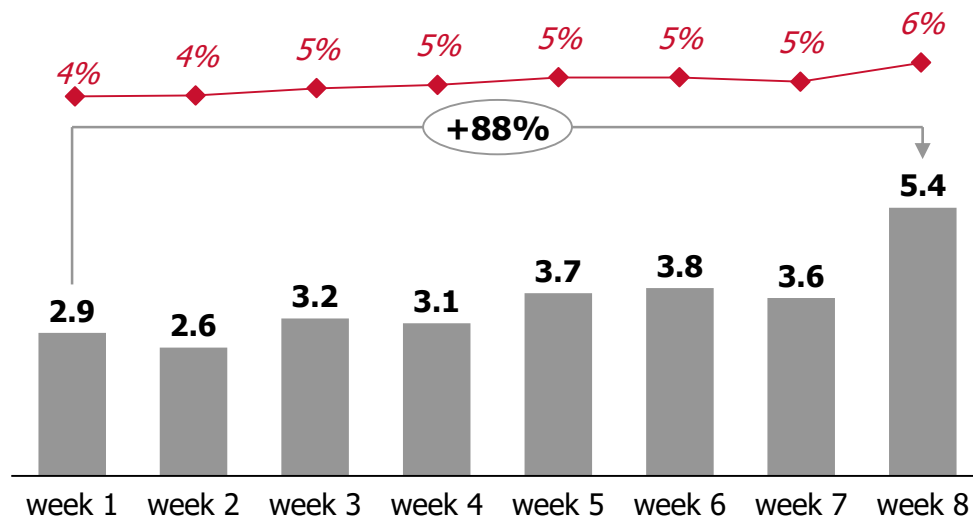
Source: Bloomberg as of 04.08.2020 for LSE on-book and Nasdaq volumes, Moscow Exchange

The start of evening trading session on the Equities Market

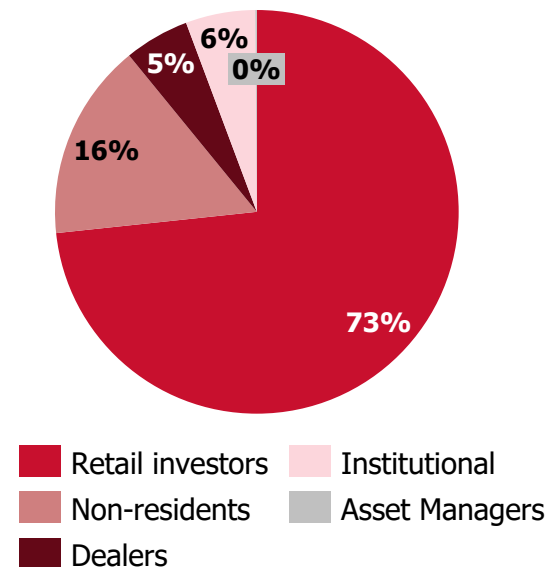
Average Daily Trading Volume (ADTV)

RUB bln

◆ Share of evening session in total trading volumes on Equities Market



Breakdown by client type



- On June 22, the **25 most liquid stocks** from the MOEX Russia Index were admitted to after-hours trading
- On August 3, **all stocks** from MOEX Russia Index were admitted to after-hours equity trading
- **Foreign shares** will be added to after-hours trading later in August 2020
- Russian-law and Foreign-law **ETFs** are to be added to after-hours trading later in 2020
- **Record high share of retail investors** has traded during the after-hours session, in line with the Exchange's expectations



Strengthening the team with hires, rotations and incentives

New hires and internal rotations in the management team of the Group

MOEX Andrey Burilov MOEX MD of IT Executive Board member <i>To lead the next phase of IT strategy implementation</i>	MOEX Igor Alutin MOEX MD of Digital Technologies <i>To oversee and coordinate all digital platforms</i>	MOEX Irina Grekova MOEX Head of Compliance <i>To establish best-in-class compliance practices</i>	MOEX Evgeny Zhdanov MOEX Head of Internal Audit <i>To monitor and develop business processes</i>
NCC Eddie Astanin NCC CEO <i>To upgrade operations and risk management</i>	MOEX Alexey Khavin MOEX MD of Global Markets Executive Board member <i>To focus on Group treasury and international projects</i>	NSD Maria Krasnova NSD Acting CEO <i>To ensure continuity of operational excellence</i>	NCC Rinat Kirdan NCC MD of Risk <i>To bring top expertise in risk management</i>

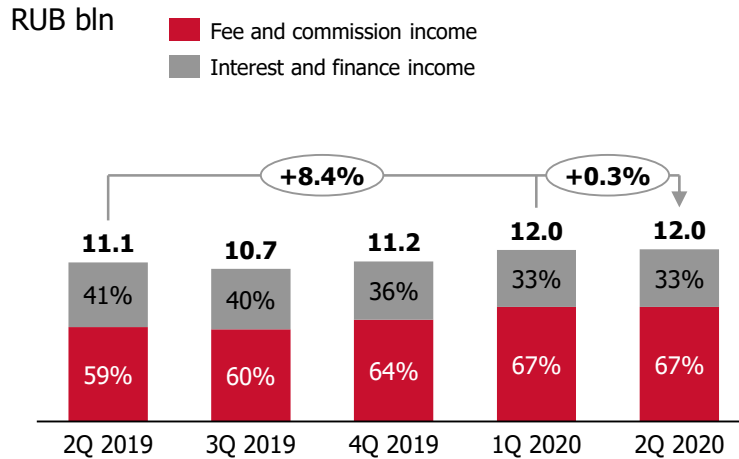
New Long Term Incentive Program (LTIP)

- Naturally aligns long-term interests of shareholders and the management team
- Based on existing shares, not options => predictable for both beneficiaries and investors, has no embedded leverage
- The value of incentive is determined by: (1) financial performance, (2) share price performance, (3) accrued dividends
- The program term is 5 years, in line with the strategy; vesting in years 3, 4, 5 in three equal tranches
- Every tranche is dependent on achieving KPIs, which are linked to F&C income growth and relevant regulation
- 70 key employees might earn up to 18 mln shares, which make up 0.8% of MOEX's Market Cap
- MICEX-Finance holds 22 mln treasury shares => no new issuance, no dilution required

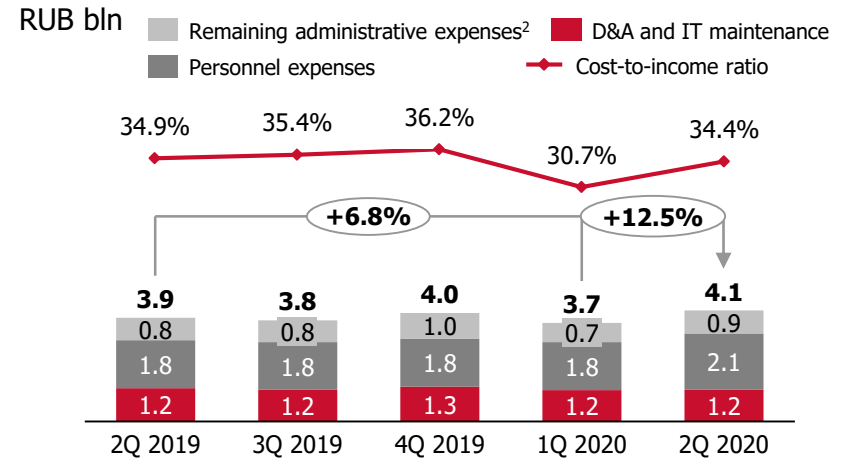


2Q 2020 summary of financials

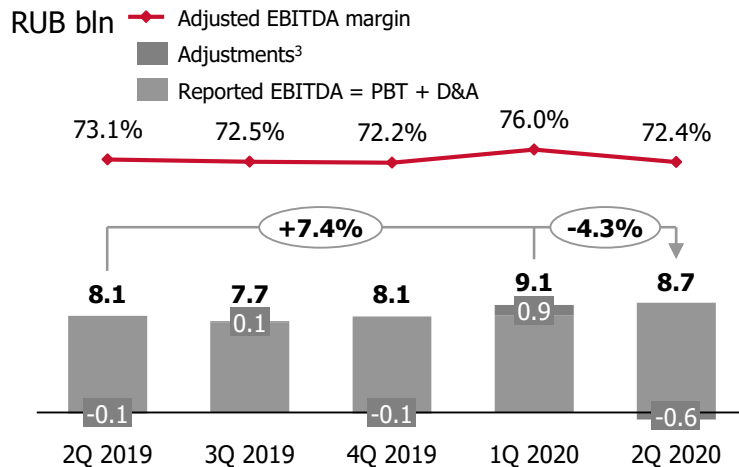
Operating income¹



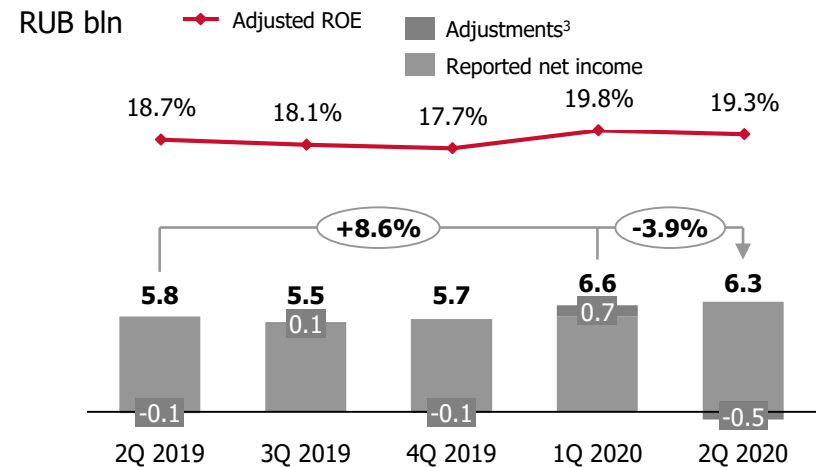
Operating expenses (excl. other operating expenses)



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



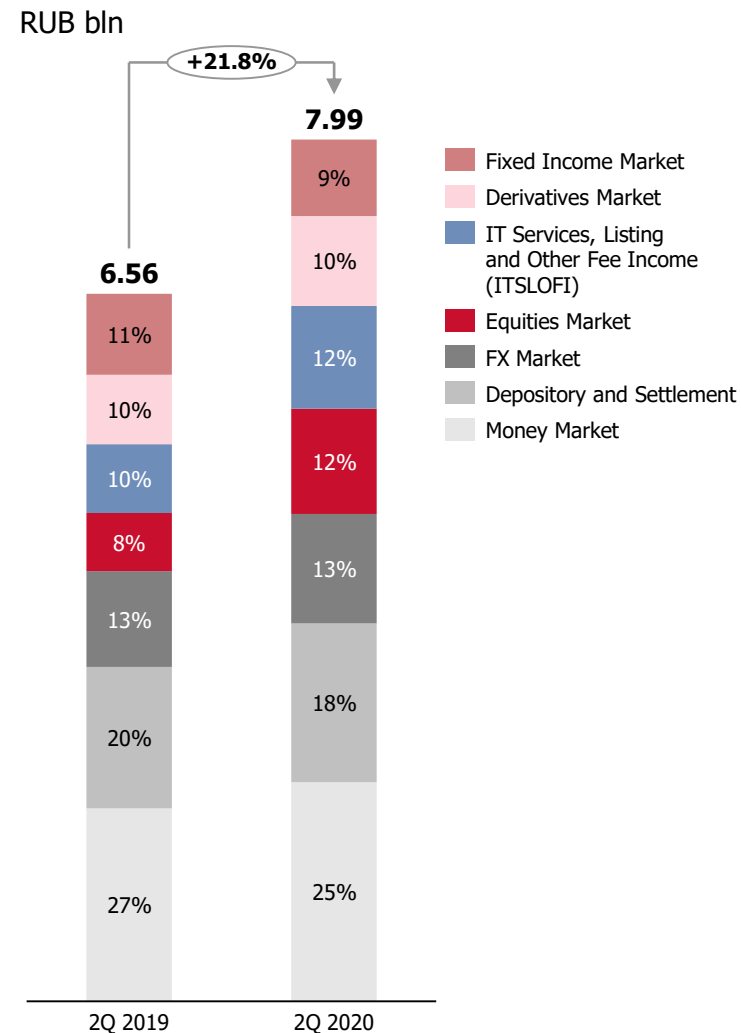
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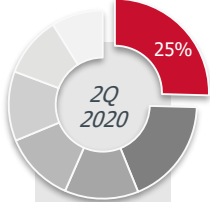
Diversified fee and commission income

Fee & commission income performance, RUB bln

RUB bln	2Q 2019	2Q 2020	Change YoY, bln	Change YoY, %
Money Market	1.79	2.03	<i>0.24</i>	<i>13.6%</i>
Depository and Settlement	1.31	1.47	<i>0.16</i>	<i>12.2%</i>
FX Market	0.89	1.01	<i>0.13</i>	<i>14.4%</i>
Equities Market	0.54	0.98	<i>0.44</i>	<i>80.5%</i>
IT Services, Listing and Other Fee Income (ITSLOFI)¹	0.64	0.95	<i>0.32</i>	<i>49.3%</i>
Derivatives Market	0.64	0.83	<i>0.19</i>	<i>29.8%</i>
Fixed Income Market	0.75	0.71	<i>-0.04</i>	<i>-5.9%</i>

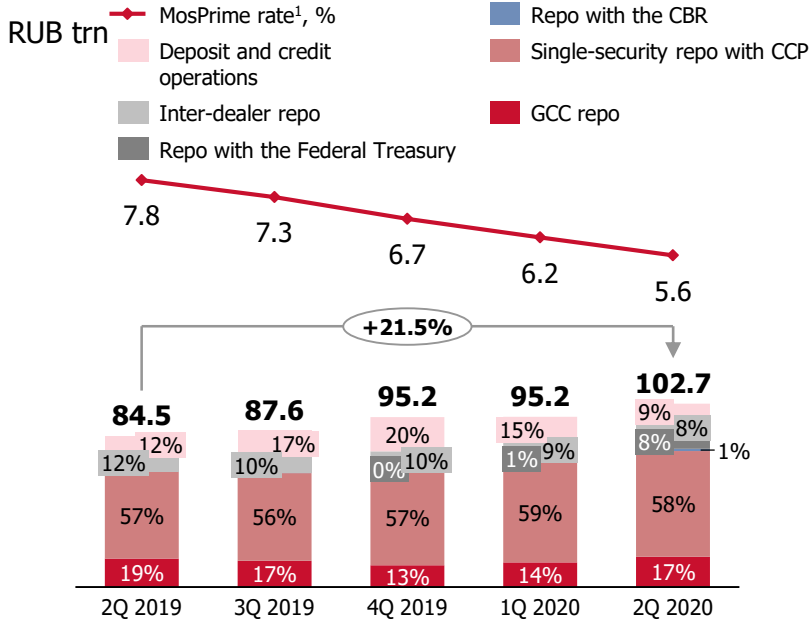
Fee & commission income breakdown



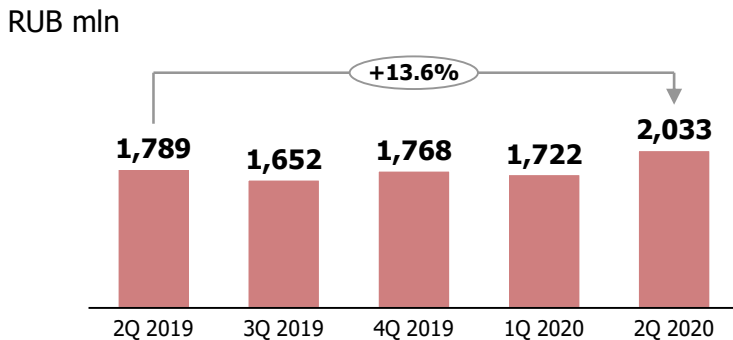


Money Market

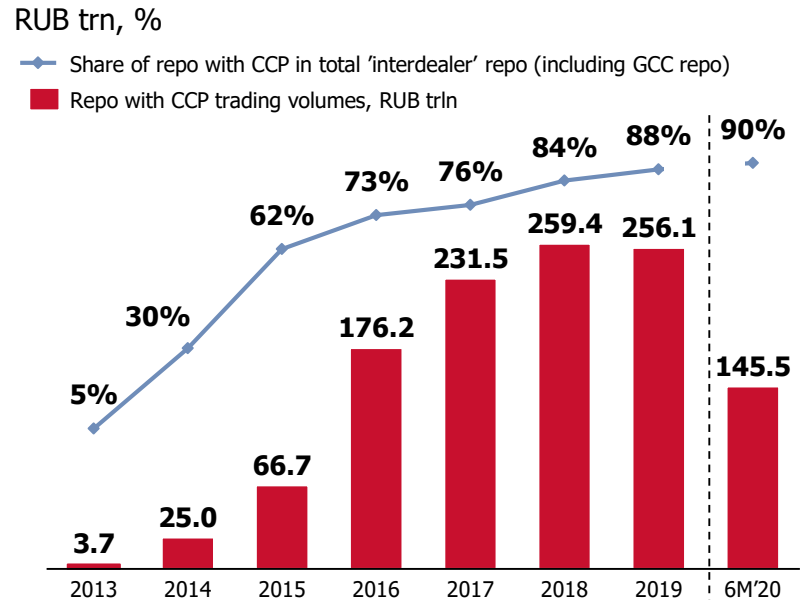
Trading volumes



Fee & commission income



Trading volumes of repo with CCP



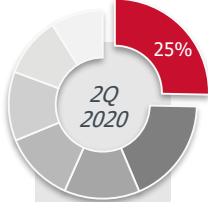
Comments

- F&C grew 13.6% YoY, surpassing the RUB 2 bln mark for the first time. Trading volumes increased 21.5% YoY.
- The discrepancy between the YoY dynamics of F&C and volumes was due to: [1] subdued performance of the Credit market, [2] IFRS adjustments.
- GCC-repo (deposits) with the Federal Treasury, a newly-launched CCP-based product, generated volumes of nearly RUB 500 bln in its inaugural quarter of active trading.
- Interdealer repo volumes were down 18.6% YoY, while repo with CBR amounted to RUB 1.2 trn, up 12x (both non-CCP).
- The share of CCP repo in total 'interdealer' repo continued to increase to 90%.



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Source: Moscow Exchange, NFA
1 Overnight rate, average for the period

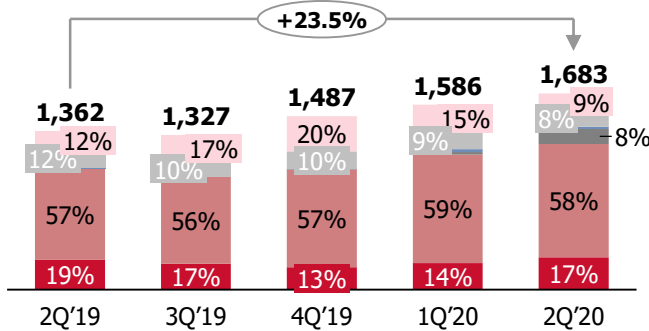


Money Market: recent trends

Money Market ADTV

RUB bln

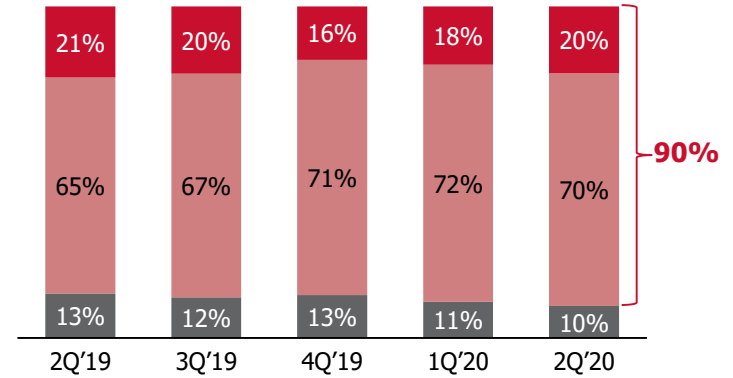
- Deposit and credit operations
- Single-security repo with CCP
- Interdealer repo
- Repo with the CBR
- Repo with the Federal Treasury
- GCC repo with CCP



High share of CCP repo

volume, %

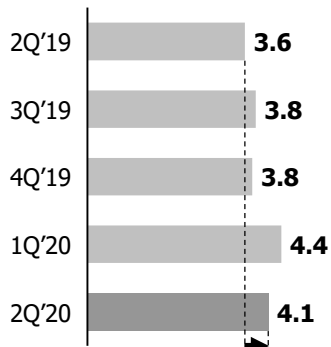
- GCC repo with CCP
- Single-security repo with CCP
- Interdealer repo



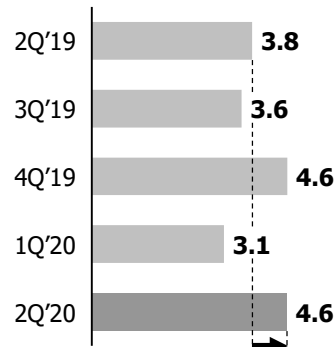
Average repo term dynamics

days

Overall on-exchange repo



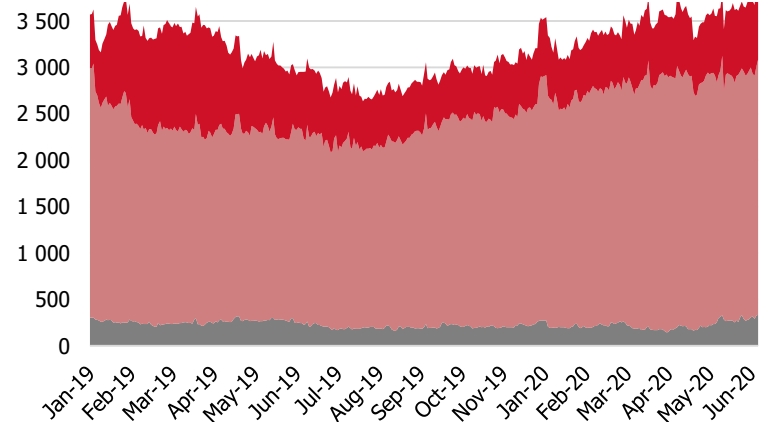
GCC repo (incl. deposits with CCP)



Stable to growing open interest supports F&C income

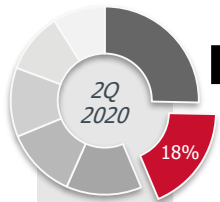
RUB bln

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



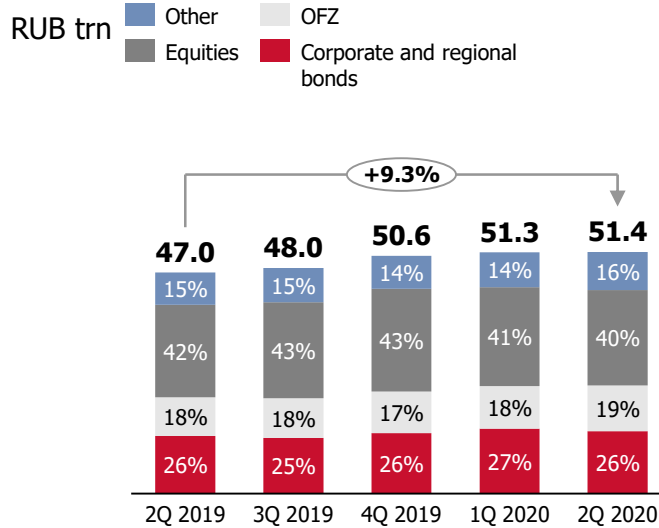
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Source: Moscow Exchange

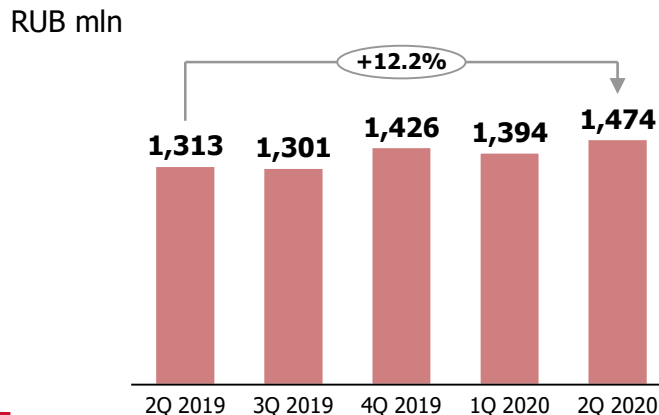


Depository and Settlement Services

Assets on deposit (average for the period)

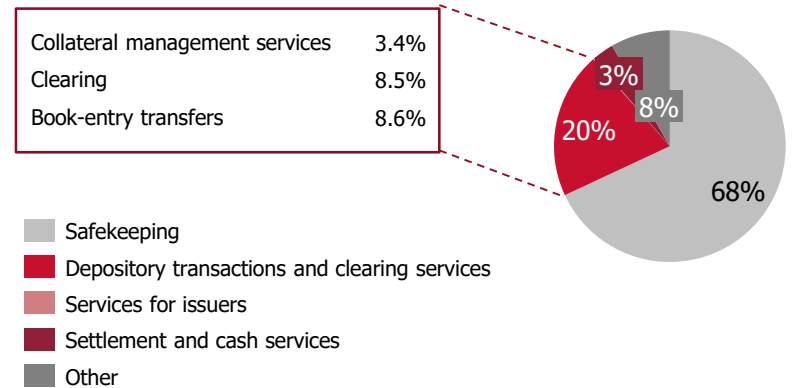


Fee & commission income



Fee & commission income breakdown

2Q 2020



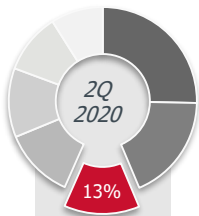
Comments

- F&C income grew 12.2% YoY; average assets on deposit increased 9.3% YoY.
- The YoY growth in assets on deposit was still registered across all asset classes: federal government bonds were up 17.3% YoY, equities were up 3.3% YoY, corporate and regional bonds were up 8.5% YoY.
- F&C income growth compared to 2Q'19 was driven mainly by safekeeping and depository transactions.
- 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.



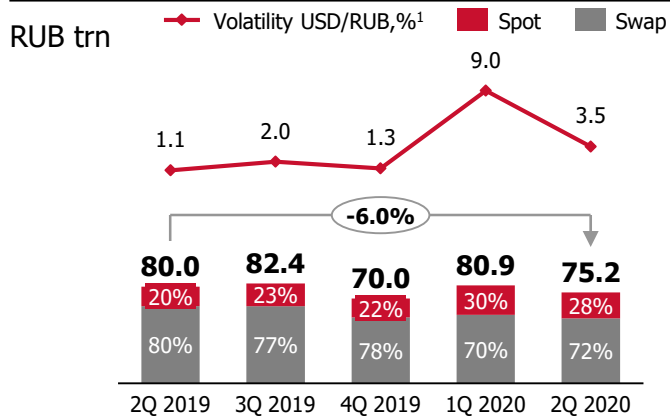
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Source: Moscow Exchange



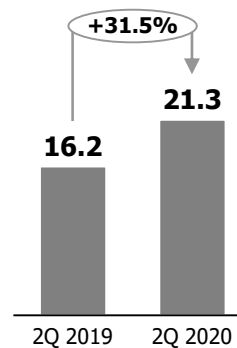
FX Market

Trading volumes



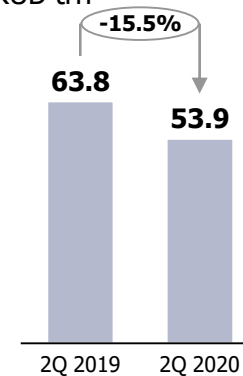
Spot trading volumes

RUB trn



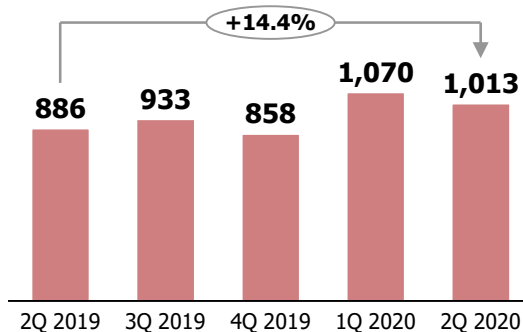
Swap trading volumes

RUB trn



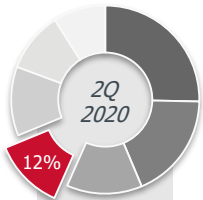
Fee & commission income

RUB mln



Comments

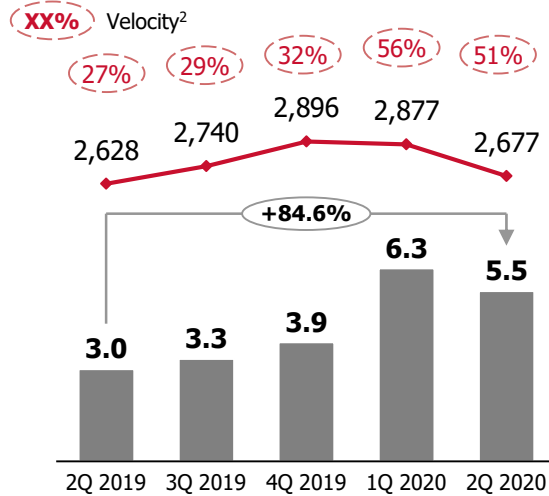
- Fee income increased by 14.4% YoY, volumes fell by 6.0% YoY.
- Spot volumes were up 31.5% YoY due to a surge in volatility and higher demand for CCP services in changing economic conditions.
- Trading volumes with foreign liquidity providers were elevated, amounting to RUB 230 bln in 2Q'20, up 2x YoY.
- Swap and forward volumes declined by 15.5% YoY.
- MOEX's 2Q'20 market share vs onshore OTC added 4.3 pp QoQ to reach 50%.
- 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 exceeded 293,000² – up 4.8x YoY – with retail accounting for nearly 99%.
- The ADTV of corporates was RUB 4.6 bln in 2Q'20, up 2x YoY.



Equities Market

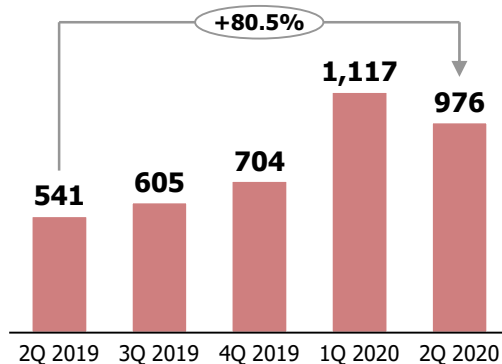
Trading volumes¹

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



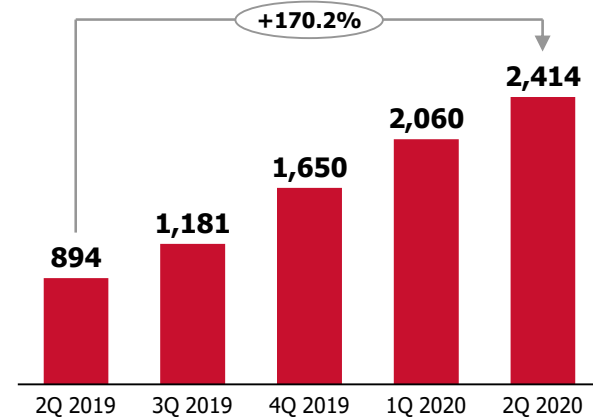
Fee & commission income

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 84.6% YoY and 80.5% YoY, respectively.
- Insignificant 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 almost doubled YoY, helped by contribution of retail clients and high-frequency traders.
- MOEX Russia Index volatility nearly tripled YoY.
- MOEX's market share vs the LSE in trading of dual-listed stocks was at a record high of 77% in 6M'20 (up from 67% in 6M'19).

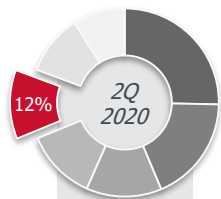


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Source: Moscow Exchange, WFE

1 Volumes of both primary and secondary markets

2 Velocity is calculated as annualized trading volumes for the period divided by the average market capitalization

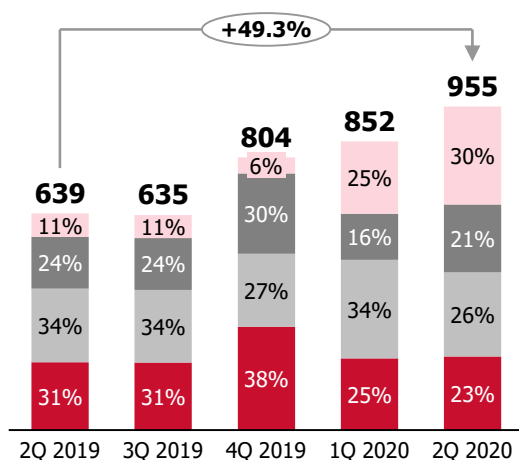


IT Services, Listing and Other Fee Income (ITSLOFI)

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

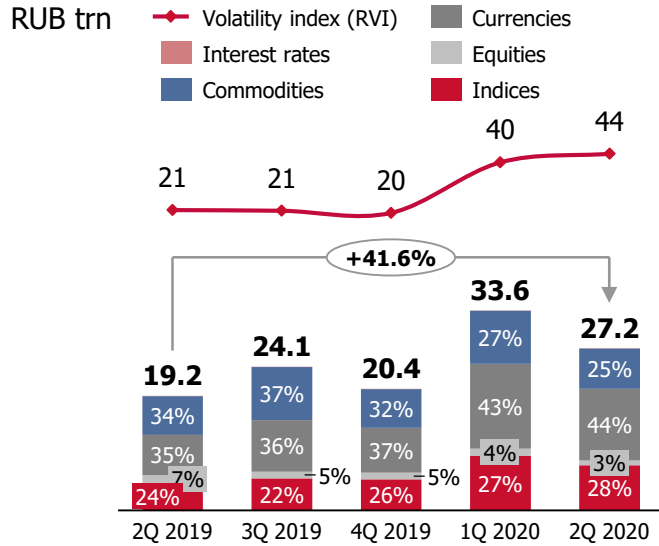


Comments

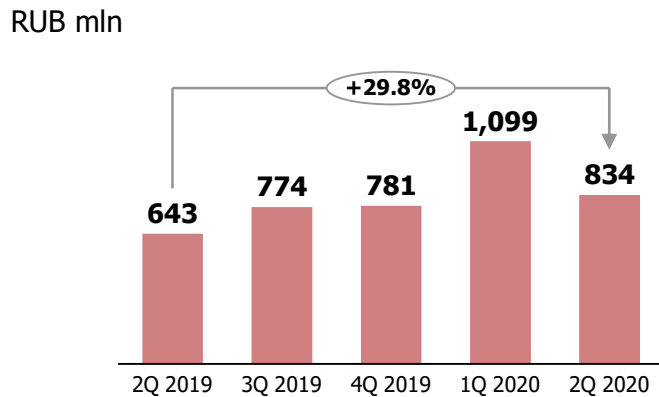
- Listing and other fees related to the Securities Market increased by 30.8% YoY as clients paid extra fees for accelerated placements and did pre-registrations of issues.
- Sales of information services rose by 14.5% YoY on the back of extra revenue from the audit of information use and RUB weakening.
- Sales of software and technical services grew 8.4% YoY.
- Other fee and commission income was up more than 4x YoY explained by introduction of the 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.

Derivatives Market

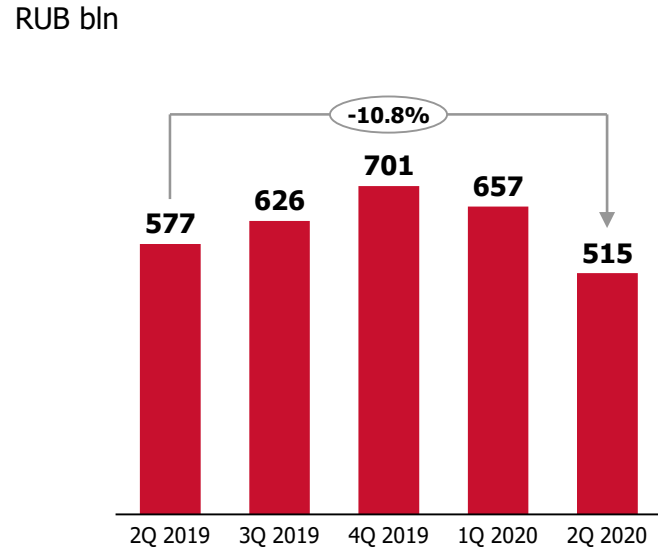
Trading volumes



Fee & commission income



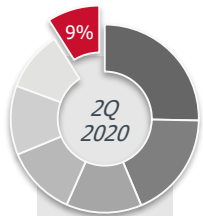
Open interest



Comments

- F&C grew 29.8% YoY, trading volumes increased by 41.6% YoY.
- Trading volumes of FX derivatives grew by 77.1% YoY on the back of a volatility spike.
- Index derivatives' volumes surged by 63.7% YoY, while volumes of equity derivatives decreased by 37.9% YoY.
- Trading volumes of commodity contracts remained virtually flat, adding 4.5% YoY.
- The effective fee was down YoY due to: [1] a shift in the mix towards less profitable FX and index derivatives (72% in 2Q'20 vs 59% in 2Q'19), [2] IFRS adjustments, [3] lower share of options.



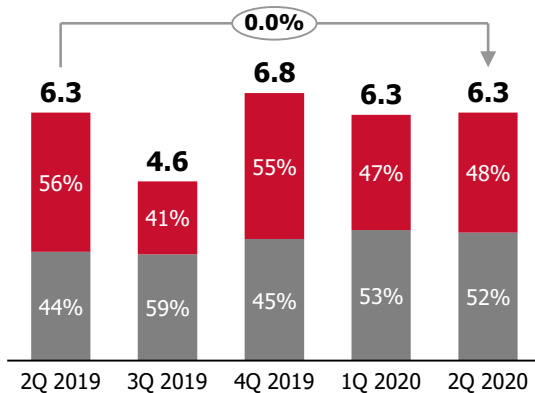


Fixed Income Market

Trading volumes¹

RUB trn

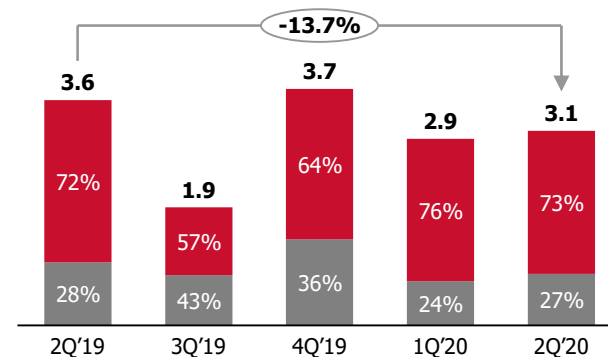
- Primary market (excl. overnight bonds)
- Secondary market



Primary market (excluding overnight bonds)

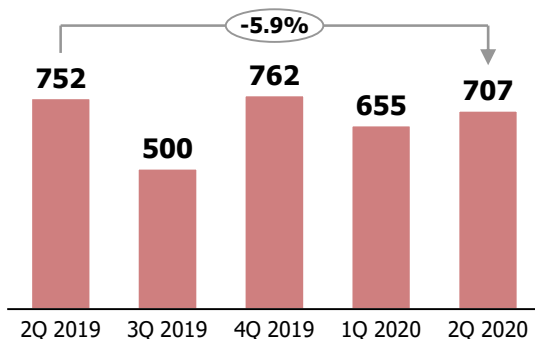
RUB trn

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



Fee & commission income

RUB mln



Comments

- Fee income was down 5.9% YoY while trading volumes (excl. overnight bonds) remained practically the same.
- Primary placements decreased 13.7% YoY (excl. overnight bonds) due to lower activity amidst the pandemic. Placements of OFZs and OBRs were down 12.0% YoY.
- Secondary trading volumes grew 17.5% YoY. OFZ secondary market trading was up 19.0% YoY. Other bonds secondary trading increased by 13.5% YoY.
- The effective fee dynamics were affected by a lower share of the primary market (48% in 2Q'20 vs 56% in 2Q'19) in total volumes (excl. overnight bonds) and a slightly lower fraction of corporate placements in the primary market structure.



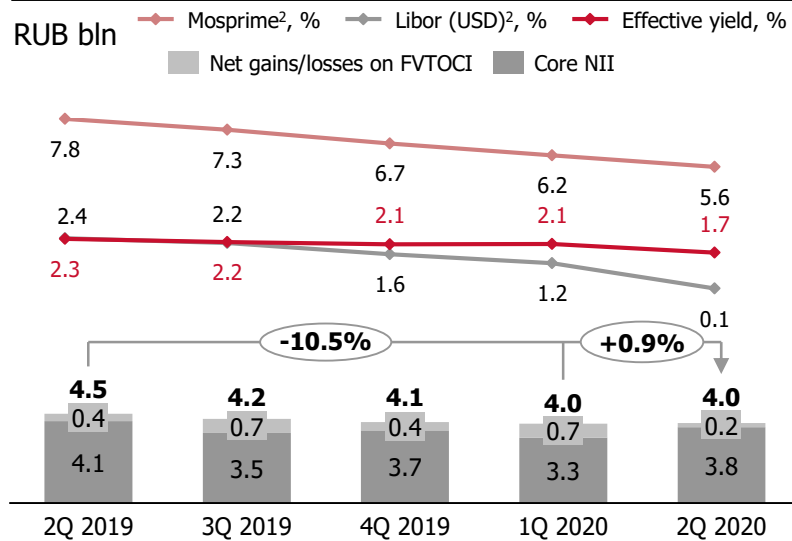
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Source: Moscow Exchange

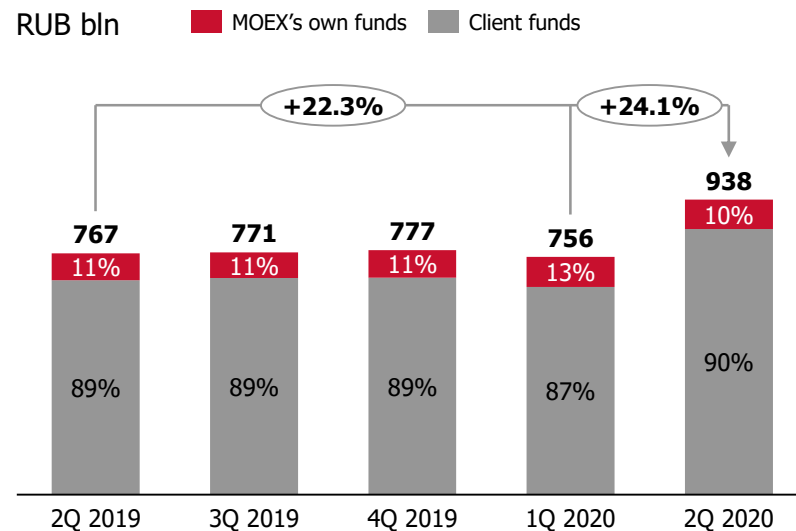
¹ Trading volumes on the Fixed Income Market include placements

Interest and finance income in 2Q'20

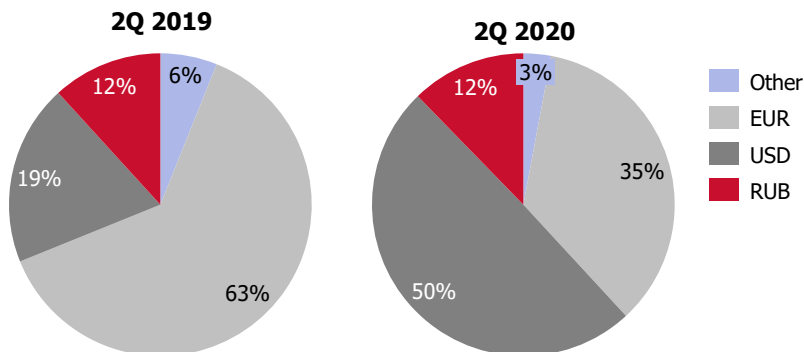
Interest and finance income¹



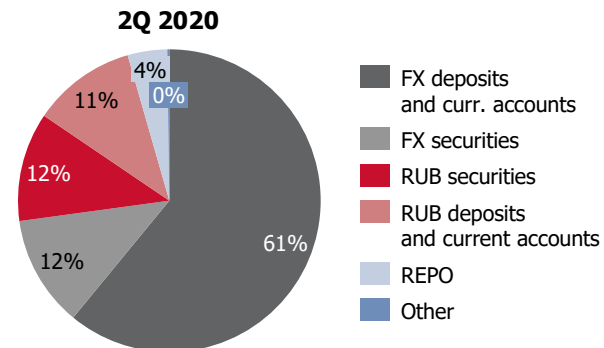
Investment portfolio sources³



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



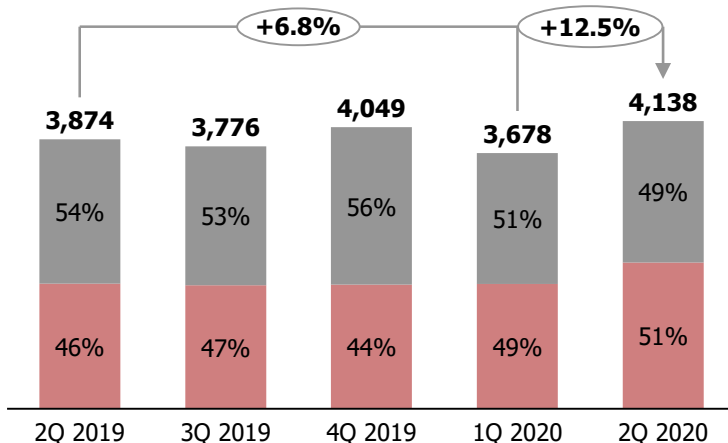
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Operating expenses in 2Q'20 (excl. provisions)

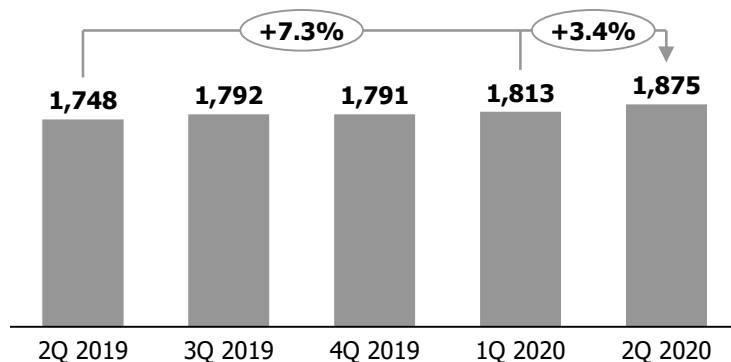
Operating expenses

RUB mln

- General and administrative expenses
- Personnel expenses



Headcount



Major expense items

RUB mln	2Q 2019	2Q 2020	Change YoY
Personnel expenses	1797.6	2101.3	16.9%
D&A and IT maintenance	1238.0	1183.6	-4.4%
Remaining administrative expenses¹	838.2	853.5	1.8%
Incl. Charity	5.5	58.0	954.5%
Total OPEX	3873.8	4138.4	6.8%
Cost / Income Ratio	34.9%	34.4%	-0.5 p.p.

Comments

- OPEX for 2Q'20 added 6.8% YoY, in line with the FY'20 OPEX growth guidance range of 6.0-8.5%.
- Personnel expenses growth of 16.9% YoY drove OPEX dynamics. The former decomposes into: [1] 7.2 p.p. higher headcount, [2] 6.2 p.p. salary revisions, [3] 3.5 p.p. pandemic-related premiums.
- D&A contraction of 7.4% YoY triggered a 4.4% YoY decline in D&A and IT maintenance.
- Remaining administrative expenses remained virtually flat, increasing by 1.8% YoY on the back of pandemic-related donations.
- CAPEX for the quarter was RUB 0.85 bln.
- **Updated FY'20 OPEX growth guidance: 7.0-8.5%.**
- **Updated FY'20 CAPEX guidance: RUB 2.3 – 2.7 bln.**

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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.

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