

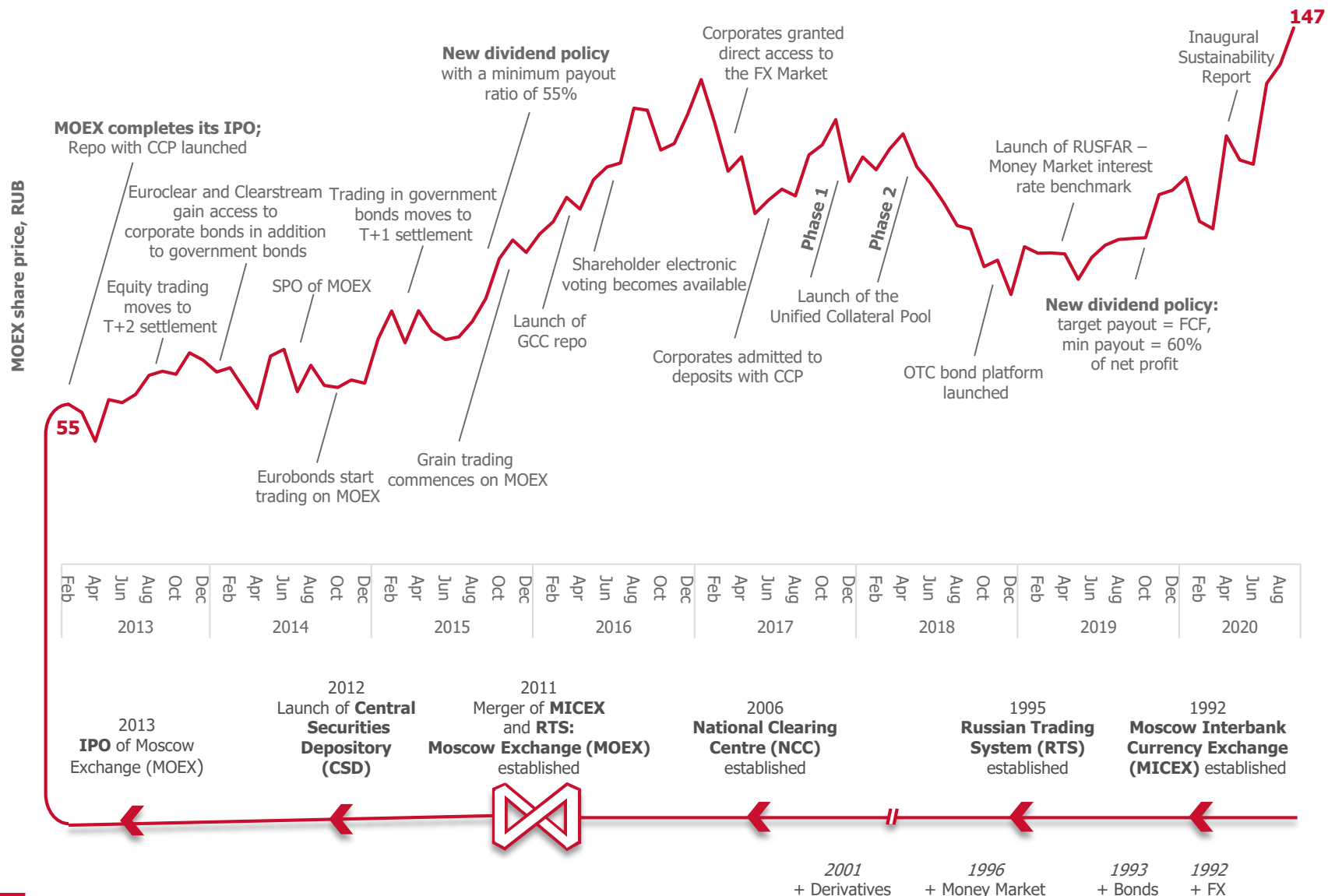


MOSCOW  
EXCHANGE

October 2020

Investor presentation

# History of MOEX: the path of ongoing progress



# Investment and corporate highlights

## Financial Resilience

- **Counter-cyclical business model** coupled with robust cost control
- **Secular growth of fees and commissions** (F&C) across 7 complimentary F&C business lines
- Business-driven margin and collateral requirements generate **sustainable net interest income** (NII)
- Operating income F&C/NII split of 2/1 **evolving towards F&C**
- One of the **highest EBITDA margins** among global peers
- **Attractive dividend policy**: min. payout of 60%; target payout of 100% FCFE; track record of distributing 55-89% of 2014-2019 profits

## Corporate Governance

- A **28-year history** of successful and continuous implementation of infrastructural and regulatory reforms
- **No single controlling shareholder**: free float of 63% with substantial international participation; the largest shareholder owns <12%
- Most Supervisory Board members are **independent directors** (8 out of 12)
- Established track record for **efficient capital allocation**

## Strategic Stance

- Low penetration of financial services indicates **secular growth potential**
- The world's **most diversified exchange** with trading in **5 asset classes** vs ~3 offered by "traditional" exchanges
- **Complete vertical integration** of a trading engine with a clearing house and a central securities depository makes up a **unique platform**
- **Cornerstone** of the Russian financial system: MOEX brings together the tiers of the banking system by managing ~3/4 of its total liquidity flow
- The world's **only exchange** focused on Russian financial assets in the market is open for competition (ex. the CSD). OTC is the main competitor
- B2B business model: investors trade via **locally licensed** brokers and banks. Foreign investors have **SMA and ICM services** at their disposal

## Operational Excellence

- **All-electronic** since 1997
- Vast **in-house IT expertise**: ~1/3 of staff are IT developers, supporting a **CAPEX-light business model**
- Single-tier clearing system requires all participants to provide **eligible collateral** in cash or securities to trade any asset class
- **Pre-trade risk checks** forestall any "fat fingers"/"flash crash" problems
- **Low-cost product scalability**: a new order book launch requires the equivalent of circa USD 10 thousand





Business overview

2

Corporate governance and dividends

3

Market position and competitive strategy

4

Financial track record

5

3Q 2020 update



# Robust and trusted infrastructure

Trading platform, NCC as the Central Counterparty (CCP) and NSD as the Central Securities Depository (CSD)

## TRADING

- MOEX markets **ADTV 3,2 RUB trln** (2019)
- Pre-order validation (100+ risk check scenarios) ensures **integrity** of trades
- World class latency** of 200-300 microseconds
- >500 trading members** (all markets)

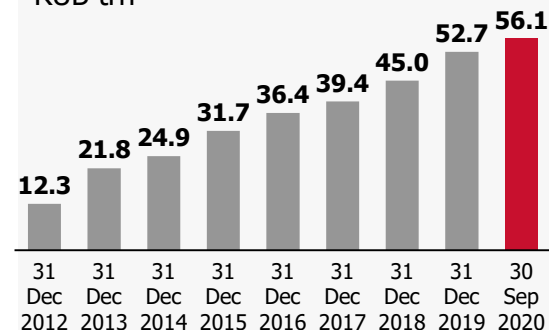
## CLEARING

- NCC cleared ADTV 2,9 RUB trln** (2019)
- NCC served as a **CCP** for 92% of trading volumes it cleared in 2019
- BBB** local currency rating from Fitch
- The target NCC capital for 2019 is ~RUB 66 bln (the level of 1 Jan 2019)
- As of 1 Oct 2020,  $N1_{CCP}$  is 163.4%

## SETTLEMENT & DEPOSITORY

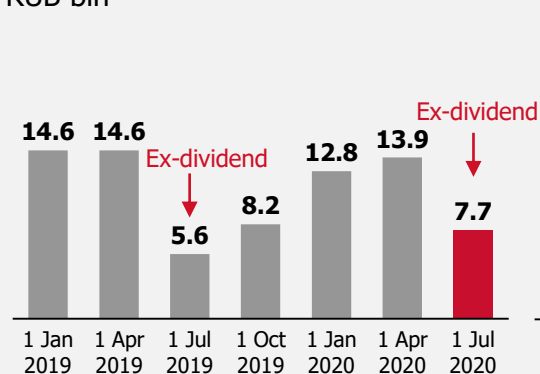
### Assets on deposit<sup>2</sup>

RUB trn



### Trading venue's net proprietary funds<sup>4</sup> (Regulated since 3Q2019)

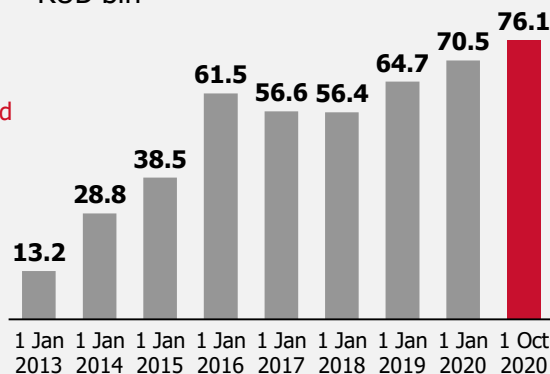
RUB bln



Regulatory requirement: 6 RUB bln

### National Clearing Centre (NCC) proprietary funds (capital)<sup>1</sup>

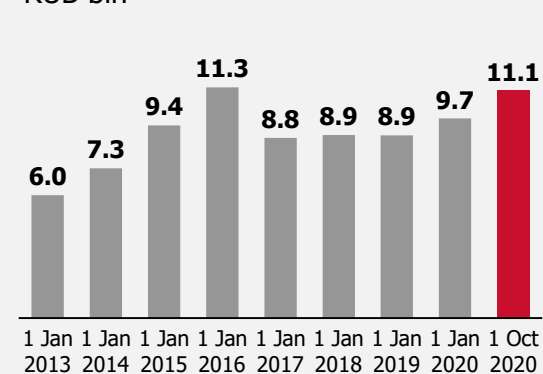
RUB bln



Regulatory requirement: 66 RUB bln

### National Settlement Depository (NSD) proprietary capital<sup>3</sup>

RUB bln



Regulatory requirement: 9 RUB bln



**MOSCOW EXCHANGE**

Source: Moscow Exchange

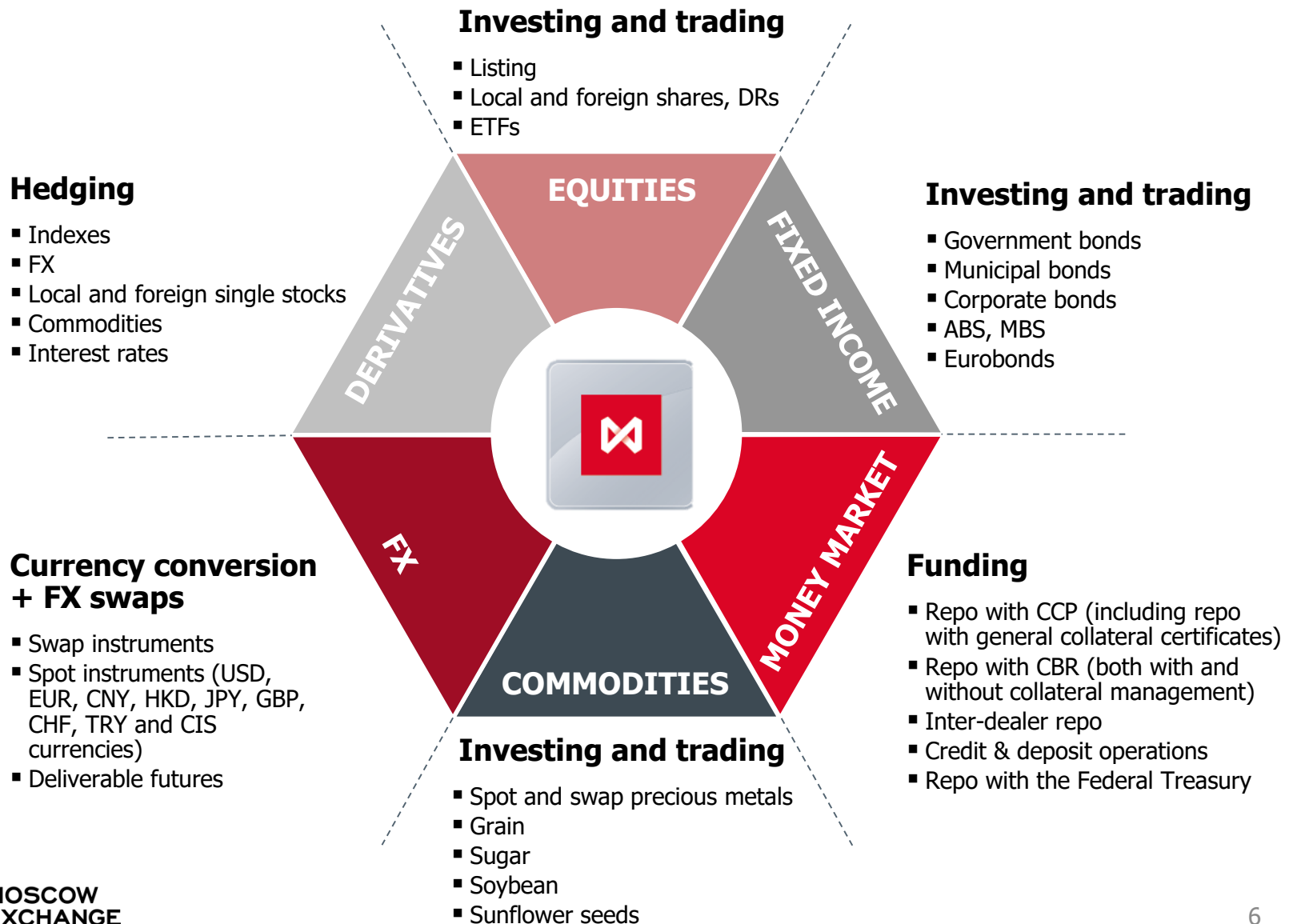
1 Figures for 1 Jan 20XX are from the audited financial reports prepared in accordance with RAS. The latest figure is as reported by the CBR on a monthly basis.

2 Assets on deposit based on Company's operational data

3 Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis

4 Numerator of the regulatory ratio (100% requirement)

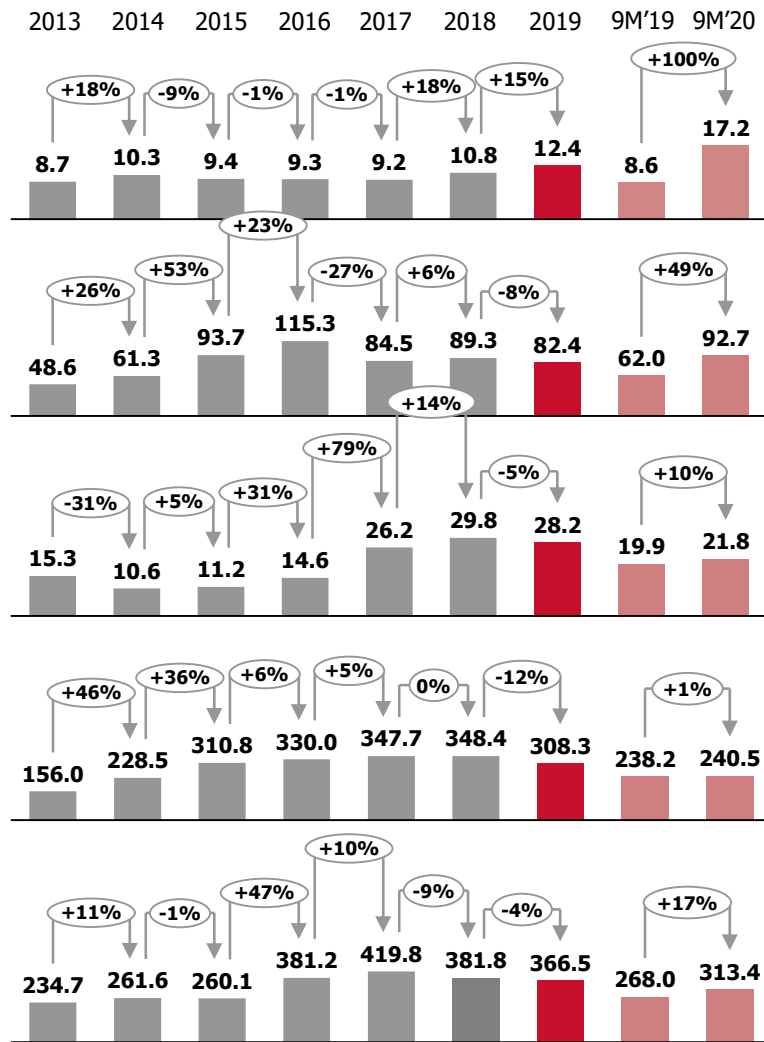
# Highly diversified product offering



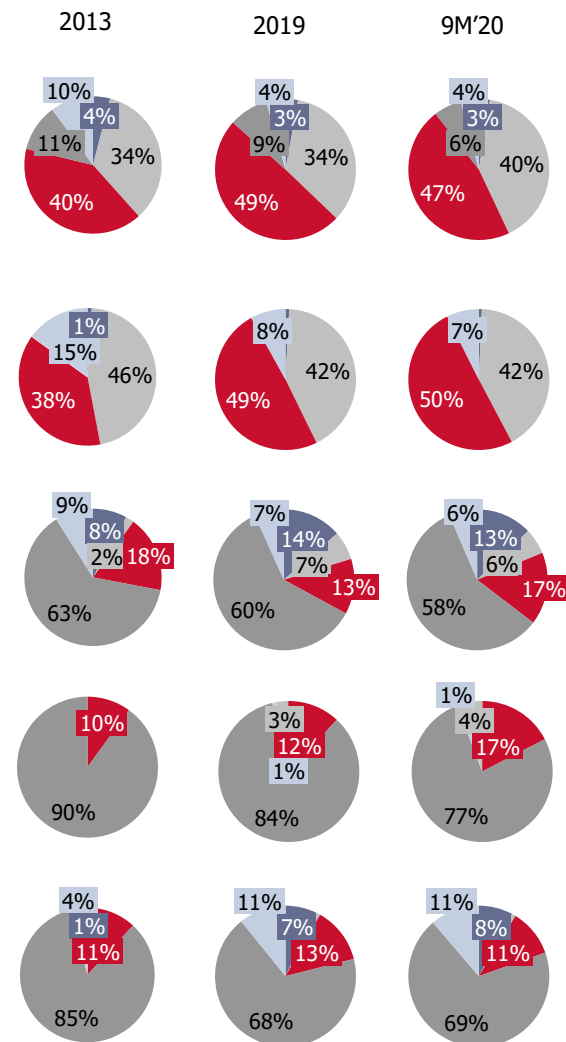
# Diversified client base across different markets

- Equities Market  
RUB trn
- Derivatives Market  
RUB trn
- Fixed Income Market  
RUB trn
- FX Market  
RUB trn
- Money Market<sup>1</sup>  
RUB trn

**Trading volumes**



**Volume breakdown by client types**



- Russian funds
- Russian banks and brokers prop. trading
- Russian retail investors
- Local corporates
- Foreign investors

Source: Moscow Exchange data

<sup>1</sup> Trading volumes include repo with collateral management through NSD. Client structure is based on on-exchange repo trading volumes only

**1** Business overview



Corporate governance and dividends

**3**

Market position and competitive strategy

**4**

Financial track record

**5**













3Q 2020 update





# Best-in-class corporate governance standards

- ✓ Out of 12 members of the 2020-2021 Supervisory Board, 8 are independent (67% vs a minimum threshold of 20%<sup>1</sup>)
- ✓ Three of the five Supervisory Board committees are chaired by independent directors
- ✓ MOEX was a pioneer to adopt the new criteria of Director Independence aligned with the new Corporate Governance Code

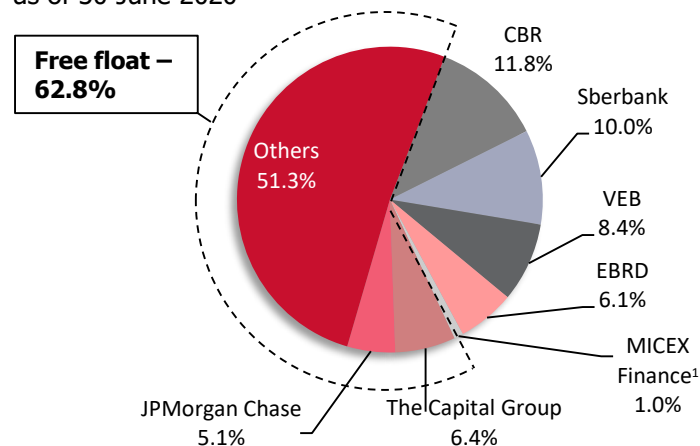
	Supervisory Board members	Strategy Planning	Audit	Nomination and Remuneration	Technical Policy <sup>2</sup>	Risk Management
	<b>Andrey Golikov - Deputy Chairman</b> Deputy Chairman of the Supervisory Board at Moscow Exchange	✓				Chair
	<b>Valery Goreglyad</b> Chief Auditor at the Bank of Russia					✓
	<b>Bella Zlatkis</b> Deputy Chairman of the Executive Board at Sberbank of Russia					
	<b>Vadim Kulik</b> Deputy President – Chair of the Executive Board at VTB Bank				Chair	✓
	<b>Ramon Adarraga</b> Independent consultant	✓	✓			
	<b>Paul Bodart</b> Professor at Solvay Business School	Chair	✓			
	<b>Dmitry Ereemeev</b> President at FIX	✓			✓	
	<b>Maria Gordon</b> Member of the Supervisory Board at Alrosa		Chair	✓		
	<b>Oskar Hartmann</b> Director General at LLC Polyanka	✓			✓	
	<b>Alexander Izosimov</b> Director General at DRCAdvisors AB		✓	Chair		
	<b>Maxim Krasnykh</b> Global COO at Gett	✓		✓	✓	
	<b>Oleg Viyugin - Chairman</b> Professor at Higher School of Economics	✓		✓		

\* Independent directors

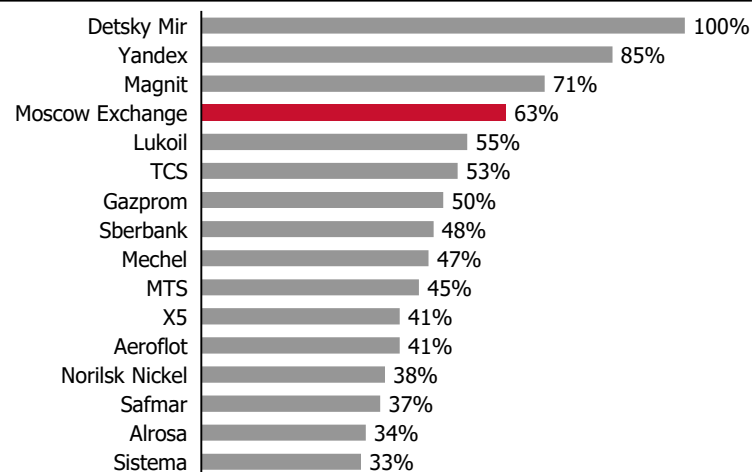
# Dispersed ownership with one of the **highest free-floats** in Russia

## Dispersed ownership with no controlling shareholder...

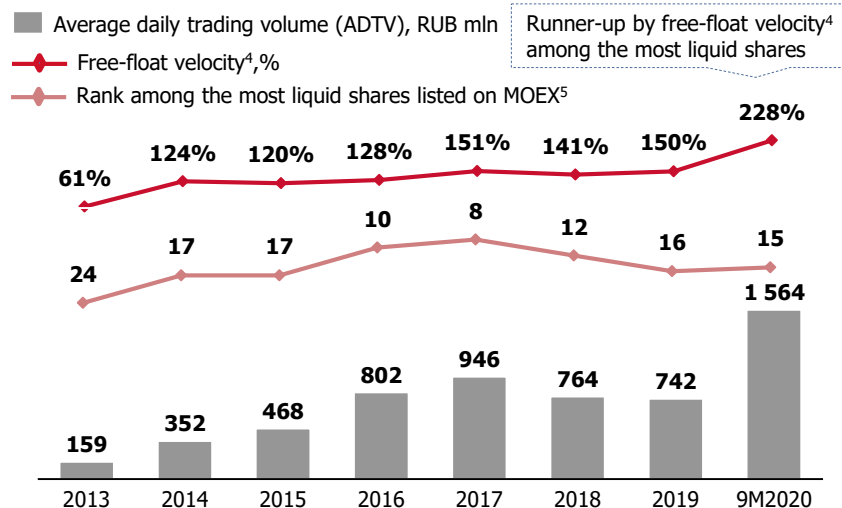
as of 30 June 2020



## ...and one of the highest free-floats in Russia<sup>2</sup>



## Growing liquidity of MOEX shares<sup>3</sup>



## Transparency and international recognition

- **International index providers** MSCI and MVIS include MOEX shares in their indices
- **Voluntary disclosures** and regular updates of investor materials, including monthly trading results
- Annual **MOEX Forums** in Moscow, New York, London and Shanghai have become well-known venues to maintain dialogue with international market participants
- **Robust investor relations program:**
  - ✓ 300+ investor meetings per annum in 2016-2019
  - ✓ IR activities in Russia, the UK, Europe, Asia and the US to maintain dialogue with overseas investors
  - ✓ IR awards in Russia in 2014-2017



**MOSCOW EXCHANGE**

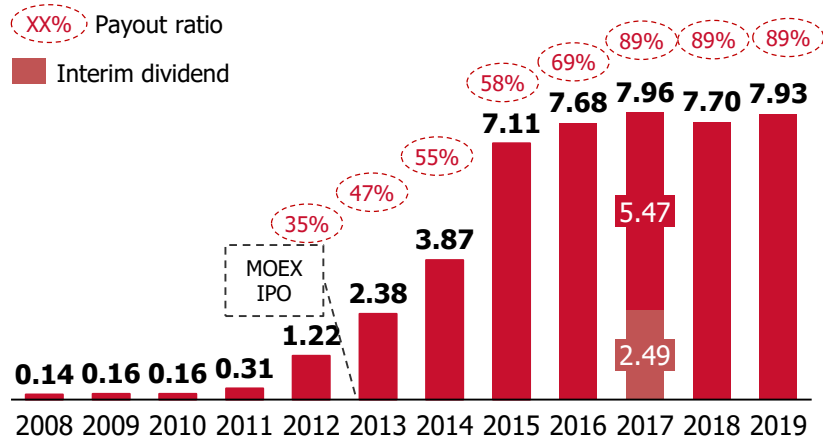
1 100% owned subsidiary of the Moscow Exchange  
 2 Free-float ranking of locally registered Russian companies included in the MOEX Index (as of 15.05.2020); Company data  
 3 Trading volumes in the main trading mode (T0, T+2)  
 4 Calculated as annual trading volume divided by average market capitalization of the free-float  
 5 The ranking includes ordinary and preferred shares

# The established dividend story continues

## History of dividend growth

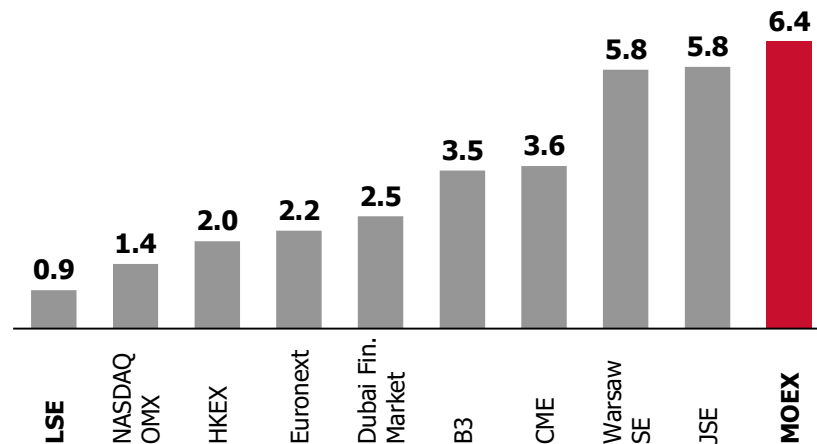
DPS for the financial year, RUB

22% CAGR of DPS '13-19



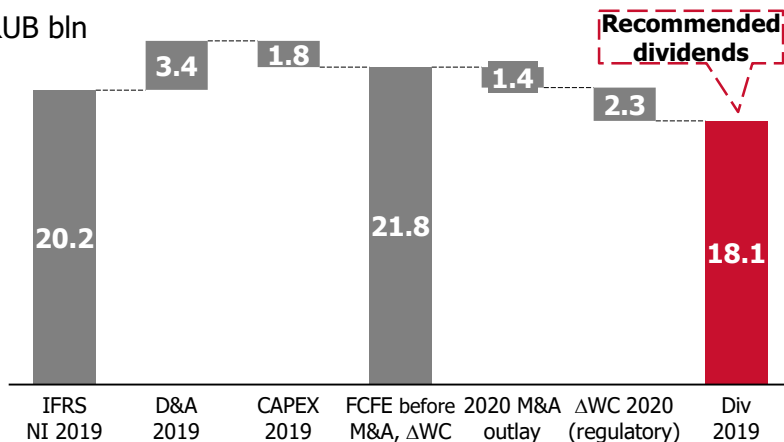
## Dividend yields of MOEX and exchange peers, 2020E<sup>1</sup>

%



## 2020 Dividend: explaining the new formula

RUB bln



## Comments

- MOEX has been paying substantial dividends since the onset of its public history
- Dividend policy approved in October 2019 sets 60% of net profit as the minimum payout and **the target payout of 100% FCFE**
- In 2019 MOEX paid a DPS of RUB 7.70 for 2018, which amounts to 89% of the consolidated IFRS net profit for the year
- In 2020 a DPS of RUB 7.93 for 2019, which amounts to 89% of the consolidated IFRS net profit for the year, was paid out



**MOSCOW EXCHANGE**

Sources: Bloomberg, Moscow Exchange  
<sup>1</sup> As of 1 September 2020, Dubai Fin. Market – as of 3 August 2020

# Strengthening the team with hires, rotations and incentives

## New hires and internal rotations in the management team of the Group in 1H2020

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

## New Long Term Incentive Program (LTIP) launched in mid-2020

- 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



**1** Business overview

**2** Corporate governance and dividends



Market position and competitive strategy

**4** Financial track record

**5** 3Q 2020 update



# MOEX product offering vs other exchanges

Exchange	Country	Traded asset classes & service offerings								Post-trade	
		Equity	Bonds	Derivatives	Repo	FX	Cmdty	Listing	Market Data	Clearing	Depository
HKEx	Hong Kong	√√	√	√√	√	×	×	√√	√	√√	√
Deutsche Boerse	Germany	√√	√	√√	√√	√	×	√	√√	√√	√√
ICE&NYSE	USA	√√	√	√√	×	×	×	√√	√√	√	×
B3	Brazil	√√	√√	√√	√	√	√	√	√	√√	√√
LSE	UK	√√	√√	√	×	×	×	√√	√√	√√	×
SGX	Singapore	√√	√	√√	×	×	√	√√	√	√	√
JPX	Japan	√√	√	√√	√	×	×	√√	√√	√√	×
<b>MOEX</b>	<b>Russia</b>	√√	√√	√√	√√	√√	√	√	√	√√	√√
BME	Spain	√√	√√	√	√	×	×	√√	√√	√√	√√
JSE	South Africa	√√	√√	√	√	×	×	√√	√	√√	×

× absence    √ presence    √√ strong business

# Leading positions in a global context in 6M2020

## 2<sup>nd</sup> largest exchange in fixed income<sup>1</sup>

Rank	Exchange	Country	Trading vol. (USD bln)	Incl. REPOs
1	BME	Spain	2,758	✓
<b>2</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>1,684</b>	<b>✓</b>
3	Johannesburg SE	S. Africa	1,102	✓
4	Korea Exchange	Korea	870	×
5	Shanghai SE	China	659	×
6	Shenzhen SE	China	474	×
7	Tel-Aviv SE	Israel	157	×
8	LSE Group	UK	131	×
9	Taipei Exchange	Taiwan	128	✓
10	Santiago SE	Chile	118	✓

## 7<sup>th</sup> largest exchange in derivatives<sup>2</sup>

Rank	Exchange	Country	Contracts traded (mln)
1	NSE India	India	3,733
2	CME Group	USA	2,783
3	B3	Brazil	2,642
4	CBOE	USA	1,292
5	ICE&NYSE	USA	1,195
6	Nasdaq - US	USA	1,181
<b>7</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>1,103</b>
8	Korea Exchange	Korea	1,077
9	Deutsche Boerse	Germany	1,055
10	Dalian Commodity Exchange	China	933

## Among top 25 exchanges by equity trading volumes globally<sup>3</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)	Securities listed	Trading vol. (USD bln)
1	Nasdaq - US	USA	14,646	3,156	12,163
2	CBOE	USA	na	na	10,204
3	Shenzhen SE	China	3,917	2,249	7,652
4	Shanghai SE	China	5,265	1,644	4,942
5	Japan Exchange	Japan	5,664	3,714	3,113
6	Korea Exchange	Korea	1,409	2,283	1,850
7	HKEx	Hong Kong	4,890	2,487	1,369
8	Euronext	EU	4,286	1,462	1,371
9	LSE Group	UK	3,230	2,355	1,172
...	...	...	...	...	...
<b>23</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>637</b>	<b>215</b>	<b>170</b>

## 14<sup>th</sup> largest publicly listed exchange by Mkt Cap<sup>4</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)
1	CME	USA	58.3
2	HKEx	Hong Kong	54.0
3	ICE&NYSE	USA	50.1
4	LSE Group	UK	36.4
5	Deutsche Boerse	Germany	34.5
6	B3	Brazil	20.8
7	Nasdaq OMX	USA	19.6
8	Japan Exchange	Japan	12.4
9	ASX	Australia	11.4
10	CBOE	USA	10.2
11	Euronext	EU	7.0
12	SGX	Singapore	6.4
13	TMX Group	Canada	5.6
<b>14</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>3.6</b>

Sources: Moscow Exchange, WFE as of 09 July 2020, Bloomberg, LSE Group

1. Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges. Data for 6M2020

2. Data for 6M2020

3. Top equity trading exchanges are ranked by EOB trading volume. Data for 6M2020

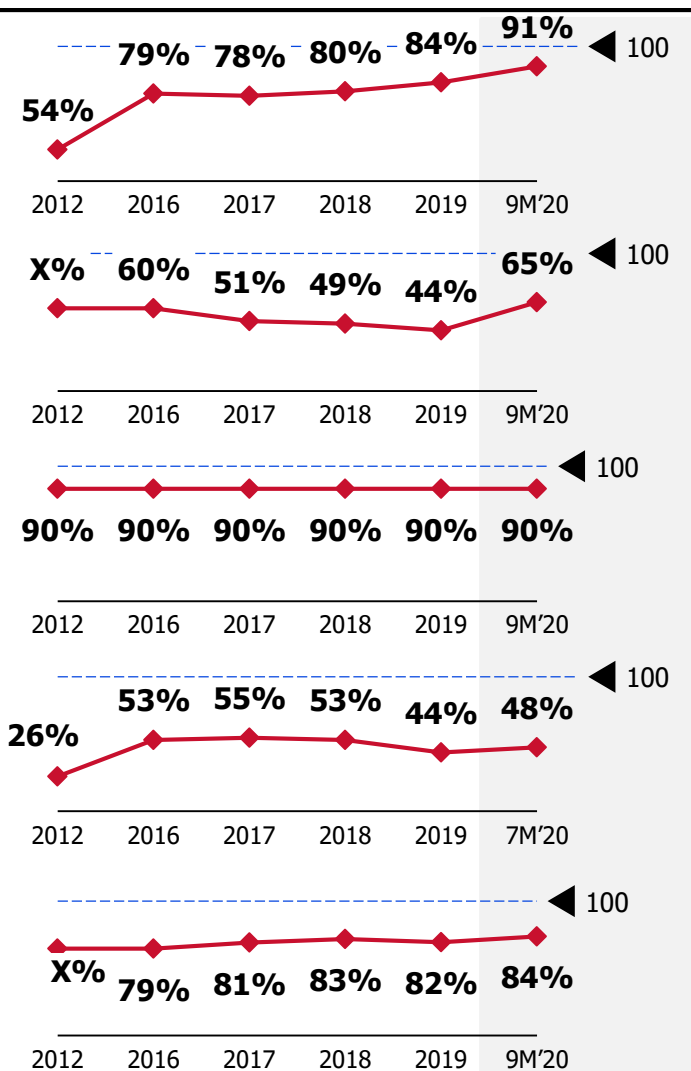
4. Market capitalization of public exchanges based on Bloomberg data as of 30 June 2020



# High and increasing market share versus OTC trading



Share on the local market



↑ +37 p.p.

↑ +22 p.p.

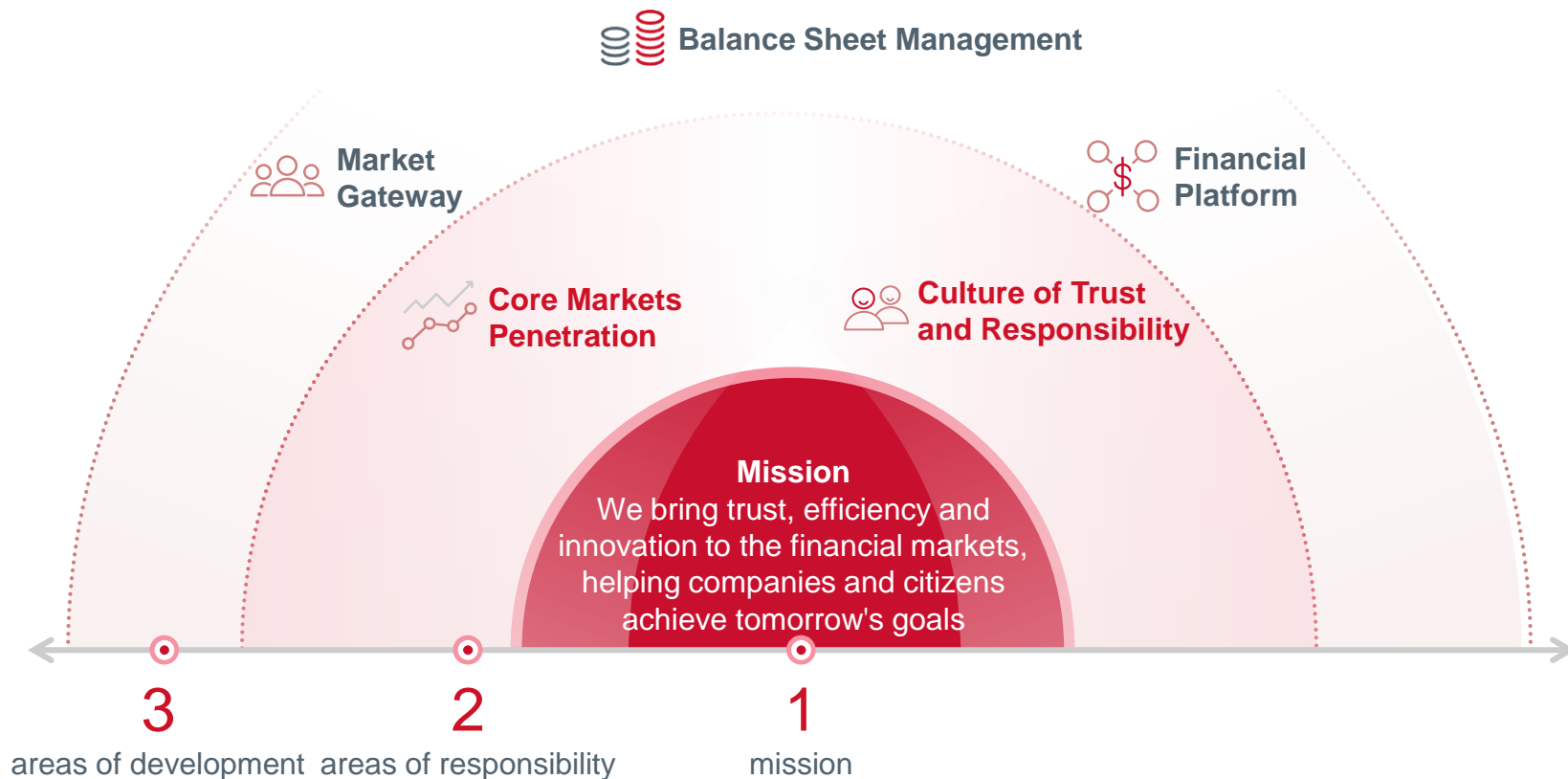
Source: Moscow Exchange data, Bank of Russia

1 Data before the launch of obligatory reporting to repository are unavailable

2 Repo trading volumes only. Data before the launch of obligatory reporting to repository are unavailable



# Strategy 2024: mission, areas of responsibility and areas of development



# Key drivers of F&C Income growth through 2024



## Macro

- GDP growth
- Inflation
- Foreign trade turnover

**Effect on CAGR<sup>1</sup>**

+3-4%



## Core Markets Penetration

- Primary market development (capital raising by companies, incl. SMEs)
- Development of Derivatives Market and Standardized OTC Derivatives
- Expansion of trading hours and the product line
- Market data

+3-4%



## Financial Platform

- Registrar of financial transactions
- Transit 2.0



## Balance Sheet Management

- Corporate Marketplace
- OTC services

+3-4% in aggregate



## Market Gateway

- Financial products Marketplace
- Investment Marketplace

~10% per annum in total



# NTPro acquisition profile

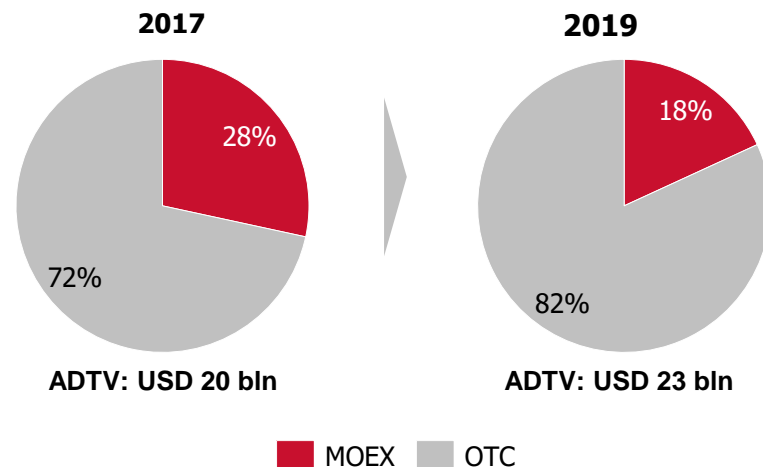
## What is the structure of the deal?

- Phased acquisition of up to 100% of BierbaumPro AG, a parent company owning 100% of NTPProgress;
- NTPProgress is BierbaumPro's main asset;
- NTPProgress runs and develops the proprietary OTC FX trading platform called NTPro;
- MOEX acquired a 17% stake in July 2020. Further consolidation depends on NTPro's performance;
- The entire deal might take up to 3 years. The final price is also conditional.

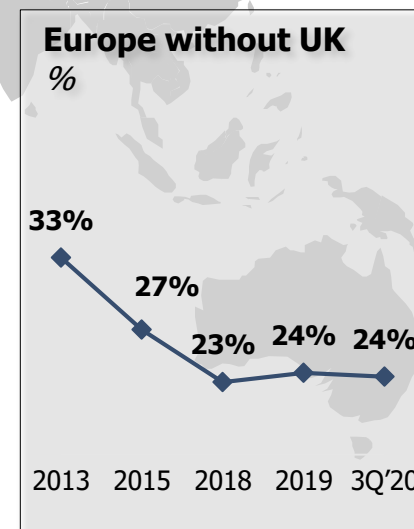
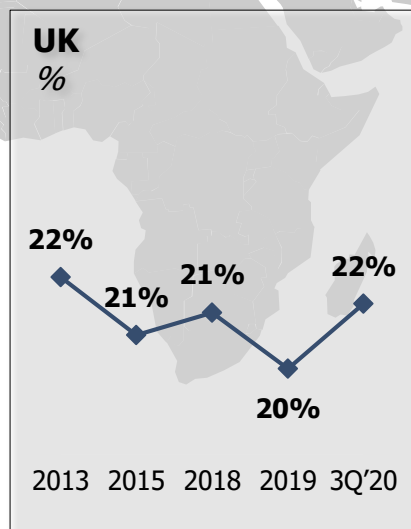
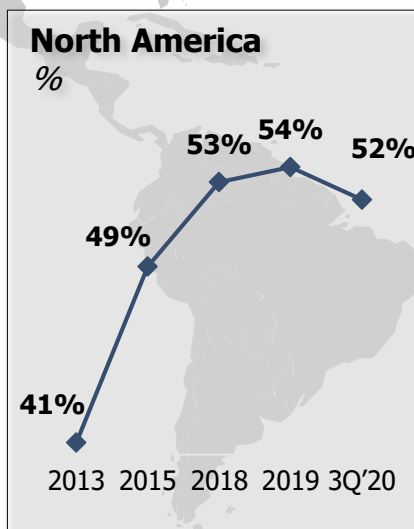
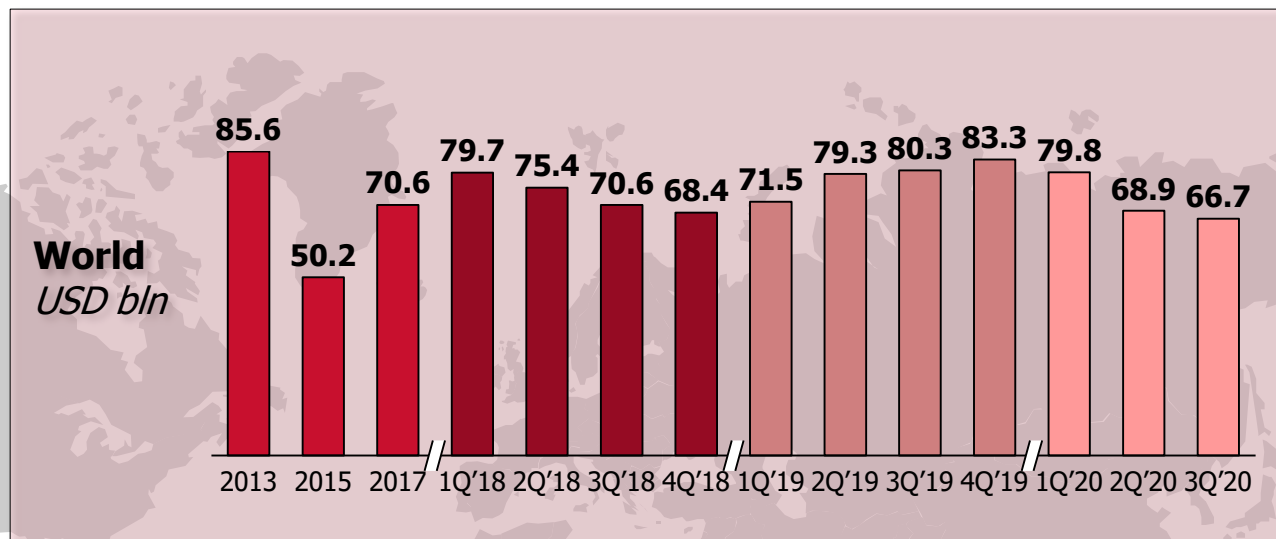
## Deal rationale

- Since its launch in 2016, NTPProgress has become one of the leading platforms on the Russian electronic OTC FX market
- NTPProgress has a client base of more than 30 banks, presence in Moscow & London, capability to service global clients
- The platform offers solutions for liquidity aggregation, matching and algo execution across multiple FX instruments
- NTPro's SPOT-only ADTV in 2019 reached USD 4.5bln, exceeding MOEX's USD 4.1bln
- The deal fits MOEX Group Strategy 2024, addresses new trends and challenges on global and Russian FX market
- Global exchange peers such as Deutsche Boerse, BATS, Euronext, etc made similar acquisitions
- NTPro has potential synergies with MOEX in post-trade and risk management

## Russian FX market SPOT volumes migrate to OTC



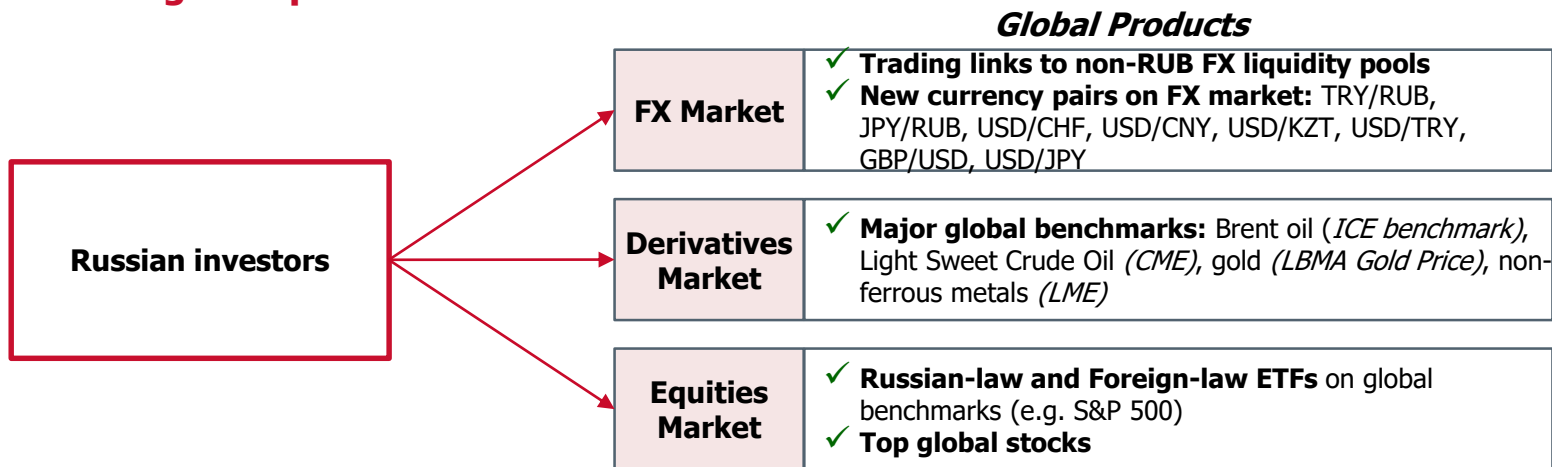
# Reported international funds' holdings of Russian equities



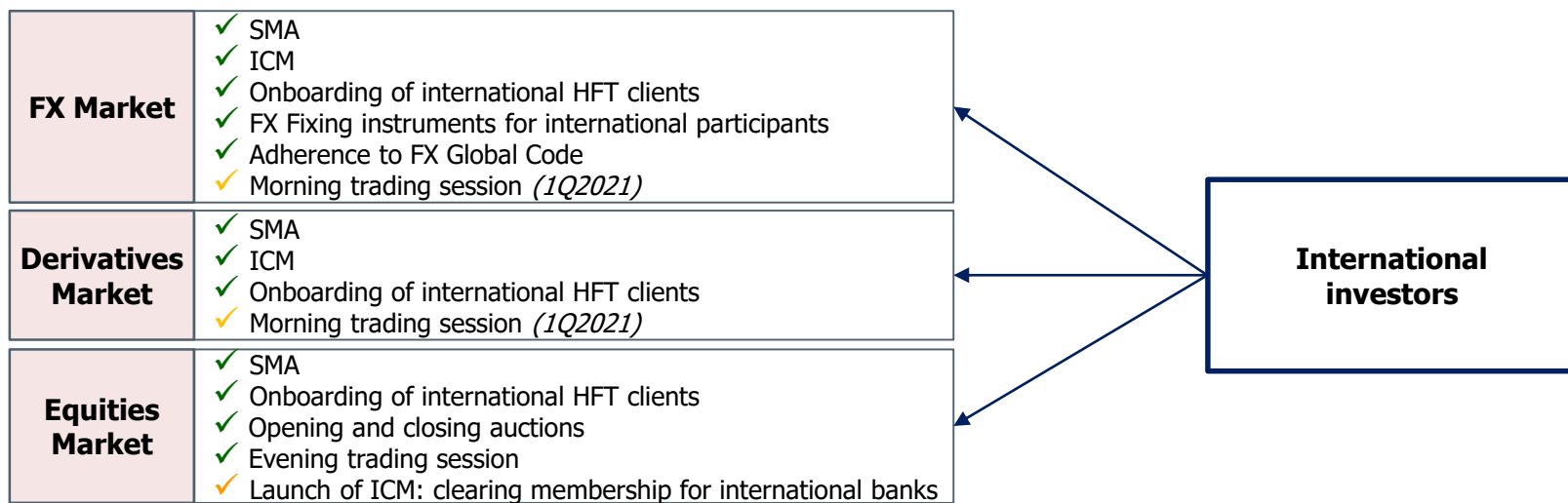
◆ - share in total holdings

# Global products and international investors

MOEX offers **global products to Russian investors** ...



... and **Russian products to international investors**

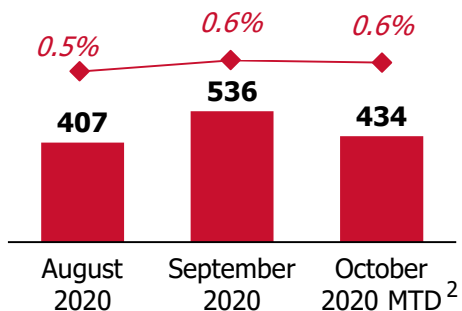


# Diversification opportunities: foreign securities on MOEX

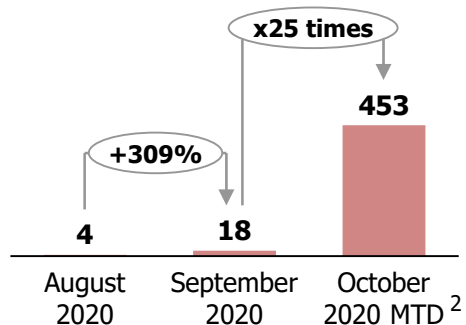
## Foreign equities

ADTV in the Equity Market, RUB mln

◆ The share of foreign equities in the Equity Market's ADTV<sup>1</sup>

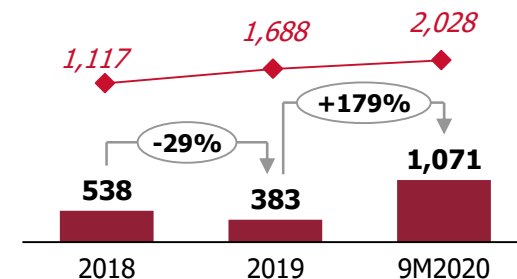


ADTV in the Money Market (repo), RUB mln



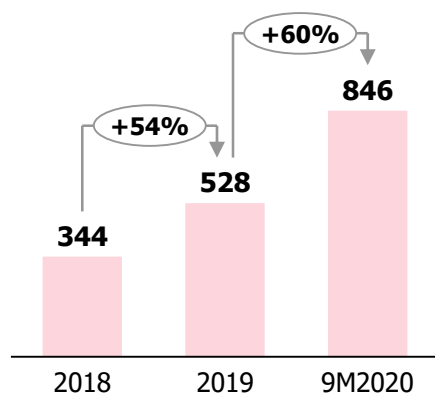
Value held in custody at NSD, RUB bln (e-o-p)

◆ Number of foreign equity issues held in custody at NSD



## Eurobonds

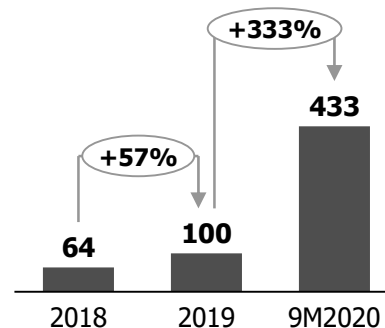
ADTV<sup>3</sup>, RUB mln



## Russian-law & Foreign-law ETFs on global benchmarks

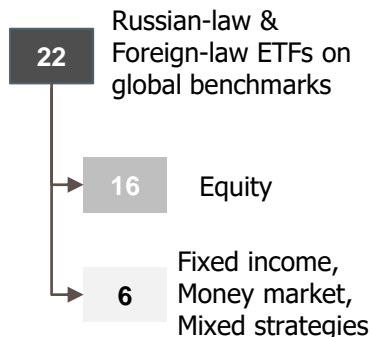
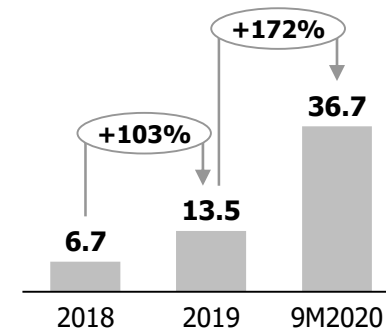
22 ETFs on global benchmarks

ADTV, RUB mln



16 ETFs on global equity benchmarks

Net Asset Value (NAV), RUB bln



1 – EOB and Negotiated deals modes. Excluding trading volumes of Russian-law and Foreign-law ETFs

2 – 01.10.2020 – 23.10.2020

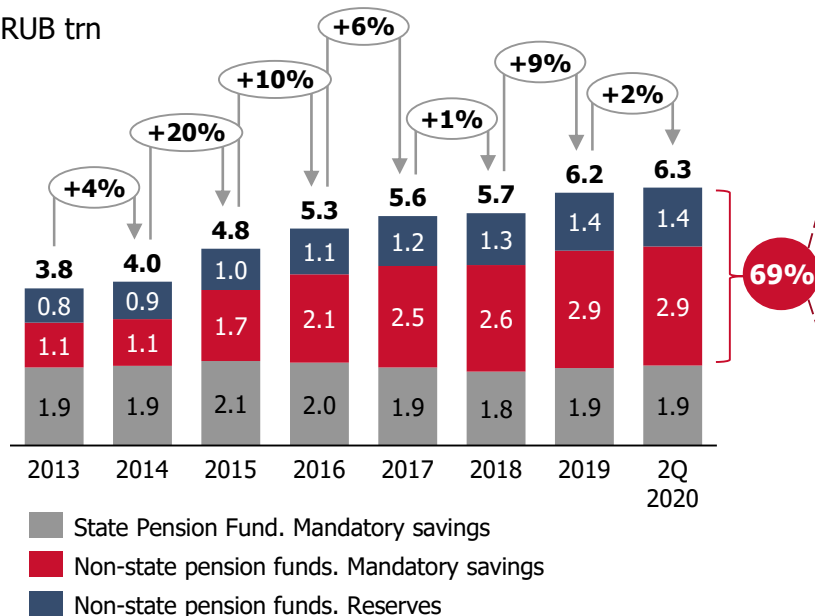
3 – EOB and Negotiated deals modes

Source: Moscow Exchange

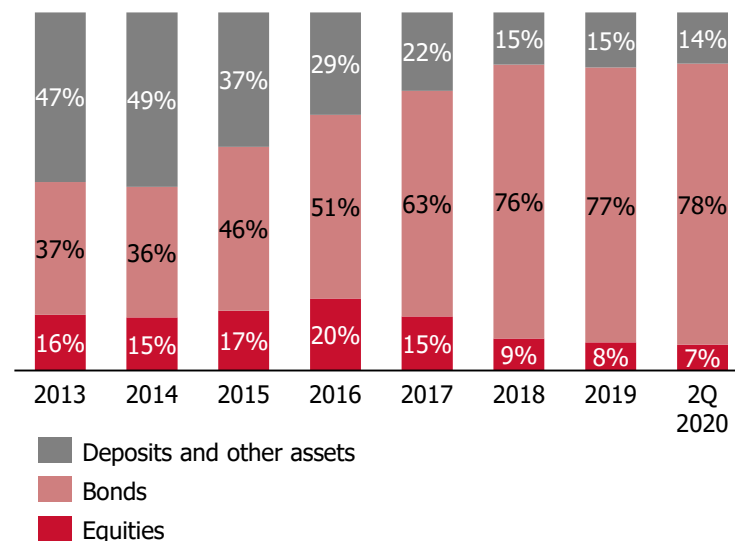
# Local institutional investors: the potential of pension funds

## Pension assets in Russia

RUB trn



## Non-state pension funds asset allocation dynamics<sup>1</sup>



## Key highlights of the pension reform

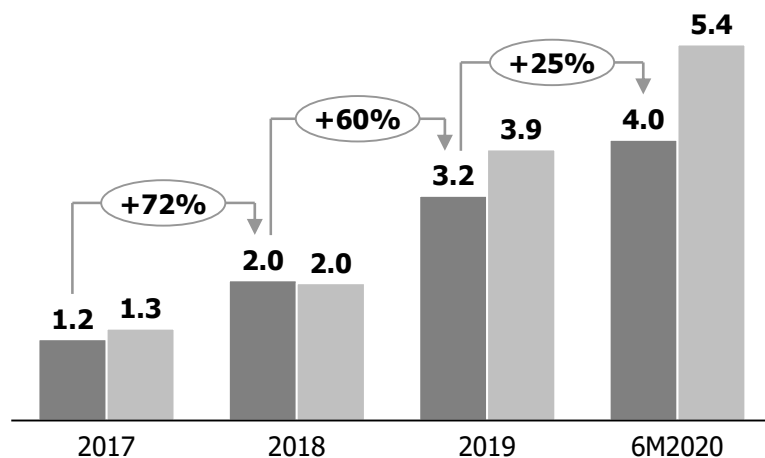
- Bank of Russia became a regulator of the pension system in 2013
- Adopted changes in non-state pension fund regulation:
  - "One year non-loss" rule was abolished
  - Investment horizon of NPFs was extended to 5 years
  - Customers are now incentivized to stay with the fund for not less than 5 years
  - Guarantee fund mechanism (similar to the Deposit Insurance Agency in the banking system)
  - New allocations to NPFs remained under moratorium until 2019, which reduced growth potential and left room for organic growth only



# Local retail investors: ongoing growth

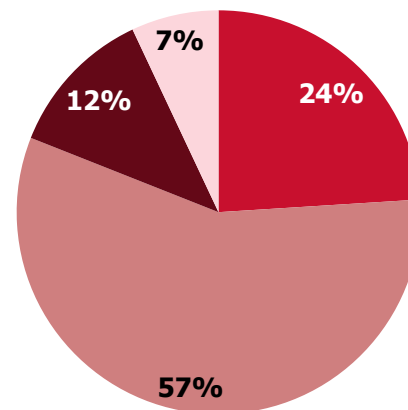
## Dynamics of retail investment

- Value of retail ownership in the Securities Market <sup>1</sup>, RUB trn
- Number of unique retail clients, mln



Source: NAUFOR surveys, Moscow Exchange data & calculations. Data as of period end

## Retail ownership via brokerage accounts (excl. IIAs)



- Russian stocks - 24%
- Cash - 12%
- Bonds (all types) – 57%
- Other - 7%

Source: NAUFOR FY2019 survey, Moscow Exchange calculations

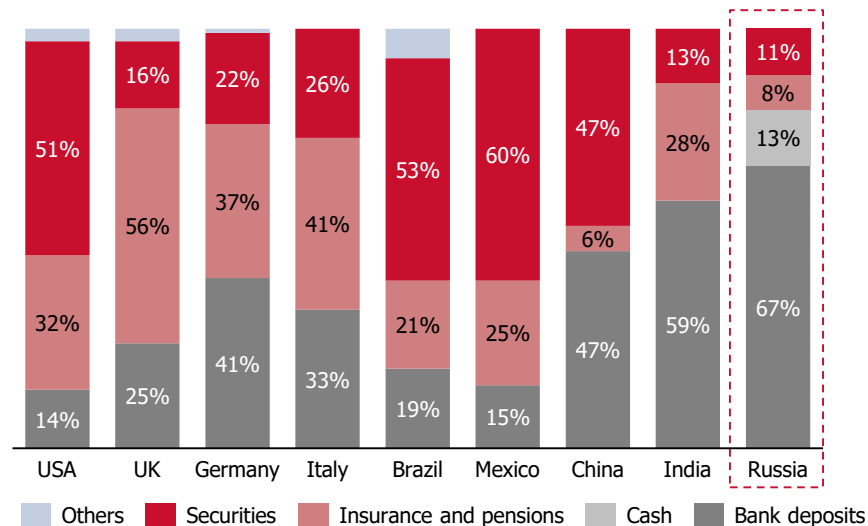
- Declining interest rates and cross-selling by banks via online channels (~70% of new clients) drive retail investments.
- The value of retail ownership in securities is equivalent to USD ~58 bln, or ~13% of retail deposits at banks as of 6M2020
- Retail holdings in equities are just ~2.3%<sup>2</sup> of the Russian equity market capitalisation ...
- ... but in 2019-2020 local retail inflows helped to absorb international investor outflows
- => Albeit small on the broader market scale, retail investors help to stabilize the market and make its structure healthier
- Additionally, we estimate that local institutions supported by retail money own 4-5x more Russian equities than direct retail
- Continuous conversion from deposits into brokerage and AM products will further increase the role of local players



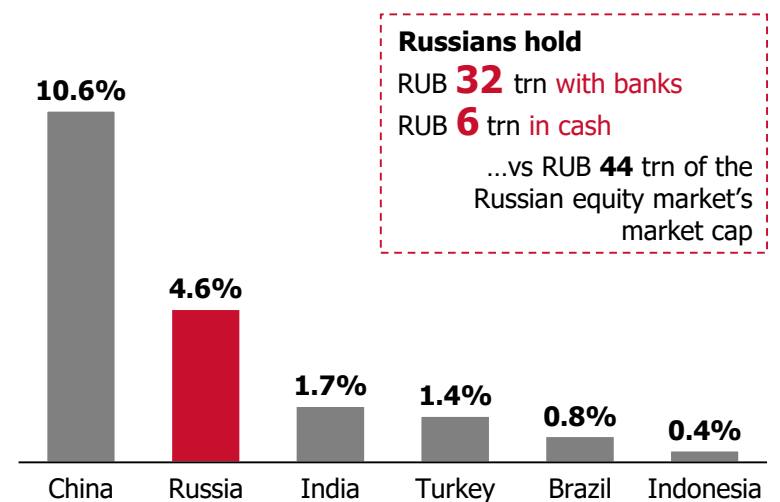


# Retail money: aiming to grow the culture of investing

## Russians hold majority of savings in banks and cash<sup>1</sup>



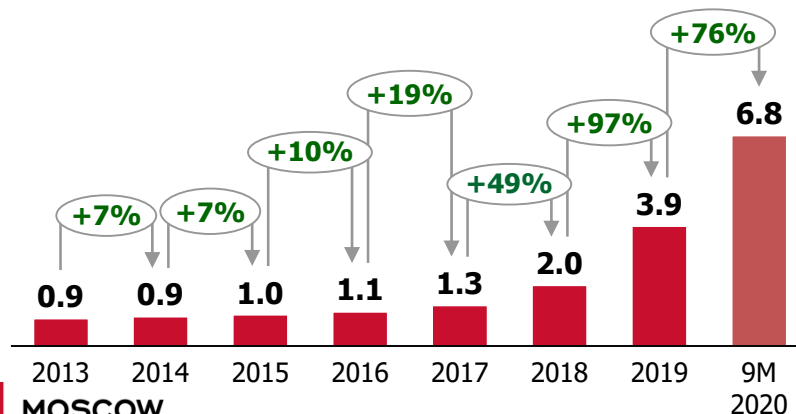
## Unique retail clients as % of population<sup>2</sup>



**Russians hold**  
 RUB **32** trn with banks  
 RUB **6** trn in cash  
 ...vs RUB **44** trn of the Russian equity market's market cap

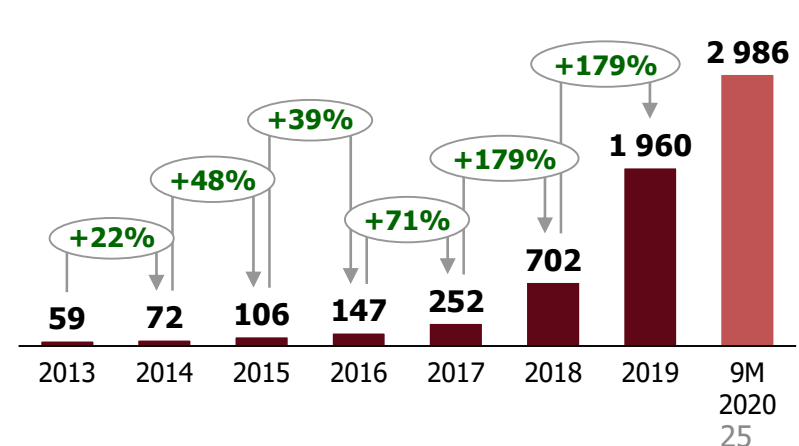
## Number of unique retail clients

mln



## New retail clients

thousand

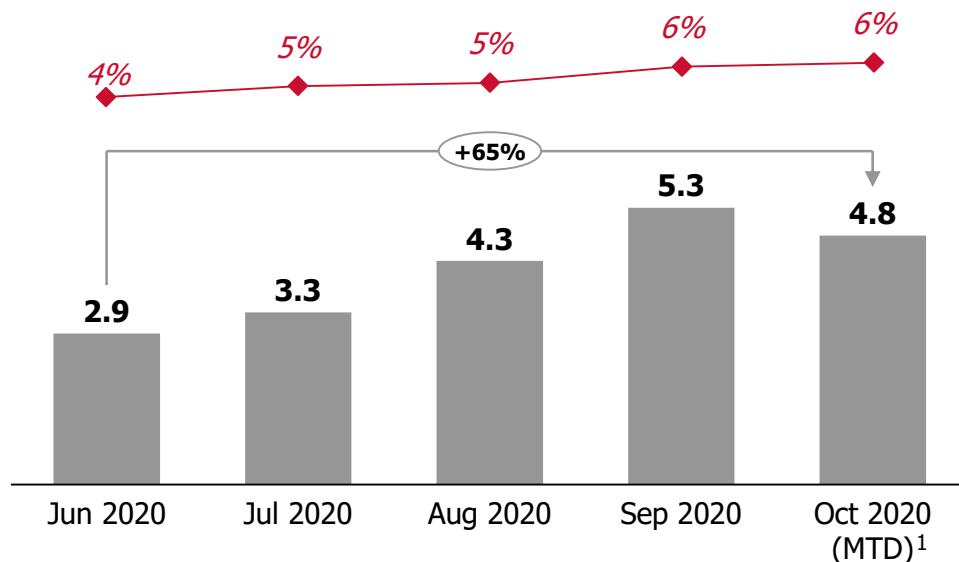


# The start of evening trading session on the Equities Market

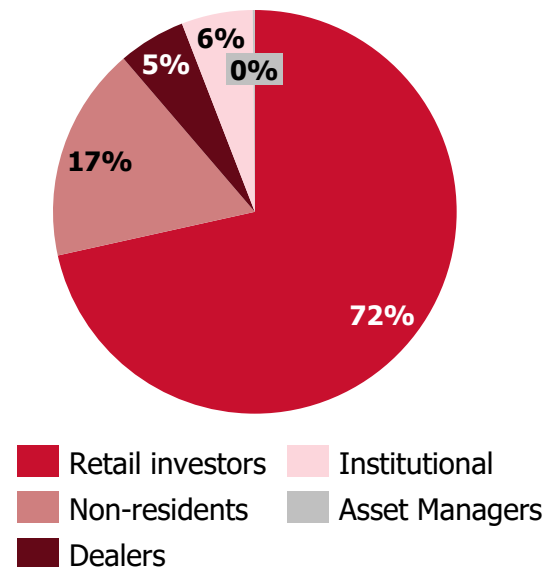
## Average Daily Trading Volume (ADTV)

RUB bln

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



## Breakdown by client type



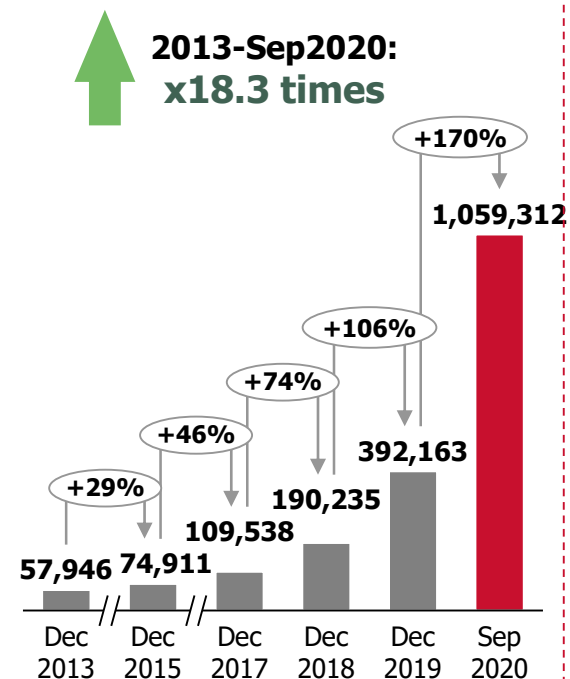
- On June 22, the **25 most liquid stocks** from the MOEX Russia Index were admitted to after-hours trading
- On August 3, **all stocks** from MOEX Russia Index were admitted to after-hours equity trading
- On August 24, **foreign shares** were added to after-hours
- On September 21, **MAIL, QIWI, POGR** and **RSTI** were admitted to evening trading session
- 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



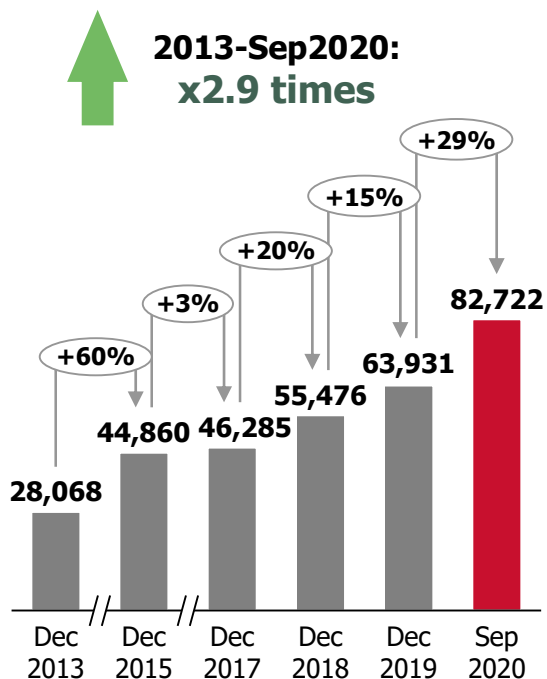
# Retail clients: a growing segment of the Russian financial market

## Number of active retail client accounts

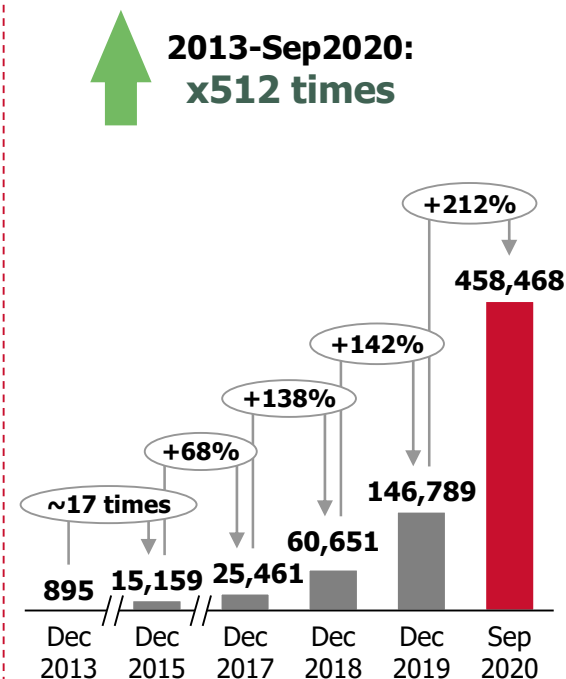
### Equities Market



### Derivatives Market



### FX Market<sup>1</sup>



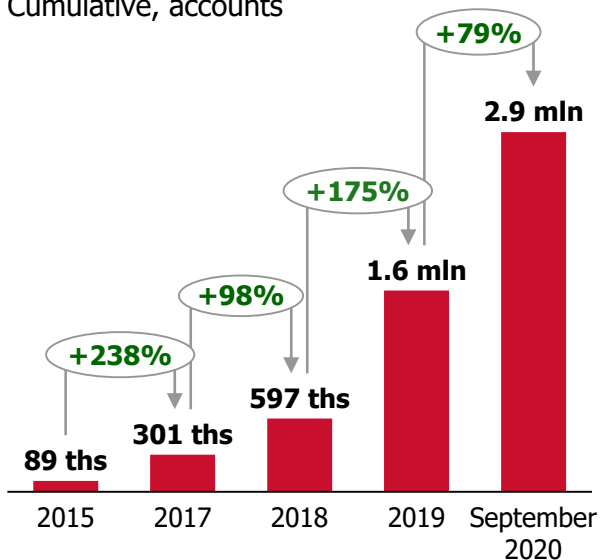
### Regulatory changes stimulating retail participation in financial market:

- Introduction of **individual investment accounts** for private investors since 2015
- **Tax exemption** on capital gains on securities held for 3+ years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- **Tax breaks on coupon payment on corporate bonds** (for bonds issued after 2017)
- Retail investors are allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's far-flung regions

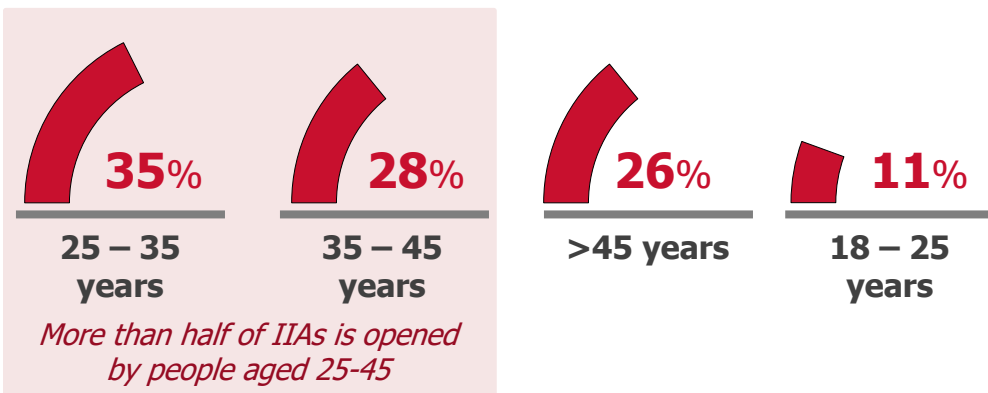
# Individual Investment Accounts (IIA) in detail

## Individual Investment Accounts (IIA)

Cumulative, accounts



## IIA owners by age

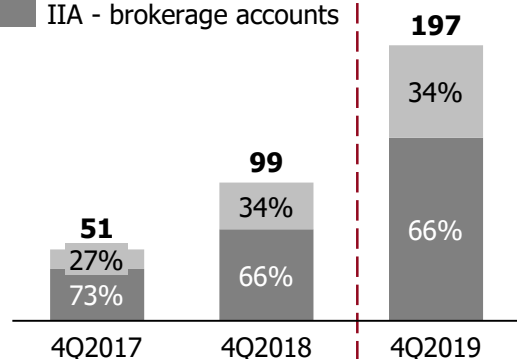


- Top regions by the number of IIA are **Moscow (12%)**, **Moscow region (6%)** and **St. Petersburg (4%)**
- **More than 75%** of IIA are opened in **other regions of Russia**

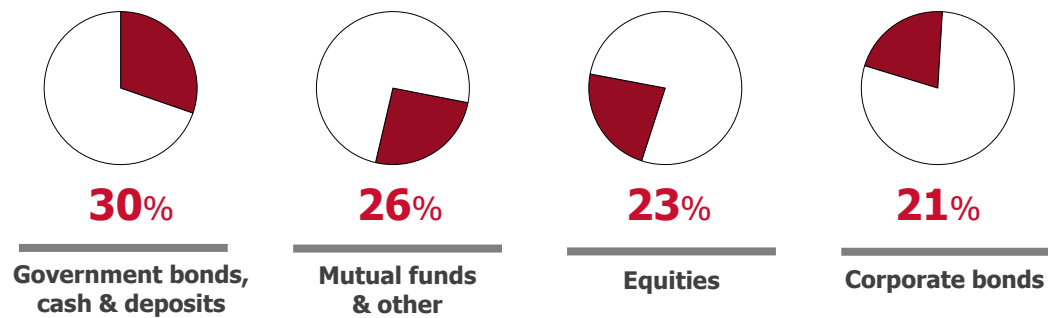
## Assets held on IIA

RUB bln

- IIA - managed accounts
- IIA - brokerage accounts



## Structure of assets on IIA



# MOEX Marketplace: the blueprint

## THE CONCEPT:

- **Retail deposits (RUB 32 trn)** is the single largest asset pool that might drive growth of on-exchange products
- It lacks a fast, convenient interface for retail deposit management across banks - **an area MOEX can digitalize**
- MOEX will expand its core expertise to **standardize and unify** the market of retail deposits, making it truly online

## MOEX HAS:

- **Market neutrality & trust:** no room for conflicts of interest since MOEX does not originate loans or deposits
- **Essential infrastructure:** NSD is the centerpiece, managing the financial transactions registrar (FTR)
- **Tech expertise:** IT development; 25+ years of interaction with banks via API in securities & FX trading etc.

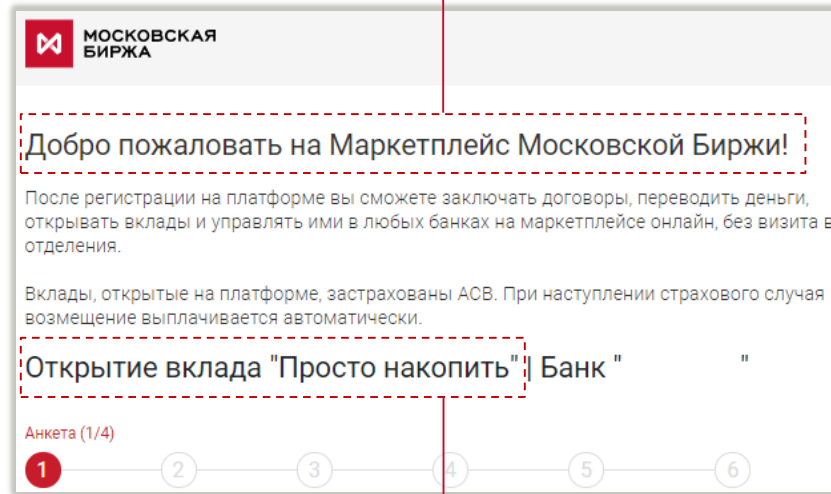
## MOEX GETS:

- **A new source of fee income:** long-term revenue potential can be measured on a scale of RUB billions
- **Business development:** cross-selling to a new audience, many times larger than the existing set of active clients
- **Market intelligence & behavioral data:** obtaining a complete financial profile of a wide retail client base



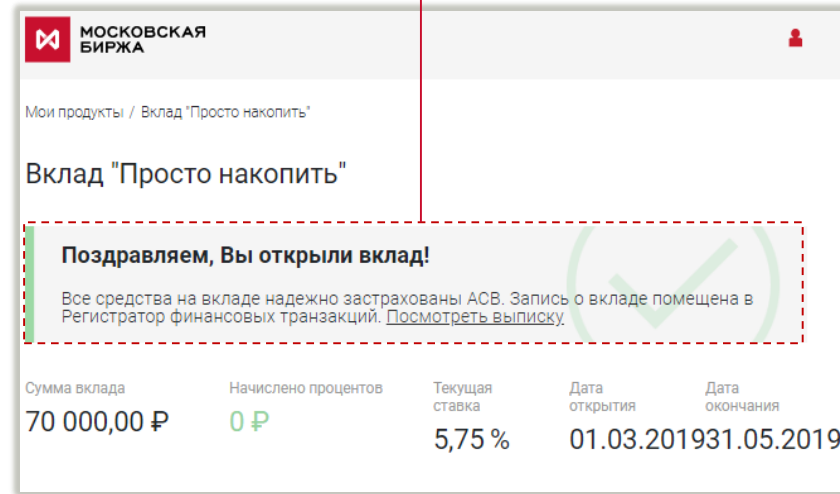
# MOEX Marketplace: the deposit platform has been created

**START: the Marketplace welcome page;**  
**Redirected from a deposit aggregator's website**



**The Deposit has been selected;**  
**Onboarding process is underway**

**FINISH: the Marketplace success page;**  
**Deposit opening confirmation with a notice of FTR record**



Abbreviations:

FTR – Financial Transactions Registrar at NSD

FPS – CBR's Faster Payments System

DIA – State Deposit Insurance Agency

## **Customer journey stages & corresponding solutions provided by MOEX**

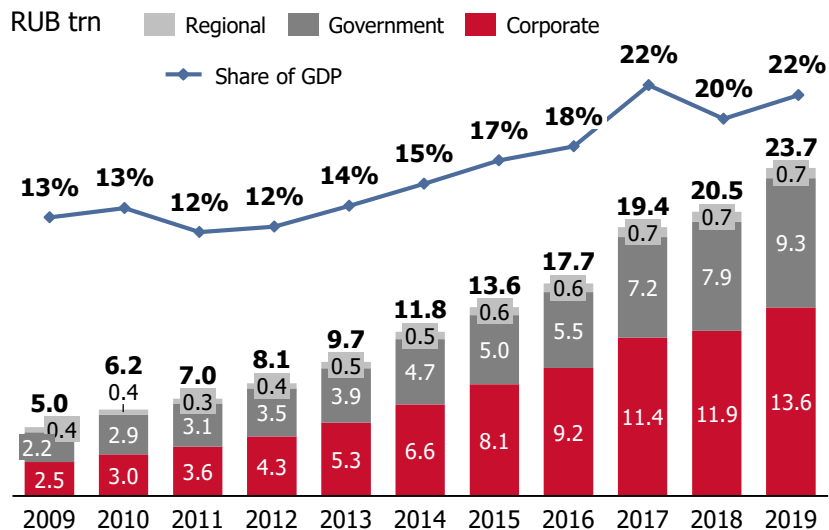
- ✓ (1) Websites of financial services aggregators work as gateways, provide leads. **Marketplace integration with aggregators' websites.**
- ✓ (2) Client registration with logging via gosuslugi.ru (online state services portal with 100+mln users). **Marketplace login interface.**
- ✓ (3) One-time biometric identification with state-sponsored system operated by Rostelecom or offline with a courier, then KYC stage.
- ✓ (4) Deposit contract request and confirmation with e-signatures. **Marketplace personal account interface.**
- ✓ (5) Money transfer to the deposit account using NSD's and CBR's frameworks (FPS). **NSD's payment system.**
- ✓ (6) Deposit opening confirmation with a notice of FTR record stored at NSD and covered by the DIA. **NSD's FTR functionality.**
- ✓ (7) A client uses the marketplace as an internet bank to manage deposits (additions, withdrawals, etc.) in real-time.

**Finuslugi platform ([www.finuslugi.ru](http://www.finuslugi.ru)) successfully launched and is available for all clients since mid-October 2020.**

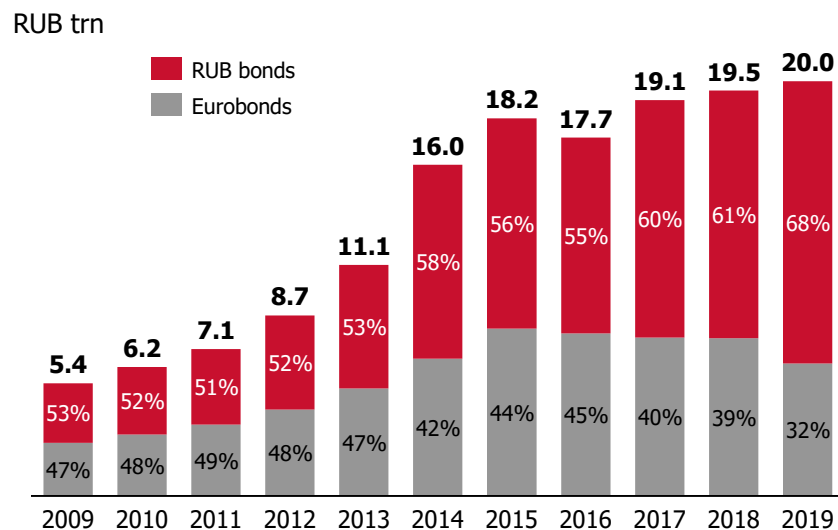


# Bond market – why we are strong believers

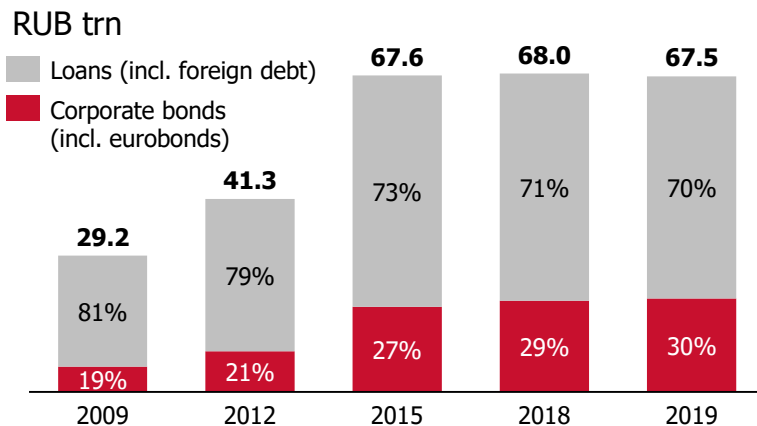
## Growth of outstanding local bonds



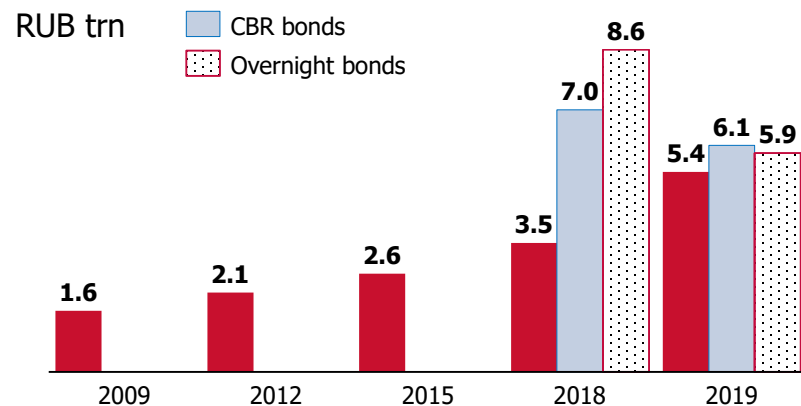
## Local bonds vs Eurobonds of Russian corporates<sup>1</sup>



## Corporate loans vs corporate bonds in Russia



## Bond primary market trading volume



# Trend of local placements continued

## Capital raisings on MOEX

Company	Date	Transaction type	Transaction value, RUB bln
Lukoil	January 2018	SPO	10.0
X5 Retail Group	February 2018	Listing	
Interrao	March 2018	SPO	4.3
Raven Property	October 2018	Listing	
<b>2018 Total</b>			<b>14.3</b>
Norilsk Nickel'	March 2019	SPO	36.3
LSR Group ( <i>dual</i> )	April 2019	SPO	5.8
Polyus ( <i>dual</i> )	April 2019	SPO	25.5
NLMK	June 2019	SPO	25.6
Gazprom	July 2019	SPO	139.1
PIK	October 2019	SPO	4.8
TCS Group	October 2019	Listing	
Credit Bank of Moscow	November 2019	SPO	14.7
Detsky Mir	November 2019	SPO	15.9
Gazprom	November 2019	SPO	187.7
<b>2019 Total</b>			<b>455.4</b>
Etalon	February 2020	Listing	
Detsky Mir	June 2020	SPO	11.0
Yandex ( <i>dual</i> )	June 2020	SPO	27.9
Petropavlovsk	June 2020	Listing	
Mail.ru	July 2020	Listing	
Detsky Mir	September 2020	SPO	20.7
HeadHunter	September 2020	Listing	
Sovcomflot	October 2020	IPO	42.9
Globaltrans	October 2020	Listing	
Samolet	October 2020	IPO	2.9
<b>2020YTD Total</b>			<b>105.4</b>





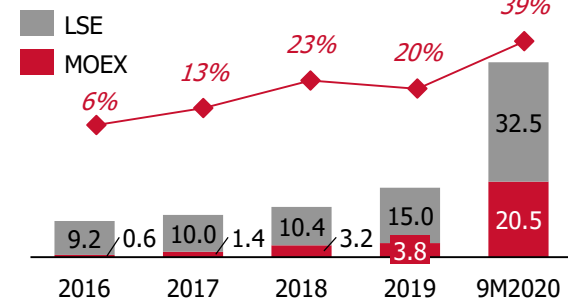
# MOEX listings of Russian companies incorporated abroad

- **14 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
- Stocks of Polymetal and Yandex & depositary receipts of X5 Retail Group and TCS Group are **included in the MOEX Russia Index**
- Polymetal and Yandex stocks & depositary receipts of X5 Retail Group were **added to the MSCI Russia Index**
- These companies' share in total Equities Market volumes **approached 20%** in 3Q'20 following the inclusion of Yandex in MSCI Russia

◆ MOEX share in Average Daily Trading Volumes (ADTV)

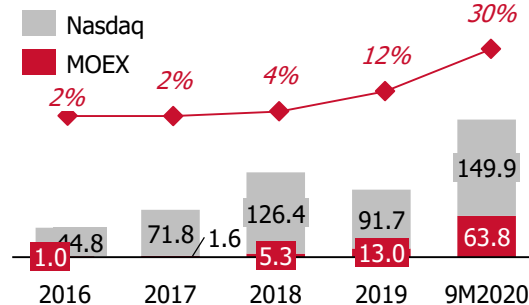
## Polymetal

ADTV, USD mln



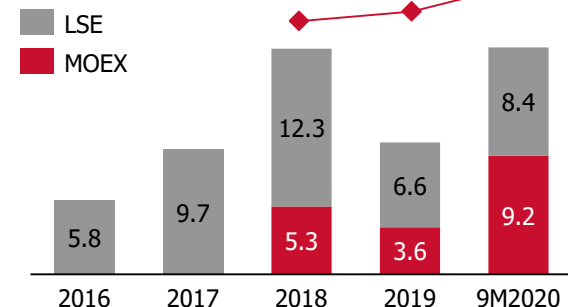
## Yandex

ADTV, USD mln



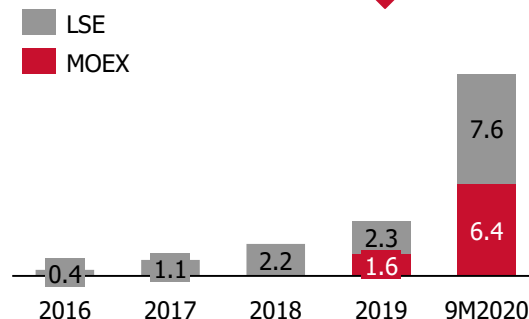
## X5 Retail Group

ADTV, USD mln



## TCS Group

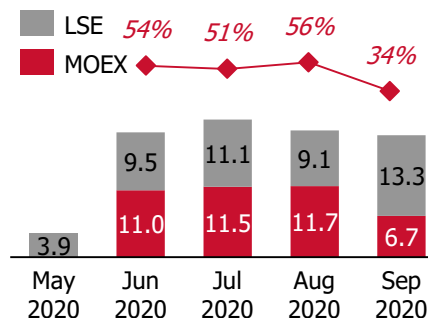
ADTV, USD mln



*An immediate boost to newcomers*

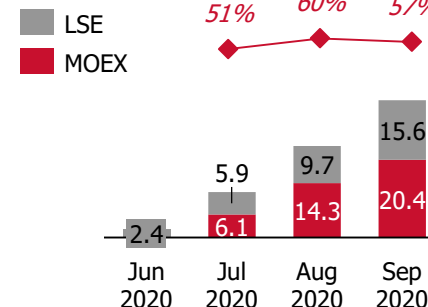
## Petropavlovsk – listing on 25 Jun

ADTV, USD mln



## Mail.ru – listing on 2 Jul

ADTV, USD mln



**MOSCOW EXCHANGE**

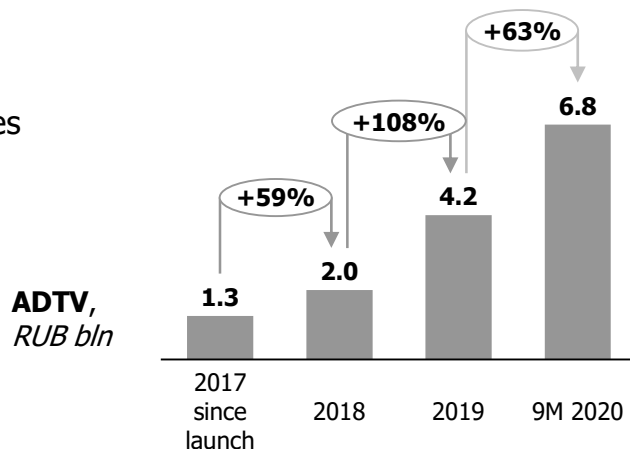
Source: Bloomberg as of 05.10.2020 for LSE on-book and Nasdaq volumes, Moscow Exchange data incl. evening trading session

# Corporates on the FX and Money Markets

## Direct access to the FX Market

Launched in 2017

**45** corporates



## Key features



Unified sales channel



Wide range of treasury products



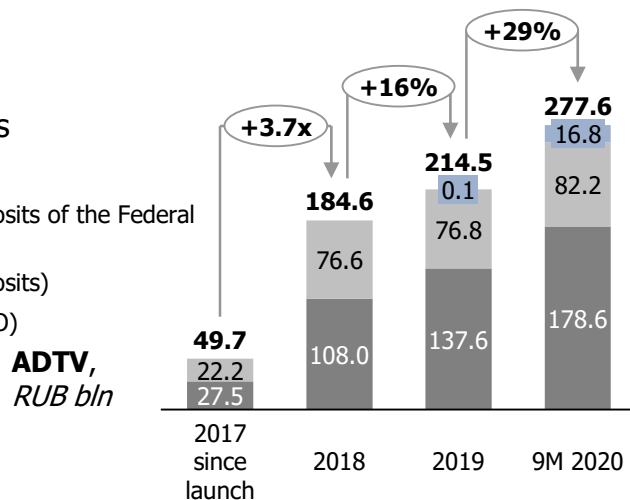
Unbundled trading, clearing and settlement services

## Deposits with the CCP for corporates

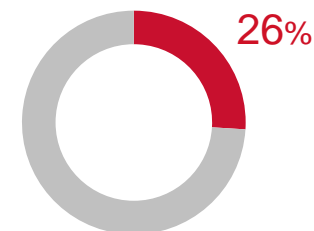
Launched in 2017

**133** corporates

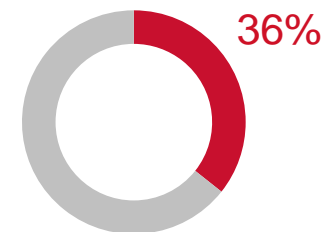
- GCC (REPO - Deposits of the Federal Treasury)
- GCC (REPO - Deposits)
- GCC (REPO - REPO)



► Share of corporates as % of all MOEX's clients



► Share of deposits in total volume of GCC REPO



MOSCOW EXCHANGE

Source: Moscow Exchange

# MOEX OTC platforms and solutions

## OTC bond platform

**2240** bonds (locals and Eurobonds)  
Integration with NSD/NCC

**90 participants**

**Plans:** external reference prices, access for corporates, addition of stocks, DRs and REPO

## RFS (Request for Stream) Quotation System on derivatives market

**All instruments** on derivatives market

**Trading in large lots** in anonymous mode

**Plans:** 50+ largest participants

## FX links to global liquidity pools

Non-RUB FX pairs: EUR/USD, GBP/USD

**58 participants, 3 liquidity providers**

**>7000 transactions with a total value of USD 3500 mln**

**Plans:** swaps, gold, oil, new liquidity providers

## Standardized OTC derivatives market

FX swaps, FX forwards, interest rate swaps, cross currency swaps, overnight indexed swaps, flex-options

**51 participants**

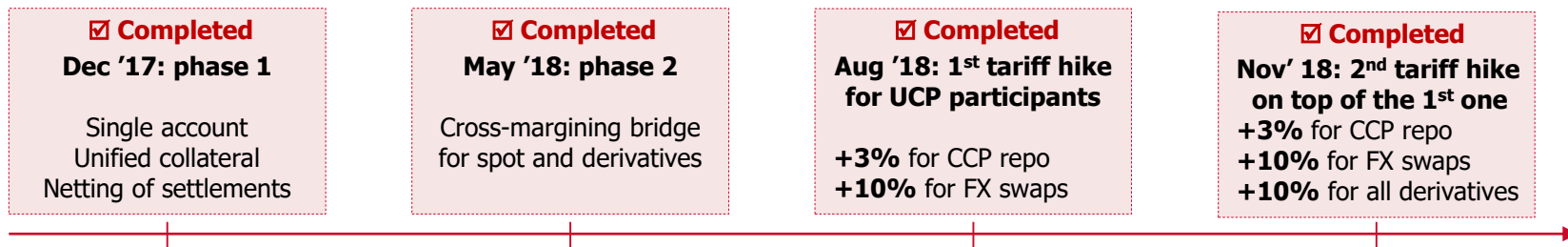
Participants have started to trade **longer maturities**

**Plans:** search for liquidity system, IRS (KetRate), OIS (Implied rate); maturity up 10 years (now up to 5)



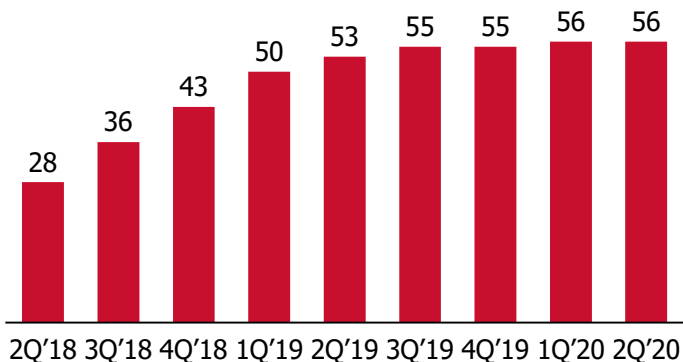
# Unified Collateral Pool: a strategic project completed

## Timeline and latest developments

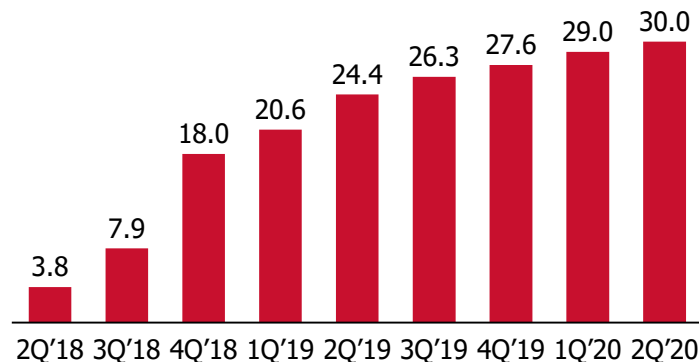


- The UCP take-up continued to grow, accounting for 30.0% of total trading F&C in 2Q'20 compared to 24.4% in 2Q'19.
- UCP accounts represent ~45% of fees and volumes in the Derivatives Market, the cornerstone market of the UCP.
- On 1 November 2018 a universal tariff hike took place as scheduled. The UCP-linked tariff revision is now complete.
- New tariffs will incentivize market participants to use UCP capabilities more actively and speed up onboarding.

**Number of market participants with UCP accounts (as per end of period)**



**Share of F&C from UCP accounts in total trading F&C, %**



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy



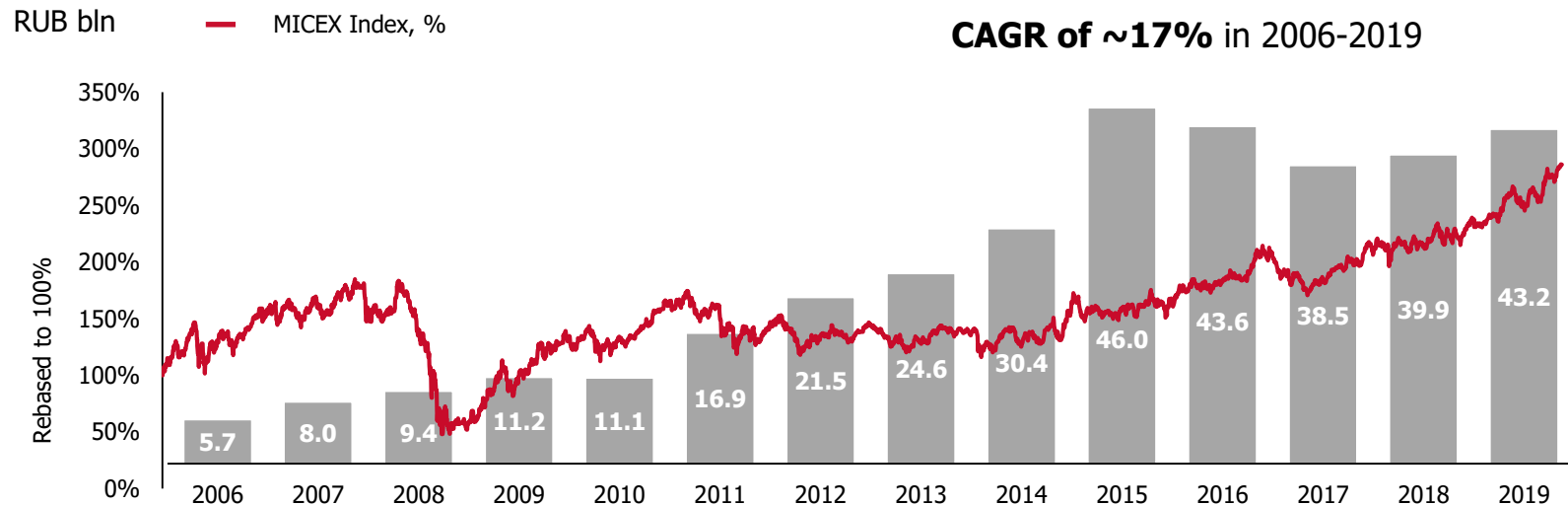
Financial track record

**5** 3Q 2020 update



# MOEX business model continues to deliver

## Operating income<sup>1</sup>

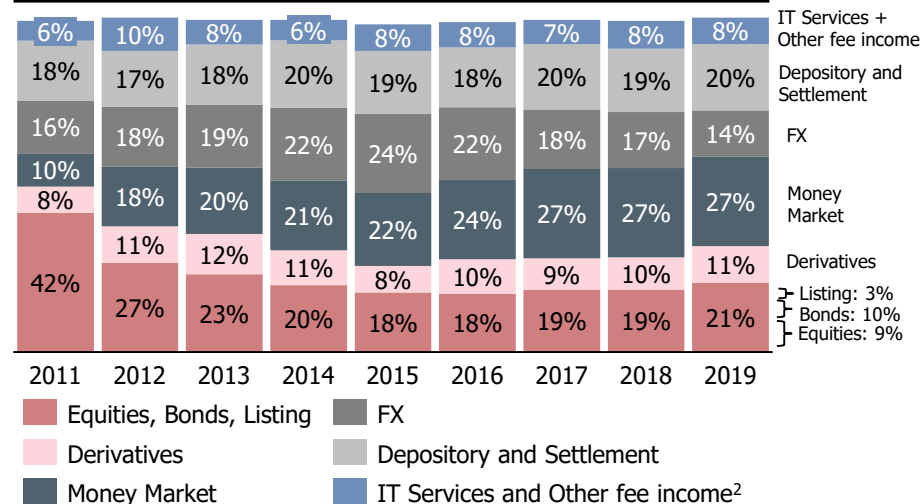


## Key highlights

**Unique business model** allows MOEX to increase operating income regardless of the stage of the economic cycle:

- **Business lines** are diversified, while markets have limited growth correlation
- **Growth drivers differ** across markets and products

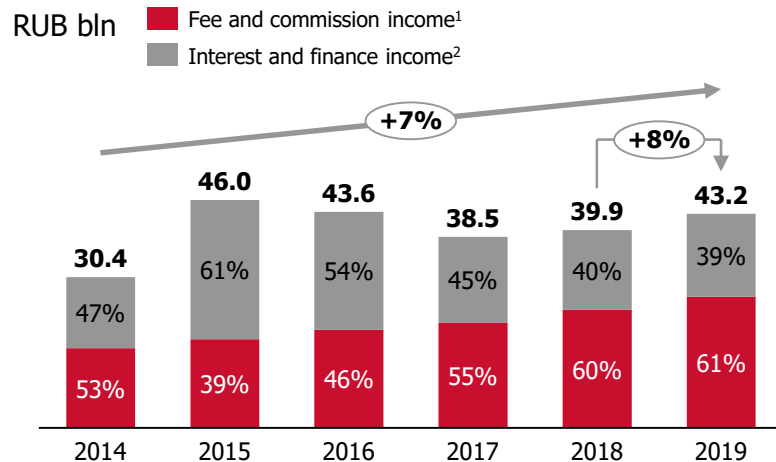
## Fee & commission income evolution<sup>1</sup>



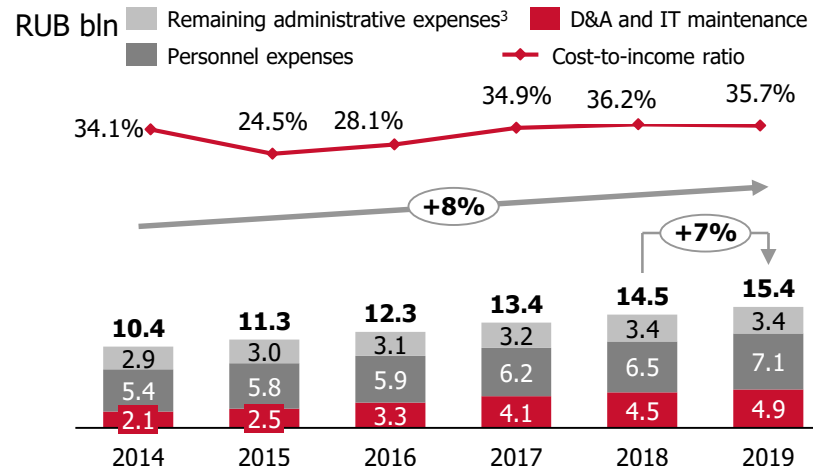
# 2019 summary of financials

X% → CAGR '14-19

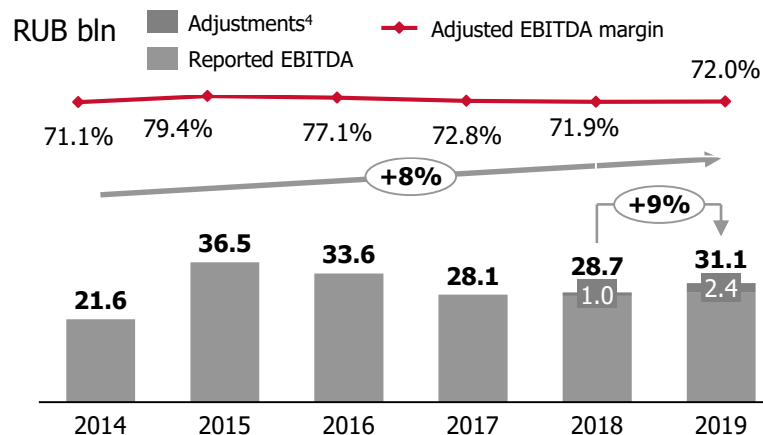
## Operating income



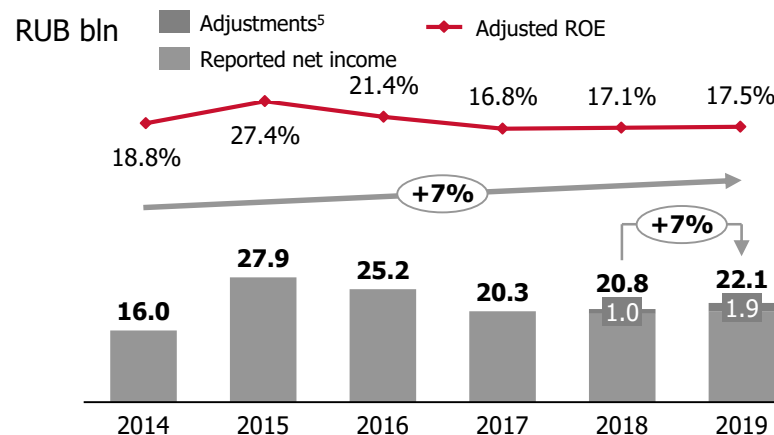
## Operating expenses (excluding provisions)



## EBITDA and EBITDA margin



## Net income



Source: Moscow Exchange

1 Includes Other operating income

2 Includes Interest and other finance income, Interest expense, Net gain on financial assets AFS/FVTOCI and Foreign exchange gains less losses

3 Remaining administrative expenses are calculated as General and administrative expenses less Depreciation of property and equipment, Amortisation of intangible assets and Equipment and intangible assets maintenance

4 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs and 2) one-off provisions in FY 2018 and FY 2019

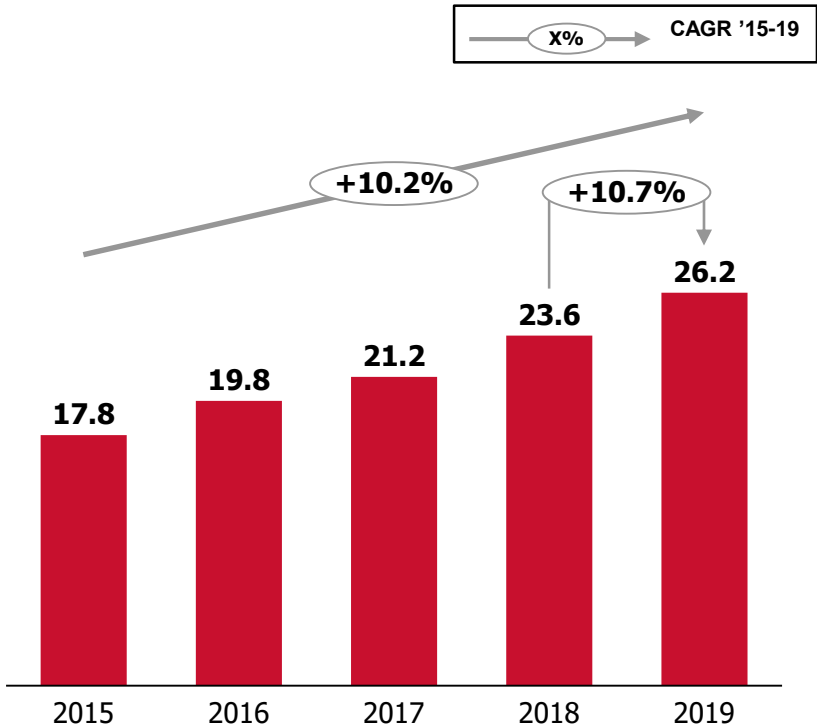
5 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs, 2) change in amortization schedules and 3) one-off provisions in FY 2018 and FY 2019

# Fee & commission income: strong and sustainable growth

## Fee and commission income (F&C)

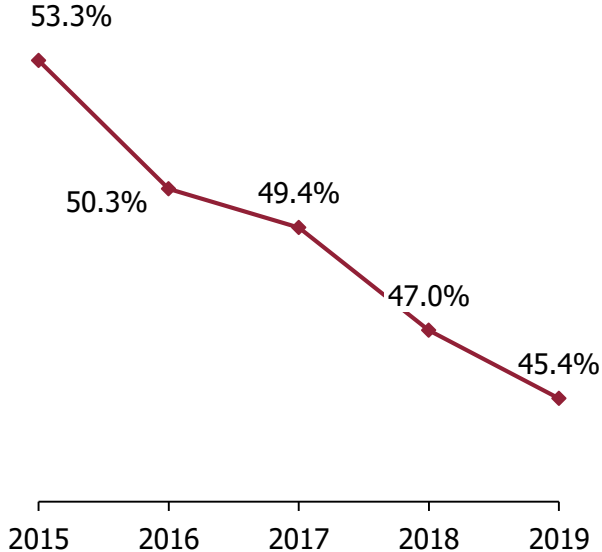
RUB bln

F&C income for 2019 increased 10.7% YoY



## Cost (excl. D&A & provisions) to F&C ratio

F&C growth was delivered in a cost efficient way

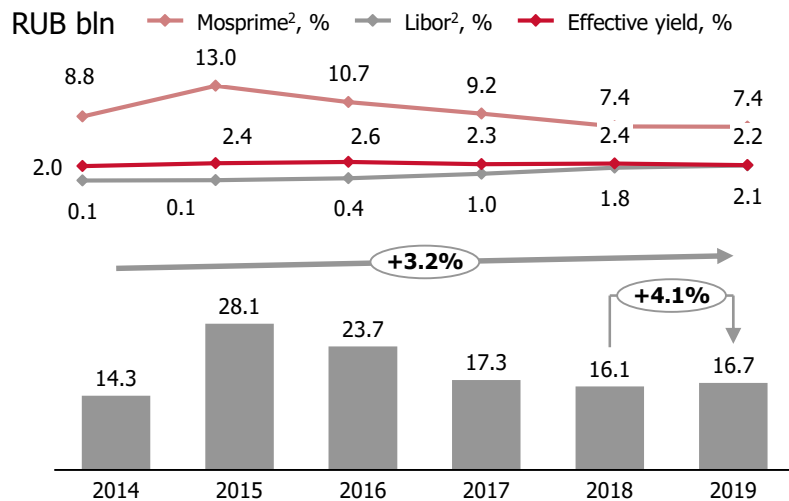




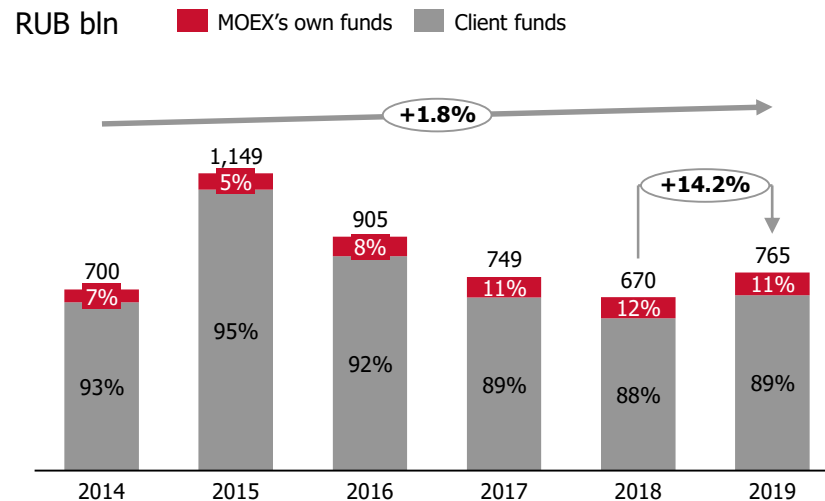
# Interest and finance income

X% → CAGR '14-19

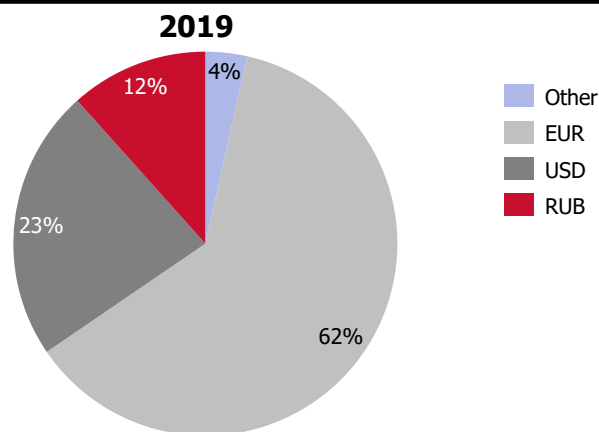
## Interest and finance income<sup>1</sup>



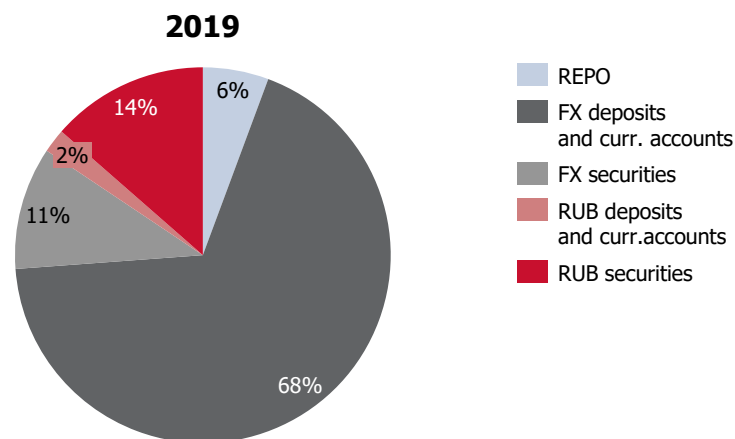
## Investment portfolio sources<sup>3</sup>



## Client funds by currency



## Investment portfolio by type of asset



Source: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

1 Includes Interest and other finance income, Interest expense, Net gain on financial assets AFS/FVTOCI and Foreign exchange gains less losses

2 Average daily rate for the period

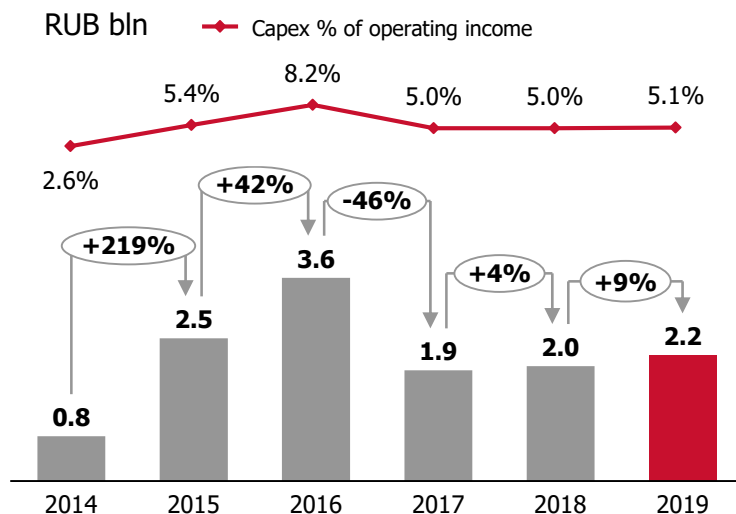
3 Based on average daily investment portfolio sources for the period according to management accounts



**MOSCOW  
EXCHANGE**

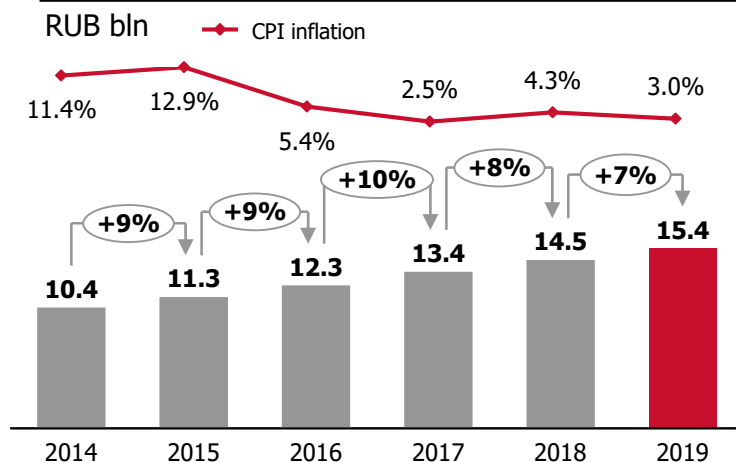
# CAPEX and OPEX: 2019-2020

## Capital expenditures



- CAPEX was RUB 2.2 bln, which is at the middle of our guidance range of RUB 2.0-2.5 bln for 2019.
- **In 2020, the updated CAPEX guidance range is RUB 2.6-2.8 bln.**
- The 2020 split between maintenance and development CAPEX is expected to be roughly equal (46% maintenance / 54% development).
- Top-5 projects account for 24% of CAPEX, with the Marketplace consuming RUB 0.4 bln.

## Operating expenses (excluding provisions)



- The actual growth of OPEX in 2019 was 6.8%, below the floor of the revised guidance range of 8-10%.
- Net of pass-through grain costs, the 2019 OPEX growth was 8.0% YoY.
- The main driver of OPEX growth in 2019 was personnel expense, which increased 9.2% on the back of a 4.7% headcount growth.
- **The 2020 OPEX growth guidance range is 7.5-8.5%.** It's viable to achieve positive operating jaws between F&C and OPEX in 2020.



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy

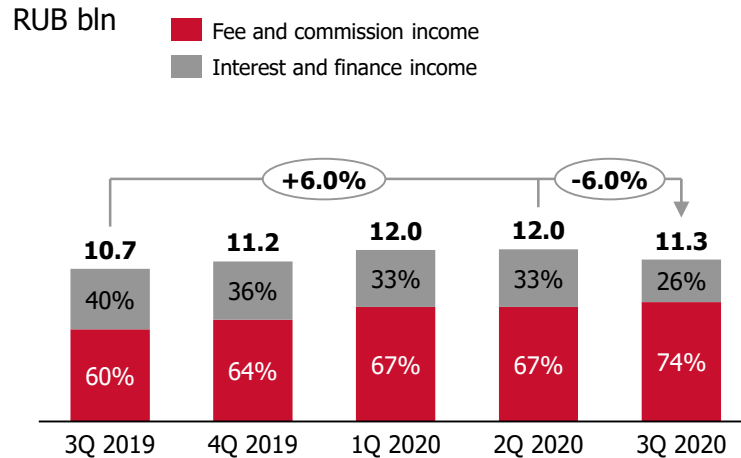
**4** Financial track record



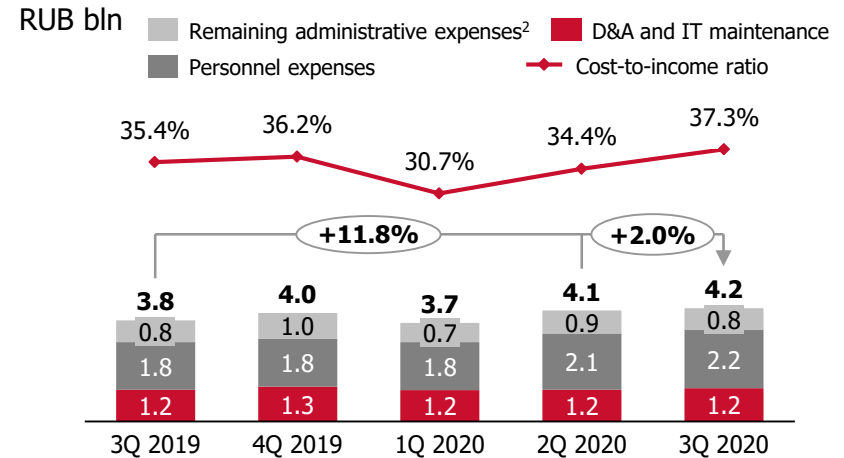
3Q 2020 update

# 3Q 2020 summary of financials

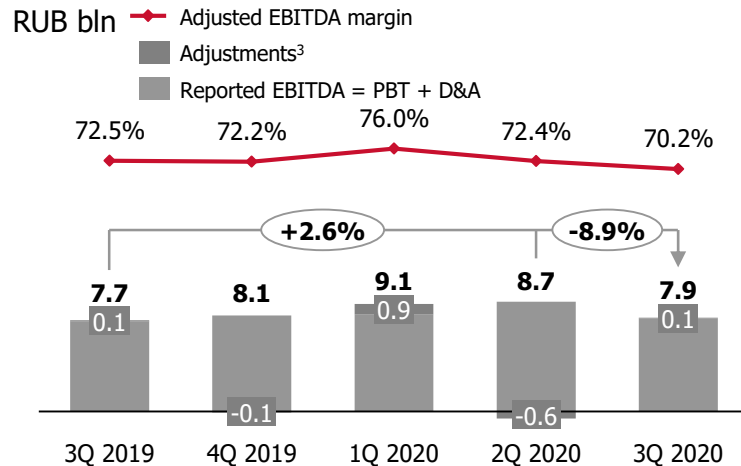
## Operating income<sup>1</sup>



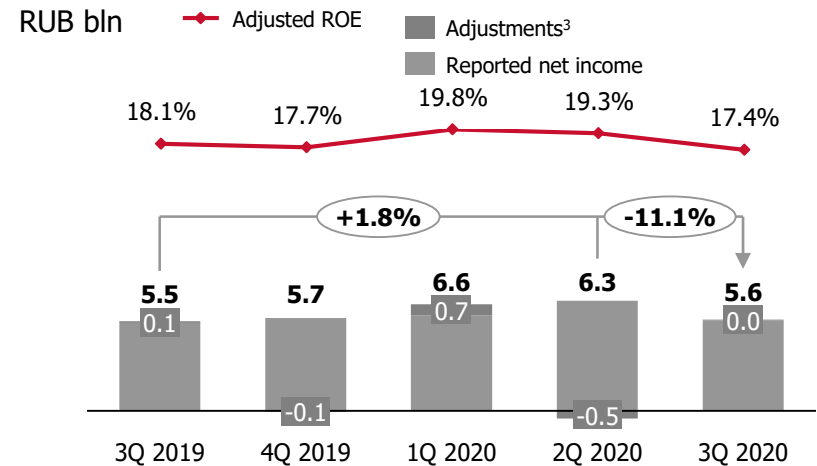
## Operating expenses (excl. other operating expenses)



## 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



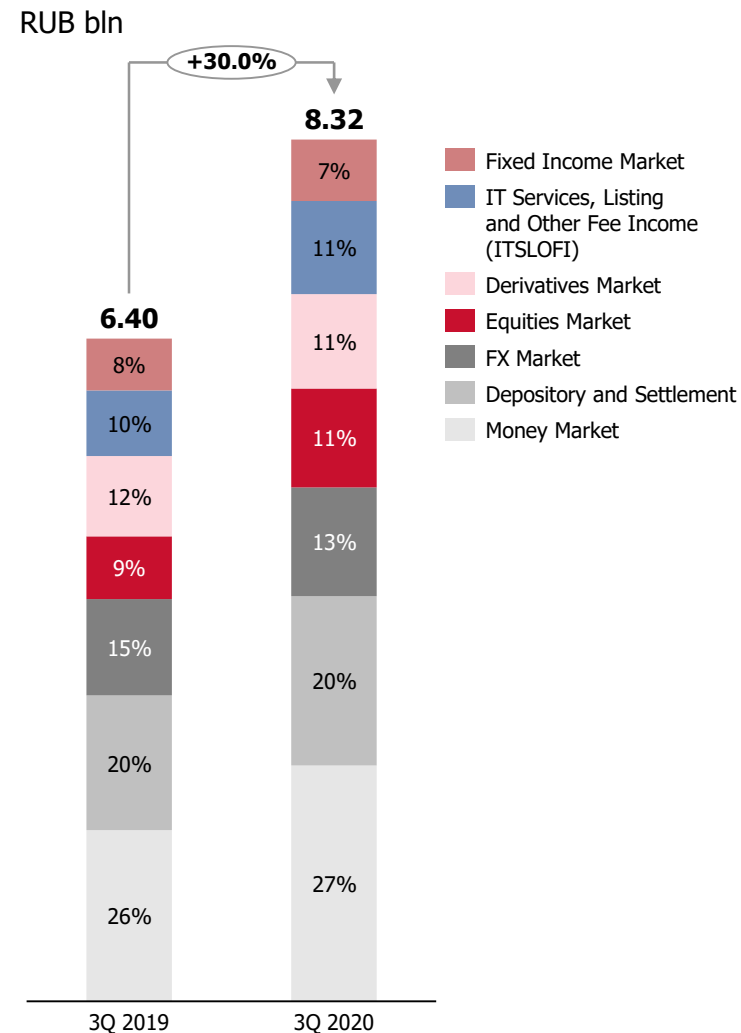
**MOSCOW  
EXCHANGE**

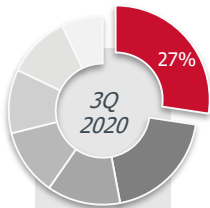
# Diversified fee and commission income

## Fee & commission income performance, RUB bln

RUB bln	3Q 2019	3Q 2020	Change YoY, bln	Change YoY, %
<b>Money Market</b>	<b>1.65</b>	<b>2.28</b>	<i>0.63</i>	<i>38.0%</i>
<b>Depository and Settlement</b>	<b>1.30</b>	<b>1.63</b>	<i>0.33</i>	<i>25.6%</i>
<b>FX Market</b>	<b>0.93</b>	<b>1.05</b>	<i>0.12</i>	<i>12.6%</i>
<b>Equities Market</b>	<b>0.60</b>	<b>0.96</b>	<i>0.35</i>	<i>58.0%</i>
<b>Derivatives Market</b>	<b>0.77</b>	<b>0.91</b>	<i>0.14</i>	<i>17.5%</i>
<b>IT Services, Listing and Other Fee Income (ITSLOFI)<sup>1</sup></b>	<b>0.63</b>	<b>0.90</b>	<i>0.27</i>	<i>42.0%</i>
<b>Fixed Income Market</b>	<b>0.50</b>	<b>0.59</b>	<i>0.09</i>	<i>18.1%</i>

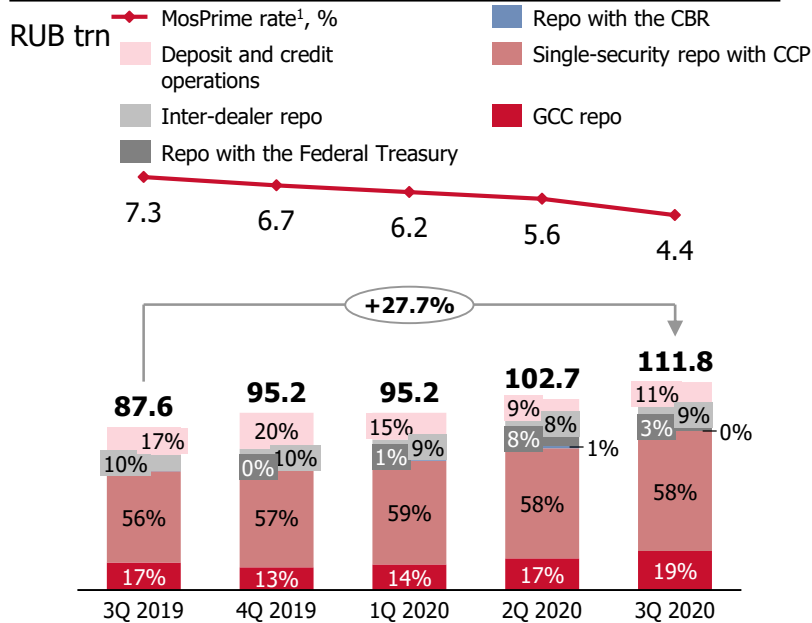
## Fee & commission income breakdown



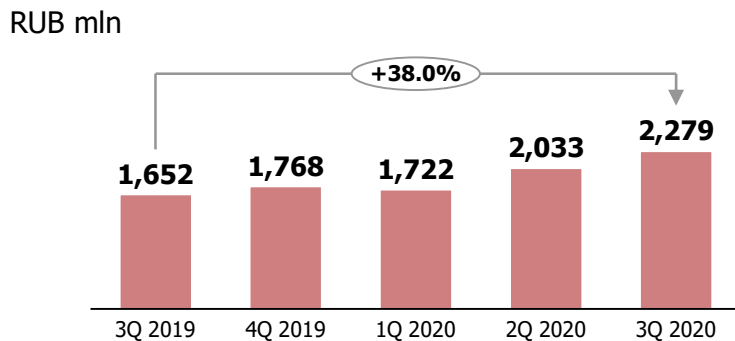


# Money Market

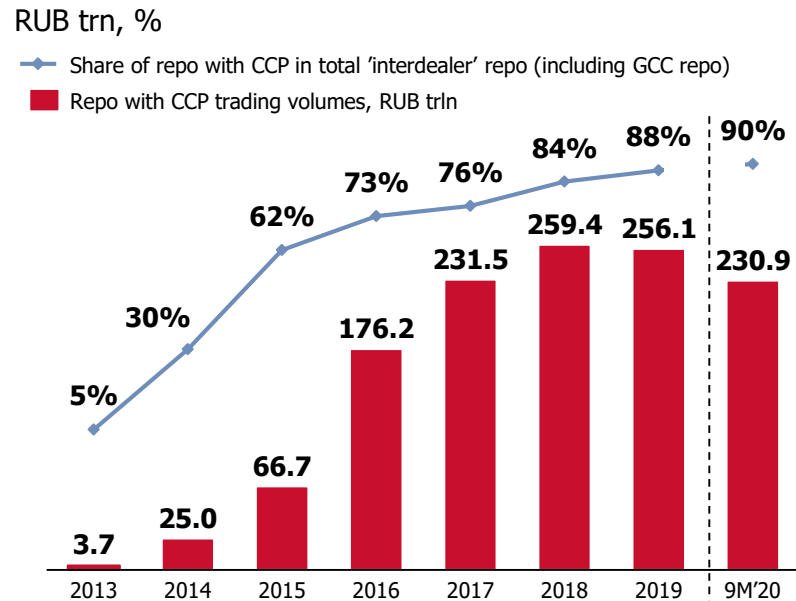
## Trading volumes



## Fee & commission income



## Trading volumes of repo with CCP



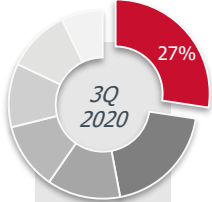
## Comments

- F&C income grew 38.0% YoY. Trading volumes increased 27.7% YoY.
- The discrepancy between the YoY dynamics of F&C income and volumes was due to: [1] higher shares of CCP and GCC repo in total volumes, [2] an expansion of average repo terms, [3] greater open interest, i.e. the position.
- Total CCP repo volumes (both single-security and GCC) grew 34.0% YoY with corporate bond repos contributing the most to this growth.
- The share of CCP repo in total 'interdealer' repo stood at 90% for 9M'20.



**MOSCOW  
EXCHANGE**

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

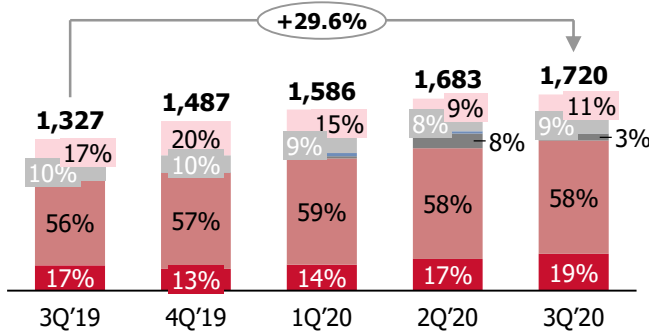


# Money Market: recent trends

## Money Market ADTV

RUB bln

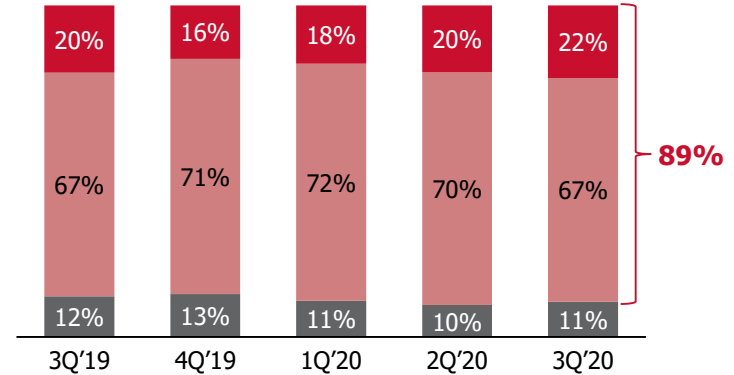
- Deposit and credit operations
- Single-security repo with CCP
- Interdealer repo
- Repo with the CBR
- Repo with the Federal Treasury
- GCC repo with CCP



## High share of CCP repo

volume, %

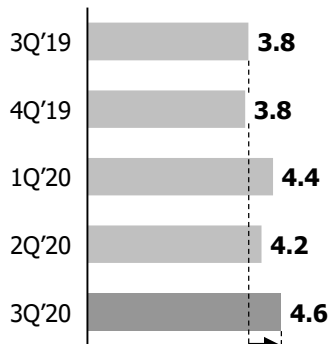
- GCC repo with CCP
- Single-security repo with CCP
- Interdealer repo



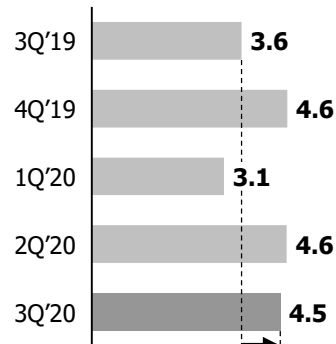
## Average repo term dynamics

days

Overall on-exchange repo

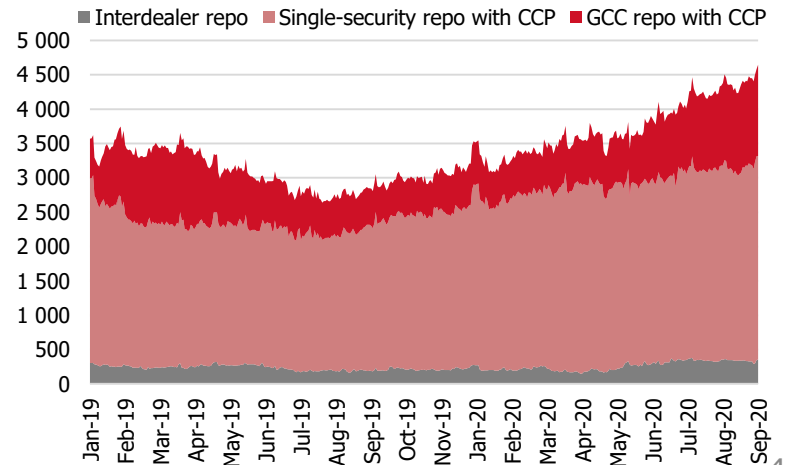


GCC repo (incl. deposits with CCP)



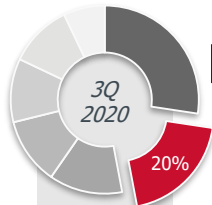
## Stable to growing open interest supports F&C income

RUB bln



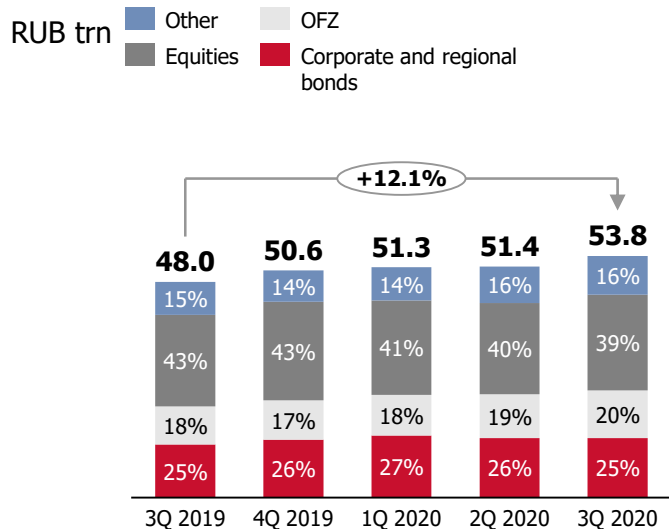
MOSCOW EXCHANGE

Source: Moscow Exchange



# Depository and Settlement Services

## Assets on deposit (average for the period)

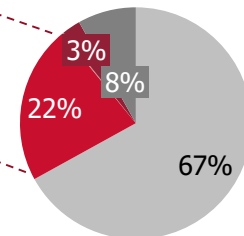


## Fee & commission income breakdown

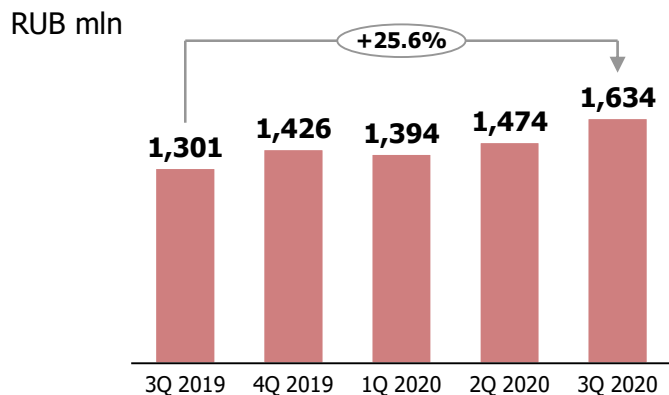
3Q 2020

Collateral management services	4.7%
Clearing	9.0%
Book-entry transfers	8.3%

- Safekeeping
- Depository transactions and clearing services
- Services for issuers
- Settlement and cash services
- Other



## Fee & commission income



## Comments

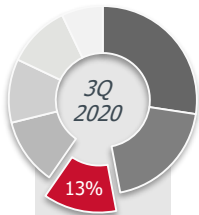
- F&C income added 25.6% YoY; average assets on deposit increased by 12.1% YoY.
- The YoY growth in assets on deposit was registered across all asset classes: federal government bonds were up 25.4% YoY, corporate and regional bonds were up 12.4% YoY, equities were up 4.0% YoY.
- F&C income growth compared to 3Q'19 was driven mainly by safekeeping, depository transactions and clearing services.
- The discrepancy between growth rates of F&C income and assets on deposit is the result of business lines beyond safekeeping, primarily clearing and collateral management services.



**MOSCOW  
EXCHANGE**

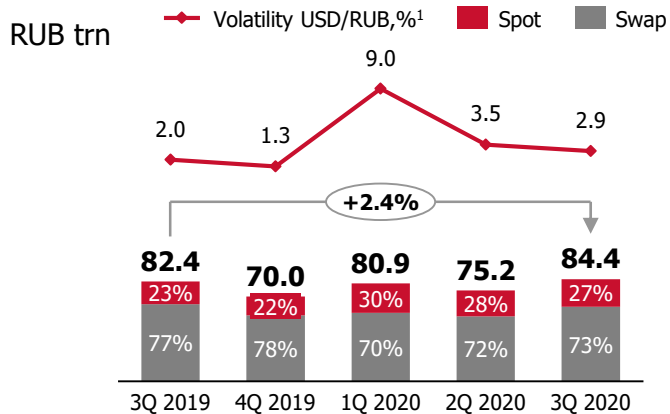
Source: Moscow Exchange



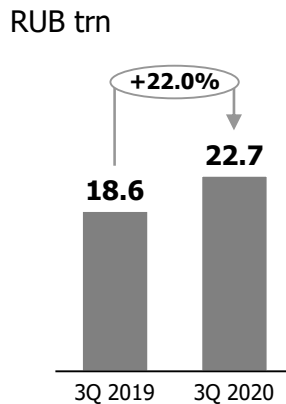


# FX Market

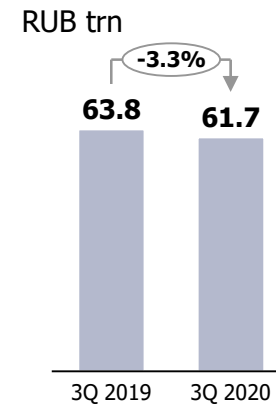
## Trading volumes



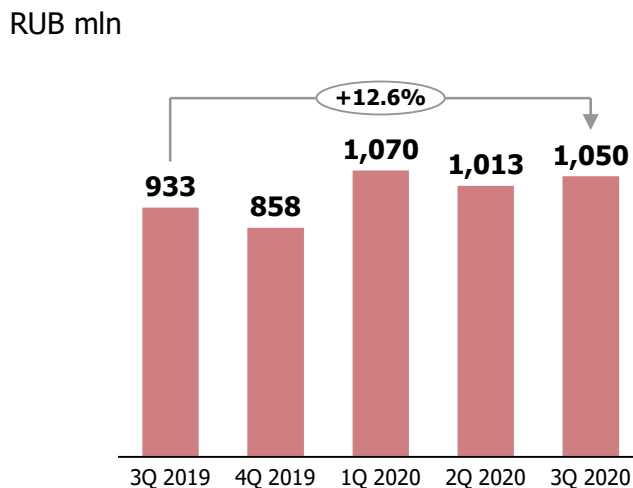
## Spot trading volumes



## Swap trading volumes



## Fee & commission income



## Comments

- Fee income increased by 12.6% YoY while volumes stood virtually flat, adding just 2.4% YoY.
- Spot volumes were up 22.0% YoY due to still elevated volatility and, consequently, continuous demand for CCP services in such conditions. Swap and forward volumes declined by 3.3% YoY.
- Retail clients' share of trading on the spot market reached 13% as opposed to 7% in 3Q'19. Total trading volumes of corporates increased 17% YoY to reach RUB 386 bln in 3Q'20.
- USD/RUB spot trading volumes grew 31.6% YoY, being the largest contributor to the growth on the spot market among FX pairs.
- MOEX's 3Q'20 market share vs onshore OTC reached 47%.
- The number of active clients exceeded 462,000<sup>2</sup> – up 5x YoY – with retail accounting for more than 99%.
- SDBP (speed bump) trading mode volumes exceeded USD 2.7 bln.

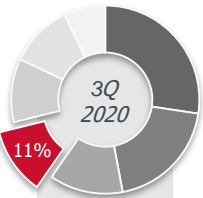


**MOSCOW EXCHANGE**

Source: Moscow Exchange, CBR

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

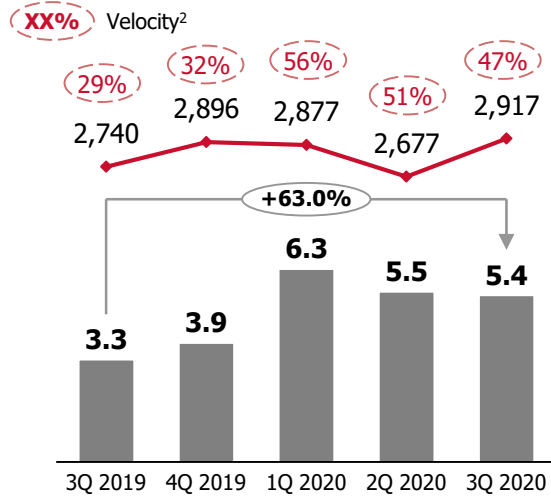
2 As of 30.09.2020



# Equities Market

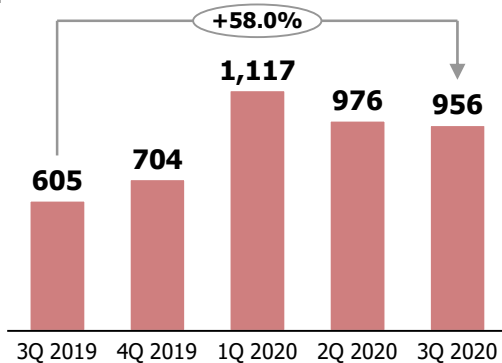
## Trading volumes<sup>1</sup>

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



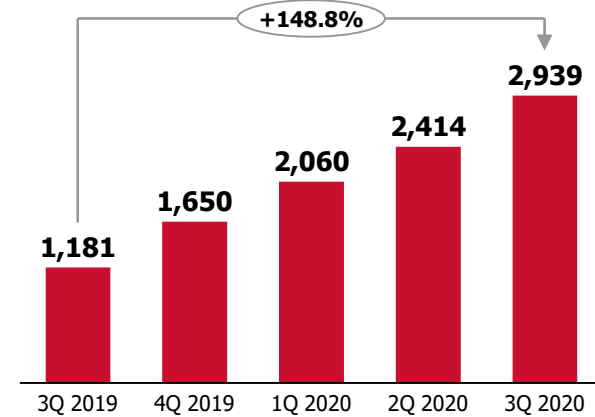
## Fee & commission income

RUB mln



## Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



## Comments

- Equity trading volumes and F&C income grew 63.0% YoY and 58.0% 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.
- Despite the QoQ decrease by 4 pp, velocity of trading volumes remained elevated compared to 3Q'19.
- All IMOEX constituents as well as foreign stocks are now admitted to the evening trading session, bringing the number of available instruments to 62 vs 25 at launch.
- Evening trading now amounts to 6-7% of daily volumes.
- MOEX's market share vs LSE in trading of dual-listed stocks was at a record high of 78% in 9M'20 (up from 68% in 9M'19).

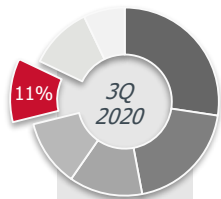


**MOSCOW  
EXCHANGE**

Source: Moscow Exchange, WFE

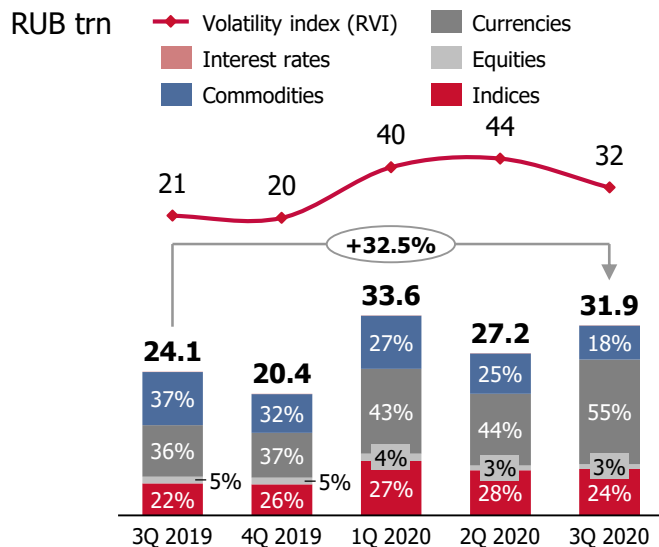
1 Volumes of both primary and secondary markets

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

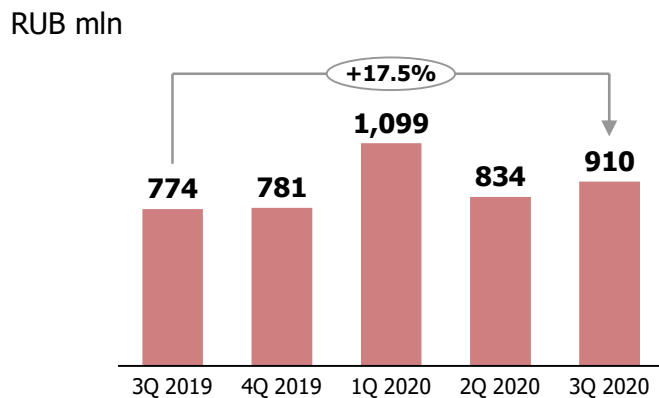


# Derivatives Market

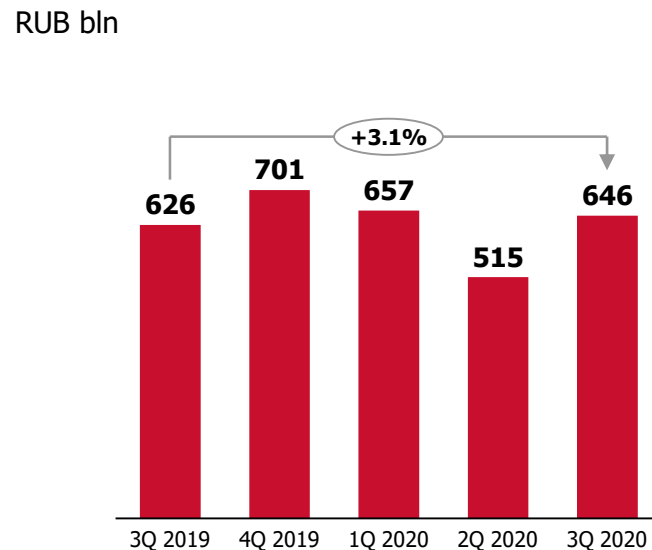
## Trading volumes



## Fee & commission income



## Open interest



## Comments

- F&C grew 17.5% YoY, trading volumes increased by 32.5% YoY.
- Trading volumes of FX derivatives doubled YoY, largely contributing to the volumes' growth.
- Index derivatives' volumes added 44.7% YoY, while volumes of equity derivatives decreased by 25.3% YoY.
- Trading volumes of commodity contracts shrank by 35.8% YoY.
- The effective fee was down YoY due to: [1] a shift in the mix towards less profitable FX and index derivatives (79% in 3Q'20 vs 58% in 3Q'19), [2] lower share of options.



11%

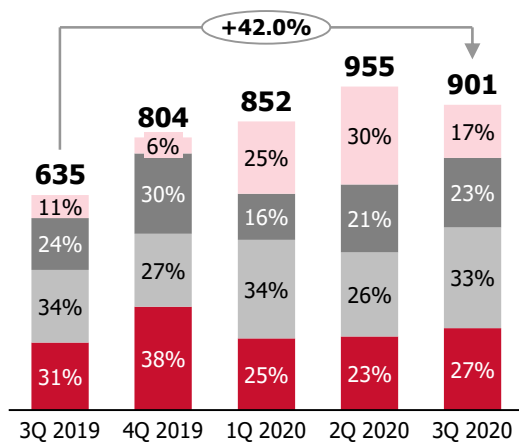
3Q  
2020

# IT Services, Listing and Other Fee Income (ITSLOFI)

## IT Services, Listing and Other Fee Income<sup>1</sup> (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

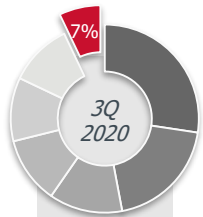
- Listing and other fees related to the Securities Market increased by 34.2% YoY as clients paid extra fees for accelerated placements.
- Sales of information services rose by 38.7% YoY, mainly due to the RUB weakening and proceeds from information audit.
- Sales of software and technical services grew 21.1% YoY, supported by software commissioning at KASE.
- Other fee and commission income was up more than 2x 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.



**MOSCOW  
EXCHANGE**

Source: Moscow Exchange

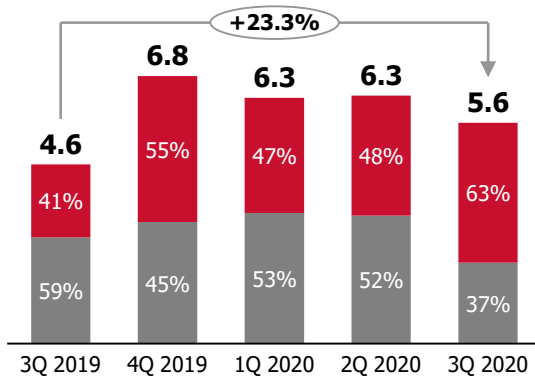
1 Includes Other fee and commission income



# Fixed Income Market

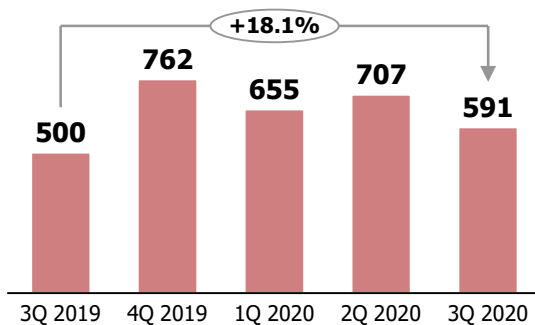
## Trading volumes<sup>1</sup>

RUB trn ■ Primary market (excl. overnight bonds)  
■ Secondary market



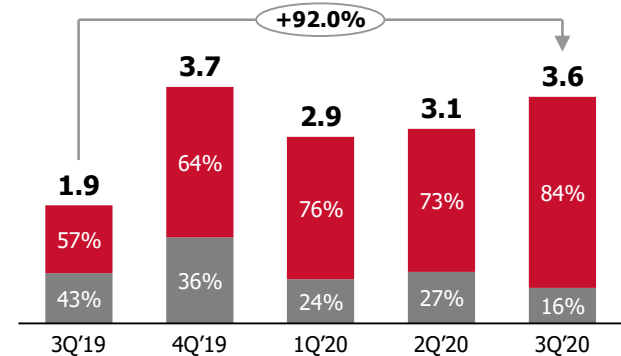
## Fee & commission income

RUB mln



## Primary market (excluding overnight bonds)

RUB trn ■ Government and CBR bonds (OFZ, OBR)  
■ Corporate, municipal and other bonds (excluding ON bonds)



## Comments

- Fee income expanded 18.1% YoY on the back of a 23.3% increase in trading volumes (excl. overnight bonds).
- Primary placements were up 92.0% YoY (excl. overnight bonds) due to a low base effect and a record-high OFZ/OBR volumes of placements that amounted to 84% of primary market's activity.
- Secondary trading volumes decreased by 23.9% YoY on the back of high supply of OFZs in the primary market. Secondary trading of OFZ was down 25.3% YoY, other bonds declined 21.0% YoY.
- The effective fee dynamics was affected by a lower fraction of corporate placements and a higher fraction of short-term OBRs in the primary market, plus an increase in negotiated trading mode on the secondary market.



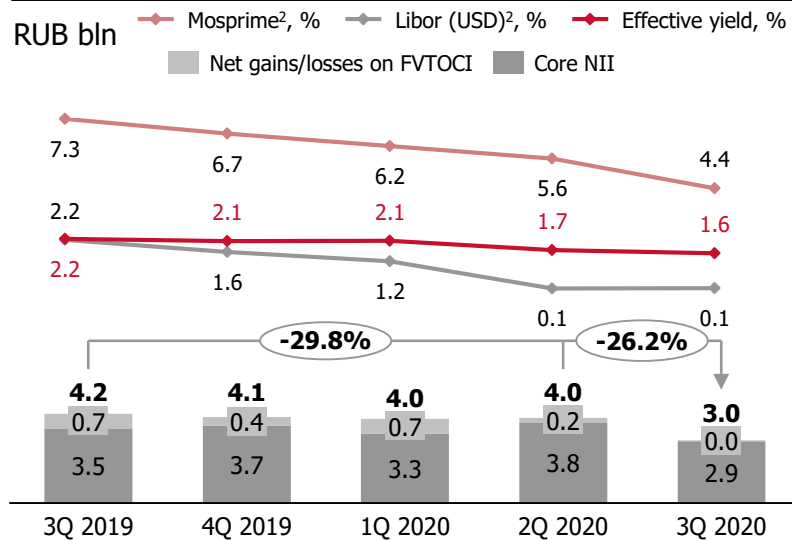
**MOSCOW  
EXCHANGE**

Source: Moscow Exchange

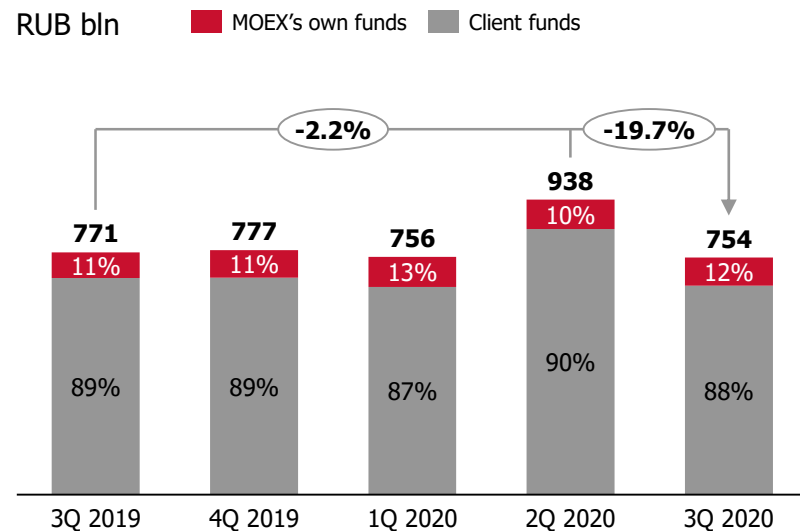
<sup>1</sup> Trading volumes on the Fixed Income Market include placements

# Interest and finance income in 3Q'20

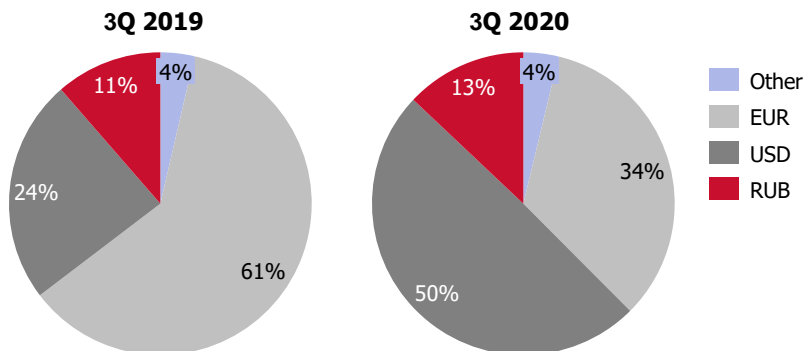
## Interest and finance income<sup>1</sup>



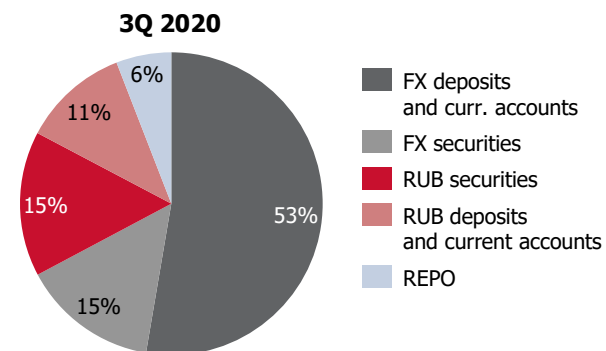
## Investment portfolio sources<sup>3</sup>



## 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



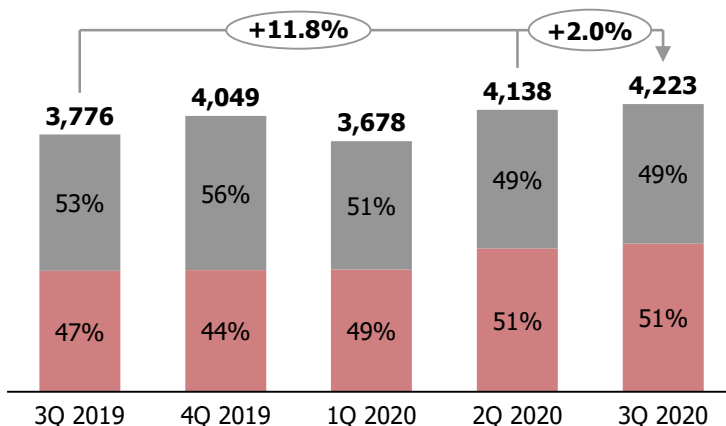
**MOSCOW  
EXCHANGE**

# Operating expenses in 3Q'20 (excl. provisions)

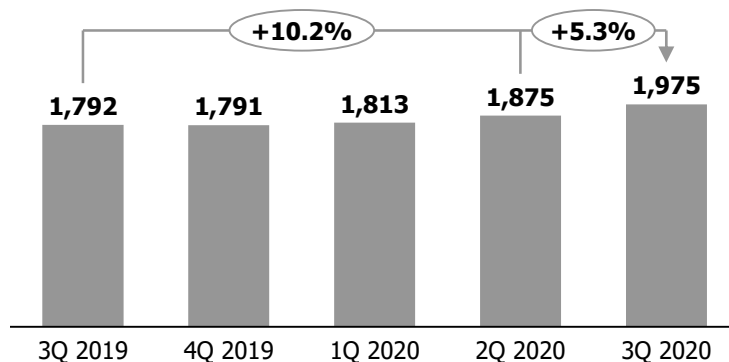
## Operating expenses

RUB mln

- General and administrative expenses
- Personnel expenses



## Headcount



## Major expense items

RUB mln	3Q 2019	3Q 2020	Change YoY
Personnel expenses	1776.0	2174.1	22.4%
D&A and IT maintenance	1183.1	1238.0	4.6%
Remaining administrative expenses <sup>1</sup>	816.7	810.5	-0.8%
<b>Total OPEX</b>	<b>3775.8</b>	<b>4222.6</b>	<b>11.8%</b>
<b>Cost / Income Ratio</b>	<b>35.4%</b>	<b>37.3%</b>	<b>+1.9 p.p.</b>

## Comments

- OPEX for 3Q'20 added 11.8% YoY, largely due to the growth in personnel expenses.
- Personnel expenses growth of 22.4% YoY decomposes into: [1] 11.9 p.p. extra bonus accruals for 9M'20 stemming from KPIs, [2] 4.5 p.p. Marketplace-related hires, [3] 4.4 p.p. net LTIP effect, [4] 1.6 p.p. other factors.
- D&A and IT maintenance added 4.6% YoY, mainly explained by 11.2% YoY increase in amortization of intangible assets.
- CAPEX for 3Q'20 was RUB 0.80 bln and RUB 2.25 bln for 9M'20.
- Updated FY'20 OPEX growth guidance: 7.5-8.5% (from 7.0-8.5%).
- Updated FY'20 CAPEX guidance: RUB 2.6-2.8 bln (from 2.3-2.7 bln)

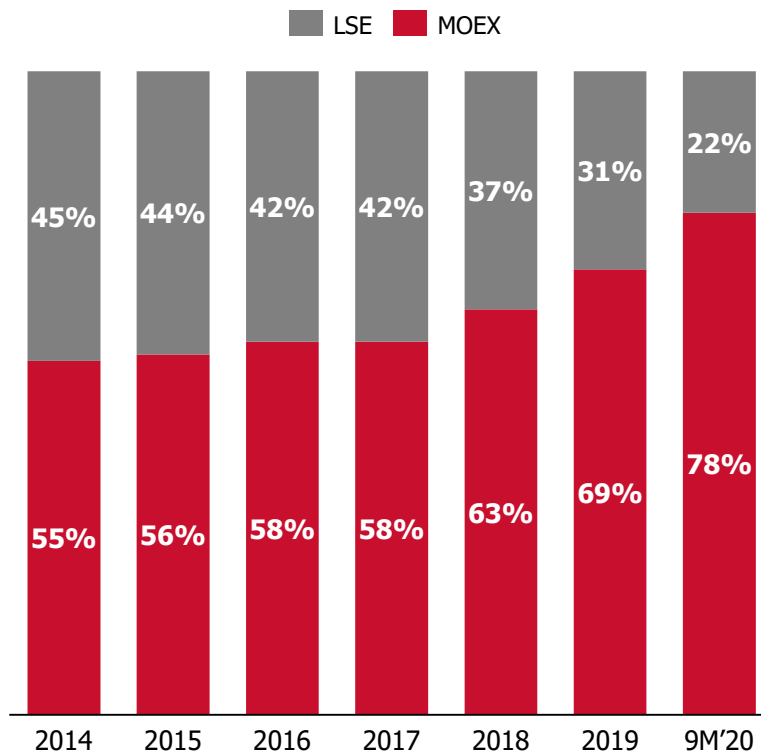
# Appendix



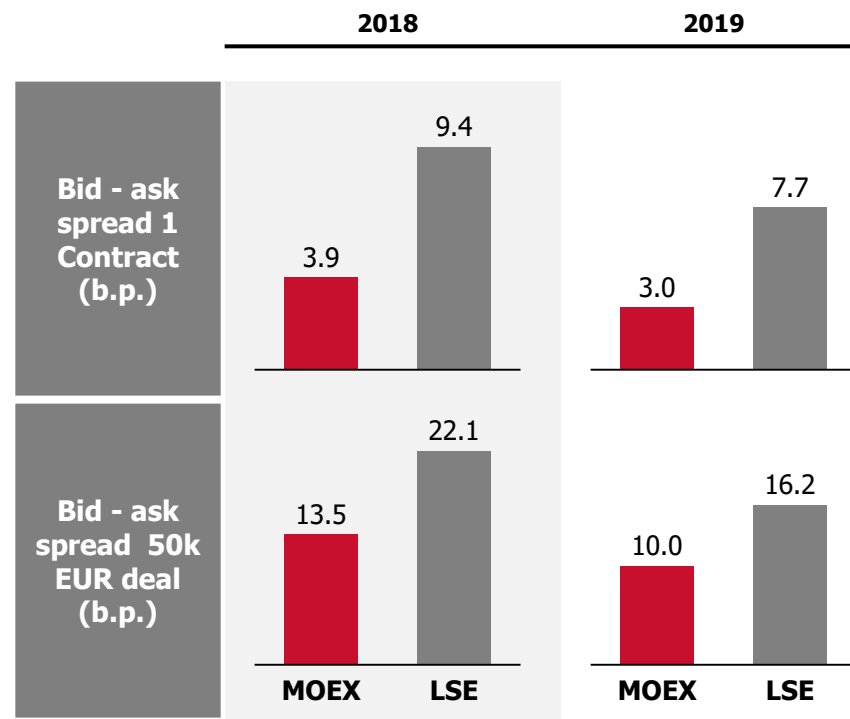
# Dual listed stocks virtual index spread dynamics

Analysis provided by  
LiquidMetrix

MOEX vs LSE market share (MICEX Virtual Index<sup>1</sup>)



Average Bid - ask spread 50k EUR deal (b.p.<sup>2</sup>)



- Moscow Exchange is the liquidity center for Russian securities with ~70% market share in total trading volumes
- Aggregated spreads for most liquid dual listed stocks are substantially lower in Moscow implying lower all-in trading costs

**Spreads** measure the bid to offer spread of the best visible orders in the book, the result is based on measurements of the order books every 30 seconds

Data as of 14 October 2020

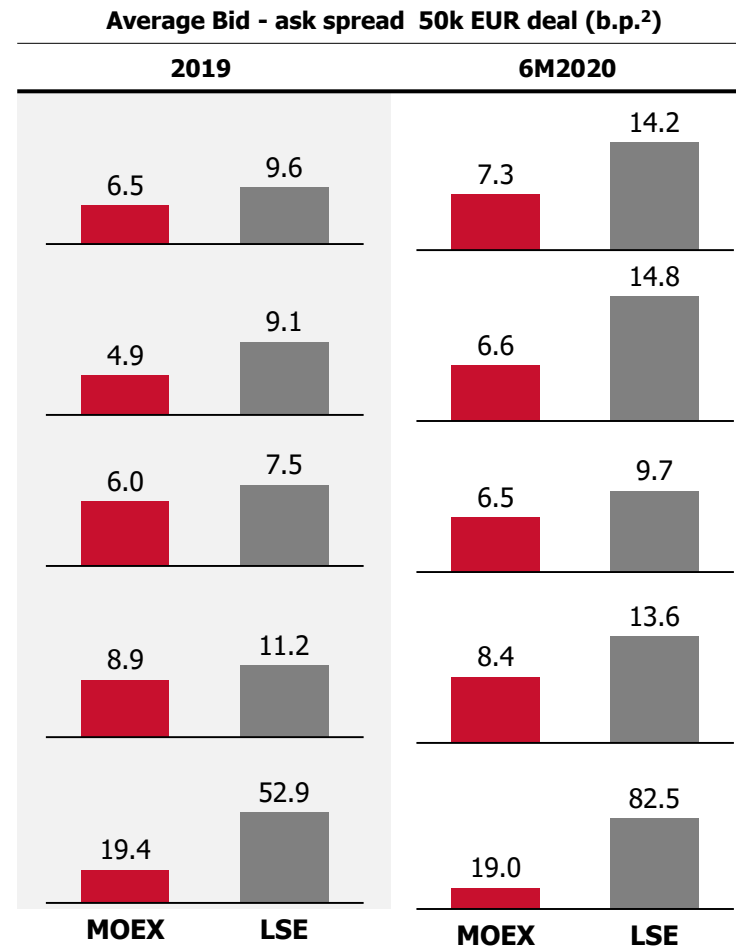
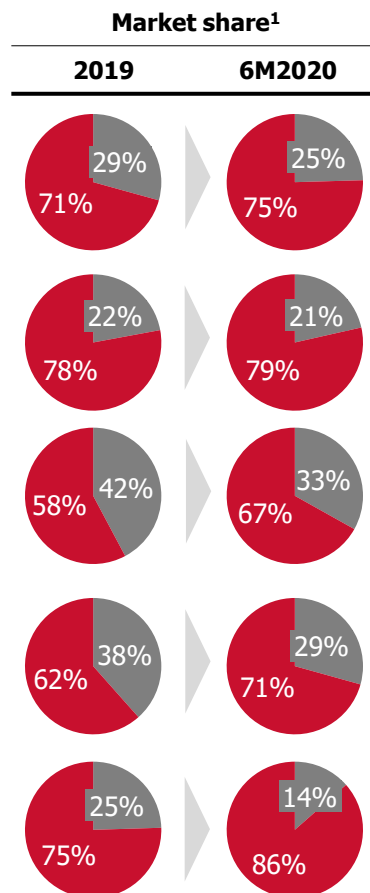
1. MICEX Virtual Index – index calculated based on prices and EOB data of the most liquid Russian dual listed stocks. Data since December 2015 include trading auctions on MOEX. Data for March-April 2018, January-September 2020 are based on Bloomberg data for LSE, data for other periods were provided by Liquidmetrix. Data for MOEX includes evening trading session.
2. The value of the spread is quoted in basis points (0.01%)

Source: LiquidMetrix

# Blue Chips bid - ask spread dynamics for 50k EUR deal (1)

Analysis provided by  
LiquidMetrix

<b>Gazprom</b>
<b>Sberbank</b>
<b>Lukoil</b>
<b>Norilsk Nickel</b>
<b>Magnit</b>

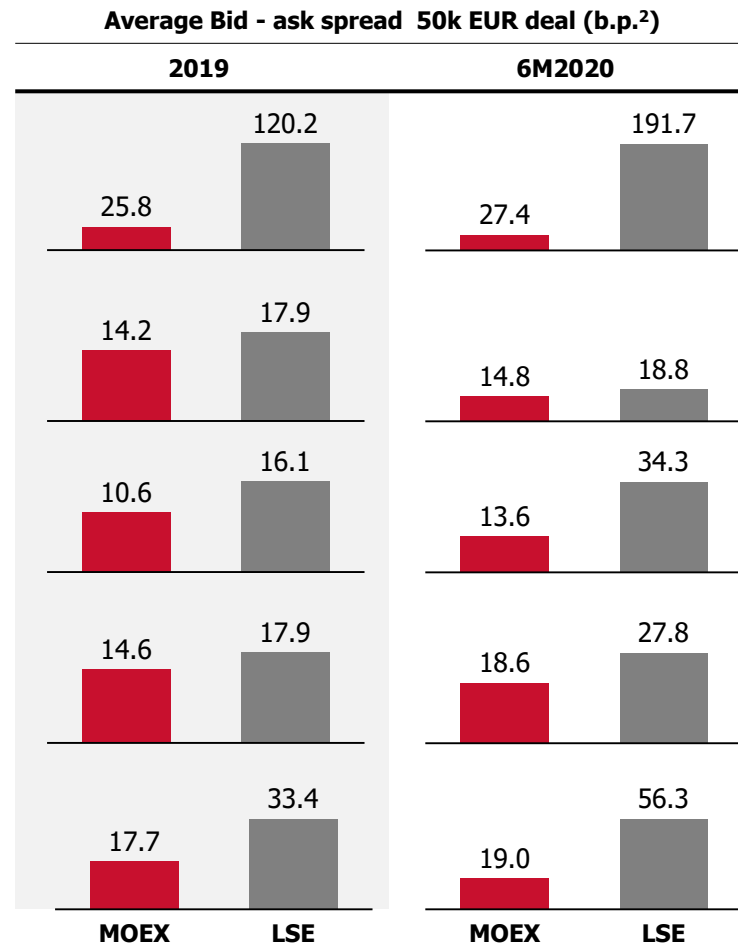
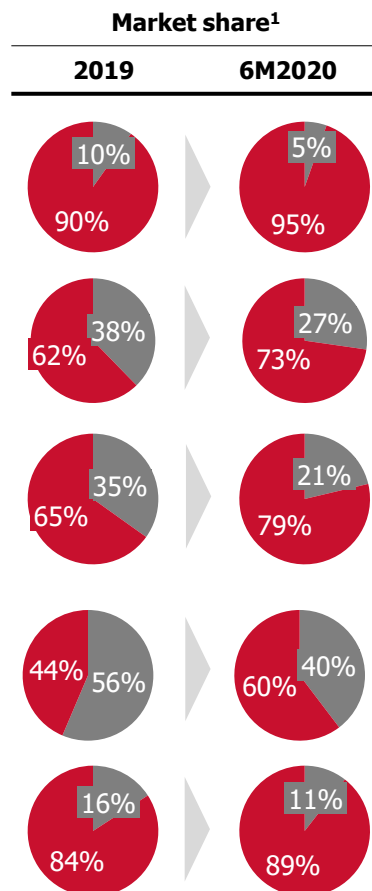


Bid-ask spreads for majority of the Russian “Blue Chips” are substantially lower on Moscow Exchange than on other trading venues

# Blue Chips bid - ask spread dynamics for 50k EUR deal (2)

Analysis provided by  
LiquidMetrix

<b>VTB</b>
<b>Tatneft</b>
<b>Rosneft</b>
<b>Novatek</b>
<b>Surgutneftegas</b>



Bid-ask spreads for majority of the Russian "Blue Chips" are substantially lower on Moscow Exchange than on other trading venues

# DR holders pay substantial **EXTRA FEES** to depository banks

## Fees to be paid to depository bank for some of DR programs of Russian companies

DR program	Depository bank	Depository Service Fee <sup>1</sup> (DSF), USD per DR	Dividend Fee <sup>2</sup> , USD per DR	DSF + Dividend Fee as % of dividend amount <sup>3</sup>	DRs cancellations fee, USD per DR
VTB Bank	BNY Mellon	0,020	0,004	70%	0,05
Surgutneftegaz	BNY Mellon	0,020	0,011	35%	0,05
FSK YeES	BNY Mellon	0,010	0,008	27%	0,05
TMK	BNY Mellon	0,020	0,019	25%	0,05
RusHydro	BNY Mellon	0,005	0,007	21%	0,05
Rosseti	BNY Mellon	0,020	0,020	16%	0,05
Phosagro	Citi	0,020	0,020	11%	0,05
Severstal	Deutsche Bank	0,040	-	10%	0,05
Megaфон	BNY Mellon	0,030	0,020	9%	0,05
Rostelekom	JPM	0,010	0,020	7%	0,05
NLMK	Deutsche Bank	0,020	-	5%	0,05
Norilsk Nickel	BNY Mellon	0,010	0,020	4%	0,05
Rosneft	JPM	0,008	-	3%	0,05
Sberbank	JPM	0,008	0,020	3%	0,05
Magnit	JPM	0,008	-	2%	0,05
Tatneft	BNY Mellon	0,020	0,020	2%	0,05
Novatek	BNY Mellon	0,010	0,020	1%	0,05
Gazprom	BNY Mellon	-	0,020	1%	0,05
Lukoil	City	-	0,020	0%	0,05
<b>Average</b>		<b>0.015</b>	<b>0.013</b>	<b>13%</b>	<b>0.05</b>

## Gross DSF and dividend fees calculated for Top-3 international funds holding DRs of Russian companies<sup>4</sup>

<b>Fund A</b>	1,806,750 USD
<b>Fund B</b>	735,181 USD
<b>Fund C</b>	555,932 USD

## Cost of cancellation of all DRs in portfolios to local shares for Top-3 funds

<b>Fund A</b>	4,249,087 USD
<b>Fund B</b>	1,926,423 USD
<b>Fund C</b>	1,001,931 USD

- A depository service fee and a dividend fee are to be paid by a DR holder to the depository bank while there are no such fees for holders of local shares
- Majority of DRs cancellations are also charged 0.05 USD per DR



1 Service fees are charged annually, on an arbitrary date. Calculated based on number of DRs in a client's account on the record date

2 Dividend fees are charged when dividends are paid

3 As % of dividend amount after tax

4 Calculations based on Thomson One data as of June 2020

Source: BNY Mellon, Deutsche Bank, JP Morgan, Citi, Thomson One. Data as of 14.08.2020

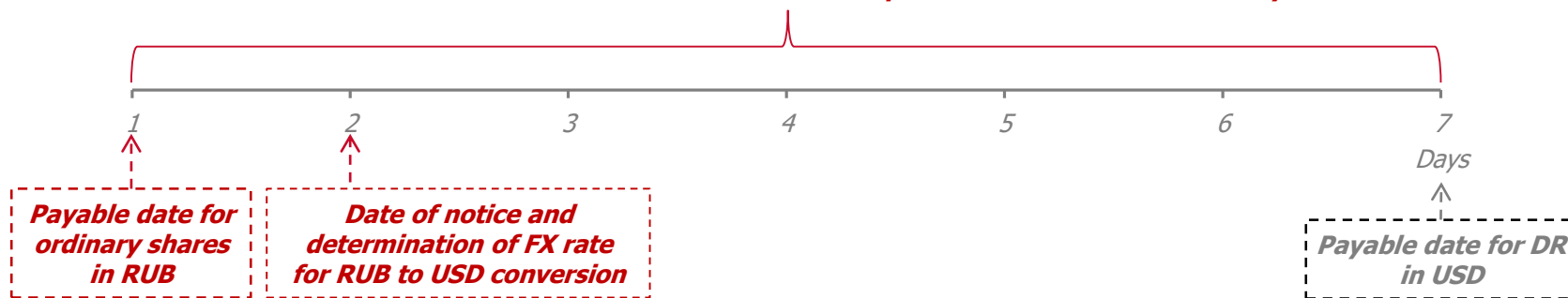
# Dividend payments for DR holders

## FX rate determination for dividends

- FX rates for conversion of dividends are determined in a non-transparent manner
- According to information from notices for DR holders<sup>3</sup>:
  - Custodian - DR issuer has no obligation to obtain the "best price" for any FX Trade
  - The conversion rate reflects a foreign currency transaction ("FX Trade") executed by the Custodian - DR issuer as principal counterparty and not as agent, fiduciary or broker

Issuer	Record date	Local Shares		DR		Diff.
		Payable date	FX rate <sup>1</sup>	Payable date	FX rate <sup>2</sup>	
LSR Group	12-May-20	26-May-20	70.8	2-Jun-20	71.9	1.5%
Acron	9-Jun-20	24-Jun-20	69.4	6-Jul-20	70.4	1.3%
MMK	17-Jun-20	7-Jul-20	70.8	14-Jul-20	71.7	1.3%
Rosseti	15-Jun-20	6-Jul-20	71.2	13-Jul-20	71.9	0.9%
Rosneft	15-Jun-20	3-Jul-20	71.1	14-Jul-20	71.7	0.9%
Tatneft	30-Dec-19	24-Jan-20	61.8	31-Jan-20	62.2	0.6%
PhosAgro	6-Jul-20	24-Jul-20	71.7	31-Jul-20	72.0	0.4%

**DR holders received their dividends one week later compared to holders of the ordinary shares**



# Consolidated Statement of **Profit or Loss**

<i>RUB mln</i>	<i>2019</i>	<i>2018</i>	<i>% chg.</i>
Fee and commission income	26,181.4	23,647.1	11%
Interest and finance income <sup>1</sup>	16,713.0	16,061.0	4%
Other operating income	335.1	193.3	73%
<b>Operating Income</b>	<b>43,229.5</b>	<b>39,901.4</b>	<b>8%</b>
General and administrative expenses	-8,321.4	-7,941.4	5%
Personnel expenses	-7,113.9	-6,512.3	9%
<b>Operating Expense (before Other operating expenses)</b>	<b>-15,435.3</b>	<b>-14,453.7</b>	<b>7%</b>
<b>Operating Profit Before Tax (before Other operating expenses)</b>	<b>27,794.2</b>	<b>25,447.7</b>	<b>9%</b>
Other operating expenses	-2,614.8	-1,075.2	143%
Income tax expense	-4,978.8	-4,652.2	7%
<b>Net Profit</b>	<b>20,200.6</b>	<b>19,720.3</b>	<b>2%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	8.96	8.76	2%
Diluted earnings per share, rubles	8.96	8.74	3%



# Consolidated Statement of Financial Position

<i>RUB mln</i>	<i>31 December 2019</i>	<i>31 December 2018</i>	<i>% chg.</i>
<b>Assets:</b>			
Cash and cash equivalents	466,098.8	416,391.2	12%
Central counterparty financial assets	3,262,670.6	3,312,020.2	-1%
Financial assets <sup>1</sup>	253,538.2	310,481.1	-18%
Property and equipment and intangible assets	22,435.6	23,578.2	-5%
Goodwill	15,971.4	15,971.4	0%
Other assets <sup>2</sup>	7,879.8	4,142.4	90%
<b>Total Assets</b>	<b>4,028,594.4</b>	<b>4,082,584.5</b>	<b>-1%</b>

<i>RUB mln</i>	<i>31 December 2019</i>	<i>31 December 2018</i>	<i>% chg.</i>
<b>Liabilities:</b>			
Balances of market participants	565,922.6	606,479.8	-7%
Overnight bank loans	49,229.1	5,003.1	884%
Derivative financial liabilities	32.8	104.2	-69%
Central counterparty financial liabilities	3,262,670.6	3,312,020.2	-1%
Distributions payable to holders of securities	11,714.1	24,676.0	-53%
Other liabilities <sup>3</sup>	7,167.0	8,696.6	-18%
<b>Total Liabilities</b>	<b>3,896,742.0</b>	<b>3,956,979.9</b>	<b>-2%</b>
<b>Total Equity</b>	<b>131,852.4</b>	<b>125,604.6</b>	<b>5%</b>
<b>Total Liabilities and Equity</b>	<b>4,028,594.4</b>	<b>4,082,584.5</b>	<b>-1%</b>

Source: Moscow Exchange, Consolidated Financial Statements

1 Financial assets at fair value through profit or loss, Due from financial institutions, Investments available-for-sale, Financial assets at fair value through other comprehensive income

2 Current tax prepayments, Deferred tax asset, Other assets

3 Margin account, Deferred tax liability, Current tax payables, Other liabilities excluding Derivative financial liabilities



**MOSCOW  
EXCHANGE**

# Disclaimer

NOT FOR RELEASE OR DISTRIBUTION OR PUBLICATION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

•This presentation has been prepared and issued by Public Joint Stock Company "Moscow Exchange MICEX-RTS" (the "Company"). Unless otherwise stated, the Company is the source for all data and assumptions contained in this document. Such data and assumptions are provided as at the date of this document and is subject to change without notice. Certain industry, market and competitive position data contained in this document come from official or third party sources believed to be reliable but the Company does not guarantee its accuracy or completeness. The Company does not intend to have any duty or obligation to update or to keep current any information contained in this presentation.

•Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions as defined in Regulation S under the US Securities Act 1933, as amended (the "Securities Act"), except to "qualified institutional buyers" as defined in Rule 144A under the Securities Act. Any failure to comply with this restriction may constitute a violation of United States securities laws. The presentation is not an offer or sale of securities in the United States. Moscow Exchange Group has not registered and does not intend to register any securities in the United States or to conduct a public offering of any securities in the United States.

•This presentation does not constitute an advertisement or a public offer of securities in any jurisdiction. It is not intended to be publicly distributed in any jurisdiction. This document is only being made available to interested parties on the basis that: (A) if they are UK persons, they are persons falling within Articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (B) they are outside the United Kingdom and are eligible under local law to receive this document. Recipients of this document in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements.

This presentation is not a prospectus for purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State and any relevant implementing measure in the relevant Member State) (the "Prospectus Directive"). In any EEA Member State that has implemented the Prospectus Directive, this presentation is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

•This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision, nor does it constitute a recommendation regarding the securities of the Company.

•The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information, assumptions or opinions contained herein. None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith.

•This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding MOEX financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:

–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.

