

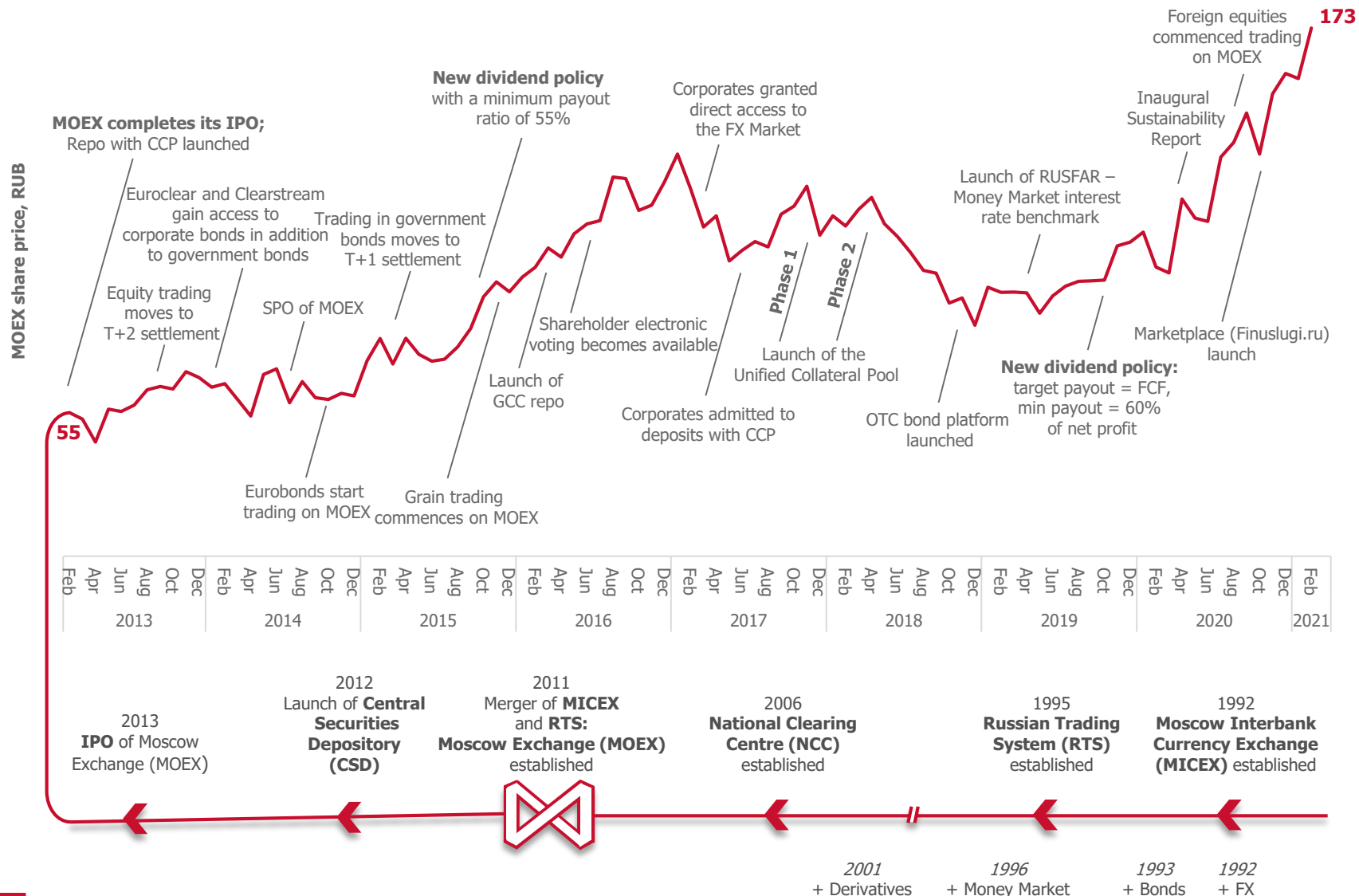


MOSCOW  
EXCHANGE

March 2021

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





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# Robust and trusted infrastructure

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

## TRADING

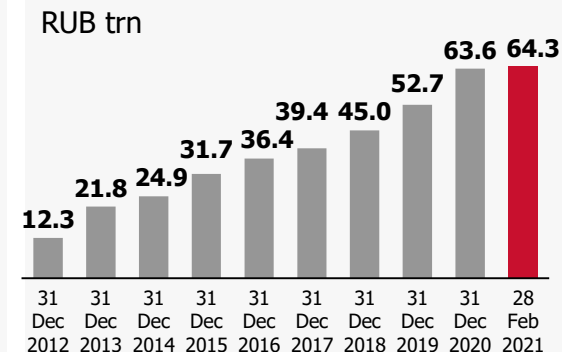
- MOEX markets **ADTV 3,8 RUB trln** (2020)
- Pre-order validation (100+ risk check scenarios) ensures **integrity** of trades
- World class latency** of 200-300 microseconds
- >500 trading members** (all markets)

## CLEARING

- NCC cleared ADTV 3,2 RUB trln** (2020)
- NCC served as a **CCP** for 93% of trading volumes it cleared in 2020
- BBB** local currency rating from Fitch
- The target NCC capital for 2021 is ~RUB 67 bln
- As of 27 Feb 2021,  $N1_{CCP}$  is 147.0%

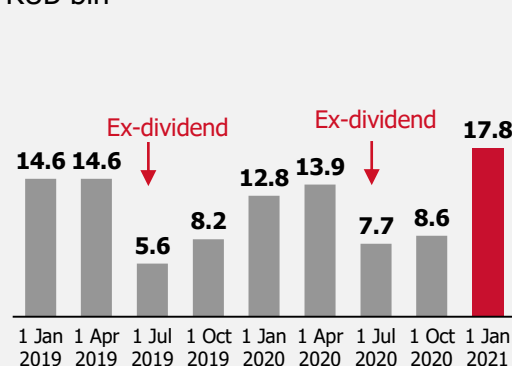
## SETTLEMENT & DEPOSITORY

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



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

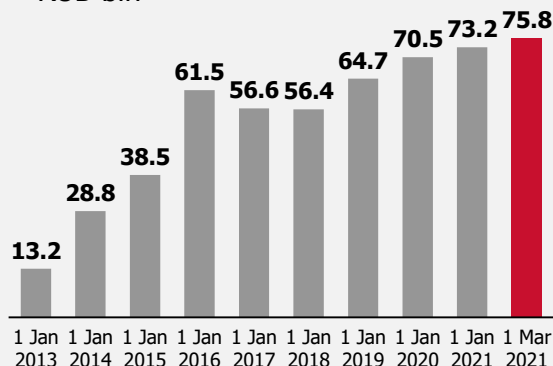
RUB bln



Regulatory requirement: 6 RUB bln

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

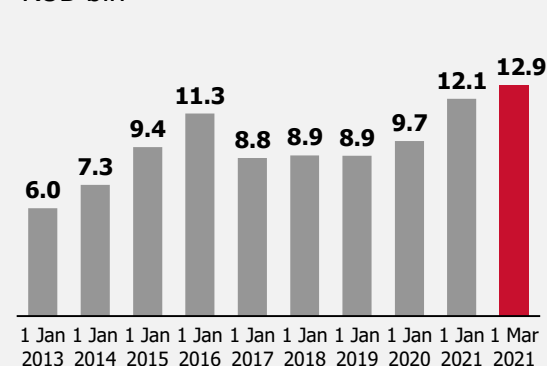
RUB bln



Regulatory requirement: 67 RUB bln

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

RUB bln



Regulatory requirement: 10 RUB bln



**MOSCOW EXCHANGE**

Source: Moscow Exchange

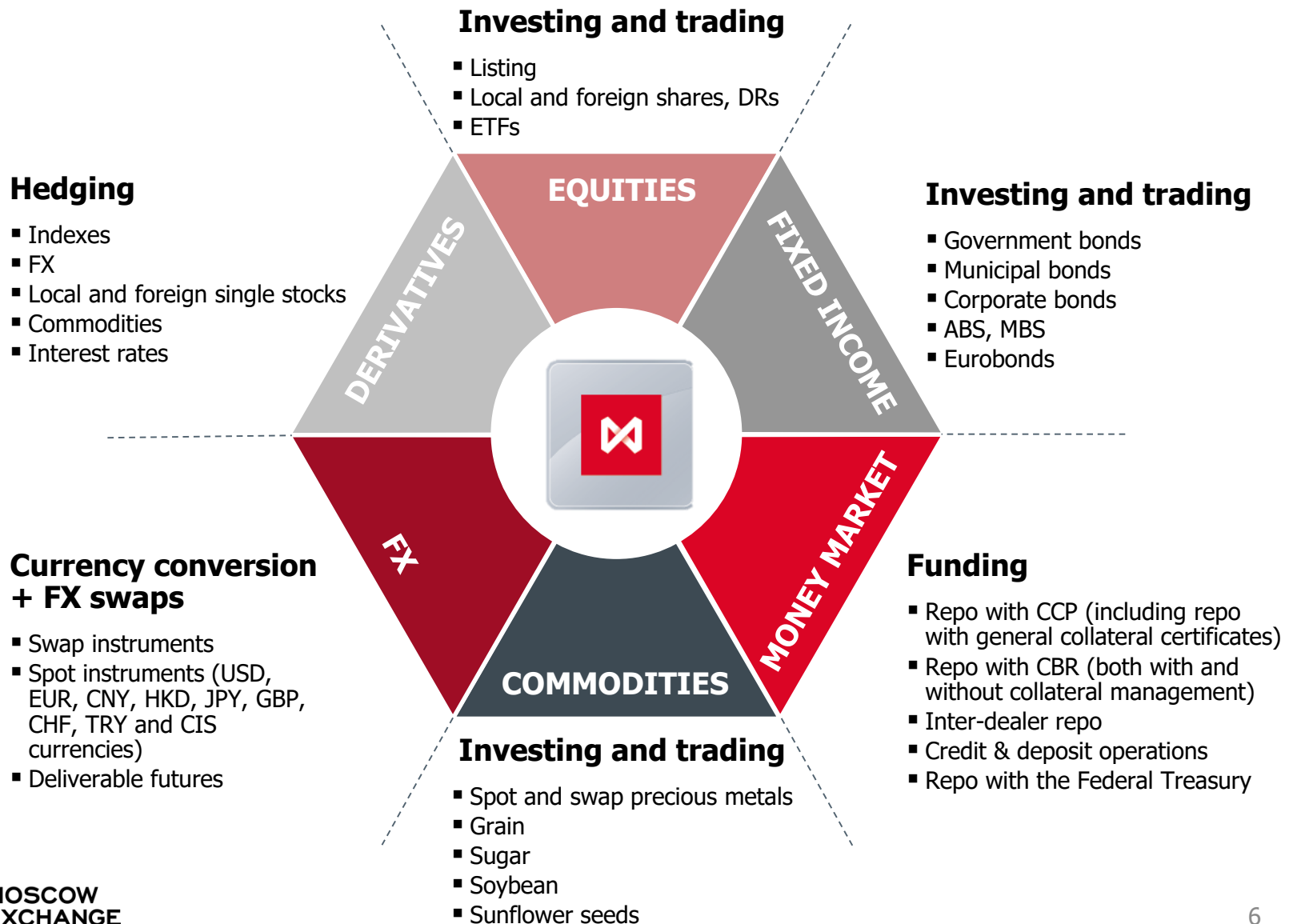
1 Figures for 1 Jan 20XX are from the audited financial reports prepared in accordance with RAS. The latest figure is as reported by the CBR on a monthly basis.

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

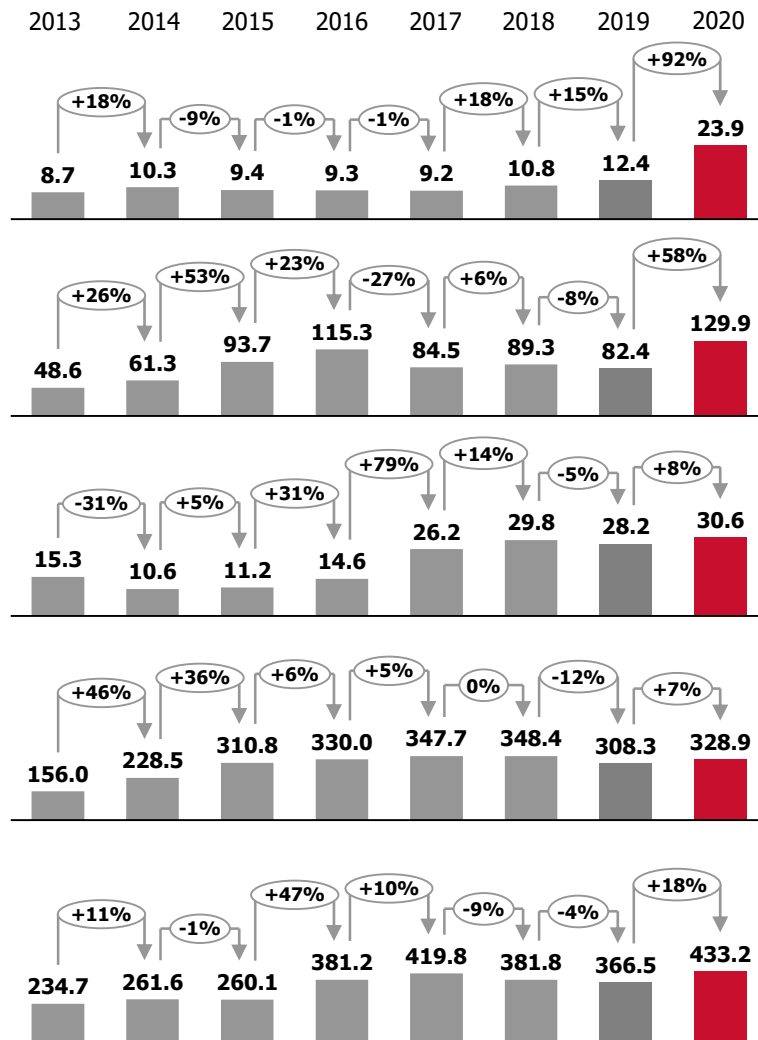
4 Numerator of the regulatory ratio (100% requirement)

# Highly diversified product offering

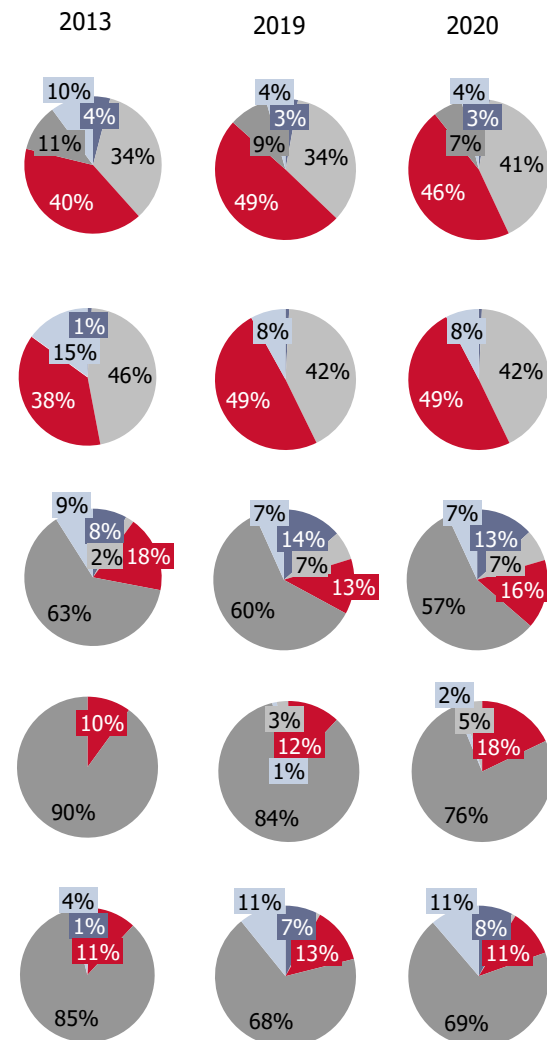


# Diversified client base across different markets

## Trading volumes



## Volume breakdown by client types



Equities Market  
RUB trn

Derivatives Market  
RUB trn

Fixed Income Market  
RUB trn

FX Market  
RUB trn

Money Market<sup>1</sup>  
RUB trn



**MOSCOW EXCHANGE**

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

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

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4Q 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

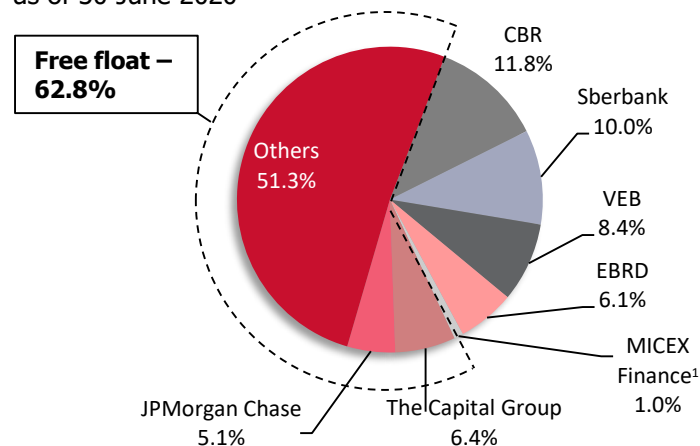
|   | Supervisory Board members  | Strategy Planning | Audit | Nomination and Remuneration | Technical Policy <sup>2</sup> | Risk Management |
|---|--|-------------------|-------|-----------------------------|-------------------------------|-----------------|
|    | <b>Andrey Golikov - Deputy Chairman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

\* Independent directors

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

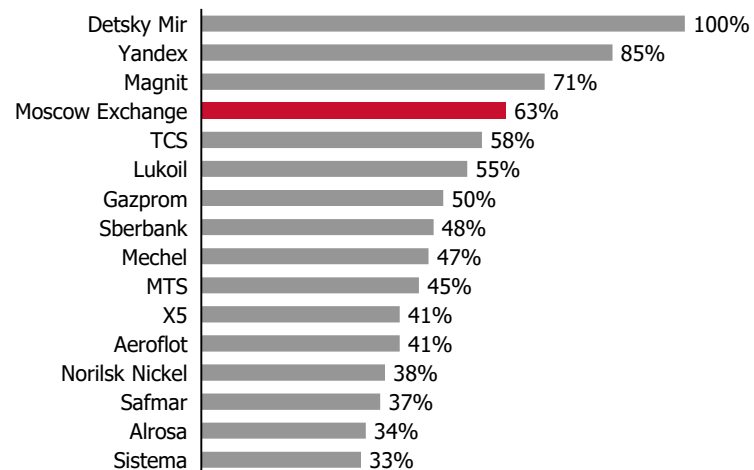
## Dispersed ownership with no controlling shareholder...

as of 30 June 2020

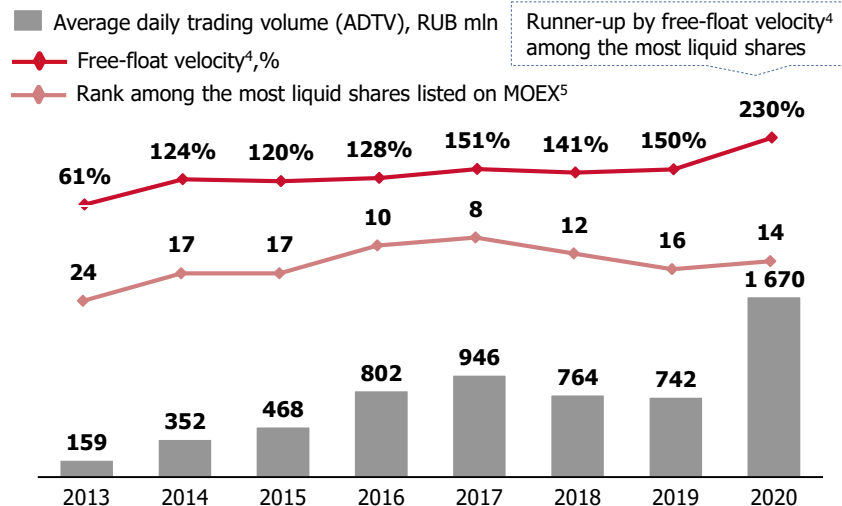


Free float –  
**62.8%**

## ...and one of the highest free-floats in Russia²



## Growing liquidity of MOEX shares³



## 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 2016-2020
  - ✓ IR activities in Russia, the UK, Europe, Asia and the US to maintain dialogue with overseas investors
  - ✓ IR awards in Russia in 2014-2017



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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

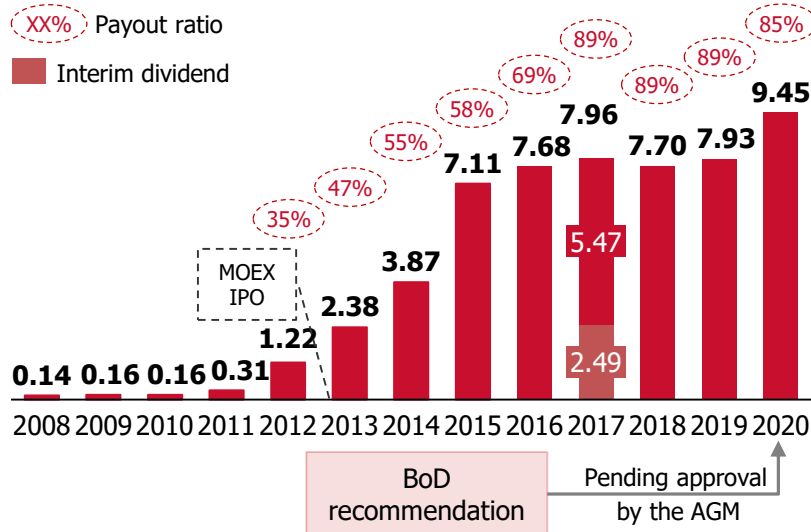
## History of dividend growth

DPS for the financial year, RUB

22% CAGR of DPS '13-20

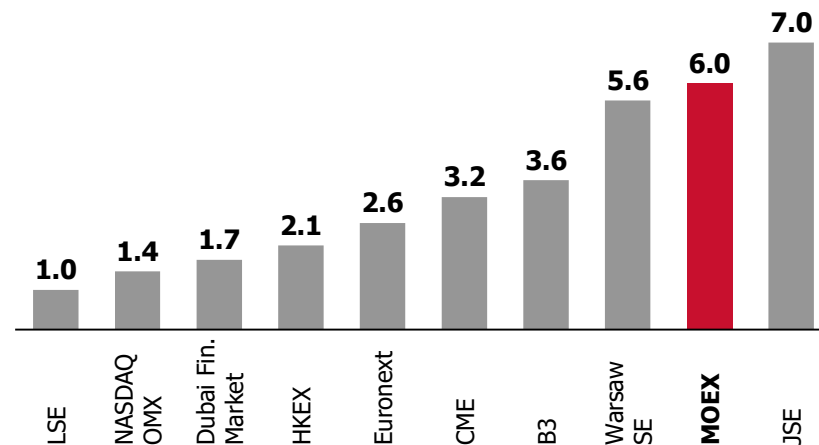
XX% Payout ratio

■ Interim dividend



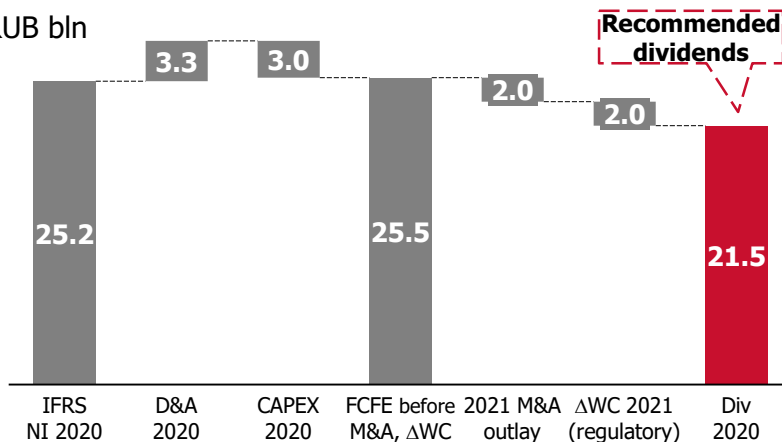
## Dividend yields of MOEX and exchange peers, 2021E<sup>1</sup>

%



## 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



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Sources: Bloomberg, Moscow Exchange  
<sup>1</sup> Bloomberg data as of 12 January 2021

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



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# 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 2020

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

| Rank     | Exchange                     | Country       | Trading vol. (USD bln) | Incl. REPOs |
|----------|------------------------------|---------------|------------------------|-------------|
| 1        | BME                          | Spain         | 5,313                  | ✓           |
| <b>2</b> | <b>Moscow Exchange</b>       | <b>Russia</b> | <b>3,403</b>           | <b>✓</b>    |
| 3        | Johannesburg SE              | South Africa  | 2,044                  | ✓           |
| 4        | Korea Exchange               | Korea         | 1,823                  | ×           |
| 5        | Shanghai SE                  | China         | 1,670                  | ×           |
| 6        | Shenzhen SE                  | China         | 1,242                  | ×           |
| 7        | Tel-Aviv Stock Exchange      | Israel        | 288                    | ×           |
| 8        | LSE Group                    | UK            | 242                    | ×           |
| 9        | Bolsa de Valores de Colombia | Colombia      | 231                    | ×           |
| 10       | Taipei Exchange              | Taiwan        | 225                    | ✓           |

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

| Rank     | Exchange                  | Country       | Contracts traded (mln) |
|----------|---------------------------|---------------|------------------------|
| 1        | NSE India                 | India         | 8,850                  |
| 2        | B3                        | Brazil        | 6,598                  |
| 3        | CME Group                 | USA           | 4,820                  |
| 4        | Nasdaq                    | USA           | 2,667                  |
| 5        | CBOE                      | USA           | 2,614                  |
| 6        | ICE&NYSE                  | USA           | 2,260                  |
| 7        | Dalian Comm. Exchange     | China         | 2,207                  |
| 8        | Korea Exchange            | Korea         | 2,178                  |
| <b>9</b> | <b>Moscow Exchange</b>    | <b>Russia</b> | <b>2,120</b>           |
| 10       | Shanghai Futures Exchange | China         | 2,103                  |

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

| Rank      | Exchange               | Country       | Mkt Cap (USD bln) | Listed companies | Trading vol. (USD bln) |
|-----------|------------------------|---------------|-------------------|------------------|------------------------|
| 1         | ICE&NYSE               | USA           | 26,233            | 2,873            | 26,177                 |
| 2         | Nasdaq                 | USA           | 21,171            | 4,004            | 25,955                 |
| 3         | CBOE                   | USA           | na                | Na               | 20,616                 |
| 4         | Shenzhen SE            | China         | 5,238             | 2,354            | 17,783                 |
| 5         | Shanghai SE            | China         | 6,976             | 1,800            | 12,178                 |
| 6         | Japan Exchange         | Japan         | 6,718             | 3,758            | 6,156                  |
| 7         | Korea Exchange         | Korea         | 2,176             | 2,340            | 4,852                  |
| 8         | HKEx                   | Hong Kong     | 6,130             | 2,538            | 3,144                  |
| 9         | Euronext               | EU            | 5,444             | 1,493            | 2,505                  |
| ...       | ...                    | ...           | ...               | ...              | ...                    |
| <b>25</b> | <b>Moscow Exchange</b> | <b>Russia</b> | <b>695</b>        | <b>270</b>       | <b>310</b>             |

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

| Rank      | Exchange               | Country       | Mkt Cap (USD bln) |
|-----------|------------------------|---------------|-------------------|
| 1         | HKEx                   | Hong Kong     | 69.5              |
| 2         | CME                    | USA           | 65.4              |
| 3         | ICE&NYSE               | USA           | 64.7              |
| 4         | LSE Group              | UK            | 43.2              |
| 5         | Deutsche Boerse        | Germany       | 32.5              |
| 6         | B3                     | Brazil        | 24.7              |
| 7         | Nasdaq                 | USA           | 21.8              |
| 8         | Japan Exchange         | Japan         | 13.7              |
| 9         | ASX                    | Australia     | 10.7              |
| 10        | CBOE                   | USA           | 10.1              |
| 11        | Euronext               | EU            | 7.7               |
| 12        | SGX                    | Singapore     | 7.5               |
| 13        | TMX Group              | Canada        | 5.6               |
| <b>14</b> | <b>Moscow Exchange</b> | <b>Russia</b> | <b>4.9</b>        |

Sources: Moscow Exchange, WFE as of 28 January 2021, Bloomberg

1. Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges. Data for 2020, except Bolsa de Valores de Colombia (11M2020)
2. Data for 2020. MOEX ranking, incl. combined indicators for Nasdaq (incl. Nasdaq-US and Nasdaq Nordic and Baltics), CBOE (incl. Cboe Global Markets and Cboe Europe), ICE & NYSE (incl. NYSE - data as of October 2020, ICE Futures Europe, ICE Futures US)
3. Top equity trading exchanges are ranked by EOB trading volume. Number of listed companies on NYSE as of October 2020. MOEX ranking, incl. combined indicators for Nasdaq (incl. Nasdaq-US and Nasdaq Nordic and Baltics) and CBOE (incl. Cboe Global Markets and Cboe Europe), excl. Lusaka SE. Data for 2020
4. Market capitalization of public exchanges based on Bloomberg data as of 31 December 2020



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# High and increasing market share versus OTC trading



Share on the local market



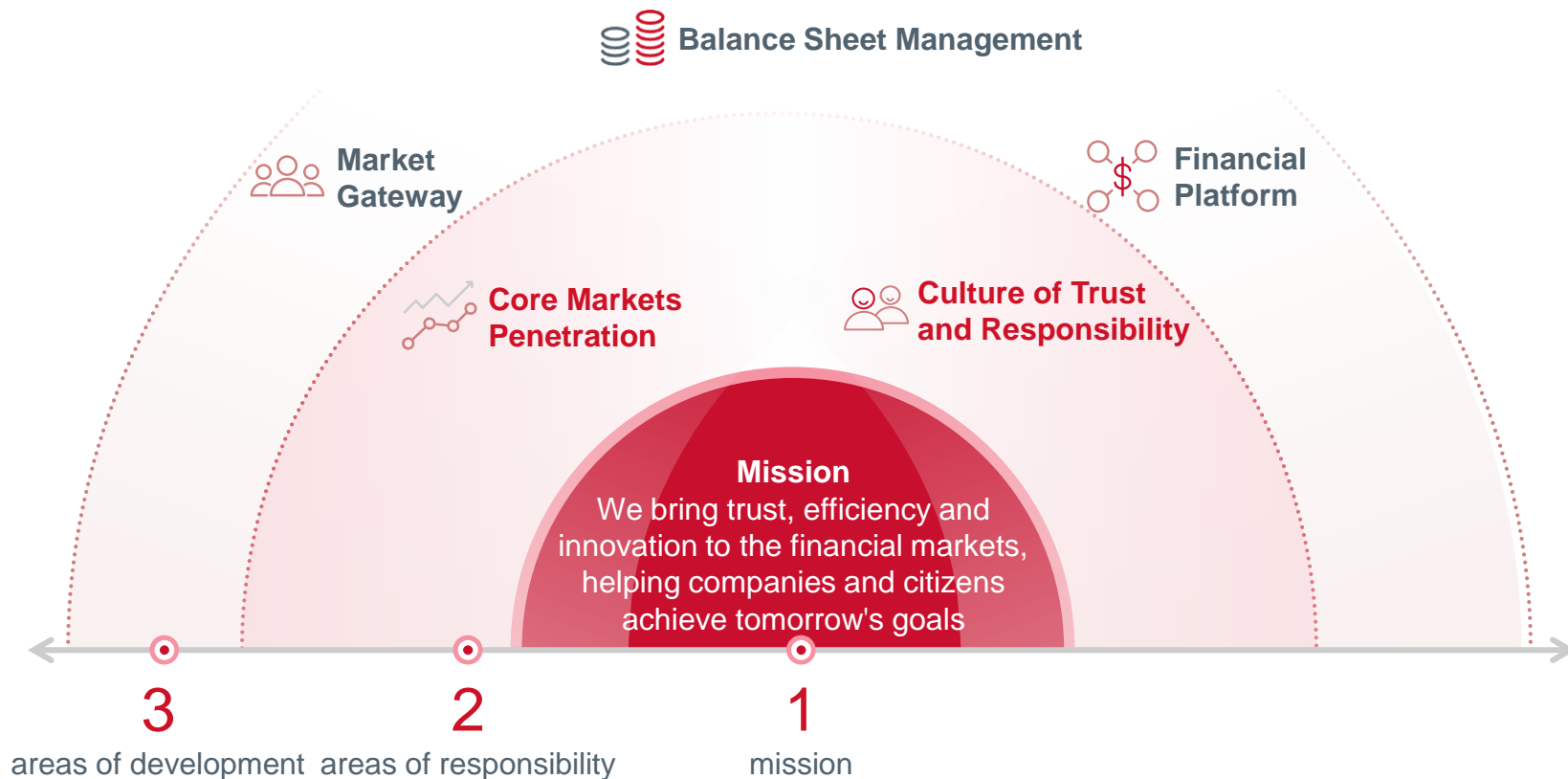
↑ +36 p.p.

↑ +21 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



## Market Gateway

- Financial products Marketplace
- Investment Marketplace

+3-4% in aggregate

~10% per annum in total



# NTPro acquisition profile

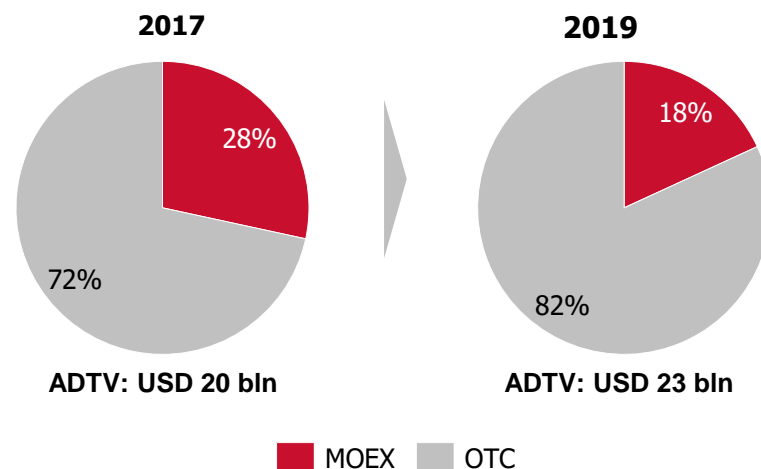
## What is the structure of the deal?

- 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 25% stake. Further consolidation depends on NTPro's performance;
- The entire deal might take up to 3 years. The final price is also conditional.

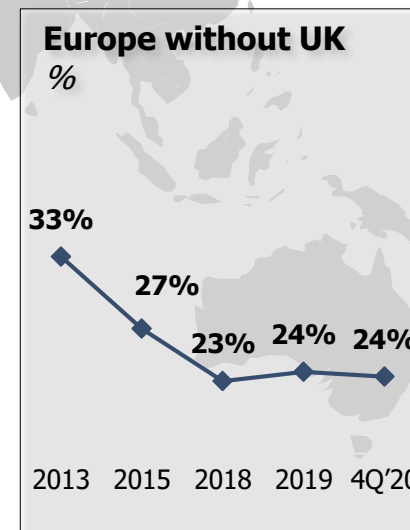
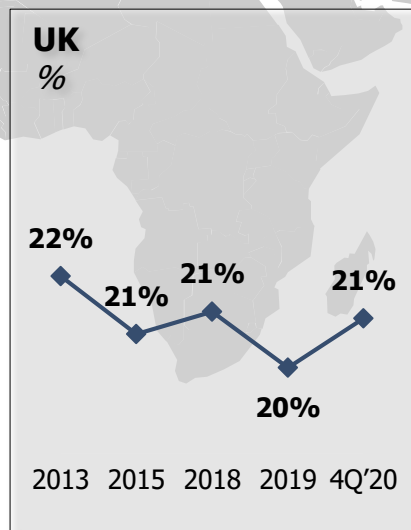
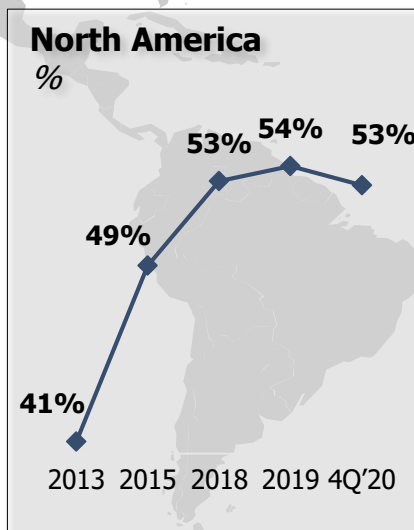
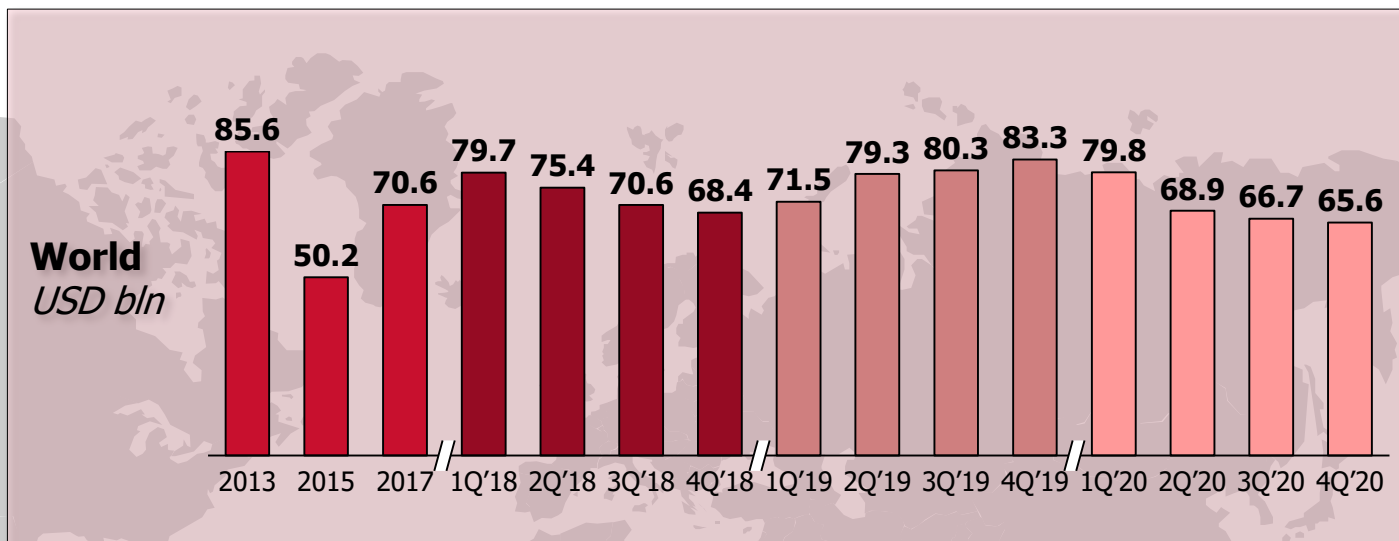
## Deal rationale

- 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



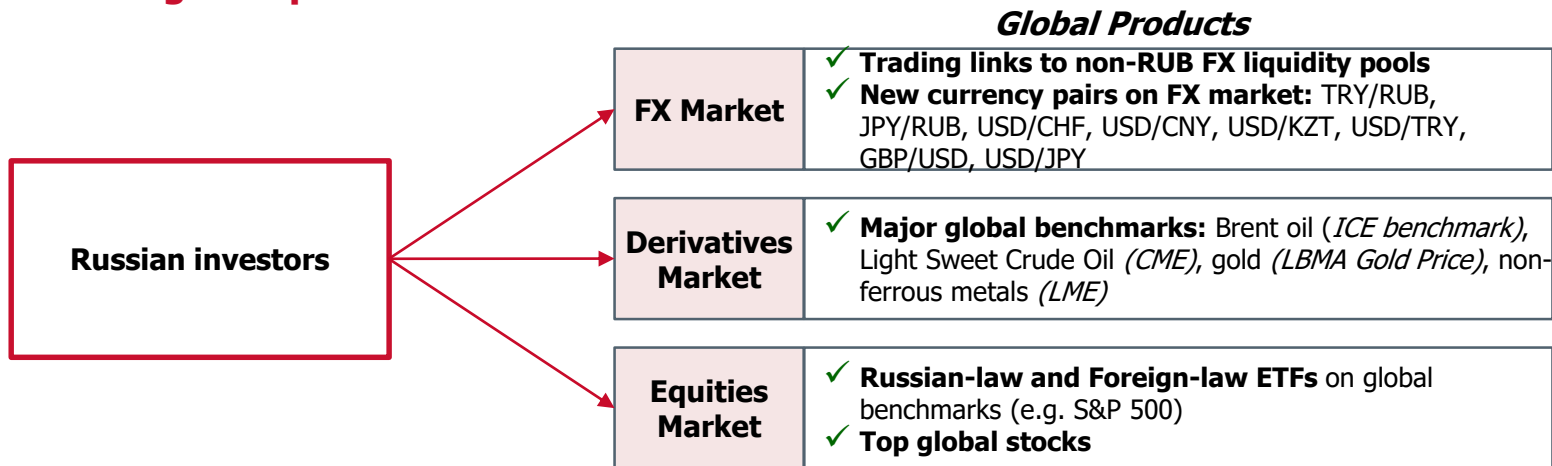
# Reported international funds' holdings of Russian equities



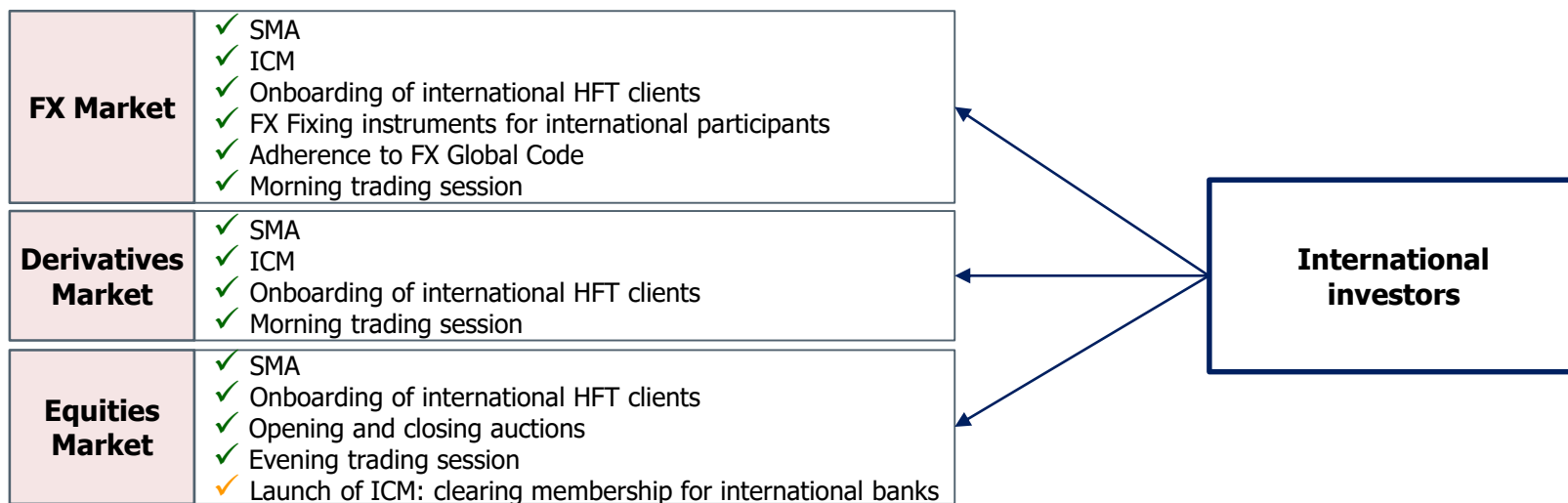
◆ - share in total holdings

# Global products and international investors

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



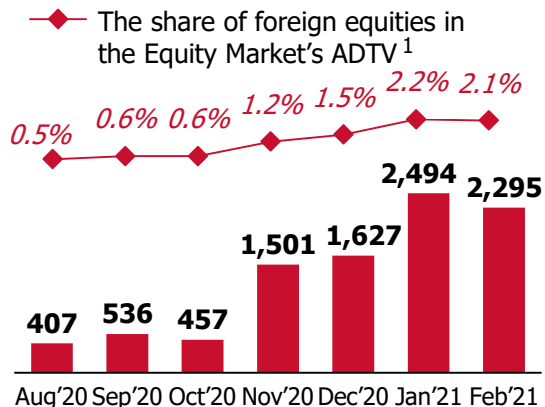
... and **Russian products to international investors**



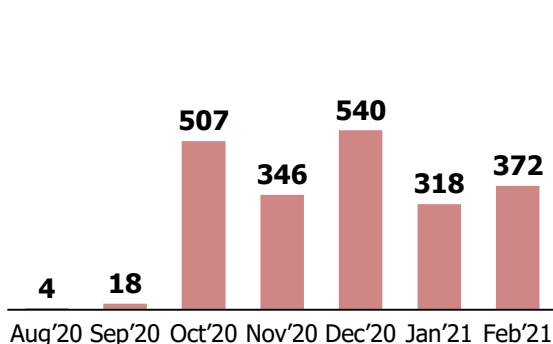
# Diversification opportunities: foreign securities on MOEX

## Foreign equities

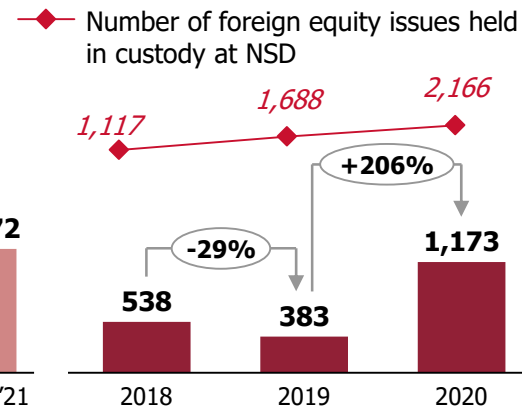
ADTV in the Equity Market, RUB mln



ADTV in the Money Market (repo), RUB mln

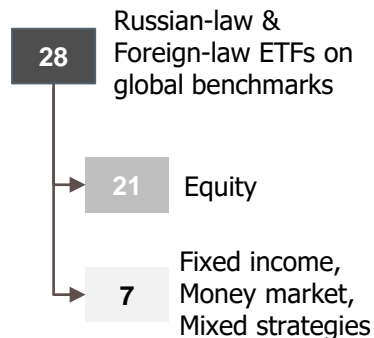
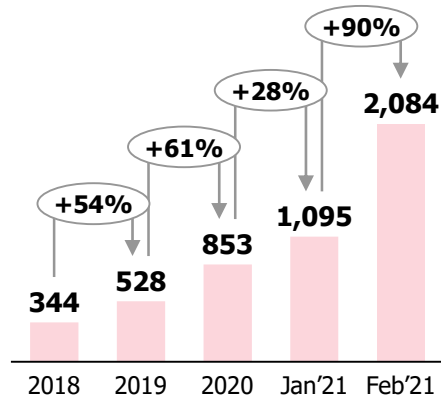


Value held in custody at NSD, RUB bln (e-o-p)



## Eurobonds

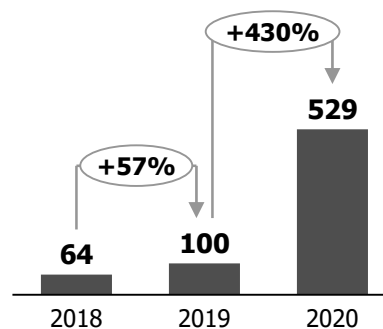
ADTV<sup>2</sup>, RUB mln



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

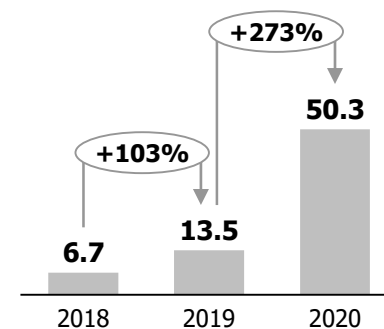
28 ETFs on global benchmarks

ADTV<sup>2</sup>, RUB mln



21 ETFs on global equity benchmarks

Net Asset Value (NAV), RUB bln



**MOSCOW EXCHANGE**

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

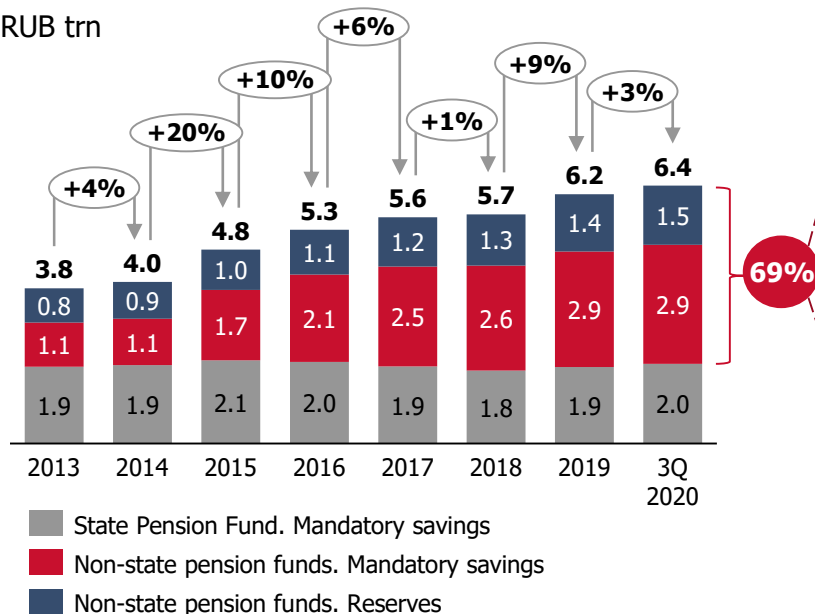
2 – EOB and Negotiated deals modes

Source: Moscow Exchange

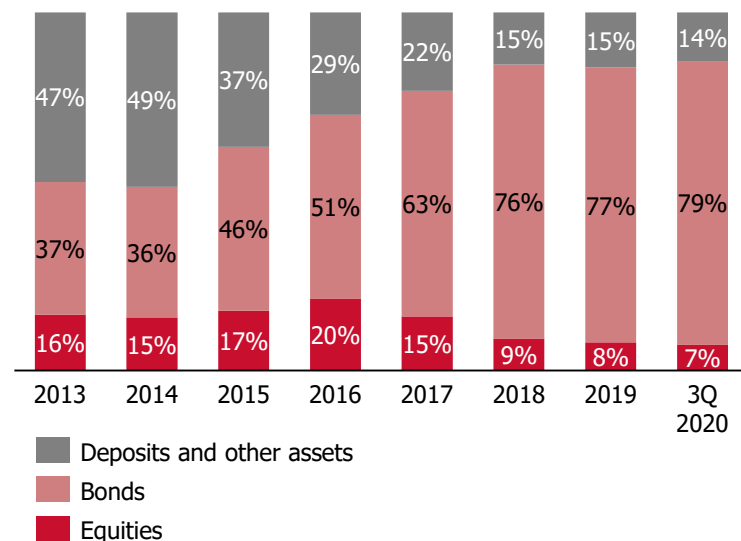
# Local institutional investors: the potential of pension funds

## Pension assets in Russia

RUB trn



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



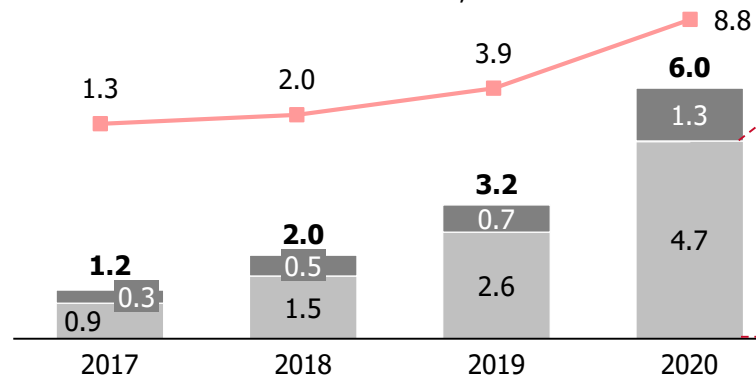
## Key highlights of the pension reform

- 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

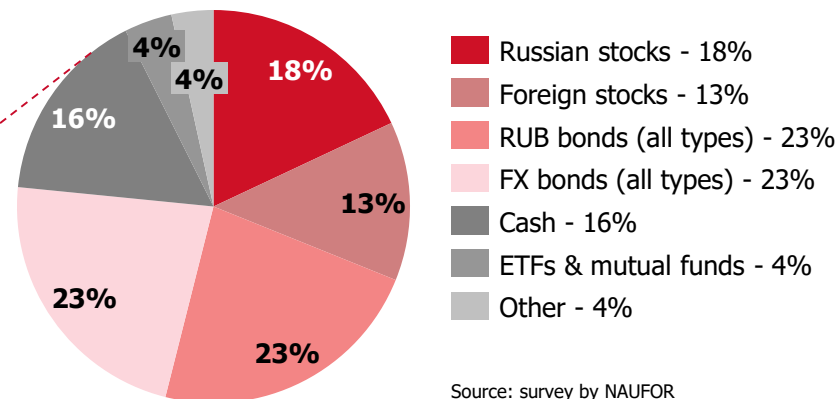
# Local retail investors: ongoing growth

## Retail investment dynamics (values by NAUFOR)

- Value of holdings in IIAs & managed accounts<sup>1</sup>, RUB trn
- Value of holdings in brokerage accounts (ex. IIAs)<sup>1</sup>, RUB trn
- Number of retail clients on MOEX, mln



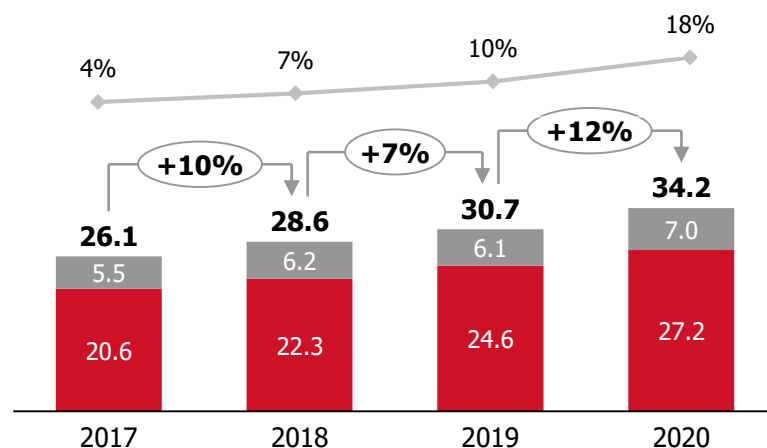
## FY'20 retail brokerage accounts (ex. IIAs) ownership



Source: survey by NAUFOR

## Bank deposits of retail investors

- FX
- RUB
- Securities/deposits



Source: CBR, NAUFOR, Moscow Exchange calculations

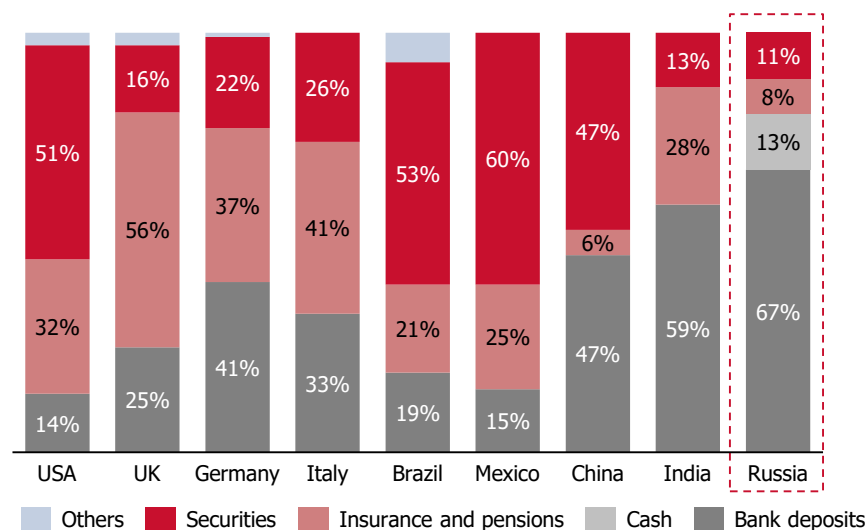
## Comments

- Self-managed retail holdings in Russian stocks are RUB 0.94 trn as per NAUFOR data, or 1.8%<sup>2</sup> of the Russian equity MCap at FY'20.
- Estimated<sup>2</sup> net inflow of self-managed retail investors' funds in Russian stocks in 2020 was RUB 207.5 bln or USD 2.8 bln ( $\Delta$ value of holdings adjusted for cap. gains and dividends).
- The value of retail investors' holdings constitutes 18% of retail banking deposits as of end-2020.
- Top-3 asset classes held by retail brokerage accounts are: 46% bonds (all types), 32% stocks (local+foreign), 16% cash.
- Banking deposits added 12% YoY in 2020 despite accelerated growth of investments in securities, indicating further potential for conversion.

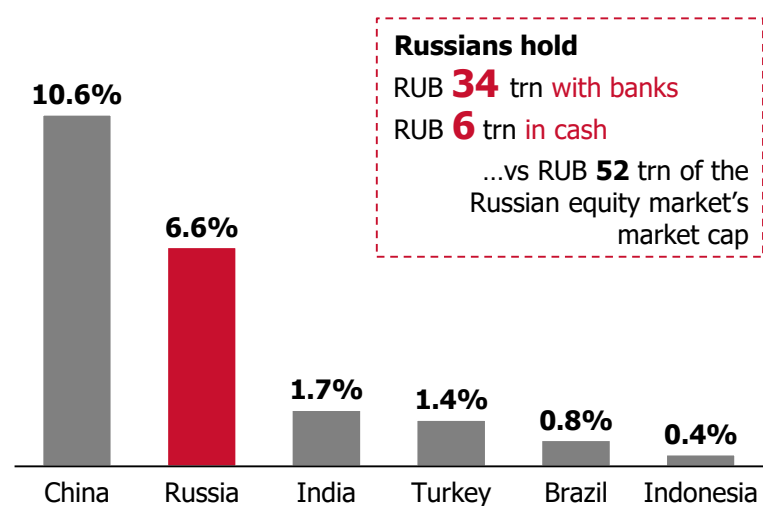


# Retail money: aiming to grow the culture of investing

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

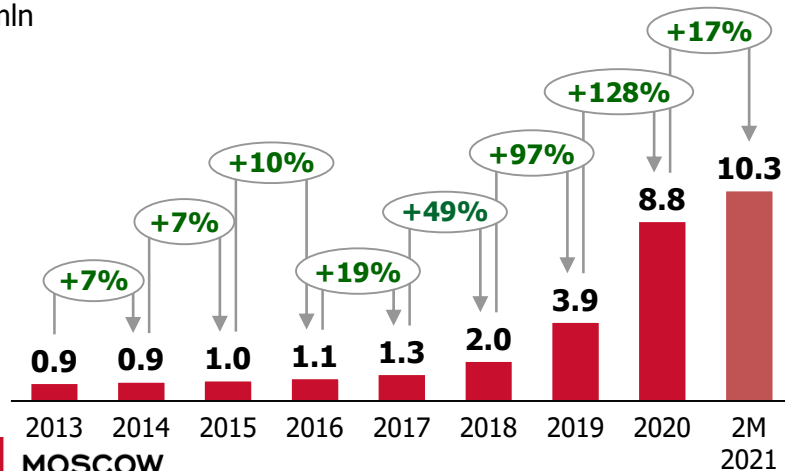


## Unique retail clients as % of population<sup>2</sup>



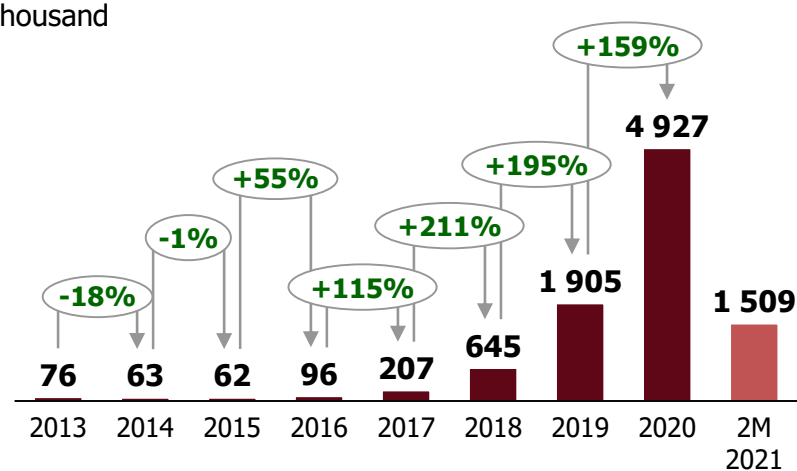
## Number of unique retail clients

mln



## New retail clients (net)

thousand



Sources: World Bank, Allianz, CBR, Moscow Exchange

1 As of the end of 2018, Russia - 2019

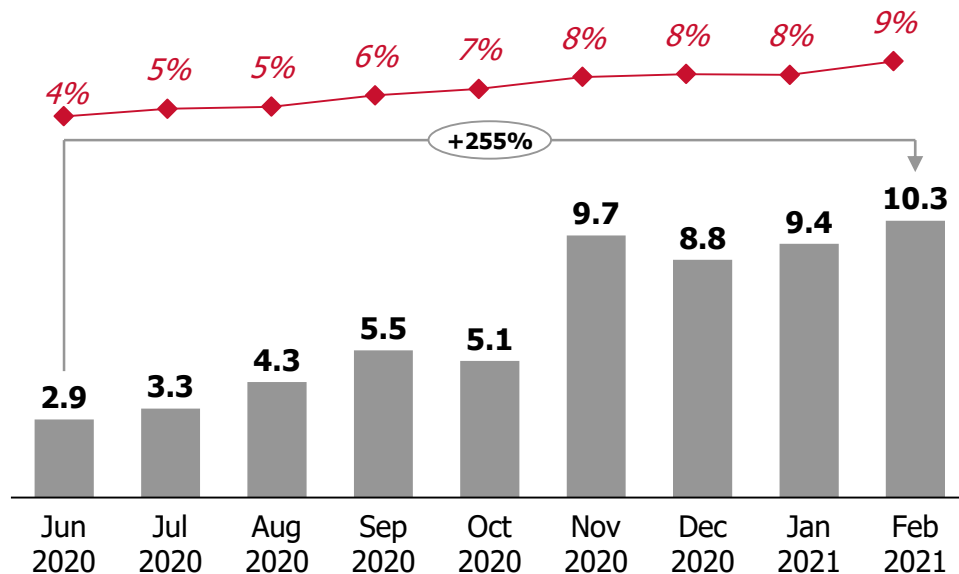
2 Russia - 2021, Turkey - 2018, Indonesia, Brazil - 2019, China - as of 2019 beginning

# The start of evening trading session on the Equities Market

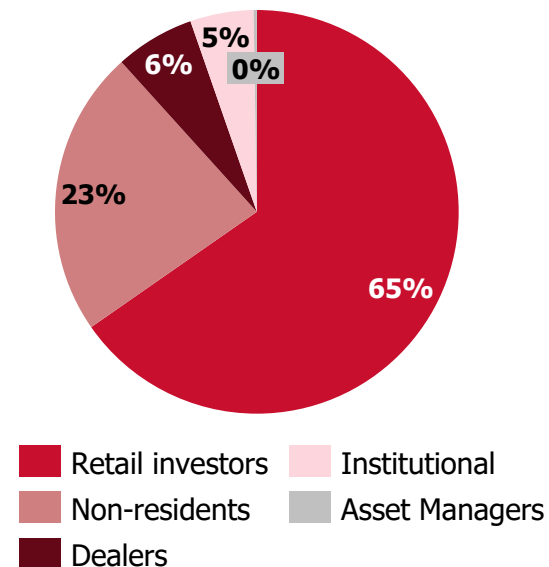
## Average Daily Trading Volume (ADTV)<sup>1</sup>

RUB bln

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



## Breakdown by client type



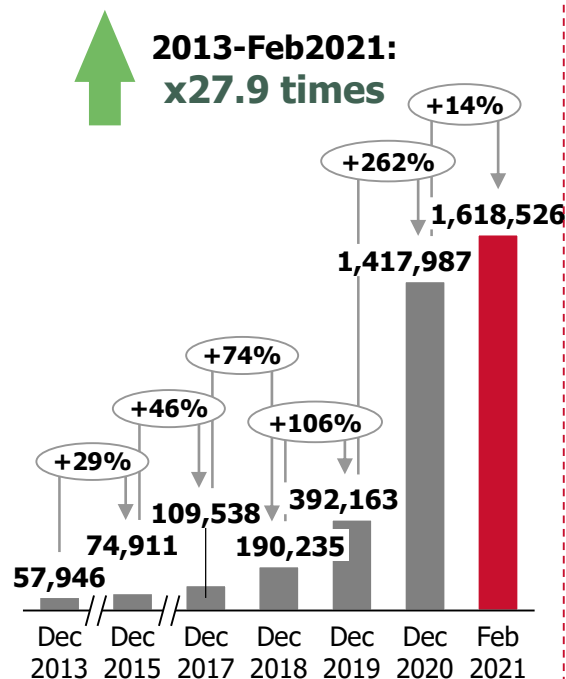
- On 22 June 2020, the **25 most liquid stocks** from the MOEX Russia Index were admitted to after-hours trading
- On 3 August 2020, **all stocks** from MOEX Russia Index were admitted to after-hours equity trading
- On 24 August 2020, **foreign shares** were added to after-hours
- On 21 September 2020, **MAIL, QIWI, POGR** and **RSTI** were admitted to evening trading session
- On 9 November 2020, **all ETFs** and **3 Russian-law ETFs** were admitted to evening trading session. On 3 March 2021, **1 more Russian-law ETF** was admitted.
- **Record high share of retail investors** has traded during the after-hours session, in line with the Exchange's expectations



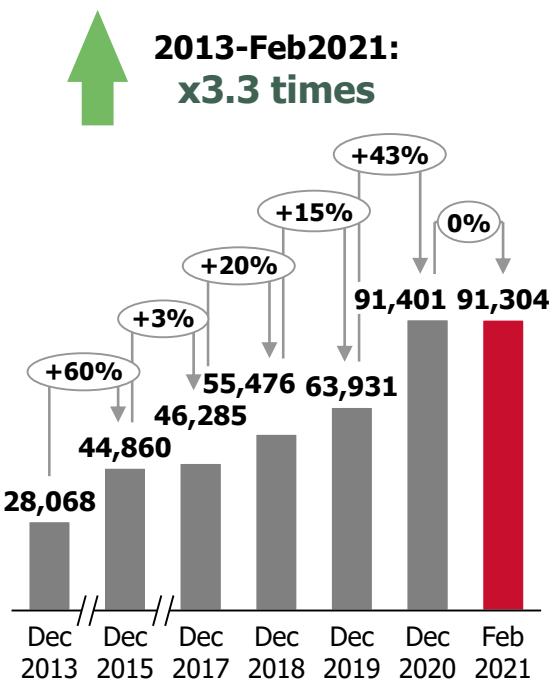
# Retail clients: a growing segment of the Russian financial market

## Number of active retail client accounts

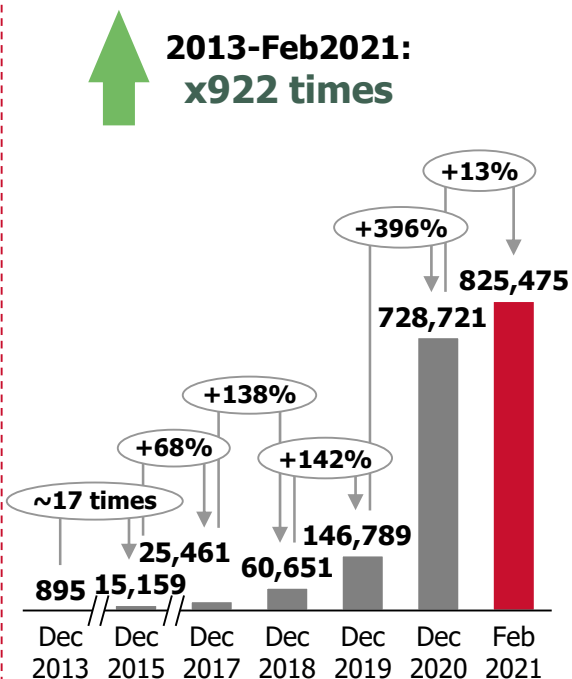
### Equities Market



### Derivatives Market



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



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

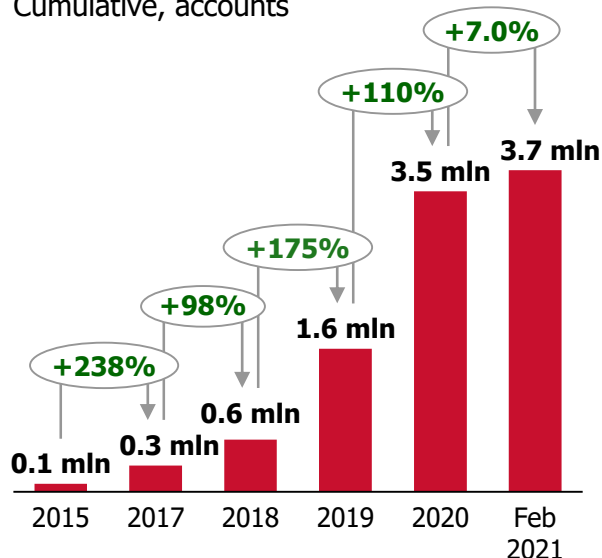
- Introduction of tax-advantaged **individual investment accounts (IIAs)** for private investors since 2015
- **IIAs turned even more relevant** in 2021, when bond coupons and interest on deposit (principal > RUB 1mln) became taxable
- **Tax exemption** on capital gains on securities held for 3+ years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- Retail investors can **remotely open a brokerage account**. It is particularly important in Russia's far-flung regions.



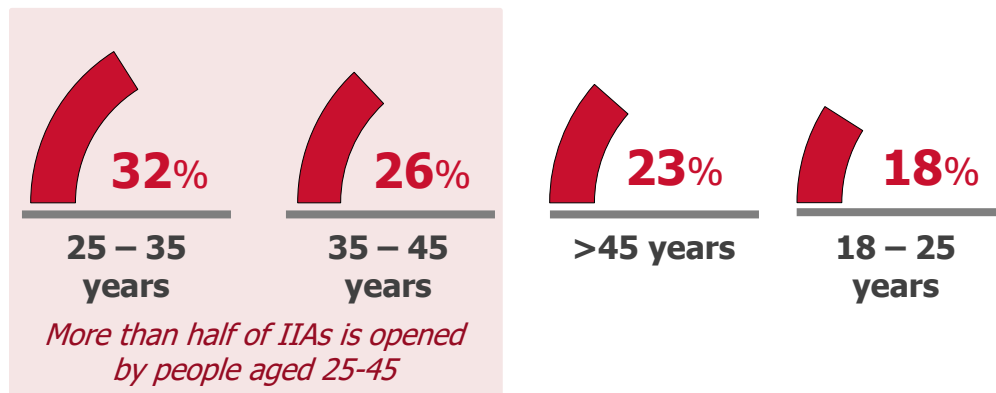
# Individual Investment Accounts (IIA) in detail

## Individual Investment Accounts (IIA)

Cumulative, accounts



## IIA owners by age

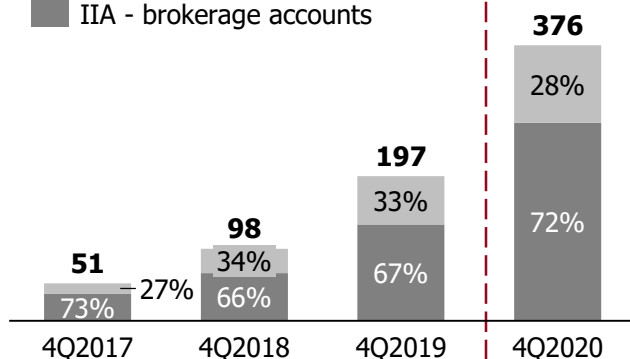


- Top regions by the number of IIA are **Moscow (11%)**, **Moscow region (6%)** and **St. Petersburg (5%)**
- **More than 75%** of IIA are opened in **other regions of Russia**

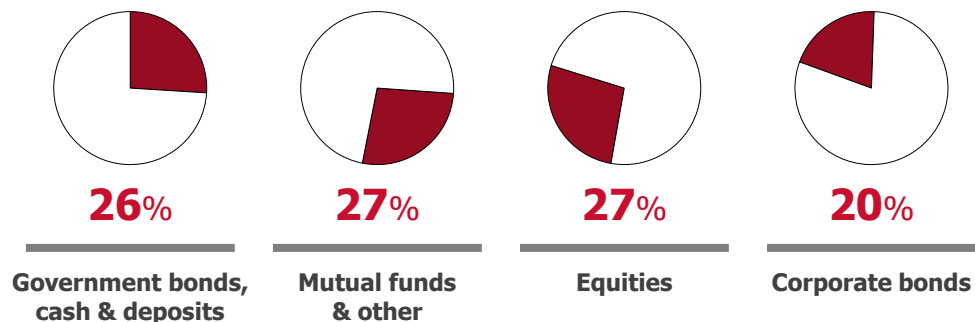
## Assets held on IIA

RUB bln

- IIA - managed accounts
- IIA - brokerage accounts



## Structure of assets on IIA



**MOSCOW EXCHANGE**

Source: Moscow Exchange, Bank of Russia 4Q2020 data

# MOEX Marketplace: Finuslugi\* online platform



| Deposits                             | Insurance                    | Loans             | Investment products |
|--------------------------------------|------------------------------|-------------------|---------------------|
| ✓ Trial launch (Sep'20)              | ✓ Added in Nov'20            | ✓ Unsecured loans | ✓ OFZ-N             |
| ✓ Commercial launch (Oct'20)         | ✓ 16 insurance co's (Mar'20) | ✓ Other types     | ✓ Other types       |
| ✓ 7 banks connected via API (Mar'20) | ✓ OSAGO **                   |                   |                     |
| ✓ Long-term deposits                 | ✓ KASKO ***                  |                   |                     |
| ✓ Short-term deposits                | ✓ Other types                |                   |                     |

## Customer journey stages & corresponding solutions provided by MOEX

- (1) Websites of financial services aggregators work as rebroadcasting interfaces. **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 physical identification offline with a courier, then KYC stage. Pending legislation on biometric identification.
- (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.

\* Russian name "Финуслуги" translates as Financial services  
\*\* Compulsory motor insurance act  
\*\*\* Comprehensive coverage insurance act

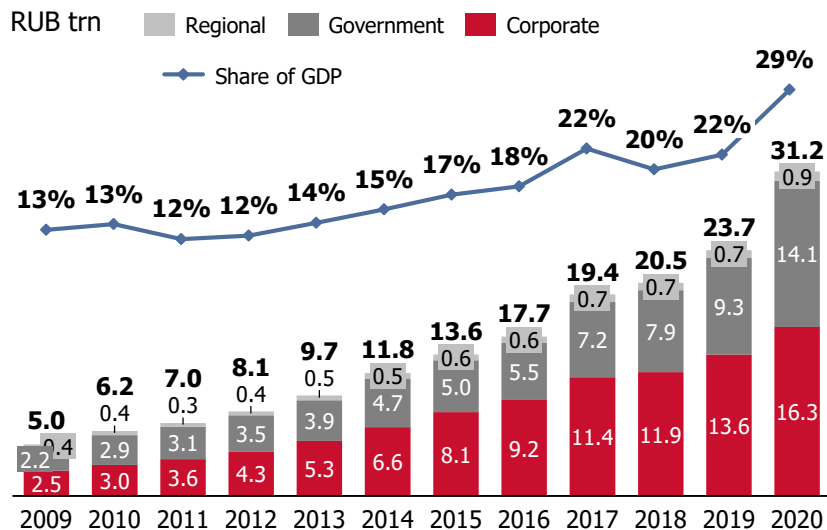
### Abbreviations:

FTR – Financial Transactions Registrar at NSD  
FPS – CBR's Faster Payments System  
DIA – State Deposit Insurance Agency

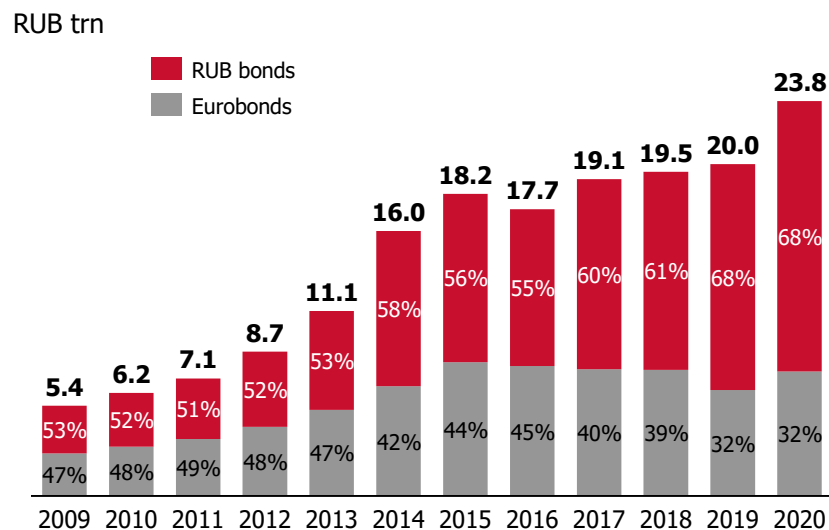


# Bond market – why we are strong believers

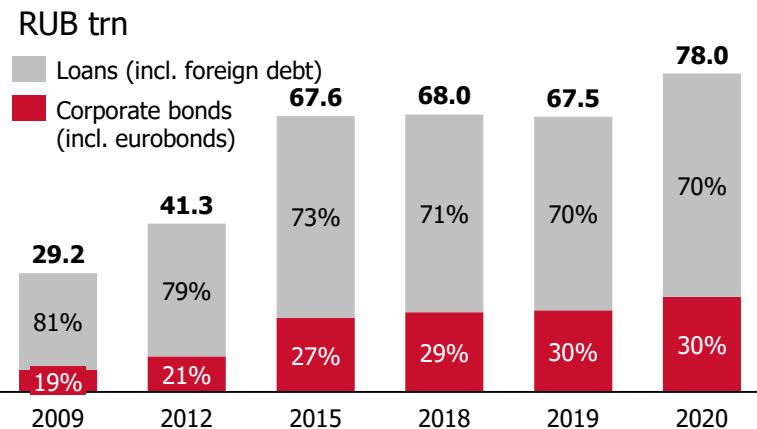
## Growth of outstanding local bonds



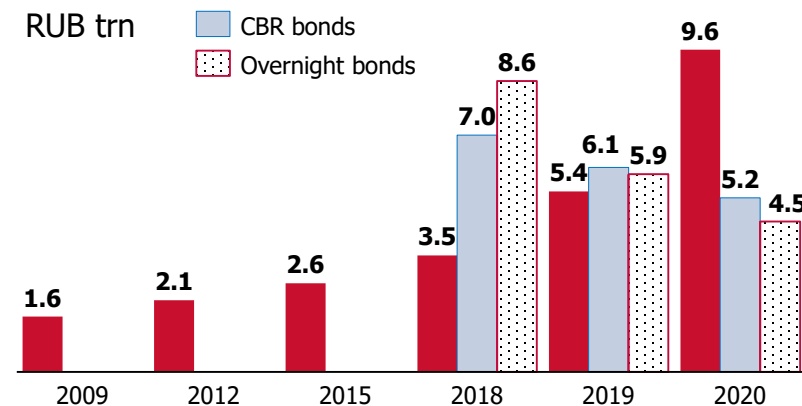
## Local bonds vs Eurobonds of Russian corporates<sup>1</sup>



## 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                       |
| Aeroflot                  | October 2020   | SPO              | 80.0                       |
| Globaltrans               | October 2020   | Listing          |                            |
| Samolet                   | October 2020   | IPO              | 2.9                        |
| MD Medical Group          | November 2020  | Listing          |                            |
| Ozon ( <i>dual</i> )      | November 2020  | IPO              | 75.0                       |
| O`Key Group               | December 2020  | Listing          |                            |
| <b>2020 Total</b>         |                |                  | <b>185.4</b>               |
| Svetofor Group            | January 2021   | IPO              | 0.3                        |
| Fix Price ( <i>dual</i> ) | March 2021     | IPO              |                            |
| <b>2021YTD Total</b>      |                |                  | <b>0.3</b>                 |



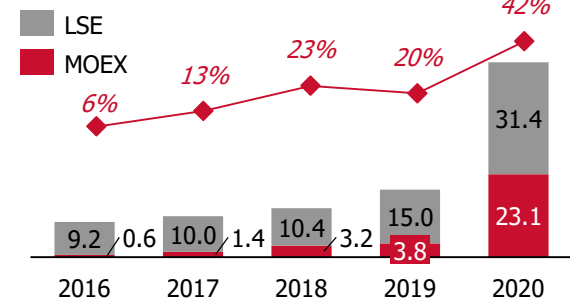
# MOEX listings of Russian companies incorporated abroad

- **15 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
- POLY, YNDX, FIVE, TCS, MAIL, HHRU were **included in the MOEX Russia Index**
- Polymetal and Yandex stocks & depositary receipts of X5 Retail Group and Mail.ru 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)

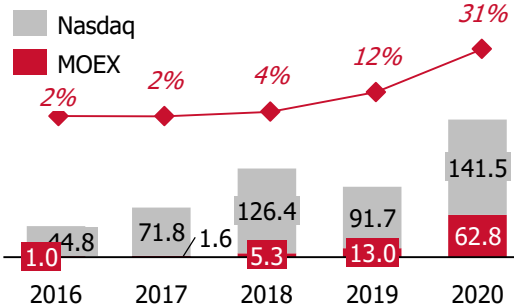
## Polymetal

ADTV, USD mln



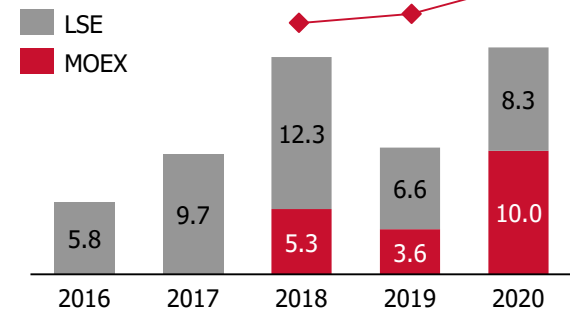
## Yandex

ADTV, USD mln



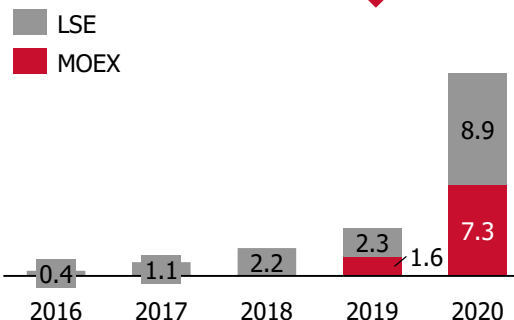
## X5 Retail Group

ADTV, USD mln



## TCS Group

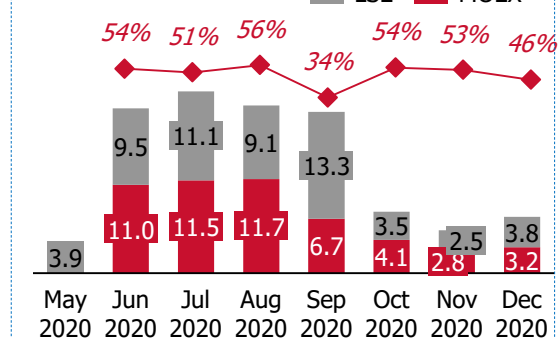
ADTV, USD mln



*An immediate boost to newcomers*

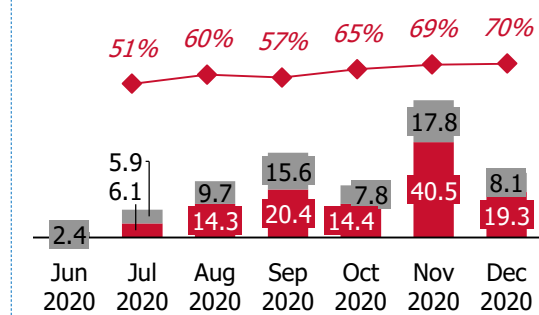
## Petropavlovsk – listing on 25 Jun

ADTV, USD mln



## Mail.ru – listing on 2 Jul

ADTV, USD mln



**MOSCOW EXCHANGE**

Source: Bloomberg as of 13.01.2021 for LSE on-book and Nasdaq volumes, Moscow Exchange data incl. evening trading session

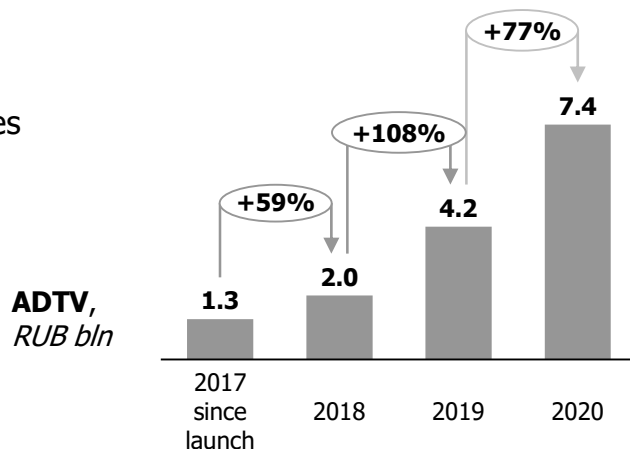


# Corporates on the FX and Money Markets

## Direct access to the FX Market

Launched in 2017

**45** corporates



## Key features



Unified sales channel



Wide range of treasury products



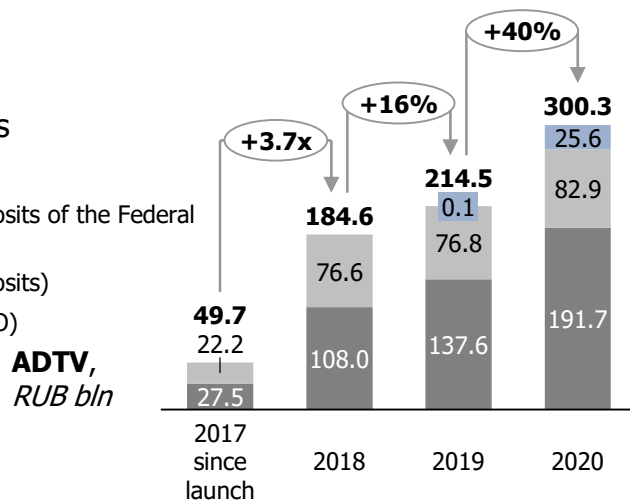
Unbundled trading, clearing and settlement services

## Deposits with the CCP for corporates

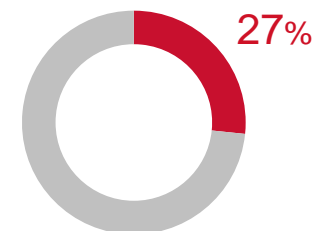
Launched in 2017

**135** corporates

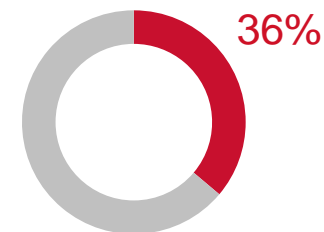
- GCC (REPO - Deposits of the Federal Treasury)
- GCC (REPO - Deposits)
- GCC (REPO - REPO)



► 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**

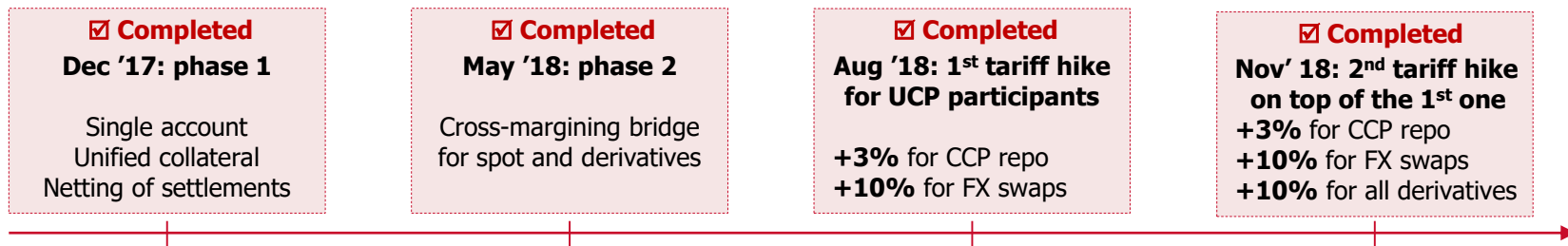
Participants have started to trade **longer maturities**

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



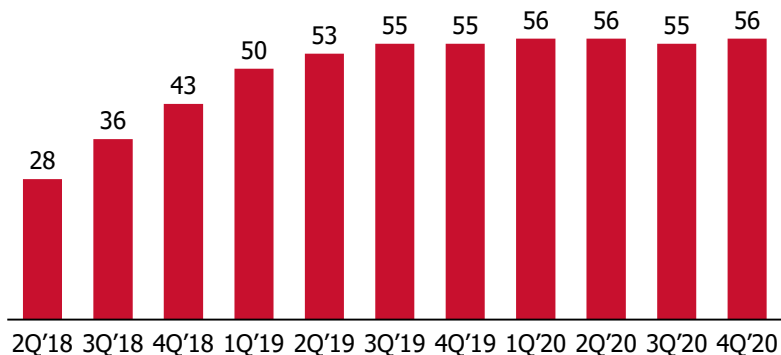
# Unified Collateral Pool: a strategic project completed

## Timeline and latest developments

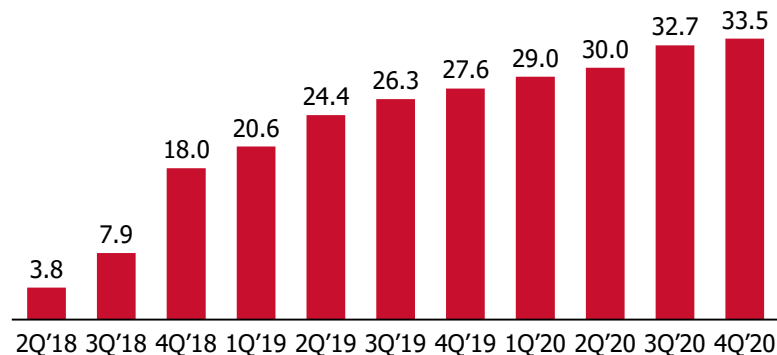


- The UCP take-up continued to grow, accounting for 33.5% of total trading F&C in 4Q'20 compared to 27.6% in 4Q'19.
- UCP accounts represent ~45% of fees and volumes in the Derivatives Market, the cornerstone market of the UCP.
- On 1 November 2018 a universal tariff hike took place as scheduled. The 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



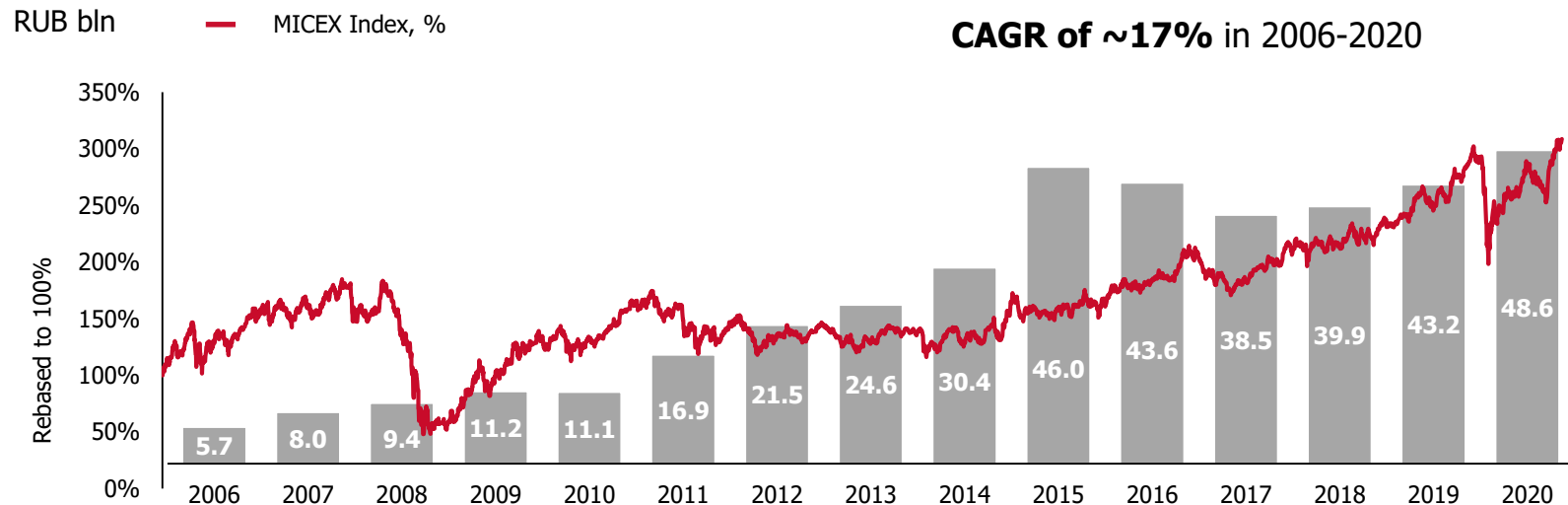
Financial track record

**5** 4Q 2020 update



# MOEX business model continues to deliver

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

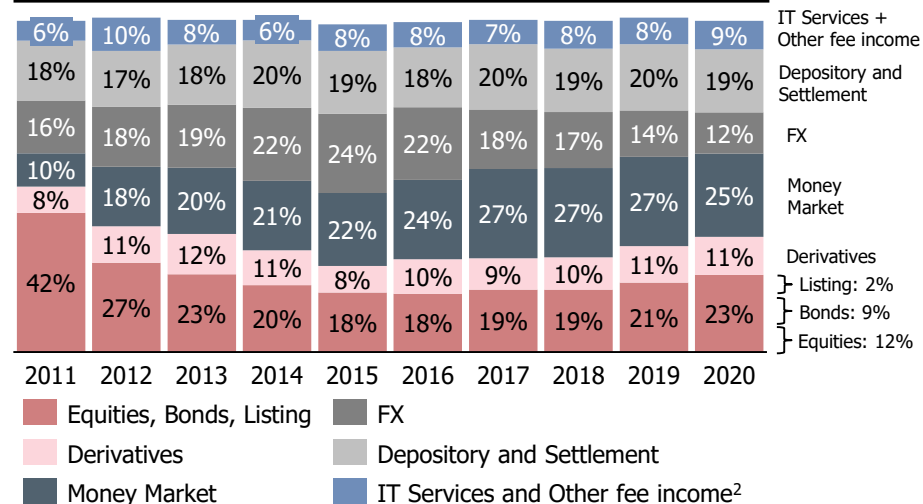


## Key highlights

**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

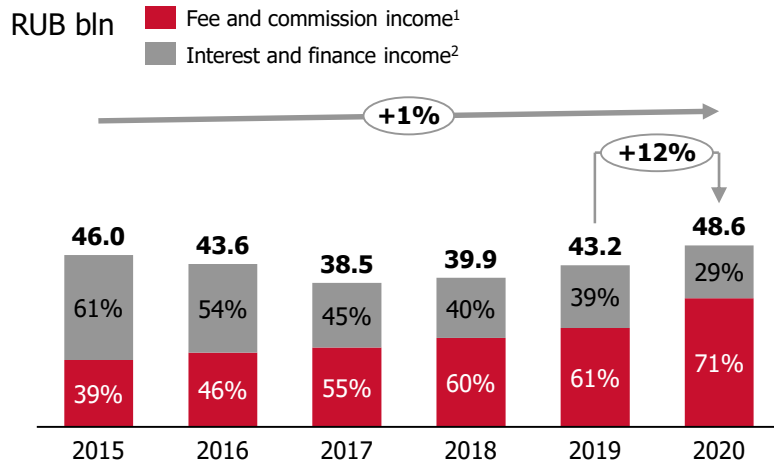
## Fee & commission income evolution<sup>1</sup>



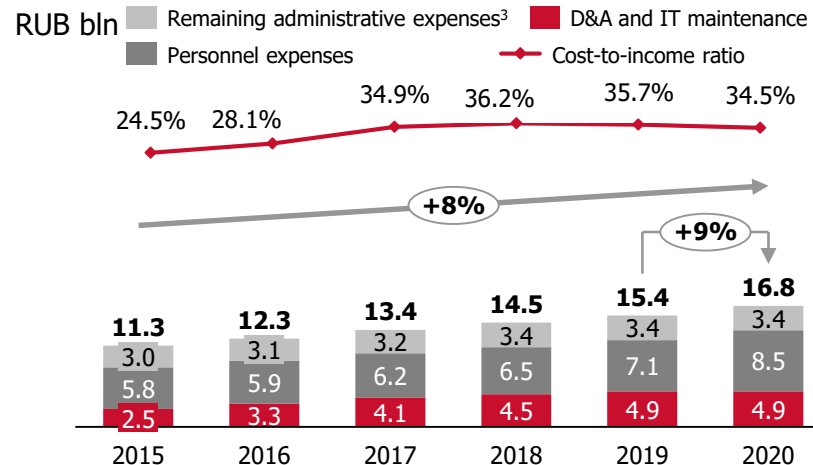
# 2020 summary of financials

X% → CAGR '15-20

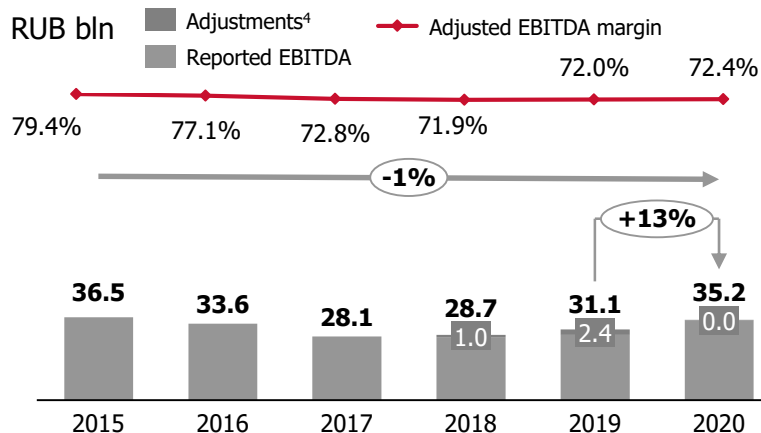
## Operating income



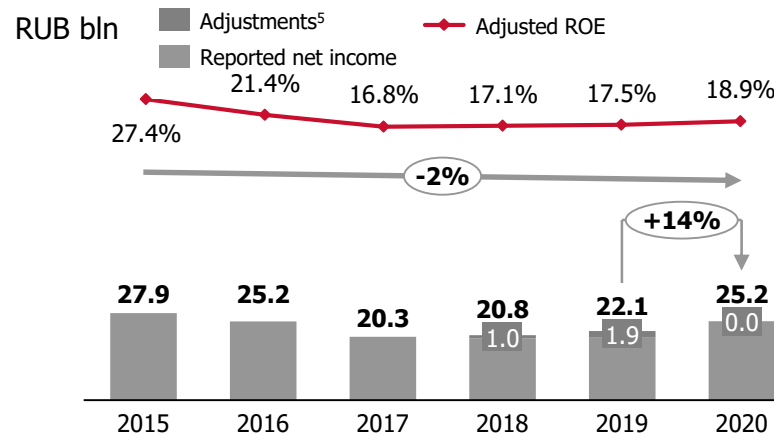
## Operating expenses (excluding provisions)



## 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, FY 2019 and FY 2020

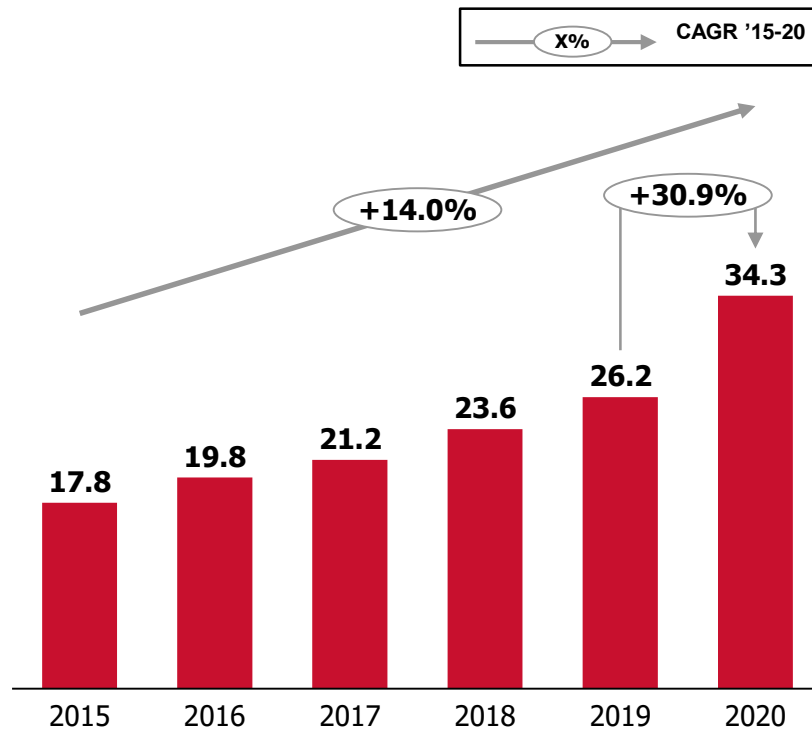
5 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs, 2) change in amortization schedules and 3) one-off provisions in FY 2018, FY 2019 and FY 2020

# Fee & commission income: strong and sustainable growth

## Fee and commission income (F&C)

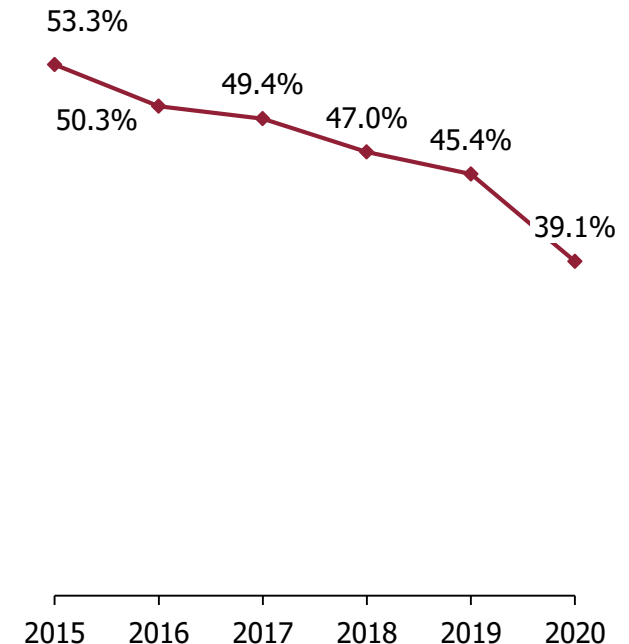
RUB bln

F&C income for 2020 increased 30.9% YoY



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

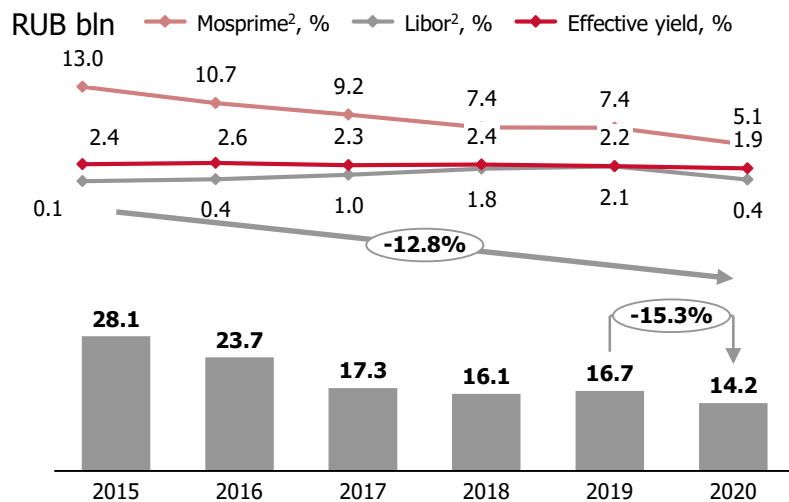
F&C growth was delivered in a cost efficient way



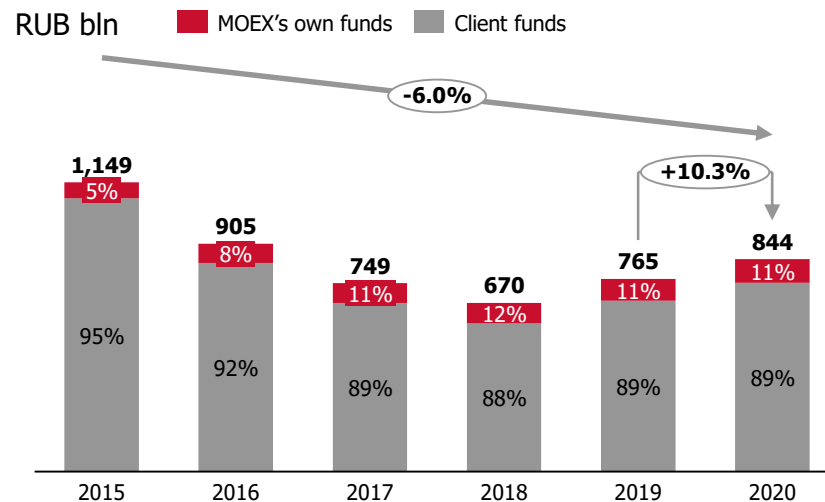
# Interest and finance income

X% → CAGR '15-20

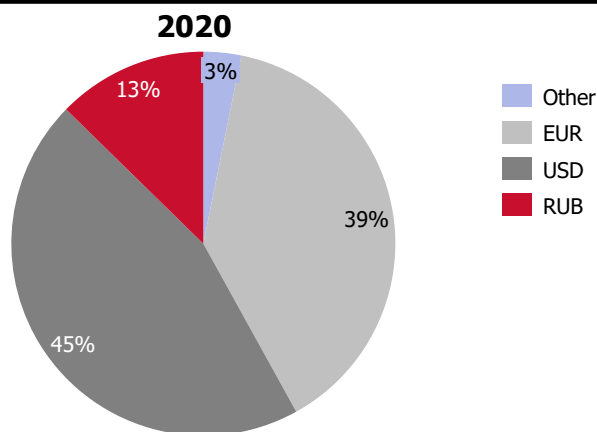
## Interest and finance income<sup>1</sup>



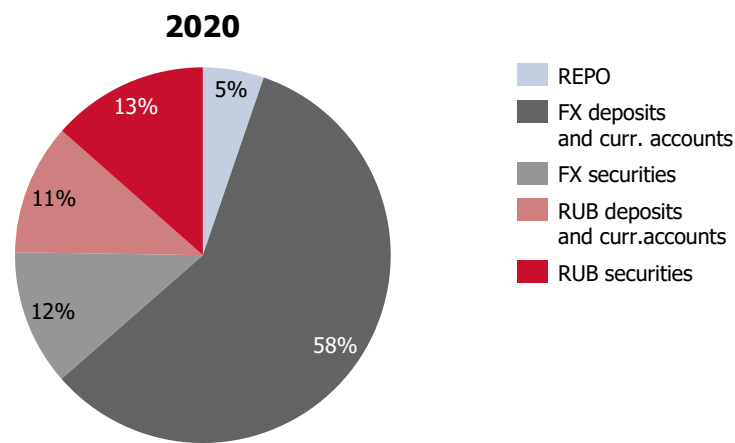
## Investment portfolio sources<sup>3</sup>



## Client funds by currency



## Investment portfolio by type of asset



Source: 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

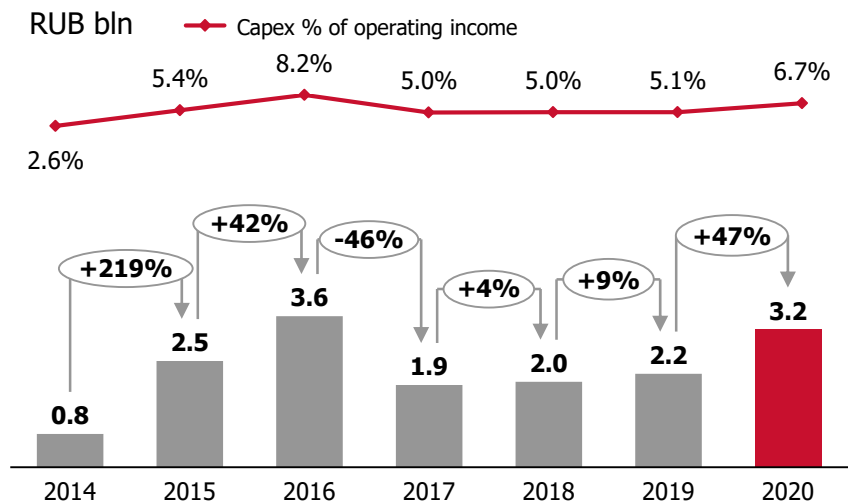
2 Average daily rate for the period

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



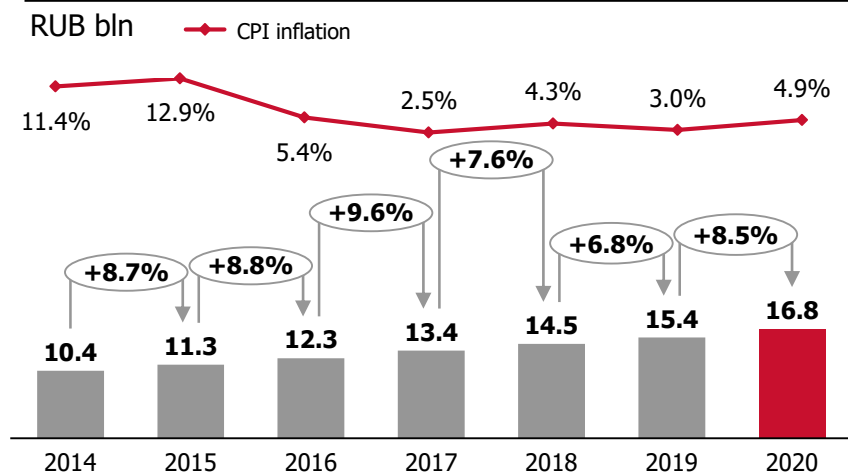
# CAPEX and OPEX: 2020-2021

## Capital expenditures



- 2020 CAPEX was RUB 3.24 bln, which is above the guided range of RUB 2.6-2.8 bln. The difference is fully explained by frontloading a part of the expenses on software and licenses.
- In 2021, the CAPEX guidance range is RUB 3.0-4.0 bln.
- The 2020 split between maintenance and development CAPEX was 60% maintenance / 40% development. High share of maintenance is largely explained by the transition to remote working.
- The top 5 projects account for 24% of CAPEX, with the Marketplace consuming RUB 0.5 bln.

## Operating expenses (excluding provisions)



- The actual growth of OPEX in 2020 was 8.5% YoY, hitting the upper limit of the revised guidance range of 7.5-8.5%.
- The main driver of OPEX growth in 2020 was personnel expense, which increased 18.9% mainly driven by an increase in the number of employees.
- The 2021 OPEX growth guidance range is 11.0-14.0% YoY. The option to spend on Marketplace marketing adds up to 6% to the aforementioned range. The composition is:  
 5-6 p.p. YoY – business as usual  
 6-8 p.p. YoY – a family of development projects  
 0-6 p.p. YoY – Marketplace marketing option



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy

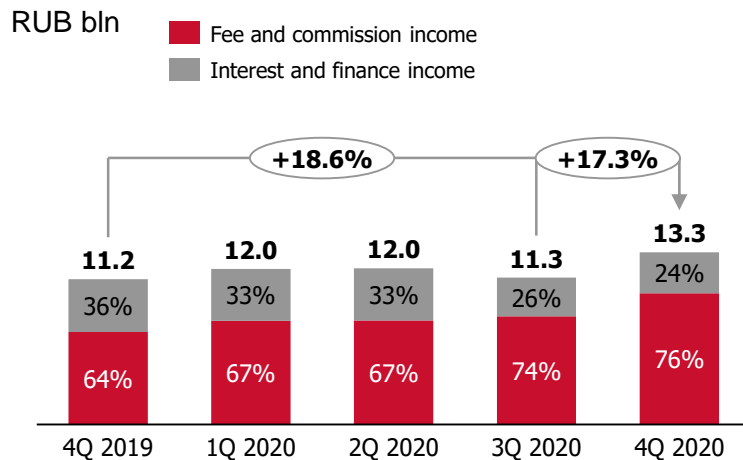
**4** Financial track record



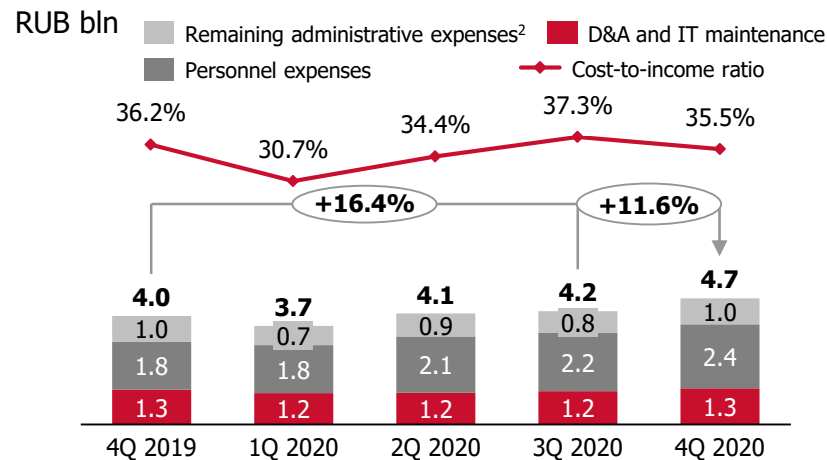
4Q 2020 update

# 4Q 2020 summary of financials

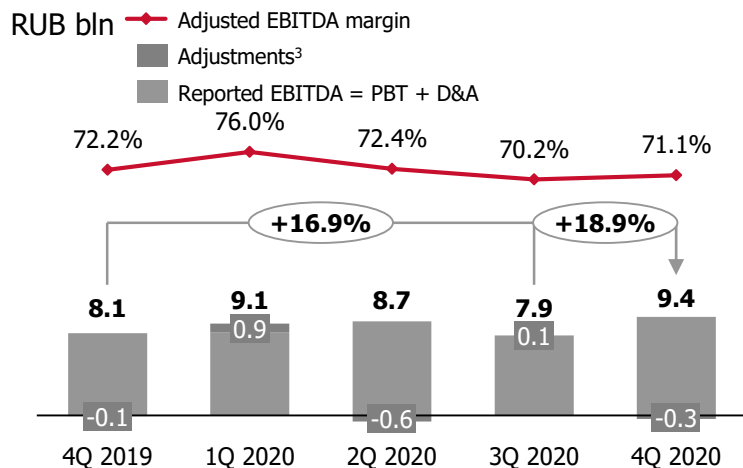
## Operating income<sup>1</sup>



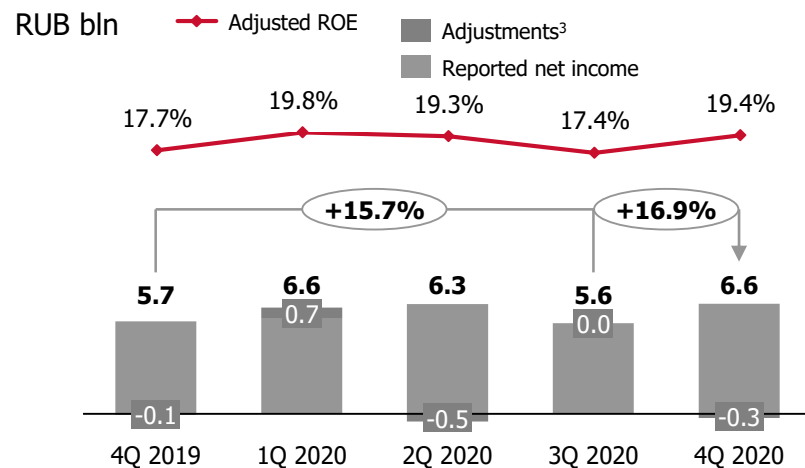
## Operating expenses (excl. other operating expenses)



## 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 at 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



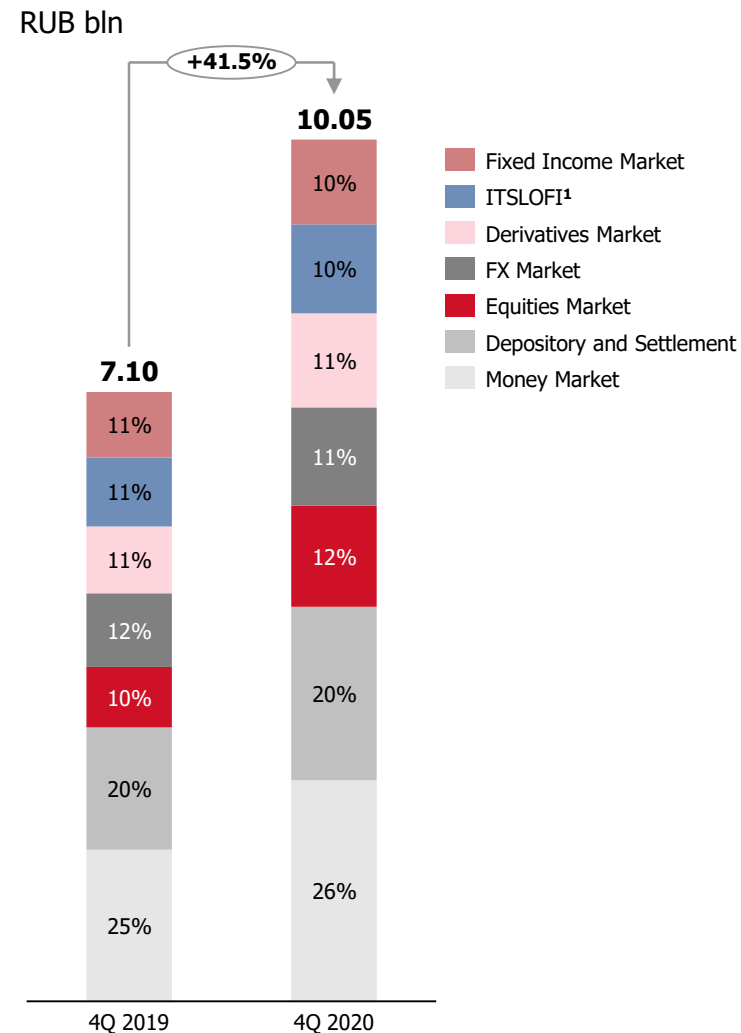
**MOSCOW  
EXCHANGE**

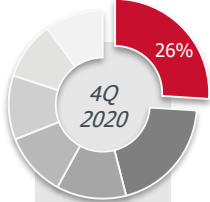
# Diversified fee and commission income

## Fee & commission income performance, RUB bln

| RUB bln                          | 4Q 2019     | 4Q 2020     | Change YoY, bln | Change YoY, % | 5Y CAGR 2015-20 |
|----------------------------------|-------------|-------------|-----------------|---------------|-----------------|
| <b>Money Market</b>              | <b>1.77</b> | <b>2.58</b> | <i>0.81</i>     | <i>45.9%</i>  | <i>17.3%</i>    |
| <b>Depository and Settlement</b> | <b>1.43</b> | <b>2.02</b> | <i>0.60</i>     | <i>41.9%</i>  | <i>13.5%</i>    |
| <b>Equities Market</b>           | <b>0.70</b> | <b>1.18</b> | <i>0.47</i>     | <i>67.4%</i>  | <i>20.8%</i>    |
| <b>FX Market</b>                 | <b>0.86</b> | <b>1.14</b> | <i>0.29</i>     | <i>33.2%</i>  | <i>-0.2%</i>    |
| <b>Derivatives Market</b>        | <b>0.78</b> | <b>1.10</b> | <i>0.32</i>     | <i>40.6%</i>  | <i>21.8%</i>    |
| <b>ITSLOFI<sup>1</sup></b>       | <b>0.80</b> | <b>1.04</b> | <i>0.23</i>     | <i>29.0%</i>  | <i>15.5%</i>    |
| <b>Fixed Income Market</b>       | <b>0.76</b> | <b>0.99</b> | <i>0.23</i>     | <i>29.8%</i>  | <i>20.0%</i>    |

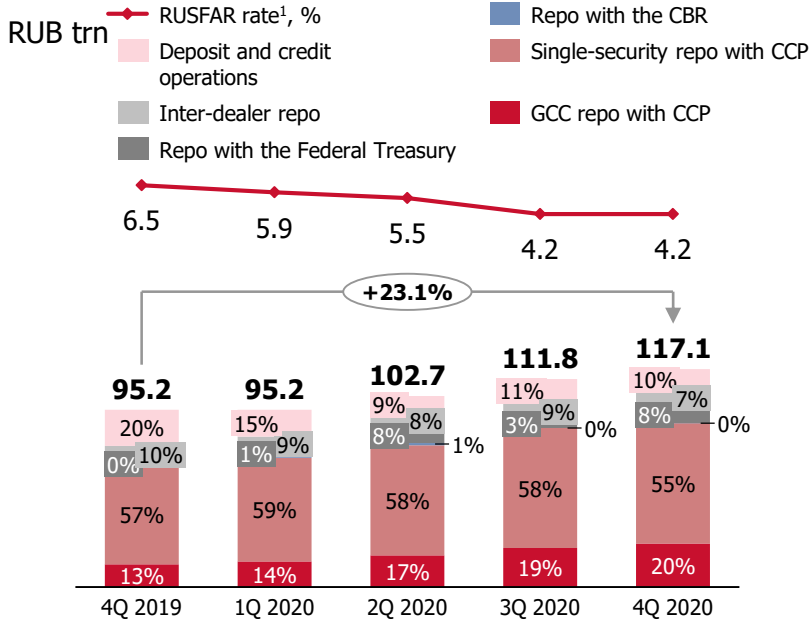
## Fee & commission income breakdown



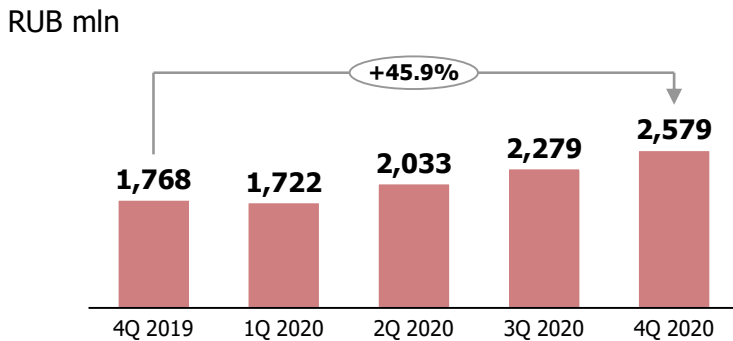


# Money Market

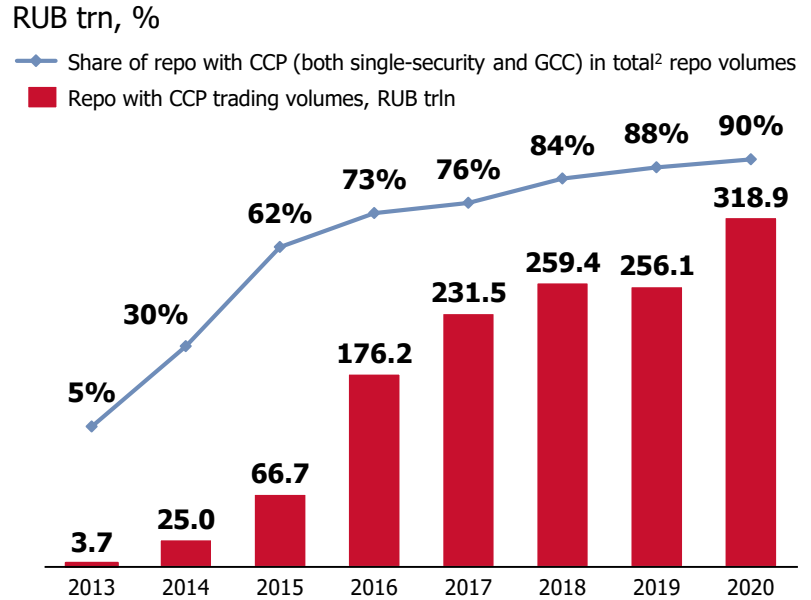
## Trading volumes



## Fee & commission income



## Trading volumes of repo with CCP



## Comments

- F&C income grew 45.9% YoY. Trading volumes increased 23.1% YoY.
- The discrepancy between the YoY dynamics of F&C income and volumes was due to: [1] an expansion of average repo terms, [2] higher shares of CCP and GCC repo in total volumes.
- GCC repo volumes increased by 91.6% YoY, supported by higher demand for this type of repo and the Federal Treasury deposits' open interest and term.
- The share of CCP repo in total<sup>2</sup> repo volumes stood at 90% in 2020.

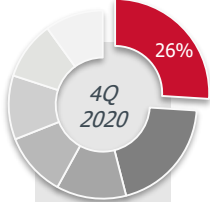


**MOSCOW EXCHANGE**

Source: Moscow Exchange

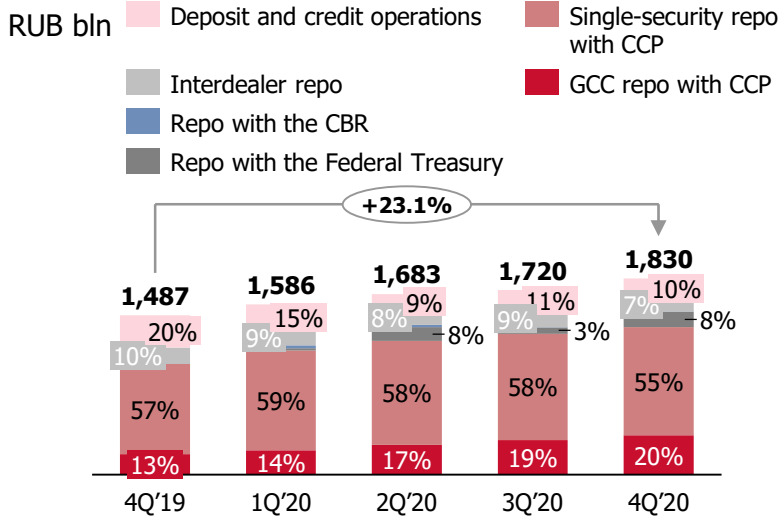
1 Overnight rate, average for the period

2 Excluding Non-CCP repo volumes with the CBR and the Federal Treasury

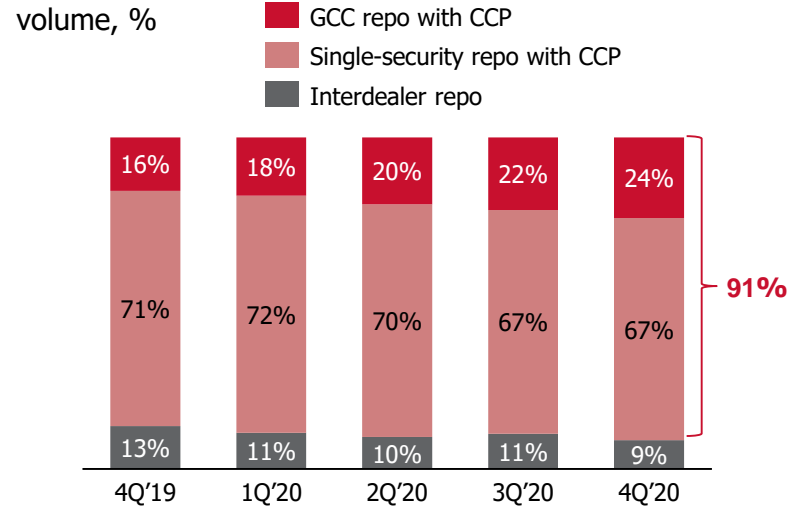


# Money Market: recent trends

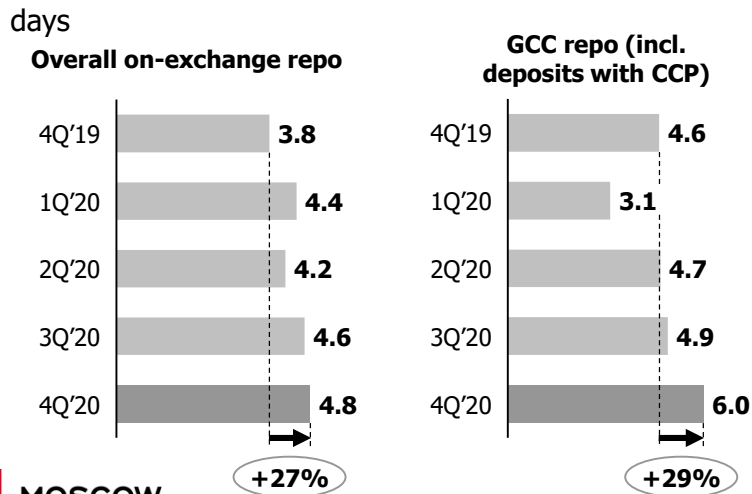
## Money Market ADTV



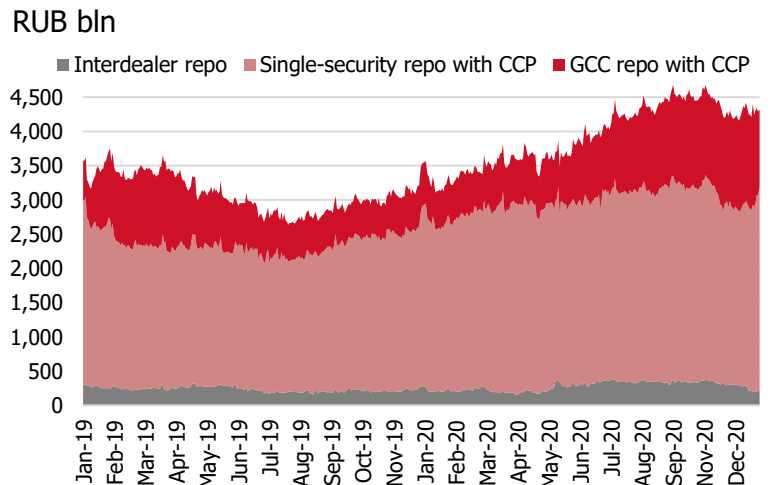
## High share of CCP repo<sup>1</sup>

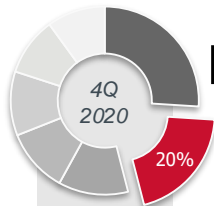


## Average repo term dynamics



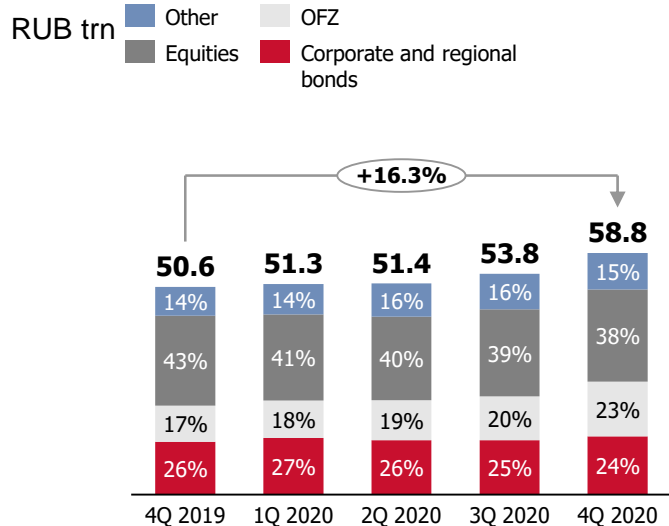
## Stable to growing open interest supports F&C income<sup>1</sup>



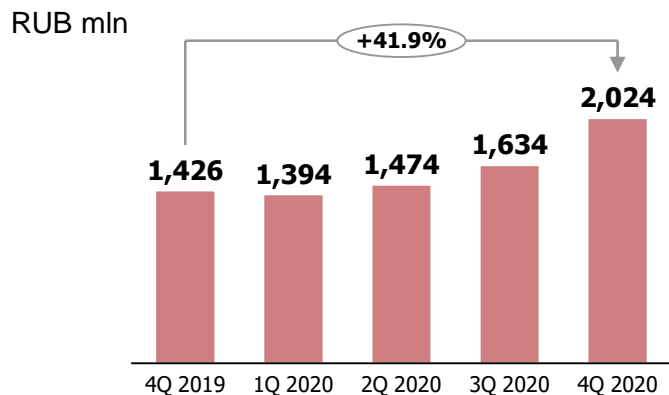


# Depository and Settlement Services

## Assets on deposit (average for the period)



## Fee & commission income

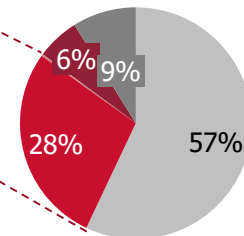


## Fee & commission income breakdown

4Q 2020

|                                |       |
|--------------------------------|-------|
| Clearing                       | 11.8% |
| Collateral management services | 8.0%  |
| Book-entry transfers           | 8.0%  |

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



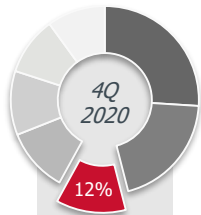
## Comments

- F&C income added 41.9% YoY; average assets on deposit grew by 16.3% YoY.
- The YoY growth in assets on deposit was registered across all asset classes: federal government bonds were up 50.8% YoY, corporate and regional bonds were up 10.3% YoY, equities were up 2.6% YoY.
- F&C income growth compared to 4Q'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, which are a reflection of repo operations at the NSD.



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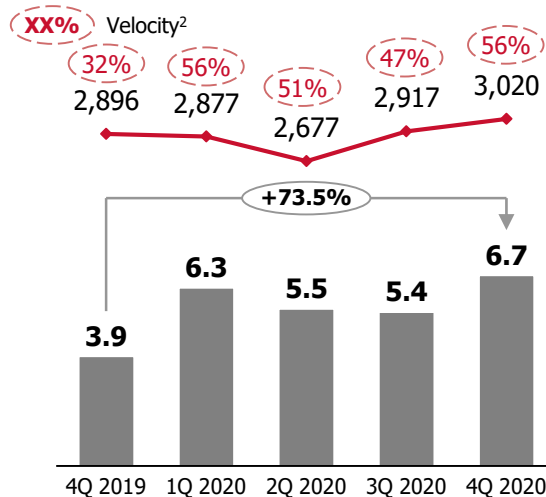
Source: Moscow Exchange



# Equities Market

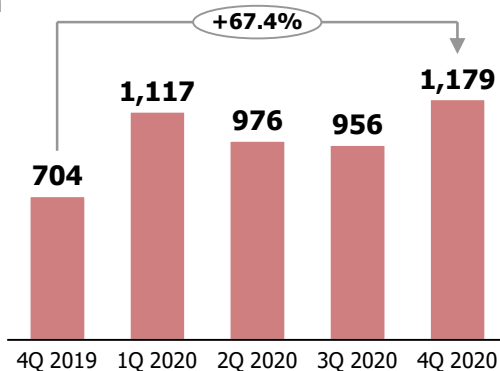
## Trading volumes<sup>1</sup>

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



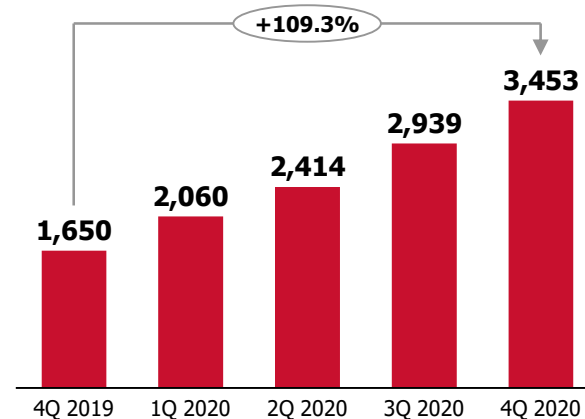
## Fee & commission income

RUB mln



## Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



## Comments

- Equity trading volumes and F&C income grew 73.5% YoY and 67.4% YoY, respectively.
- The average level of IMOEX index in 4Q'20 reached an all-time high, contributing to the growth in volumes and fee income.
- Insignificant discrepancy between F&C income and trading volume dynamics was due to the tariff structure that provides fee incentives for higher volume traded.
- 4Q'20 trading velocity surged to reach the 1Q'20 level of 56%.
- 19 ETFs were admitted to after-hours (a.k.a. evening) trading session. Evening trading now amounts to approx. 9% of ADTV.
- MOEX's market share vs LSE in trading of dual-listed stocks was at an all-time high of 79% in 2020 (up from 69% in 2019).



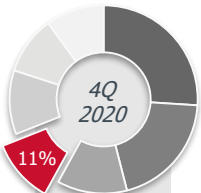
**MOSCOW EXCHANGE**

Source: Moscow Exchange, WFE

1 Volumes of both primary and secondary markets

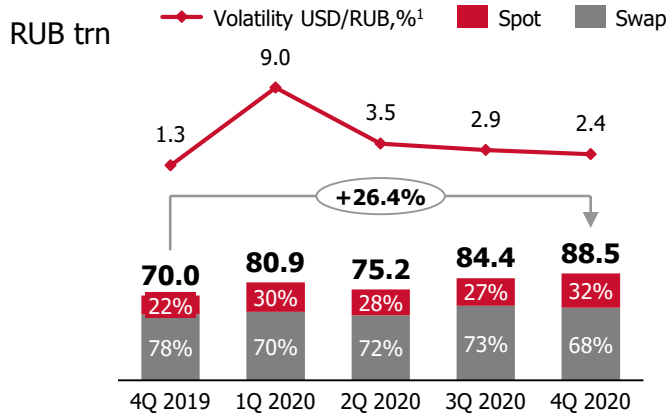
2 Velocity is calculated as annualized trading volumes for the period divided by the average market capitalization



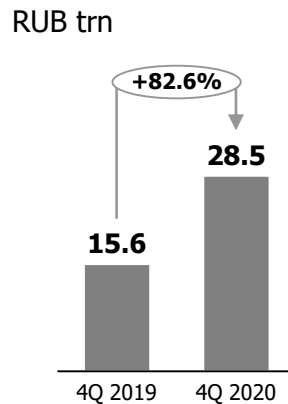


# FX Market

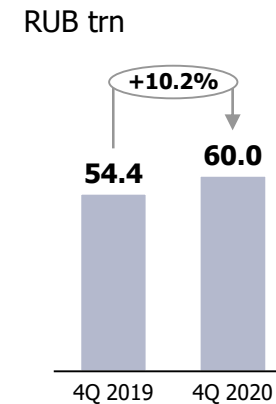
## Trading volumes



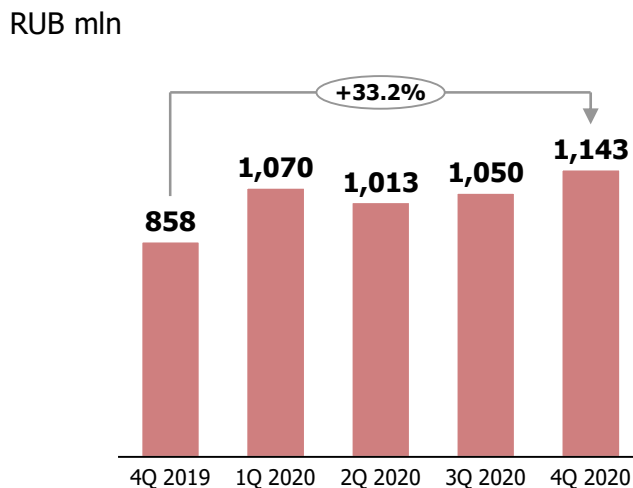
## Spot trading volumes



## Swap trading volumes



## Fee & commission income



## Comments

- Fee income increased by 33.2% YoY on the back of trading volume growth of 26.4% YoY.
- Spot volumes were up 82.6% YoY, driving the favorable change in volume mix. Swap and forward volumes improved by 10.2% YoY.
- The share of retail in the spot market volumes reached nearly 13% in 4Q'20 (8% in 4Q'19) as the number of active retail clients was up nearly 5x to 730,000<sup>2</sup>.
- ADTV of corporates increased ~50% YoY in 4Q'20.
- USD/RUB spot trading volumes doubled YoY, being the largest contributor to spot market growth among FX pairs.
- MOEX's 4Q'20 market share vs onshore OTC approached 46% vs 43% in 4Q'19.
- In FY'20, large trades (a.k.a. speed bump) mode volumes were up 5x times. Combined trading volumes in OTCT and OTCF modes (a.k.a. links to foreign liquidity providers) increased 2x times.

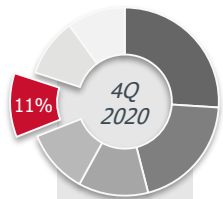


**MOSCOW EXCHANGE**

Source: Moscow Exchange, CBR

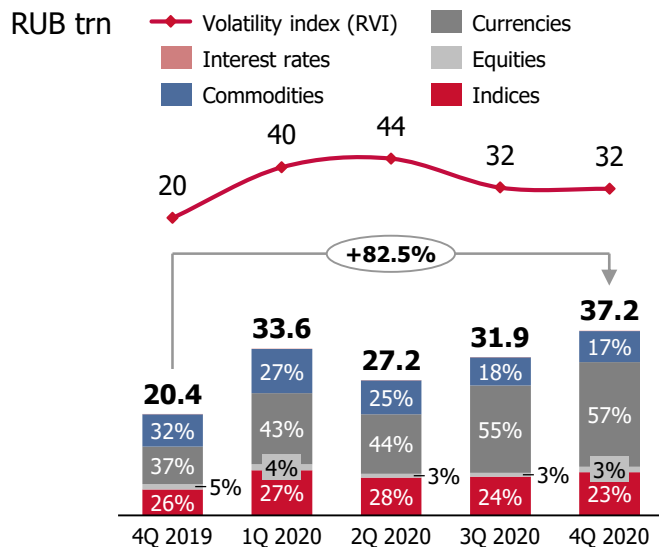
1 Calculated as daily standard deviation for the period divided by the average value for the period

2 As of 31.12.2020

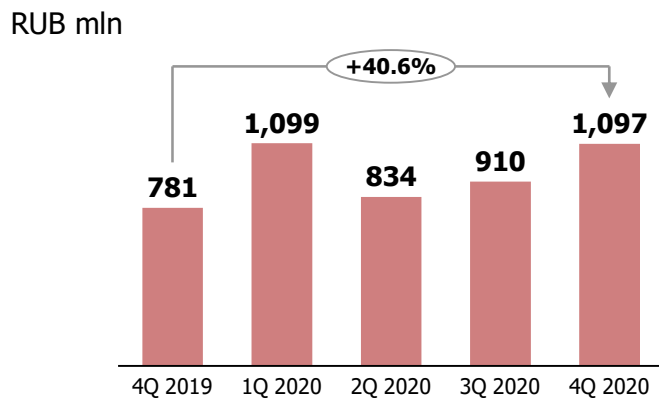


# Derivatives Market

## Trading volumes

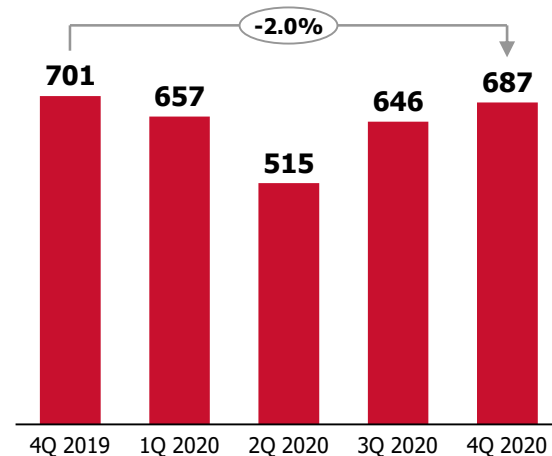


## Fee & commission income



## Open interest

RUB bln



## Comments

- F&C grew 40.6% YoY, trading volumes increased by 82.5% YoY.
- Trading volumes of FX derivatives almost tripled YoY, largely driving volume growth.
- Index derivatives volumes added 66.8% YoY, while volumes of equity derivatives were virtually flat, adding only 2.6% YoY.
- Trading volumes of commodity contracts declined by 3.6% YoY.
- The share of options in the trading volume mix decreased YoY to 3.7% (from 6.3% in 4Q'19) and stood unchanged QoQ.
- The effective fee was down YoY due to: [1] a shift in the mix towards less profitable FX and index derivatives (80% in 4Q'20 vs 63% in 4Q'19), [2] lower share of options.



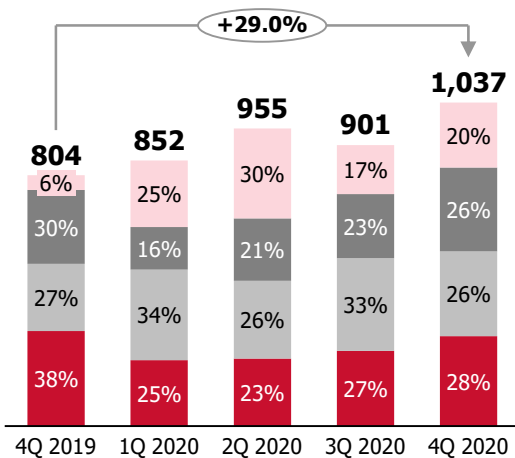
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# IT Services, Listing and Other Fee Income (ITSLOFI)

## ITSLOFI<sup>1</sup>

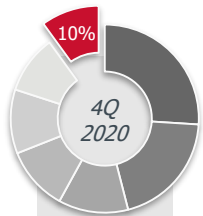
RUB mln

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



## Comments

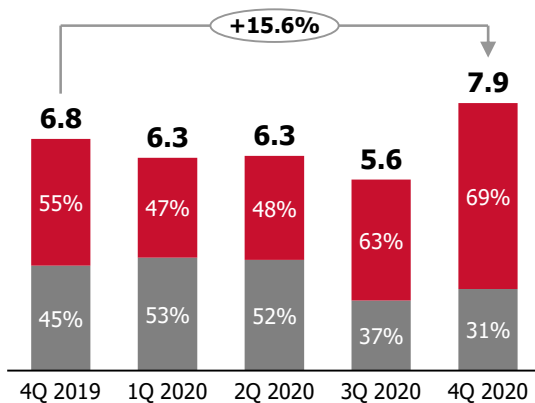
- Listing and other fees related to the Securities Market increased by 13.5% YoY.
- Sales of information services rose by 27.0% YoY, mainly due to a weaker RUB and expansion of the client base.
- Sales of software and technical services decreased by 5.7% YoY.
- Other fee and commission income was up more than 4x YoY explained by the 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.



# Fixed Income Market

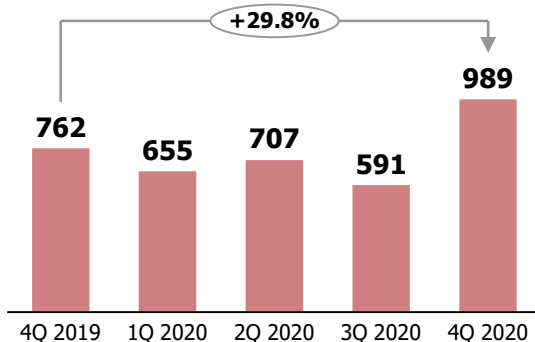
## Trading volumes<sup>1</sup>

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



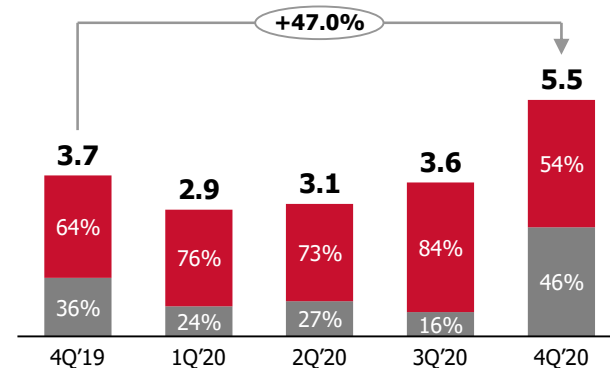
## Fee & commission income

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 29.8% YoY with trading volumes (excl. overnight bonds) increasing by 15.6% YoY.
- Primary market volumes (excluding overnight bonds) improved 47.0% YoY. Bond placements on MOEX hit a new high in 4Q'20. Corporate placements nearly doubled YoY due to the accommodating interest rate environment.
- Secondary trading volumes decreased 22.2% YoY as buy-and-hold approach prevailed, particularly in OFZs. Secondary trading of OFZ was down 24.7% YoY, other bonds declined 18.0% YoY.
- The effective fee dynamics was supported by a higher fraction of corporate placements and OFZs and a lower fraction of short-term OBRs in the primary market.

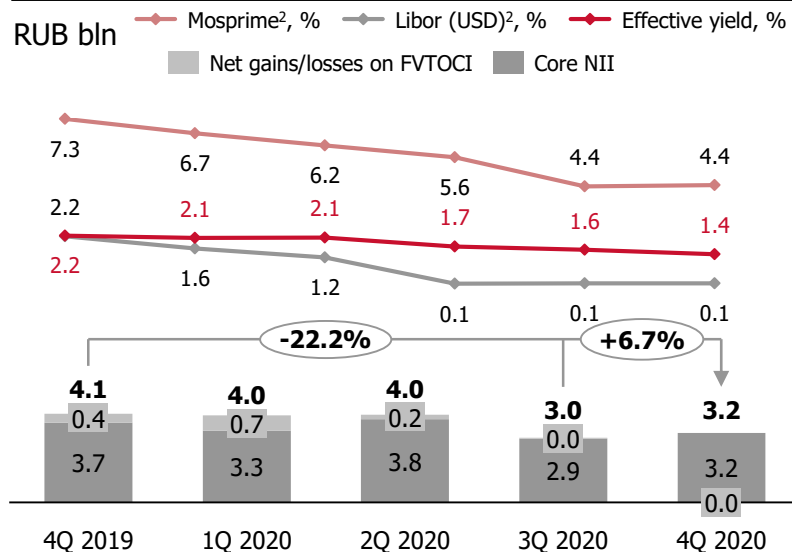


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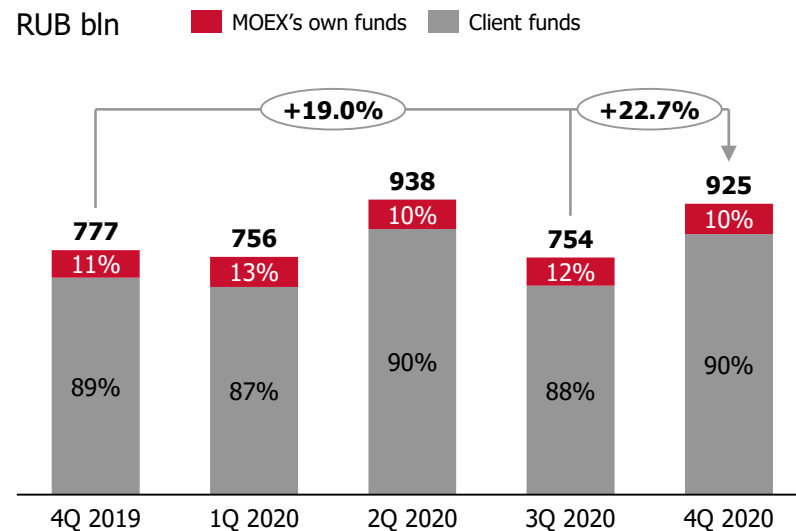
Source: Moscow Exchange  
<sup>1</sup> Trading volumes on the Fixed Income Market include placements

# Interest and finance income in 4Q'20

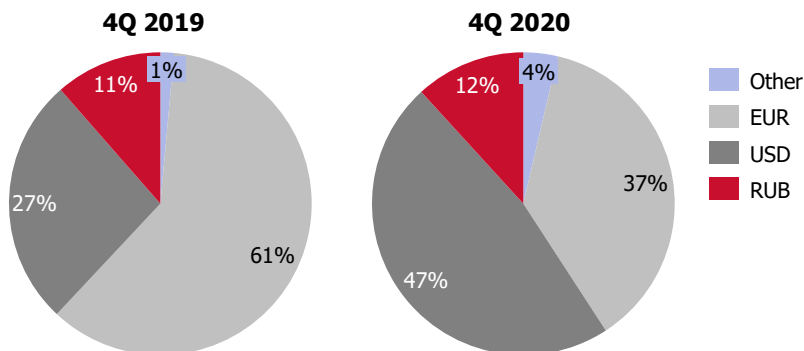
## Interest and finance income<sup>1</sup>



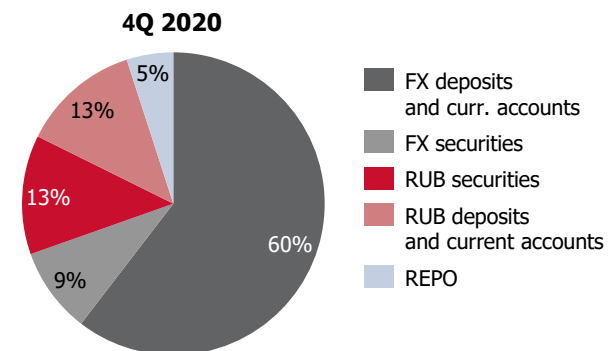
## Investment portfolio sources<sup>3</sup>



## 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



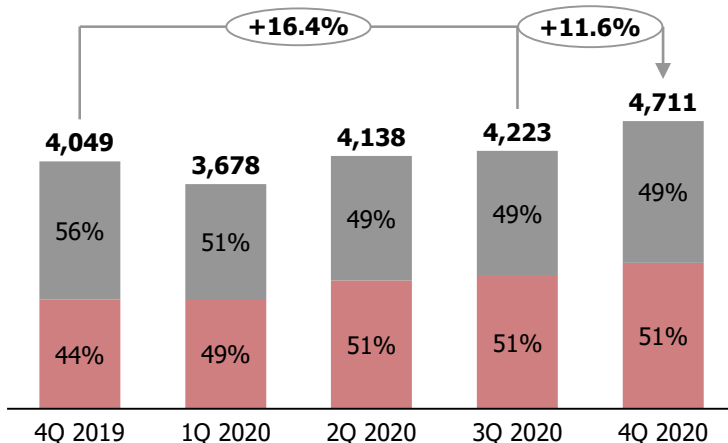
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# Operating expenses in 4Q'20 (excl. provisions)

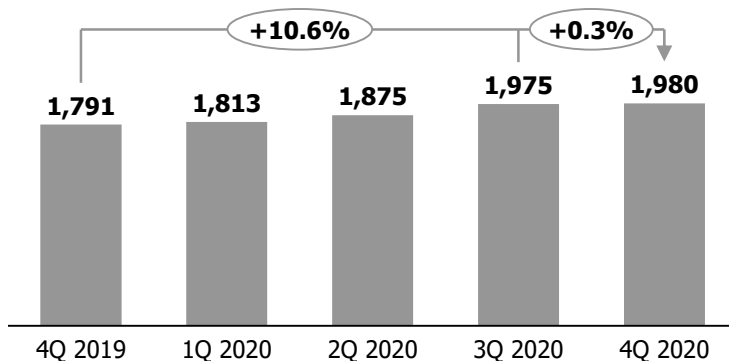
## Operating expenses

RUB mln

- General and administrative expenses
- Personnel expenses



## Headcount, number of employees EOP



## Major expense items

| RUB mln  | 4Q 2019       | 4Q 2020       | Change YoY       |
|--|---------------|---------------|------------------|
| Personnel expenses                             | 1784.4        | 2389.2        | 33.9%            |
| D&A and IT maintenance                         | 1302.7        | 1347.8        | 3.5%             |
| Remaining administrative expenses <sup>1</sup> | 961.7         | 973.8         | 1.3%             |
| <b>Total OPEX</b>                              | <b>4048.8</b> | <b>4710.8</b> | <b>16.4%</b>     |
| <b>Cost / Income Ratio</b>                     | <b>36.2%</b>  | <b>35.5%</b>  | <b>-0.7 p.p.</b> |

## Comments

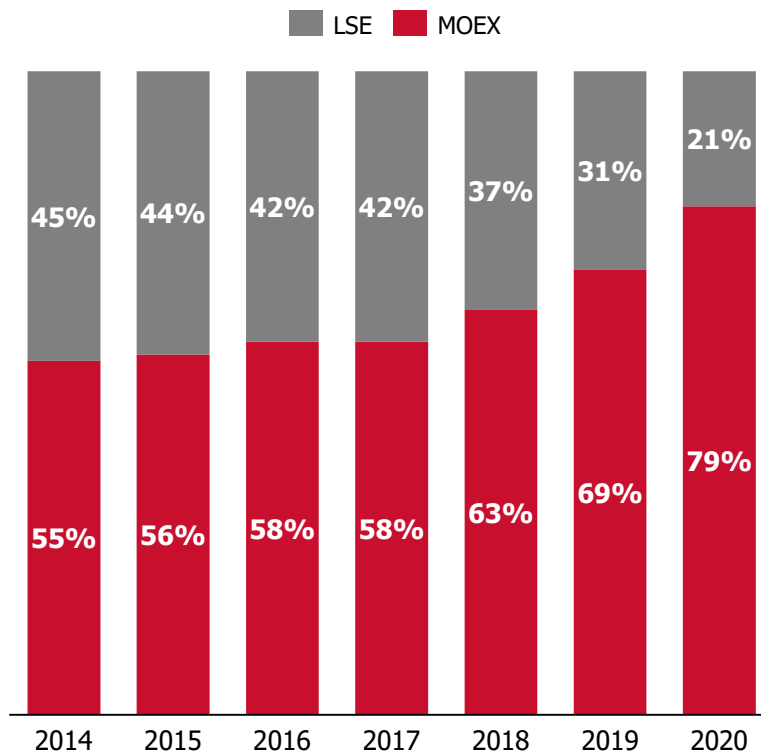
- OPEX for 4Q'20 added 16.4% YoY, largely explained by the growth in personnel expenses.
- Personnel expenses growth of 33.9% YoY decomposes into: [1] 10.4 p.p. headcount growth, [2] 8.8 p.p. extra bonus accruals resulting from outperformance on KPIs, [3] 7.4 p.p. net LTIP effect, [4] 7.2 p.p. other factors, incl. general wage increases.
- Half of OPEX growth is explained by the extra bonus provision triggered by the strong financial performance and the new LTIP effect that kicked in from July 2020 onwards.
- D&A and IT maintenance added 3.5% YoY, driven by a 29.3% YoY increase in equipment & intangible assets maintenance.
- CAPEX for 4Q'20 was RUB 1.02 bln and RUB 3.24 bln for 12M'20.

# Appendix

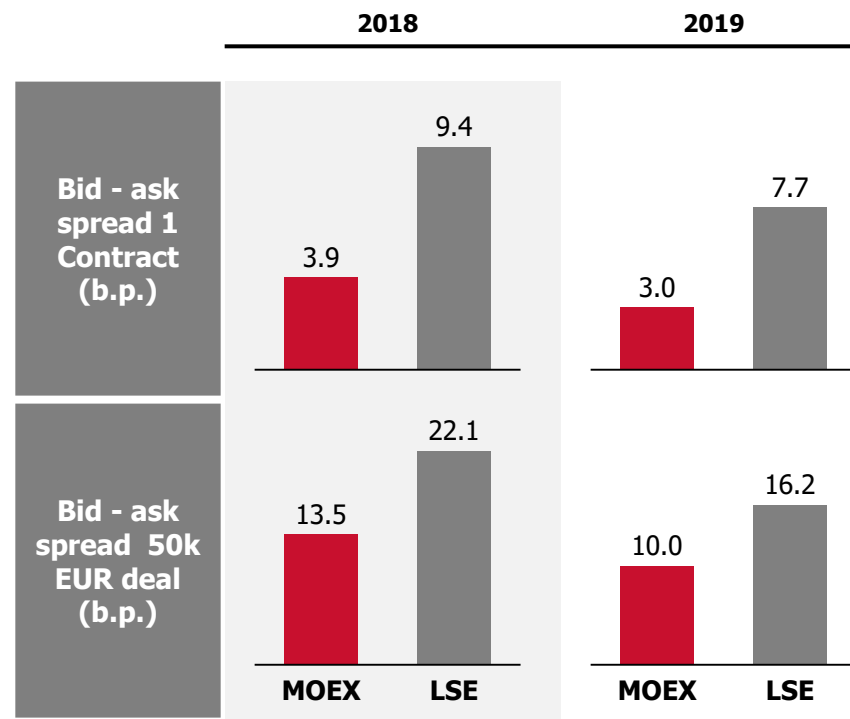
# Dual listed stocks virtual index spread dynamics

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 79% 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 02 January 2021

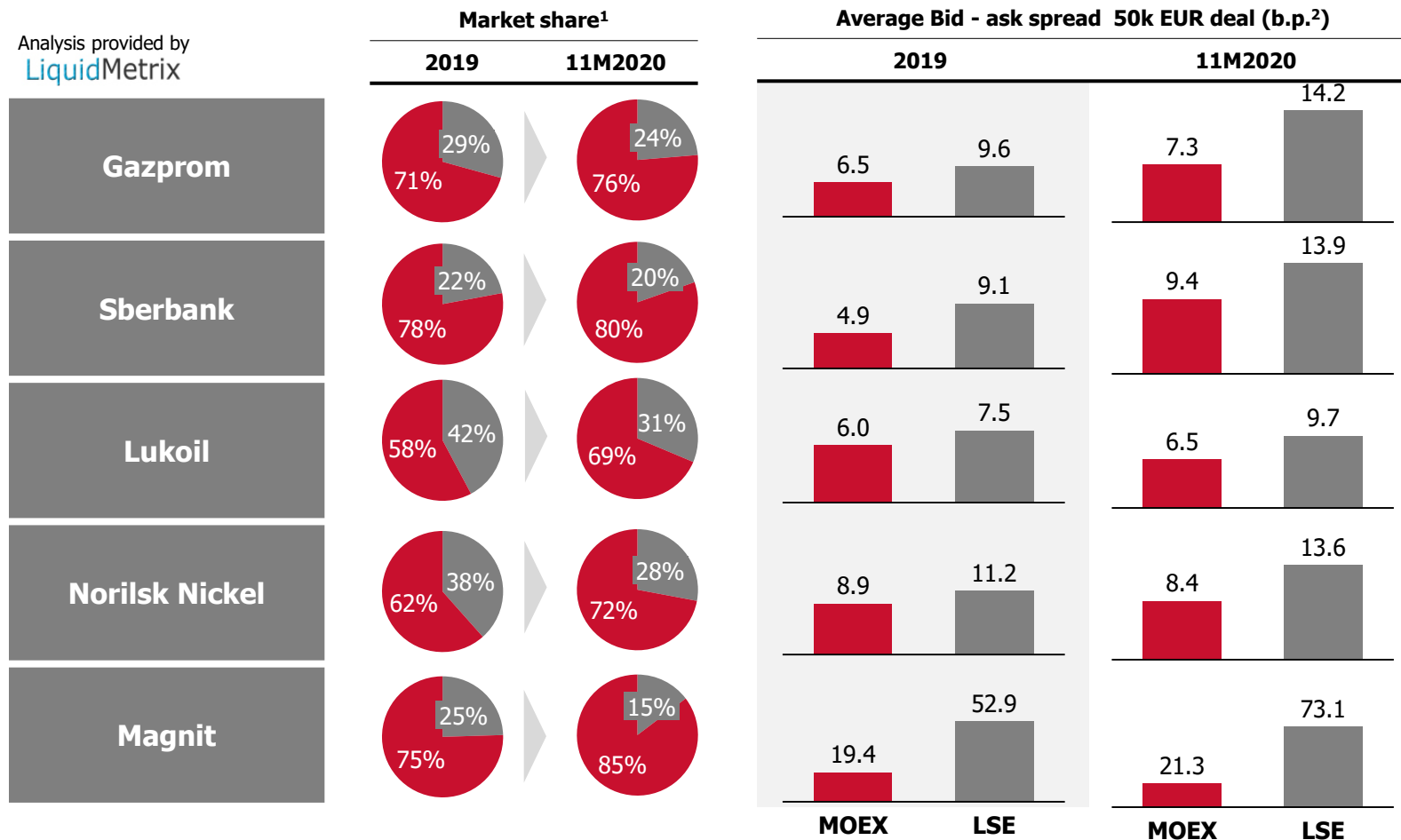
1. MICEX Virtual Index – index calculated based on prices and EOB data of the most liquid Russian dual listed stocks. Data since December 2015 include trading auctions on MOEX. Data for March-April 2018, January-December 2020 are based on Bloomberg data for LSE, data for other periods were provided by 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)

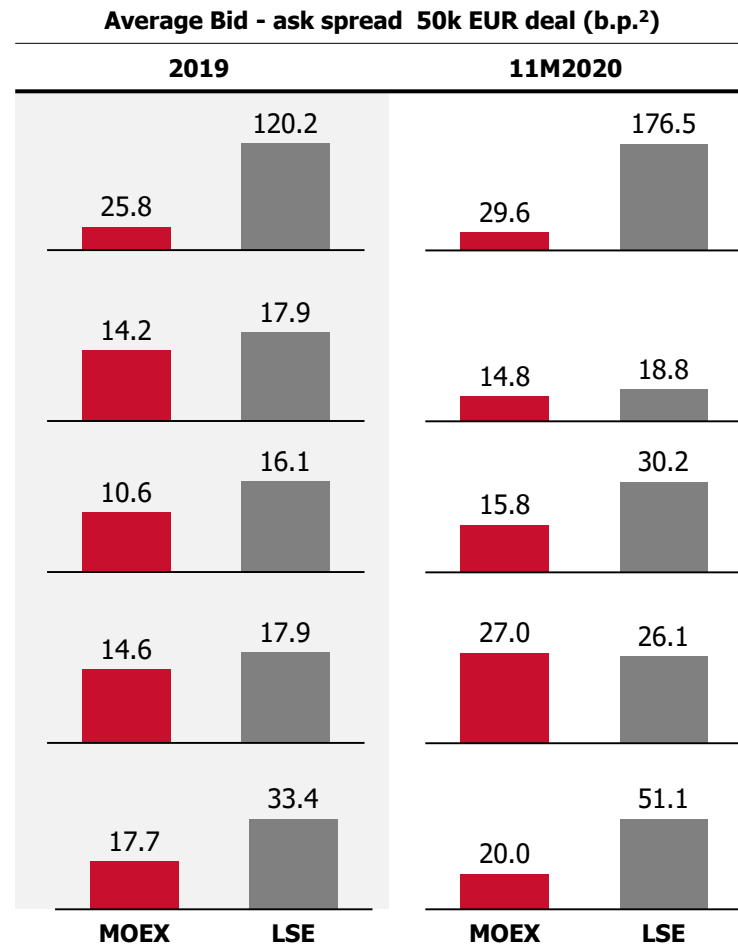
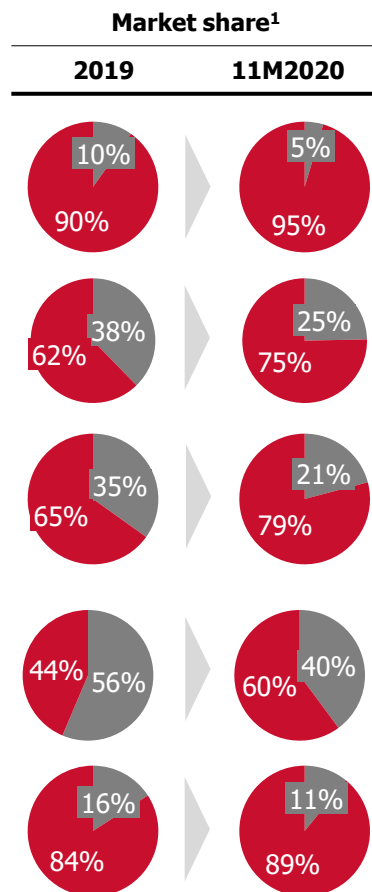
Analysis provided by  
LiquidMetrix



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



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

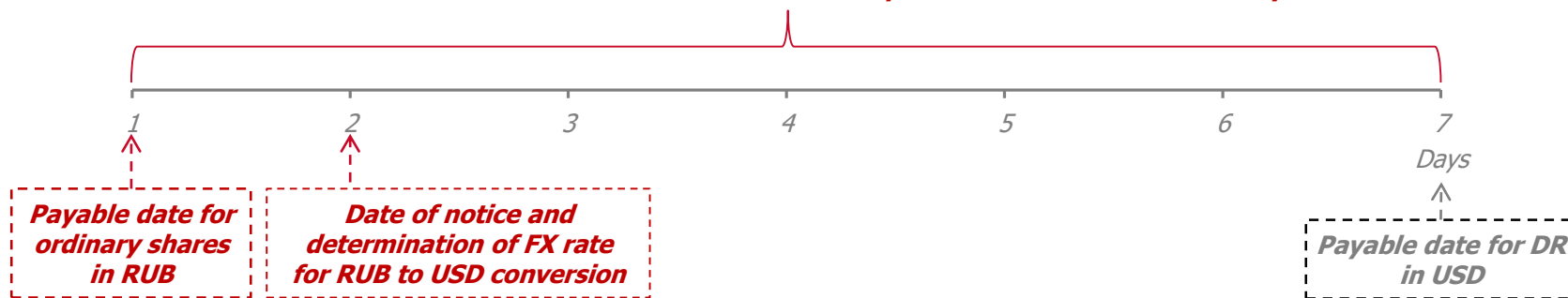
# Dividend payments for DR holders

## 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>2020</i>      | <i>2019</i>      | <i>% chg.</i> |
|--|------------------|------------------|---------------|
| Fee and commission income  | 34,268.2         | 26,181.4         | 31%           |
| Interest and finance income <sup>1</sup>                             | 14,158.7         | 16,713.0         | -15%          |
| Other operating income   | 164.1            | 335.1            | -51%          |
| <b>Operating Income</b>  | <b>48,591.0</b>  | <b>43,229.5</b>  | <b>12%</b>    |
| General and administrative expenses                                  | -8,290.7         | -8,321.4         | 0%            |
| Personnel expenses   | -8,459.3         | -7,113.9         | 19%           |
| <b>Operating Expense (before Other operating expenses)</b>           | <b>-16,750.0</b> | <b>-15,435.3</b> | <b>9%</b>     |
| <b>Operating Profit Before Tax (before Other operating expenses)</b> | <b>31,841.0</b>  | <b>27,794.2</b>  | <b>15%</b>    |
| Other operating expenses   | -0.9             | -2,614.8         | -100%         |
| Income tax expense   | -6,669.6         | -4,978.8         | 34%           |
| <b>Net Profit</b>  | <b>25,170.5</b>  | <b>20,200.6</b>  | <b>25%</b>    |
| <b>Earnings per share</b>  |                  |                  |               |
| Basic earnings per share, rubles                                     | 11.16            | 8.96             | 25%           |
| Diluted earnings per share, rubles                                   | 11.14            | 8.96             | 24%           |

# Consolidated Statement of **Financial Position**

| <i>RUB mln</i>                               | <i>31 December 2020</i> | <i>31 December 2019</i> | <i>% chg.</i> |
|--|-------------------------|-------------------------|---------------|
| <b>Assets:</b>                               |                         |                         |               |
| Cash and cash equivalents                    | 471,793.0               | 466,098.8               | 1%            |
| Central counterparty financial assets        | 4,050,837.6             | 3,262,670.6             | 24%           |
| Financial assets <sup>1</sup>                | 367,299.3               | 253,538.2               | 45%           |
| Property and equipment and intangible assets | 23,328.5                | 22,435.6                | 4%            |
| Goodwill                                     | 15,971.4                | 15,971.4                | 0%            |
| Other assets <sup>2</sup>                    | 3,366.4                 | 7,879.8                 | -57%          |
| <b>Total Assets</b>                          | <b>4,932,596.2</b>      | <b>4,028,594.4</b>      | <b>22%</b>    |

| <i>RUB mln</i>                                 | <i>31 December 2020</i> | <i>31 December 2019</i> | <i>% chg.</i> |
|--|-------------------------|-------------------------|---------------|
| <b>Liabilities:</b>                            |                         |                         |               |
| Balances of market participants                | 716,893.1               | 565,922.6               | 27%           |
| Overnight bank loans                           | 0.0                     | 49,229.1                | -100%         |
| Derivative financial liabilities               | 139.6                   | 32.8                    | 326%          |
| Central counterparty financial liabilities     | 4,050,837.6             | 3,262,670.6             | 24%           |
| Distributions payable to holders of securities | 15,689.2                | 11,714.1                | 34%           |
| Other liabilities <sup>3</sup>                 | 9,747.0                 | 7,167.0                 | 36%           |
| <b>Total Liabilities</b>                       | <b>4,793,306.5</b>      | <b>3,896,742.0</b>      | <b>23%</b>    |
| <b>Total Equity</b>                            | <b>139,289.7</b>        | <b>131,852.4</b>        | <b>6%</b>     |
| <b>Total Liabilities and Equity</b>            | <b>4,932,596.2</b>      | <b>4,028,594.4</b>      | <b>22%</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, Investments in associates

2 Current tax prepayments, Deferred tax asset, Other assets

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



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– 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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