OBUV ROSSII PRESENTATION























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Many factors could cause the actual results to differ materially from those contained in our projections or forwardlooking statements, including, among others, general economic conditions, our competitive environment, as well as many other risks specifically related to Obuv Rossii Group and its operations.

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Who We Are: Summary Facts





the 1st

stores1

publicly traded company in the Russian fashion retail



366

cities and towns1



own production plants

2005

RUB bn Revenue in 2019²

<u>il</u> 22%

Revenue CAGR in 2012-2019³

~74.9

selling space1

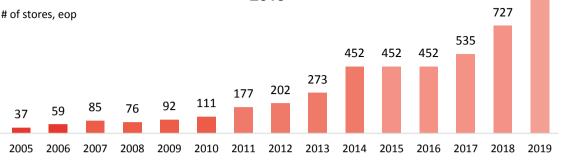


8 million

customer base4



EBITDA margin in 2019² 908











Leading player in the Russian footwear market with distinctive portfolio of well-recognized brands and innovative business model

Obuv Rossii – Already in over 360 cities





Selling Space	31/12/19	31/12/18	YOY
Directly operated stores	61,859	53,769	+15%
Franchise	14,008	13,258	+5.7%
Total (sqm)	75,867	67,027	+12.2%

Store Count	31/12/19	31/12/18	YOY
Directly operated stores	736	566	+170
Franchise	172	161	+11
Total (count)	908	727	+181

Portfolio Of Well-Recognized And Highly Complementary Brands



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B WESTFALIKA



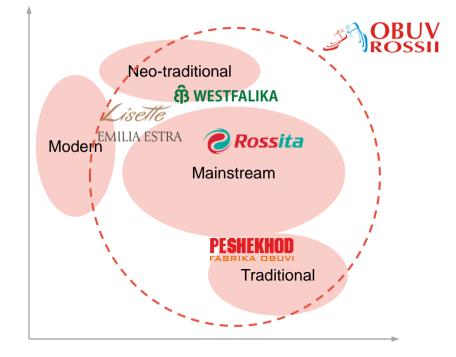
 Neo-traditional footwear of German style





 Footwear of European style for the whole family (women, men and children)

- We are one of a few footwear retailers in Russia that have successfully implemented the strategy of diversification
 - We develop several brands, all of them are with differentiated positioning and a big group of regular customers



EMILIA ESTRA



 Bright silhouettes, footwear of Italian style for young women





 Fashionable footwear of classic French style for younger audience





 Affordable footwear for everyone

We serve our customers through a portfolio of highly differentiated and complementary brands

Customer-Focused Innovative Retail Concept OBUV **Providing Unique Customer Experience**



Eve-catching attractive store

Modern retail stores located

shopping malls and street formats

concept

in both

Proximity to customers thanks to strong footprint throughout Russia



Appealing store concept





Rossita



Compelling loyalty programme with convenient payment option and

innovative add-on services



Multi-channel interaction with our customers underpinned by advanced

omni-channel strategy

~3,400,000 Web sites visitors³ >170,000

of OBS² purchases³



3.800,000 +Customer base¹

2,550,000 + Loyalty cards issued¹



1.900.000 +

Customers used add-on services1

~57%

Of purchases made with loyalty cards in 2019

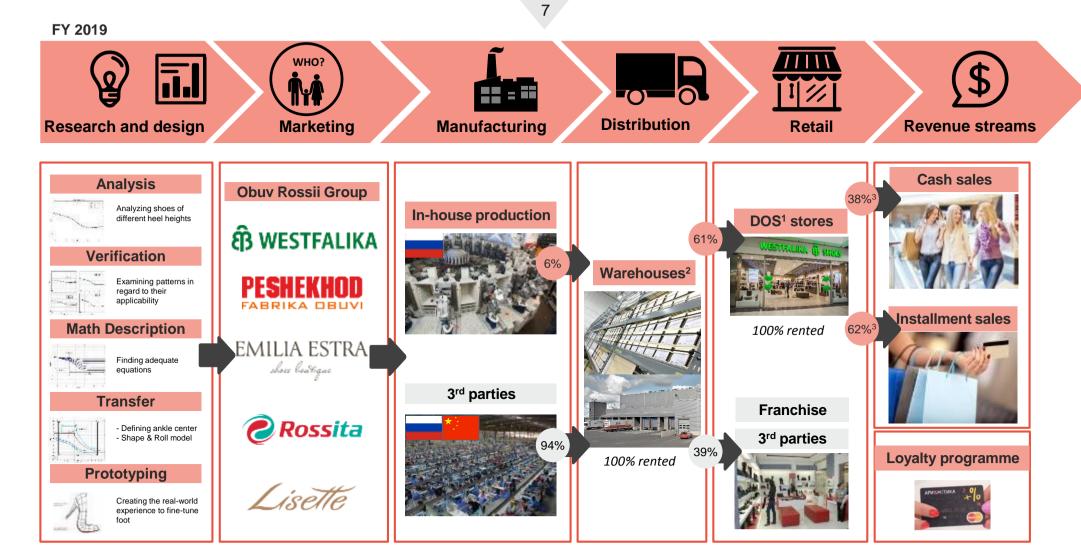
50% OBS² CAGR 2014-2018

~20% Conversion rate³

Our customer-focused innovative concept amplified by omni-channel offering and compelling loyalty programme creates memorable and personalized customer experiences, that lies at the heart of our sustainable and successful growth

Full Control Of The Value Chain





Vertical integration from product design to distribution enables prudent cost management and shortens lead times

Asset-light business model on the back of mainly rented logistic and retail assets

Innovative approach at every stage of the value chain from design and production to sales and loyalty programme

¹ Directly operated stores; ² Cross-docking format; ³ Management accounts, share of installment / cash sales in retail revenue Source: Company data

Experienced Management Team With Proven Track Record Backed By Shareholders



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Founder and CEO



Anton Titov

- Founder, CEO and member of the Board of Directors
- Founded Obuy Rossii in 2003
- Over 20 years of experience in footwear industry
- Awards: Retailer of the Year (2013),
 Entrepreneur of the Year E&Y (2008)

Core management team members



Yulia Donina

- CCO
- With OR for 18 years



Thomas Frank

- Head of Design
- With OR for 10 years



Svetlana Belova

- Head of HR
- With OR for 14 years



Natalia Zherebtsova

- Head of Legal
- With OR for 12 years



Dmitriy Karpenko

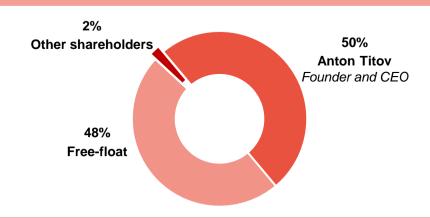
- Head of IT
- With OR for 18 years



Sergey Yung

- Manufacturing Director
- With OR for 6 years

Shareholder structure



Composition of the Board of Directors

Name	Category	Director since	HR & remuneration	Audit
Vyacheslav Shabaykin Chairman		2017		
Tatiana Zotikova Deputy Chairman	INED	2017		C
Stanislav Zverev	INED	2017	C	
Alexey Skvorkin	INED	2017		
Denis Vinokurov	INED	2019		
Anton Titov	CEO	2013		
Alexey Meshkov	INED	2019		

Stable, proven and experienced management team backed by supportive shareholders, committed to achieve further growth of business, enhancing efficiency and creating long-term shareholder value

Multiple Layers Of Future Growth



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Brand awareness improvement

- Nationwide advertising campaigns including new marketing channels
- Further improving quality and efficiency of our ads



Customer experience improvement

- Further enhancement of our mobile apps and websites functionality
- Enhancement of customer loyalty through additional value adding services
- Omni-channel sales development and non-traditional loyalty programme

Chain ramp-up

- Ramp up the outlets opened in the previous two years
- Our goal is to transform our business into online
- Grow online-sales and offline-sales





Improvements across the value chain

- Expand own production to create unique product offering and manage FX and import risks
- On-going improvements in supplier terms and reduction of working capital
- IT penetration enhancement



1 Profitable LFL growth

- Continuous push toward use of best in class retail technologies
- Further assortment expansion with high-margin products
- Additional services development



Development of own production

- Production of special-purpose footwear for corporate clients
- Utilization of existing facilities' spare capacity



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2019

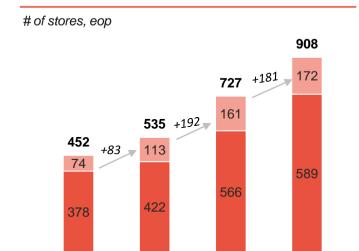
DOS1 stores roll-out in 2019



- In 2019, Obuv Rossii launched more than 200 stores, the net increase was 181 stores taking into account the relocation and closing of some outlets, and entered 125 new cities.
- In the 2019 the Group's retail chain increased by 181 new stores, 170 of them being DOS¹ and 11 of them being franchising ones.
- The roll-out by regions is the following: Siberia 26%, Central Russia 18%, Urals 22%, the Far East 43%.

Continuous expansion of retail network in full accordance with previous guidance

Retail network





2018 Franchise

2017 DOS

2016





Development initiatives

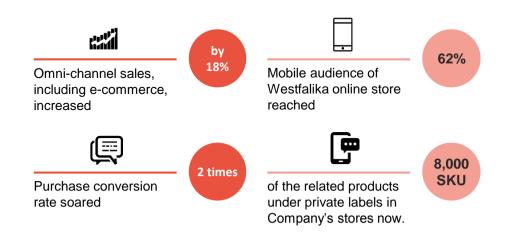
 As for online sales, they also grew during the year by 18.3%, thanks to further improvement of our approach to planning and to holding advertising campaigns based on efficiency indices.





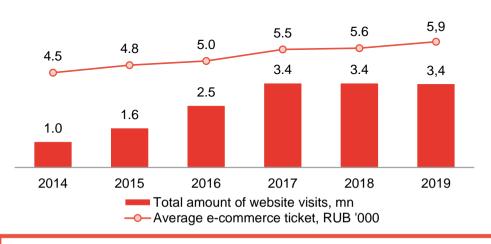
- As a result, the traffic in our online stores has qualitatively improved, traffic from social networks has more than doubled.
- This year, we plan to upgrade the mobile application and launch a revised version of westfalika.ru, the website of our main online store.

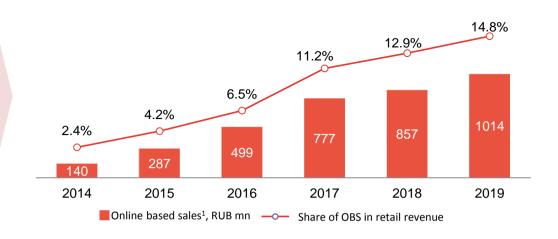
Impressive performance in 2019



Consistent growth of omni-channel revenue

of website visits and average ticket





We successfully implement our omni-channel strategy which leads to rapid growth of online-based revenue

¹ Online based sales include omni-channel sales and revenue from own online stores; Source: Company data, management accounts



Guidance given at IPO for FY2017

Actuals



Retail chain expansion: more than doubling store count by opening ~500 stores in ca. 3 years

• 181 new stores opened in 2019



Persistently high gross margin and EBITDA margin going forward

- Gross margin of 55.2% in 2019
- EBITDA margin of 26.1% in 2019



Developing high-margin related products segment

 Share of high-margin related products (bags, apparel, accessories) in retail revenue amounted to 39.2% in 2019



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Growing share of online revenue

- Continuous development of omni-channel and online-platform resulted in 18.3% in 2019
- 5 standalone online-platforms in place

Strategy update



Retail chain development

It is worth mentioning that in 2019 we finished the implementation of a three-year investment program announced in 2017. We fulfilled all the declared plans having doubled our retail chain in two years and entered 220 new towns.

The main aim for us in 2020 is to ramp up the outlets opened in the previous two years.

Proceeds and profitability in the retail chain will increase due to the growth of such quality indices as proceeds per square meter, conversion ratio and like-for-like sales.



Key events



2018 - April 2020

2018

August 2018

Obuv Rossii opened 71 new stores in 1H 2018

Obuv Rossii paid RUB 262.3 mln dividends for 2017

October 2018

Obuv Rossii Transferred Its Retail Chain to New "Rassrochka 2.0"

Over 9 months 2018, Obuv Rossii launched more than 120 directly operated stores

November 2018

Pick-Up Points of E-com Logistic Operator PickPoint Opened in Obuy Rossii Stores

January 2019

In 2018, Obuv Rossii launched 192 stores, including 144 directly operated stores

February 2019

DPD pick-up points opened in Obuv Rossii stores, DPD is the largest commercial operator of express delivery in Russia 2019

September 2019

Obuv Rossii Is Going To Sell Men's Clothina

August 2019

Obuv Rossii started to deliver OZON online orders

Obuv Rossii launches a new line of face and body care products

July 2019

Obuv Rossii created a distributed call center on base of its stores

June 2019

Obuv Rossii started procurement via an online trading platform

May 2019

Obuv Rossii Develops and Introduces Into Production a New Type of Shoes for Food Industry November 2019

Pick-up points of Russian Post to open in Obuv Rossii stores

Obuv Rossii to launch an online platform to deal with suppliers, and to turn its stores into offline marketplaces

December 2019

Obuv Rossii started cooperation with Moulin Villa cookware producer

Expert RA rated Obuv Rossii as ruBBB+

Obuv Rossii announced the main priority for 2020 to rise the efficiency of its retail chain

January 2020

The largest manufacture of wooden toys became the partner of Obuv Rossii's marketplace

Obuv Rossii started cooperation with Sberlogistika (subsidiary of Sberbank) within partner Pickup Points project 2020

April 2020

Obuv Rossii and Beru marketplace (the joint venture of Yandex and Sberbank) agreed to cooperate

March 2020

Obuv Rossii starts online sales of virtual cards

Obuv Rossii will sell children's clothing and footwear in Westfalika stores

The turnover of Obuv Rossii's marketplace exceeds RUB 1 bln in three months

In 2019 Obuv Rossii showed high profitability: increased EBITDA by 25.5% up to RUB 3.583 bln, the net profit by 26.7% up to RUB 1.687 bln

February 2020

In 2019 turnover of NKO Platezhny Standart, Obuv Rossii's subsidiary providing financial services, increased up to RUB12 bn

Obuv Rossii to launch an online marketplace based on the webstore of its main brand, westfalika.ru

Performance improvement



Prodayom online platform and stores as omnichannel marketplaces

- Obuv Rossii develops its business model and the format of dealing with the suppliers.
- The Group decided to cooperate with new partners according to the principle of a marketplace and provide 30-50% of the sale space of over 700 own stores to third-party suppliers.
- The relationships with partners develop via Prodayom online platform that was launched in December 2019.
- Obuv Rossii has upgraded its stores into omnichannel marketplaces.
- Since December 2019 the retail stock has been expanded with new categories such as household goods, decorative cosmetics, toys, cookware products and small household appliances.
- The turnover of marketplace exceeded RUB 1 bln for three months.
- Due to the new business model Obuv Rossii plans to increase the conversion rate in retail and the proceeds of the operating outlets. It will also allow the company to moderate the seasonality using new product groups.



Online sales development

- The development of online sales is one of the top-priority directions for the near future. Their share in the retail was 14.8% in 2019.
- Obuv Rossii Group develops an online marketplace based on the online store of its main brand, westfalika.ru.
- The marketplace model is used to sell products not provided in Group's stores large-size items that cannot fit the shopping space or products of a higher price tier.
- The project will allow Obuv Rossii to enlarge the online customer group due to customers from small towns and older customers who are not much experienced in online purchases.
- The project started in March 2020 in the test mode in more than 30 stores of the Siberian region. Special places are equipped and monitors are installed in the sales outlets allowing online orders then and there.
- The online marketplace, having achieved its full capacity, will increase the retail proceeds by over 30% in the next two years.
- Obuv Rossii enhanced cooperation with third-party marketplaces: in April the retailer and Beru marketplace signed a cooperation agreement. Beru will help the Group attract new customers by displaying wares on its online platform.



Performance improvement



Partner Pickup Points project

- Obuv Rossii is successfully implementing the strategy on integration into the logistic infrastructure of the Russian ecommerce market.
- To date, about 2,000 partners' pickup points is operating in Obuv Rossii's outlets.
- The Group is cooperating with eight partners such as PickPoint, DPD, Hermes, PEK, Boxberry, Russian Post, Sberlogistika and OZON.
- In 2020, the company plans to increase the amount of parcels delivered through pickup points by 4 times, from 400 thousand to 1.6 million.
- Obuv Rossii intends to involve into the project all logistics operators that provide the customers the "last mile" service with the help of pickup points.
- Postal services allow the Company to increase the traffic in its stores and cross-sales. In 2019, the traffic of clients who came to pick up parcels made up 5.8% of the total foot traffic.
- To unify business processes related to parcel delivery, the Company plans to have the full integration of all partners in the PUP project into a unified IT-system in 2020.



Add-on services in Obuv Rossii stores

- Obuv Rossii continues developing the add-on services for its customers since it makes a considerable contribution into the growth of key indicators.
- The revenue from cash loans increased by 40% in 2019.
- In 2020 the Company will **implement technologies to manage financial services** such as customer's account and a simple electronic signature mechanism to allow for the execution of instalment contracts, etc. All this will allow Obuv Rossii to develop **online financial services** in future.
- In 2019 the turnover of NKO Platezhny Standart, Obuv Rossii's subsidiary providing financial services, increased up to RUB12 bln.
- The best dynamics was seen in such lines as prepaid gift cards and electronic purses, as well as payment solutions for microfinancial organizations.
- Since 2015 the company has issued over 1.1 mln Mastercards (including Arifmetika Mastercards).
- In February 2020 NKO Platezhny Standart expanded the list of its services and launched the online sales of virtual Mastercard credit cards.



Pickup points in Group's stores



New customers and sales growth







1 stage

to get a parcel.

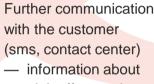
A customer comes to the store







5 stage



special offers and new products.



She/he gets Arifmetika lovalty card and 500 RUB welcome bonus.



Cross-sales:

shop assistants offer goods and services.





A customer is included in Company's client base.

Modern retail



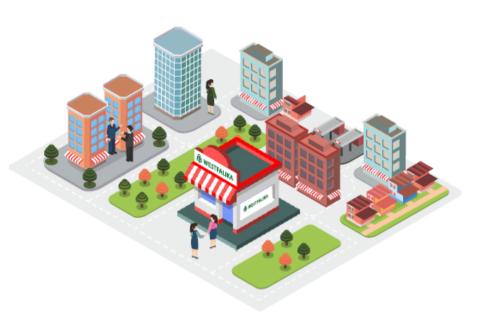
The purpose of changes is to increase the main business indicators of the company:

- Revenue;
- Profit;
- EBITDA.

CONSERVATIVE, STAGNANT INDUSTRY - SHOES AND FASHION MARKET



MODERN INDUSTRY - ONLINE COMMERCE, NEW TECHNOLOGY, IT









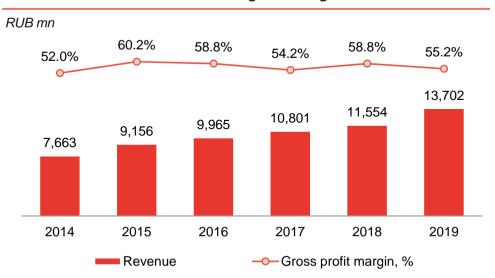
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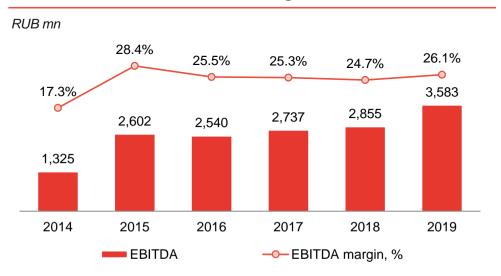
Financial Highlights



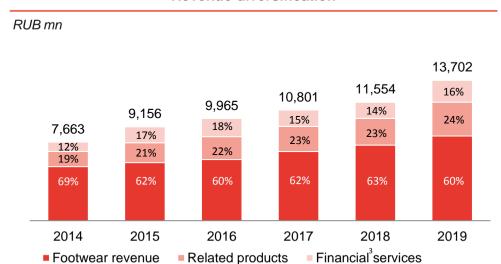
Revenue and gross margin



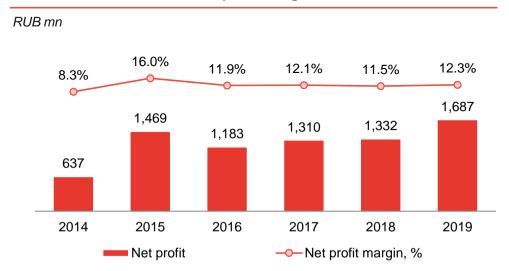
EBITDA margin



Revenue diversification



Net profit margin



Product Mix



Related products segment

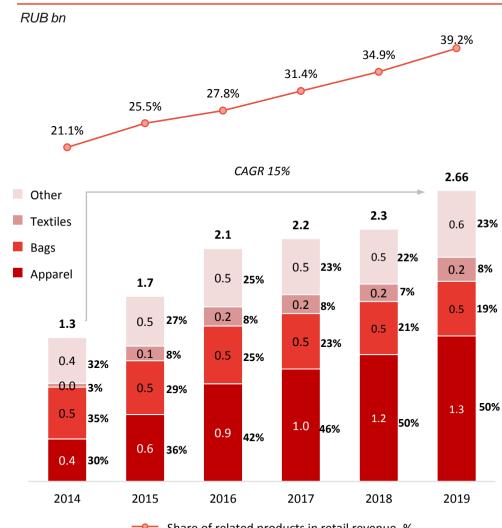
- In 2019, related product sales in our stores increased by 15.9%. their share in the retail proceeds amounted to 39.2%.
- This year we plan to increase the share of such products up to 50%.

New initiatives

- We gradually pass to the multicategory store format, develop the shoes range including the lines of both classical shows and casual style shoes, sports shoes.
- We offer collections of women's and men's clothes and also enter some new segments.
- This all allows us to increase the market capacity and to increase sales on the shopping capacities we have.



Related products revenue breakdown

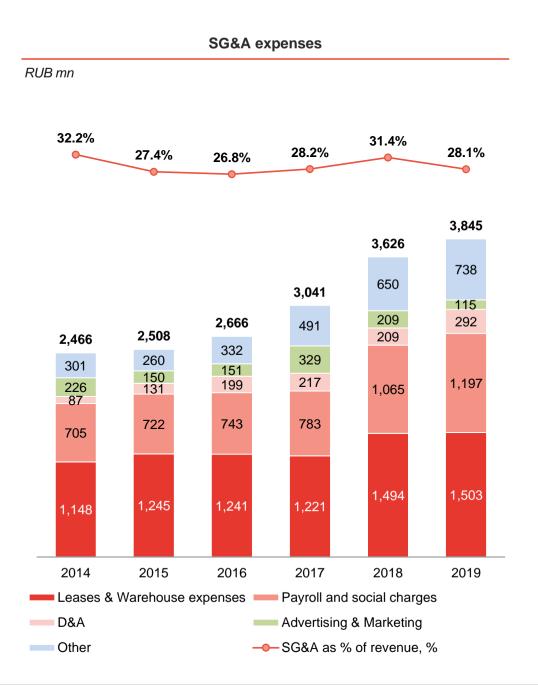


Share of related products in retail revenue, %

Gross Margin And Operating Efficiency



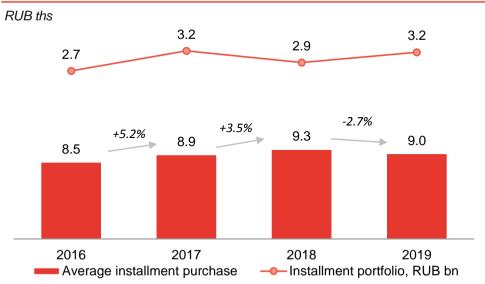




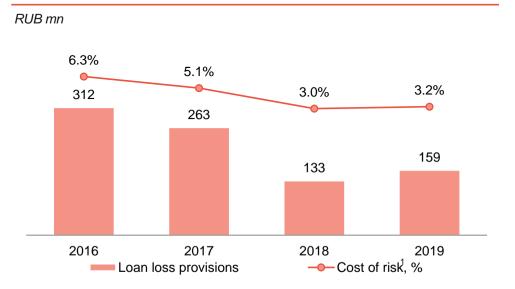
Installments And Cash Loans Development



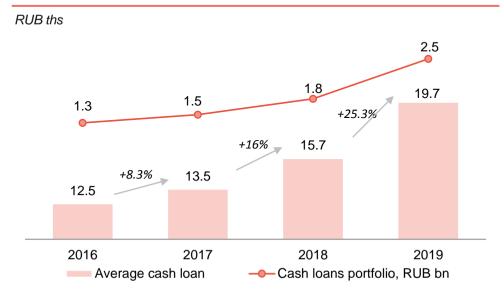




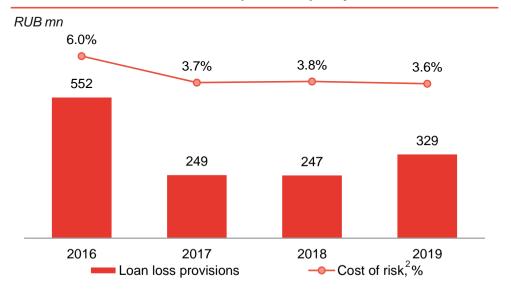
Installments portfolio quality



Cash loans segment development



Cash loans portfolio quality



¹ Loan loss provisions divided by volume of installment loans issued for the financial year; ² Loan loss provisions divided by volume of cash loans issued for the financial year Source: audited IFRS financial statements for 2014-2019, management accounts



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Financial Performance Evolution



(RUB mn unless stated otherwise)	2014	2015	2016	2017	2018	2019
Financial metrics						
Revenue	7,663	9,156	9,965	10,801	11,554	13,702
growth, %	-	19.5%	8.8%	8.4%	7.0%	18.6%
Retail revenue	5,874	6,844	7,663	7,078	6,660	6,872
growth, %	-	16.5%	12.0%	(7.6%)	(5.9%)	3.2%
Wholesale revenue	987	948	825	2,224	3,381	4,703
growth, %	-	-4.0%	-13.0%	169.7%	52.0%	39.1%
Cash loans revenue	802	1,364	1,478	1,500	1,514	2,128
growth, %	-	70.0%	8.4%	1.5%	0.9%	40.5%
Gross profit	3,987	5,510	5,859	5,853	6,789	7,562
margin, %	52.0%	60.2%	58.8%	54.2%	58.8%	55.2%
GG&A expenses	2,466	2,508	2,666	3,041	3,626	3,845
as % of Revenue	32.2%	27.4%	26.8%	28.2%	31.4%	28.1%
EBITDA	1,325	2,602	2,540	2,737	2,855	3,583
margin, %	17.3%	28.4%	25.5%	25.3%	24.7%	26.1%
Net profit	637	1,469	1,183	1,310	1,332	1,687
margin, %	8.3%	16.0%	11.9%	12.1%	11.5%	12.3%
Fotal debt	5,390	6,020	7,341	6,901	8,928	12,409
Cash and cash equivalents	292	287	352	2,169	536	707
Net debt	5,098	5,732	6,989	4,732	8,392	11,702
CAPEX ¹	1,271	646	469	211	290	206
as % of Revenue	16.6%	7.1%	4.7%	2.0%	2.5%	1.5%
Revenue per sqm, RUB ths	178	223	248	214	152	145

¹ Actual payments for purchase of property, plant, equipment, intangible assets and acquisition of subsidiaries, net of cash acquired Source: audited IFRS financial statements for 2014-2018, unaudited IFRS financial statements for 6M 2018- 6M 2019, management accounts