

OBUV ROSSII PRESENTATION



June 2019

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Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Obuv Rossii Group.

You can identify forward-looking statements by terms such as “expect”, “believe”, “anticipate”, “continue”, “estimate”, “intend”, “will”, “could”, “would”, “should”, “may” or “might”, the negative of such terms or other similar expressions. These statements are only predictions and actual events or results may differ materially.

Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking 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
publicly traded company in the
Russian fashion retail



310

cities and towns¹



817

stores¹



~71.3 sqm

selling space¹



2

own production plants



>3.3 million

customer base⁴



11.6

RUB bn Revenue in 2018²




24%

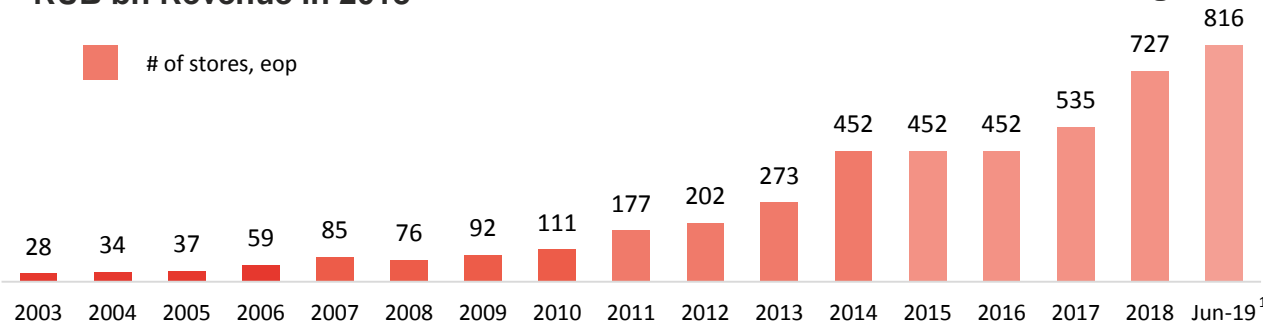
Revenue CAGR in 2012-
2018³



24.7%

EBITDA margin in 2018²

 # of stores, eop



 WESTFALIKA

PESHEKHOD
FABRIKA OBUVI

EMILIA ESTRA

 *Rossita* *Lisette*



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

Obuv Rossii – Already in over 300 cities



4



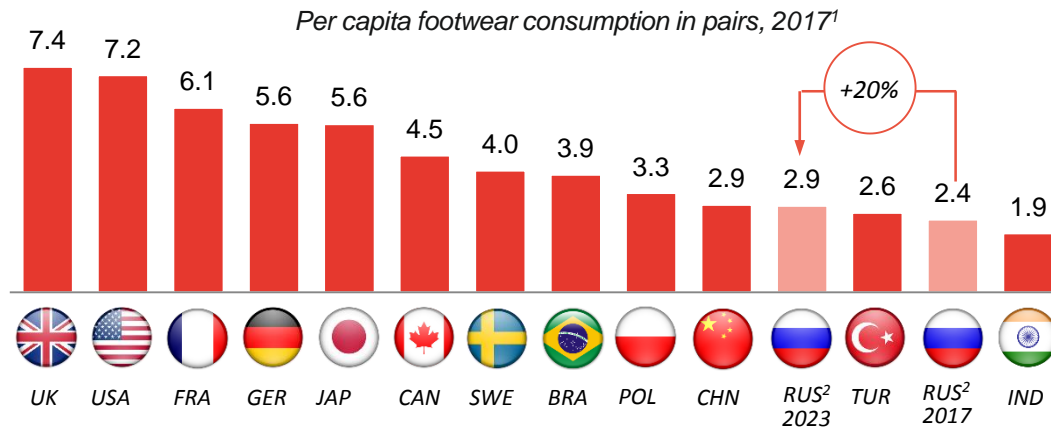
Selling Space	31/03/19	31/03/18	YOY
Directly operated stores	54,300	43,852	+23.8%
Franchise	13,618	10,468	+30.1%
Total (sqm)	67,918	54,320	+25.0%

Store Count	31/03/19	31/03/18	YOY
Directly operated stores	589	456	+133
Franchise	167	113	+54
Total (count)	756	569	+187

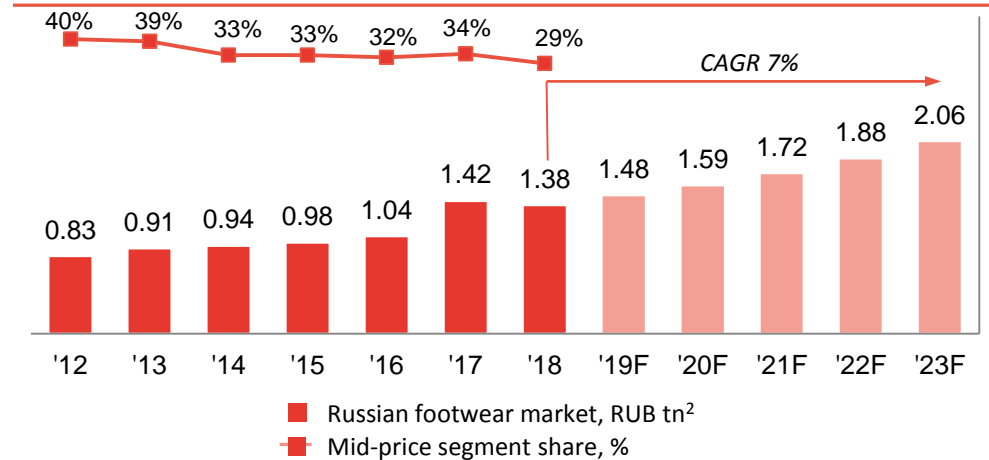
Leading Player In A Fundamentally Attractive Market With Low Level Of Consolidation

5

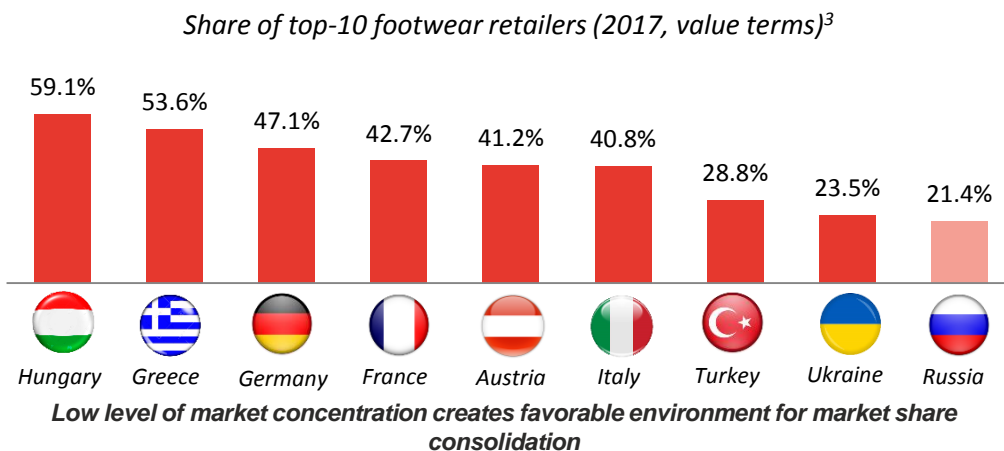
Forecast recovery in per capita footwear consumption



Projected footwear market growth



Russian footwear market overall is also highly fragmented



Largest Russian footwear retailers in mid-price segment

#	Company	Store count ⁴	CAGR '13-18 ⁵	Market share ⁶
1	OBUV ROSSII	727	21.6%	2.9%
2	Respect	273	3.4%	1.0%
3	Ralf RINGER	156	9.3%	0.8%
4	mascolte THOMAS MÜNZ	121	n.a.	0.7%
5	TERVOLINA	100	(0.2%)	0.5%

We are the largest footwear retailer in Russia in mid-price segment, well-positioned to capture the expected growth of the market and benefit from further market consolidation

Portfolio Of Well-Recognized And Highly Complementary Brands

6

WESTFALIKA



- Neo-traditional footwear of German style

Rossita



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

EMILIA ESTRA



- Bright silhouettes, footwear of Italian style for young women

Lisette



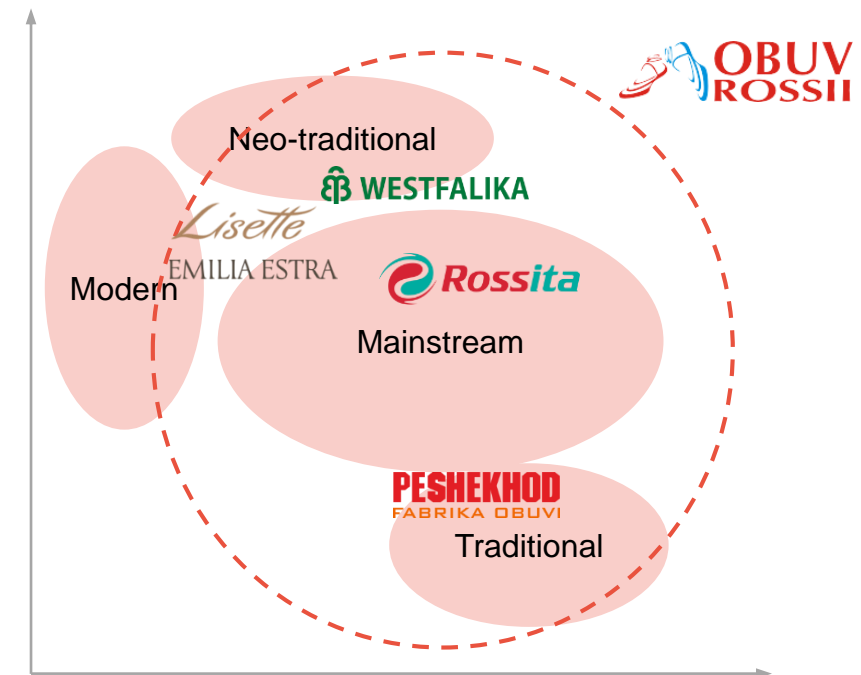
- Fashionable footwear of classic French style for younger audience

**PESHEKHOD
FABRIKA OBUVI**



- Affordable footwear for everyone

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

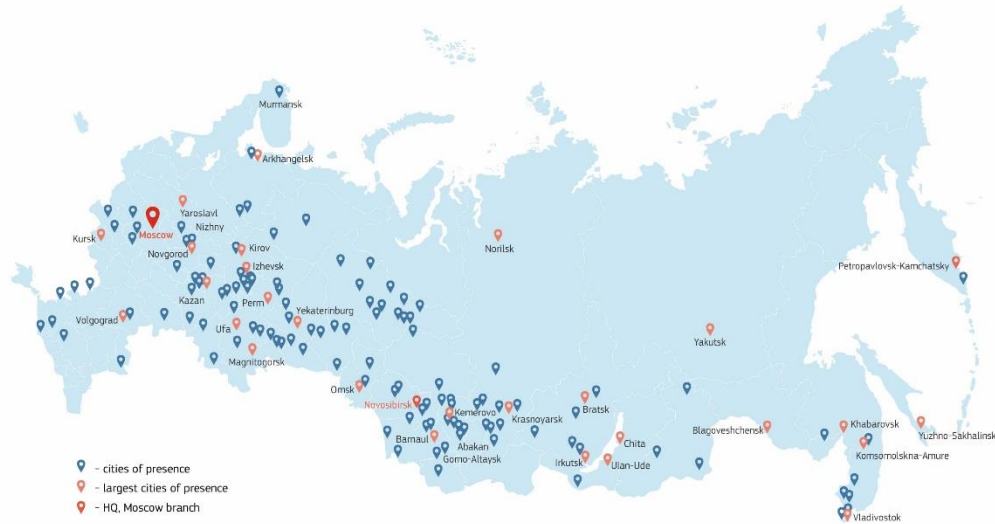


We serve our customers through a portfolio of highly differentiated and complementary brands

Customer-Focused Innovative Retail Concept Providing Unique Customer Experience

7

Proximity to customers thanks to strong footprint throughout Russia



Multi-channel interaction with our customers underpinned by advanced omni-channel strategy

~3,500,000

Web sites visitors³

>150,000

of OBS² purchases³



50%

OBS²

CAGR 2014-2018

~16%

Conversion rate³

Appealing store concept

- ✓ Eye-catching attractive store concept
- ✓ Modern retail stores located in both shopping malls and street formats

WESTFALIKA



Rossita



EMILIA ESTRA



Lisette



Compelling loyalty programme with convenient payment option and innovative add-on services

3,400,000 +

Customer base¹

2,290,000 +

Loyalty cards issued¹



1,600,000 +

Customers used add-on services¹

~58%

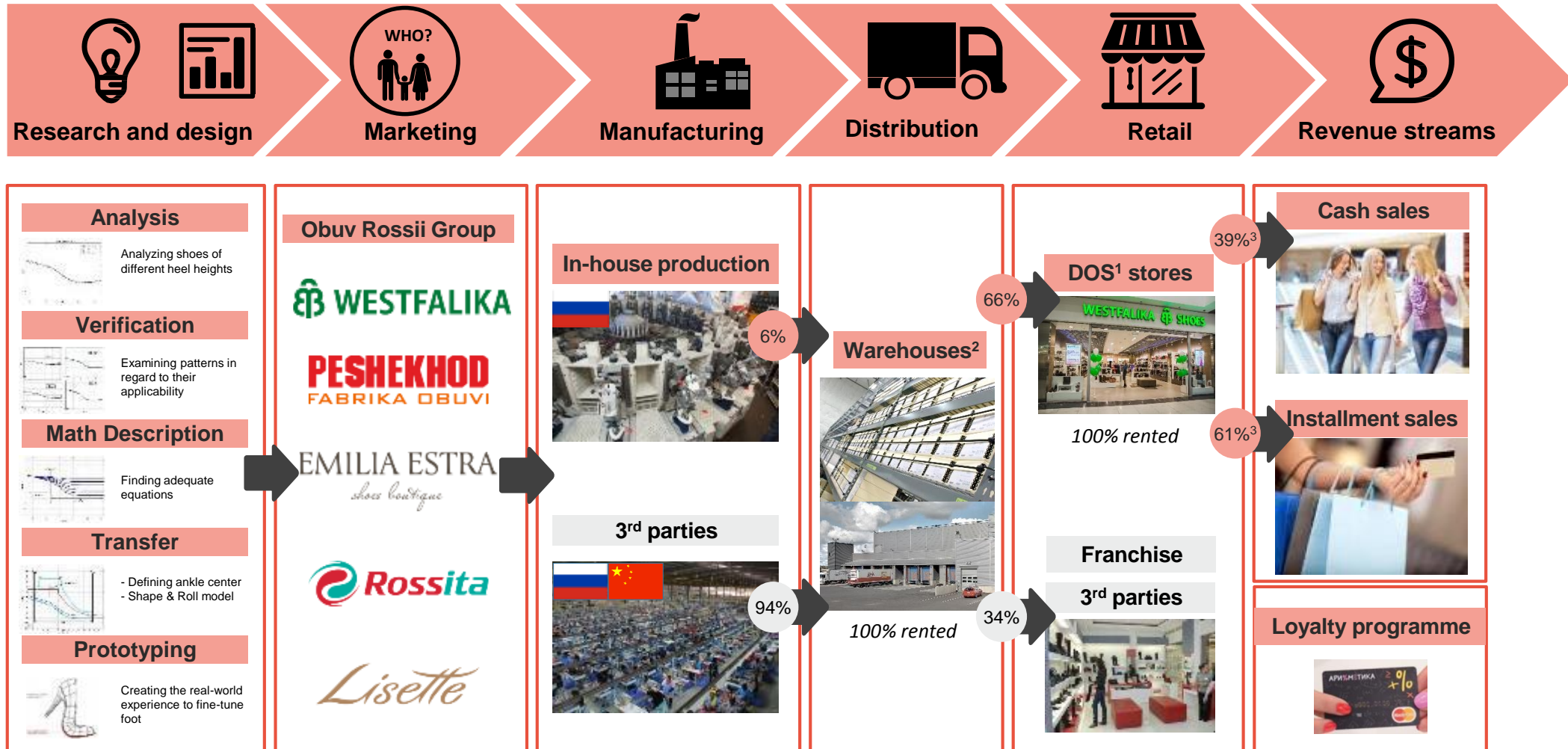
Of purchases made with loyalty cards in 1Q 2019

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

8

As of 1Q 2019



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

Experienced Management Team With Proven Track Record Backed By Shareholders

9

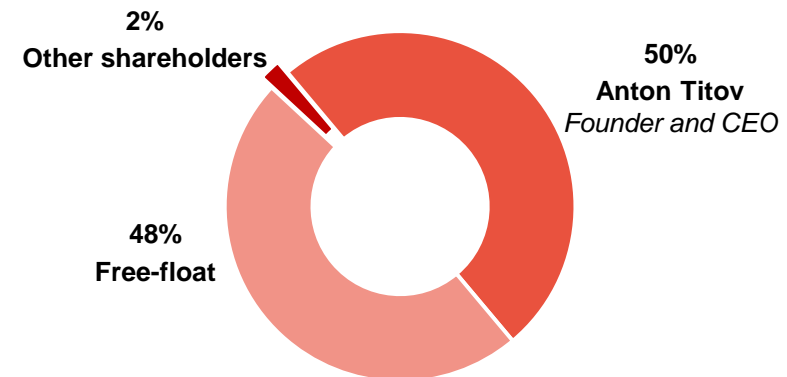
Founder and CEO



Anton Titov

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

Shareholder structure



Core management team members



Elena Ageeva

- CFO
- With OR for 17 years



Thomas Frank

- Head of Design
- With OR for 9 years



Svetlana Belova

- Head of HR
- With OR for 13 years



Yulia Donina

- CCO
- With OR for 17 years



Natalia Zherebtsova

- Head of Legal
- With OR for 11 years



Dmitriy Karpenko

- Head of IT
- With OR for 17 years

Composition of the Board of Directors

Name	Category	Director since	HR & remuneration	Audit
Vyacheslav Shabaykin <i>Chairman</i>		2017		
Tatiana Zotikova <i>Deputy Chairman</i>	INED	2017		C
Stanislav Zverev	INED	2017	C	
Alexey Skvorkin		2017		
Evgenia Gavrikova		2017		
Anton Titov	CEO	2013		
Natalia Zherebtsova	Head of Legal	2015		

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

10



6

Brand awareness improvement

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



5

Customer experience improvement

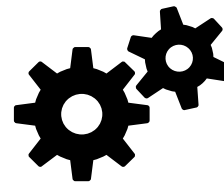
- Further enhancement of our mobile apps and websites functionality
- Enhancement of customer loyalty through additional value adding services
- Omni-channel sales development and non-traditional loyalty programme



1

Store roll-out

- Further expand the store base with majority of stores to be launched in well explored regions
- Selective approach to entering new regions



4

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



2

Profitable LFL growth

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







3

Development of own production

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

Large Market Capacity Creating Opportunities To Grow

Potential market capacity

Brand	Catchment area, '000 people	Market capacity
 WESTFALIKA	70	> 1,300 stores
 Rossita	150	> 500 stores
EMILIA ESTRA	80	> 950 stores
 Lisette	80	> 950 stores
 PESHEKHOD FABRIKA OBUVI	150	> 500 stores

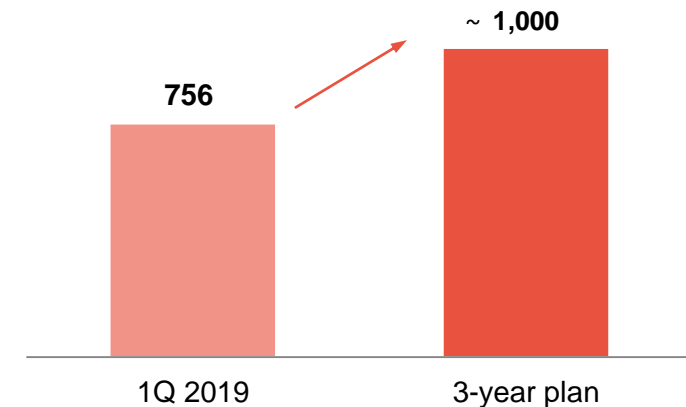
Total market capacity of our stores

**> 4,200
stores**

Mid-term expansion plan

- We aim to double its store network up to ~1,000 stores¹ over the next three years in existing regions and establish footprint in selected new areas
- Majority of stores will be launched in geographies where the Group is currently present to benefit from Obuv Rossii's existing regional teams and associated economies of scale

Total # of stores¹



Total market capacity of our stores (more than 4,200 stores) leaves enough room for further development
We aim to double its store network over the next three years
Unlike in food retail, in fashion retail there is traffic synergy between closely located stores

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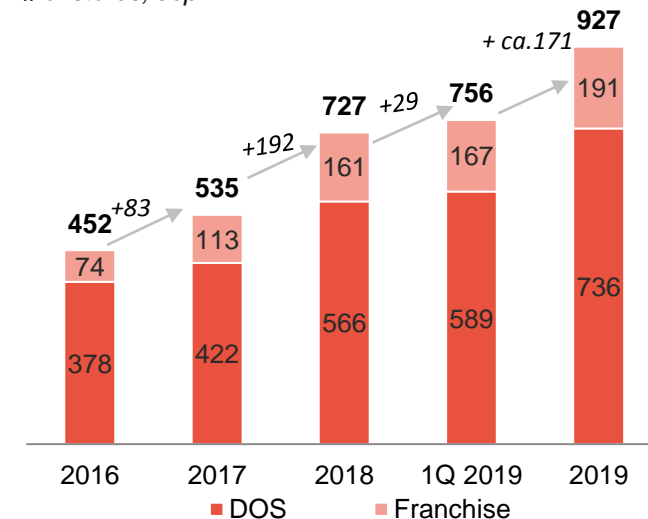
Retail Chain Expansion Update

DOS¹ stores roll-out in 1Q 2019



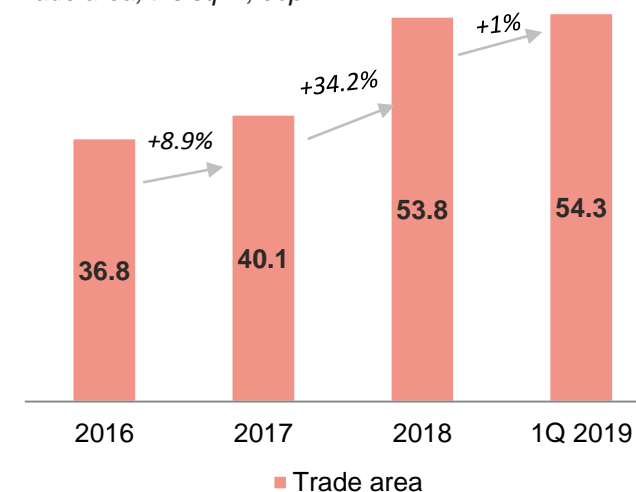
Retail network

of stores, eop



Trade area

Trade area, ths sq m, eop



- In 12M 2018 were opened 144 DOS¹ stores
- «Obuv Rossii» will continue developing its retail chain and it plans to open 200 (30 franchise) stores by the end of the year according to its revised investment program
- In the first quarter 2019 the Group launched 42 new DOS¹, 19 stores were closed on the relocation program, and the net growth of retail chain amounted to 23 stores. DOS¹ – Directly operated stores.

Continuous expansion of retail network in full accordance with previous guidance

¹ DOS – directly operated stores

Source: audited IFRS financial statements for 2014-2018, management accounts

Development initiatives

- In the first quarter online sales of the company rose by 42%, their share in retail revenue reached 14%.



- Close attention to preparing high quality content for our online stores:
 - own photostudio
 - dedicated team of professional photographers and color correction artists
- Improved SMM coverage of our brands

Consistent growth of omni-channel revenue

Impressive performance in 1Q 2019

Omni-channel sales, including e-commerce, increased

by
42%

Mobile audience of Westfalika online store reached

60%

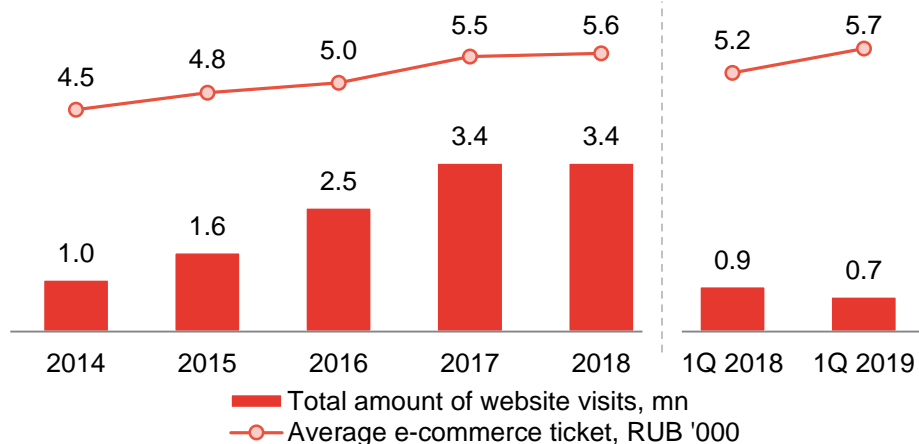
Purchase conversion rate soared

2 times

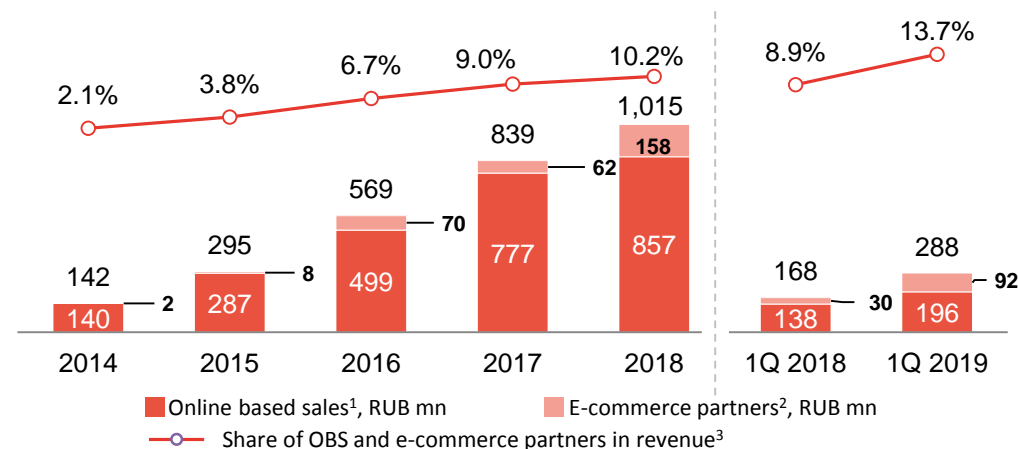
of the related products under private labels in Company's stores now.

8,000
SKU

of website visits and average ticket



OBS¹ and revenue from e-commerce partners²



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; ² Sales through e-commerce partners; ³ Revenue from sale of goods = Total revenue – Income from cash loans
 Source: Company data, management accounts

Guidance given at IPO for FY2017

Actuals



1

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

- 192 new stores opened in 2018
- 42 new stores opened in 1Q 2019
- 200 new stores are expected to be opened in 2019



2

Persistently high gross margin and EBITDA margin going forward

- Gross margin of 58.8% in FY 2018
- EBITDA margin of 24.7% in FY 2018
- Gross margin of 61.5% in 1Q 2019
- EBITDA margin of 24.0% in 1Q 2019



3

Developing high-margin related products segment

- Share of high-margin related products (bags, apparel, accessories) in retail revenue amounted to 34.9% in FY 2018; 38.2% in 1Q 2019



4

Growing share of online revenue

- Continuous development of omni-channel and online-platform resulted in 10.3% growth of omni-channel sales in FY 2018; 42.5% in 1Q 2019
- 5 standalone online-platforms in place

Retail chain development

Obuv Rossii has increased **the market capacity for its brands up to 4000 stores** due to entering towns with population from 50 to 100 ths. people

The Group started to actively open new stores in small towns this year and considerably **enhanced its sales geography**. It entered over 80 new cities and towns in 2018

The Group is developing within the announced program, and **in 2019 we plan to launch 200 (30 franchise) stores**.

Stores in small towns have the following advantages:

Lower CAPEX

Rent rates two times lower than in big cities

No advertising expenses

Lower level of competition

These stores reach sales targets faster than those in cities do



2018 - May 2019

2018

January 2018

- Halva Project (installment payment card) was launched in Obuv Rossii stores

February 2018

- Obuv Rossii had sevenfold increase in cardigans and jumpers range

March 2018

- Obuv Rossii invested more than RUB 40 mln in its IT-infrastructure and created data center in Moscow

April 2018

- In 1Q 2018 the Group launched 34 new stores

July 2018

- Share of casual style shoes in Obuv Rossii retail sales exceeded 70% in 1H 2018

August 2018

- Obuv Rossii opened 71 new stores in 1H 2018

- Obuv Rossii paid RUB 262.3 mln dividends for 2017

June 2018

- Obuv Rossii announced creation of new footwear production in priority development area Linevo, Novosibirsk region (the manufacturing of one-piece molded footwear and shoe bottom parts of polymer materials)

May 2018

- Obuv Rossii introduced blockchain in financial services management — among the first in Russian retail

September 2018

- RAEX (Expert RA) confirmed the ruBBB+ creditworthiness rating of Obuv Rossii

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 Obuv Rossii Stores

December 2018

- Number of delivered PickPoint online orders in Obuv Rossii stores reached 1,000 a week

May 2019

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

February 2019

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

January 2019

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

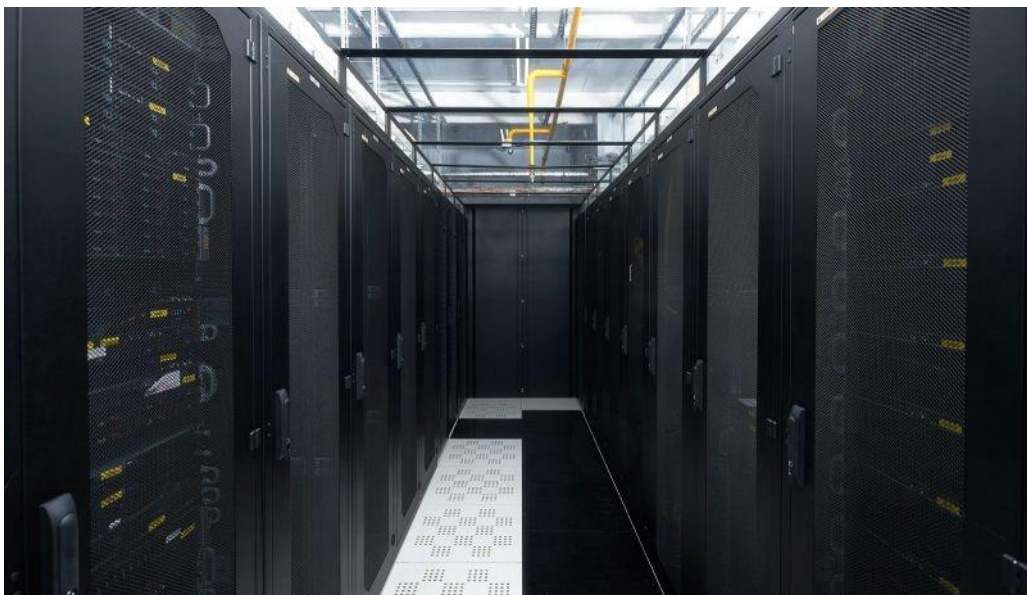
- Obuv Rossii for the first time presented its S-TEP footwear brand at Sport Casual Moscow exhibition

2019

DATA CENTER IN MOSCOW

Obuv Rossii **invested RUB 40 mln** in its IT-infrastructure development: it launched its own data center in Moscow and increased the capacity of the central DPC in Novosibirsk and of the regional DPC in Khabarovsk

Obuv Rossii has created **IT-infrastructure for its retail chain expansion, development of omni-channel sales and financial services**: the existing IT-system provides uninterrupted 24/7/365 online operating mode independently of time zones, as well as enhancement of system flexibility, mobility, scalability and failure tolerance



INSTALLMENT 2.0. AND CUSTOMIZATION

By the Autumn-Winter season Obuv Rossii completed the introduction of new IT-platform for financial services management — Installment 2.0

It is not attached to the central DPC in Novosibirsk and distributed in three Data Processing Centers of the Company: in Novosibirsk, Moscow and Khabarovsk

It is more flexible and enables to customize company's offers to its clients taking into account interaction history, which contributes to sales growth



In 2018, sales of jumpers and cardigans in Obuv Rossii stores increased almost four times

The new stock appeared in stores in 2017. Almost 500 SKUs were introduced in the fall-winter and spring-summer collections for the next year, which was six times more than in 2017. Sales of midlayer clothing increased almost 4 times; its share in retail revenue reached 2.5%.

The expansion of the clothing line allowed the Group not only to significantly diversify the collection but also to draw new customers and to offer loyal customers a new range in addition to the main purchase.

The company will continue to expand the stock in the new spring-summer season 2019. A new category of sewn products like dresses, blouses, shirts will be introduced.

More than

8 000 SKU

is the range of the related products under private labels in Company's stores

10% was the growth of related products sales in 1Q 2019

38% was their share in retail revenue in 1Q 2019

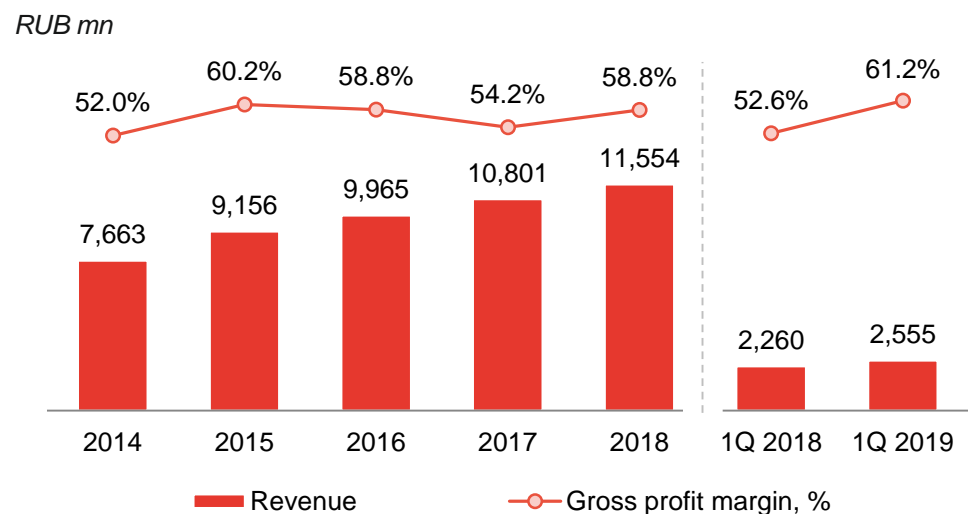


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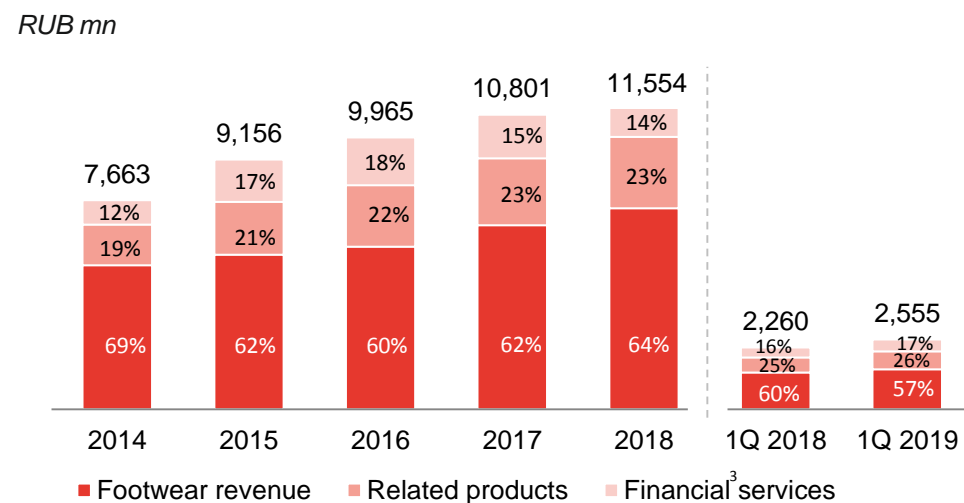


Financial Highlights

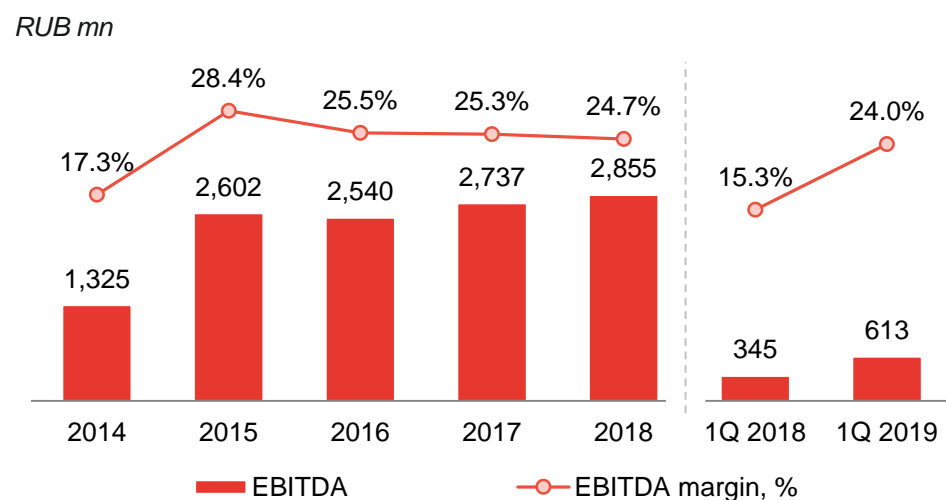
Revenue and gross margin



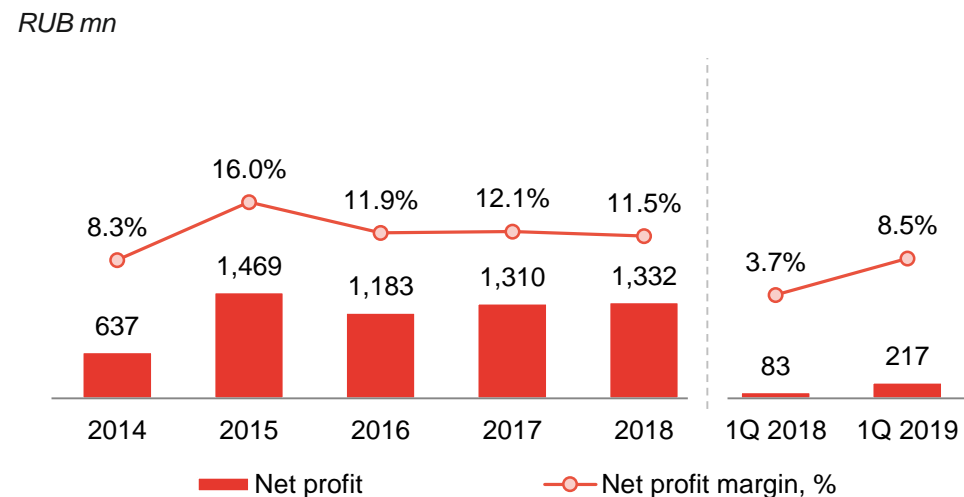
Revenue diversification



EBITDA margin



Net profit margin



Related products segment

- Despite offering wide range of related products, we focus on footwear – share of related products in our retail revenue is 38.2%
- We offer bags, apparel, textiles, footwear care products, cosmetics and other high-margin products, which drive our LFL growth and improve customer loyalty

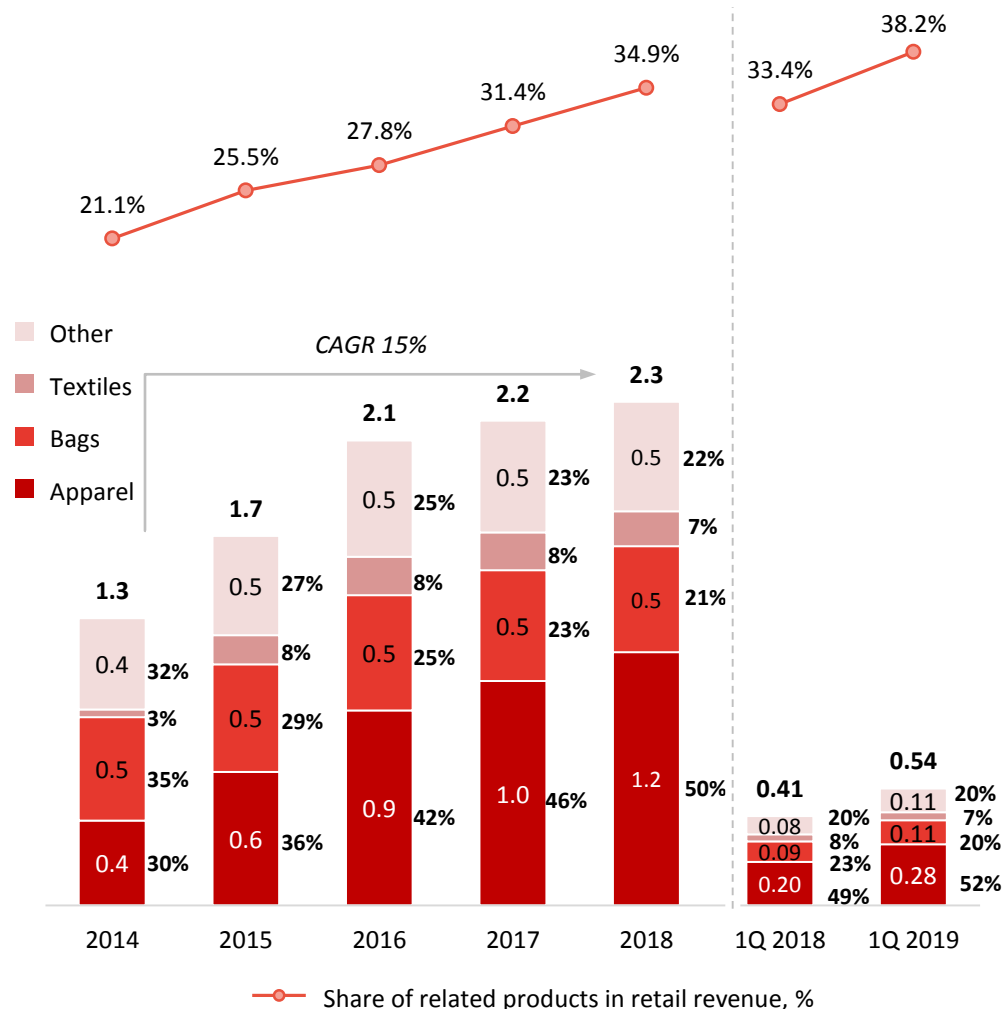
New initiatives

- We continued to expand the middle-layer apparel: sales of such apparel increased by 3.8 times in 2018. The share in the sales revenue amounted to 2.5%
- Regarding related products in general, their share got to 38.2% in 1Q 2019
- Therefore, we are not a classical shoe store any more, we are a branded store offering a wide range of products for certain seasons to form a whole fashionable look



Related products revenue breakdown

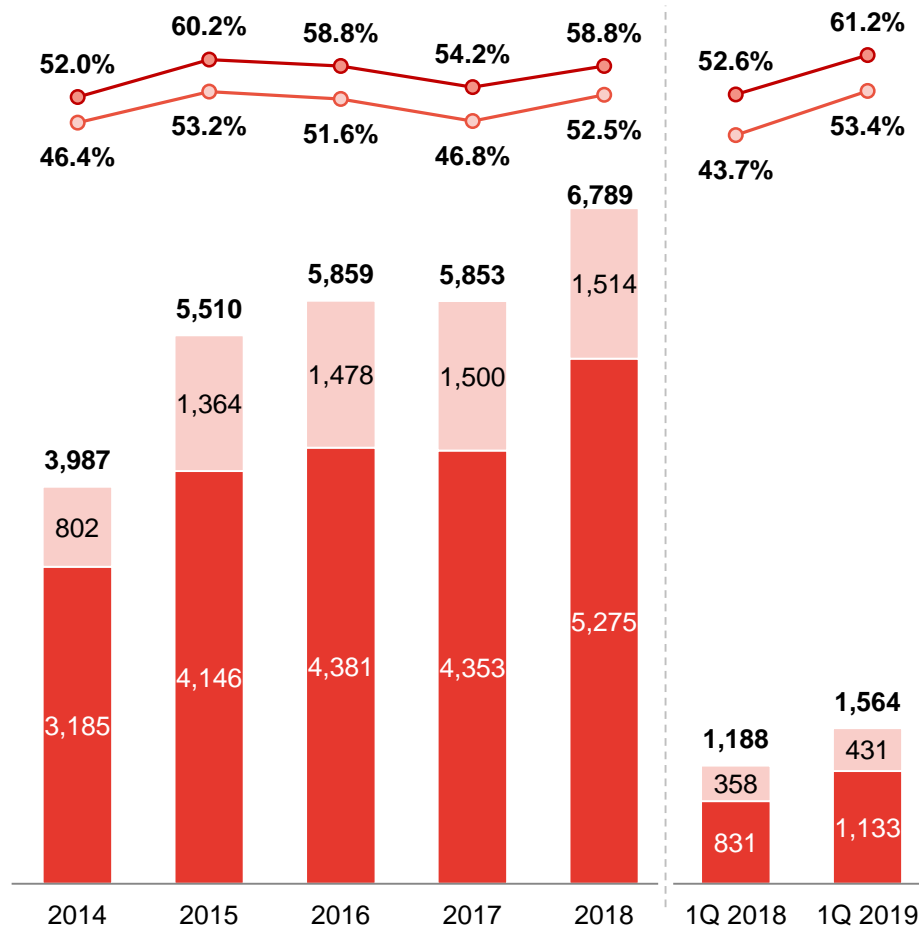
RUB bn



Gross Margin And Operating Efficiency

Gross profit

RUB mn



— Cash loans gross profit¹

— Gross profit for retail and wholesale

— Gross profit margin for retail and wholesale, %

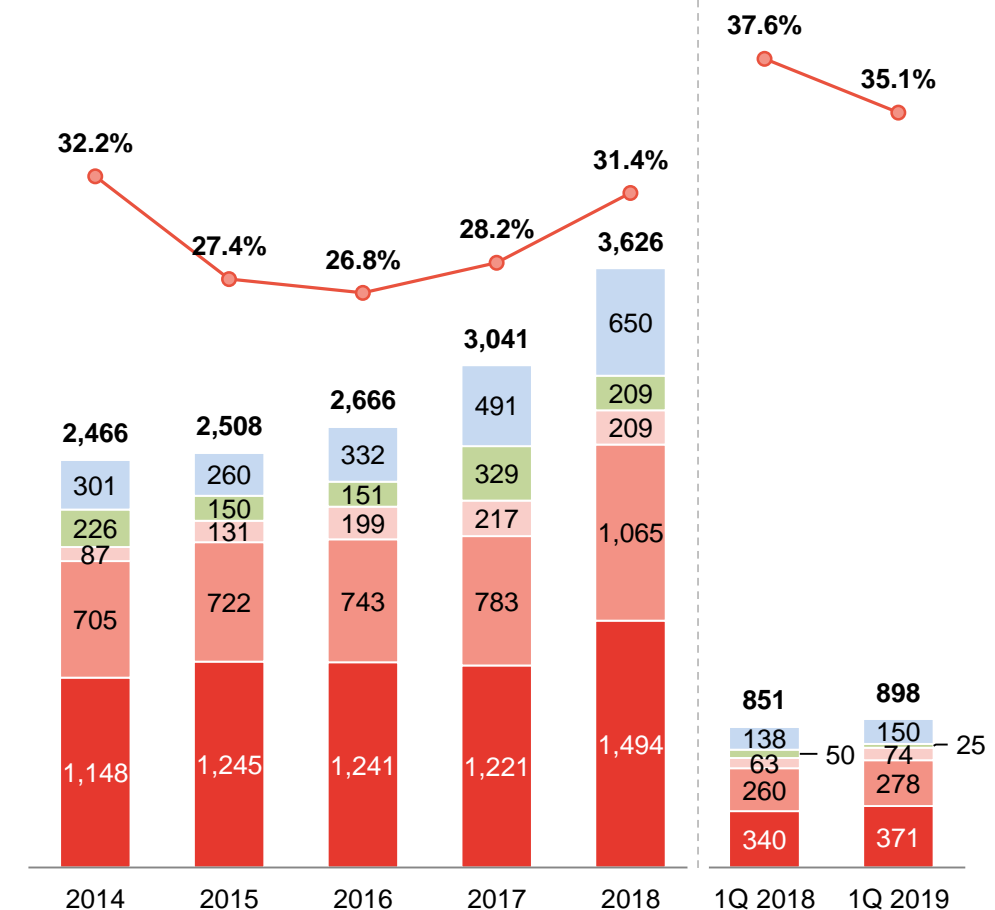
— Gross profit margin, %

¹ Cash loans gross profit equals to income from cash loans

Source: audited IFRS financial statements for 2014-2017, unaudited IFRS financial statements for 9M 2017- 9M 2018

SG&A expenses (excl. provisions)

RUB mn



— Leases & Warehouse expenses

— D&A

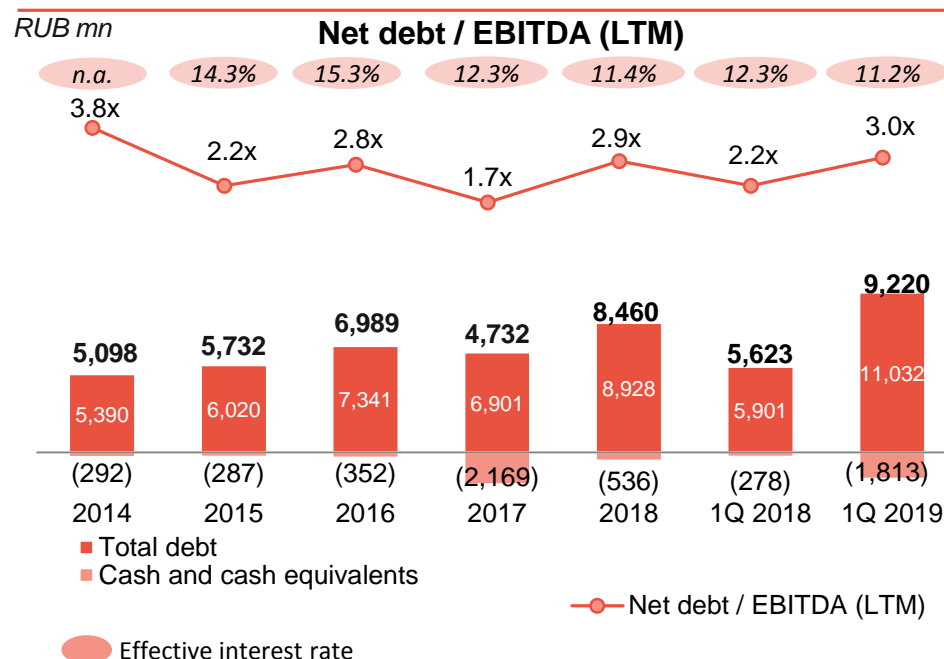
— Other

— Payroll and social charges

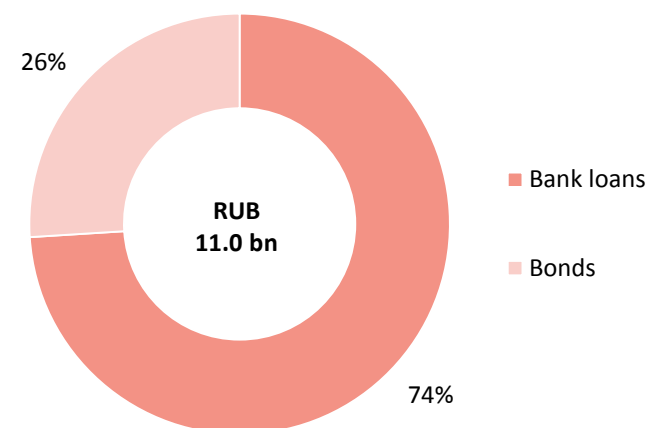
— Advertising & Marketing

— SG&A as % of revenue, %

Net debt evolution



Debt portfolio structure by instruments (as of 1Q 2019)



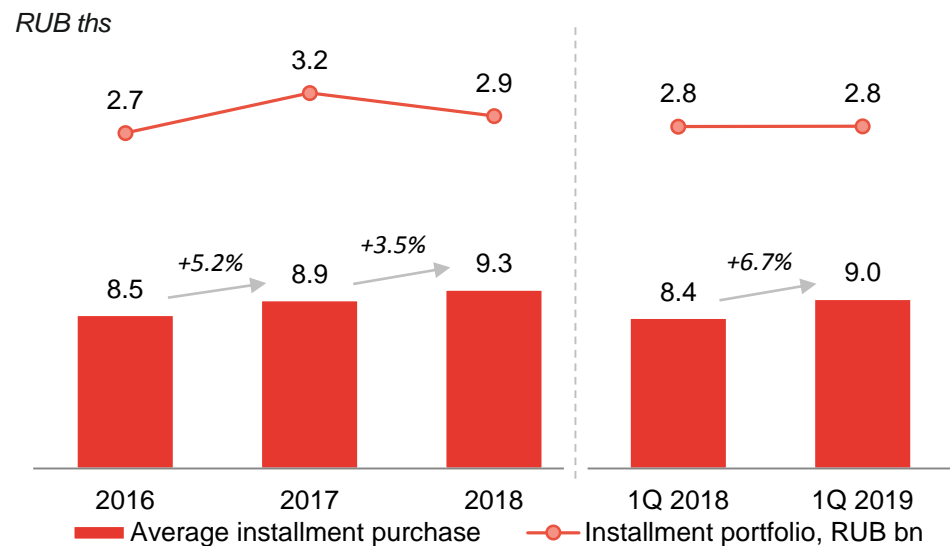
Highlights

- 100% of our debt is denominated in RUB
 - Reasonable Net debt / EBITDA ratio of 2.9 as of FY 2018
 - Net debt / EBITDA ratio of 3.0 as of 1Q 2019
- We have no exposure to floating interest rates

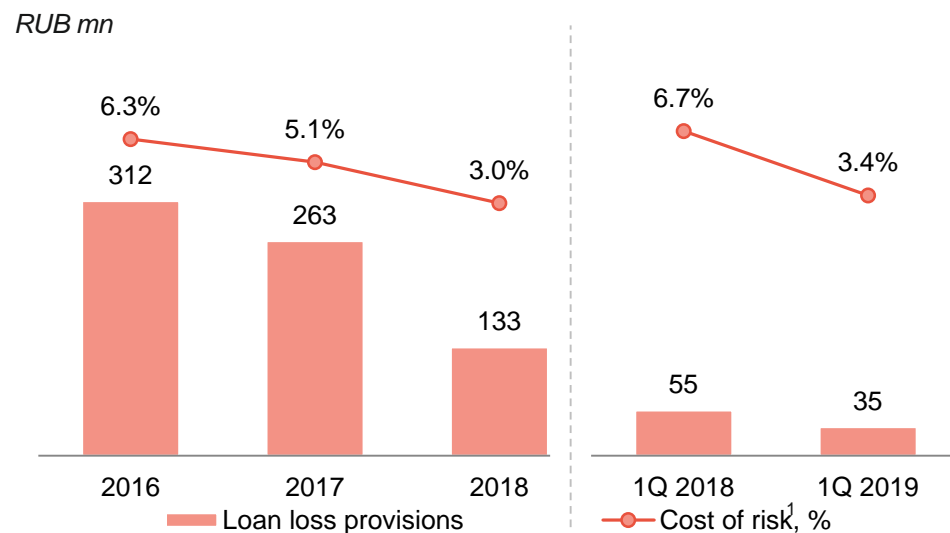
Installments And Cash Loans Development

25

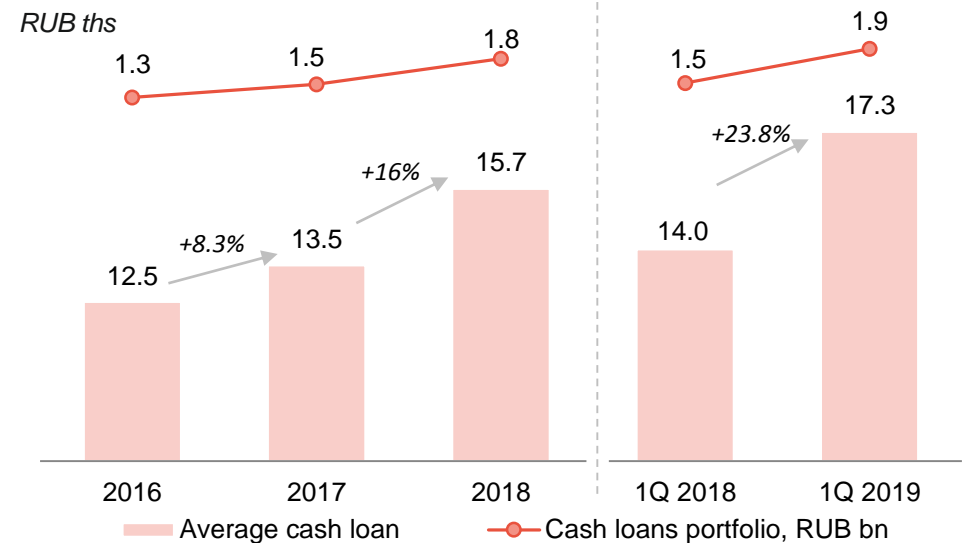
Installments segment development



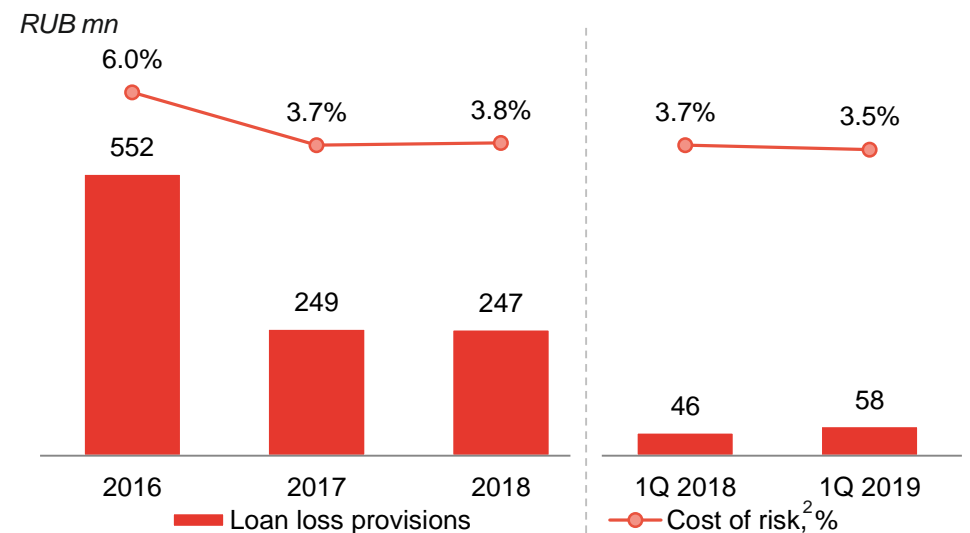
Installments portfolio quality



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 2014-2018, management accounts

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BLOCKCHAIN INTRODUCTION

In May, Obuv Rossii completed a **project of blockchain introduction** into its IT-systems to manage Company's financial service projects such as installment payments and cash loans, among the first in Russian retail

Introduction of the blockchain **ensures safety, reliability, relevance and authenticity of the information on all transactions (contracts)** excluding a possibility of any unauthorized changes

Over the period from May, 2018 till January, 2019 the Group issued **more than 500 ths. contracts on installment payments and cash loans** with the use of blockchain. It has not been detected any attempts of unauthorized changes, business processes has been functioning normally without any slowing down

The Group has thoroughly studied and tested the technology and now it sees the possibilities of **this technology rollout to other business processes such as CRM (coalition loyalty programs) and accounting**



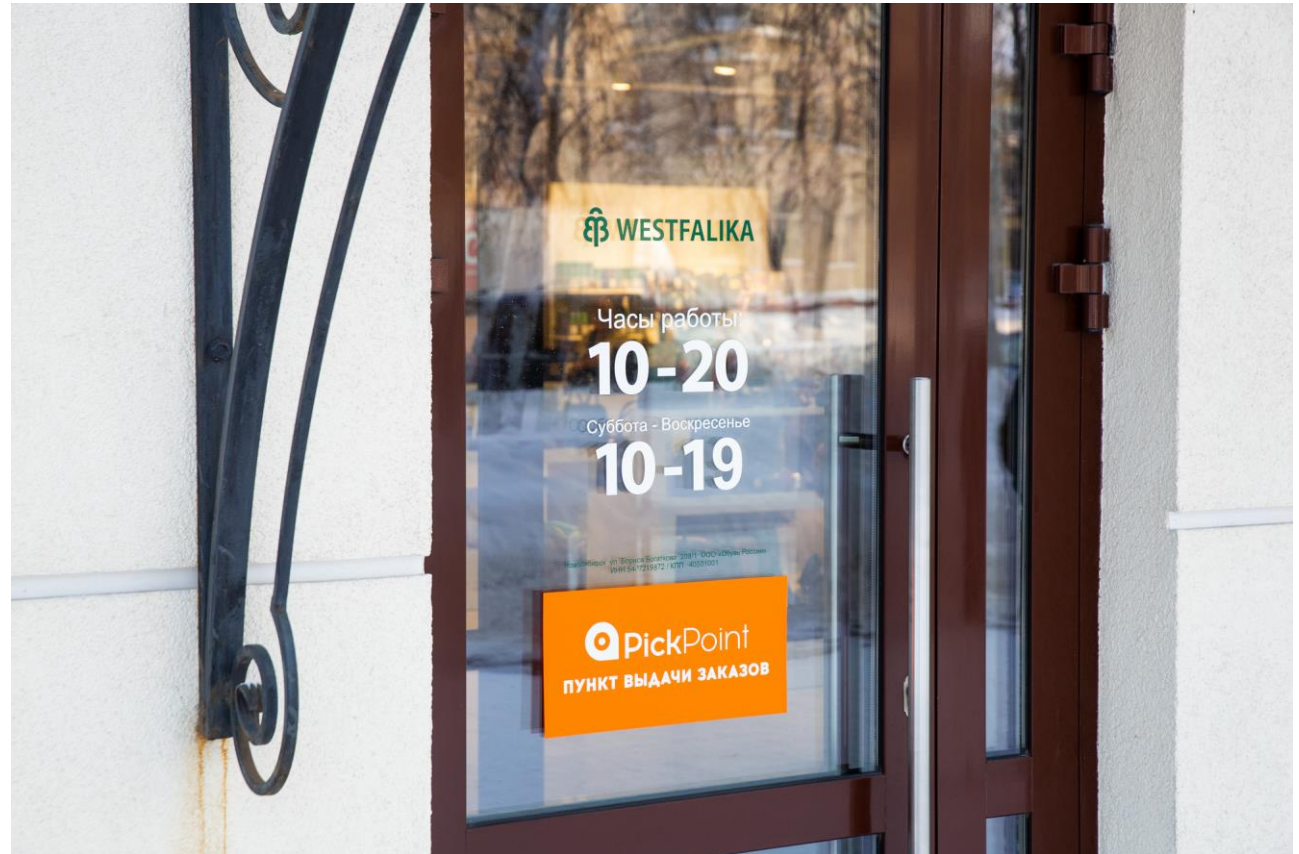
Pickup points in Obuv Rossii stores

Obuv Rossii started cooperating with the PickPoint Company, a leading logistic operator of the Russian e-commerce market, in November 2018 and since then it has been launching pickup points in Group's stores. Later on DPD, another big player of this market, became the partner of Obuv Rossii.

This project is the part of company's strategy of integration into the logistic infrastructure of the Russian e-commerce market.

As of the end of March, the service was available in 340 stores, over the first three months 45 thousands parcels were delivered in our sales outlets.

Due to this project the foot traffic grew by 2.4%, the purchase conversion rate (the clients who come to the store to get the parcel and buy something) was 5%.



Record sales in Westfalika online store

November 2018 became a record month as to sales turnover in the westfalika.ru online store. Sales on the main online platform of the Group **increased by 30%** as compared with the similar period of 2017.

The following factors contributed to the sales growth:

- internal project “Joint sales” intended for active interaction of offline Westfalika outlets and the online platform;
- optimization of online orders processing;
- launch of complex approach in online promotion.

In 2019, Obuv Rossii plans to further optimize the delivery scheme and develop sales via mobile devices. The company plans to develop and launch a new, state-of-the-art mobile application for the Westfalika online store with extended functionality.

42% was online
sales growth
in 1Q 2019

14% was the share online
sales in retail
revenue in 1Q 2019



Obuv Rossii presented its S-TEP footwear brand at Sport Casual Moscow exhibition

Obuv Rossii Group for the first time took part in the exhibition of sport, casual and hiking apparel, footwear, accessories and outfit — Sport Casual Moscow. Obuv Rossii presented its S-TEP footwear brand which it manufactures at its own factory in the Novosibirsk region.

Obuv Rossii considers the sport casual and outdoor segment to be promising and fast growing. The main task of the Group is to extend sales geography of the S-TEP brand through entering stores of sporting and travelling goods, fit-out centers as well as to increase its recognizability.



NEW SPRING-SUMMER COLLECTION

The main ideas:

- Bright colors and unusual combinations of materials.
- Catchy and extravagant décor.
- Key trend is functionality and comfort.
- Sport chic style: sneakers with diamante, glitter and sequins.
- Color palette: muted shades of brown and grey, pastel blue and pink, cosmic and metallic.



Financial Performance Evolution

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

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, management accounts

New Stores Launched in 2018



Westfalika Store in Novosibirsk,
Versal Shopping Mall



Westfalika Store, Galereya
Novosibirsk, Shopping Mall



Westfalika Store, Beloretsk,
Bashkortostan Republic, Shopping



Emilia Estra Store in
Vladivostok,



Westfalika Store in Novosibirsk,
flagship store



Westfalika Store,
Tumen, Shopping Mall



Lisette Store, Ulan-Ude, Shopping Mall