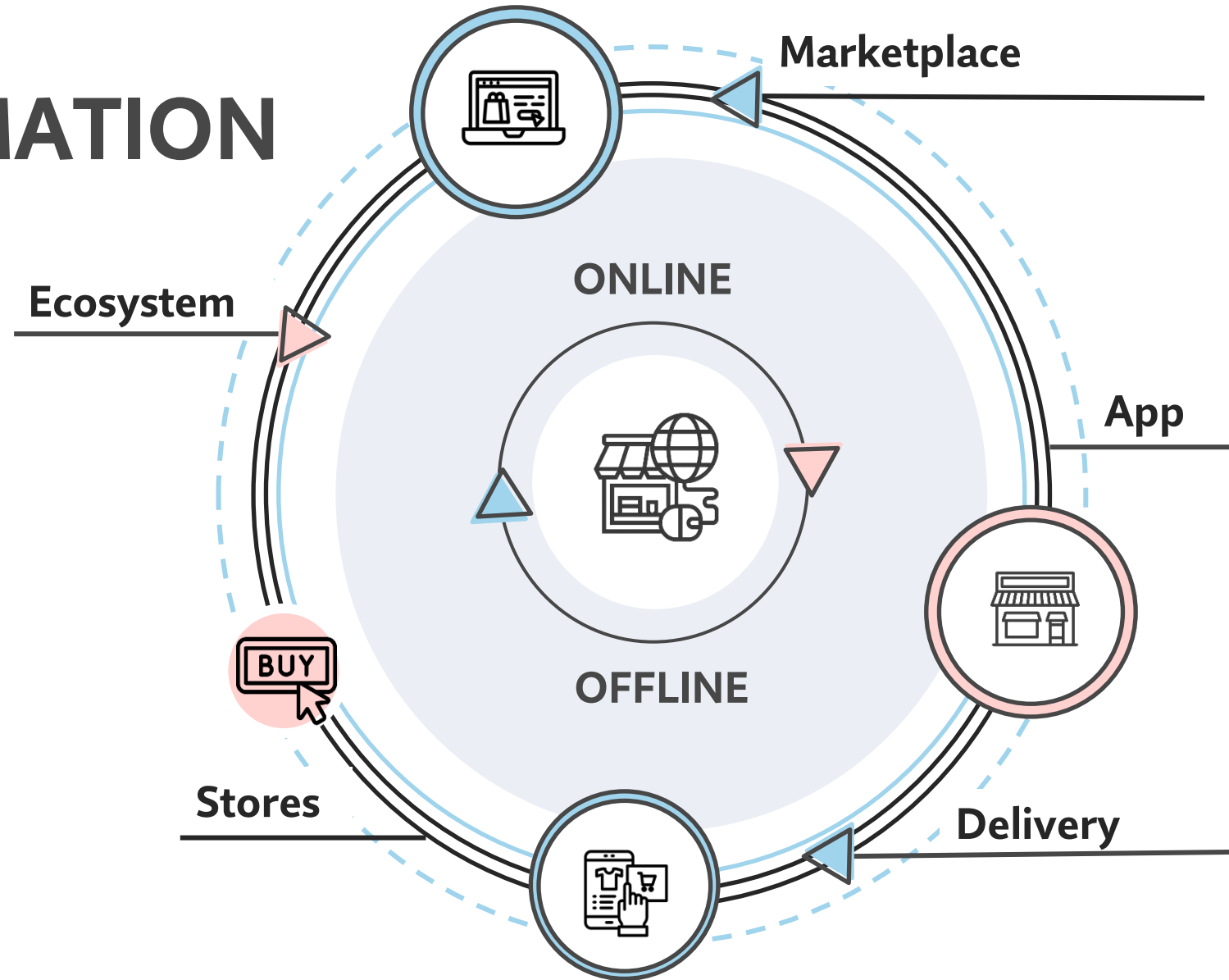


# TRANSFORMATION



**OR**  
**GROUP**

Presentation

April 2021

# disclaimer

**This presentation is for information purposes only.**





Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of OR 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 OR Group and its operations.

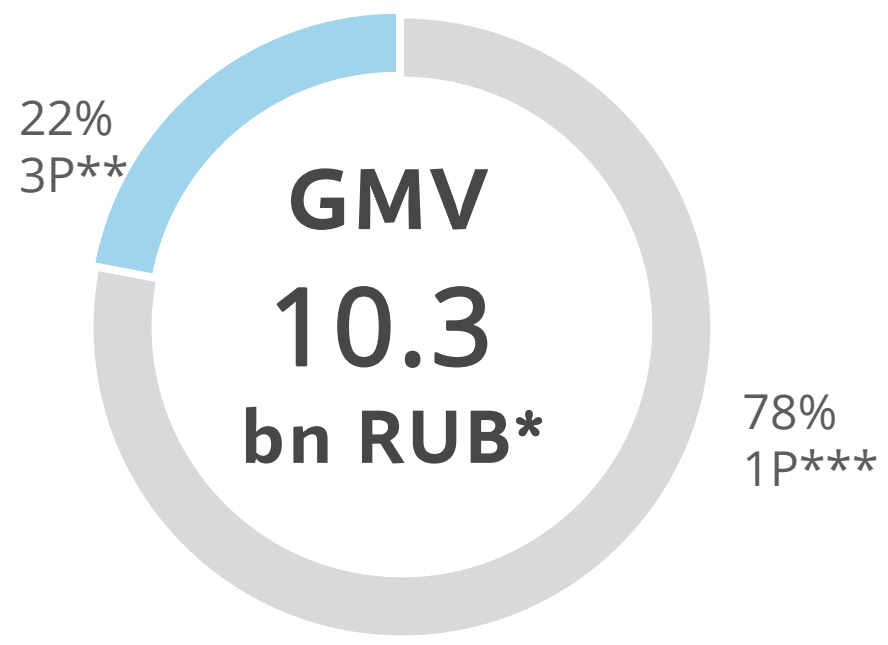
The Company and all its directors, officers, employees and advisors herewith state that they are not obliged to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events, save as required under applicable laws.

# agenda

	OR GROUP transformation	4
	Company today	11
	Operating and financial highlights	18
	Appendix	26

**GMV**

as of FY'20



**OR GROUP is a modern trading platform which comprises:**  
the westfalika.ru marketplace, an ecosystem of services, a network sales and service outlets under the Westfalika brand.

\* GMV is the total value of goods and orders processed by OR GROUP trading platform, plus VAT, instalment commission, service turnover and other commission income.

\*\* 3P (Marketplace GMV), is the total value of partners' goods and orders processed by OR GROUP trading platform, plus VAT, instalment commission and other commission income.

\*\*\* 1P (Private Label GMV), is the total value of goods of its trademark and orders processed by OR GROUP trading platform, plus VAT, instalment commission, service turnover and other commission income.

# key facts

as of FY'20

The company is developing the westfalika.ru trading platform selling own-brand products as well as partners' products (marketplace) in the retail chain and on the westfalika.ru platform.

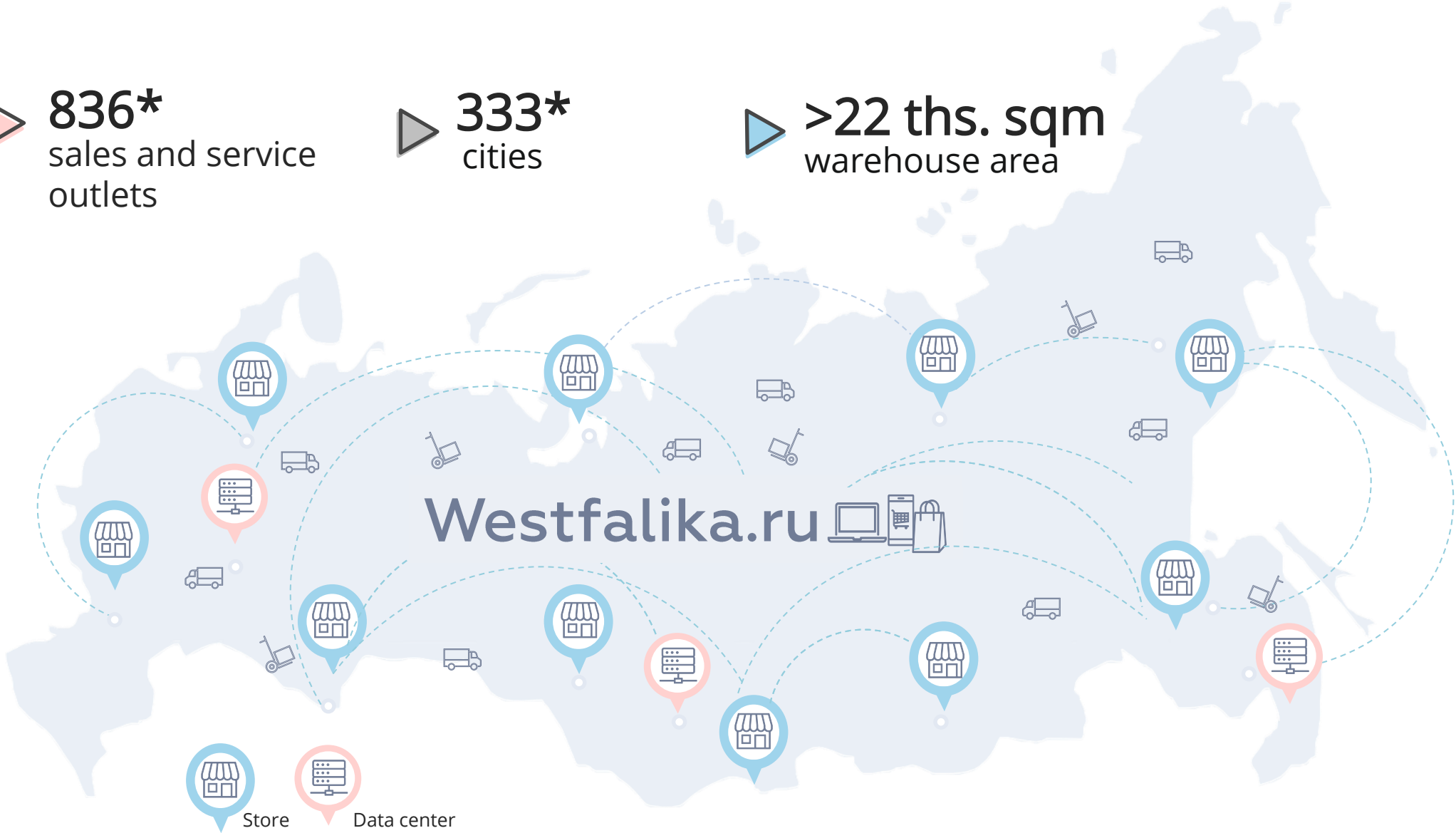
Marketplace westfalika.ru	Online sales & mobile app	Pickup points	Ecosystem
<p>▶ <b>1.2 bn RUB</b> revenue</p>	<p>▶ <b>20%</b> online sales</p>	<p>▶ <b>&gt;2,300</b> number of pickup points</p>	<p>▶ <b>2.8 mln</b> number of participants</p>
<p>▶ <b>2.1 mln</b> goods sold</p>	<p>▶ <b>10%</b> share of orders through the mobile application</p>	<p>▶ <b>1.3 mln</b> parcels issued</p>	<p>▶ <b>59%</b> share of active users who use the card when making a purchase</p>
<p>▶ <b>750+</b> partners</p>	<p>▶ <b>16 th</b> number of downloads of the mobile application</p>	<p>▶ <b>2.4%</b> conversion</p>	<p>▶ <b>1.9 mln</b> number of participants who use additional services</p>

# westfalika.ru today

▶ **836\***  
sales and service  
outlets

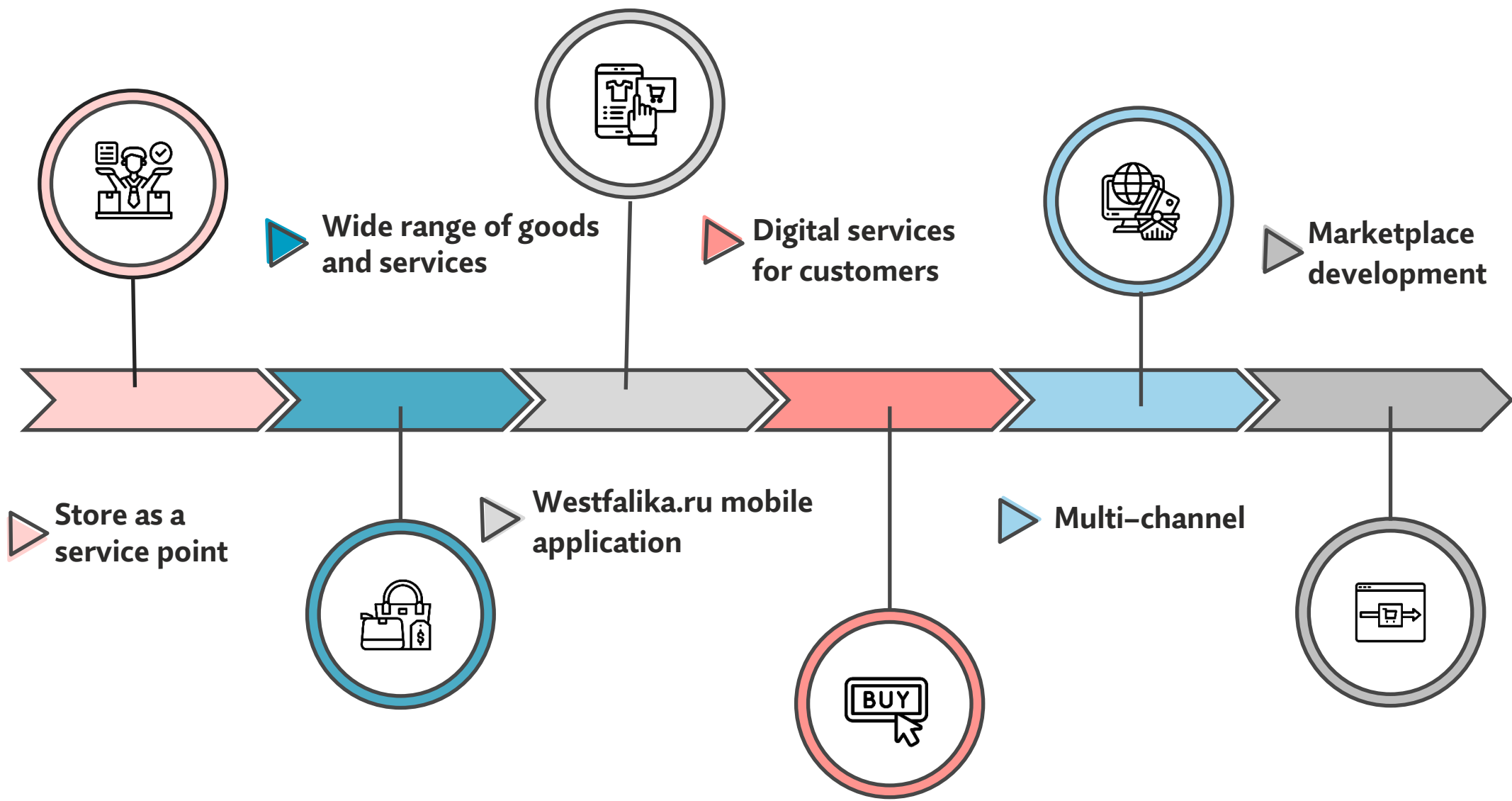
▶ **333\***  
cities

▶ **>22 ths. sqm**  
warehouse area

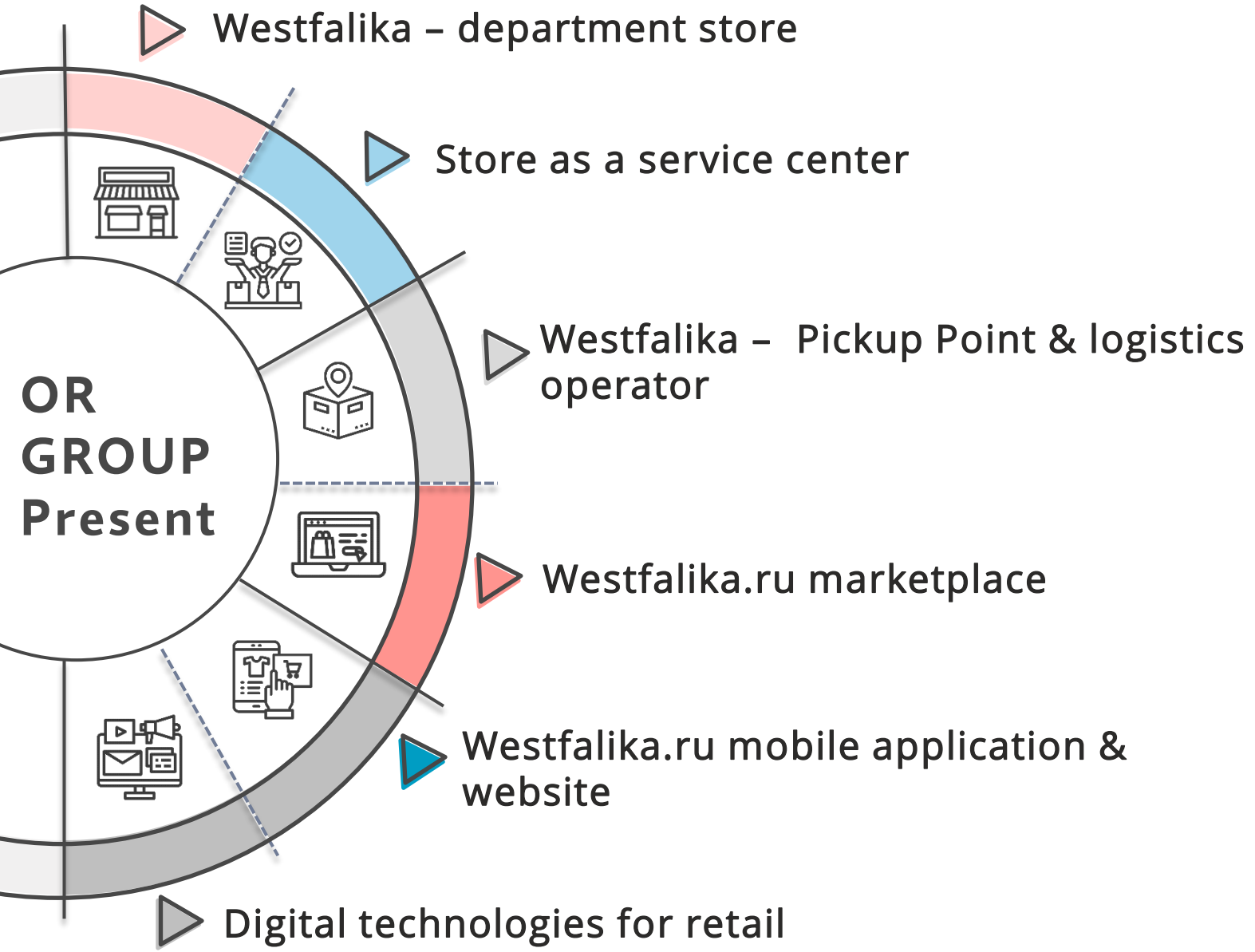


\* As of 24.03.2021, including franchise.

# digital transformation



# evolution

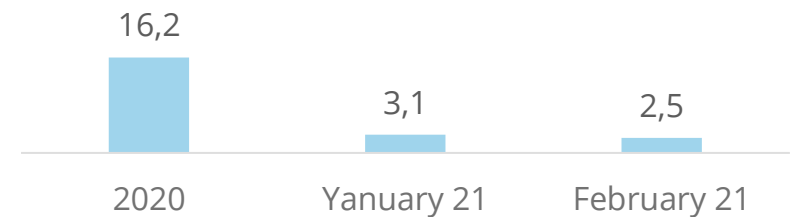




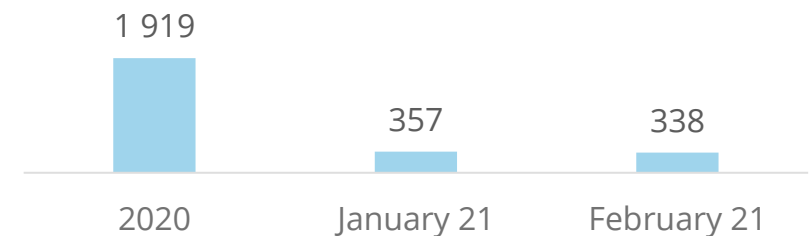
# westfalika.ru mobile application

- Modern UX design and user-friendly interface.
- Basic functionality of the online store: personal account, categories, filters, favorites, checkout and delivery.
- Personalized promotions for users.
- Best sellers: the most popular and most viewed products.
- Instashop: order products from Instagram-account westfalika.ru.
- Integrated loyalty program.





Application installation, ths.



Number of orders



# agenda

	OR GROUP transformation	4
	<b>Company today</b>	<b>11</b>
	Operating and financial highlights	18
	Appendix	26

# business segments

## Shopping platform westfalika.ru

- Westfalika.ru marketplace
- Westfalika department store
- Westfalika.ru mobile application & website

## Loyalty & services ecosystem

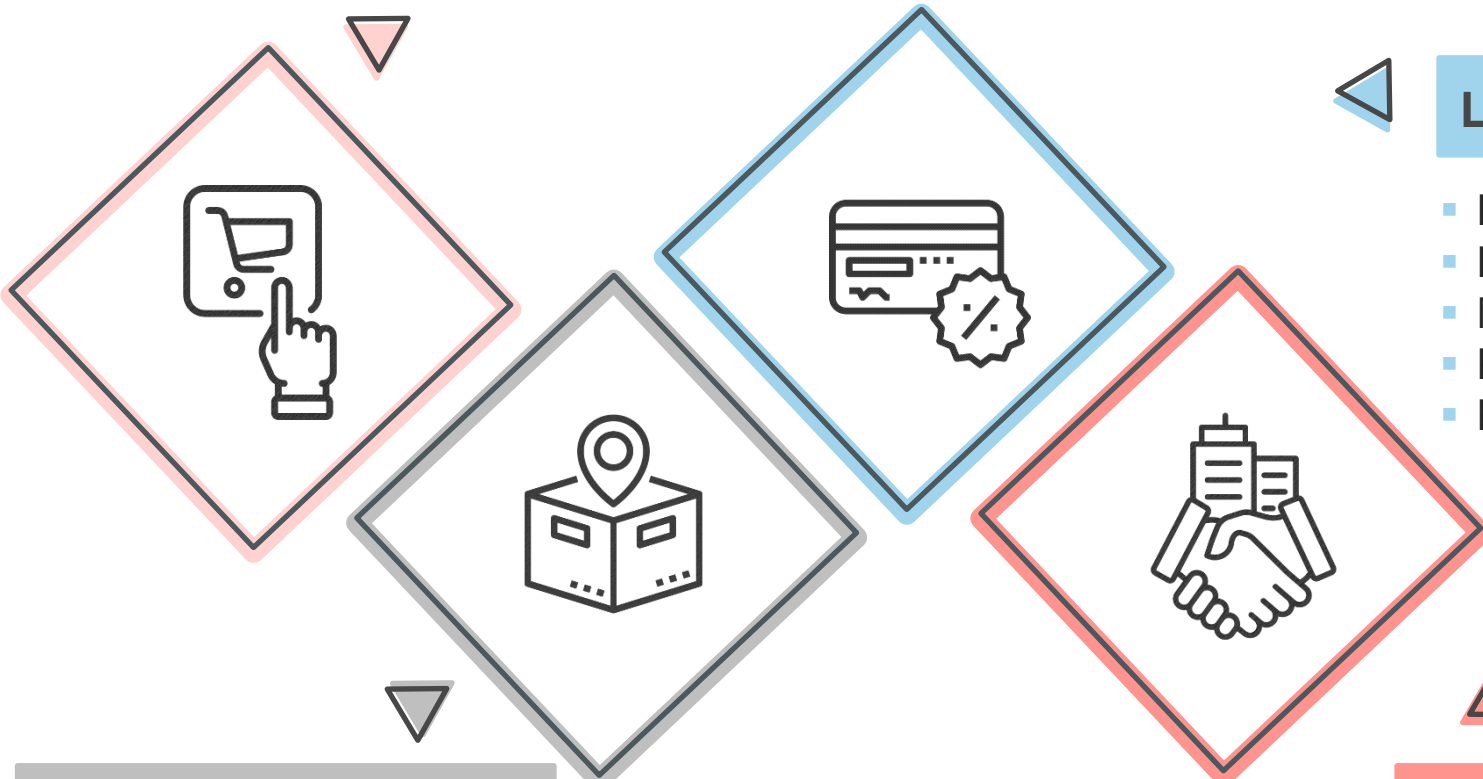
- Discounts and bonus programme
- Insurance products
- Money transfers
- Payments
- Financial service

## Manufacturing & B2B

- Corporate clients: KDV, Sberbank
- Own retail
- Franchise
- Large wholesale customers

## Pickup points & logistics

- Additional traffic due to conversion into sales
- Additional commission income
- Monetization of incoming traffic by increasing cross-selling
- Reduction of the cost of logistics for the development of own marketplace

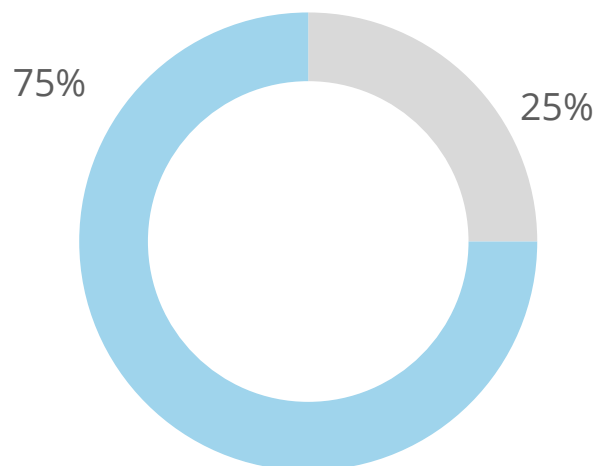


# selling platform westfalika.ru

as of FY'20

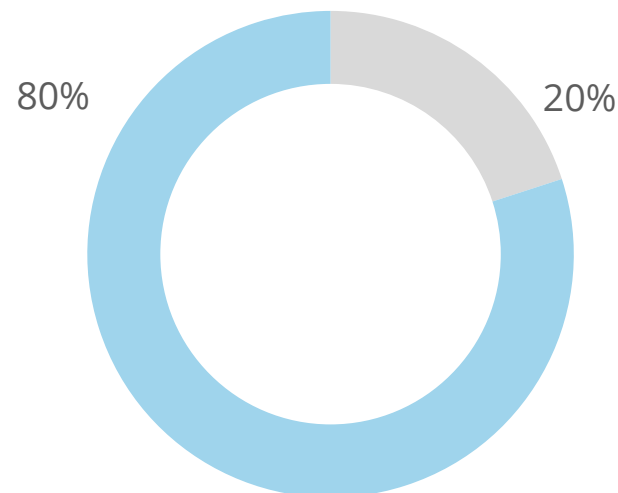
Selling platform westfalika.ru is the sale of goods under private labels and partners' goods (marketplace) in the retail network and on the westfalika.ru online platform.

Revenue of westfalika.ru selling platform,  
%



- share revenue of westfalika.ru marketplace
- share revenue from the sale private label products

Share offline/online sales in  
westfalika.ru selling platform, %



- online sales
- offline sales

# loyalty & services ecosystem

as of FY'20

## Installments

- ▶ Portfolio **2.6 bn RUB**
- ▶ Average commission rate **4.6%**
- ▶ Cost of risk **4.4%**

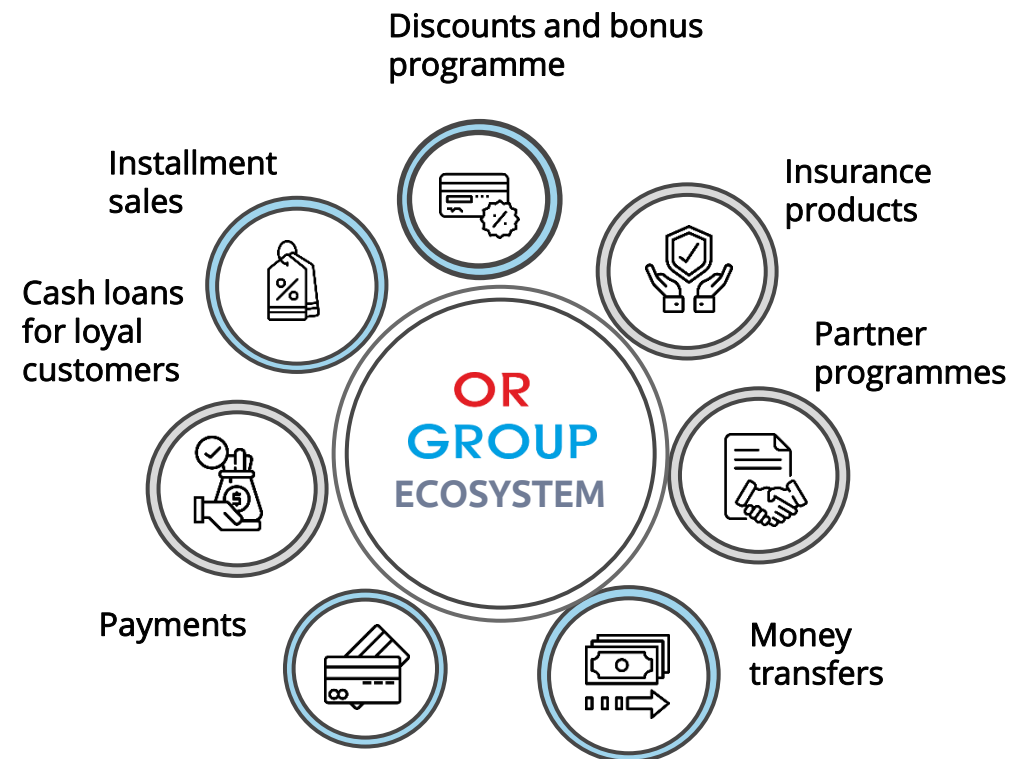
## Cash loans

- ▶ Portfolio **2.9 bn RUB**
- ▶ Average interest rate **184.7%**
- ▶ Cost of risk **6.4%**

▶ **~56%** share of installment sales

▶ **59%** share of active users who use the loyalty cards when making a purchase

▶ **1,900,000+** Customers used add-on services



# pickup points in westfalika

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

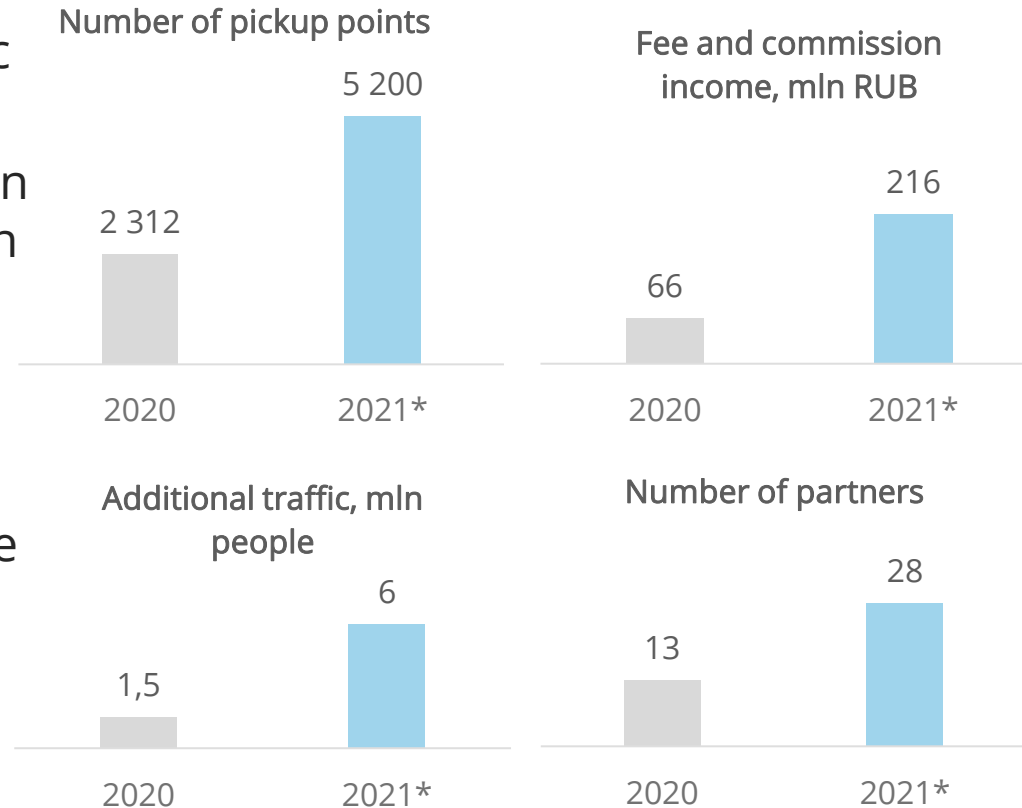
## Pickup points

▶ Number of partners  
**13**

▶ Over **2,300** Pickup points in the Group's stores

▶ Over **1.3 mln** parcels issued

- Attract additional traffic to stores
- Get additional income in the form of commission income
- Monetize incoming traffic by increasing cross-selling and expanding the audience of loyal buyers
- Reduce the cost of logistics for the development of own marketplace



\* Forecast

# b2b & manufacturing

as of FY'20

## Manufacturing





- ▶ 9,100 sqm  
total area
- ▶ 2  
own production  
plants
- ▶ 500 th  
pairs of footwear –  
production capacity

## B2B

- ▶ 175 franchises
- ▶ ~3,5 bn RUB\*  
wholesale revenue



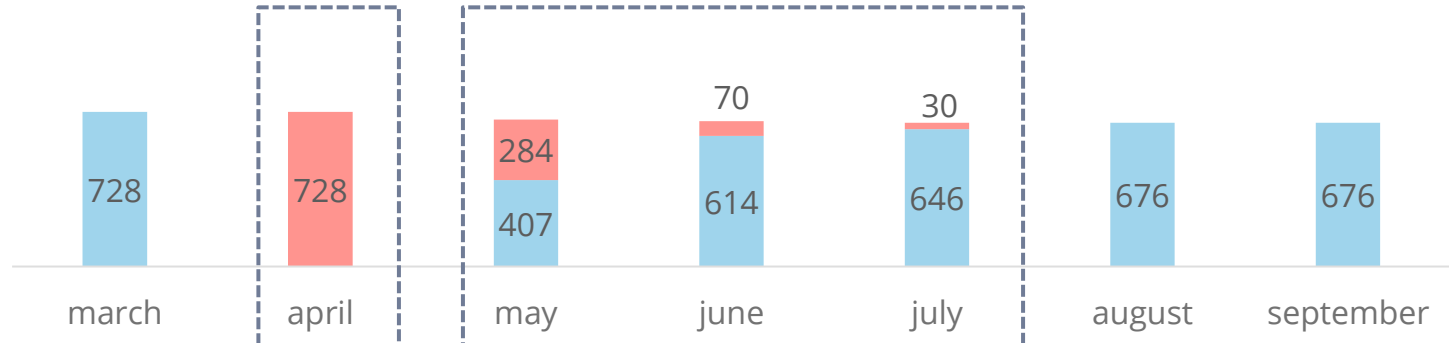
# agenda

	OR GROUP transformation	4
	Company today	11
	Operating and financial highlights	18
	Appendix	26

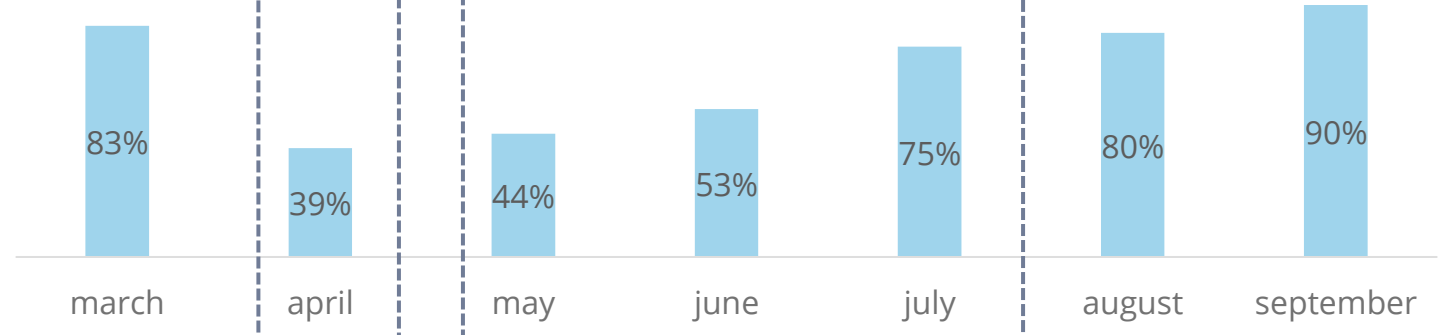


# coronavirus '20

## closed stores



## % revenue year to year

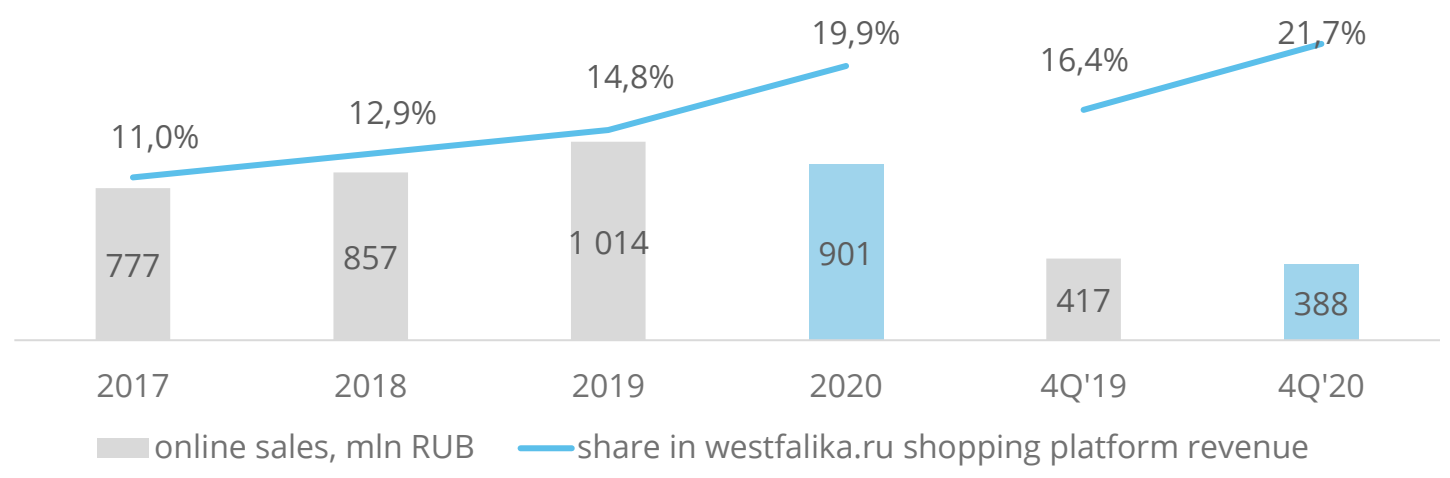
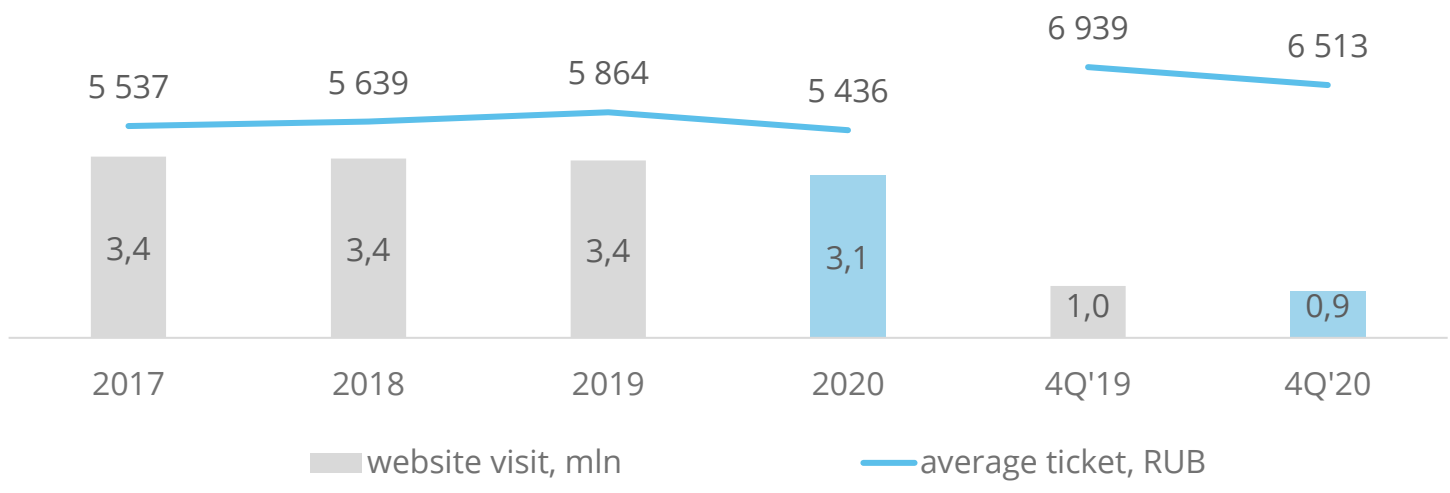


all stores closed

partially closed stores

# operating highlights\_1

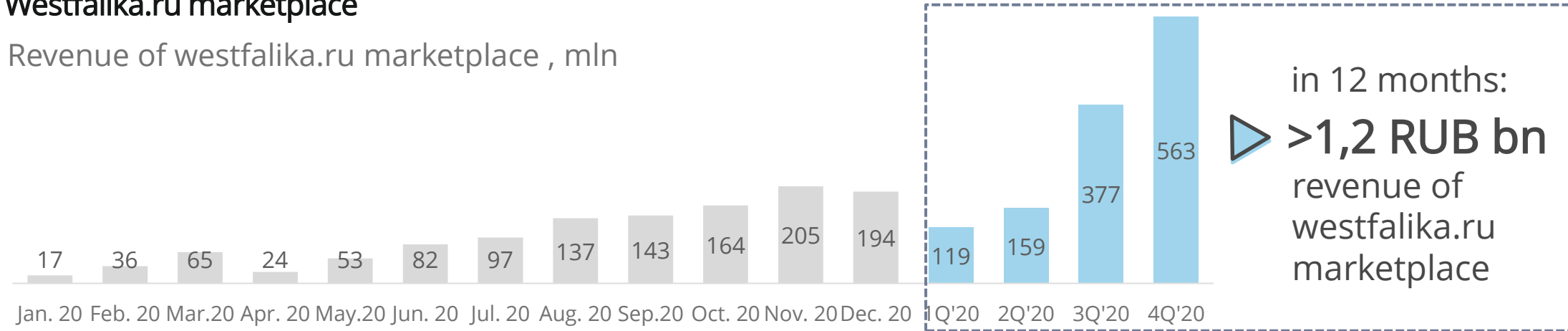
## eCommerce



# operating highlights\_2

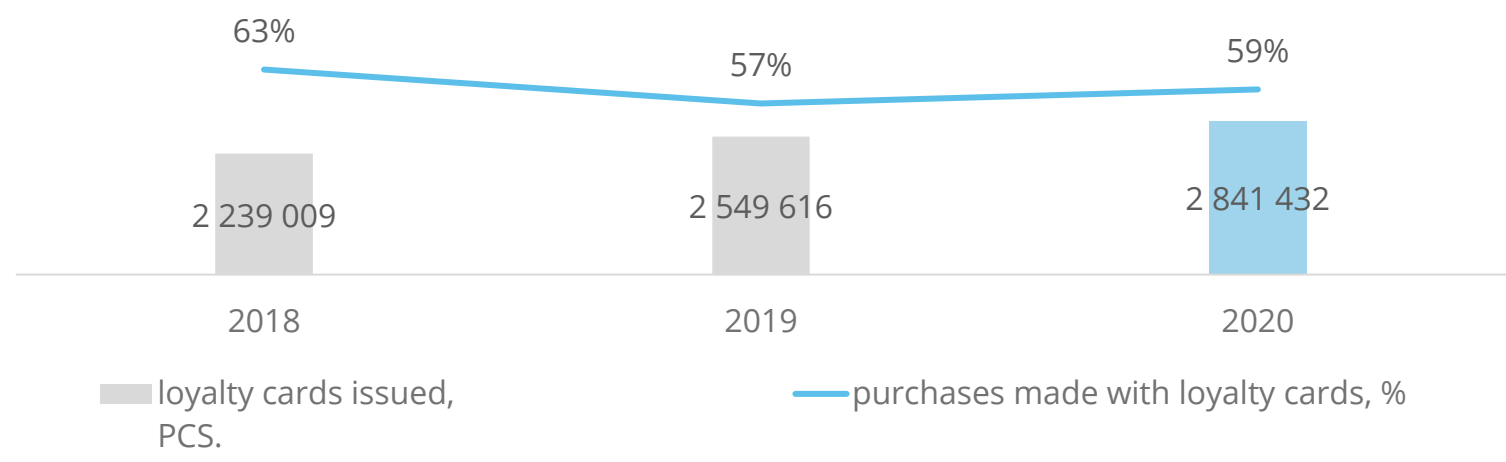
## Westfalika.ru marketplace

Revenue of westfalika.ru marketplace , mln



in 12 months:  
▶ **>1,2 RUB bn**  
revenue of  
westfalika.ru  
marketplace

## Arithmetika loyalty cards

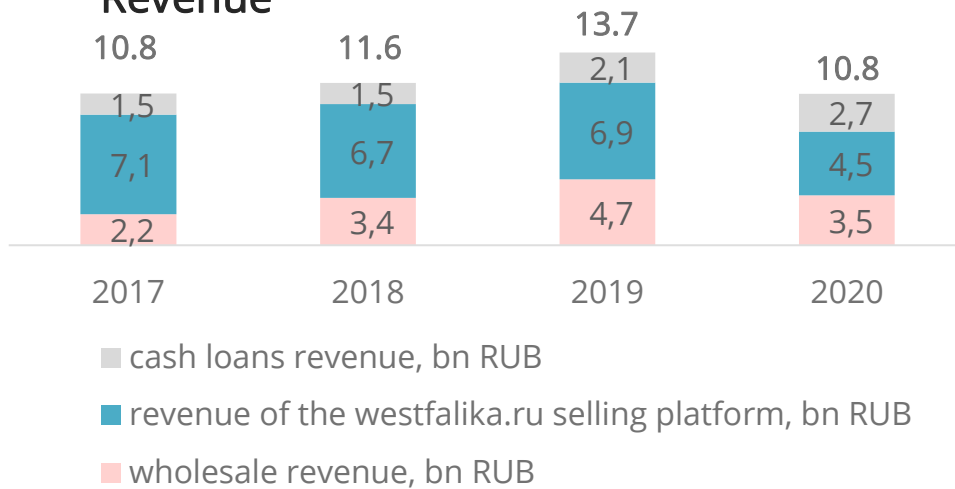


■ loyalty cards issued, PCS.

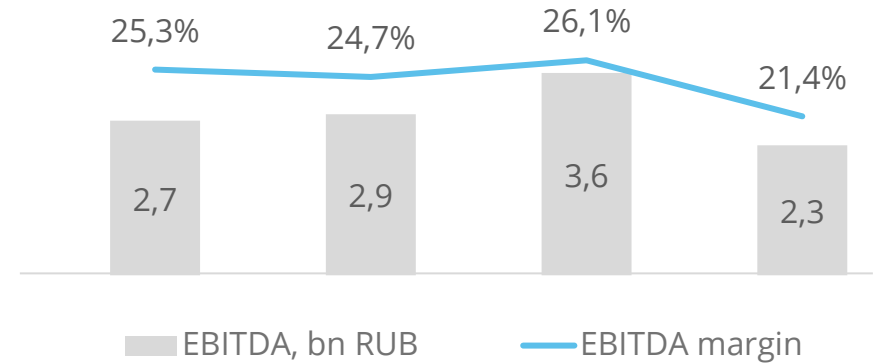
— purchases made with loyalty cards, %

# financial highlights

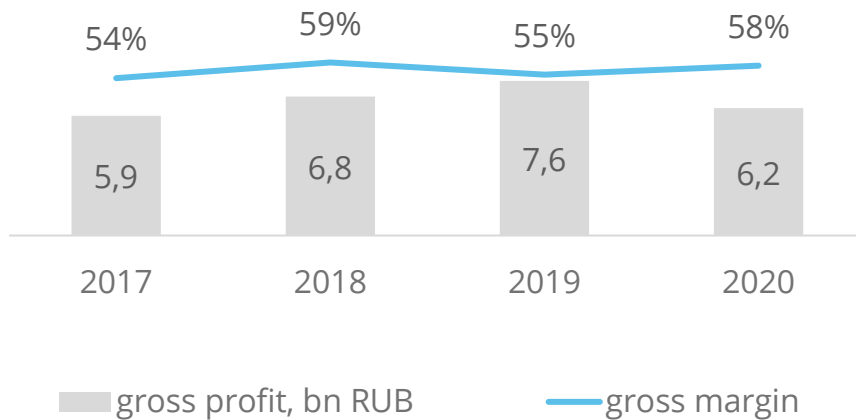
## Revenue



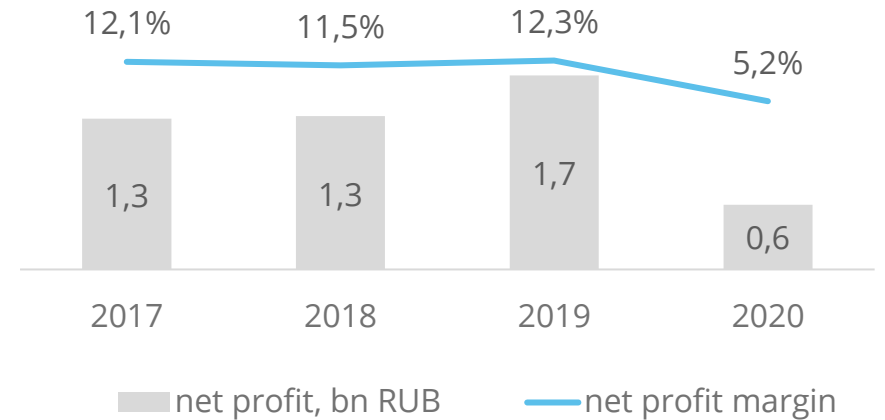
## EBITDA



## Gross profit

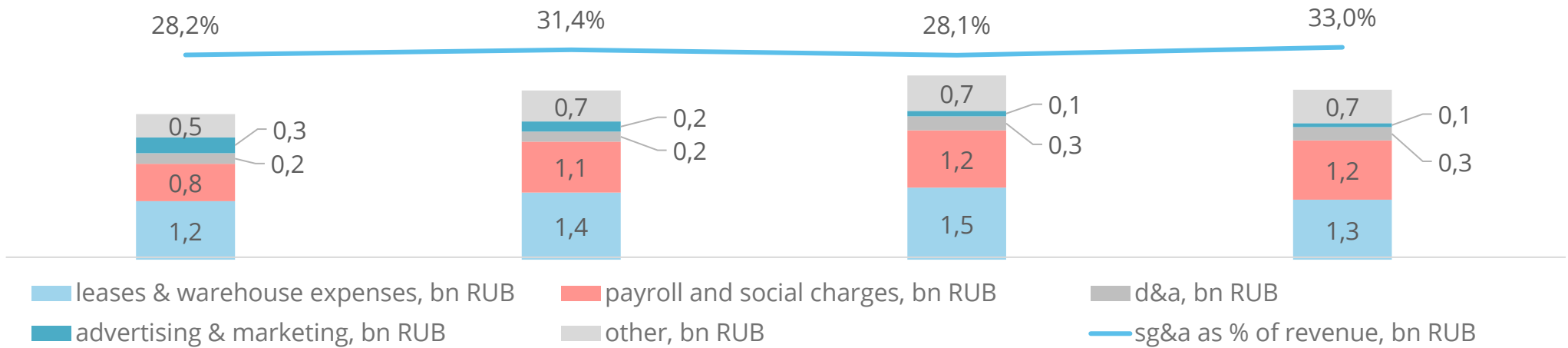


## Net profit

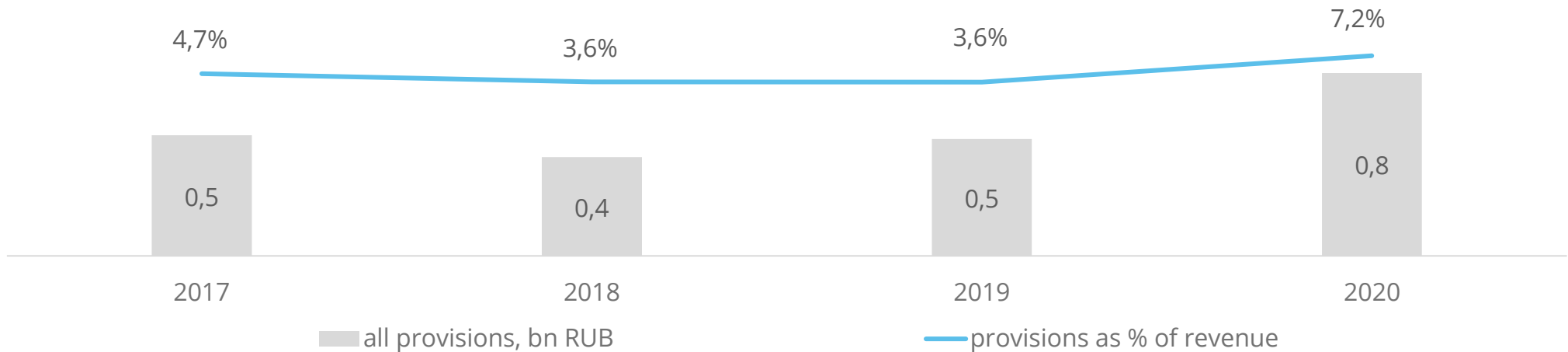


# sg&a and provisions

## SG&A

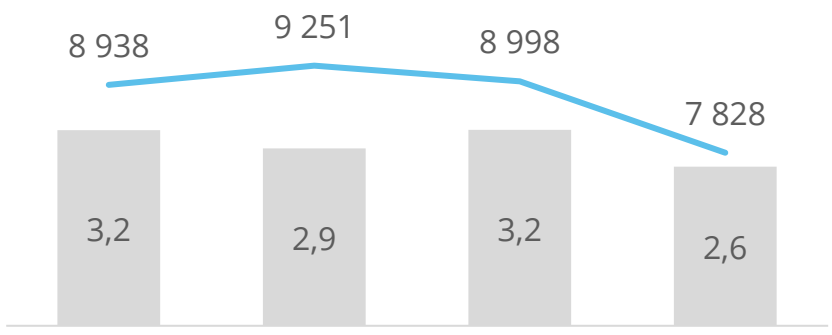


## Provisions



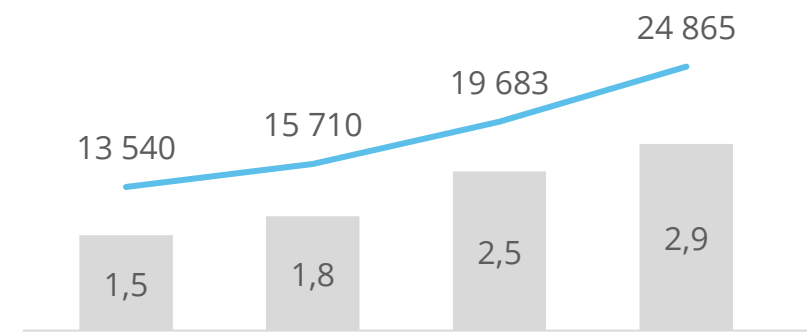
# cash loans & installment

Instalment

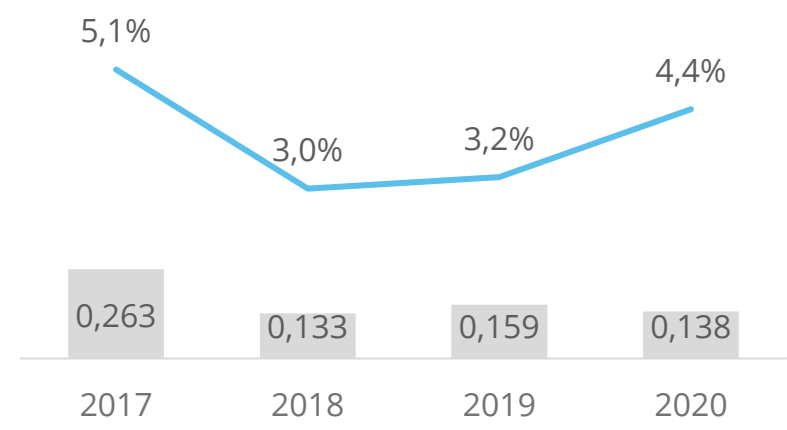


installment portfolio, bn RUB    average installment purchase

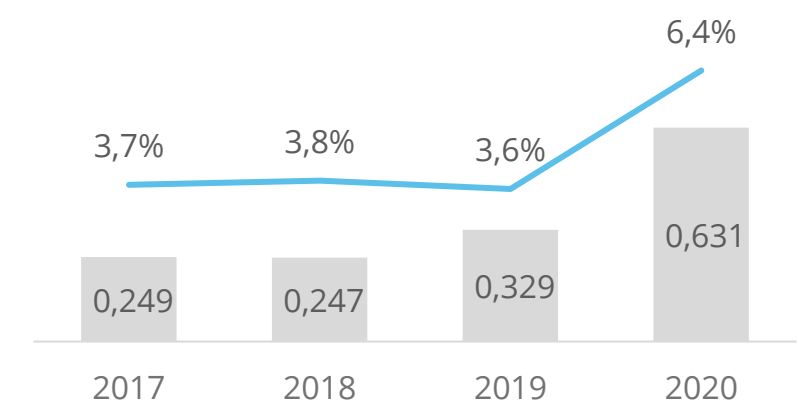
Cash loans



cash loans portfolio, bn RUB    average cash loan



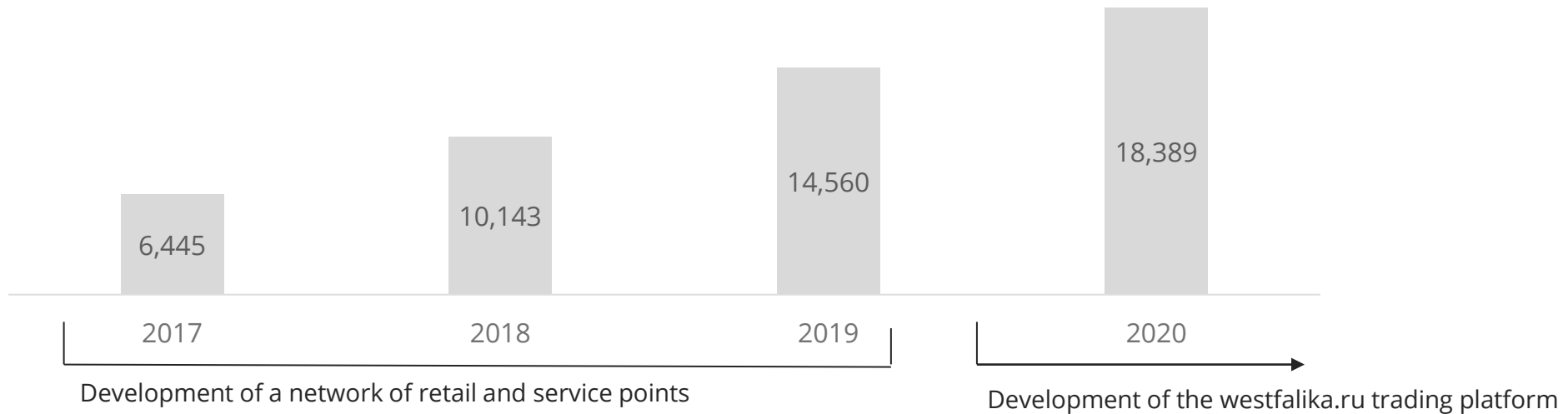
loan loss provisins, bn RUB    cost of risk



loan loss provisins, bn RUB    cost of risk

# inventories

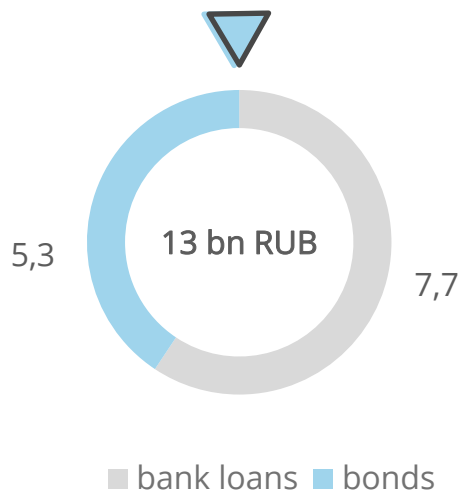
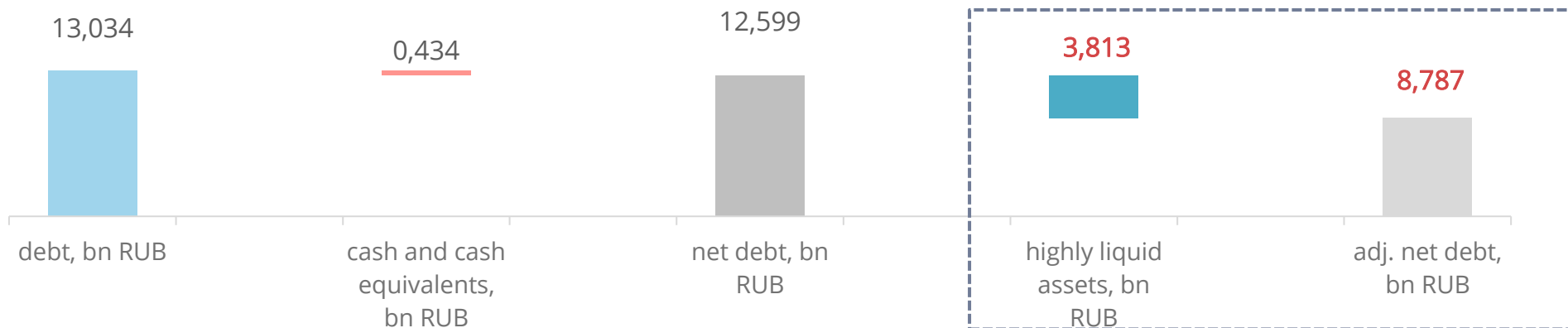
Inventories, bn RUB



- 2020 stocks include soft inventories.
- Soft inventories are inventories formed by goods taken on a commission sale.
- When forming soft stocks, the company's working capital is not involved.
- It is possible to return inventories to the supplier in case of non-sale.

# debt '20





as of FY'20



- 100% debt in Russian rubles.
- Adjusted net debt, adjusted for highly liquid assets:
  - installment portfolio;
  - portfolio of cash loans and interest on cash loans.
- Installments loan is returned on average in 4 months.
- Cash loan is returned on average in 5 months.



# agenda

	OR GROUP transformation	4
	Company today	11
	Operating and financial highlights	18
	Appendix	26

# financial performance

(RUB mln unless stated otherwise)	2015	2016	2017	2018	2019	2020
<b>Financial metrics</b>						
<b>Revenue</b>	<b>9,156</b>	<b>9,965</b>	<b>10,801</b>	<b>11,554</b>	<b>13,702</b>	<b>10,772</b>
<i>growth, %</i>		<i>8.8%</i>	<i>8.4%</i>	<i>7.0%</i>	<i>18.6%</i>	<i>-21.4%</i>
Retail revenue	6,844	7,663	7,078	6,660	6,872	4,527
<i>growth, %</i>		<i>12.0%</i>	<i>(7.6%)</i>	<i>(5.9%)</i>	<i>3.2%</i>	<i>-34.1%</i>
Wholesale revenue	948	825	2,224	3,381	4,703	4,703
<i>growth, %</i>		<i>-13.0%</i>	<i>169.7%</i>	<i>52.0%</i>	<i>39.1%</i>	<i>-24.5%</i>
Cash loans revenue	1,364	1,478	1,500	1,514	2,128	2,696
<i>growth, %</i>		<i>8.4%</i>	<i>1.5%</i>	<i>0.9%</i>	<i>40.5%</i>	<i>26.7%</i>
<b>Gross profit</b>	<b>5,510</b>	<b>5,859</b>	<b>5,853</b>	<b>6,789</b>	<b>7,562</b>	<b>6,231</b>
<i>margin, %</i>	<i>60.2%</i>	<i>58.8%</i>	<i>54.2%</i>	<i>58.8%</i>	<i>55.2%</i>	<i>57.8%</i>
SG&A expenses	2,508	2,666	3,041	3,626	3,845	3,550
<i>as % of Revenue</i>	<i>27.4%</i>	<i>26.8%</i>	<i>28.2%</i>	<i>31.4%</i>	<i>28.1%</i>	<i>33.0%</i>
<b>EBITDA</b>	<b>2,602</b>	<b>2,540</b>	<b>2,737</b>	<b>2,855</b>	<b>3,583</b>	<b>2,302</b>
<i>margin, %</i>	<i>28.4%</i>	<i>25.5%</i>	<i>25.3%</i>	<i>24.7%</i>	<i>26.1%</i>	<i>21.4%</i>
<b>Net profit</b>	<b>1,469</b>	<b>1,183</b>	<b>1,310</b>	<b>1,332</b>	<b>1,687</b>	<b>563</b>
<i>margin, %</i>	<i>16.0%</i>	<i>11.9%</i>	<i>12.1%</i>	<i>11.5%</i>	<i>12.3%</i>	<i>5.2%</i>
Total debt	6,020	7,341	6,901	8,928	12,409	13,033
Cash and cash equivalents	287	352	2,169	536	707	434
<b>Net debt</b>	<b>5,732</b>	<b>6,989</b>	<b>4,732</b>	<b>8,392</b>	<b>11,702</b>	<b>12,599</b>