



Q2 and H1 2021 Unaudited Financial Results

Leading children's goods retailer in Russia

August 2021

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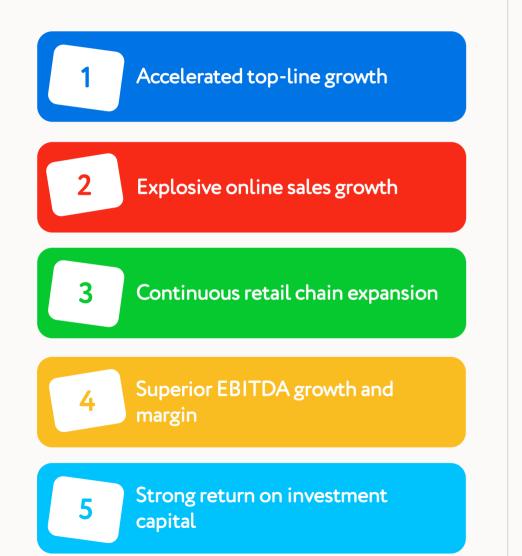
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Q2 and H1 2021 Highlights

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H1 2021

- Total GMV growth accelerated to 23.6% (total revenue growth was 22.0%)
- 43.0% total online sales growth
- 28.0% online sales share
- 61 new stores: 24 Detsky Mir, 33
 Detsky Mir PUP, 4 Zoozavr
- Adj. EBITDA growth of 29.3%,
- Adj. EBITDA margin at 10.3%

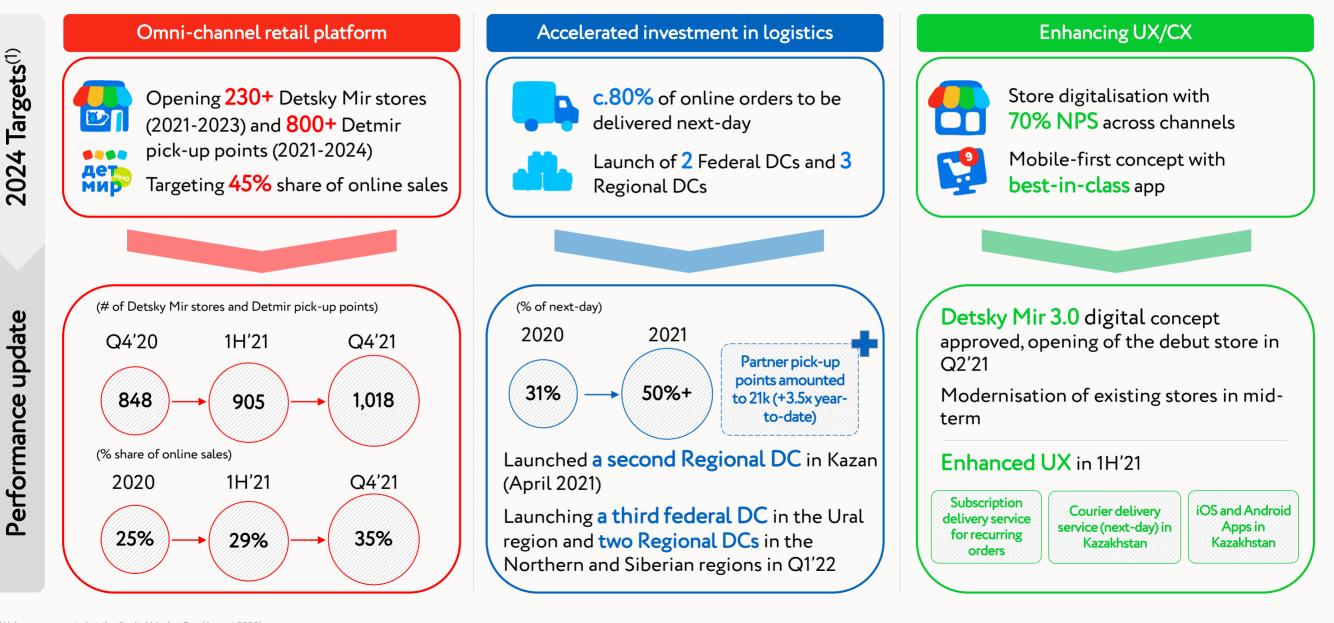
Q2 2021

- Total GMV growth accelerated to 32.2% (total revenue growth was 29.6%)
- 20.6% total online sales growth
- 28.3% online sales share
- 49 new stores: 19 Detsky Mir, 27 Detsky Mir PUP, 3 Zoozavr
- Adj. EBITDA growth of 24.2%,
- Adj. EBITDA margin at 11.8%
- Total declared dividend payment for 2020 amounts to RUB 8.2bn (5.4% increase YoY)
- Decline in net debt/ adj. EBITDA LTM to 1.3x vs 1.6x

Hereinafter, the Company's consolidated financial measures for 2020-2021 and related interim periods are based on proforma financial information prepared as if IFRS 16 'Leases' had not been adopted, and thus do not represent IFRS measures. The data on comparative dynamics are given year-on-year. Source: Company data.

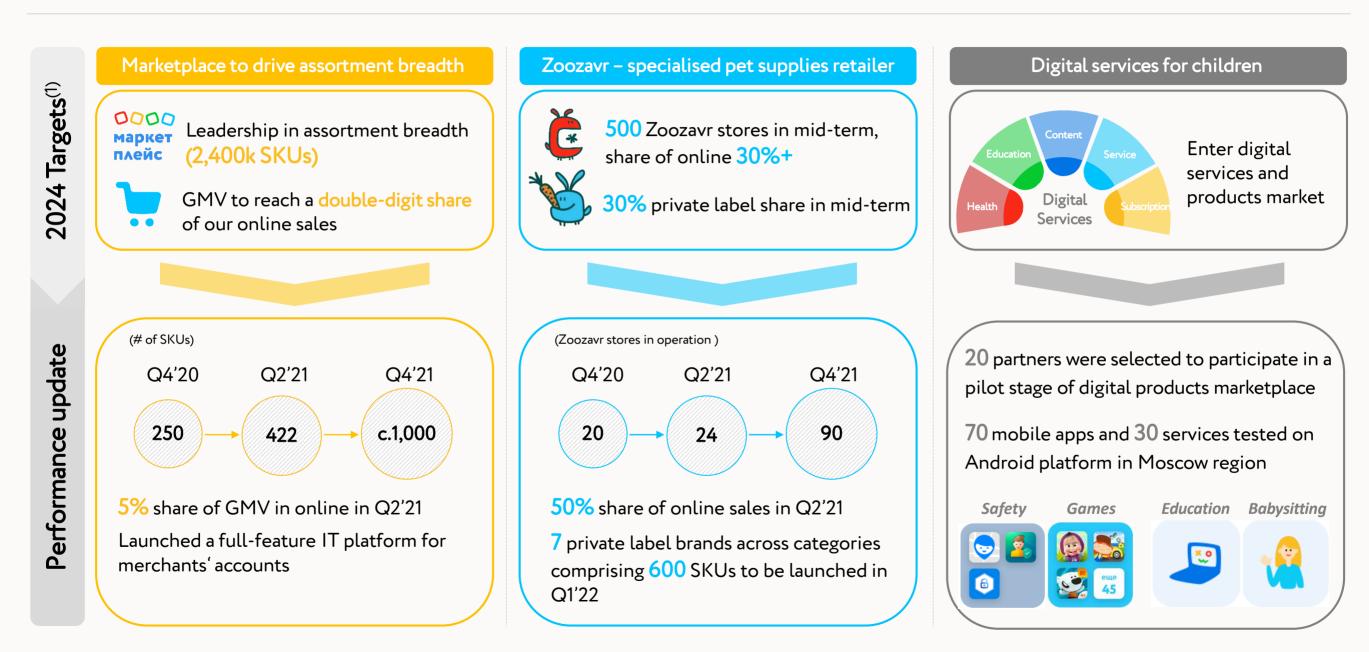
Progressing on Strategy 2020 execution

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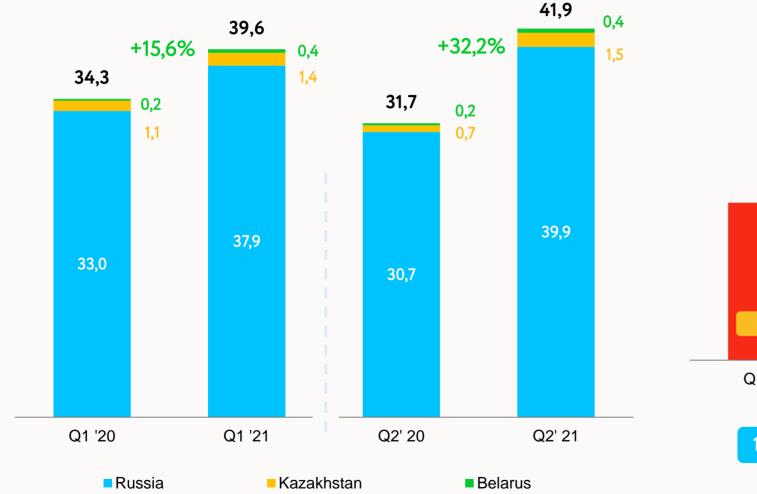
Progressing on Strategy 2020 execution (cont'd)

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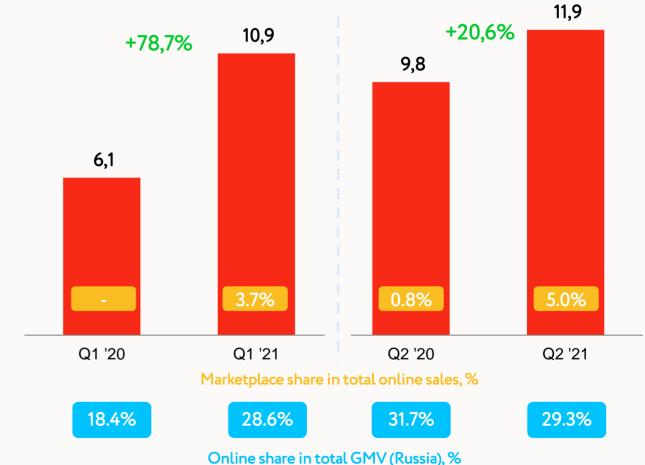


Continued top-line growth

Continued GMV⁽¹⁾growth... (RUB bn) incl. VAT



...as well as online sales despite of demand structural shift⁽²⁾ (RUB m) incl. VAT

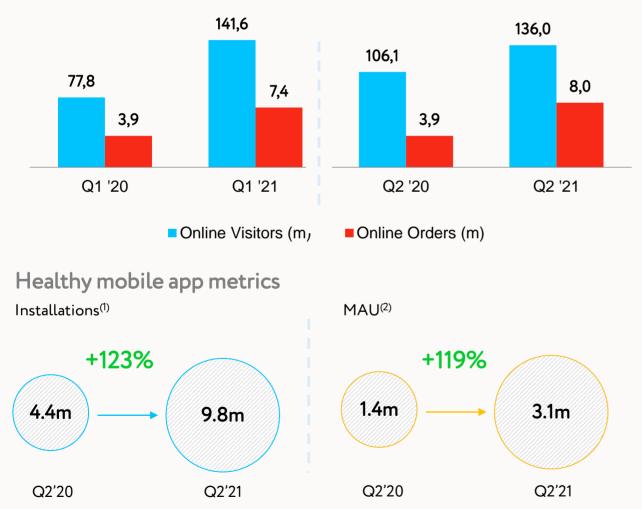


(1) Hereinafter, GMV (gross merchandise value) includes purchases at the Group's retail stores and goods and services sold through the website and mobile application, which may be own or third-party goods and services. GMV includes value added tax, net of discounts given to customers and net of returns and cancelled orders during the reporting period.

(2) Hereinafter, total online sales include all sales through the Company website and mobile app, including home delivery and in-store pickup. It includes value added tax, net of discounts given to customers and net of returns and cancelled orders during the reporting period. Source: Company data.

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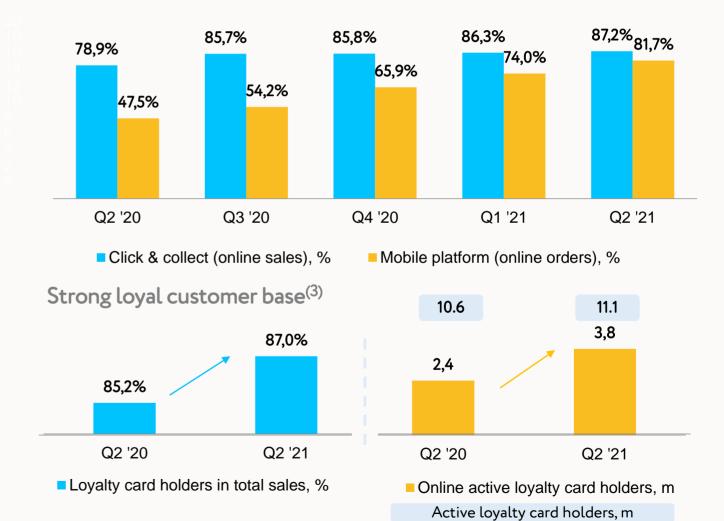
Solid online performance with strong loyal customer base



Continuous growth in traffic and improving conversion rate

(Web and mobile platforms)

Click & collect and Mobile app are largest channels (Russia)



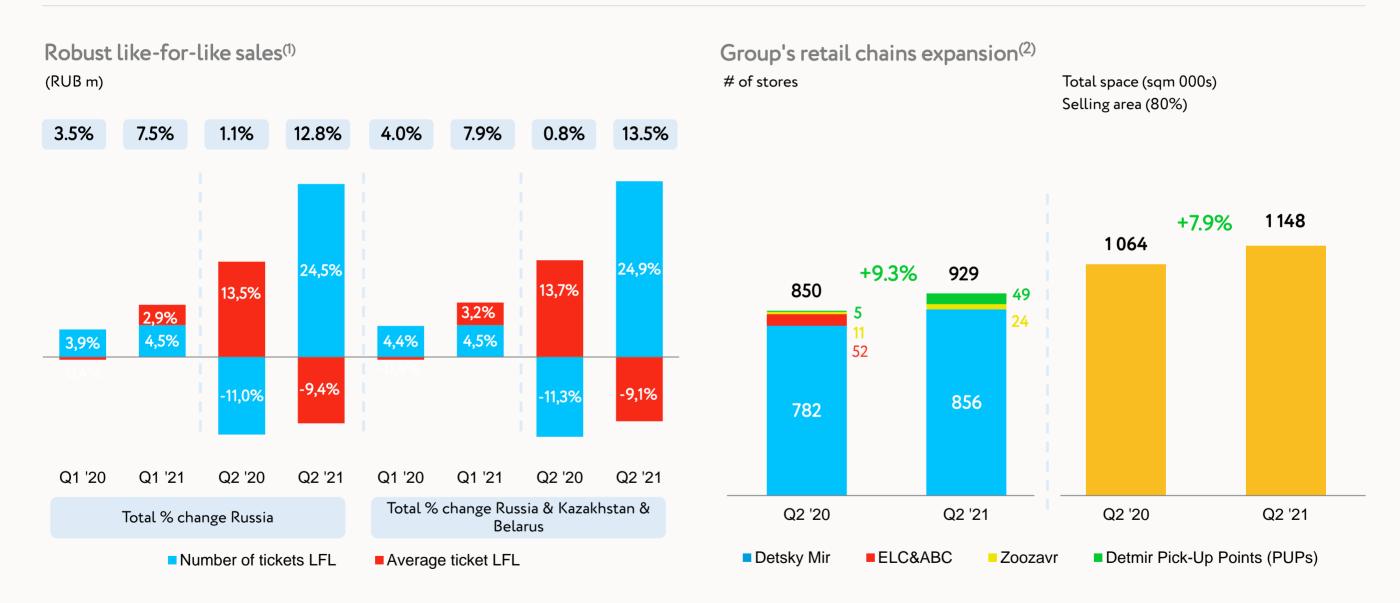
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(1) Reflects the total number of app installations between its launch (December 2019) and the end of the reporting period.

(2) MAU - monthly active users - the average number of active mobile app users in a month.

(3) Cardholders who made at least one purchase at Detsky Mir during the last 12 months are considered active. Online loyalty card holders who made at least one online purchase through the Company website or mobile application within the last 12 months are considered active cardholders. Source: Company data.

Retail chain started a trajectory of accelerated growth



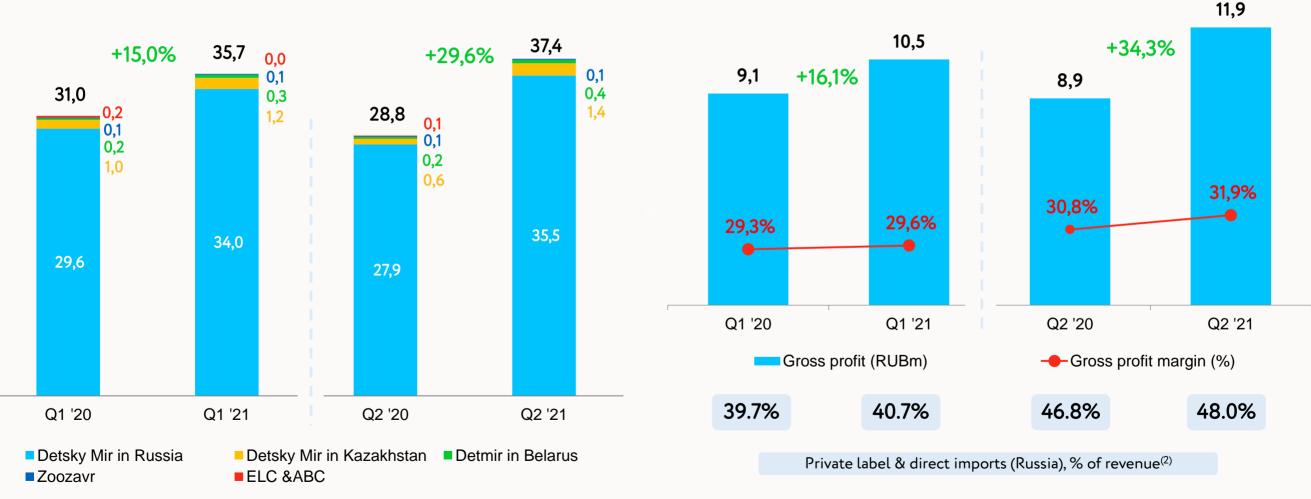
(1) LFL revenue growth in Russian rubles, LFL number of tickets growth and LFL average ticket growth are based on stores in operation for at least 12 full calendar months preceding the reporting date. A store is considered comparable and is included in the calculation of the monthly like-for-like if the difference between the number of days worked in comparable months does not exceed three working days.

(2) In order to improve margins by accelerating the opening of our small-format Detmir Pickup stores, the Group decided to close its ELC and ABC stores in Q3 2020, which accounted for 0.8% of total Group revenue in 2019. Source: Company data.

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High gross margin driven by private-label expansion

Group revenue is growing across all segments⁽¹⁾ (RUB bn) Keep investing gross margin in price leadership



Source: Company data.

(1) Hereinafter, revenue is net of value added tax and includes revenue from the sale of goods as well as fees charged by the Group to third-party sellers for selling their goods through the Group marketplace. Detsky Mir in Russia includes all sales of children's goods in Russia, as well as the sales results of the Detmir Pickup chain. Zoozavr includes all sales of pet products, including sales made via the Company website and mobile app.

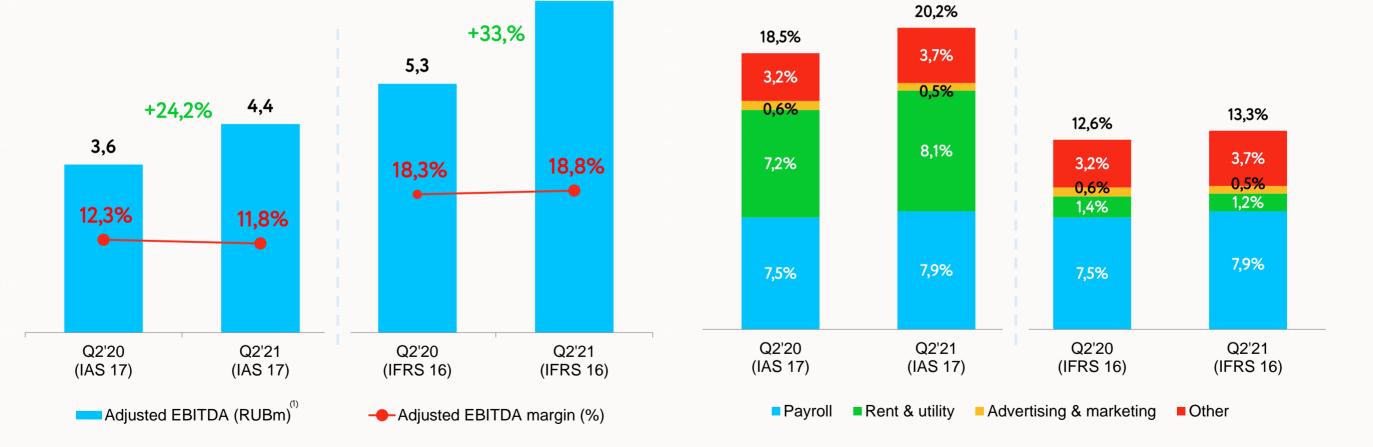
(2) Sales of private labels and direct imports in Russia include sales of all children's goods in Russia, including through the Company website and mobile application.

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Consistently strong profitability

... despite of the expected rental and payroll increase in the stabilized market

Adjusted SG&A expenses⁽²⁾ as % of revenue



(1) Hereinafter, adjusted EBITDA is calculated as profit for the period before income tax expense, foreign exchange (loss)/gain, gain on acquisition of controlling interest in associate, finance expense, finance income, depreciation and amortization, adjusted for share-based compensation expense and cash bonuses under the LTI program.

(2) Hereinafter, adjusted selling, general and administrative expenses is calculated as selling, general and administrative expenses adjusted for depreciation and amortisation expenses, additional share-based compensation expense and cash bonuses under the LTI program. Source: Company data.

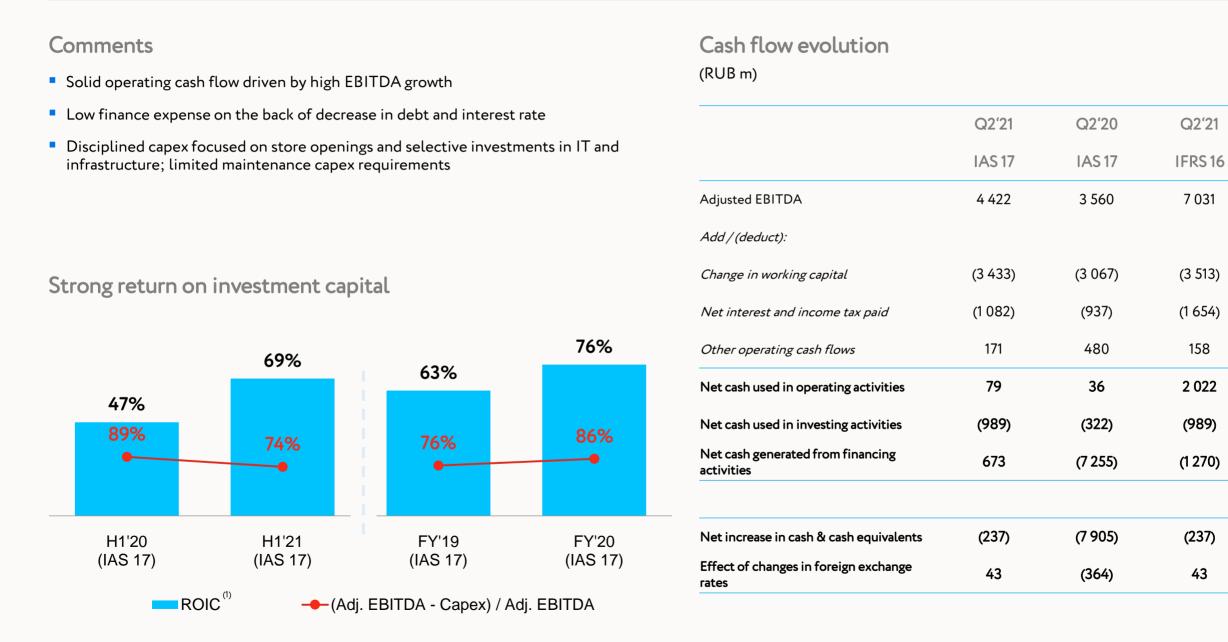
Continuous delivery of the solid double-digit profitability...

delivery of the solid double-digit profitability ... despite

7.0



Strong cash flow conversion and return on invesment capital



(1) Calculated as operating profit for the past 12-months period, divided by average capital invested (simple average of the balance of capital invested at the end of respective periods). Capital invested is calculated as net debt plus total equity/(equity deficit). Source: Company data.

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Q2'20

IFRS16

5274

(3 2 2 2)

(1527)

438

983

(322)

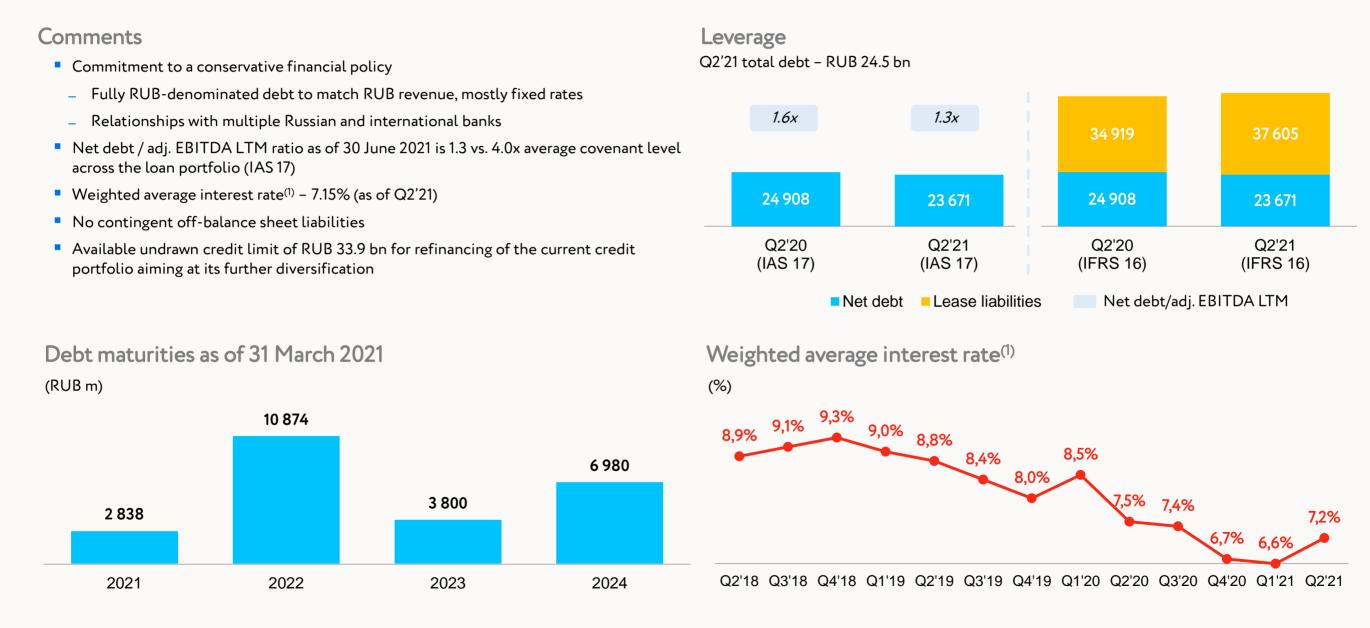
(8 202)

(7 905)

(364)

Conservative financial policy

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(1) Calculated on the basis of the weighted interest rates applying to the specified indebtedness (weighted by the principal amount of such indebtedness) as of the dates specified. Source: Company data

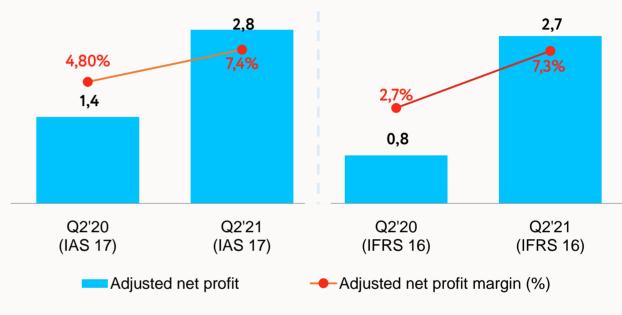
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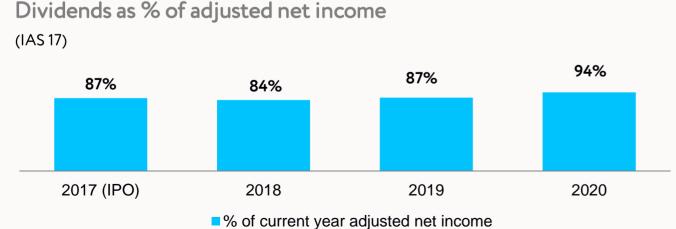
Sustainably high returns to shareholders

Comments

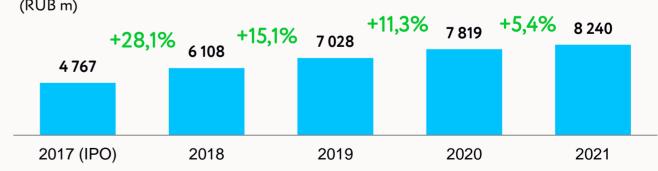
- Asset-light cash generative model underpins significant dividend paying capacity
- Dividends as major differentiator from most Russian high-growth retailers
- Able to consistently maintain sound leverage levels despite significant dividend payout
- Dividend policy: payout ratio of at least 50% of consolidated IFRS net income for the previous year
- Historically, paying out up to 100% of net income under RAS
- Typically two dividend payments per year (9m interim and full year)
- In 2021, Detsky Mir paid out total of RUB 8.2bn for 2020 year (9m interim RUB 3.7bn and final dividend RUB 4.5bn) which represents 5.4% increase YoY







History of declared dividends (RUB m)



(1) Hereinafter adjusted net profit is calculated as profit for the period adjusted for the share-based compensation expense and cash bonuses under the LTI program Source: Company data

Short and mid-term guidance reiterated



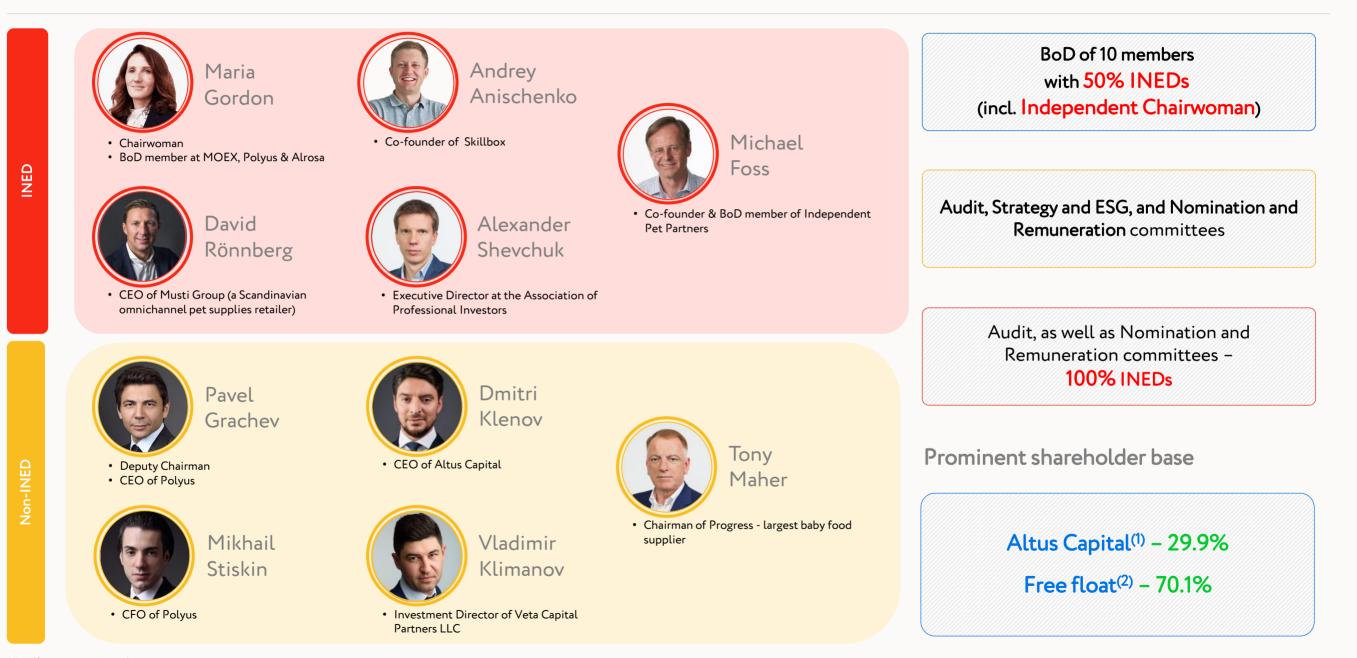
	FY2020	Guidance
New store openings	 Detsky Mir: 71 Detmir PUP: 12 Zoozavr: 10 	 Detsky Mir: 70 in 2021; 230 in medium-term Detmir PUP: 100 in 2021; 800 in medium-term Zoozavr: 70 in 2021; 500 in medium-term
Revenue	 3.9% total LFL growth (RUS & KZ) 11.0% total revenue growth Share of online sales at 25% 	 New strategic initiatives (Zoozavr, Detmir PUP, Marketplace) allow the Company to double total GMV in medium-term Online sales share increased to 45% in medium-term
Adjusted EBITDA margin	 11.9% under IAS17 18.0% under IFRS16 30.8% gross margin Rent & utility expenses of 7.5% and personnel expenses of 7.4% of sales 	 10% area under IAS17 Double-digit under IFRS16 Continued gross margin investment in traffic Grow share of higher-margin PL sales to ~60% Reduced personnel & rental expense margins thanks to efficiency
Leverage	 1.1x leverage 	 Disciplined financial policy with target leverage below 2.0x despite accelerated investment in logistics and IT
Dividends	 94% of IFRS net income 100% of RAS net income 	 Payout ratio of at least 50% of IFRS net income (IAS17) Management recommendation - 100% of RAS net income





Strong independent governance framework

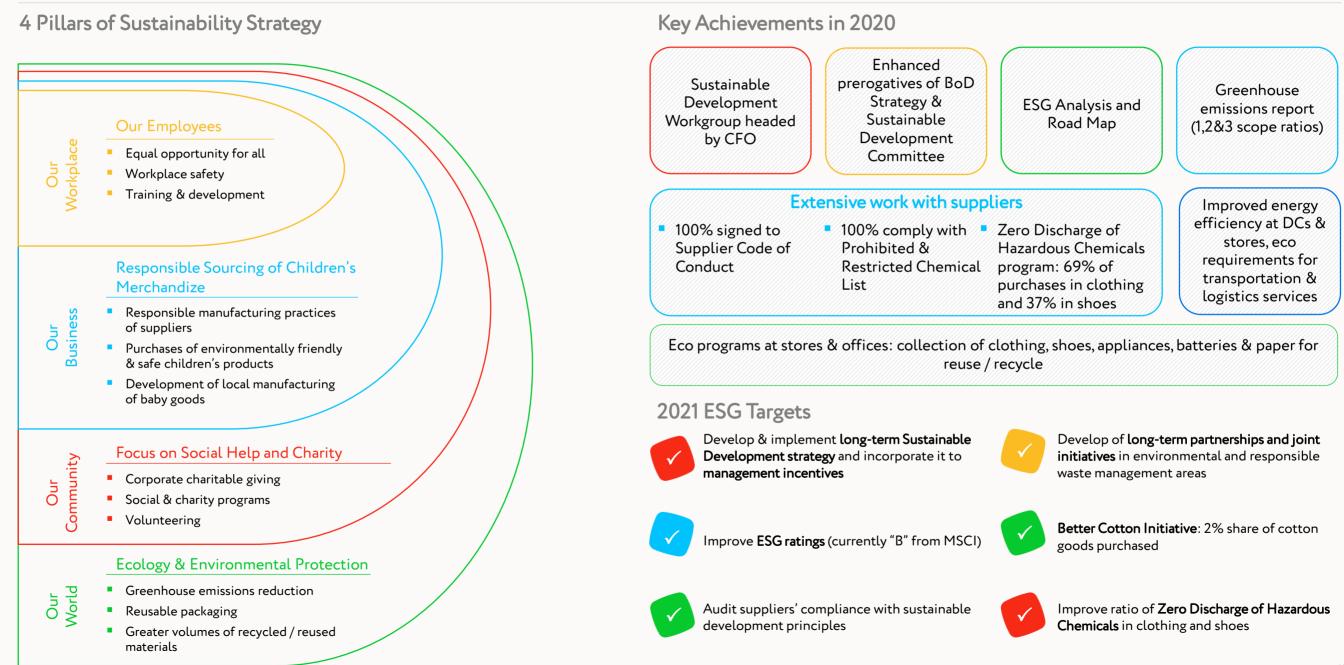
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(1) Gulf Investments Limited
 (2) Including quasi-treasury shares and shares held by management and directors (0.3% of total shares)
 Source: Company data

Focus on ESG evolution

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Solid addressable market for Detsky Mir

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Healthy outlook on key market...

Russian children's goods market in all Russian cities⁽¹⁾ (RUB bn)

719,9 +1% 712.8 705,6 705,8 701,1 696.8 CAGR 20-24 Toys 94.0 91,7 93.0 92.6 Stationery 198,9 204.8 214.1 208.3 Newborns 224,9 218,4 212,6 213.0 Apparel 65.6 66,9 64,8 65.0 Shoes 2019 2020 2021 2022 2023 2024

...with further growth potential in other categories

Market size in all Russian cities⁽¹⁾ (RUB bn)



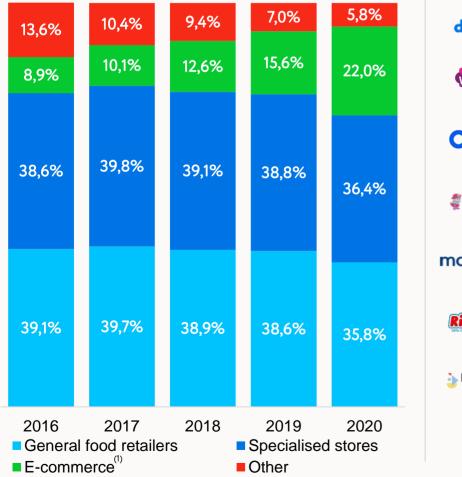
(1) Market volume is counted in retail prices including VAT (10%, except for pets products, charged with 20% VAT) in all Russian cities population). Detsky Mir share estimation is based on total Detsky Mir sales. Source: Company data, Ipsos Comcon report, Euromonitor.

Market environment evolution

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Online is one of the most fast-growing channels ...

Russian children's goods market breakdown by channels (%)



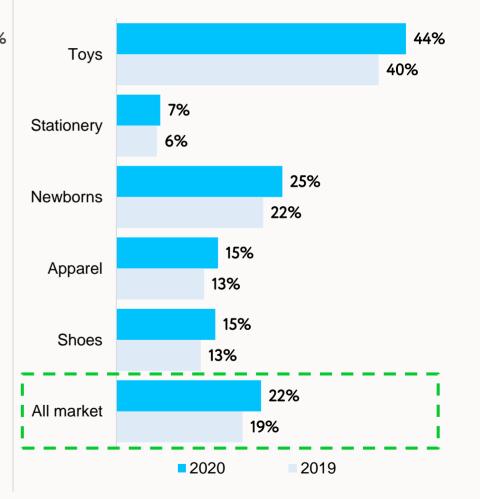
...while Detsky Mir maintains dominant market position ...

Market share in total children's goods retail in Russia⁽²⁾(%)



...building on its market leadership in all segments

Detsky Mir market share by $segment^{(2)}$ (%)



(1) Represents children's goods ordered online (excluding online stores of offline retailers from other sales channels).

(2) Market share is based on sales (including VAT of c. 10%) and market volume estimation in Russian total urban population. Market share for Detsky Mir is based on the consolidated IFRS data (excl. Kazakhstan, Belarus and Zoozavr stores). Source: Company data, Ipsos Comcon report, SPARK, Data Insight.

Gaining market share in baby food and diapers segments

Baby food sales by channel in Russia

+1.3x Detsky Mir's over 3 years	market share growth	13,4% 11,0% 23,8% 17,5%	14,4% 8,8% 24,1% 16,0%	15,5% 7,4% 24,5% 15,3%	17,2% 4,4% 23,7% 14,7%
 Supermarkets Minimarkets Detsky Mir 	 Hypermarkets Specialised stores 	34,4%	36,7%	37,3%	40,0%
		2017	2018	2019	2020
Diapers sales by	channel in Russia	22.10/			
+1.6x Detsky Mir's market share growth		22,1%	26,1%	29,7%	34,7%
		17,8%	17,7%	13,8%	7,9%
over 3 years		22,9%	21,6%	22,6%	24,2%
 Supermarkets Minimarkets Detsky Mir 	 Hypermarkets Specialised stores 	22,1%	20,1%	18,3%	16,5%
		15,0%	14,5%	15,5%	16,6%
		2017	2018	2019	2020

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