

## Dear Shareholders, Dear Ladies and Gentlemen

The macroeconomic environment in Russia indicates some signs of relief in spite of a slowdown on the global level. Industrial output in Russia has increased by 2.9% YOY in 8M 2019 and the Central Bank has gradually cut the key rate from 7.75% at the beginning of 2019 to currently 6.50%. Consumer price inflation in Russia stands at 3.8% YOY as of October 2019 and the Ruble-exchange rate has consolidated at around 71 vs the Euro. The Moscow stock exchange index reached in the first week of November a historic record high level of above 3000 points after an increase by 44% since the beginning of 2019. However, growth in GDP was only 1.1% YOY for 9M 2019 with the current expectation for the full year 2019 at below 1.5% and the current positive sentiment in the Russian economy is to some extent rather due the relief of pressure in respect of additional international sanctions than to basic improvements in the economy.

We focus on our profitable growth strategy with a stronghold in quality and customer service combined with measures to control our overall cost basis. In this context we also benefit from our innovations in respect of applications, technology and formulations. In combination with the favorable interest development, the profitability of the business has been significantly rising while total revenues remain stable compared to the previous period. In the first nine months 2019 UCP Group's EBITDA margin as percentage of sales reached the 14% notch and net result as percentage of sales stands at 7.3% in 9M2019 compared to 5.3% in 9M2018.

### Consolidated (at equity) financial performance

	in RUB (mn)			in EUR (mn)			
				FX rate			
					73,29	73,16	-0,2%
Key Data - Income Statement (in RUB mln)	9M/2018 Actual	9M/2019 Actual	Delta (%)	Key Data - Income Statement (in € mln)	9M/2018 Actual	9M/2019 Actual	Delta (%)
<b>Turnover</b>	<b>3975,8</b>	<b>4001,4</b>	0,6%	<b>Turnover</b>	<b>54,2</b>	<b>54,7</b>	0,8%
<b>Gross Profit</b>	<b>920,5</b>	<b>1051,8</b>	14,3%	<b>Gross Profit</b>	<b>12,6</b>	<b>14,4</b>	14,5%
Gross Profit-Margin	23,2%	26,3%	13,5%	Gross Profit-Margin	23,2%	26,3%	13,5%
<b>EBITDA</b>	<b>486,6</b>	<b>558,6</b>	14,8%	<b>EBITDA</b>	<b>6,6</b>	<b>7,6</b>	15,0%
EBITDA-Margin (%)	12,2%	14,0%	14,1%	EBITDA-Margin (%)	12,2%	14,0%	14,1%
<b>Net Result</b>	<b>210,3</b>	<b>291,4</b>	38,6%	<b>Net Result</b>	<b>2,9</b>	<b>4,0</b>	38,8%
Net Profit-Margin (%)	5,3%	7,3%	37,7%	Net Profit-Margin (%)	5,3%	7,3%	37,7%

Source: consolidated (at-equity) financial statements (IFRS, unaudited, convenience translation to RUB)

Our continued efforts to sustainably improve the performance of UCP Group's businesses have been showing good results, which gives reason to hold on this positive trend throughout the full year 2019.

Yours sincerely,

Norbert Wieser  
Chief Executive Officer