

## Dear Shareholders, Dear Ladies and Gentlemen

Another wave of corona infections has been spreading across Russia in the first half of 2021 but with less impact on public life and the economy. The Russian economy is strongly picking-up in 2021 driven by domestic demand and rising prices for exported goods, however, compared to the low levels of 2020. By the end of Q2 2021, Russian industrial output has increased by 10,4% YOY (but also by 1,6% above the level of the pre-corona year 2019) and growth of GDP was 8,5% YOY (and 1,9% above the corresponding level in 2019). The current expectation for GDP growth for the full year 2021 stands at ca 4% YOY.

The inflation rate has reached 6,5% as of July 2021 (YOY) and, as a response, the Central Bank has meanwhile lifted the key rate from at 4,25% at the beginning of 2021 to currently 6,50%. The exchange rate of the Russian Ruble has levelled off below 90 against the Euro but remains sensitive to changes in the oil price and political risk factors.

Our plants are in full operation to satisfy the increased demand for our products, especially for the construction industry, where we were able to win additional market shares. In the first half year of 2021 we achieved a revenue growth of 49,5% in Ruble terms and by 43,1% in volume (tons) compared to the first half of 2020. Relative margins are still below the level of the last year but in view of the currently high level of raw material prices, our customers are adjusting to the new reality. Thus, we are working our way through to pricing our products in line with raw material costs and the quality and service level of our offering.

The table below shows the consolidated results for the first six months of 2021:

### Consolidated (at equity) financial performance

in RUB'mn				in EUR'mn			
Key Data - Income Statement (in RUB mln)	6M/2020 Actual	6M/2021 Actual	Delta (%)	Key Data - Income Statement (in € mln)	6M/2020 Actual	6M/2021 Actual	Delta (%)
<b>Turnover</b>	<b>2234,2</b>	<b>3340,9</b>	49,5%	<b>Turnover</b>	<b>29,2</b>	<b>37,3</b>	27,7%
<b>Gross Profit</b>	<b>697,2</b>	<b>815,5</b>	17,0%	<b>Gross Profit</b>	<b>9,1</b>	<b>9,1</b>	-0,2%
<i>Gross Profit-Margin</i>	<i>31,2%</i>	<i>24,4%</i>	-21,8%	<i>Gross Profit-Margin</i>	<i>31,2%</i>	<i>24,4%</i>	-21,8%
<b>EBITDA</b>	<b>285,2</b>	<b>340,4</b>	19,4%	<b>EBITDA</b>	<b>3,7</b>	<b>3,8</b>	1,9%
<i>EBITDA-Margin (%)</i>	<i>12,8%</i>	<i>10,2%</i>	-20,2%	<i>EBITDA-Margin (%)</i>	<i>12,8%</i>	<i>10,2%</i>	-20,2%
<b>Net Result</b>	<b>123,2</b>	<b>163,9</b>	33,0%	<b>Net Result</b>	<b>1,6</b>	<b>1,8</b>	13,5%
<i>Net Profit-Margin (%)</i>	<i>5,5%</i>	<i>4,9%</i>	-11,1%	<i>Net Profit-Margin (%)</i>	<i>5,5165%</i>	<i>4,9%</i>	-11,1%
<b>Volume (tn)</b>	<b>43 089</b>	<b>61 661</b>	43,1%	<b>Volume (tn)</b>	<b>43 089</b>	<b>61 661</b>	43,1%
				<i>average FX rate for the period</i>	<i>76,44</i>	<i>89,55</i>	<i>17,1%</i>

Source: Consolidated IFRS accounts (joint ventures at equity), unaudited, convenience translation to Rubel  
Note: For convenience purposes and better comparability the impact of the acquisition of a controlling stake in ZAO Uralmethanolgroup in Q2 2021 is not reflected

Based on the encouraging growth trends for all of our businesses for the first half year 2021 we are optimistic for the full year 2021. At the same time, we remain also cautious because we do not see a diminishing volatility pattern in our macroeconomic environment.

Yours sincerely,

Norbert Wieser  
Chief Executive Officer