

Dear Shareholders, Dear Ladies and Gentlemen

Like other countries Russia is currently affected by another corona wave and restrictions of business and public life have been ramped up again - but not to the high levels as one year ago. Thus, the macroeconomic environment in Russia remains challenging: on the one side, the Russian economy has been strongly picking-up in 2021 in comparison to the low levels of 2020. It stands slightly above the level of the pre-corona year 2019. The current expectation for the GDP growth for the full year 2021 remains at ca 4% YOY. On the other side, the inflation rate has officially reached 8,1% as of October 2021 (YOY) with the underlying inflation apparently being some notches higher. As a response, the Russian Central Bank has lifted the key rate from at 4,25% at the beginning of 2021 to currently 7,5%. Like on global level also in Russia raw material prices continue to be at peak values. Additionally, the limitations with regard to availability of special products and logistics continue without signs of easing in the near future.

In accordance with this situational pattern all Group companies demonstrate strong growth in revenues but under-proportional growth of profitability. However, the strongly increasing revenues outweigh slightly the overall reduction of relative margins.

Another material factor affects the financial statements. It concerns our subsidiary UralMethanolGroup (UMG). As already announced this year, UCP Group took the opportunity to acquire the remaining 50% share - and thus full control - of our joint venture UMG, which develops the investment project for a 600 tons/year methanol production plant. While this acquisition allows for more flexibility in the search of an adequate project realization structure, it triggers the re-evaluation of the entire investment project with regard UCP Group's financial statements under IFRS. For the sake of a transparent illustration, this - non-cash effective - impairment adjustment is presented separately from the underlying business operation.

Consolidated (at equity) financial performance

Key Data - Income Statement (in RUB mln)	9M/2020 Actual	9M/2021 Actual	Delta (%)	Key Data - Income Statement (in € mln)	9M/2020 Actual	9M/2021 Actual	Delta (%)
Turnover	3494,6	5337,9	52,7%	Turnover	43,9	60,3	37,3%
Gross Profit	1117,3	1298,2	16,2%	Gross Profit	14,0	14,7	4,5%
<i>Gross Profit-Margin</i>	<i>32,0%</i>	<i>24,3%</i>	-23,9%	<i>Gross Profit-Margin</i>	<i>32,0%</i>	<i>24,3%</i>	-23,9%
EBITDA	605,0	685,1	13,2%	EBITDA	7,6	7,7	1,8%
<i>EBITDA-Margin (%)</i>	<i>17,3%</i>	<i>12,8%</i>	-25,9%	<i>EBITDA-Margin (%)</i>	<i>17,3%</i>	<i>12,8%</i>	-25,9%
Net Result before UMG adj.	360,6	380,1	5,4%	Net Result before UMG adj.	4,5	4,3	-5,2%
<i>Underlying net Profit-Margin (%)</i>	<i>10,3%</i>	<i>7,1%</i>	-31,0%	<i>Underlying net Profit-Margin (%)</i>	<i>10,3%</i>	<i>7,1%</i>	-31,0%
UMG impairment	0,0	-605,9		UMG impairment	0,0	-6,8	
Net Result	360,6	-225,8	-162,6%	Net Result	4,5	-2,5	-156,3%
<i>Net Profit-Margin (%)</i>	<i>10,3%</i>	<i>-4,2%</i>	-141,0%	<i>Net Profit-Margin (%)</i>	<i>10,3%</i>	<i>-4,2%</i>	-141,0%
				<i>average FX rate for the period</i>	<i>79,64</i>	<i>88,57</i>	<i>11,2%</i>

Source: Consolidated IFRS accounts (joint ventures at equity), unaudited, convenience translation to Rubel

UCP Group remains committed to its sustainable, profitable development and its focus on localization of innovative quality production assets at its site in Nizhny Tagil. Thus, we fully keep up our investment projects of localization, expansion and upgrading our production facilities in Russia.

Our plants are in full operation throughout the whole year. All health and security measures for our people remain in full force. This includes a permanent vaccination offering on site.

While the macroeconomic environment remains volatile, we do not see significant indicators for a materially different outlook for the full year 2021 at this point of time.

Yours sincerely,

Norbert Wieser
Chief Executive Officer