

OZON

Q4 and Full-Year 2020 Financial Results

30 March 2021

Disclaimer

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the current views of OZON Holdings PLC (“we”, “our” or “us”, or the “Company”) about future events and financial performance. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements. These forward-looking statements are based on management’s current expectations. However, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These statements are neither promises nor guarantees but involve known and unknown risks, uncertainties and other important factors and circumstances that may cause OZON’s actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements, including conditions in the U.S. capital markets, negative global economic conditions, potential negative developments in the COVID-19 pandemic, other negative developments in OZON’s business or unfavorable legislative or regulatory developments. We caution you therefore against relying on these forward-looking statements, and we qualify all of our forward-looking statements by these cautionary statements. Please refer to our Annual Report on Form 20-F and other filings with the U.S. Securities and Exchange Commission concerning factors that could cause actual results to differ materially from those described in our forward-looking statements.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management’s estimates as of the date of this press release. While OZON may elect to update such forward-looking statements at some point in the future, OZON disclaims any obligation to do so, even if subsequent events cause its views to change. These forward-looking statements should not be relied upon as representing OZON’s views as of any date subsequent to the date of this press release.

This presentation includes certain non-IFRS financial measures not presented in accordance with IFRS, including but not limited to Contribution Profit/(Loss), Adjusted EBITDA and Free Cash Flow. These financial measures are not measures of financial performance or liquidity in accordance with IFRS and may exclude items that are significant in understanding and assessing the our financial results. Therefore, these measures should not be considered in isolation or as an alternative to loss for the period or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company’s presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See Appendix to this presentation for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

The presentation includes certain financial information for the three months ended December 31, 2020 and 2019. Such information has not been audited or reviewed by the Company’s auditors, and should be read in conjunction with the financial statements for the full year ended December 31, 2020, including the notes thereto.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.



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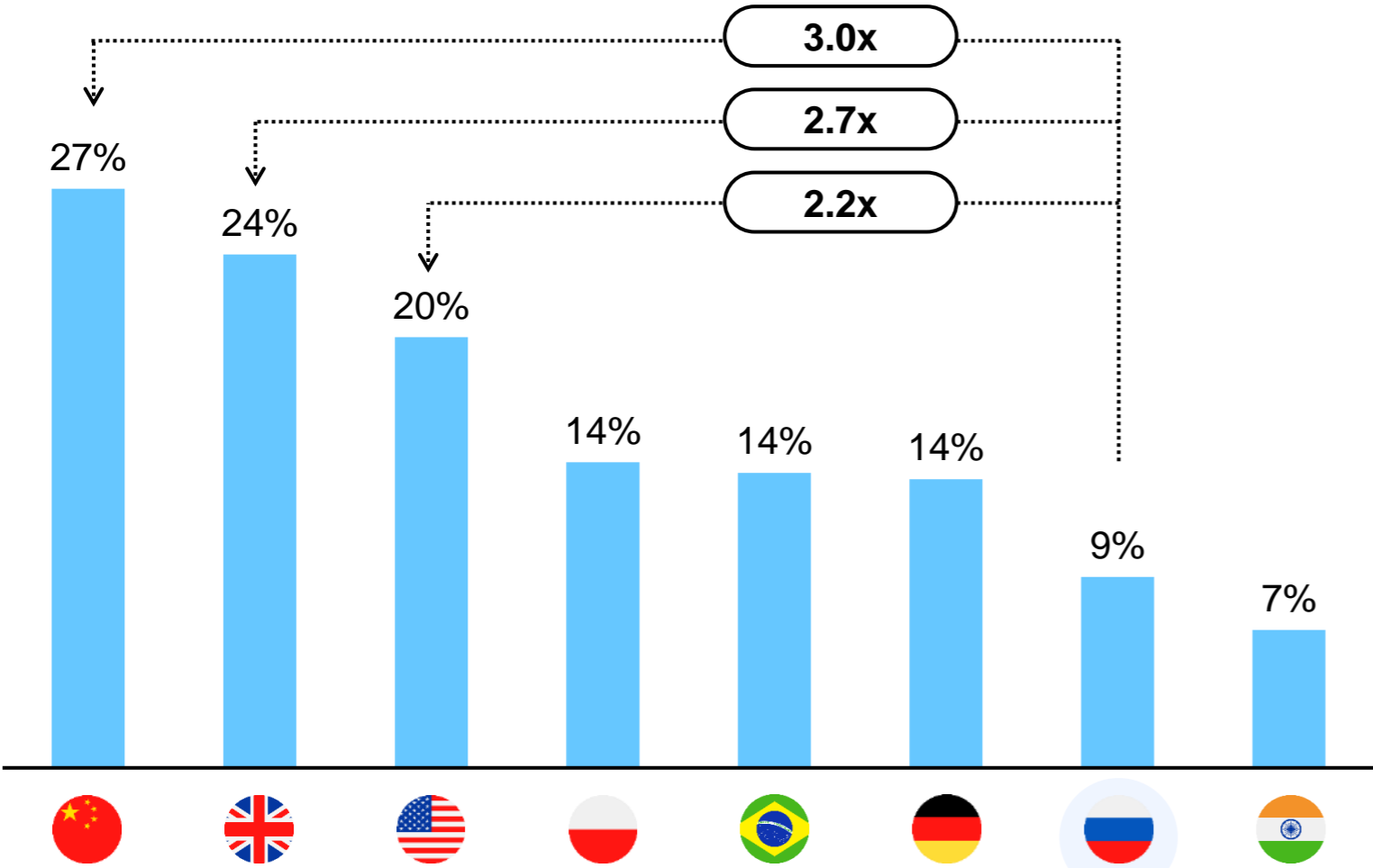
Our Mission

To transform the Russian consumer economy by offering the widest selection, exceptional value and maximum online shopping convenience among Russian e-commerce companies, while empowering partners to achieve greater commercial success

Large, Structurally Attractive Market with Low Penetration

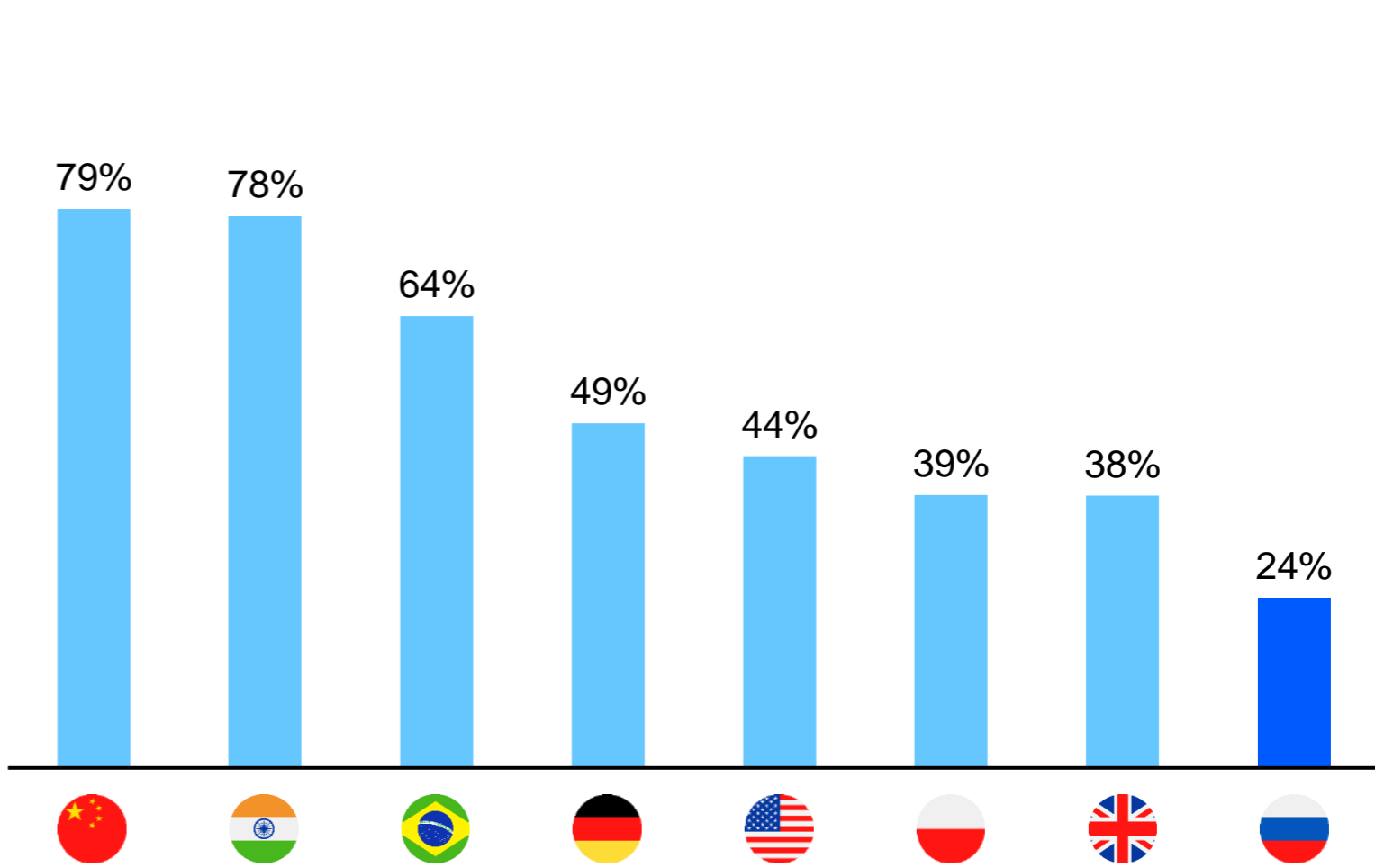
Russian E-commerce Market is Underpenetrated ...

E-commerce Penetration in 2020, %



... and Highly Fragmented


Top 3 Domestic Players Share of Total E-commerce Market in 2020, %



Historical Reasons for Low Penetration



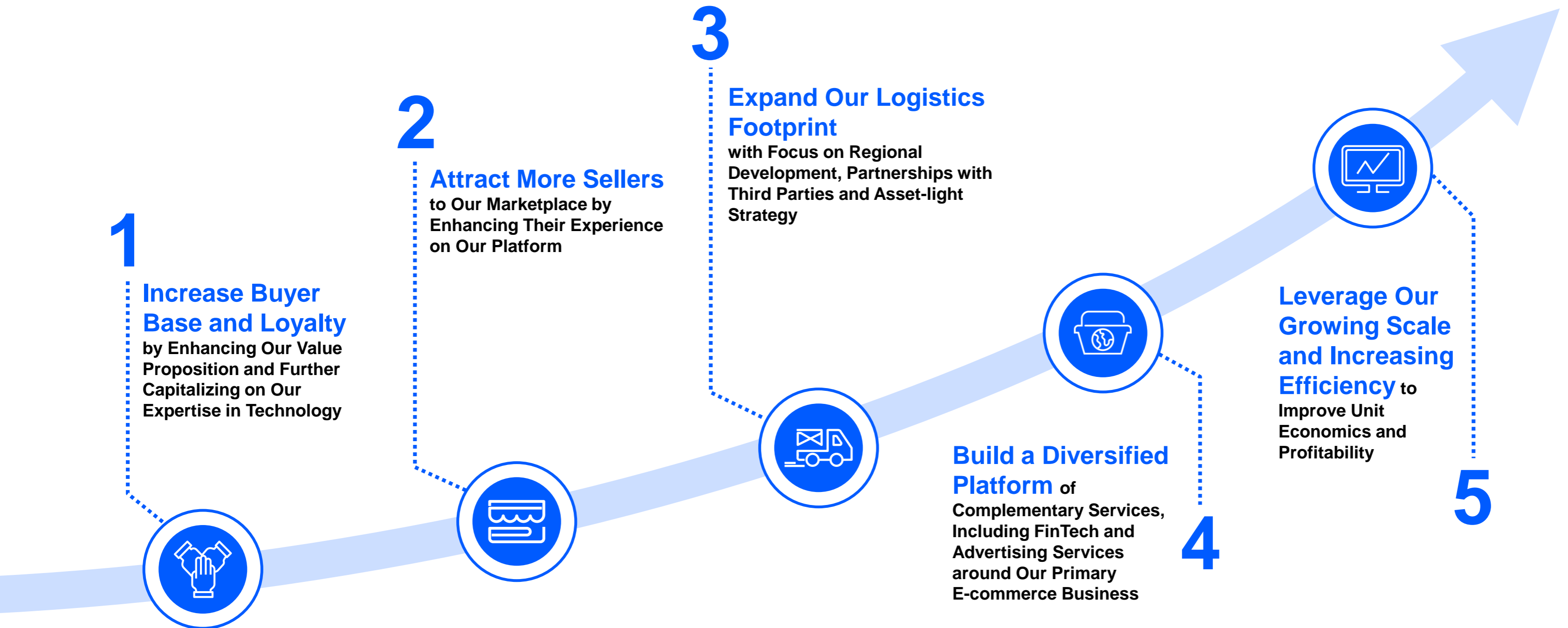
Limited investment in e-commerce fulfillment and logistics infrastructure development



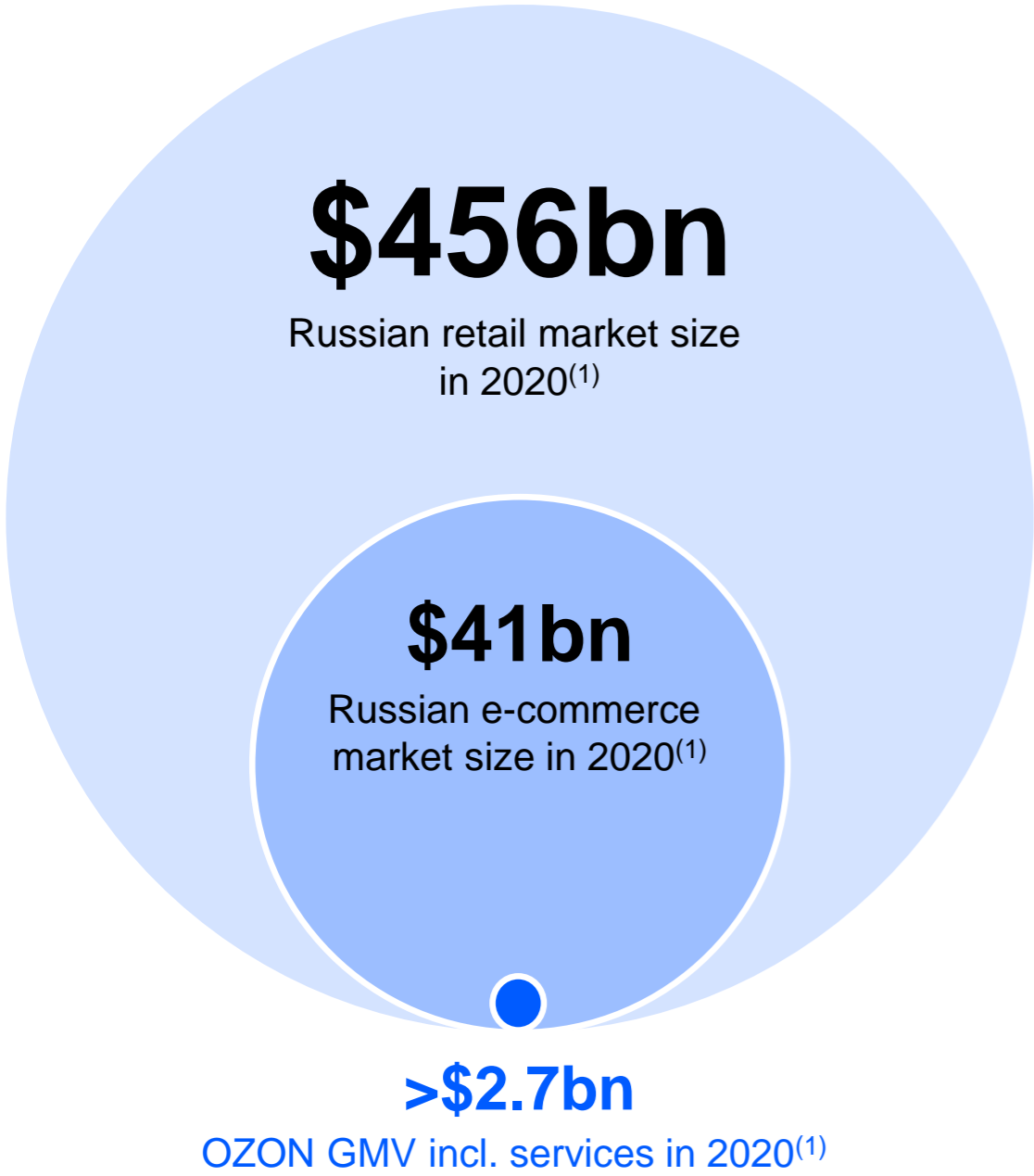
Lack of trust in e-commerce

Source: Euromonitor, Company estimates

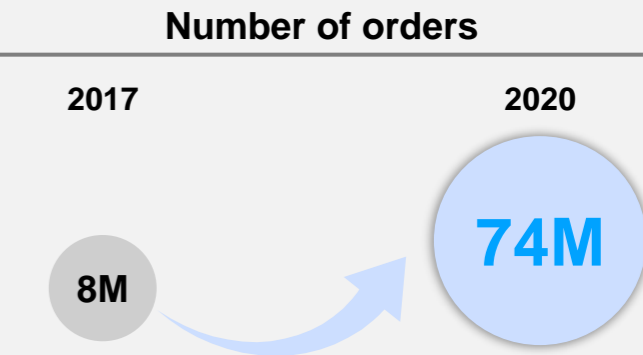
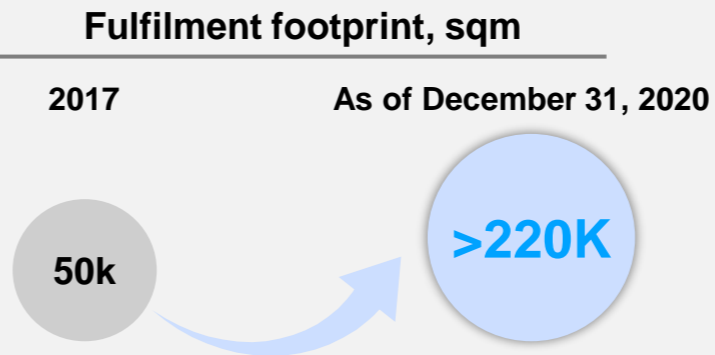
Our Strategy and Key Growth Drivers



Focus on Scale and Leadership in Underpenetrated Market



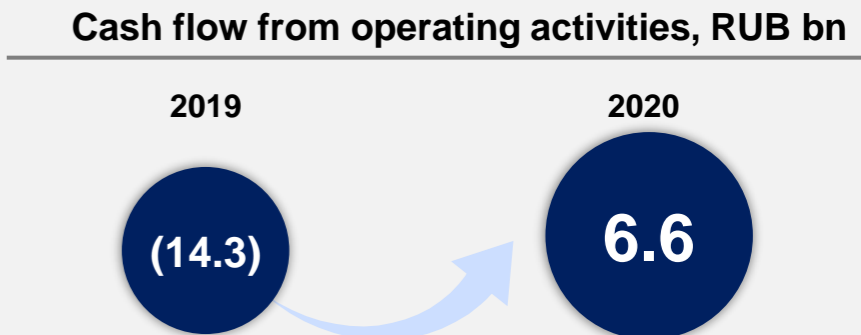
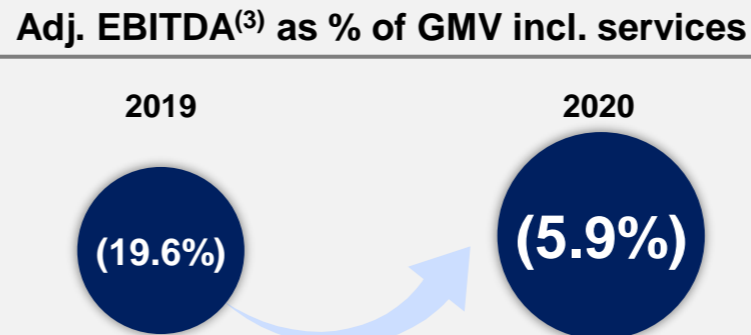
✓ Scalable Logistics and IT Infrastructure



✓ Strong Growth Acceleration



✓ Significant Profitability Improvements






Source: Company data, INFOline, Euromonitor

Notes:
¹ Converted from RUB using 2020 average exchange rate of RUB 72.3230 per 1 USD
² See "Presentation of Financial and Other Information" section of this presentation for the definition of GMV incl. services
³ Adjusted EBITDA is a non-IFRS measure. See "Presentation of Financial and Other Information" section of this presentation for a definition of such non-IFRS measures, a discussion of the limitations on their use, and "Non-IFRS Metrics Reconciliation"

Scaling Adjacent Verticals around OZON Platform



Development of Financial Services Creates New Monetization Sources, Enhancing Value Creation for OZON Shareholders

<p>Lending</p>	 <p>B2C Lending Short-term financing to buyers and payment in installments option</p>	 <p>B2B Lending Lending facilitates financing of sellers' working capital needs and increases sales on OZON platform</p>
<p>Payments</p>	 <p>OZON Card 450k⁽²⁾ OZON branded debit card issued. Ozon card offers cashbacks in the form of OZON Points</p>	<p>60% higher order frequency⁽¹⁾ on average exhibited by OZON Card holders</p>

Financial services products strengthen buyers' and sellers' engagement on OZON Platform

- ✓ Increases buyers' average order value
- ✓ Increases buyers' retention and frequency of purchases
- ✓ Enrichment of customer data
- ✓ Increases loyalty of Marketplace sellers

Note:

¹ Compared to OZON average buyers' order frequency

² Number of Ozon Cards issued as of December 31, 2020

EXPRESS

ALWAYS FAST

- Network of darkstores in Moscow
- Delivery within 1 hour in Moscow
- Scaling into regions from Q2 2021
- **22 000** SKU available across 20 food and non-food categories

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EXPRESS

ALWAYS TASTY

- Mini-app within OZON mobile app
- Enhancing order frequency on platform
- Higher conversion rate with faster delivery

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**Q4 2020 and Full-Year 2020
Financial Performance**



OZON Platform at a Glance in Q4 2020

Accelerated GMV and Order Growth Coupled with Strong Cash Flow Generation in Q4 2020

Accelerating growth at scale ...



147%

GMV incl. services growth YoY in Q4 2020



137%

Orders growth YoY in Q4 2020

... with greater assortment and best-in-class delivery service ...



c. 11MM

SKU assortment as of December 31, 2020⁽¹⁾



95%

Parcels delivered on time

... driving rapid OZON Marketplace expansion and higher order frequency



52%

Share of Marketplace GMV in Q4 2020



28%

YoY increase in order frequency of 2020 cohort vs 2019 cohort

Significant increase in Cash Flow from Operating Activities, Free Cash Flow, and improving Adj. EBITDA as % of GMV



10.6bn

RUB, Cash Flow from Operating Activities

7.8bn

RUB, Free Cash Flow

(4.7%)

Adj. EBITDA as % of GMV incl. services

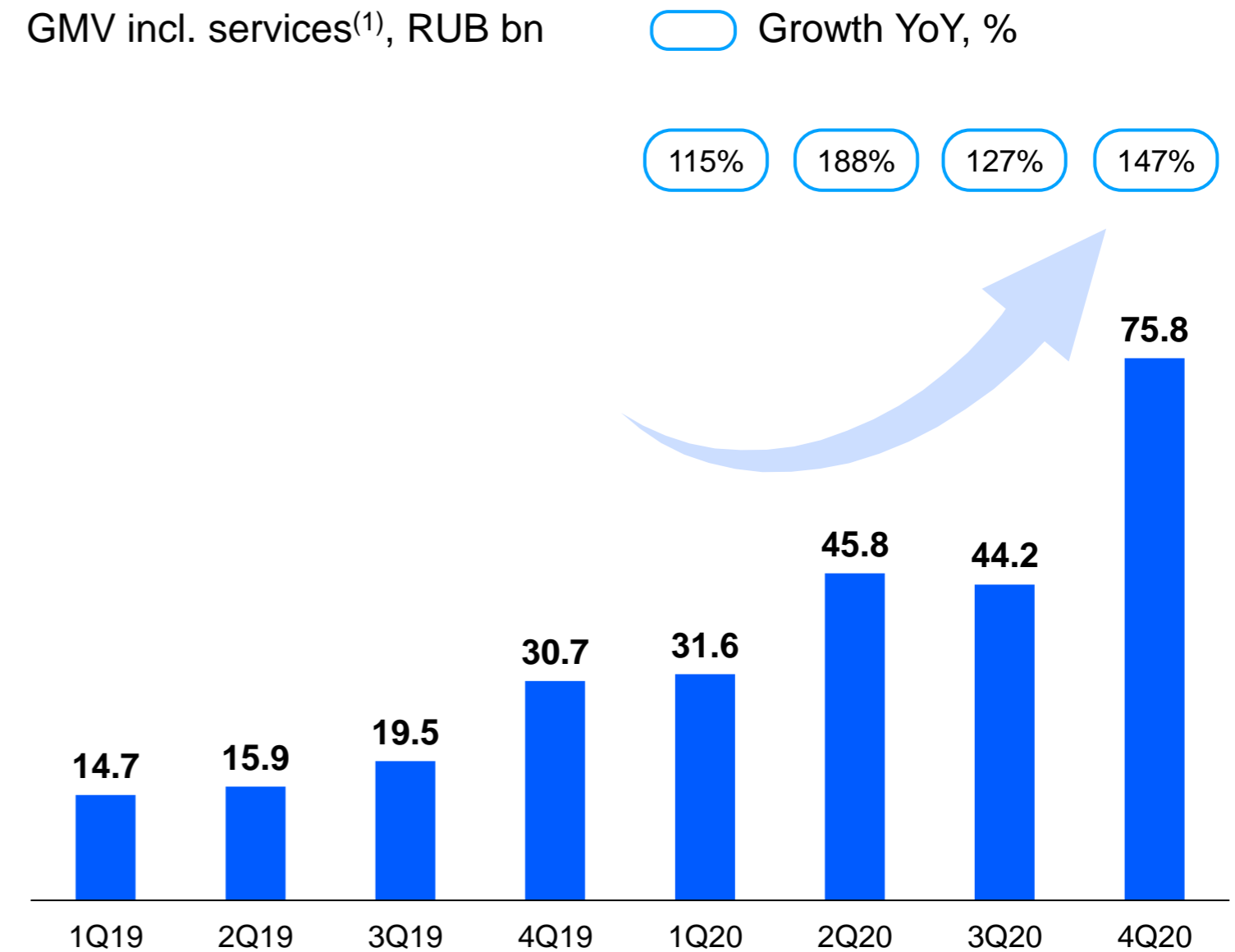
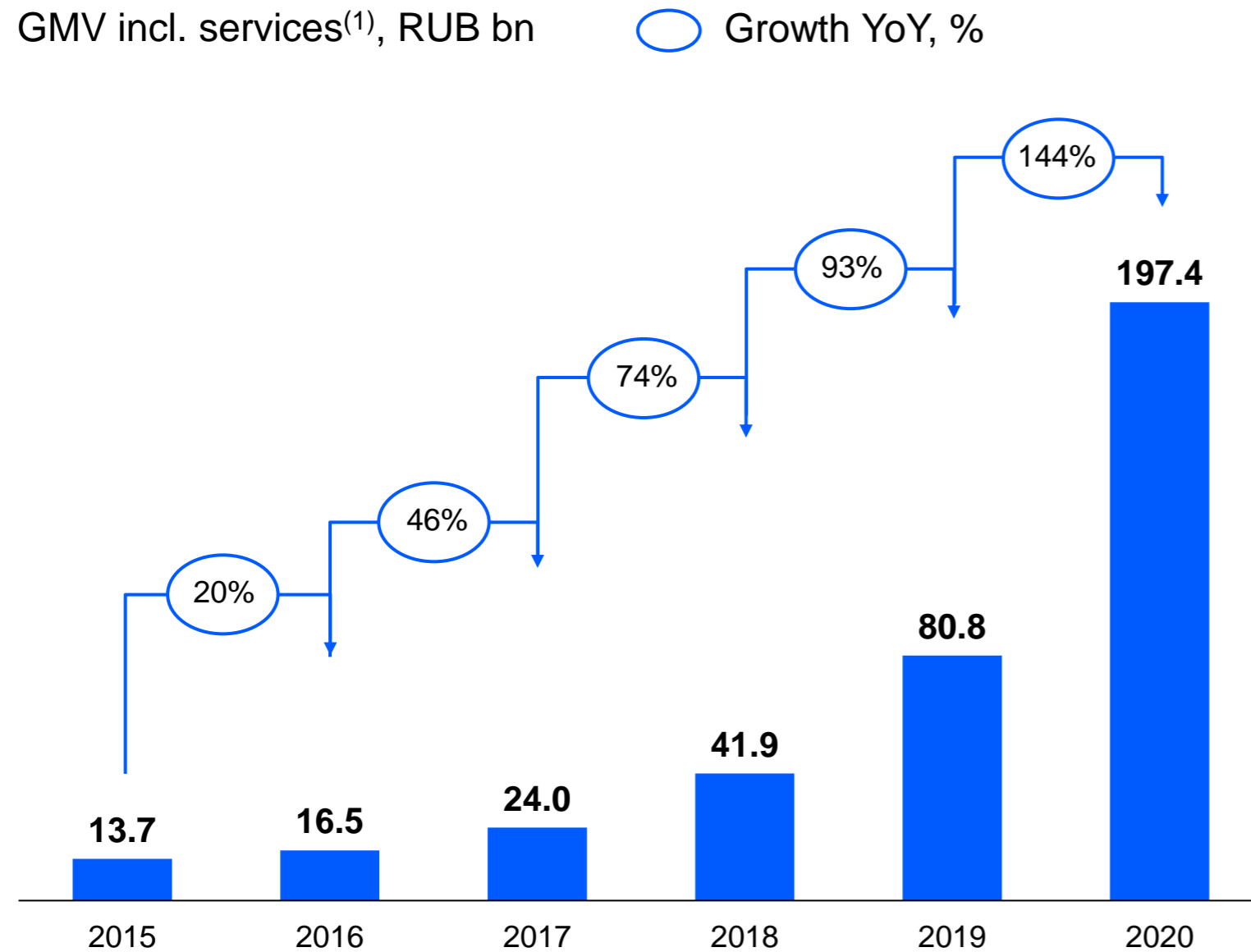
Source: Company data

Note:

¹ Includes different sizes of apparel

GMV Growth Acceleration at Scale ...

OZON Demonstrated an Unparalleled Growth in GMV over the Last 5 Years with the Growth Rate Accelerating to 144% Year-over-Year in 2020



Source: Company data

Note:

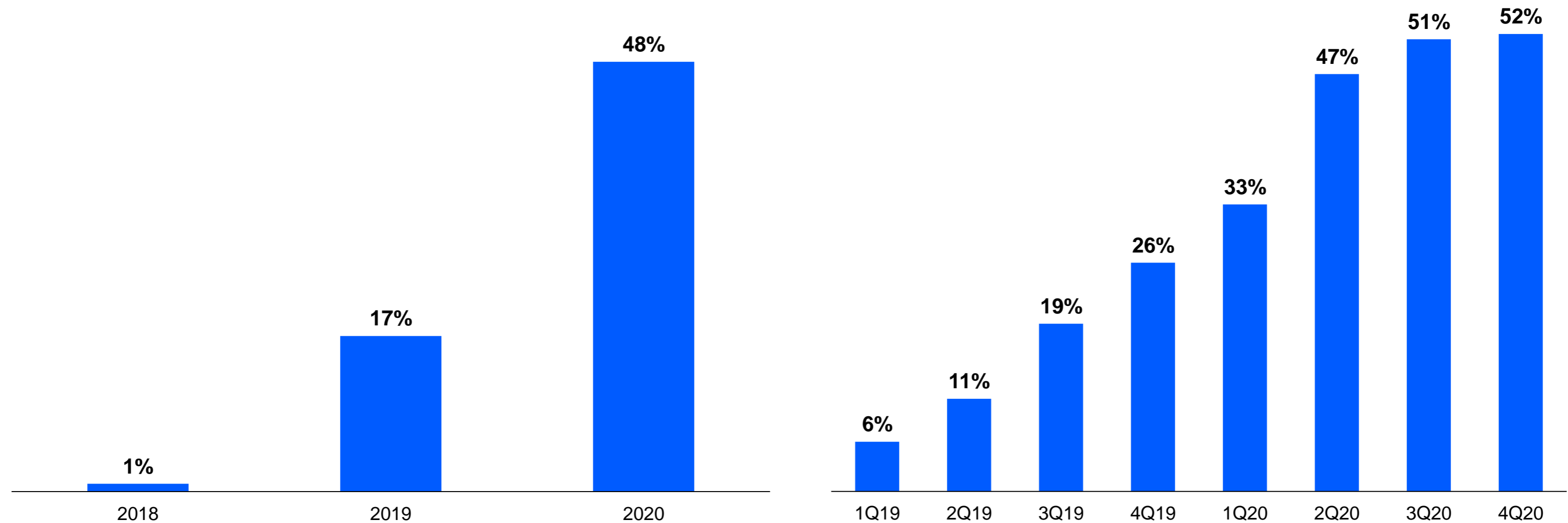
¹ See "Presentation of Financial and Other Information" section of this presentation for GMV incl. services definition

... on the Back of Rapid Marketplace Expansion

OZON Transformed Its Business Model from a Pure 1P to a Hybrid Marketplace in Less Than 2 Years

Share of Marketplace GMV⁽¹⁾, %

Share of Marketplace GMV⁽¹⁾, %



Source: Company data

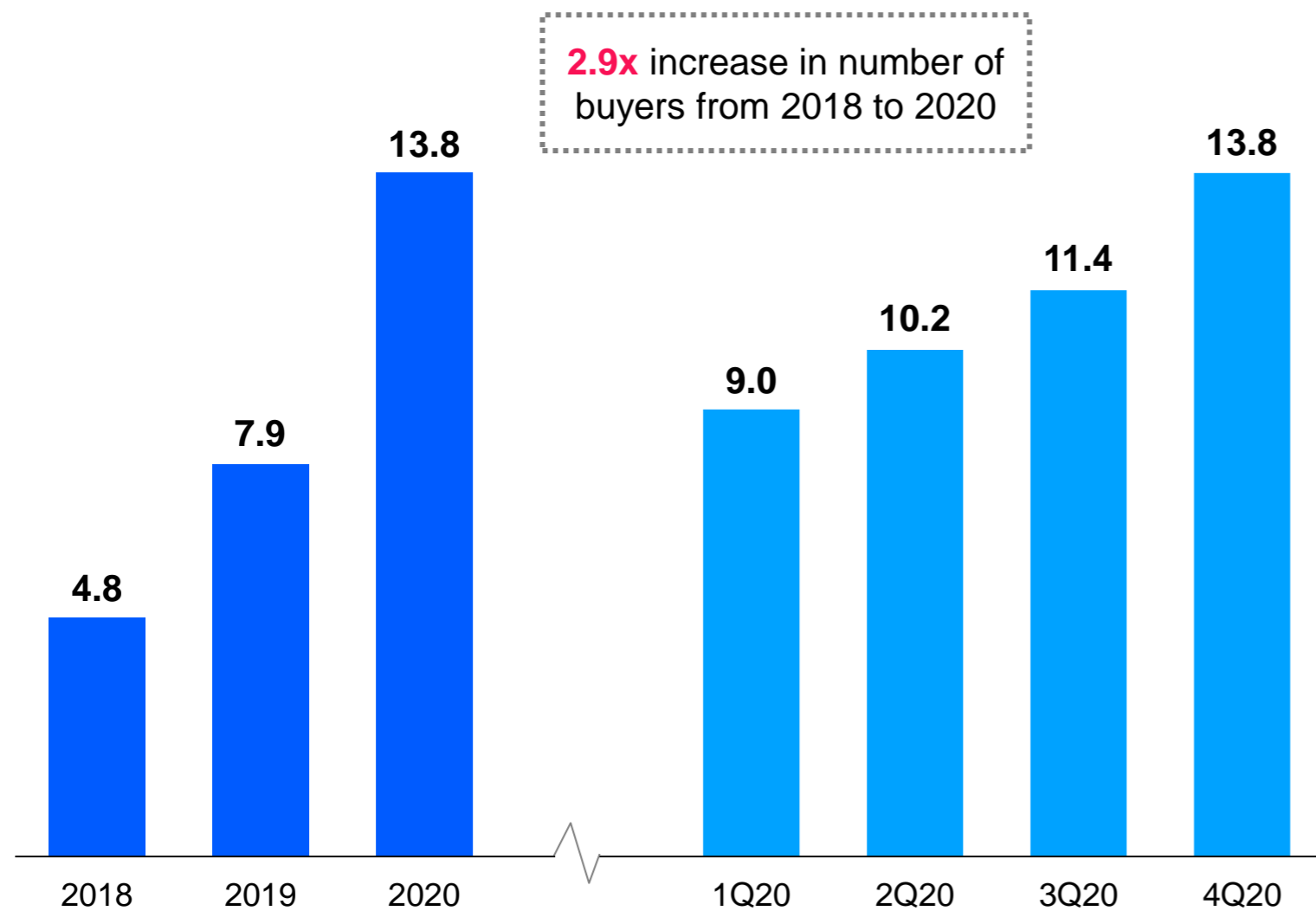
Note:

¹ The total value of orders processed through our Marketplace, inclusive of value added taxes, net of discounts, returns and cancellations, divided by GMV incl. services in a given period

Enhanced Buyer Proposition Driving Increase in Number of Buyers and Retention

Growing Number of Active Buyers⁽¹⁾ ...

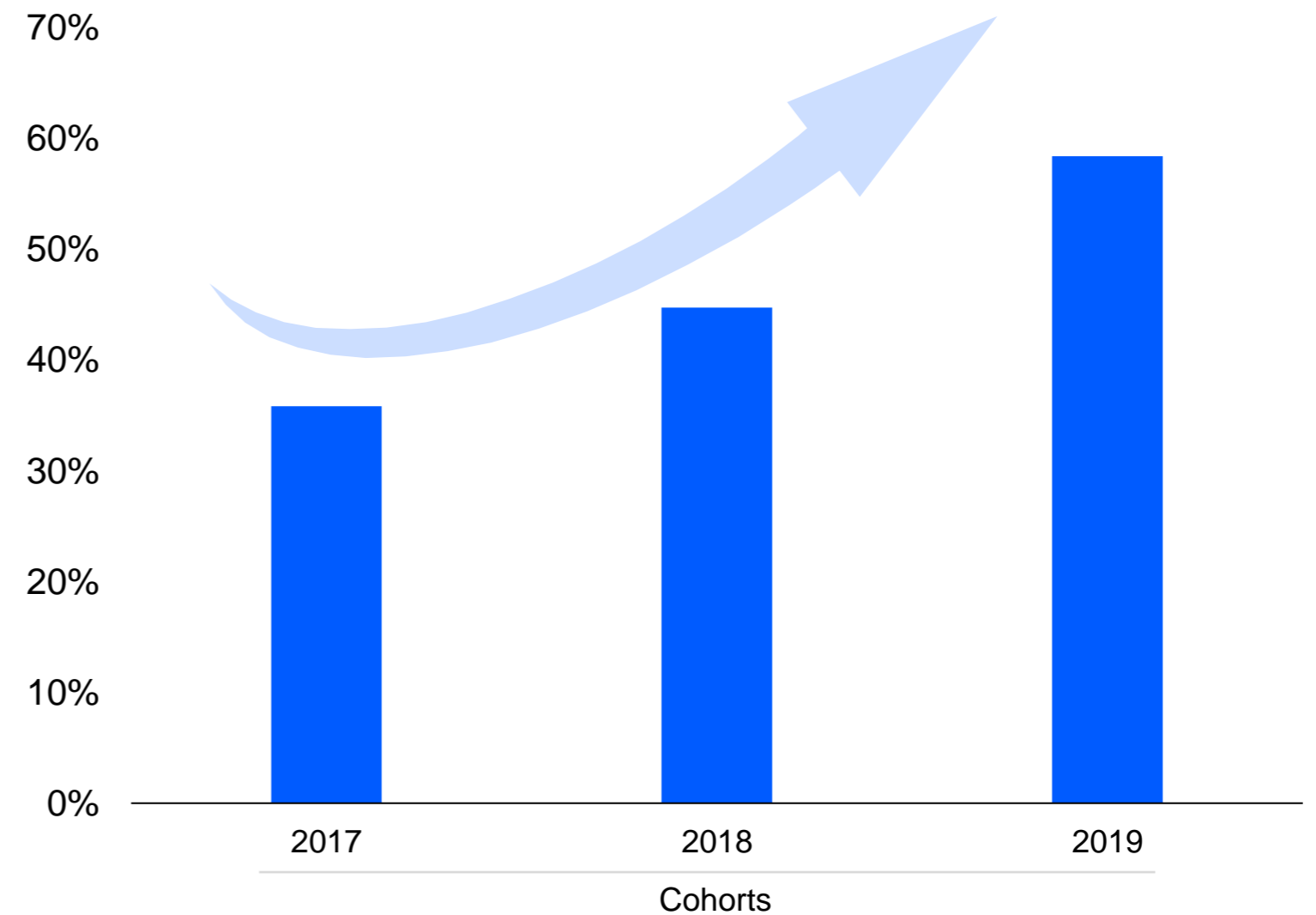
Number of active buyers, MM



2.9x increase in number of buyers from 2018 to 2020

... With Increasing Customer Loyalty Reflected in Growing Retention⁽²⁾

Buyer retention by cohort, %



Source: Company data

Notes:

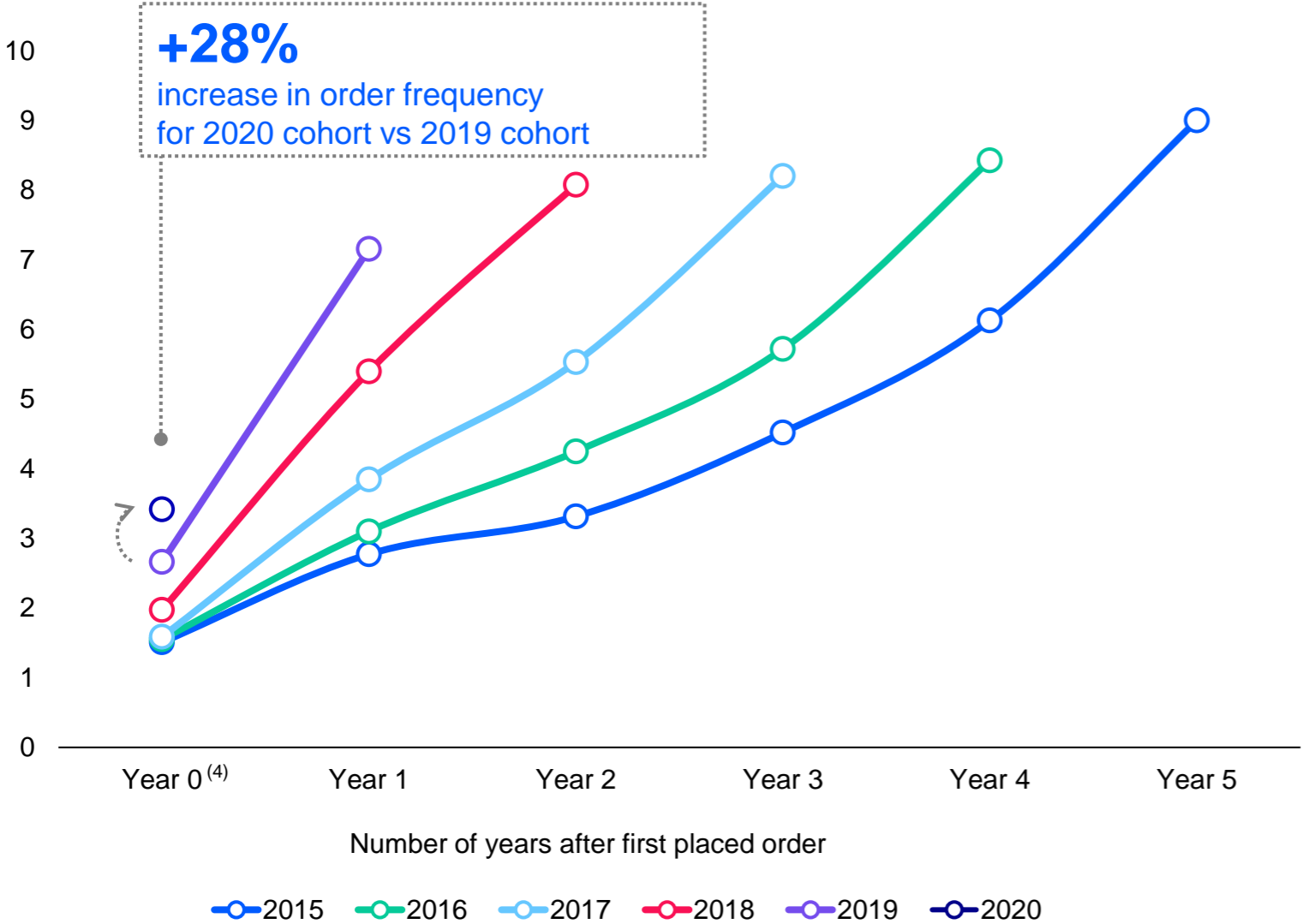
¹ Unique buyers who placed an order on our platform within the 12 month period preceding the relevant date, net of returns and cancellations

² Retention denotes a share of the buyers as a % of total buyers in the respective cohort that made a repeat purchase in the second year

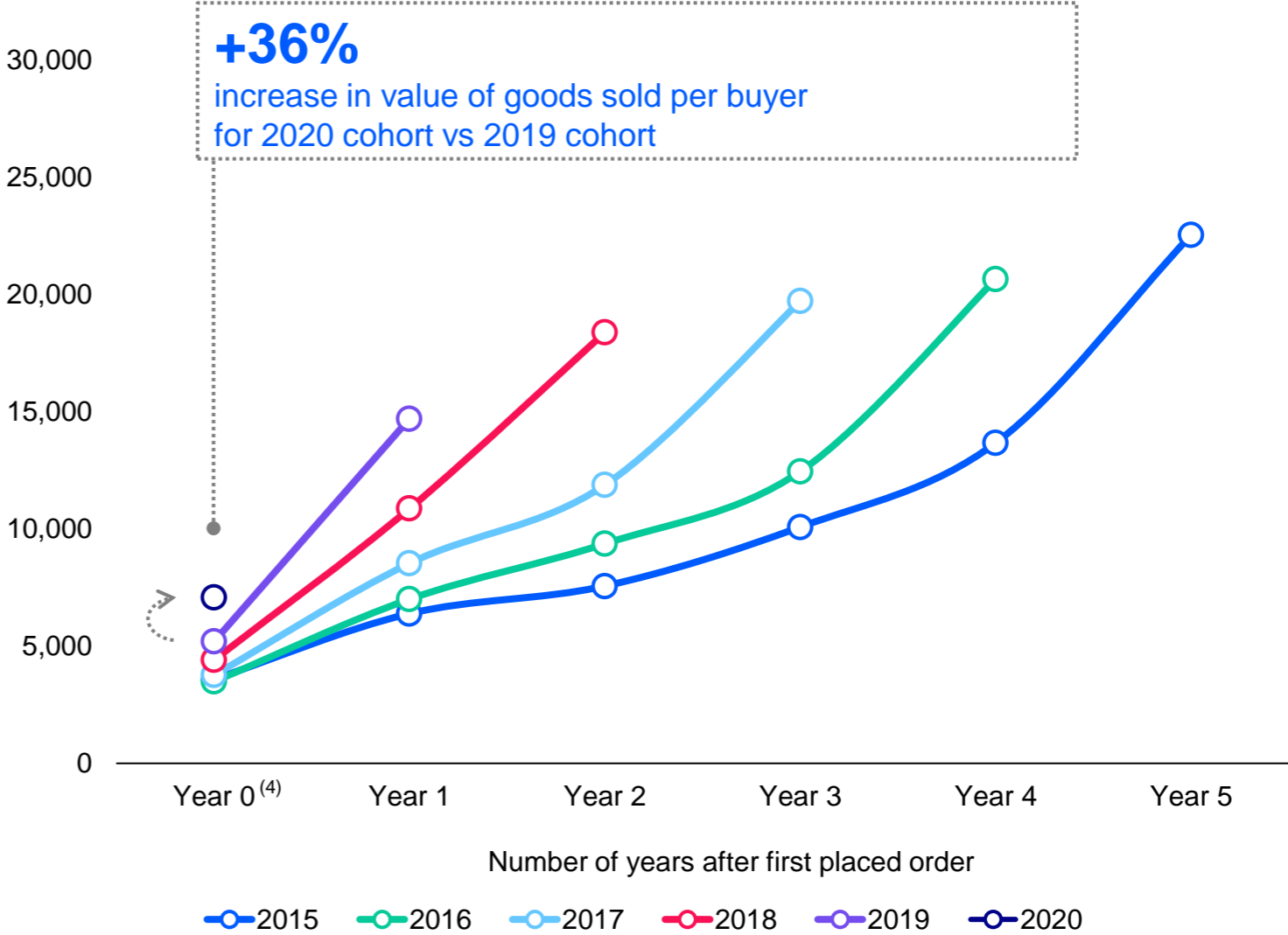
Significant Improvement in Cohorts Performance

Increasing Customer Loyalty and Engagement Reflected in Growing Order Frequency⁽¹⁾ and Value of Goods Sold per Cohort

Average number of placed orders⁽²⁾ by cohort buyer per year



Value of goods sold per active cohort buyer⁽³⁾, RUB



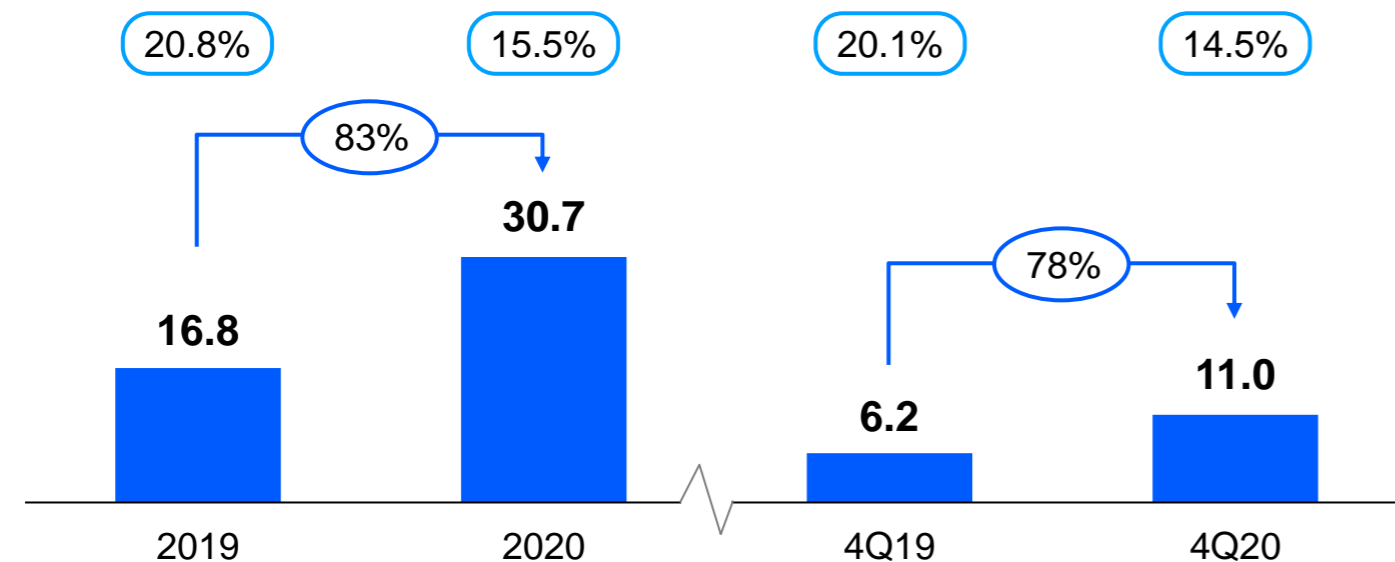
Notes:

¹ Order frequency denotes the average number of orders the buyer in cohort (2015-2020) placed in the respective year (Year 0-5)
² "Placed orders" refers to the number of orders placed by buyers in a specified year that are delivered, net of returns and cancellations. "Placed orders" may immaterially differ from the "number of orders" within the same year as a "placed order" is counted in the year the order is placed, whereas orders are counted in our "number of orders" in the year the order is delivered
³ Calculated as the value of goods sold for particular year cohort divided by respective cohort number of active buyers as of year end
⁴ Year 0 is the year in which the buyers of each cohort made their first order, while Year 1, Year 2, Year 3, Year 4 and Year 5 refer to the relevant subsequent years of each buyer cohort's life

Operating Expenses Decreased as Percentage of GMV on the Back of Growing Scale and Efficiency Gains

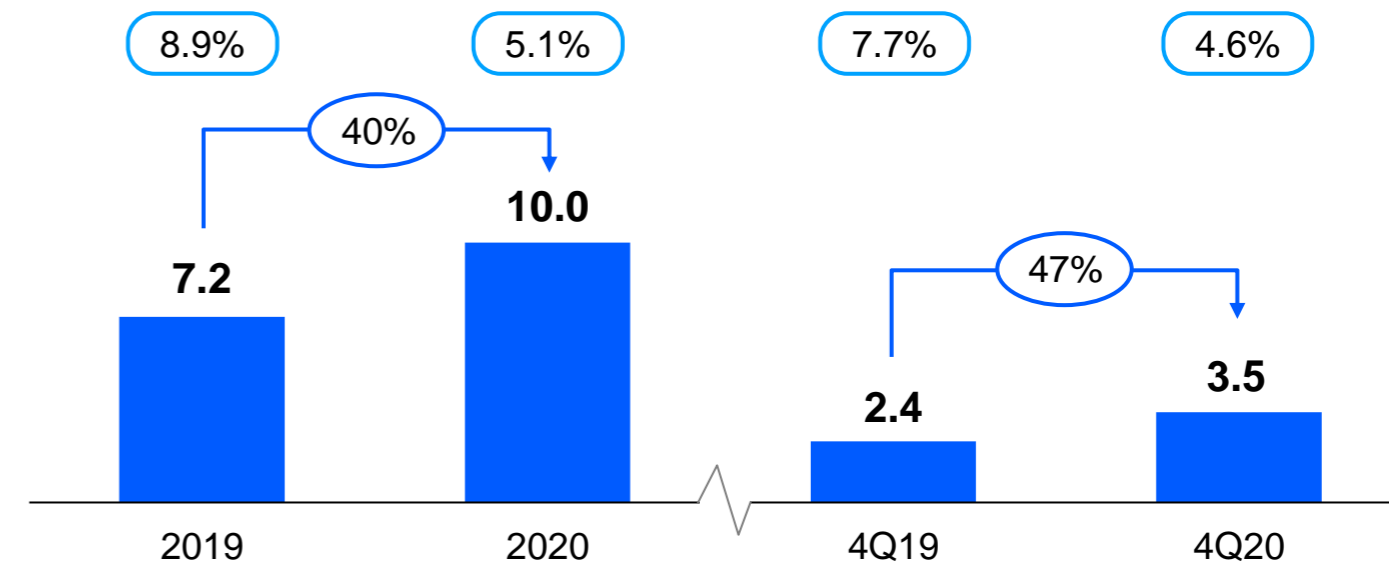
Fulfillment and Delivery Expenses

RUB bn ○ As % of GMV incl. services, %



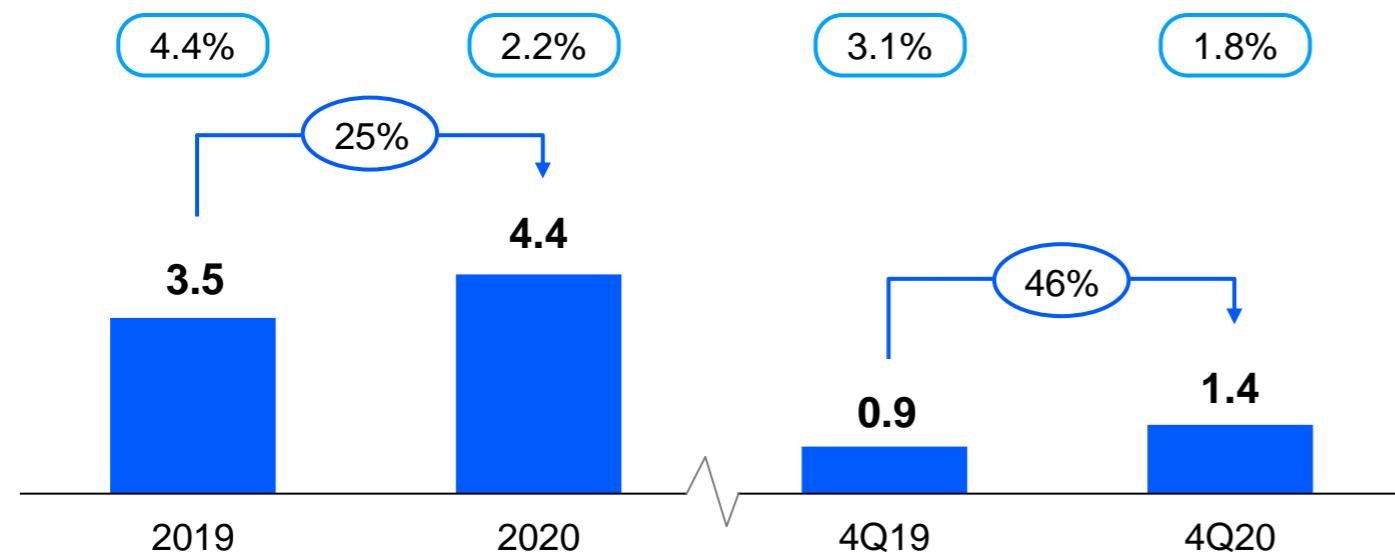
Sales and Marketing Expenses

RUB bn ○ As % of GMV incl. services, %



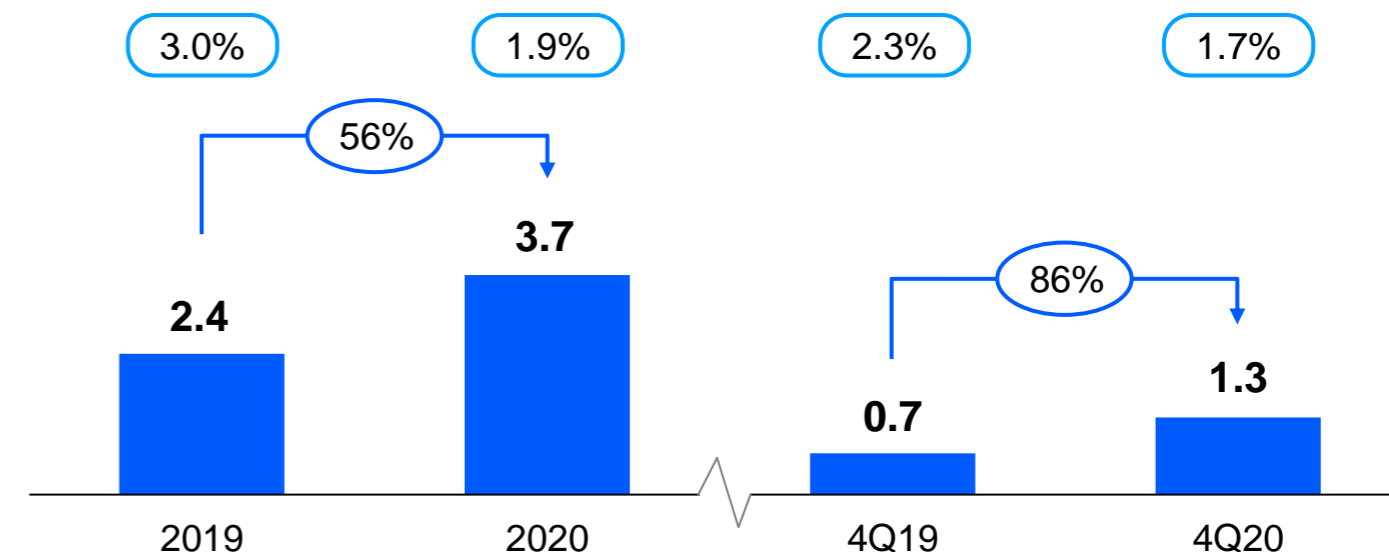
Technology Expenses

RUB bn ○ As % of GMV incl. services, %



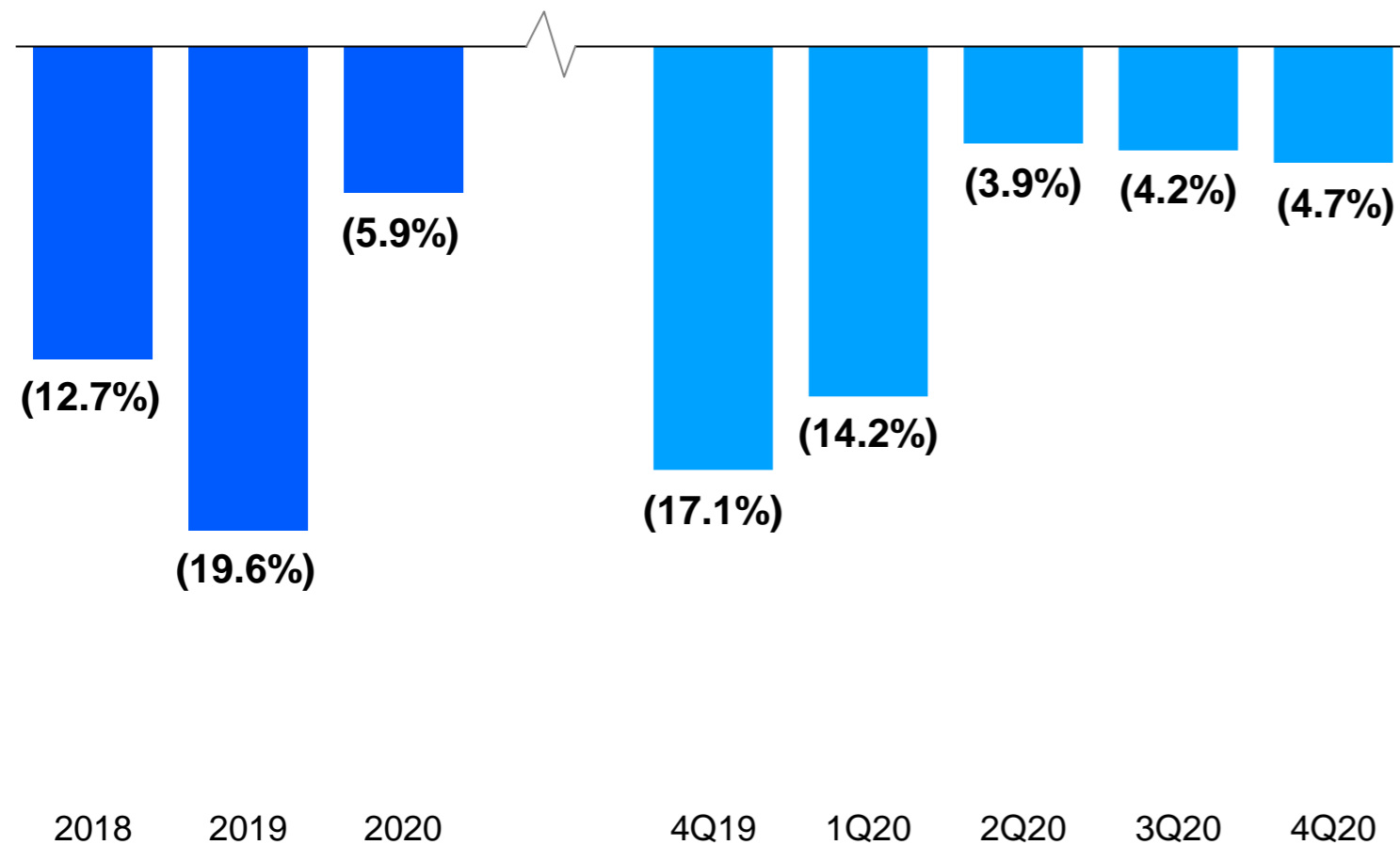
G&A Expenses

RUB bn ○ As % of GMV incl. services, %



As Percentage of GMV Adjusted EBITDA Improved Significantly Year-on-Year

Adjusted EBITDA⁽¹⁾ as a % of GMV incl. services, %



The improvement in Adjusted EBITDA as a percentage of GMV incl. services was driven by operating leverage and economies of scale

- **Higher share of Marketplace** accelerating GMV growth and driving greater scale and efficiency
- **Fulfillment and delivery** expenses decreased as a % of GMV, primarily due to (a) economies of scale; (b) higher order frequency driving down last-mile delivery costs; and (c) ramp-up of fulfillment facilities
- **Sales and marketing** expenses decreased as % of GMV, driven by improved buyer retention, rising order frequency and operating leverage

Source: Company data

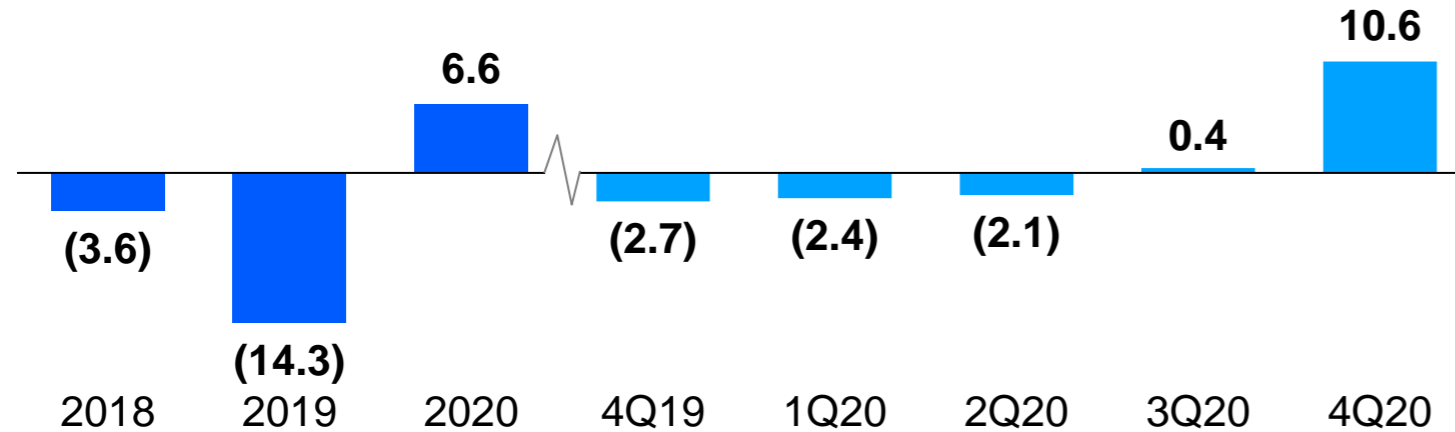
Note:

¹ Adjusted EBITDA is a non-IFRS measure. See "Presentation of Financial and Other Information" section of this presentation for a definition of such non-IFRS measures, a discussion of the limitations on their use, and "Non-IFRS Metrics Reconciliation"

Free Cash Flow Improvement on the Back of Increase in Cash Flow from Operating Activities

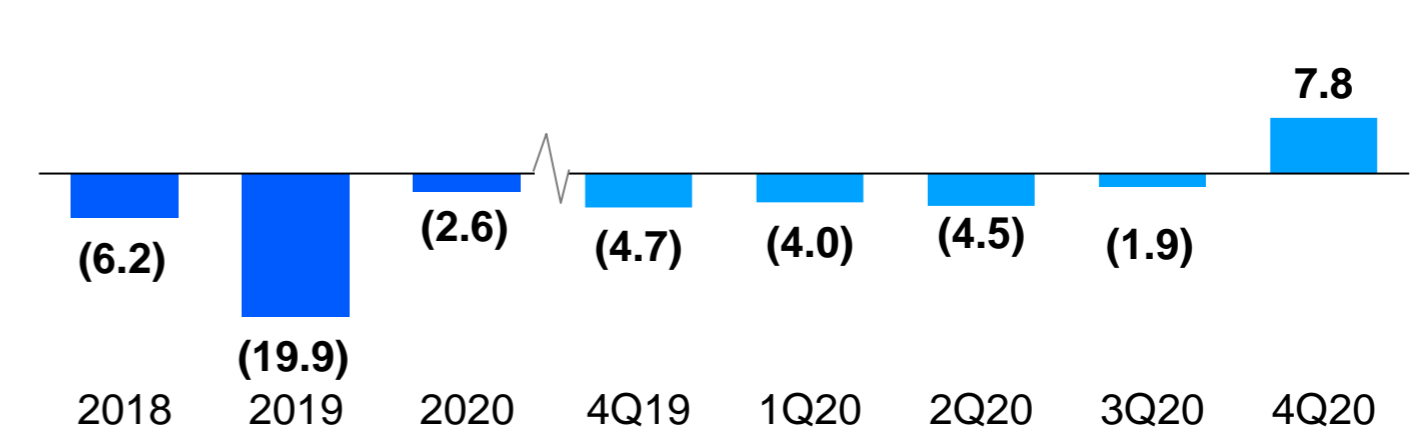
Cash Flow from Operating Activities Turns Positive in 2020

RUB bn



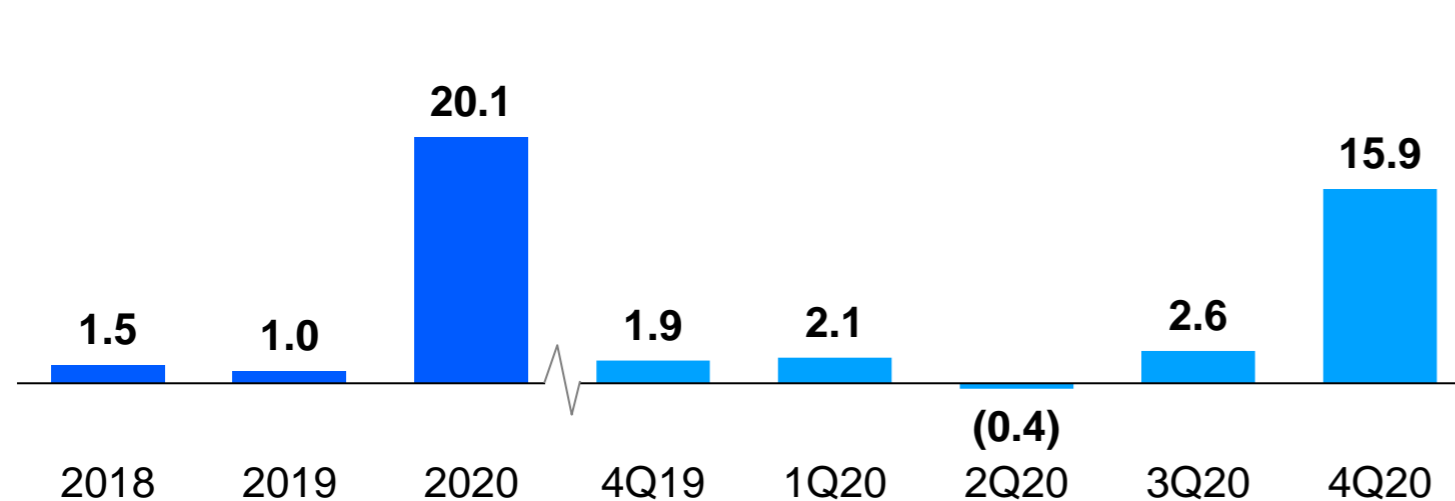
Improvement in Free Cash Flow ⁽¹⁾

RUB bn



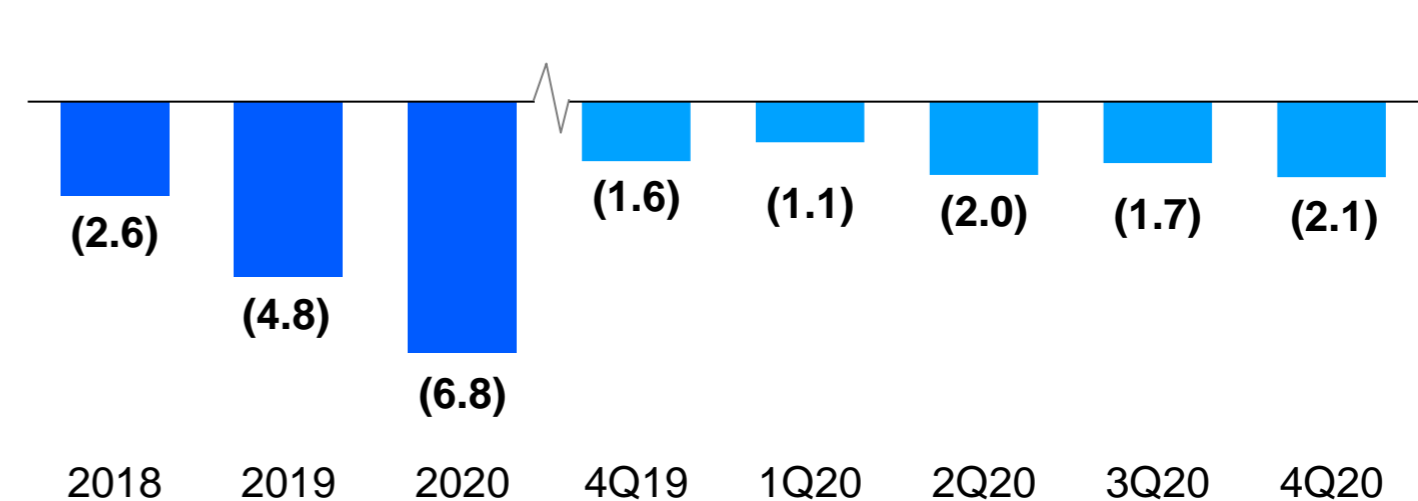
Negative Working Capital is an Important Source of Funding

RUB bn



Capital Expenditures Aimed at Infrastructure Expansion

RUB bn



Consolidated cash position as of December 31, 2020 amounted to **RUB 103.7bn**

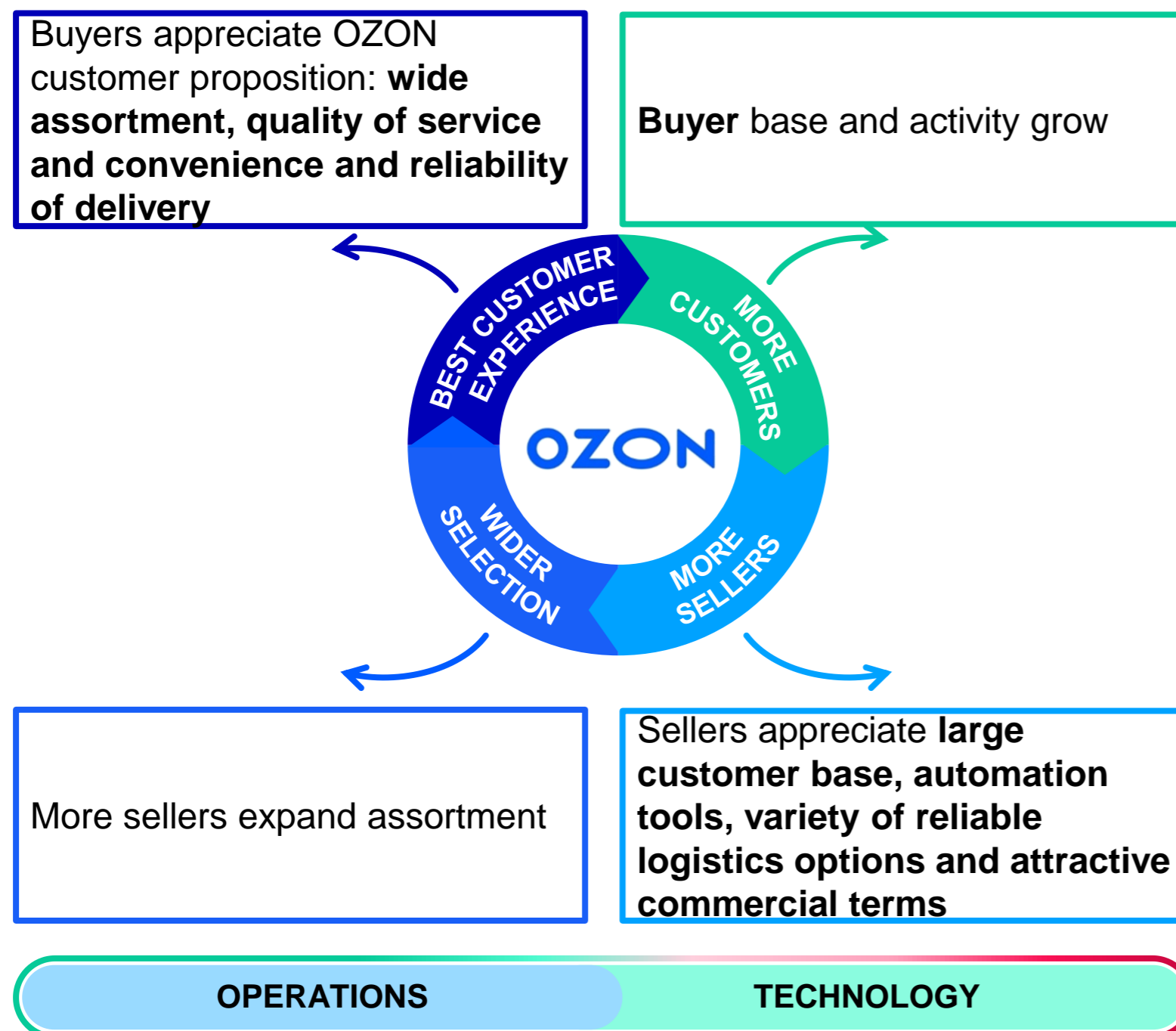
Source: Company data

Note:

¹ Free Cash Flow is a non-IFRS measure. See "Presentation of Financial and Other Information" section of this presentation for a definition of such non-IFRS measures, a discussion of the limitations on their use, and "Non-IFRS Metrics Reconciliation"

Financial Outlook for Full-Year 2021

OZON expects strong growth to continue in the Full-Year 2021 underpinned by positive network effect ⁽¹⁾, further development of fulfilment and logistics infrastructure and continued marketplace expansion, and new initiatives



- OZON expects year-on-year **growth in Company's GMV** incl. services of **90%** or greater for Full-Year 2021, compared to Full-Year 2020.
- OZON expects **capital expenditure** for the Full-Year 2021 to be between **RUB 20 billion** and **RUB 25 billion**.

The Full-Year 2021 outlook reflects Ozon's expectations as of March 30, 2021, taking into account trends year to date and could be subject to change, and involve inherent risks which we are not able to control, for example the overall impact of the coronavirus pandemic and any ongoing or new potential disruptions caused by COVID-19.

¹ Network effect is an effect of an additional user of a product on the product value for other users

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Q&A

Q4 and Full-Year 2020 Financial Results

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Consolidated Financial Statements



Consolidated Statements of Profit or Loss and Other Comprehensive Income

(RUB in Millions)	For the Three Months Ended December 31			For the Year Ended December 31,		
	2020	2019	YoY change, %	2020	2019	YoY change, %
Revenue:						
Sales of goods	28,569	18,327	56%	81,414	53,487	52%
Service revenue	9,182	2,618	251%	22,936	6,617	247%
Total revenue	37,751	20,945	80%	104,350	60,104	74%
Operating expenses:						
Cost of sales	(26,133)	(16,961)	(54%)	(72,859)	(48,845)	(49%)
Fulfillment and delivery	(10,971)	(6,167)	(78%)	(30,676)	(16,808)	(83%)
Sales and marketing	(3,473)	(2,355)	(47%)	(10,015)	(7,153)	(40%)
Technology and content	(1,381)	(944)	(46%)	(4,394)	(3,520)	(25%)
General and administrative	(1,309)	(702)	(86%)	(3,729)	(2,390)	(56%)
Total operating expenses	(43,267)	(27,129)	(59%)	(121,673)	(78,716)	(55%)
Operating loss	(5,516)	(6,184)	11%	(17,323)	(18,612)	7%
Gain / (loss) on disposal of property and equipment	(22)	(4)	(450%)	(35)	(7)	(400%)
Interest (expense) / income, net	(552)	(311)	(77%)	(1,804)	(801)	(125%)
<i>Finance costs</i>	(675)	(354)	(91%)	(2,115)	(980)	(116%)
<i>Finance income</i>	123	43	(186%)	311	179	(74%)
Share of profit of an associate	43	1	4,200%	112	54	107%
Foreign currency exchange gain/(loss), net	(2,036)	(25)	(8,044%)	(1,984)	(213)	(831%)
Other non-operating expenses	(1,000)	-	n/a	(1,000)	-	n/a
Total non-operating expense	(3,567)	(339)	(952%)	(4,711)	(967)	(387%)
Loss before income tax	(9,083)	(6,523)	(39%)	(22,034)	(19,579)	(13%)
Income tax (expense)/benefit	(324)	193	n/a	(230)	216	n/a
Loss for the period	(9,407)	(6,330)	(49%)	(22,264)	(19,363)	(15%)

Consolidated Statements of Cash Flows (1/2)

(RUB in Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss before income tax adjusted for:	(9,083)	(6,523)	(22,034)	(19,579)
Depreciation and amortization of non-current assets	1,561	877	4,963	2,590
Finance costs	675	354	2,115	980
Finance income	(123)	(43)	(311)	(179)
Foreign currency exchange loss / (gain), net	2,036	25	1,984	213
Write-downs and losses of inventories	(211)	914	482	1,217
Loss on disposal of non-current assets	22	4	35	7
Share of profit of an associate	(43)	(1)	(112)	(54)
Changes in allowances on accounts receivable and advances paid	7	142	131	169
Forgiveness of lease payments	(3)	-	(21)	-
Share-based compensation expense	379	44	644	190
Movements in working capital:				
Changes in inventories	(3,866)	(3,037)	(5,005)	(5,577)
Changes in accounts receivable	(771)	(987)	(482)	(1,146)
Changes in advances paid and other assets	(276)	(1,206)	(481)	(2,089)
Changes in trade accounts payable	18,020	6,965	20,885	8,776
Changes in other liabilities	2,779	132	5,202	1,051
Cash used in operations	11,103	(2,340)	7,995	(13,431)
Interest paid	454	(378)	(1,356)	(876)
Income tax paid	(5)	(4)	(69)	(5)
Net cash used in operating activities	10,644	(2,722)	6,570	(14,312)

Consolidated Statements of Cash Flows (2/2)

(RUB in Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,006)	(1,619)	(6,714)	(4,742)
Purchase of intangible assets	(53)	(3)	(126)	(26)
Proceeds from disposal of property, plant and equipment	-	-	-	-
Interest received	93	21	260	158
Dividends received from an associate	-	11	-	71
Acquisition of interest in an associate	-	-	-	-
Net cash used in investing activities	(1,966)	(1,590)	(6,580)	(4,539)
Cash flows from financing activities				
Convertible loans issue proceeds	-	5,349	6,171	20,099
Equity instruments issue proceeds	90,480	-	90,480	-
Proceeds from borrowings	2,293	123	8,711	413
Repayment of borrowings	(129)	(87)	(499)	(310)
Payment of principal portion of lease liabilities	(798)	(396)	(2,296)	(867)
Net cash generated from financing activities	91,846	4,989	102,567	19,335
Net increase/(decrease) in cash and cash equivalents	100,524	677	102,557	484
Cash and cash equivalents at the beginning of the year	5,126	2,306	2,994	2,684
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,948)	11	(1,849)	(174)
Cash and cash equivalents at the end of the year	103,702	2,994	103,702	2,994

Consolidated Statements of Financial Position (1/2)

(RUB in Millions)	For the Year Ended December 31,	
	2020	2019
Assets		
Non-current assets		
Property, plant and equipment	11,869	7,176
Right-of-use assets	14,579	9,269
Intangible assets	317	130
Investments in an associate	1,111	1,139
Deferred tax assets	44	253
Advances for non-current assets and security deposits	1,880	1,601
Total non-current assets	29,800	19,568
Current assets		
Inventories	15,342	10,774
Accounts receivable	3,405	2,743
Prepaid income tax	14	17
VAT receivable	908	1,378
Advances and prepaid expenses	1,055	933
Other current assets	382	19
Cash and cash equivalents	103,702	3,003
Total current assets	124,808	18,867
Total assets	154,608	38,435
Equity and liabilities		
Equity		
Share capital	11	6
Share premium	133,439	32,053
Equity-settled employee benefits reserves	1,152	541
Other capital reserves	-	1,043
Accumulated deficit	(55,345)	(32,826)
Total equity	79,257	817

Consolidated Statements of Financial Position (2/2)

(RUB in Millions)	For the Year Ended December 31,	
	2020	2019
Non-current liabilities		
Borrowings	2,323	166
Lease liabilities	12,267	7,790
Deferred tax liabilities	66	156
Deferred income	406	-
Other non-current liabilities	78	-
Total non-current liabilities	15,140	8,112
Current liabilities		
Trade and other payables	42,545	21,242
Borrowings	7,125	3,950
Lease liabilities	3,223	1,819
Taxes payable	816	186
Accrued expenses	1,677	907
Customer advances and deferred revenue	4,825	1,402
Total current liabilities	60,211	29,506
Total liabilities	75,351	37,618
Total equity and liabilities	154,608	38,435

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Presentation of Financial
and Other Information

Use of Non-IFRS Financial Measures

We report under International Financial Reporting Standards (“IFRS”) as adopted by the International Accounting Standards Board (the “IASB”). None of our financial statements were prepared in accordance with generally accepted accounting principles in the United States. We present our consolidated financial statements in Rubles.

Certain parts of this presentation contain non-IFRS financial measures, including, among others, Contribution Profit/(Loss), Adjusted EBITDA and Free Cash Flow. We define:

- **Contribution Profit/(Loss)** as loss for the period before income tax benefit/(expense), total non-operating (expense)/income, general and administrative expenses, technology and content expenses and sales and marketing expenses.
- **Adjusted EBITDA** as loss for the period before income tax benefit/(expense), total non-operating (expense)/income, depreciation and amortization and share-based compensation expense.
- **Free Cash Flow** as net cash generated from/(used in) operating activities less payments for purchase of property, plant and equipment and intangible assets, and the payment of the principal portion of lease liabilities.

Contribution Profit/(Loss), Adjusted EBITDA and Free Cash are used by our management to monitor the underlying performance of the business and its operations. These measures are used by other companies for a variety of purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing these measures as reported by us to the same or similar measures as reported by other companies. Contribution Profit/(Loss), Adjusted EBITDA and Free Cash Flow may not be comparable to similarly titled metrics of other companies. These measures are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles.

Contribution Profit/(Loss), Adjusted EBITDA and Free Cash Flow are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles, and you should not consider them as an alternative to loss for the period, operating loss, net cash generated from/(used in) operating activities or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. These measures have limitations as analytical tools, and you should not consider them in isolation. See Item 3.A. “*Selected Financial Data*” in 20-F for more detail on these limitations of Contribution Profit/(Loss), Adjusted EBITDA and Free Cash Flow. Accordingly, prospective investors should not place undue reliance on these non-IFRS financial measures contained in this presentation.

Other Key Operating Measures

Certain parts of this presentation contain our key operating measures, including, among others, gross merchandise value including revenue from services (“GMV incl. services”), Gross profit, share of our online marketplace (our “Marketplace”) GMV (“Share of Marketplace GMV”), number of orders and number of active buyers. We define:

- **GMV incl. services** as the total value of orders processed through our platform, as well as revenue from services to our buyers and sellers, such as delivery, advertising and other services rendered by our Ozon.ru operating segment. GMV incl. services is inclusive of value added taxes, net of discounts, returns and cancellations. GMV incl. services does not represent revenue earned by us. GMV incl. services does not include travel ticketing commissions, other service revenues or value of orders processed through our Ozon.travel operating segment.
- **Gross profit** represents revenue less cost of sales in a given period.
- **Share of Marketplace GMV** as the total value of orders processed through our Marketplace, inclusive of value added taxes, net of discounts, returns and cancellations, divided by GMV incl. services in a given period. Share of Marketplace GMV includes only the value of goods processed through our platform and does not include services revenue.
- **Number of orders** as the total number of orders delivered in a given period, net of returns and cancellations.
- **Number of active buyers** as the number of unique buyers who placed an order on our platform within the 12 month period preceding the relevant date, net of returns and cancellations.

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Non-IFRS Metrics Reconciliation



Contribution Profit / (Loss) Reconciliation

(RUB in Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Loss for the period	(9,407)	(6,330)	(22,264)	(19,363)
Income tax expense/(benefit)	324	(193)	230	(216)
Total non-operating expense	3,567	339	4,711	967
General and administrative expenses	1,309	702	3,729	2,390
Technology and content expenses	1,381	944	4,394	3,520
Sales and marketing expenses	3,473	2,355	10,015	7,153
Contribution Profit / (Loss)	647	(2,183)	815	(5,549)

Adjusted EBITDA Reconciliation

(RUB in Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Loss for the period	(9,407)	(6,330)	(22,264)	(19,363)
Income tax expense/(benefit)	324	(193)	230	(216)
Total non-operating expense	3,567	339	4,711	967
Depreciation and amortization	1,561	877	4,963	2,590
Share-based compensation expense	379	45	644	190
Adjusted EBITDA	(3,576)	(5,262)	(11,716)	(15,832)

Free Cash Flow Reconciliation

(RUB in Millions)	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Net cash generated from / (used in) operating activities	10,644	(2,722)	6,570	(14,312)
Purchase of property, plant and equipment	(2,006)	(1,619)	(6,714)	(4,742)
Purchase of intangible assets	(53)	(3)	(126)	(26)
Payment of the principal portion of lease liabilities	(798)	(396)	(2,296)	(867)
Free Cash Flow	7,787	(4,740)	(2,566)	(19,947)