

1Q 2021 Operational and Financial Results

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1Q 2021 KEY HIGHLIGHTS

KEY DEVELOPMENTS

FINANCIALS

Revenue at RUB 173 bln (up 13% qoq) / \$2.3 bln (up 16% qoq / up 28% yoy)

EBITDA at RUB 74 bln (up 29% qoq) / \$1.0 bln (up 32% qoq / up 75% yoy)

CORPORATE

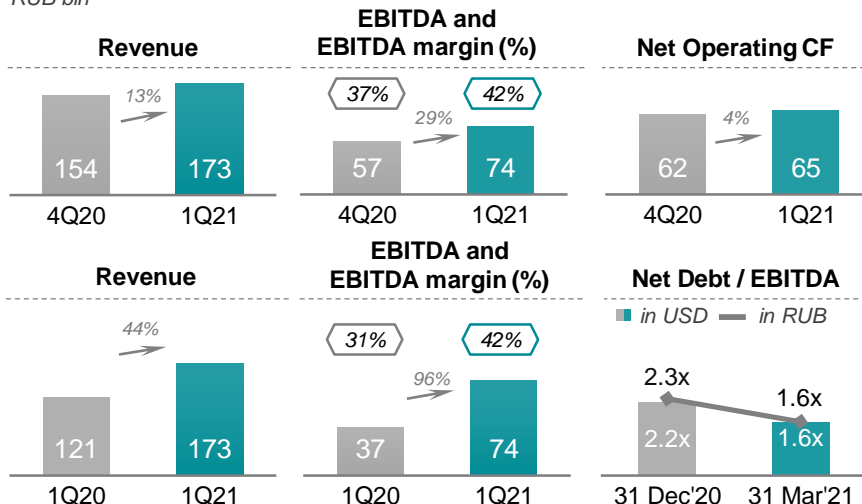
- SIBUR and TAIF group have initiated a number of steps **to eventually combine their petrochemical businesses** (Apr'21). In the first step, existing TAIF shareholders will transfer a controlling interest in TAIF in exchange for a 15% stake in the combined PJSC SIBUR Holding company
- SOGAZ JSC became a shareholder** of SIBUR after the acquisition of 12.5% of the company's shares from Leonid Mikhelson
- The Board of Directors approved changes to the Company's dividend policy and **increased the dividend payout ratio from 35% to 50%** of the adjusted net profit⁽¹⁾ in Mar'21. The new dividend policy has been applied to 2H20 financial results
- SIBUR held its Annual General Meeting of Shareholders at which **a new Independent Director, Ksenia Sosnina, was elected** (Apr'21)
- SIBUR joined a project **to develop a carbon monitoring site** that will become part of a system to monitor climatically-active gases in the Tyumen region in Mar'21

(1) Net income adjusted for FX gains / losses, extraordinary and one-off income and expenses

(2) Including contractors

KEY RESULTS

RUB bln



KEY OPERATIONAL RESULTS



SIBUR AND TAIF TRANSACTION OVERVIEW

ASSET

- **SIBUR to** acquire 50% + 1 share of JSC TAIF, which owns controlling stakes in petrochemical and energy & utility assets

TERMS & FINANCING

- **Non-cash** transaction whereby SIBUR will issue additional ordinary shares resulting in 15% shareholding of TAIF beneficiaries in SIBUR
- SIBUR will enter into option agreement to **acquire the remaining 50% - 1 of the shares** in TAIF group in subsequent years

TIMING & CONDITIONS PRECEDENT

- Completion of the **relevant corporate procedures**
- Receipt of necessary **regulatory approvals**
- Expected deal closing date: **before the end of FY21**

ESTIMATED OPERATIONAL & FINANCIAL IMPACT

- Revenue **growth** and **FCF accretion**
- **Optimization of feedstock flows**, distribution and logistics
- Investment programme **synergies**
- Improved **resilience to market fluctuations**
- Product portfolio **diversification**

COVID-19 RESPONSE

REDUCED INFECTION RATE AND ACTIVE VOLUNTARY VACCINATION



₽3.1 bln

COVID-19 prevention
costs since 1Q'20



0

production
shutdowns



>5 800

employees
vaccinated



70%

collective immunity
rate achieved



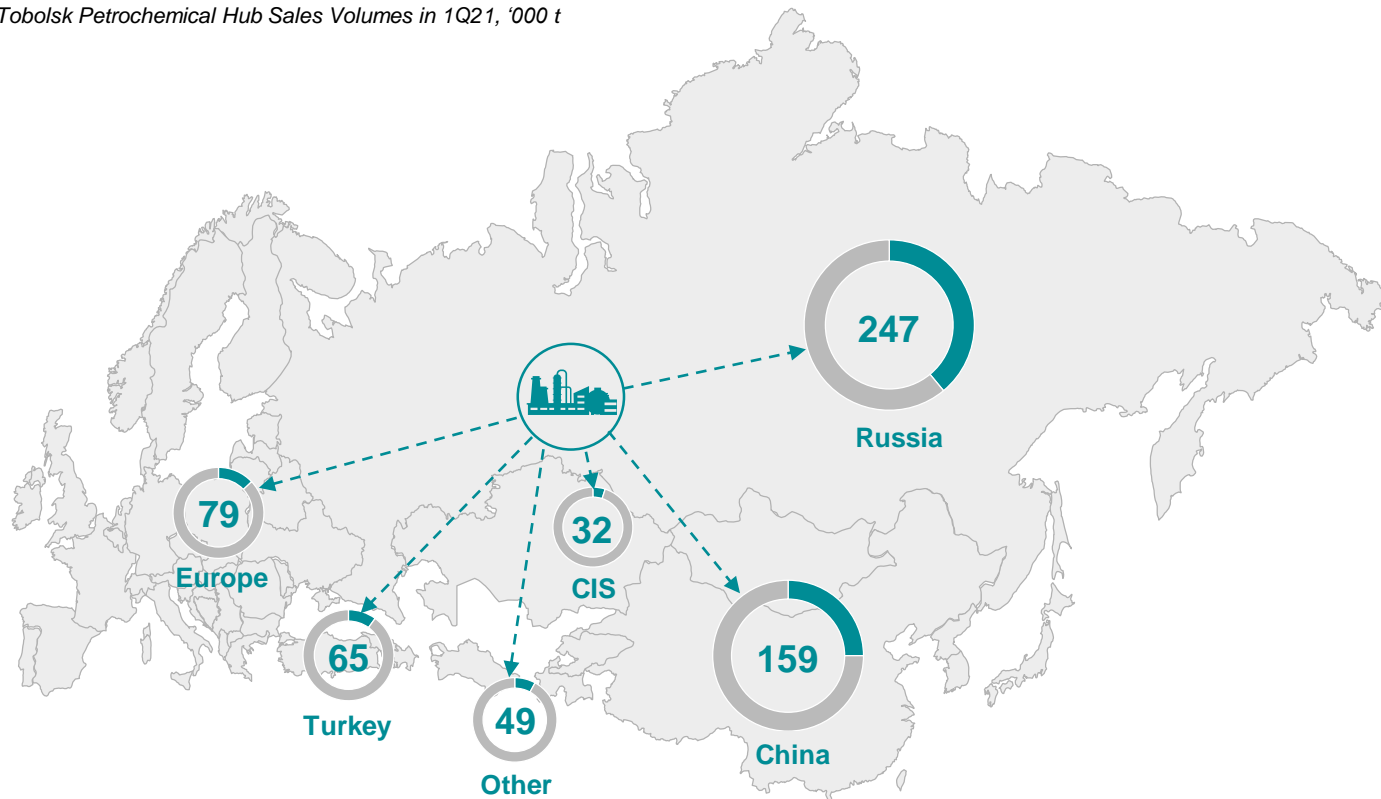
835

recoveries for 644
confirmed cases in 1Q'21

TOBOLSK PETROCHEMICAL HUB SALES

KEY 1Q21 RESULTS

Tobolsk Petrochemical Hub Sales Volumes in 1Q21, '000 t



652 kt

Tobolsk Hub PE and PP
production (up 33% yoy)

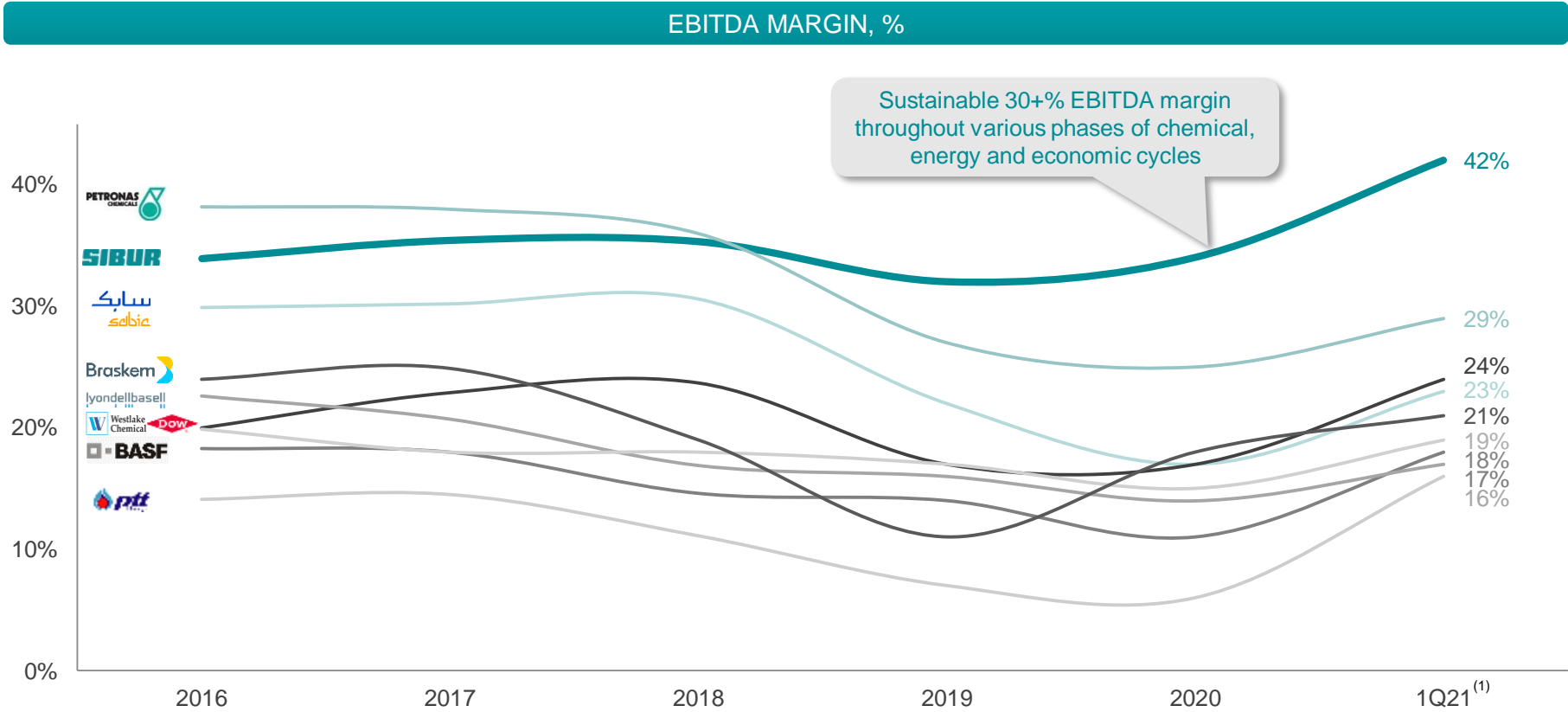
61%

export share
vs. 43% export share of our total
petrochemical sales volumes

25%

of Tobolsk Hub PE and PP
are sold to China

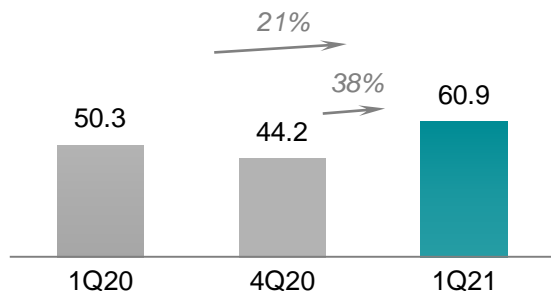
HIGH AND STABLE MARGINS DESPITE COVID-19



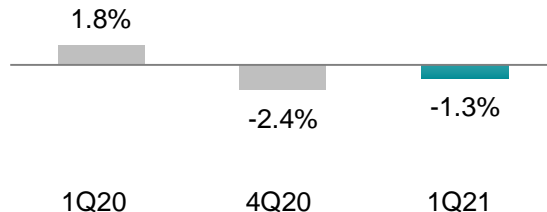
Source: Bloomberg, Capital IQ, Companies data
(1) 1Q 2021 data is a mix of company-reported results and analysts estimates (some companies are yet to report 1Q21 results), Petronas Chemicals data is a full 2021 estimate

MACRO ENVIRONMENT

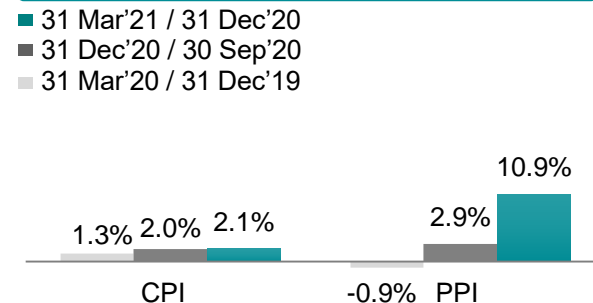
Average Oil Price (Brent)⁽¹⁾



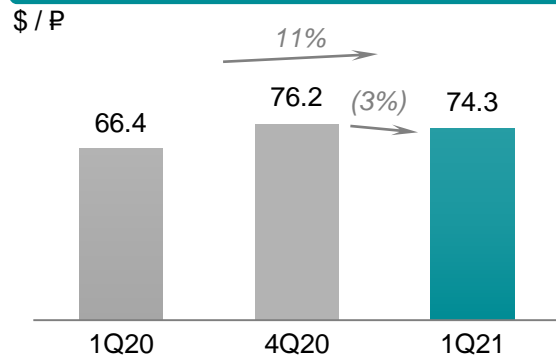
Russian GDP⁽²⁾



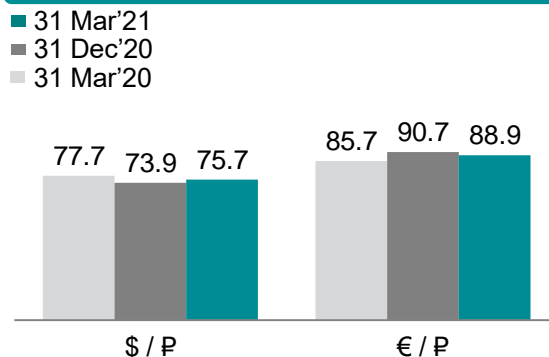
CPI & PPI⁽³⁾



Average Exchange Rate⁽⁴⁾



EOP Exchange Rate⁽⁴⁾



Tariff Indexation

Description	Effective Date	Indexation Rate
Regulated natural gas price	Aug 2020	3.0%
Railway transportation tariff	Jan 2021	3.7%

(1) Source: Bloomberg

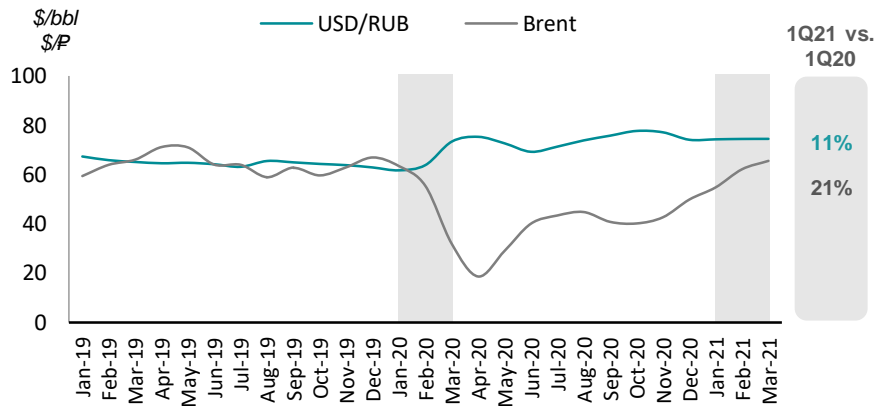
(2) Source: Russian Federal State Statistics Service and Ministry of Economic Development of the Russian Federation' forecast for 1Q21

(3) Source: Russian Federal State Statistics Service

(4) Source: Bank of Russia

MARKET ENVIRONMENT – MIDSTREAM

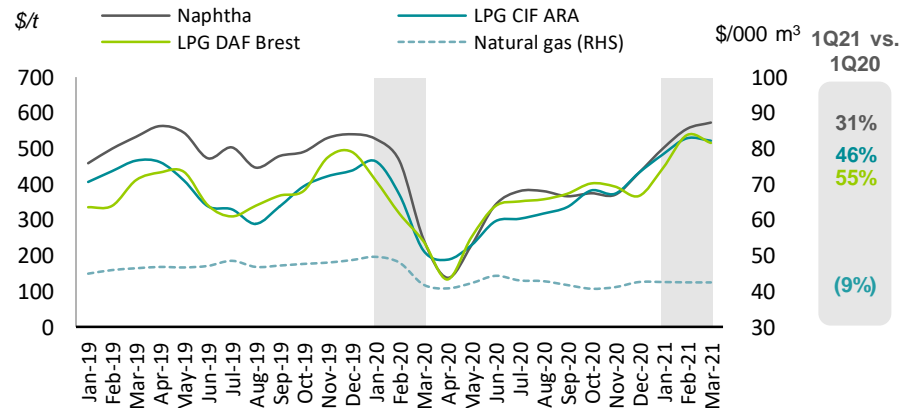
Oil and FX



Comments

- The average price of Brent oil in 1Q21 went up to \$ 61 / bbl. which is 21% higher than 1Q20, mainly due to the limited supply, resulting from the OPEC+ agreement and weather conditions in the US
- Gradual recovery in demand followed the vaccination roll-out around the world supported Brent Oil prices
- In 1Q21 USD/RUB exchange rate depreciated by 11% to the same reporting period of 2020

Midstream

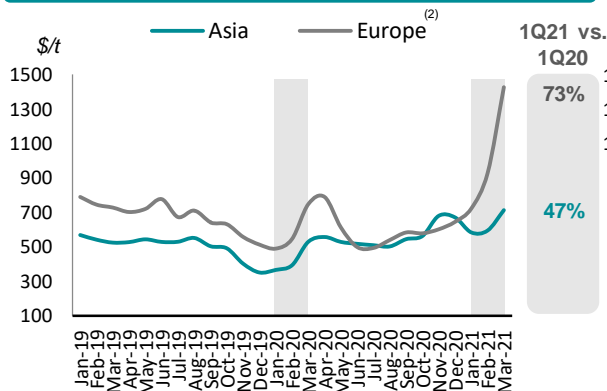


Comments

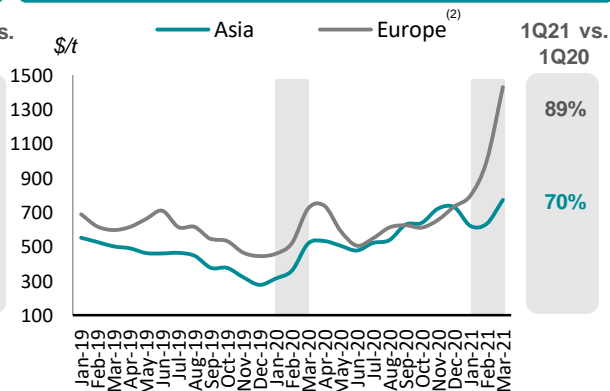
- International prices for LPG and naphtha followed oil price and were significantly higher compared to 1Q21
- Growth in naphtha and LPG prices was supported by further economic recovery, colder weather boosting Asian and European demand
- Tight shipping capacity across the Panama channel and Panama Canal congestion affected supply in Asia, which lead to tighter spreads

MARKET ENVIRONMENT – PETROCHEMICALS

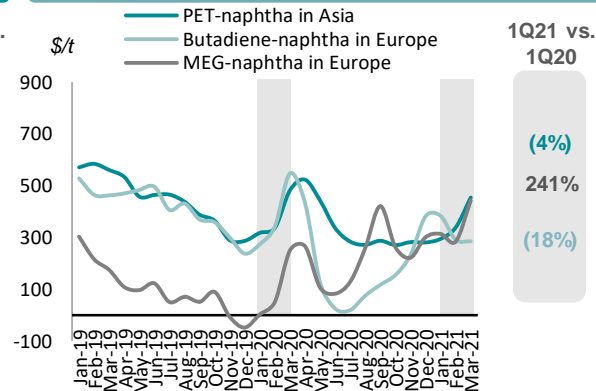
Polypropylene Spread⁽¹⁾ to Naphtha (O&P)



Polyethylene⁽³⁾ Spread⁽¹⁾ to Naphtha (O&P)



Key PE&I Spreads⁽¹⁾ to Naphtha



Global picture: Chemical demand experienced great recovery due to significant demand increase as economics are moving out of lockdowns and boosted further by weather-related and planned capacities shutdowns.

O&P Comments

- More than 70% of PE and more than 80% of PP capacity in the US was down in mid-February due to the **Winter storm Uri** which affected global markets
- Europe:** PE spread is up by 89% and PP spread is up by 73% compared to 1Q20 due to problems with supply and demand from FCMG, hygiene and medical sectors; several European capacities were off due to rescheduled from 2020 maintenance shutdowns which lifted the local prices further
- Asia:** PE spread is up by 70% and PP spread is up by 47% compared to 1Q20 due to economic demand recovery and supply risks
- Russia:** weaker ruble supported the growth of domestically produced PE & PP. ZapSib production replaced part of the imported volumes

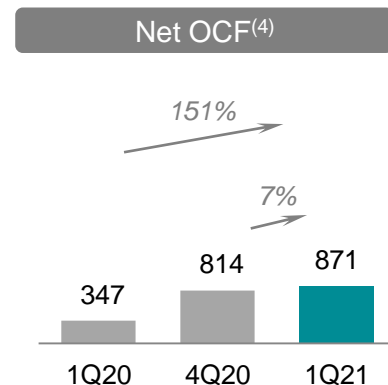
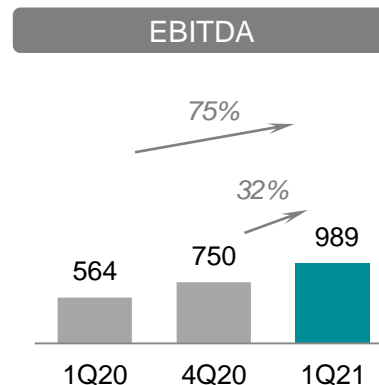
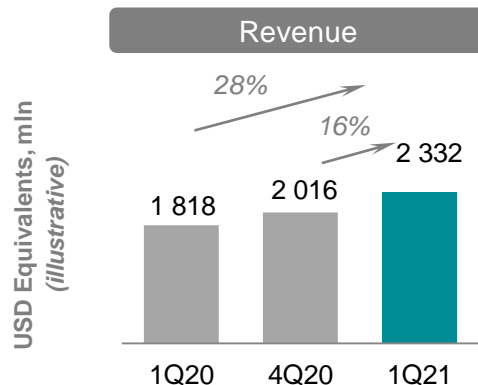
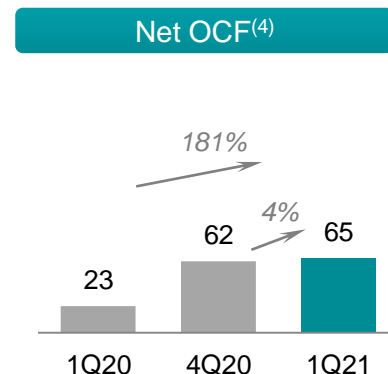
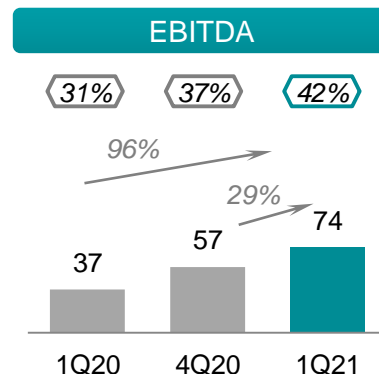
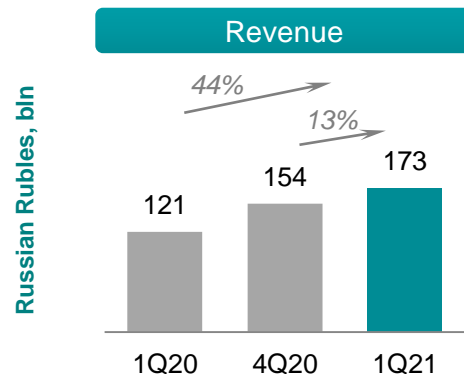
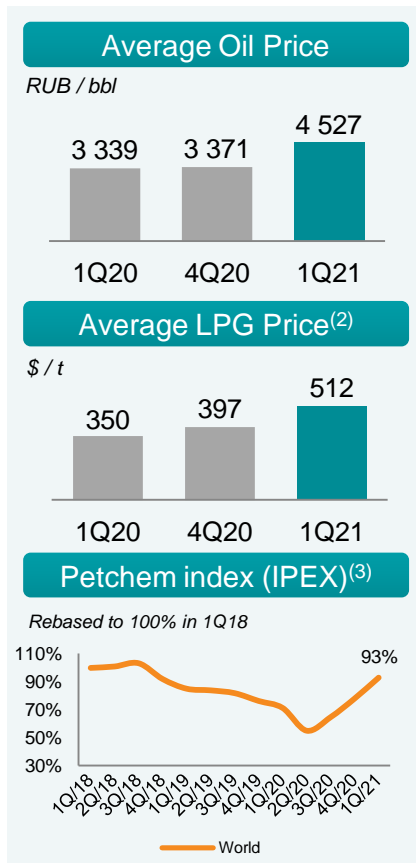
PE&I Comments

- PET (Asia):** capacity additions in China put pressure on spreads partially offset by economic recovery
- MEG (EU):** 1Q20 spread is up due to higher demand and increase of the feedstock costs in Asia
- Elastomers (EU):** butadiene spreads are lower in 1Q21 compared to 1Q20 due to the lower demand from the auto industry

Source: IHS

(1) The "spread" refers to the difference between product price and naphtha per ton in USD terms, and thus illustratively shows the profitability margin of the petchem product. No conversion rate is applied in the calculation (2) Spot prices (3) Average of HDPE and LDPE

1Q 2021 FINANCIAL SUMMARY⁽¹⁾



(1) Values in USD estimated based on average \$/P rate of 74.3, 76.2, 66.4 in 1Q21, 4Q20 and 1Q20, respectively

(2) LPG CIF ARA. Source: Argus

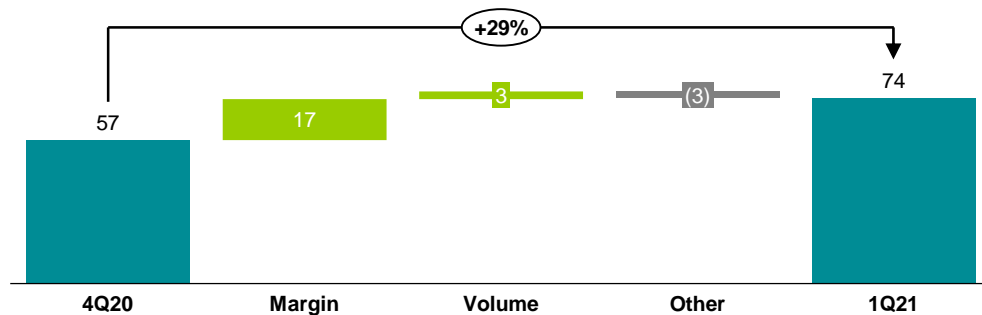
(3) ICIS composite index, comprising 12 chemical products

(4) Net Operating Cash Flow, including WC changes and income tax paid

EBITDA DYNAMICS

EBITDA bridge

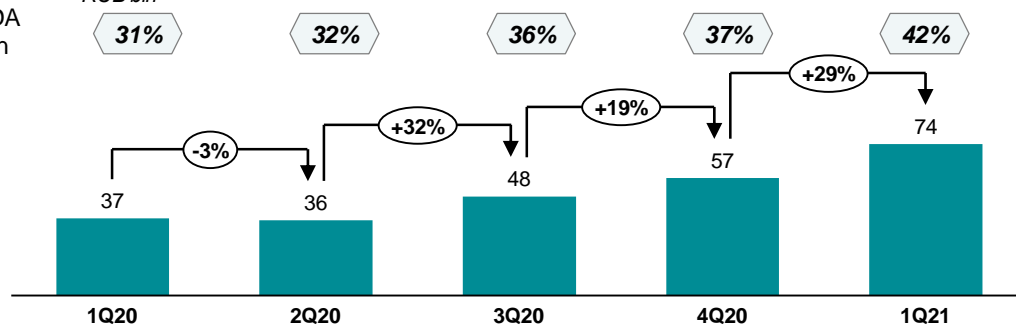
RUB'bln



EBITDA by year

RUB'bln

EBITDA margin

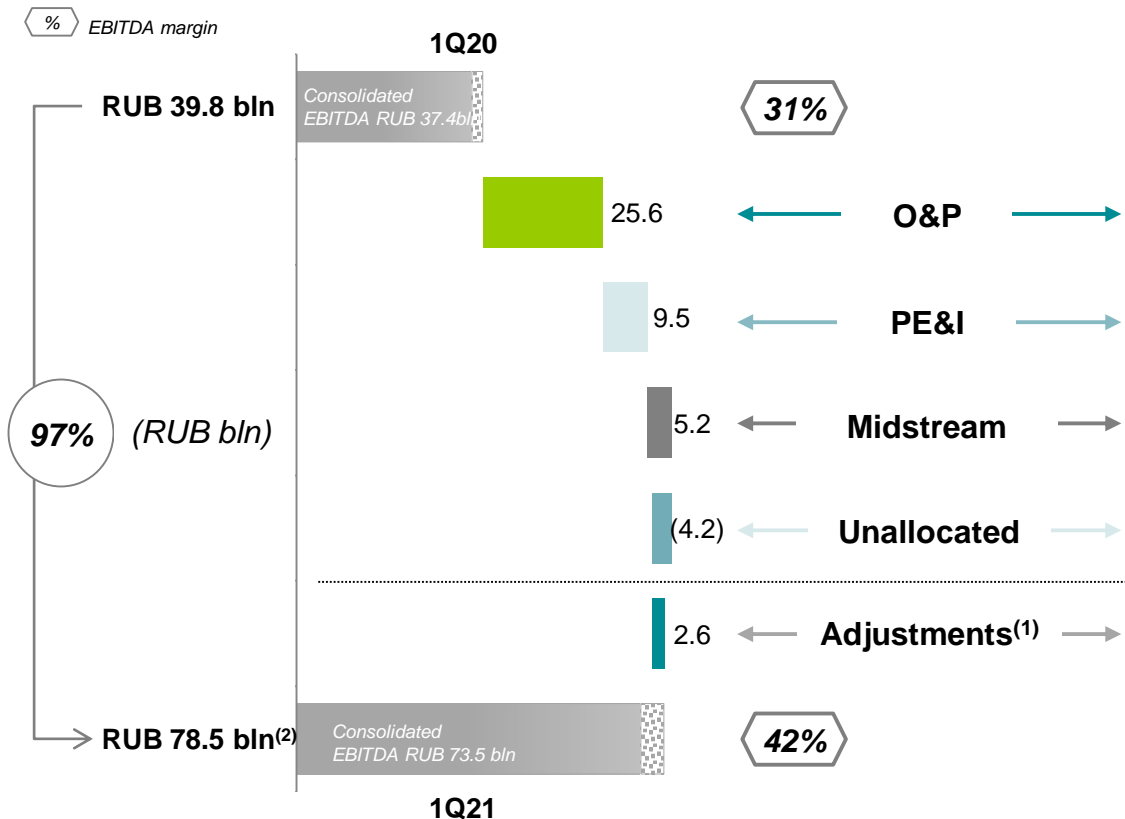


1Q21 EBITDA up by 29% driven by:

- ↑ higher PP and PE benchmark prices 35% and 32% respectively
- ↑ higher PE&I segment's products benchmark prices (MEG +34%, PET +35%)
- ↑ higher PP and PE sales volumes
- ↑ ZapSib reached its full nameplate capacity
- ↓ one-off operating expenses

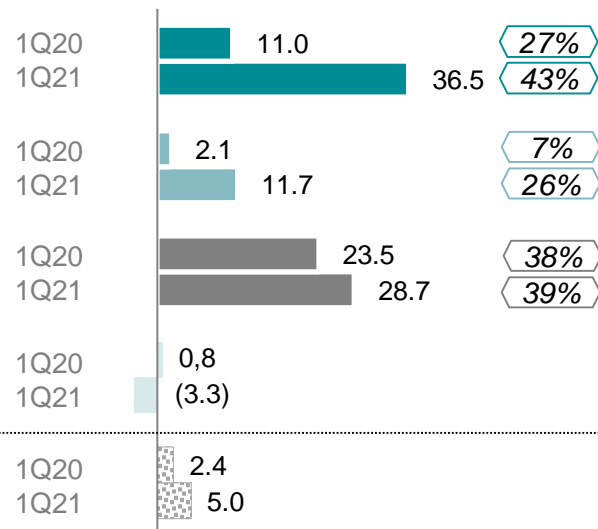
1Q21 ADJUSTED EBITDA DYNAMICS

ADJUSTED EBITDA DYNAMICS⁽¹⁾



SEGMENTS

EBITDA by Segment (RUB bln)



(1) Adjusted for SIBUR's portion of EBITDA of JVs and associates less NCI share of subsidiaries' EBITDA

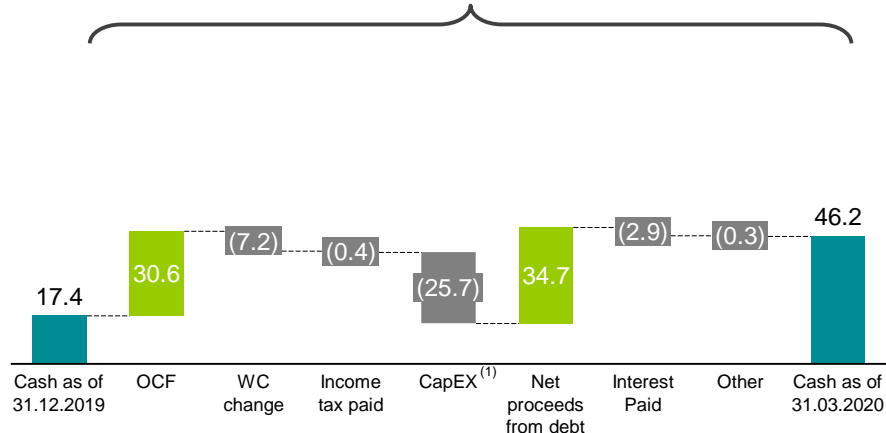
(2) Sum of EBITDA by segment might not add up precisely to the total figure due to rounding

CASH FLOWS HIGHLIGHTS

1Q20 Cash Flow Reconciliation

RUB bln

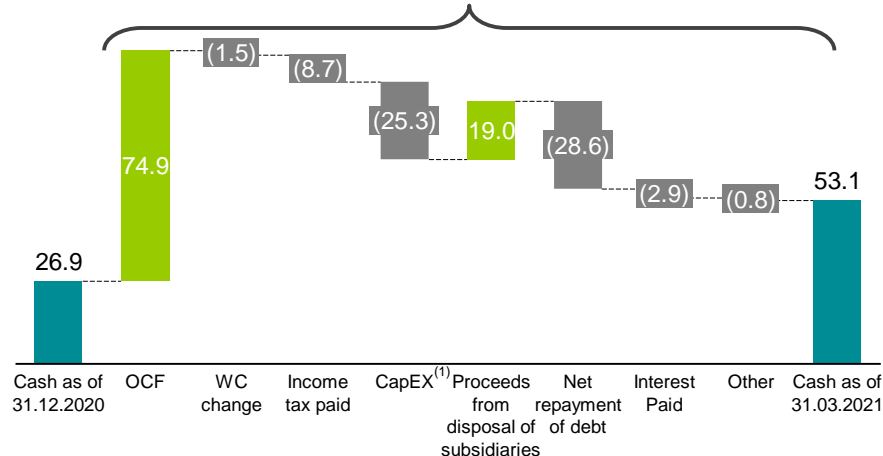
Net CF: 28.7



1Q21 Cash Flow Reconciliation

RUB bln

Net CF: 26.2



Key Factors Affecting Cash Flows

- The increase in OCF was in line with our EBITDA growth
- Tax payments in 1Q21 were in line with high operating income generated by the company. Higher income tax paid resulted from lower tax base in 1Q20 driven by (i) higher pre-tax profit on the back of substantial financial loss (ii) utilization of prepaid taxes in 1Q20
- Net repayment of debt was mainly driven by early settlement of ZapSib related debt and repayment of Russian ruble bonds
- Proceeds from disposals of subsidiaries relates to the sale of 40% stake in the Amur GCC project to Sinopec in Dec'20

(1) Includes purchase of property, plant and equipment, intangible assets and other non-current assets

DEBT PROFILE

Key Figures

<i>RUB bln, except as stated</i>	31 March 2021	31 December 2020	Change, %
Total debt	406.1	430.1	(6%)
<i>Conventional debt</i>	162.6	162.4	0%
<i>ZapSib related debt</i>	227.4	250.9	(9%)
<i>Lease liabilities</i>	16.2	16.9	(4%)
Cash & cash equivalents	53.1	26.9	97%
Net debt	353.0	403.2	(13%)
Net debt (in \$ bln)	4.7	5.5	(15%)
WA loan tenor (years)	5.6	5.6	
<i>WA Conventional debt</i>	3.2	3.2	
<i>WA ZapSib related debt</i>	7.3	7.2	
Available credit lines, incl.	346.1	361.3	(4%)
<i>Committed</i>	44.6	67.0	(33%)

Leverage Ratios

	31 March 2021	31 December 2020
Debt / EBITDA ⁽¹⁾	1.9x	2.4x
Debt / EBITDA ⁽²⁾ (in \$)	1.8x	2.3x
Net debt / EBITDA	1.6x	2.3x
<i>Conventional net debt (incl. lease liabilities)</i>	0.6x	0.9x
<i>ZapSib related net debt</i>	1.1x	1.4x
Net debt / EBITDA (in \$)	1.6x	2.2x

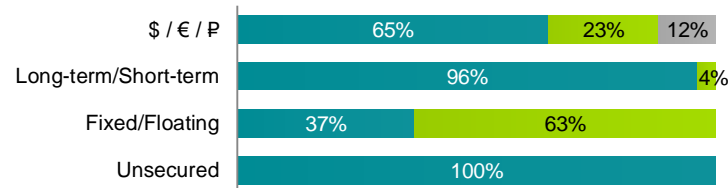
(1) LTM EBITDA totaled RUB 215.3 and 179.2 bln as of 31 Mar'21 and 31 Dec'20 respectively

(2) LTM EBITDA totaled USD 2.9 and 2.5 bln as of 31 Mar'21 and 31 Dec'20 respectively

Overview

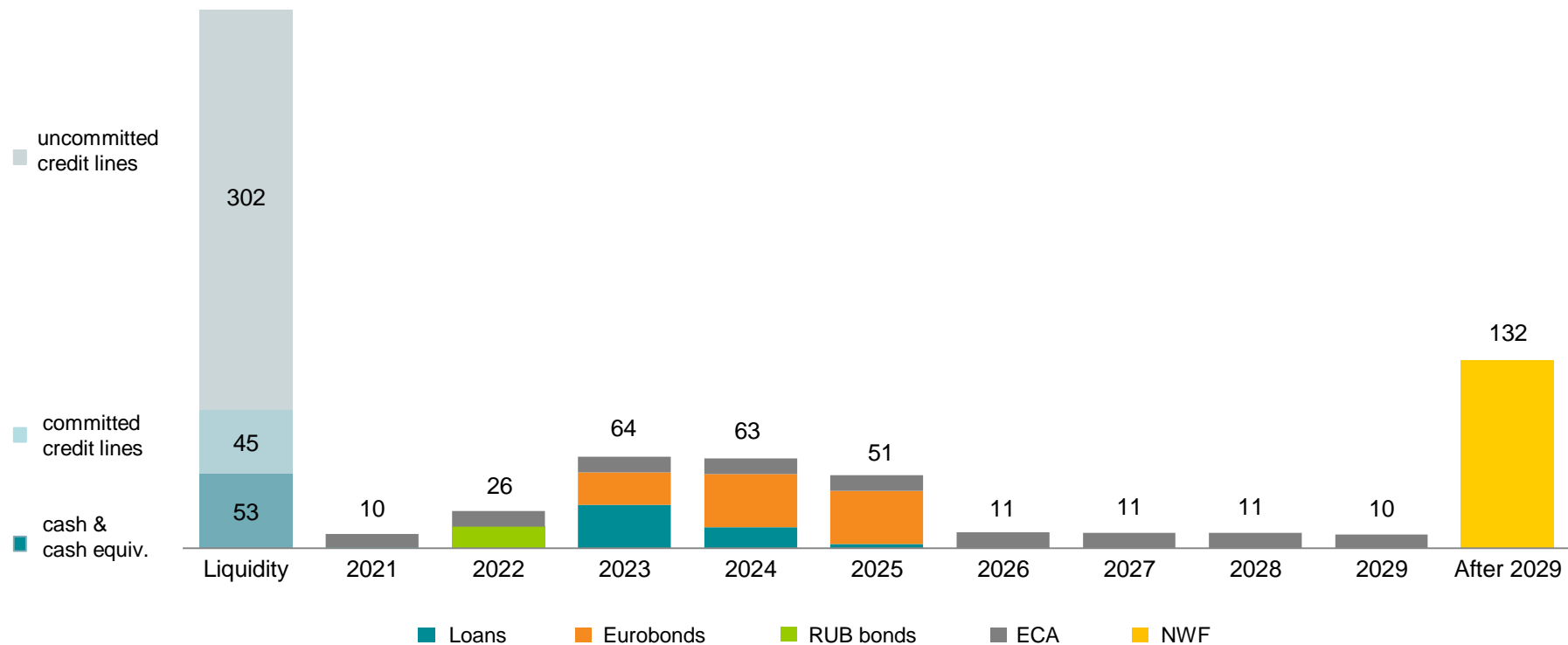
- Total debt decreased due to:
 - early repayment of ZapSibNeftekhim related debt
 - appreciation of the Russian ruble against the euro
- Net debt decreased by 12.5% following the decrease in total debt and cash accumulation
- Average tenor remained flat at 5.6 years
- Net leverage in ruble terms decreased significantly to 1.6x (as of 31 Mar'21) compared to 2.3x (as of 31 Dec'20), while the net leverage in USD terms decreased to 1.6x from 2.2x:
 - conventional net leverage decreased to 0.6x from 0.9x
 - ZapSib net leverage decreased to 1.1x from 1.4x

Loan portfolio structure as of 31 Mar'21



LIQUIDITY AND DEBT MATURITY PROFILE⁽¹⁾

As of 31 March 2021, P bln

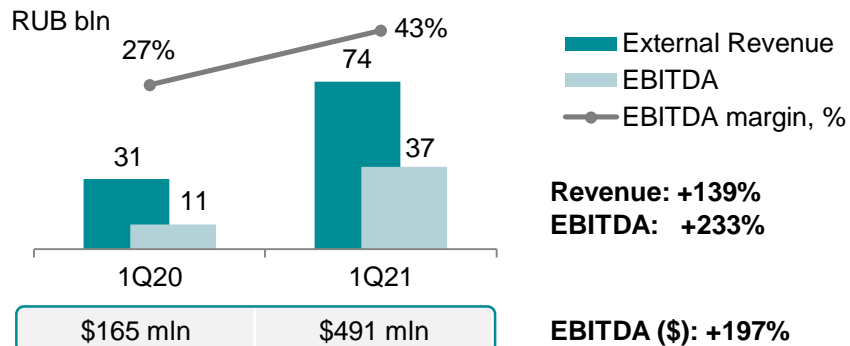


(1) Items denominated in \$ and € are converted into P at \$/P and €/P FX rates as of 31 March 2021

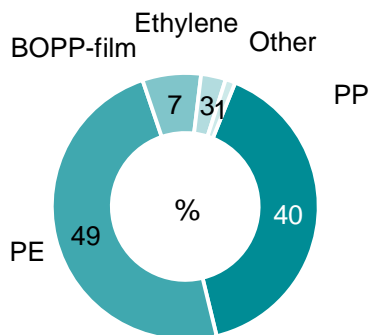
APPENDIX

O&P (OLEFINS & POLYOLEFINS) SEGMENT HIGHLIGHTS

Segment Financial Performance



Revenue⁽¹⁾ Structure



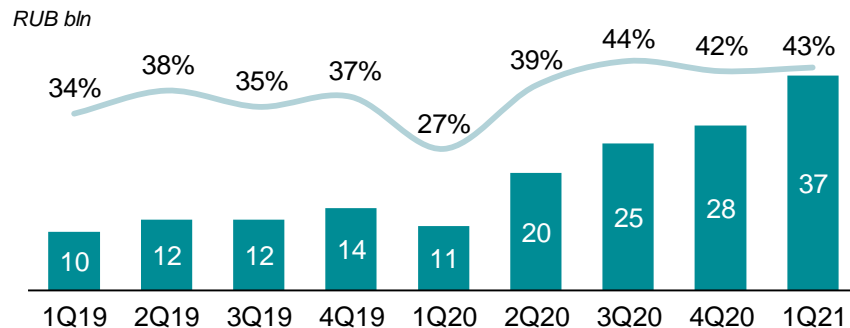
(1) Represents external revenue

(2) Sum of EBITDA by quarters might not add up precisely to the total figure due to rounding

Key Factors

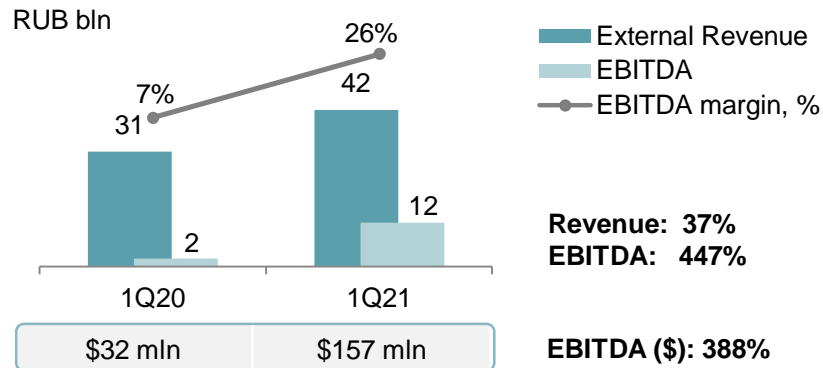
- Segment revenue increased on higher PP and PE sales volumes due to
 - higher ZapSibNeftekhim production utilization rate
 - higher demand following the lifting of COVID-19 restrictions
- An additional factor of revenue growth was positive pricing dynamics across all product groups due to higher international benchmarks
- Segment EBITDA increased mainly due to the increasing share of ZapSibNeftekhim sales volumes of special PE and PP grades supported by wider product margins

Quarterly EBITDA dynamics⁽²⁾

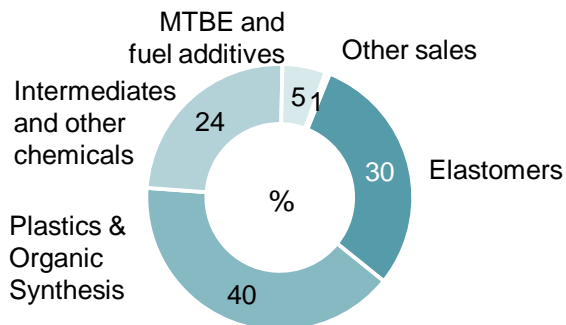


PE&I (PLASTICS, ELASTOMERS & INTERMEDIATES) SEGMENT HIGHLIGHTS

Segment Financial Performance



Revenue⁽¹⁾ Structure



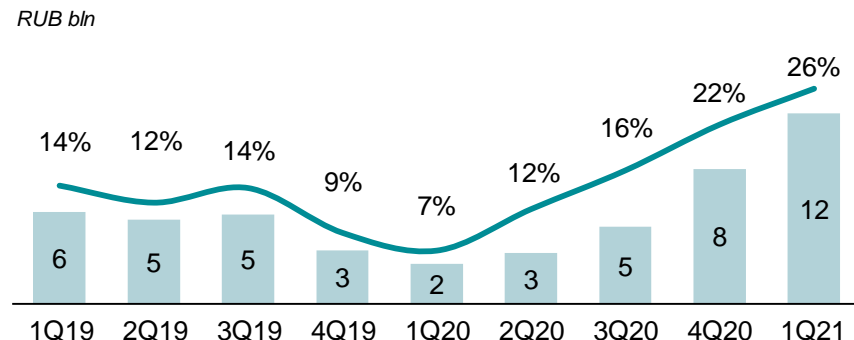
(1) Represents external revenue

(2) Sum of EBITDA by quarters might not add up precisely to the total figure due to rounding

Key Factors

- External revenue increased mainly due to favourable pricing dynamics across all product groups and global demand recovery compared to the first quarter of 2020
- This factor was somewhat offset by lower MTBE sales volumes due to lower production at our production site in Tobolsk
- EBITDA increased fivefold due to higher product margins due to the positive dynamics for international benchmarks

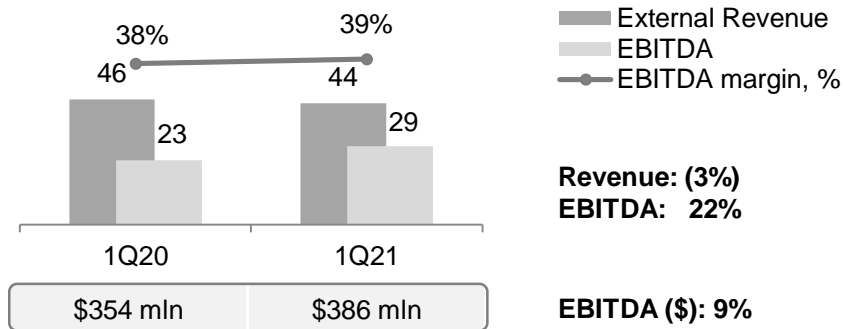
Quarterly EBITDA dynamics⁽²⁾



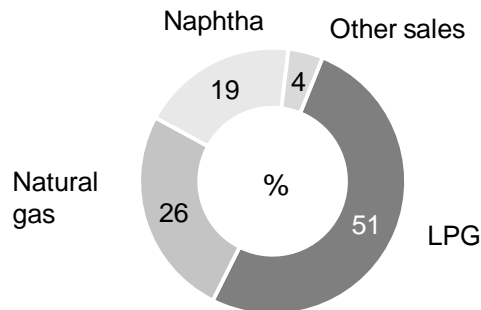
MIDSTREAM SEGMENT HIGHLIGHTS

Segment Financial Performance

RUB bln



Revenue⁽¹⁾ Structure



(1) Represents external revenue

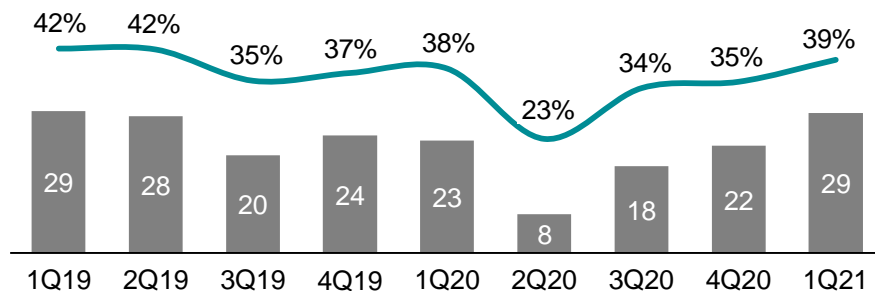
(2) Sum of EBITDA by quarters might not add up precisely to the total figure due to rounding

Key Factors

- Segment's revenue decreased mainly due to:
 - lower natural gas and NGLs production volumes due to reduced APG supplies following the OPEC+ agreement
 - lower LPG sales volumes as a result of higher LPG internal use at ZapSibNeftekhim
 - lack of LPG volumes purchased under trading arrangements
- These factors were almost fully compensated by higher selling prices for LPG and naphtha following the positive dynamics for international benchmarks
- EBITDA increased primarily due to widening spreads between purchased hydrocarbon feedstock and NGLs selling prices

Quarterly EBITDA dynamics⁽²⁾

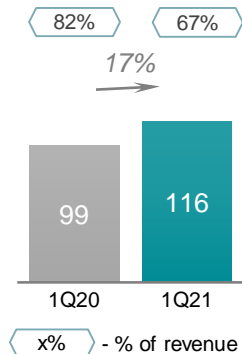
RUB bln



OPERATING EXPENSES STRUCTURE AND DYNAMICS

OpEx

RUB bln



Key Factors

■ Feedstock & materials increased as a result of:

- higher NGLs purchase costs caused by higher netbacks for LPG and naphtha and higher volumes of raw NGL under supply contracts with NOVATEK
- 3.0% indexation of regulated natural gas prices

■ Transportation & logistics costs decreased slightly

- lower sales volumes of LPG (used internally at ZapSib)
- lack of LPG volumes purchased under trading arrangements
- partially compensated by higher transportation volumes of polyolefins produced at ZapSibNeftekhim due to higher utilisation rate
- 3.7% indexation in tariffs

- **The increase in staff costs** was mainly related to headcount growth at NIPIGAS and the upward revision of staff bonuses for improved efficiency and financial results demonstrated in the second half of 2020 despite the ongoing pandemic
- **Lower energy and utilities expenses**
 - c.8% decrease in expenses to electricity
 - Increase in expenses to fuel (primarily natural gas)
- **Other expenses increase** was mainly driven by one-off operating expenses

