

Takeaways from 2020 and outlook for 2021

General trends and key takeaways for us from 2020 (1/2)

- The growth in demand for products related to the transition to remote work resulted in us launching of a number of new products: HR consultations, IT / information security consultations, IT audits;
- Growth in demand for legal services (our sales increased 2.8x compared to 2019);
- The growth in requests for digital transformation projects from the largest clients as their managers are beginning to think about actual transformation, despite some budget cuts due to the crisis associated with the pandemic;
- The growth in demand for our traditional outsourcing services was not as significant as we expected during 2020. Nevertheless, we managed to increase our revenue by more than 30% and fully fulfill our annual business plan. However, we see that this demand is picking up in the beginning of 2021, especially from the largest companies; probably, they are starting to consider large cost-cutting initiatives after postponing them during the lock-downs.
- According to Sberbank analysis, consumer spending and business activity overall have completely recovered to pre-pandemic levels: consumer spending is 2-5% higher than the last year before the pandemic slump. The only lagging sector is consumer services, which are still 10-15% down from the last year's numbers (mainly because of transport and hotel services, which are still far from recovery).
- Total business turnover showed gradual improvement in 2nd part of 2020 after the sharp decrease in March, reaching almost +9% year-on year on the second week of March 2021.
- Gross payroll dynamics for 2020 shows a sharp decrease year-on year in the 1st half of 2020 due to both decrease in salaries/bonuses and headcount as part of the cost-cutting measures. Situation somewhat improved in the second half of the year, as payroll expenses were only 3.8% lower in December than before the COVID-pandemic. However, across industries the situation varies greatly, as, for example, in finance and insurance payroll expensed are still down considerable 16.5%, while healthcare shows positive dynamic of +6%.
- There are some important changes in Russian legislation in 2021, that will affect the majority of employers:
 - introduction of 15% income tax for people with annual income over 5mn rubles;
 - 10x increase in fines for violations of personal data law (152-fz).

General trends and key takeaways for us from 2020 (2/2)

- Our clients, both current and potential, expect us to meet their needs and help in difficult situations. We must listen to them and become not just another provider, but a partner for growth.
- When developing solutions for micro and small businesses, it is important to target the problems that worry the maximum number of companies and offer solutions at a transparent price, ideally a subscription service with a fixed price. We took this path with our new online accounting service for individual entrepreneurs, and in six months we attracted more than 10 thousand clients.
- A trend that cannot be dismissed and which, in our opinion, will determine the direction of business transformations is the focus on cloud solutions. According to forecasts of Sberbank analysts, the market for cloud solutions will grow several times over the next 3 years. Companies that can ride this trend and offer added value to customers - in the form of infrastructure itself or various consulting services - will be the winners in the medium term.
- Another opportunity that was magnified by the pandemic, is the transition to the electronic management of HR documents and the gradual abandonment of paper. This is shown both by our surveys among our clients and by direct incoming requests for a wide range of services from consulting to implementation of technical solutions. We, as one of the leaders in the HR services market, strive to constantly increase the internal expertise on the matter and create the most complete value proposition.
- Increase in the use of alternative employment arrangements, like crowd-sourcing, part-time employees, freelancers, self-employment as employers increasingly seek to control costs more efficiently. For example:
 - number of self-employed people in Russia in 2020 increased more than 6-fold, to 1.7 mn people (source: MinFin estimates).
 - freelance market in Russia increased by more than 25% and reached \$41bn, making Russia one of the leaders in freelance growth rates worldwide. Number of freelancers in Russia estimated at 14mn by PwC, or around 15% of working age population (source: PwC).
- Government support for SMEs affected by Covid-19 pandemic will continue in 2021 and is estimated at 150-200 bn rubles.
- After some cuts in headcount in 2020, around ~30-40% of employers are looking to actually increase in size in 2021. Companies are hiring IT and, more broadly, digital specialists as digital channel is gaining importance (for example, online sales of groceries increased 4x in 2020, to 130 bn rubles).

SberSolutions - founder of financial and HR outsourcing practice in the Russian and CIS markets*

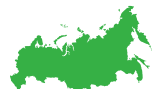
SberSolutions (formerly Intercomp) is #1 provider of the business process outsourcing services in Russia and the CIS.

Since 1994, the company has been working with private and public organizations in various industries. During this time, SberSolutions has accumulated a unique experience that allows us to offer customers an optimal set of services, high-tech products, and innovative solutions. We are part of the Sberbank Group.

Clients



Public sector organizations



Large, medium and small
Russian companies



International companies



Sber Group of companies

*formerly Intercomp, founded in 1994

9

Delivery centers in Russia
and Kazakhstan

25

years of experience

30+

industries

200+

Functional area experts

5

operations centers

400+

IT process experts

RAEX rating

1st PLACE among the largest accounting outsourcing companies and groups

1st PLACE for financial consulting and RAS reporting

1st PLACE for payroll, HR recordkeeping and HR records management

Certifications

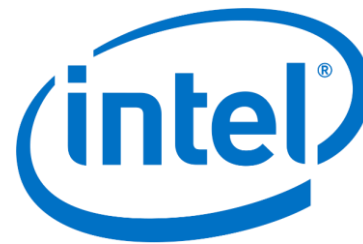
SberSolutions processes meet relevant standards:

ISO 9001:2015 Quality Management System Requirements

ISO 27001:2013 Information Security Management System Standard

SSAE 18 (Type II) Audit Standard

The companies which are
already trusted clients of
SberSolutions



SberSolutions Services

Core services



Finance services

- Accounting and tax accounting, reporting
- Financial Management Services
- Financial consulting



People & Change

- HR administration
- Payroll
- Recruiting
- Talent management services
- Outstaffing
- Outplacement
- HR consulting



Tax and Legal

- Corporate legal services, business structuring
- Contract drafting and administration
- Employment law and labor disputes
- Commercial disputes resolution
- Tax consulting and tax disputes
- International private law



Risks and Compliance



Security & Business Continuity Planning

- Business Continuity Planning
- Disaster Recovery Plan
- Technical and Operational Readiness Assessment on transition to remote work
- IT/ Security consulting



Procurement and sales support Customer Experience Management

- Processing of procurement and sales documentation
- Analysis and optimization of procurement processes, inventory management
- Claim processing

Operational Efficiency Consulting



Industry Solutions

- Solutions for Schools
- Banks
- Insurance companies
- Factoring companies
- Asset management companies



Solutions for small businesses

- SaaS accounting solution for small businesses
- Outsourcing solution for small businesses
- Legal services for micro and small businesses
- Tax advisory
- Compliance consulting



B2C solutions

- Tax Deduction for individuals
- Legal services for individuals

B2B —

B2C —



Thank you for your attention!

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