

To members of ETALON GROUP PLC

## RECOMMENDATION OF THE BOARD OF DIRECTORS

Dear Sirs,

The current auditors of the Company, KPMG, have been auditors of the Company since FY2009 and were re-appointed at the last AGM held on 2 August 2019 to hold office until the conclusion of the next AGM. FY2019 would be the tenth year that KPMG holds the office as auditors of the Company. As part of the ongoing efforts of the Company to enhance its corporate governance as well as to manage its overall business costs and expenses, the Board, based on an unanimous recommendation from the Audit Committee, has concluded that it would be appropriate and timely to effect a change of the auditors of the Company. In addition, the Board believes that the proposed change of auditors will enable the Company to benefit from Deloitte's experience and strengths in both the Russian market and construction industry practices bringing fresh perspectives and views of another professional audit firm and thereby enhance the value of the audit.

By order of the Board of Directors



**GEORGE PROUNTZOS**  
for and on behalf of  
G.T. GLOBALTRUST SERVICES LIMITED,  
Company Secretary



20 November 2019



**Board of Directors**  
**Etalon Group Plc**  
2-4 Arch Mkariou III Avenue  
Capital Center, 9<sup>th</sup> floor  
1065 Nicosia  
Cyprus

14 November 2019

Dear Sirs

Following your request, we are pleased to confirm our willingness to accept appointment as auditors of Etalon Group Plc from the financial year ending 31 December 2019.

Our team has the necessary expertise and is fully committed to working with you to meet all deadlines. We will work closely on the audit with our colleagues in Russia with whom we have excellent collaboration.

Taking this opportunity, we would also like to bring to your attention that our appointment is subject to our normal client acceptance procedures and receiving professional clearance from the predecessor auditor.

Yours faithfully,



Kerry Whyte  
Member of Board