

1Q 2021

OPERATING RESULTS

19 APRIL 2021



DISCLAIMER

The text hereinafter contained applies to the presentation (the “Presentation”) following this important notice, and you are, therefore, advised to consider it carefully before reading, assessing or making any other use of the Presentation. In assessing the Presentation, you unconditionally agree to be bound by the following terms, conditions and restrictions, including any modifications to them any time that you receive any information from ETALON GROUP PLC (“Etalon Group” or the “Company”). This Presentation has been prepared by the Company for informational purposes only and does not constitute or form part of, and should not be construed as solicitation of any offer to subscribe for or purchase any securities of Company in any jurisdiction or an inducement, an offer or invitation to sell or issue, or any to enter into investment activity in any jurisdiction and under any applicable legislation, including, but not limited to the United States, the UK, any member state of the European Union, Australia, Canada, South Africa, Japan, Hong Kong Special Administrative Region of the People’s Republic of China.

This Presentation (i) is not intended to form the basis for any investment decision and (ii) does not purport to contain all the information that may be necessary or desirable to evaluate the Company fully and accurately, and (iii) is not to be considered as recommendation by the Company or any of its affiliates that any person (including a recipient of this Presentation) participate in any transaction involving the Company or its securities.

The Company has prepared this Presentation based on information available to it as at the date of this Presentation, including information derived from public sources that have not been independently verified. The information contained in this document may be updated, amended or superseded by subsequent disclosures, or may become outdated and inaccurate over time and is subject to change without notice. Neither the Company nor any of its directors, officers, employees, shareholders, affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the Presentation or undertake any duty or obligation to supplement, amend, update or revise any information contained in this Presentation.

This Presentation contains certain unaudited half- and full- year financial information which has been prepared based on the Company’s reviewed management accounts (hereinafter - Management accounts). If not specifically noted otherwise, this Presentation contains also certain full- and half- year financial information based on the Company’s audited consolidated IFRS accounts. It also includes certain non-IFRS financial information, such as Earnings before interest, taxes, depreciation and amortization (“EBITDA”), pre-PPA EBITDA, EBITDA margin, pre-PPA EBITDA margin, Working capital, free cash flow (“FCF”), Operating Cash flow (“OCF”), Net corporate debt and Net project debt which has not been audited or reviewed by the Company’s auditors.

Any “forward-looking statements”, which include all statements other than statements of historical facts, including, without limitation, forecasts, projections and any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof, involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include statements regarding: our construction programme and future construction and development projects (information concerning which is being provided solely on an indicative basis for information purposes only and is subject to change without notice); strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors. Such forward-looking statements are based on numerous assumptions by management regarding present and future business strategies and the environment operating in the future. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control.

Neither the Company, nor any of its agents, employees or advisors undertake or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Presentation.

You may download Presentation only for your own personal use, provided that all copyright and other proprietary notices are kept intact. You may not otherwise copy, reproduce, republish, upload, post, retransmit, distribute, commercially exploit or otherwise transfer the Presentation or any part of it without Company’s prior written consent. The burden of determining that use of any Information is permissible rests with you.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require registration of licensing within such jurisdiction.

By receiving and reading this Presentation, you agree to be bound by the restrictions in this disclaimer, and acknowledge that you will be solely responsible for your own assessment of the market, the market position of the Company and any securities of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

CONTENTS

| | | |
|---|------------------------|----|
| 1 | OPERATING RESULTS | 3 |
| 2 | COMPANY TRANSFORMATION | 15 |
| 3 | SELECTED PROJECTS | 18 |



OPERATING RESULTS



1Q 2021

OPERATING RESULTS

NEW CONTRACT SALES
ths sqm

▼ -22%

126

99

1Q 2020

1Q 2021

NEW CONTRACT SALES
RUB bln

▼ -10%

17.9

16.2

1Q 2020

1Q 2021

TOTAL CASH COLLECTIONS
RUB bln

▲ +2%

17.6

18.0

1Q 2020

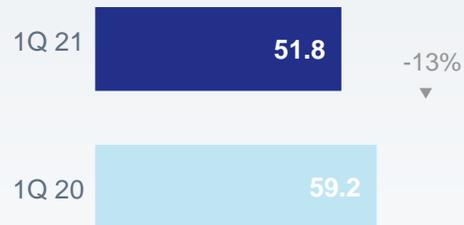
1Q 2021

- The number of new contracts amounted to **1,989 in 1Q 2021**
- Cash collections in escrow accounts **amounted to RUB 4.9 bln** in 1Q 2021, up by 23% year-on-year, making it possible to reduce the cost of project financing to preferential interest rates ranging from 0.01% to 3.5%
- Deliveries in 1Q 2021 amounted to **3 ths sqm**

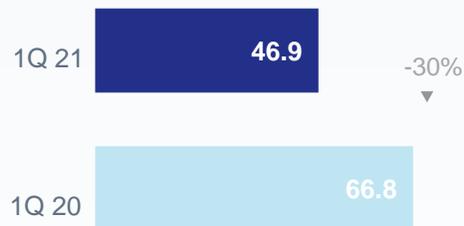
1Q 2021 OPERATING RESULTS: BREAKDOWN BY REGIONS

NEW CONTRACT SALES ths sqm

MOSCOW



ST PETERSBURG

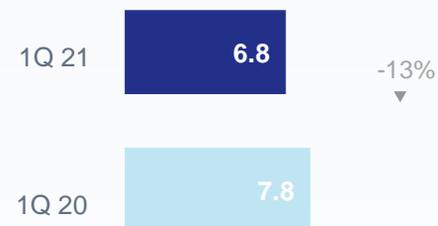


NEW CONTRACT SALES RUB bln

MOSCOW

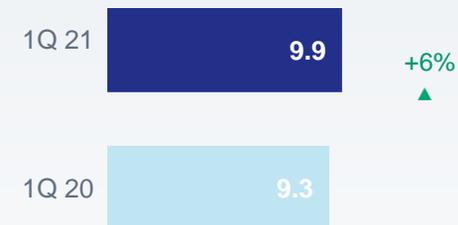


ST PETERSBURG

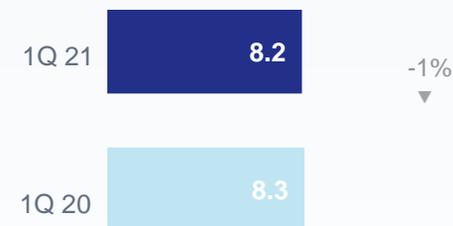


TOTAL CASH COLLECTIONS RUB bln

MOSCOW



ST PETERSBURG



- New contract sales in monetary terms decreased by only 13% in St Petersburg, due to a **40% increase in apartment prices** in the region
- Total cash collections in Moscow grew by 6% y-o-y

AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE

AVERAGE PRICE
RUB ths/sqm



AVERAGE APARTMENT PRICE
RUB ths/sqm



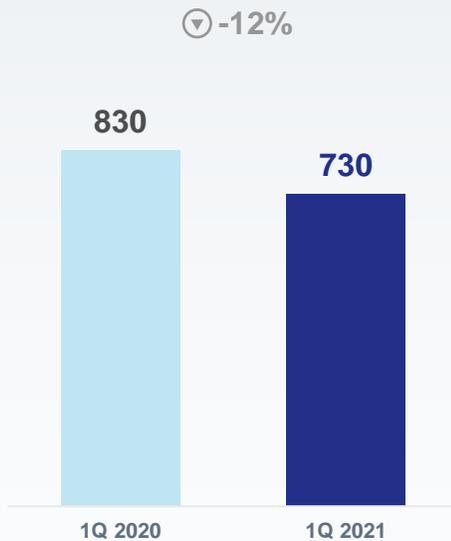
AVERAGE DOWN PAYMENT
%



- Average price for apartments **increased by 26% year-on-year to a record high RUB 208.1 ths/sqm**
- **Continued use of dynamic pricing** in St Petersburg supported average apartment price growth of 40% year-on-year
- Average down payment remains at a high level of 90%, helped by **mortgages, investment demand** and a significant share of business class properties in the sales mix

MORTGAGE SALES

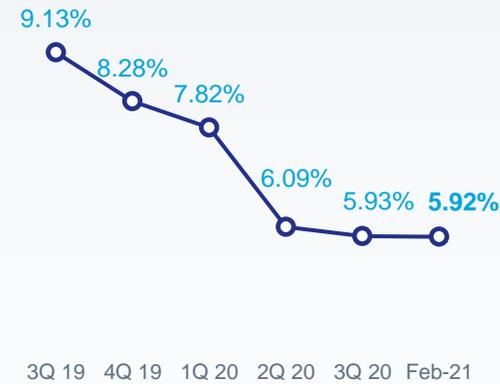
NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



AVERAGE MORTGAGE RATE IN RUSSIA⁽¹⁾



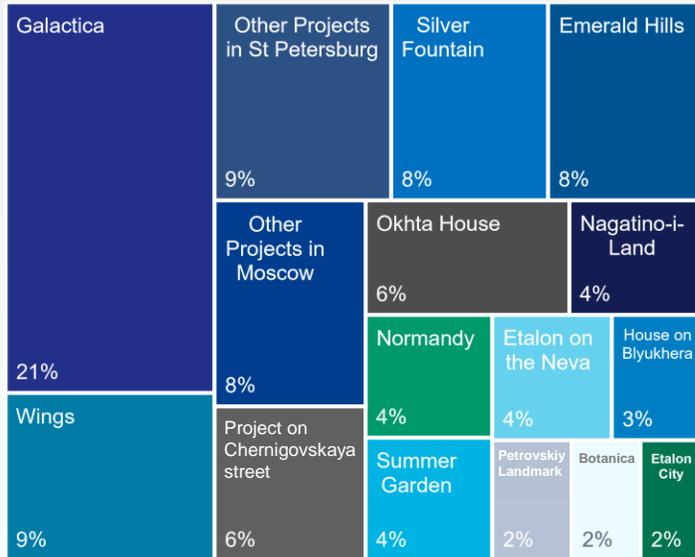
- Despite recent growth of the key rate by 0.25 p.p. **mortgage rates** in Russia are still at **record lows**, driven by the **State support programme** and a key rate of 4.5%
- Mortgage contracts as a share of **apartment sales** are at **63%** amid low mortgage rates

Source: Company data; change was calculated without rounding

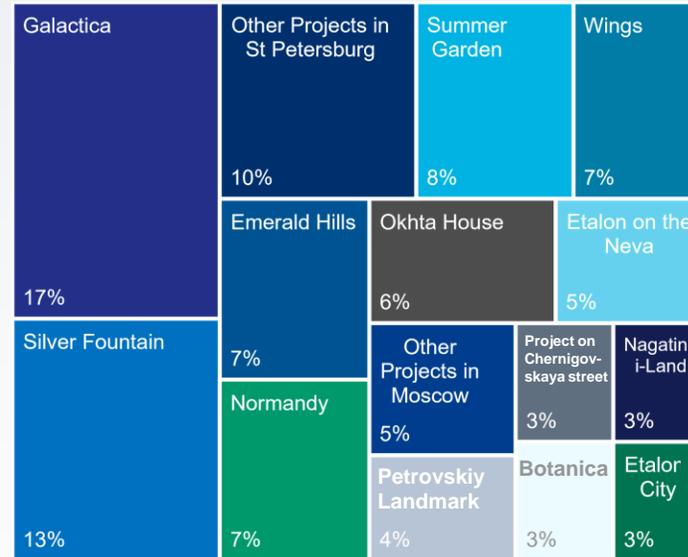
⁽¹⁾ Weighted average interest rate on mortgage loans given to residents of Russia for acquisition of apartments on the primary market during the month, based on CBR data

SALES PORTFOLIO

1Q 2020 NEW CONTRACT SALES BY PROJECT
sqm



1Q 2021 NEW CONTRACT SALES BY PROJECT
sqm



- Wings and Silver Fountain reached a 20% share of sales volume
- Galactica remains the largest project in terms of new contract sales with a 17% share of total NCS
- The share of business class projects reached **34% and 47%** in sqm and monetary terms, respectively
- New contract sales in St Petersburg and Moscow respectively amounted to 48% and 52% in sqm terms, and 42% and 58% in monetary terms

REGIONAL SALES PERFORMANCE

SHARE OF REGIONAL BUYERS



ETALON GROUP'S REGIONAL SALES GEOGRAPHY⁽¹⁾

| REGION | SHARE OF TOTAL CONTRACTS |
|-----------------------|--------------------------|
| Leningrad region | 3.0% |
| Yamalo-Nenets AD | 1.6% |
| Krasnodar Krai | 1.0% |
| Krasnoyarsk Krai | 1.0% |
| Volgograd region | 0.9% |
| Sakha | 0.8% |
| Khanty-Mansi AD | 0.8% |
| Rostov region | 0.7% |
| Pskov region | 0.7% |
| Other Russian regions | 18.6% |
| Foreigners | 0.7% |
| TOTAL | 30.1% |

REGIONAL POPULATION ACTIVELY BUYS APARTMENTS IN MOSCOW AND ST PETERSBURG



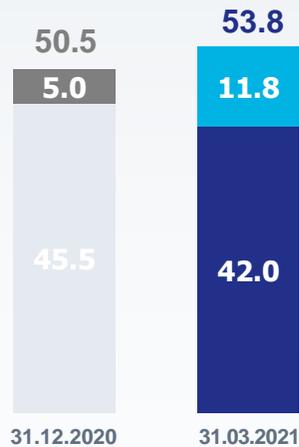
- Etalon Group's sales force focuses on regions with the highest per capita income levels
- Key markets: St Petersburg and Moscow
- 59 cities covered by 29 sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

⁽¹⁾ Company data for 1Q 2021; change was calculated without rounding

ROBUST FINANCIAL POSITION AFTER 1Q 2021

TOTAL DEBT
RUB bln

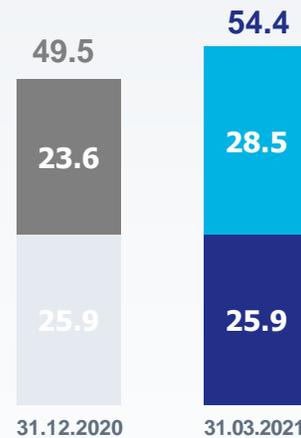
▲ +7%



● Project debt
● Corporate debt

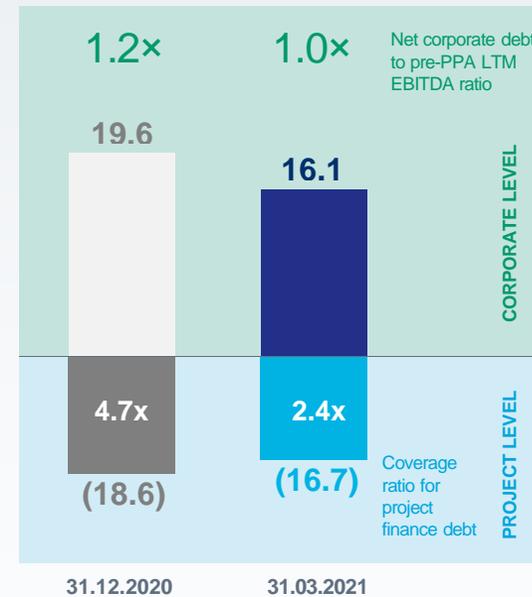
CASH AND CASH EQUIVALENTS
RUB bln

▲ +10%



● Cash in escrow accounts
● Cash & cash equiv.⁽¹⁾

NET DEBT (CASH)
RUB bln



● Net project debt (cash)⁽²⁾
● Net corporate debt
● Net corporate debt to FY 2020 pre-PPA EBITDA
● X.Xx Coverage ratio for project finance debt

- Net corporate debt to FY 2020 pre-PPA EBITDA decreased from 1.2x to 1.0x as of 31.03.2021
- All project finance obligations are well covered to access reduced interest rates ranging from 0.01% to 3.5%
- Average cost of borrowings declined from 8.3% at the end of 2020 to 7.05% at 31.03.2021

Source: IFRS Financial statements for FY20, Company data; y-o-y change was calculated without rounding
⁽¹⁾ Including bank deposits over 3 months; excluding cash collections in escrow accounts
⁽²⁾ Project finance debt less cash on escrow account

NEW SALES IN 1Q 2021

IMPACTED BY PORTFOLIO SHORTAGE

UNSOLD NSA
mln sqm



NSA AVAILABLE FOR SALE⁽¹⁾
mln sqm



- **Record new sales in 2020** and relatively small additions to Etalon's portfolio led to a **shrinking assortment of apartments** for sale, which translated into a slight drop in y-o-y results in 1Q 2021
- **Planned launch of c. 330 ths sqm from current project portfolio** in Moscow and St Petersburg in 2021 will support sales dynamics
- **New acquisitions** will also diversify Etalon Group's portfolio and boost NCS both in St Petersburg and Moscow

NEW LAUNCHES IN 1H 2021

LAUNCHES OF PROJECTS FROM THE CURRENT PORTFOLIO WILL DIVERSIFY ETALON'S OFFER AND BOOST SALES

ZIL-YUG



Location
MOSCOW

Launch of the 1st phase
2Q 2021

NSA to launch in 2021

109 ths sqm

Income from sales

RUB 360 bln

Zil-Yug is the largest project in Etalon Group's Moscow portfolio. The unique concept and attractive location make it an excellent contribution to Etalon's sales portfolio.

NAGATINO I-LAND (PHASE 2)



Location
MOSCOW

Launch of the 2nd phase
April 2021

NSA to launch in 2021

80 ths sqm

Income from sales

RUB 73 bln

Presales of the 1st phase of Nagatino i-Land launched in November 2019 reached 75% of available NSA, even though the buildings have yet to be commissioned.

PROJECT ON LETNIKOVSKAYA STREET



Location
MOSCOW

Launch of the 1st phase
2Q 2021

NSA to launch in 2021

53 ths sqm

Income from sales

RUB 20 bln

This business-class project is located in a well-established and prestigious central neighbourhood, a 10-minute drive from the Red Square and in close proximity to a business district.

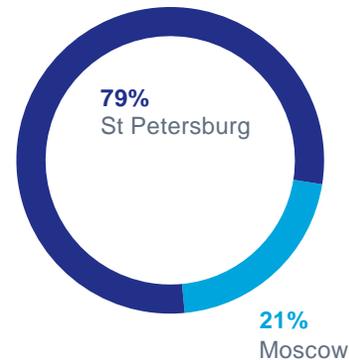
New acquisitions planned for 2021 through 2024 will further support sales dynamics

PORTFOLIO REPLENISHMENT TO SUPPORT SALES

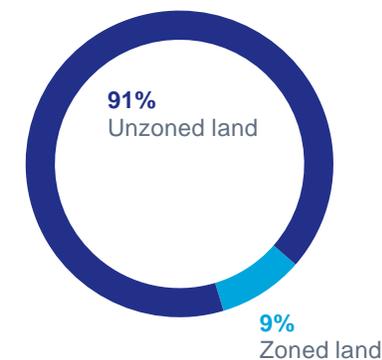
PROJECTED PORTFOLIO REPLENISHMENT IN 2021



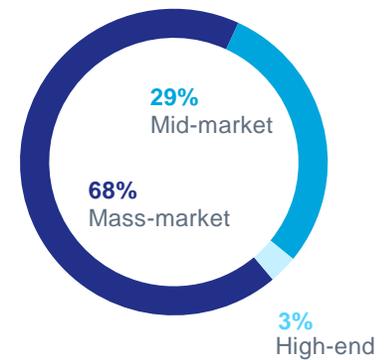
REGIONAL BREAKDOWN



ACQUISITION BY ZONING



ACQUISITIONS BY SEGMENT



PROJECT PIPELINE FOR ACQUISITION:

- Acquisition criteria: in line with strategic goal of **35%** gross profit margin by 2024
- Estimated investments for acquisition of new projects to be made in 2021: **up to RUB 30 bln**
- Acquisition financing: instalment payments, project financing, SPO
- Pipeline includes **new cornerstone project in St Petersburg** region to replace Galactica after its completion
- In addition, we will also consider regions with high economic potential and low entry costs

GUIDANCE FOR FY2021

NEW CONTRACT SALES
ths sqm



NEW CONTRACT SALES
RUB bln



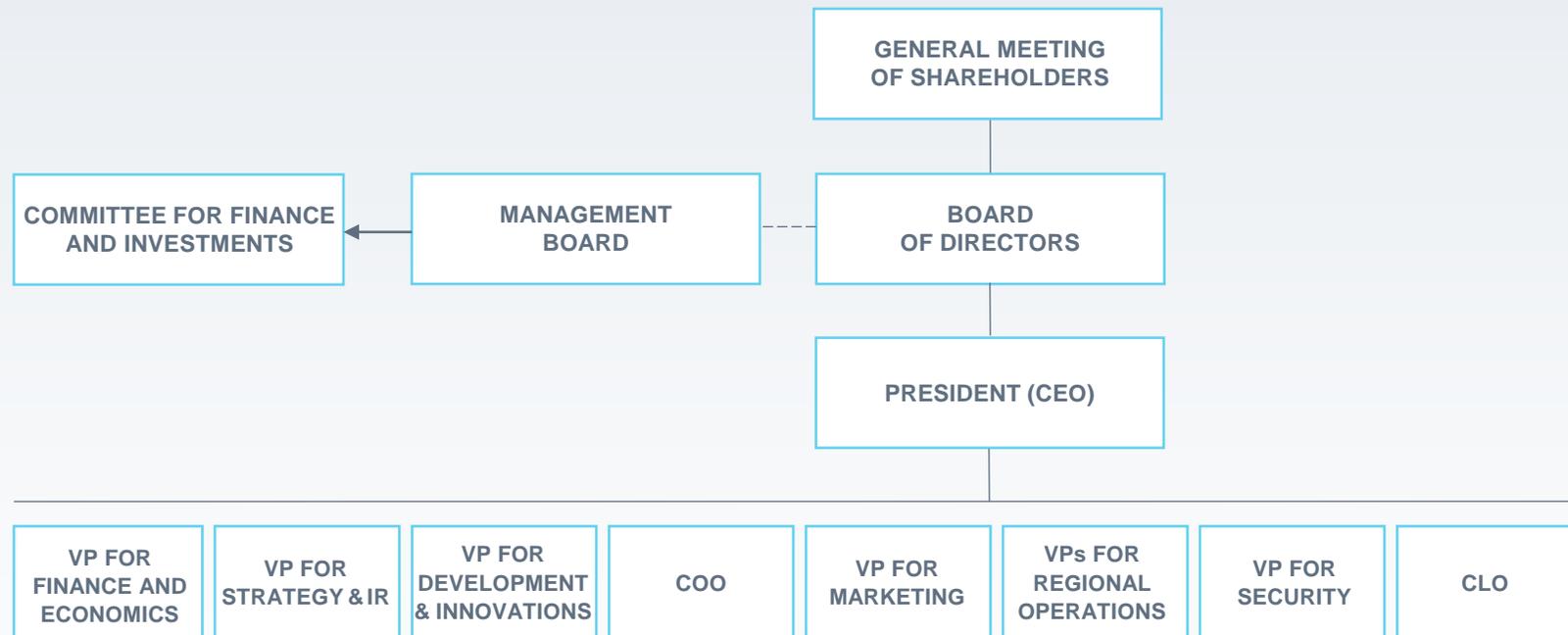
TOTAL CASH COLLECTIONS
RUB bln



ETALON GROUP TRANSFORMATION



STREAMLINED FUNCTIONAL STRUCTURE



TRANSFORMATION PRINCIPLES

- Engage international consultants (KPMG)
- Approval by the Board of Directors
- Focus on strategic goals, assigning responsibility for each strategic area to a certain member of management team
- Draw upon the current context and Etalon Group's transformation history

NEW STRUCTURE: ADVANTAGES

- Full responsibility for financial result at the regional level
- High status of regional leaders for GR and prompt decision-making on sites
- Quicker decision-making due to understanding of regional specifics
- Reduction of support functions
- New divisions focused on the client and the brand
- Strengthening innovation and IT

SELECTED PROJECTS



GALACTICA

APRIL 2021

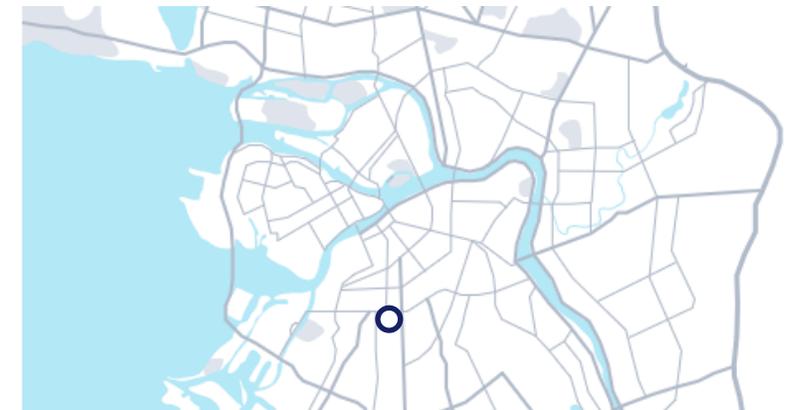


TOTAL NSA
764 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 21,620 mln

INCOME FROM SALES⁽¹⁾
RUB 77,863 mln

DECEMBER 2020

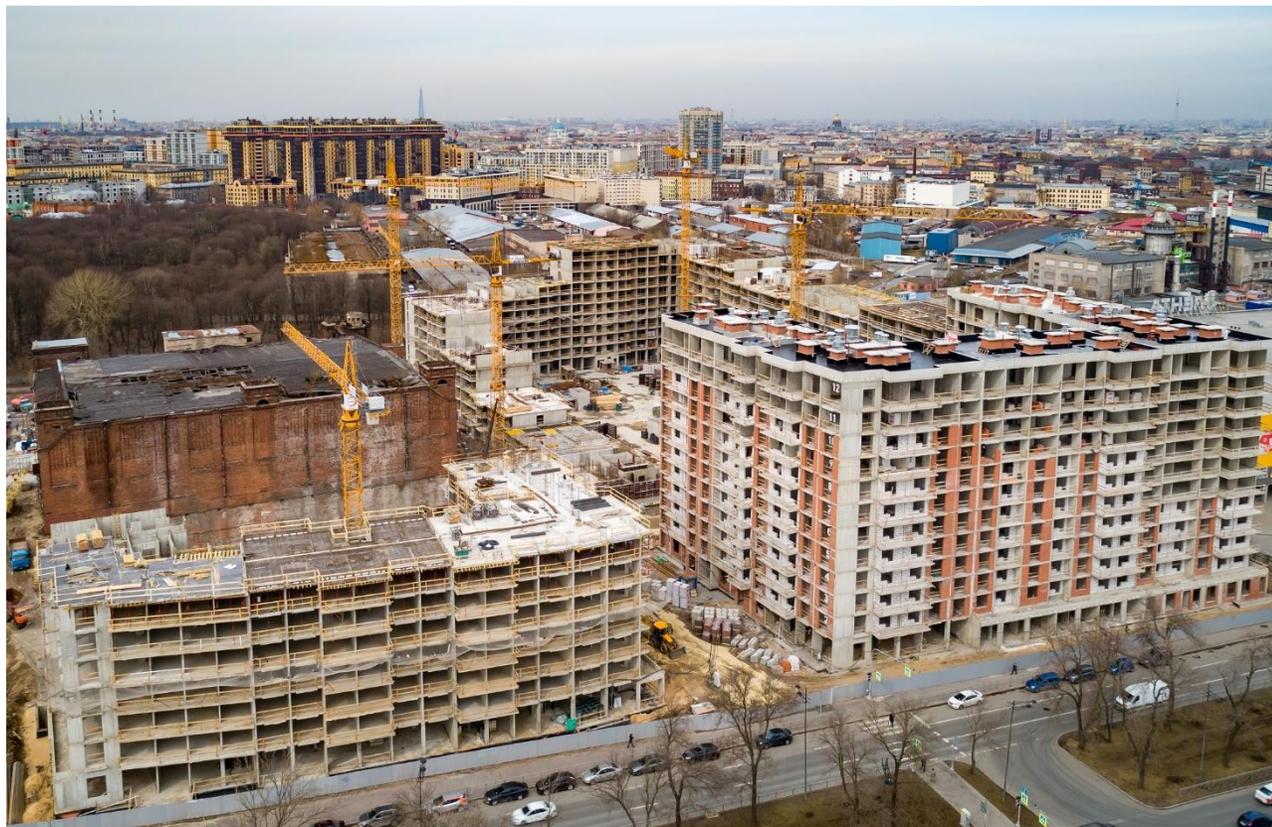


REGION
St Petersburg

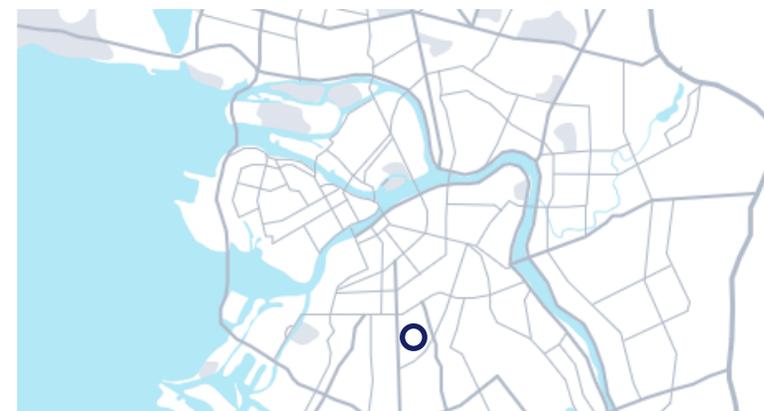
⁽¹⁾ Colliers International estimate as of 31.12.2020.

PROJECT ON CHERNIGOVSKAYA STREET

APRIL 2021



DECEMBER 2020



TOTAL NSA
110 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 5,359 mln

INCOME FROM SALES⁽¹⁾
RUB 18,383 mln

REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2020.

PETROVSKIY LANDMARK

APRIL 2021

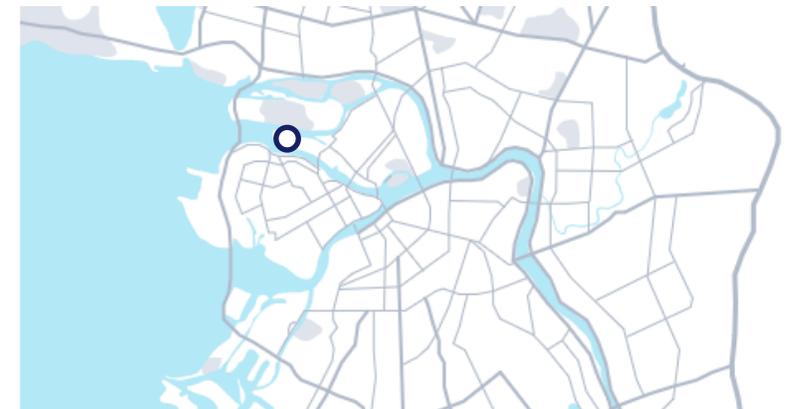


TOTAL NSA
89 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 4,941 mln

INCOME FROM SALES⁽¹⁾
RUB 15,316 mln

DECEMBER 2020



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2020.

ETALON ON THE NEVA

APRIL 2021

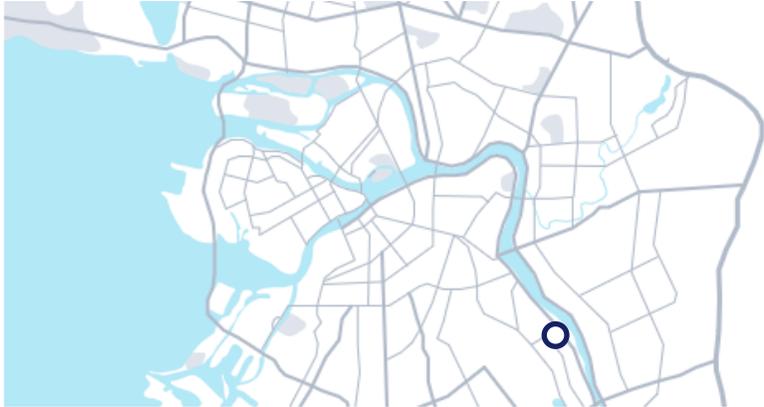


TOTAL NSA
77 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,233 mln

INCOME FROM SALES⁽¹⁾
RUB 9,349 mln

DECEMBER 2020



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2020.

EMERALD HILLS

APRIL 2021

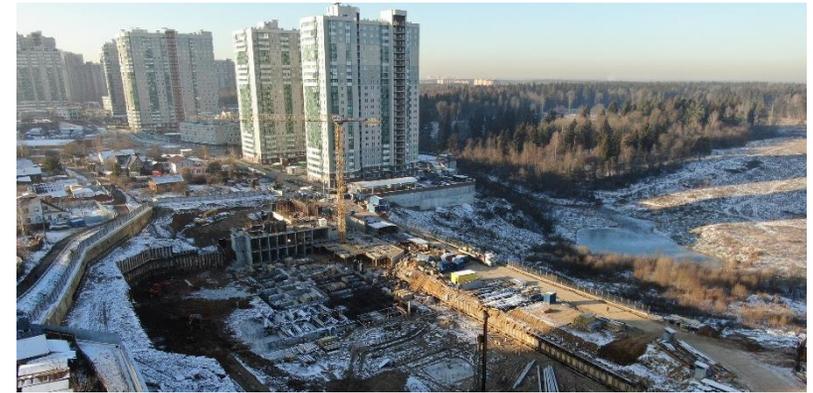


TOTAL NSA
857 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 1,519 mln

INCOME FROM SALES⁽¹⁾
RUB 60,209 mln

DECEMBER 2020



REGION
Moscow region

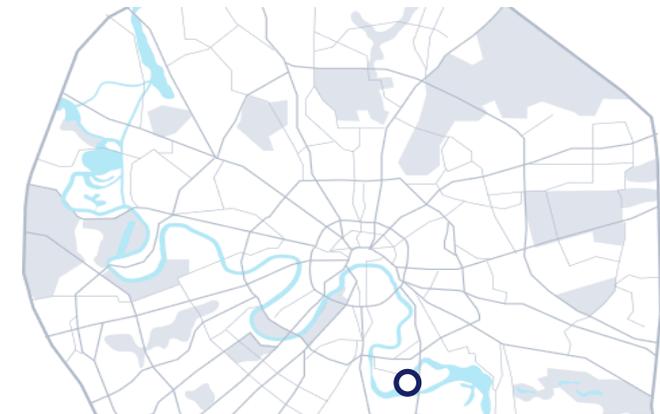
⁽¹⁾ Colliers International estimate as of 31.12.2020.

NAGATINO I-LAND

APRIL 2021



DECEMBER 2020



REGION
Moscow

TOTAL NSA
329 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 23,237 mln

INCOME FROM SALES⁽¹⁾
RUB 73,177 mln

⁽¹⁾ Colliers International estimate as of 31.12.2020.

SUMMER GARDEN

APRIL 2021



TOTAL NSA
278 ths sqm

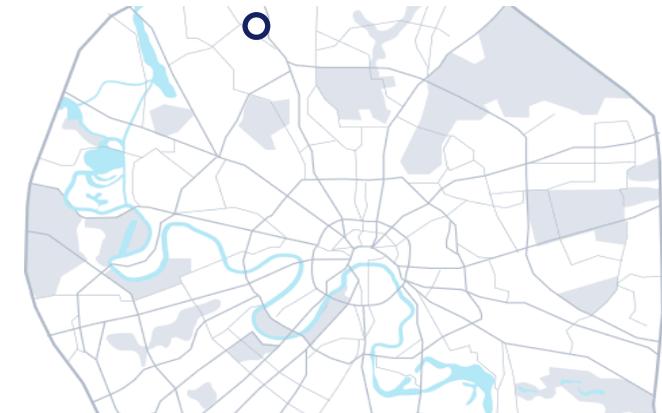
OPEN MARKET VALUE⁽¹⁾
RUB 1,494 mln

INCOME FROM SALES⁽¹⁾
RUB 31,812 mln

DECEMBER 2020



REGION
Moscow



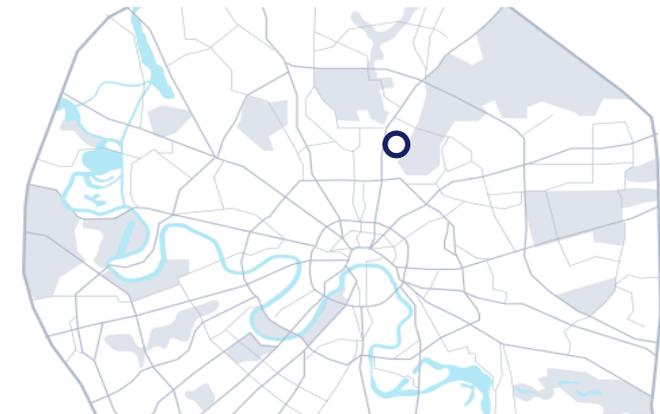
⁽¹⁾ Colliers International estimate as of 31.12.2020.

SILVER FOUNTAIN

APRIL 2021



DECEMBER 2020



REGION
Moscow

TOTAL NSA
226 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 17,973 mln

INCOME FROM SALES⁽¹⁾
RUB 45,493 mln

⁽¹⁾ Colliers International estimate as of 31.12.2020.

WINGS

APRIL 2021

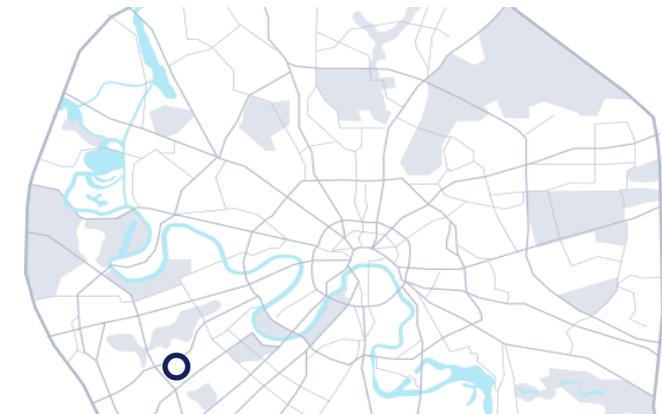


TOTAL NSA
184 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 2,769 mln

INCOME FROM SALES⁽¹⁾
RUB 30,947 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

NORMANDY

APRIL 2021

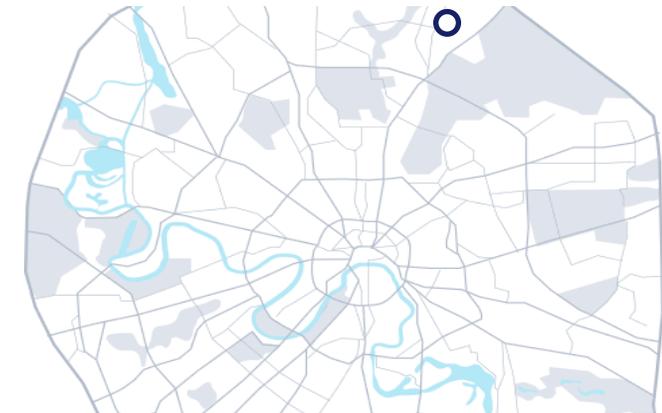


TOTAL NSA
124 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,029 mln

INCOME FROM SALES⁽¹⁾
RUB 15,989 mln

DECEMBER 2020



REGION
Moscow

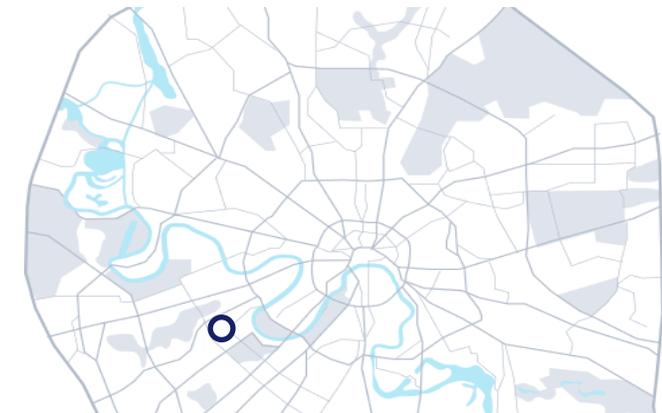
⁽¹⁾ Colliers International estimate as of 31.12.2020.

SCHASTYE NA LOMONOSOVSKOM

APRIL 2021



DECEMBER 2020



REGION
Moscow

TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 860 mln

INCOME FROM SALES⁽¹⁾
RUB 2,092 mln

⁽¹⁾ Colliers International estimate as of 31.12.2020.

SCHASTYE NA SEMYONOVSKOY

APRIL 2021

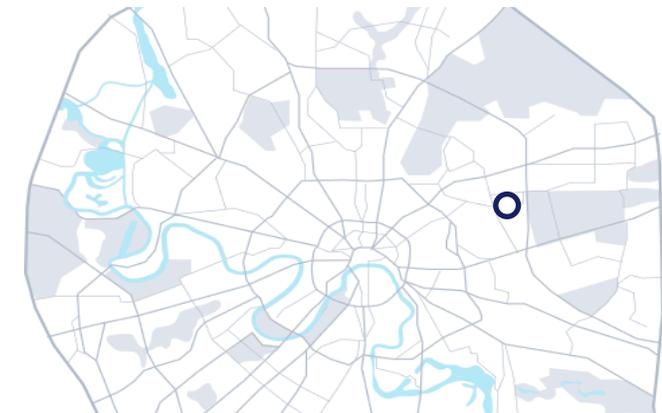


TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 868 mln

INCOME FROM SALES⁽¹⁾
RUB 1,517 mln

DECEMBER 2020



REGION
Moscow



Etalon Group

OPERATING RESULTS 1Q 2021

