

FY 2020 AND 4Q 2020 OPERATING RESULTS

19 JANUARY 2021



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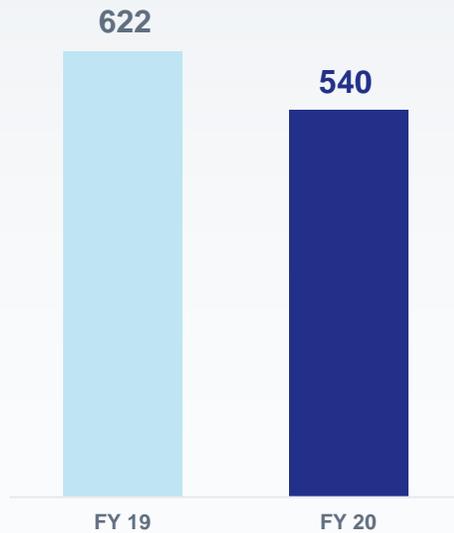


OPERATING RESULTS



DELIVERIES IN FY 2020

DELIVERIES
ths sqm



FY 2020 DELIVERIES BY REGION
ths sqm



FY 2020 DELIVERIES BREAKDOWN
ths sqm⁽¹⁾

PROJECT	NSA, ths sqm
Galactica	139
Okhta House	134
Normandy	89
Silver Fountain	67
Botanica	47
House on Kosmonavtov	26
Schastye v Kuzminkakh	9
Schastye na Sokole	9
Schastye v Sadovnikakh	7
Schastye na Presne	6
Schastye v Kuskovo	6
Wings	0.4
TOTAL	540

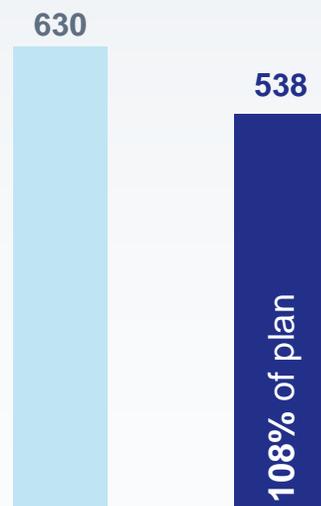
Source: Company data. ⁽¹⁾ Totals may not add up due to rounding

FY 2020

OPERATING RESULTS

NEW CONTRACT SALES
ths sqm

⬇️ -15%

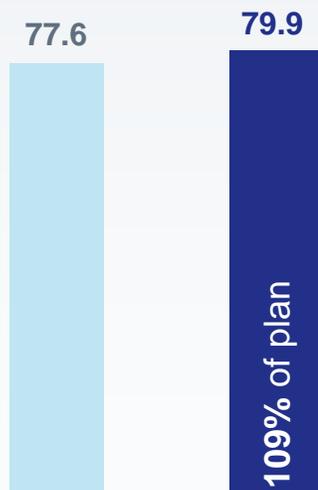


FY 19

FY 20

NEW CONTRACT SALES
RUB bln

⬆️ +3%

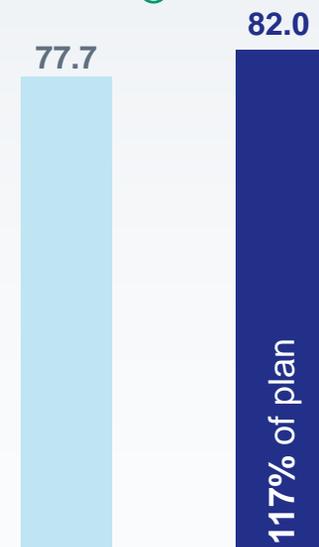


FY 19

FY 20

TOTAL CASH COLLECTIONS
RUB bln

⬆️ +5%



FY 19

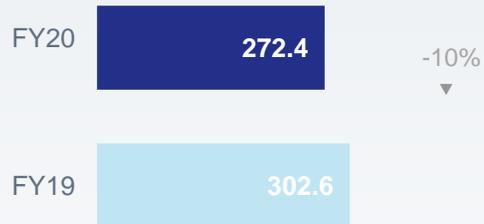
FY 20

- Etalon **exceeded its own best-case guidance for all metrics**, despite a COVID-19 related slowdown in 1H 2020
- New contract sales and total cash collection reached **record levels of RUB 79.9 bln and RUB 82.0 bln, respectively**
- The number of new contracts amounted to **9,725 in FY 2020**
- Cash collections in escrow accounts **amounted to RUB 22.9 bln** in FY 2020, making it possible to reduce the cost of project financing to preferential interest rates ranging from 0.01% to 3.5%

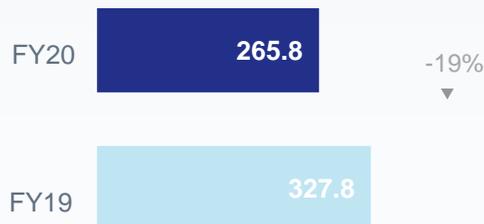
FY 2020 OPERATING RESULTS: BREAKDOWN BY REGIONS

NEW CONTRACT SALES ths sqm

MOSCOW

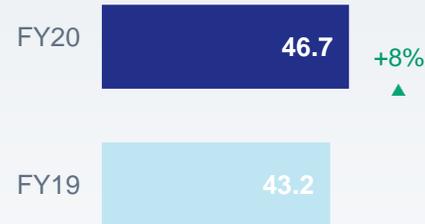


ST PETERSBURG

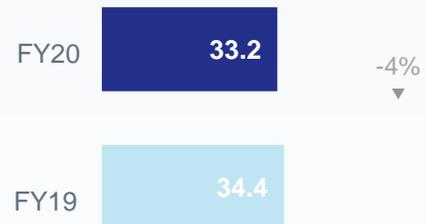


NEW CONTRACT SALES RUB bln

MOSCOW

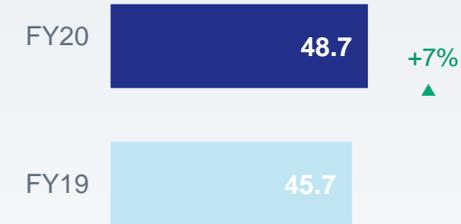


ST PETERSBURG

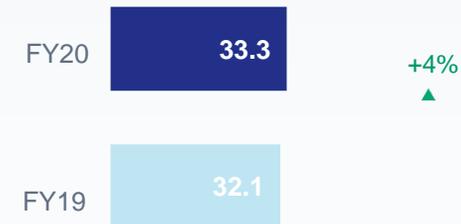


TOTAL CASH COLLECTIONS RUB bln

MOSCOW



ST PETERSBURG



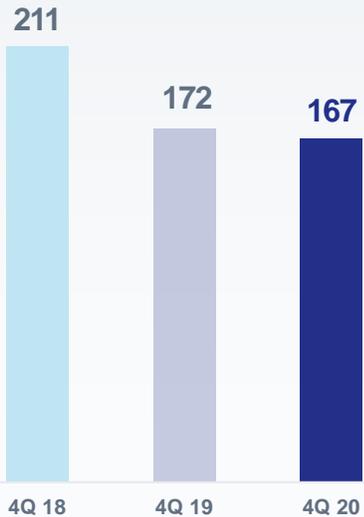
- A recovery in demand in 2H 2020 balanced out the decline in sales caused by COVID-19 in the first half of the year
- Total cash collections in FY 2020 rose year-on-year in both key regions

RECORD 4Q 2020

OPERATING RESULTS

NEW CONTRACT SALES
ths sqm

▼ -19% ▼ -3%



NEW CONTRACT SALES
RUB bln

▼ -11% ▲ +21%



TOTAL CASH COLLECTIONS
RUB bln

▼ -7% ▲ +55%

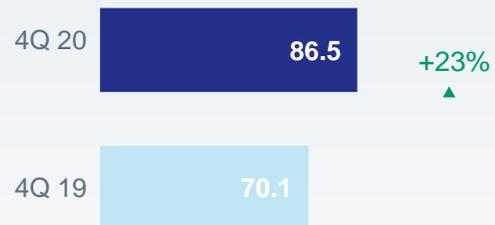


- Etalon Group **delivered the strongest quarterly performance** in new contract sales in monetary terms and in total cash collections
- The number of new contracts amounted to **3,137 in 4Q 2020, up by 7% year-on-year**
- Cash collections in escrow accounts reached **RUB 9.1 bln** in 4Q 2020

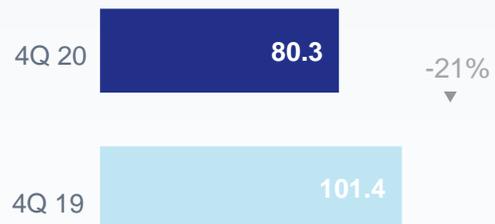
4Q 2020 OPERATING RESULTS: BREAKDOWN BY REGIONS

NEW CONTRACT SALES ths sqm

MOSCOW

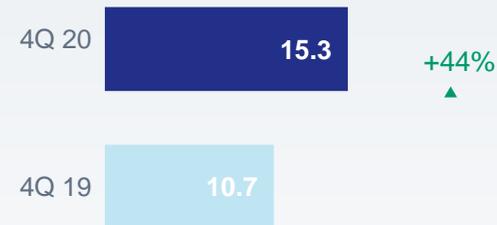


ST PETERSBURG

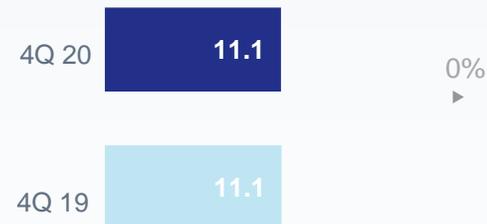


NEW CONTRACT SALES RUB bln

MOSCOW



ST PETERSBURG

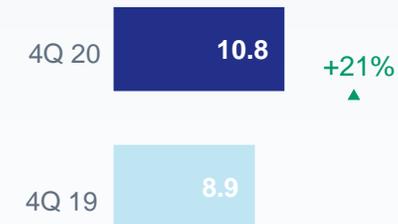


TOTAL CASH COLLECTIONS RUB bln

MOSCOW



ST PETERSBURG



- Performance in the Moscow Region was very strong, supported by both volume and price growth
- Strong price dynamics in St Petersburg helped to maintain NCS in monetary terms unchanged year-on-year, despite limited supply in the region

AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE

AVERAGE PRICE
RUB ths/sqm



AVERAGE APARTMENT PRICE
RUB ths/sqm



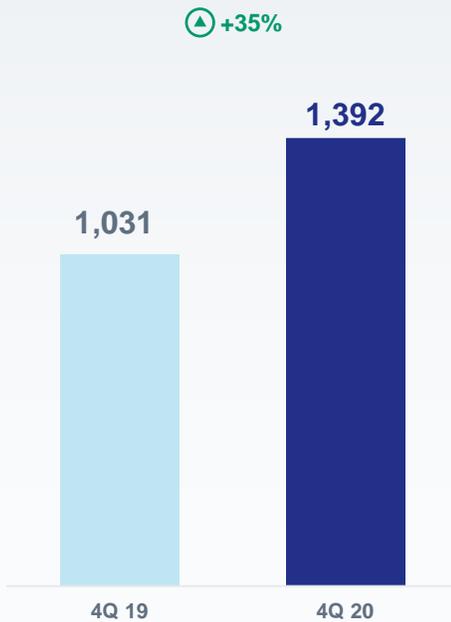
AVERAGE DOWN PAYMENT
%



- Average price for apartments **increased by 23% year-on-year to a record high RUB 191.9 ths**
- **Continued use of dynamic pricing** in St Petersburg supported like-for-like average apartment price growth of 25%
- High average down payment was driven by **mortgages, investment demand** and a higher 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⁾



- Declining mortgage rate in Russia backed by the **State support programme** drove mortgage sales in 4Q 2020
- Mortgage contracts as a share of **apartment sales** reached a **record high 65%** amid declining mortgage rates

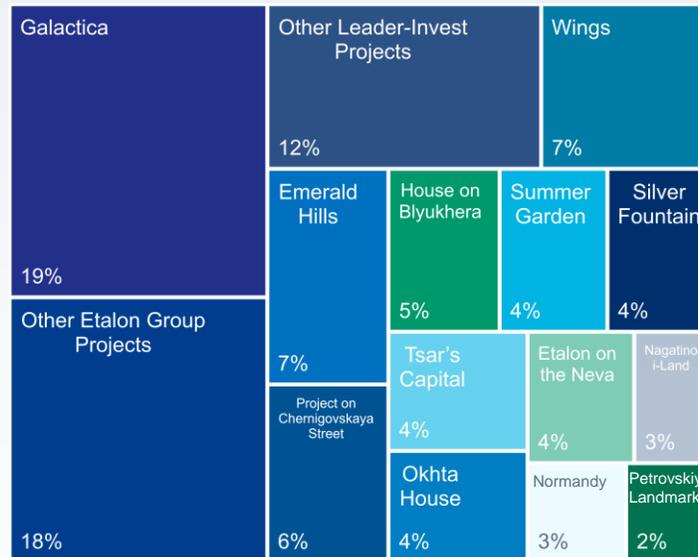
10

FY 2020 OPERATING RESULTS

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

4Q 2019 NEW CONTRACT SALES BY PROJECT
sqm



4Q 2020 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 19% share of total NCS
- The share of business class projects reached **31% and 44%** 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	2.4%
Yamalo-Nenets AD	1.0%
Krasnoyarsk Krai	1.0%
Khabarovsk Krai	1.0%
Khanty-Mansi AD	1.0%
Nenets AD	1.0%
Agin-Buryat	0.8%
Krasnodar Krai	0.8%
Sakha	0.8%
Other Russian regions	20.0%
Foreigners	0.4%
TOTAL	30%

REGIONAL POPULATION ACTIVELY BUYS APARTMENTS IN MOSCOW AND ST PETERSBURG

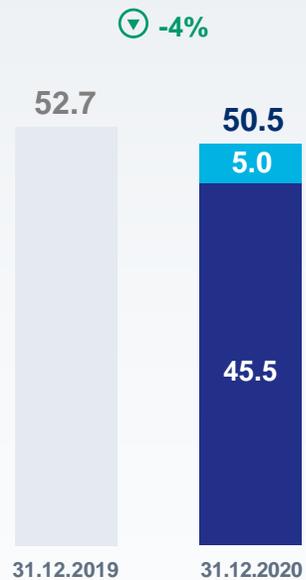


- Etalon Group's sales force focuses on regions with the highest per capita income levels
- Key markets: St Petersburg and Moscow
- 57 cities covered by 28 sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

(1) Company data for 4Q 2020

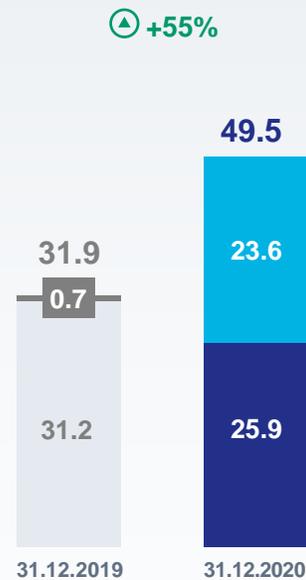
ROBUST FINANCIAL POSITION AFTER 12M 2020

TOTAL DEBT
RUB bln



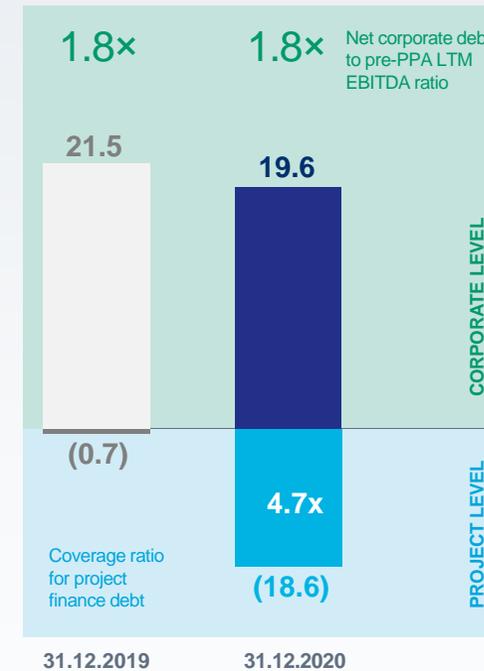
● Project debt
● Corporate debt

CASH AND CASH EQUIVALENTS
RUB bln



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

NET DEBT (CASH)
RUB bln



● Net project debt (cash)⁽³⁾
● Net corporate debt⁽²⁾,
● Net corporate debt to pre-PPA LTM EBITDA
● X.Xx Coverage ratio for project finance debt

- **Net debt**, adjusted for net project finance cash, **would amount to just RUB 1 bln**
- **Net corporate debt to pre-PPA LTM EBITDA** remained at a comfortable level of **1.8x**
- 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 **9.4% at the end of 2019** to **8.3% at the end of 2020**

Source: Company data ⁽¹⁾ Including bank deposits over 3 months; excluding cash collections in escrow accounts ⁽²⁾ Excluding project finance loans and cash on escrow accounts ⁽³⁾ Project finance debt less cash on escrow account

ETALON GROUP TRANSFORMATION



ONGOING TRANSFORMATION

AIMED AT ACHIEVING STRATEGIC GOALS

GOAL

SG&A TO REVENUE 10% IN 2024

KEY INITIATIVES:

- Revised Group organisational structure & corresponding efficiency/costs improvement
- Decrease in G&A expenses due to development of end-to-end digital architecture resulting in automation of support functions. Marketing consolidation and automation

EXPECTED RESULTS:

2021	Further SG&A costs reduction
2022 AND BEYOND	SG&A costs c. 10% of revenue

GOAL

PRE-PPA GROSS MARGIN >35% IN 2024

KEY INITIATIVES:

- Standardisation of product (layouts, sections, and masterplans)
- Introduce automated systems for analysing the competitive environment and future demand
- Decrease in direct construction expenses due to the development of end-to-end digital architecture

EXPECTED RESULTS:

2021	Continuous industry-leading price performance backed by enhanced product
2022 AND BEYOND	At least 35% gross margin due to standardisation of offering and use of new construction technologies

GOAL

PRE-PPA EPS GROWTH > REVENUE GROWTH

KEY INITIATIVES:

- Streamlined Group's target structure from 113 to 55 legal entities
- Optimised tax burden to reduce non-deductible expenses and restructure Cyprus ownership

EXPECTED RESULTS:

2021	Deliver first tax savings from legal structure optimisation
2022 AND BEYOND	Further reduction in taxes and agency costs

GOAL

CORPORATE GOVERNANCE IMPROVEMENT

KEY INITIATIVES:

- Revised corporate governance principles and policies
- Revised & streamlined corporate governance structure

EXPECTED RESULTS:

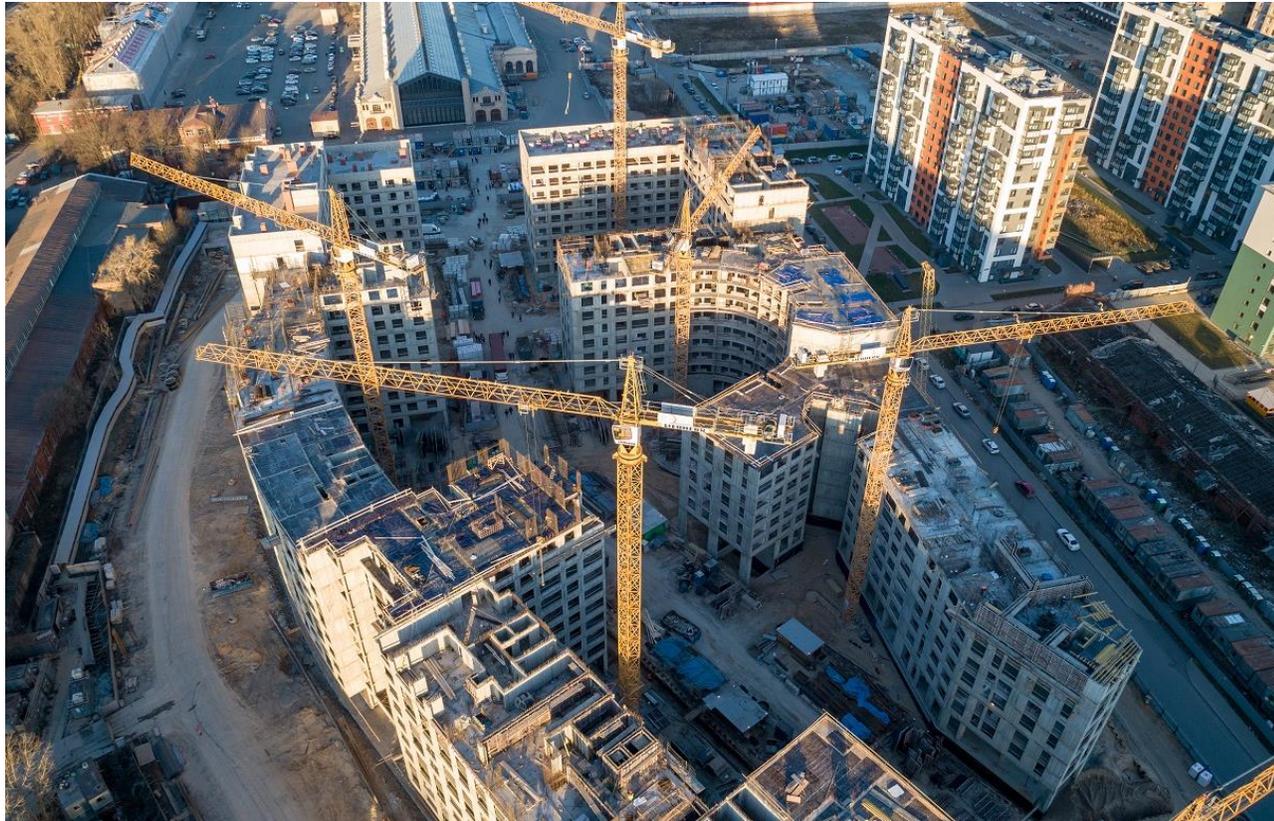
2021	Increased transparency in corporate governance
2022 AND BEYOND	Full alignment of majority and minority shareholders interests; best corporate governance practice among public peers

SELECTED PROJECTS



GALACTICA

JANUARY 2021

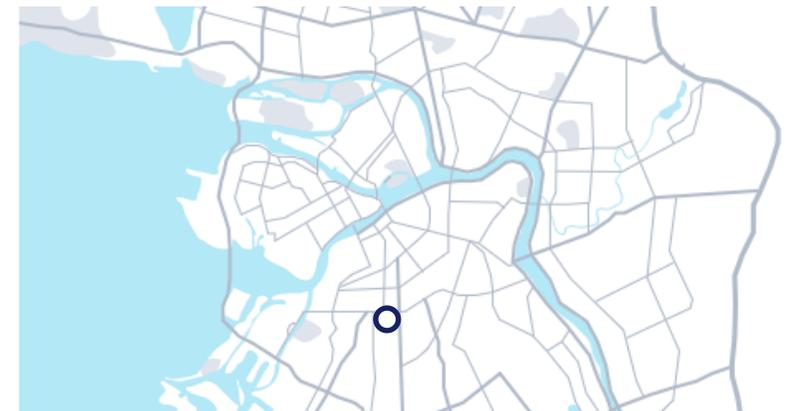


TOTAL NSA
814 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 18,330 mln

INCOME FROM SALES⁽¹⁾
RUB 75,075 mln

DECEMBER 2019



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2019.

PROJECT ON CHERNIGOVSKAYA STREET

JANUARY 2021

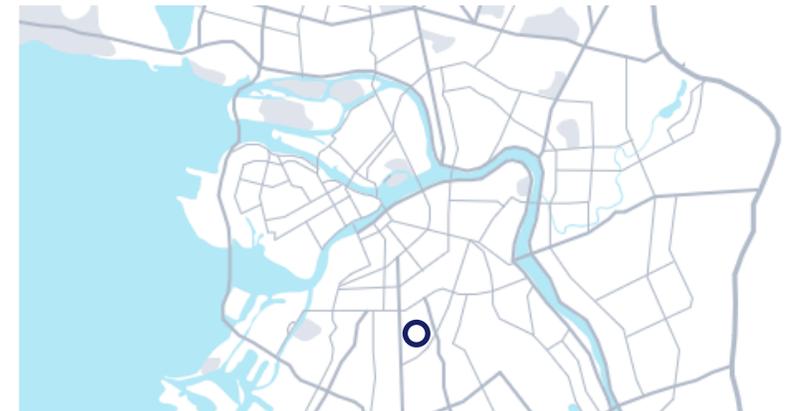


TOTAL NSA
136 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 5,411 mln

INCOME FROM SALES⁽¹⁾
RUB 17,453 mln

VISUALISATION



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2019.

OKHTA HOUSE

JANUARY 2021



TOTAL NSA
130 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 5,820 mln

INCOME FROM SALES⁽¹⁾
RUB 12,973 mln

DECEMBER 2019



REGION
St Petersburg

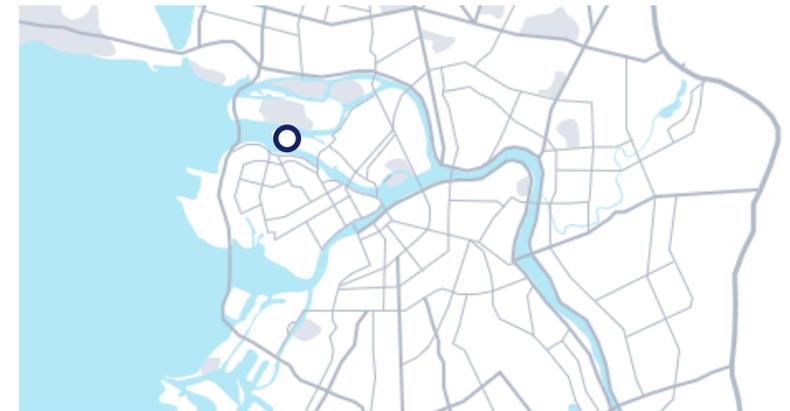
⁽¹⁾ Colliers International estimate as of 31.12.2019.

PETROVSKIY LANDMARK

JANUARY 2021



DECEMBER 2019



TOTAL NSA
89 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 5,053 mln

INCOME FROM SALES⁽¹⁾
RUB 14,744 mln

REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2019.

ETALON ON THE NEVA

JANUARY 2021

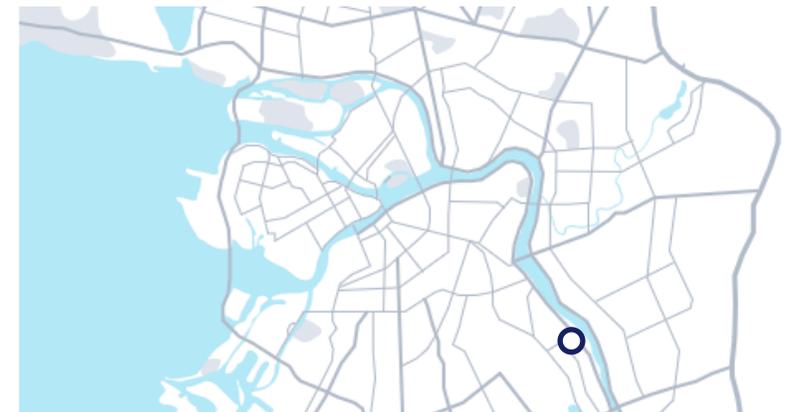


TOTAL NSA
77 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,522 mln

INCOME FROM SALES⁽¹⁾
RUB 8,483 mln

DECEMBER 2019



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2019.

NAGATINO I-LAND

JANUARY 2021

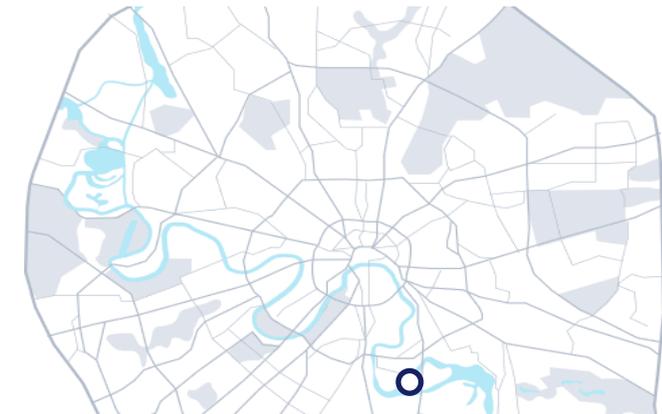


TOTAL NSA
472 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 18,134 mln

INCOME FROM SALES⁽¹⁾
RUB 68,803 mln

VISUALISATION



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2019.

SUMMER GARDEN

JANUARY 2021

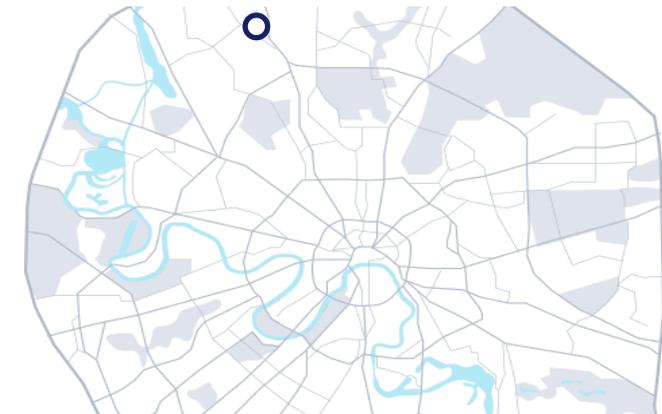


TOTAL NSA
293 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,671 mln

INCOME FROM SALES⁽¹⁾
RUB 31,717 mln

DECEMBER 2019



REGION
Moscow

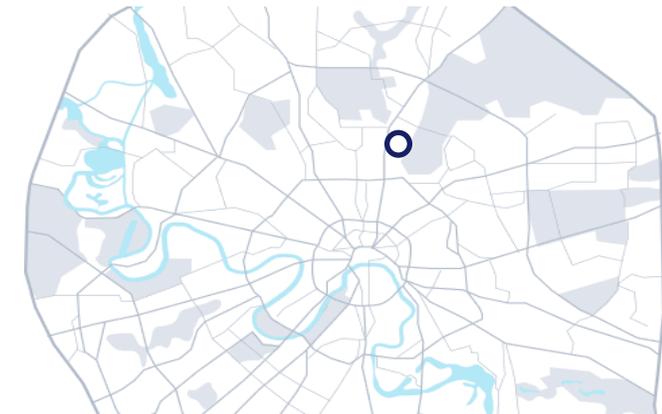
⁽¹⁾ Colliers International estimate as of 31.12.2019.

SILVER FOUNTAIN

JANUARY 2021



DECEMBER 2019



TOTAL NSA
226 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 13,174 mln

INCOME FROM SALES⁽¹⁾
RUB 39,056 mln

REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2019.

WINGS

JANUARY 2021



TOTAL NSA
187 ths sqm

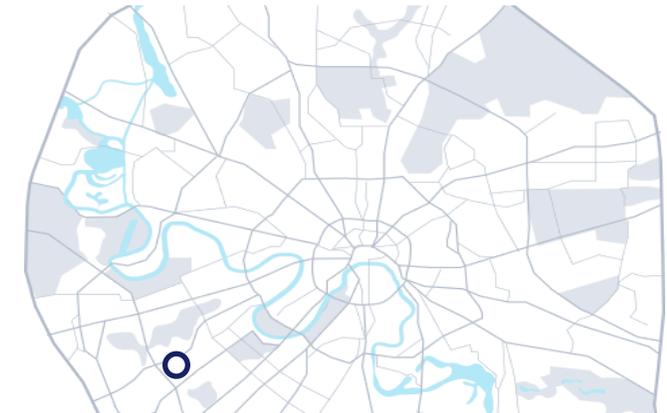
OPEN MARKET VALUE⁽¹⁾
RUB 9,828 mln

INCOME FROM SALES⁽¹⁾
RUB 30,449 mln

DECEMBER 2019



REGION
Moscow



⁽¹⁾ Colliers International estimate as of 31.12.2019.

NORMANDY

JANUARY 2021



TOTAL NSA
124 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,968 mln

INCOME FROM SALES⁽¹⁾
RUB 16,671 mln

DECEMBER 2019

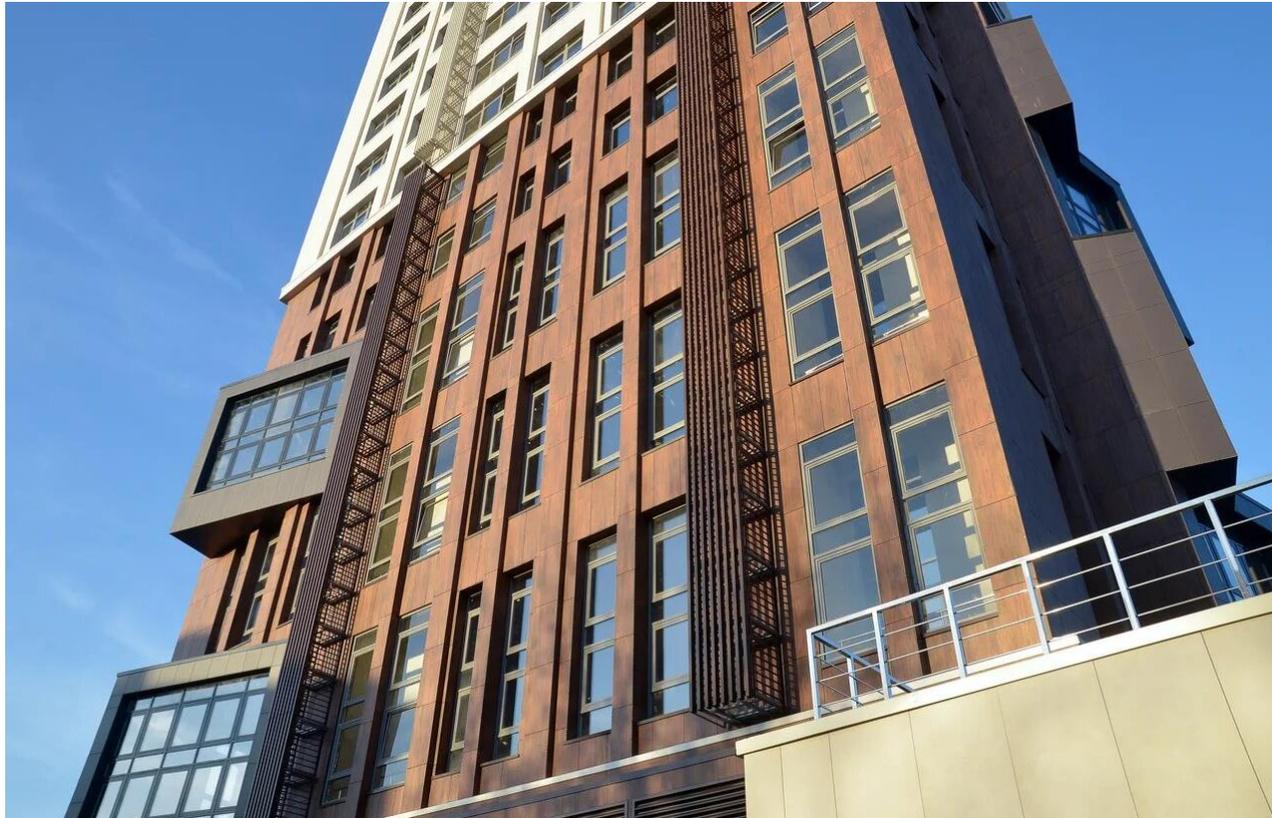


REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2019.

SCHASTYE NA PRESNE

JANUARY 2021

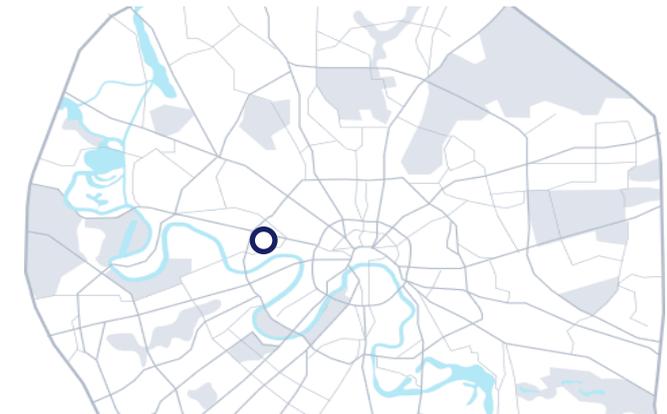


TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 90 mln

INCOME FROM SALES⁽¹⁾
RUB 1,626 mln

DECEMBER 2019



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2019.

SCHASTYE NA LOMONOSOVSKOM

JANUARY 2021

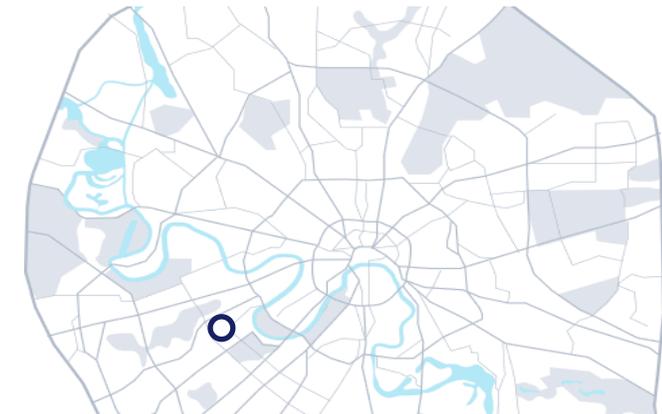


TOTAL NSA
6 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 844 mln

INCOME FROM SALES⁽¹⁾
RUB 1,854 mln

VISUALISATION



REGION
Moscow

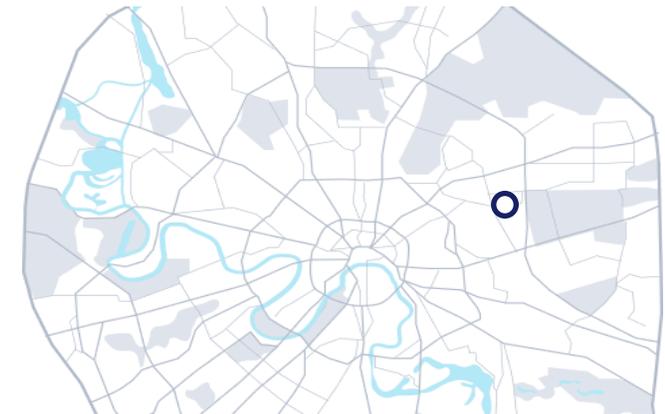
⁽¹⁾ Colliers International estimate as of 31.12.2019.

SCHASTYE NA SEMENOVSKOY

JANUARY 2021



VISALISATION



TOTAL NSA
7 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 533 mln

INCOME FROM SALES⁽¹⁾
RUB 1,104 mln

REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2019.

APPENDIX



BOARD COMPOSITION AND OWNERSHIP

BOARD OF DIRECTORS COMPOSITION

 <p>SERGEY EGOROV</p> <p>(C) (R)</p>	 <p>OLEG MUBARAKSHIN</p> <p>(R)</p>	 <p>MAXIM BERLOVICH</p> <p>(E)</p>
 <p>DENNIS VINOKOUROV</p> <p>(I)</p>	 <p>MARTIN COCKER</p> <p>(I)</p>	 <p>BORIS SVETLICHNY</p> <p>(I)</p>
 <p>MARINA OGLOBLINA</p> <p>(I)</p>	 <p>GANNA KHOMENKO</p> <p>(I)</p>	 <p>CHARALAMPOS AVGOUSTI</p> <p>(I)</p>

9 BOARD OF DIRECTORS MEMBERS

- (C) Chairman
- (R) 2 Representatives of Sistema PJSC
- (E) 1 Executive Director
- (I) 6 Independent Directors

4 BOARD COMMITTEES

1. Strategy Committee
2. Remuneration & Nomination Committee
3. Audit Committee
4. IR and Information Disclosure Committee

SHAREHOLDER STRUCTURE⁽¹⁾

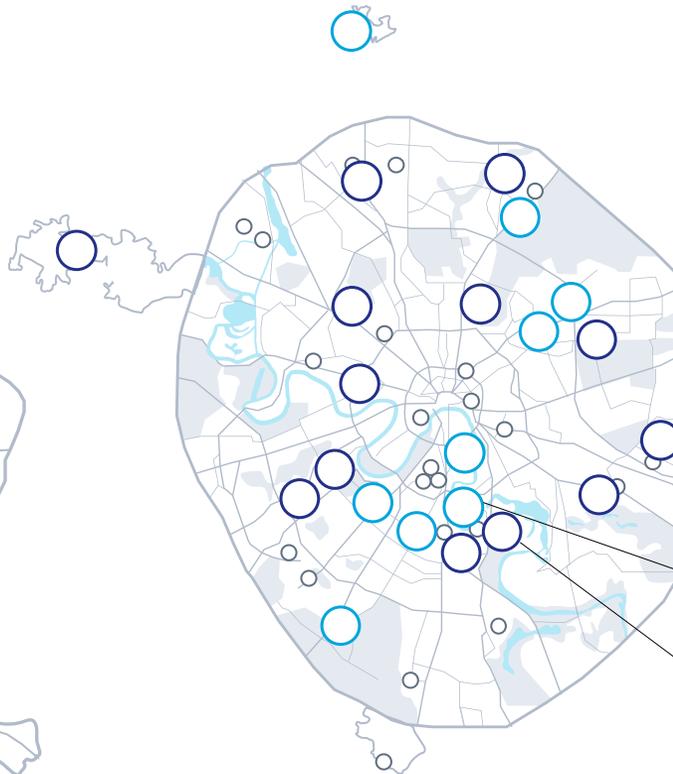
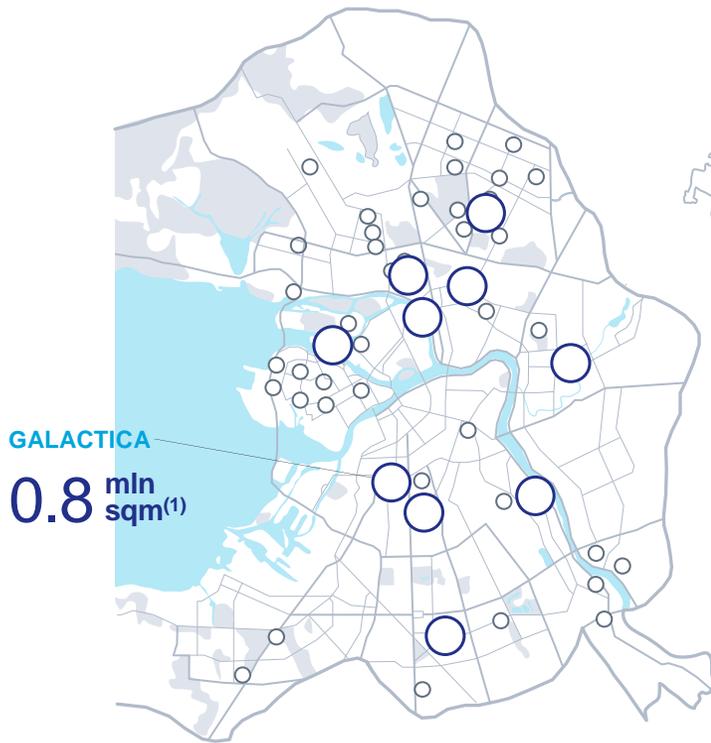


⁽¹⁾ As of 17.11.2020

ETALON GROUP PORTFOLIO OVERVIEW

ST PETERSBURG

MOSCOW



○ Under construction ○ Design stage ○ Completed

LANDBANK SIZE

3.3 mln sqm

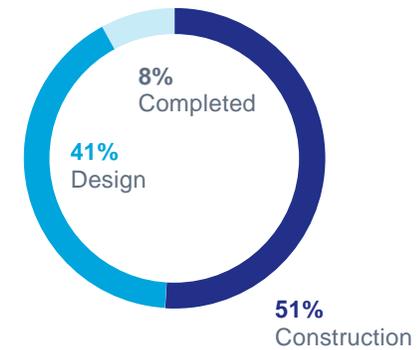
UNSOLD NSA
AS OF 31.12.2019⁽²⁾

LANDBANK VALUE

176 bln RUB

MARKET VALUE OF
PROJECT PORTFOLIO
AS OF 31.12.2019⁽²⁾

LANDBANK BY STAGE



REGIONAL BREAKDOWN



⁽¹⁾ Total NSA of the project according to Colliers International valuation report as of 31.12.2019

⁽²⁾ Colliers International valuation report as of 31.12.2019

OUR CUSTOMER OFFERING TODAY

RESIDENTIAL REAL ESTATE DEVELOPMENT



UPPER-ECONOMY

3%

- Emerald Hills, the last upper-economy project in the portfolio with NSA of 847 ths sqm, was launched in 2009
- Today, **94% of residential NSA at the project has been sold**

COMFORT

49%

- Galactica, the largest comfort-class project in St Petersburg with **NSA of 814 ths sqm**, was launched in 2015
- Etalon City, the largest comfort-class project in Moscow, has **NSA of 366 ths sqm** and was launched in 2013

BUSINESS AND PREMIUM

48%

- The first business-class project, Silver Fountain, was launched in 2017
- In monetary terms, the share of business-class projects in **NCS increased from 7% in 3Q 2017 to 52% in 3Q 2020**

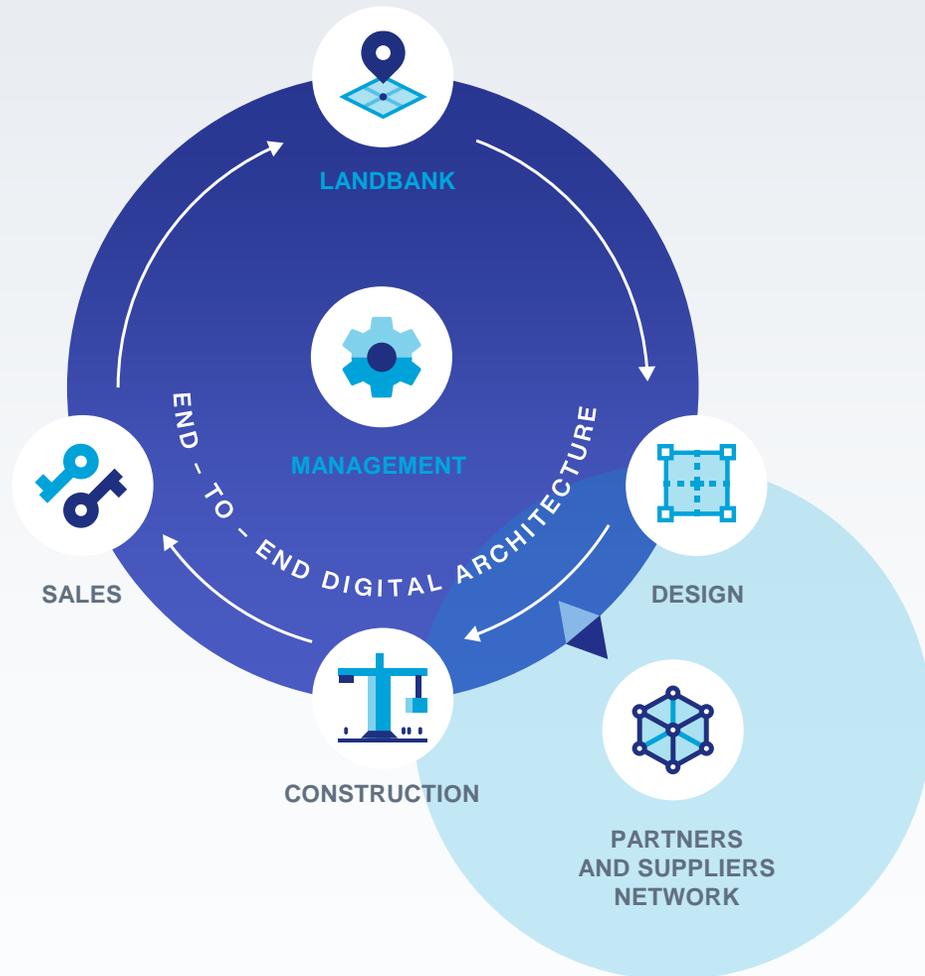
GENERAL CONTRACTING



COMMERCIAL / INDUSTRIAL / SOCIAL

- Expoforum is one of the largest commercial construction projects in St Petersburg. Size: over 200 ths sqm; capacity: **up to 10 ths delegates**
- Etalon acted as a **general contractor for Nissan Motor and Ford Motor** companies and built new warehouses

THE STRATEGY TO 2024 AIMS TO REINVENT EACH STEP OF THE VALUE CHAIN



1

EASY TO SCALE FULLY-DIGITAL
END-TO-END ARCHITECTURE

2

LESS CAPITAL-INTENSIVE APPROACH BASED
ON ESTABLISHED RELATIONSHIPS WITH
PARTNERS AND SUPPLIERS

3

LONG-TERM FOCUS ON LANDBANK REPLENISHMENT TO
ACHIEVE LEADERSHIP IN CORE REGIONS (MOSCOW AND
ST PETERSBURG) AND EXPAND BUSINESS TO NEW REGIONS

4

LEADERSHIP IN THE USE OF NEW DESIGN AND
HOUSEBUILDING TECHNOLOGIES TO SUPPORT
PROFITABILITY AND CASH FLOW GENERATION

5

CUSTOMER-CENTRIC APPROACH
TO PRODUCT, SALES AND SERVICES

END-TO-END DIGITAL ARCHITECTURE SAVES TIME, MONEY AND MATERIALS



PARTNERS

- 1 Joint ventures
- 2 Share participation
- 3 Long-term exclusive agreements

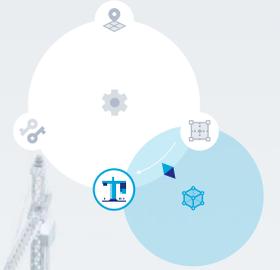


UNIFIED CLOUD-BASED DIGITAL PLATFORM

End-to-end data transfer across the entire value chain



ETALON AIMS TO BE A LEADER IN NEW CONSTRUCTION TECHNOLOGIES



CAST-ON-SITE 2.0

- Monolithic buildings to be standardised based on segment in Etalon Group's new product offering
- First building to be launched in 2021
- Development and improvement of own expertise

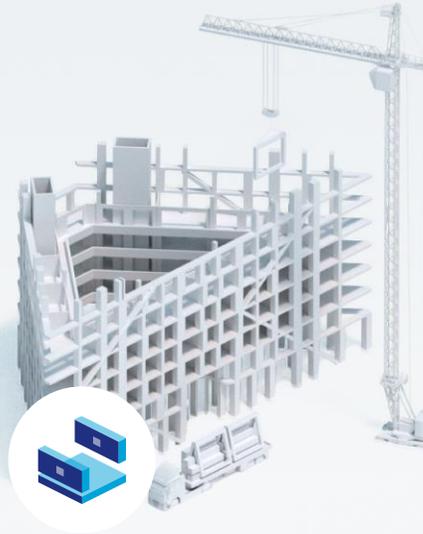
TRADITIONAL ON-SITE



MODULAR

- Fully-finished prefabricated modules in new Etalon Group product offering
- In cooperation with UK-based QB Technology
- First QBT building already completed / first Etalon Group project to be launched in 2022

PLUS NEW INDUSTRIAL



CLT

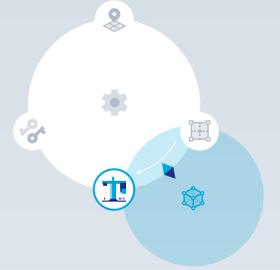
- Hybrid and fully cross-laminated timber (CLT) buildings
- First building to be launched by the end of 2021
- In cooperation with Segezha Group



MODERN PREFABRICATION

- Modern prefabrication technology
- First building to be launched around 2022
- Etalon is considering different partnership options to implement this technique

REINVENTED RESIDENTIAL DEVELOPMENT PROJECT LIFECYCLE



TECHNOLOGY

PROJECT IMPLEMENTATION

<p>CAST-ON-SITE</p>	<p>GROUND WORKS & PREPARATION</p> <p>Same</p>	<p>ON-SITE CONSTRUCTION</p> <p>3 months shorter</p>	<p>TRANSFER TO SERVICE COMPANY</p>
<p>INDUSTRIAL</p>	<p>GROUND WORKS & PREPARATION</p> <p>1–2 months longer</p>	<p>ON-SITE CONSTRUCTION</p> <p>6 months shorter</p>	<p>TRANSFER TO SERVICE COMPANY</p>
		<p>PRODUCTION</p> <p>up to 9 months</p>	
<p>PRE-SALES</p> <p>up to 50 % 3–6 months longer</p>		<p>SALES</p> <p>c. 30–40% 3–6 months shorter</p>	
<p>CONSTRUCTION PERMIT GRANTED</p>		<p>BUILDING COMPLETION AND DELIVERY</p>	

- **Longer presale period** of up to 12 months
- On-site construction time **decreased by 3 months for traditional cast-on-site** technology thanks to standardisation
- Construction time **decreased by 6 months due to new industrial** construction methods
- Simultaneous on-site construction and production of elements for industrial housing construction
- Higher level of funding on escrow accounts before construction starts will make it possible to secure the lowest project finance rate of c. 0%, lowering overall finance costs
- Faster release of funds from escrow

STRENGTHENING LEADERSHIP THROUGH TRANSFORMATION

VISION 2024

RESULTS

1

Easy to scale business model

backed by end-to-end digital transformation

2X INCREASE IN VOLUMES UNDER CONSTRUCTION

2

Leadership through partnership, limiting capex while creating a best-in-class residential development platform

MAJOR FEDERAL PLAYER

3

Long-term land bank focus supported by acquisition of un-zoned land and strong experience in zoning procedures, as well as wider geographical footprint

HIGHEST NPS AND CLV LEVELS

4

Cost and speed leadership backed by product standardisation throughout entire product offering and leadership in new construction technologies

STRONG DOUBLE-DIGIT GROWTH IN SALES

5

Best-in-class customer experience driven by development of B2C services and further improvement of communication at all steps of the customer journey

INDUSTRY LEADING PROFITABILITY: GROSS PROFIT MARGIN OF 35%

STRATEGY 2024

FINANCIAL TARGETS

		NOW ⁽¹⁾	2024
1	NEW CONTRACT SALES GROWTH	Flattish y-o-y	Strong double digit
2	PRE-PPA GROSS MARGIN	29%	>35%
3	SG&A TO REVENUE	14.1%	10%
4	PRE-PPA EPS GROWTH	< Revenue growth	> Revenue growth
5	NET CORPORATE DEBT TO PRE-PPA EBITDA	1.8x	2x–3x
6	REPORTED OCF	Negative	Positive
7	DIVIDENDS	RUB 12 per GDR	min. RUB 12 per GDR + net profit growth upside

ETALON GROUP AS AN INVESTMENT

WHAT WE AIM TO ACHIEVE

RESULT IN

1

Attractive growth profile supported by higher loyalty to Etalon product, as well as wider product offering in core regions and Russia-wide

**SALES AND REVENUES
STRONG DOUBLE-DIGIT
GROWTH**

2

Industry-leading profitability backed by standardisation of offering and use of new construction technologies

**GROSS PROFIT MARGIN
ABOVE 35%**

3

Operational excellence supported by end-to-end value chain digitalisation

**INDUSTRY-LEADING EBITDA
MARGIN SUPPORTED BY SG&A
COSTS C. 10% OF REVENUE**

4

Return to positive cash flow generation after full escrow implementation, supported by shorter-cycle industrial home building technologies

**POSITIVE OPERATING
AND FREE CASH FLOW
GENERATION**

5

Generous dividend distribution supported by optimised capital allocation and highly transparent declared dividend policy

**GUARANTEED DIVIDEND
OF RUB 12 PER GDR,
PLUS UPSIDE**



FY 2020 AND 4Q 2020 OPERATING RESULTS

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19 JANUARY 2021