



SOVA CAPITAL SMALL-MID CAP CONFERENCE 2021

20-24 SEPTEMBER 2021



DISCLAIMER

THIS DOCUMENT, ITS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE COPIED, RECORDED, RETRANSMITTED OR FURTHER DISTRIBUTED TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, BY ANY MEDIUM OR IN ANY FORM FOR ANY PURPOSE. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF APPLICABLE SECURITIES LAWS

This document and any question and answer session that follows the oral presentation do not contain all of the information that is material to an investor. By attending the meeting where this presentation is made, or by receiving and using this presentation and/or accepting a copy of this document, you agree to be bound by the following limitations and conditions and, in particular, will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this disclaimer including, without limitation, the obligation to keep this document and its contents confidential.

This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever. This presentation is not a prospectus for the purposes of the Prospectus Regulation (EU) 2017 /1129. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. This presentation has not been approved by any competent authority.

This presentation has been prepared by the Etalon Group plc (the “**Company**”) information purposes in connection with the proposed offering (the “**Offering**”) of the securities (the “**Ordinary Shares**” and “**GDRs**”) by the Company. By reading the presentation slides, you agree to be bound by the following limitations and undertakings and acknowledge that you understand the legal sanctions attached to the misuse, disclosure or improper circulation of this presentation. This presentation does not purport to be all inclusive or to contain all the information that you may desire in analysing the Company or otherwise.

This presentation is strictly confidential and, save as by prior approval in writing, this presentation or the information it contains may not, in whole or in part, be reproduced or redistributed, whether in print, electronic or any other format, to any other party. All rights to the material are reserved. The information contained in this presentation has not been independently verified and no responsibility is accepted, and no representation, undertaking or warranty is made or given, in either case, expressly or impliedly, by the Company or any of its officers or

advisers as to the accuracy, reliability or completeness of the information contained herein or as to the reasonableness of any assumptions on which any of the same is based or the use of any of the same. Accordingly, no such person will be liable for any direct, indirect or consequential loss or damage suggested by any person resulting from the use of the information contained herein, or for any opinions expressed by any such person, or any errors, omissions or misstatements made by any of them. The statements contained in this presentation are made as at the date of this presentation, unless another time is specified in relation to them, and delivery of this presentation shall not give rise to any implication that there has been no change in the facts set forth in this document since that date. Save as otherwise expressly agreed, none of the above persons should be treated as being under any obligation to update or correct any inaccuracy contained herein or be otherwise liable to you or any other person in respect of any such information. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its completeness.

Investors and prospective investors in securities of the Company are required to make their own independent investigation and appraisal of the Company. Any decision to purchase securities in the context of the proposed Offering, if any, should be made solely on the basis of information contained in the information memorandum published in relation to such Offering. No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally, or on its completeness, accuracy or fairness. This presentation does not constitute a recommendation regarding securities of the Company.

In particular, this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation, nor does it constitute an offer of securities in, the United States, Canada, Australia, Japan or any other jurisdiction.

In particular, this presentation and the information contained herein do not constitute an offer of securities for sale in the United States, and are only addressed (i) to persons outside the United States and (ii) to persons in the United States that are qualified institutional buyers (“**QIBs**”) as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Any failure to comply with this restriction may constitute a violation of United States securities law. Accordingly, each person viewing this document will be deemed to have represented that it (i) is outside the United States or (ii) is a QIB. The securities proposed to be offered by the Company have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no

public offer of securities in the United States.

In member states of the European Economic Area (the “**EEA**”) and the United Kingdom, respectively, this presentation is directed only at persons who are “**qualified investors**” within the meaning of the Regulation (EU) 2017/1129 (the “**EU Prospectus Regulation**”) or the EU Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. In addition, in the United Kingdom this presentation is only addressed to, made available to and directed at persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order and other persons to whom it may be lawfully communicated falling within article 49(1) of the Order (all such persons together being referred to as “**Relevant Persons**”). This presentation must not be acted on or relied upon in the United Kingdom, by persons who are not Relevant Persons.

Information in this presentation is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer any securities in Russia or to or for the benefit of any Russian person and does not constitute an advertisement or offering of securities in Russia within the meaning of Russian securities laws and must not be passed on to third parties or otherwise be made publicly available in Russia.

Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (“**U.K. MiFIR**”); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook (together, the “**U.K. MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “**manufacturer**” (for the purposes of U.K. MiFIR) may otherwise have with respect thereto, the Ordinary Shares and the GDRs have been subject to a product approval process, which has determined that the Ordinary Shares and the GDRs are: (i) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in U.K. MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by U.K. MiFIR (the “**U.K. Target Market Assessment**”). Notwithstanding the U.K. Target Market Assessment, distributors should note that: the price of the Ordinary Shares and/or GDRs may decline and investors could lose all or part of their investment; the Ordinary Shares and the GDRs offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares and/or the GDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in

conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The U.K. Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the U.K. Target Market Assessment, Renaissance Capital, Sberbank CIB (UK) Limited and VTB Capital will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the U.K. MiFIR Product Governance Rules. For the avoidance of doubt, the U.K. Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the U.K. MiFIR Product Governance Rules; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and/or the GDRs.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or GDRs and determining appropriate distribution channels. Nothing contained in this presentation shall be deemed to be a forecast, projection or estimate of the Company's future financial performance. This presentation may contain statements, statistics and projections that include words such as “**intends**”, “**expects**”, “**anticipates**”, “**estimates**” and words of similar import. All statements included in this presentation other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward looking statements. By their nature, such statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No assurances can be given that such expectations will prove to be correct and actual results may differ materially from those projected because such statements are based on assumptions as to future economic performance and are not statements of fact. The Company expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates to these forecasts, projections or estimates to reflect events or circumstances after the date hereof, nor is there any assurance that the policies, strategies or approaches discussed herein will not change. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

CONTENTS

2

INVESTOR PRESENTATION

1	OVERVIEW	3
2	MARKET TRENDS	6
3	TRANSFORMATION AND RECENT DEVELOPMENTS	9
4	OPERATING RESULTS	16
5	FINANCIAL RESULTS	26
6	PROJECT PORTFOLIO	33
7	STRATEGY TO 2024	36
8	ESG	47
9	SELECTED PROJECTS	52



ETALON GROUP OVERVIEW

3



ETALON GROUP AT A GLANCE

ONE OF THE
LONGEST-ESTABLISHED

›30 years

FOUNDED IN 1987 IN
ST PETERSBURG, WE HAVE
A LONG TRACK RECORD FOR
RELIABILITY AND QUALITY

PROVEN TRACK
RECORD

›7 mln
sqm

COMPLETED IN CORE
REGIONS SINCE
INCEPTION

ONE OF THE MOST
RELIABLE DEVELOPERS

#2

ACCORDING TO THE
FORBES RUSSIA
RANKING IN 2019

HIGHEST QUALITY
SCORE

5 out
of 5

ACCORDING TO RUSSIAN
UNIFIED REGISTER OF
RESIDENTIAL REAL
ESTATE DEVELOPERS (ERZ)

STRONG POSITION
IN ST PETERSBURG
AND MOSCOW

TOP 9

ETALON GROUP IS AMONG
THE TOP 9 DEVELOPERS
BY SALES ON THE PRIMARY
REAL ESTATE MARKETS IN
2020⁽¹⁾

OF THE LARGEST
DEVELOPERS

#6

ETALON GROUP IS THE #6
LARGEST DEVELOPER IN
RUSSIA ACCORDING TO
THE FORBES RUSSIA
RANKING IN 2020

ONE OF THE LARGEST
REGIONAL
SALES NETWORK

59

59 CITIES COVERED BY ETALON
GROUP'S OWN SALES OFFICES
AND PARTNERSHIPS WITH
LOCAL SALES AGENCIES

FULL-CYCLE
VALUE CHAIN

INTEGRATED
BUSINESS MODEL

FROM LAND ACQUISITION
TO DEVELOPMENT AND
PROPERTY MAINTENANCE

OUR CUSTOMER OFFERING TODAY

RESIDENTIAL REAL ESTATE DEVELOPMENT



UPPER-ECONOMY

2 %

- Emerald Hills, the last upper-economy project in the portfolio with NSA of 857 ths sqm, was launched in 2009
- Today, **97% of residential NSA at the project has been sold**



COMFORT

27 %

- Galactica, the largest comfort-class project in St Petersburg with **NSA of 764 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

71 %

- The first business-class project, Silver Fountain, was launched in 2017
- In monetary terms, the share of business-class projects in **NCS increased from 9% in 1Q 2018 to 47% in 1Q 2021**

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

MARKET TRENDS

6

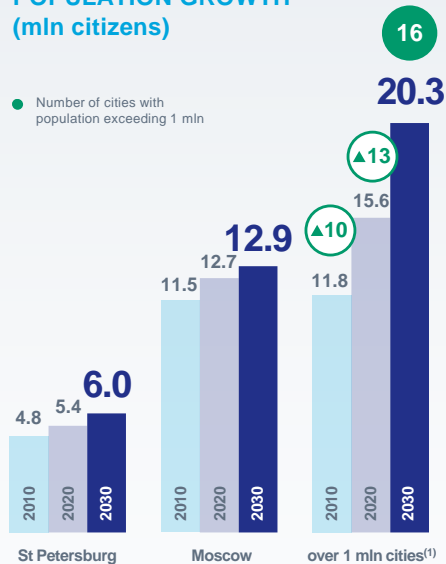


REAL ESTATE DEMAND DRIVEN BY CONSUMERS SEEKING BETTER HOUSING



URBANISATION

POPULATION GROWTH
(mln citizens)

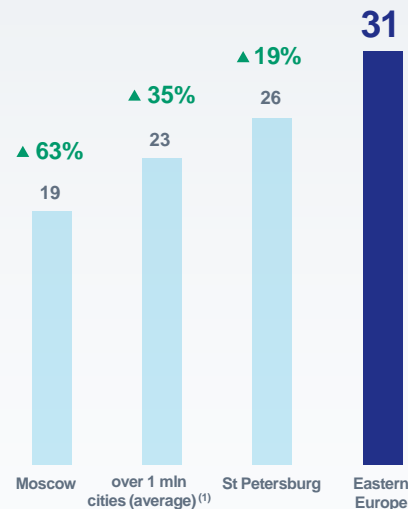


The population of Moscow and St Petersburg, as well as **cities with over 1 million residents will continue to grow in the next decade.**



LIVING CONDITIONS

HOUSING STOCK PER
CAPITA (sqm)

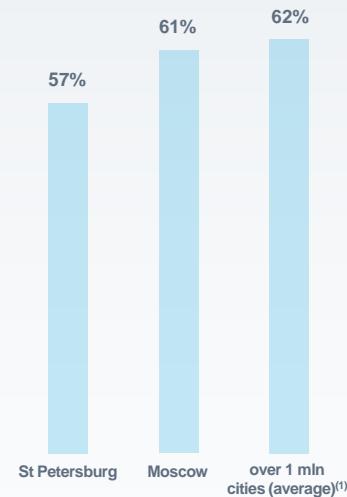


Russia still needs to improve living conditions; average living space per person is 23 sqm in cities with populations over 1 mln.



HOUSING STOCK

OLDER THAN 1990 (%)

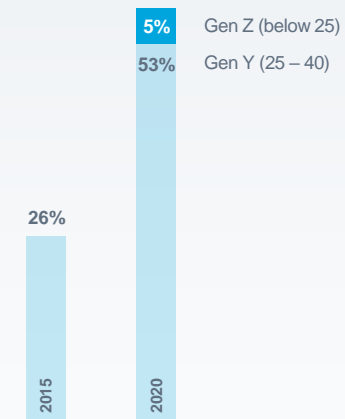


62% of the housing stock in Russia was built before 1990 and does not meet modern standards in terms of comfort, quality of the living environment and infrastructure.



GENERATIONAL CHANGES

SHARE OF GENERATION Y
AND Z (UNDER 40)



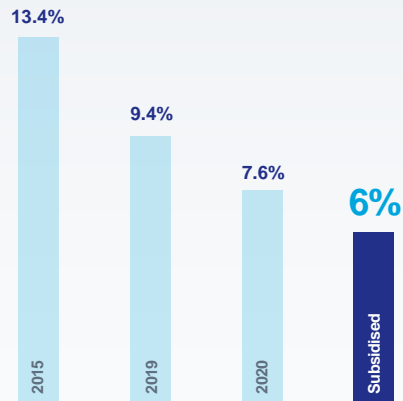
Share of young people without privatised property increased more than two-fold. Millennials are becoming first-time buyers. Even the oldest segment of generation Z has started buying property.

HOUSING AFFORDABILITY IS AT RECORD HIGH LEVEL



RECORD LOW MORTGAGE RATES

NATIONAL AVERAGE (%)

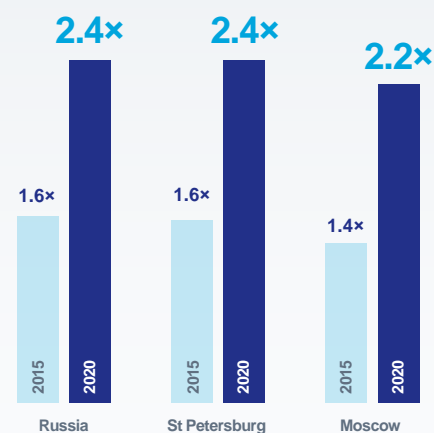


Mortgage rates decreased to a record low on the back of record low Central Bank key rate and subsidised mortgage programme active through July 2021.



IMPROVED AFFORDABILITY

WAGE TO ANNUITY PMT⁽¹⁾

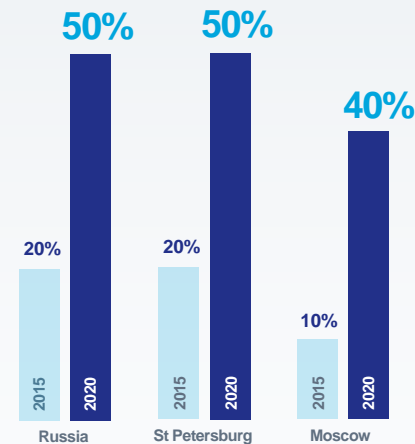


Record high affordability even without the subsidised rate: in St Petersburg and Moscow it reached 2.3x and 2.1x, respectively.



AFFORDABILITY LEVEL

SHARE OF HOUSEHOLDS THAT CAN AFFORD TO PURCHASE REAL ESTATE



Number of people who can afford a purchase increased almost two-fold: more than 50% of the residents of St Petersburg and Moscow and more than 40% of people in cities with a population over 1 mln can afford it.



WIDE PROGRAMME OF STATE SUPPORT

State support for families with children: from RUB 470 ths to RUB 1 mln



Tax subsidies for mortgage interest payment: up to RUB 390 ths

Tax subsidies for property purchase: up to RUB 520 ths

In support for families from regions outside Moscow and St Petersburg: up to RUB 436 ths

⁽¹⁾ Ratio of average salary to average annuity payment under mortgage loans, including with a subsidised rate of 6.5% for 2020. Source: Rosstat, Bank of Russia

TRANSFORMATION AND RECENT DEVELOPMENTS

9



NEW LAUNCHES IN 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
April 2021

NSA to launch in 2021

109 ths sqm

Expected 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

Expected income from sales

RUB 73 bln

Based on the principle of integrated development, the project includes residential space, office centres, as well as social, medical, sports and commercial infrastructure.

PROJECT ON LETNIKOVSKAYA STREET



Location
MOSCOW

Launch of the 1st phase
3Q 2021

NSA to launch in 2021

53 ths sqm

Expected 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.

soon

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

NEW ACQUISITIONS PROGRAMME

ACQUIRED

3 NEW
PROJECTS

WITH A PLANNED NSA OF

239 ths
sqm

AND PLANNED LAUNCHES IN

2022 and
2023

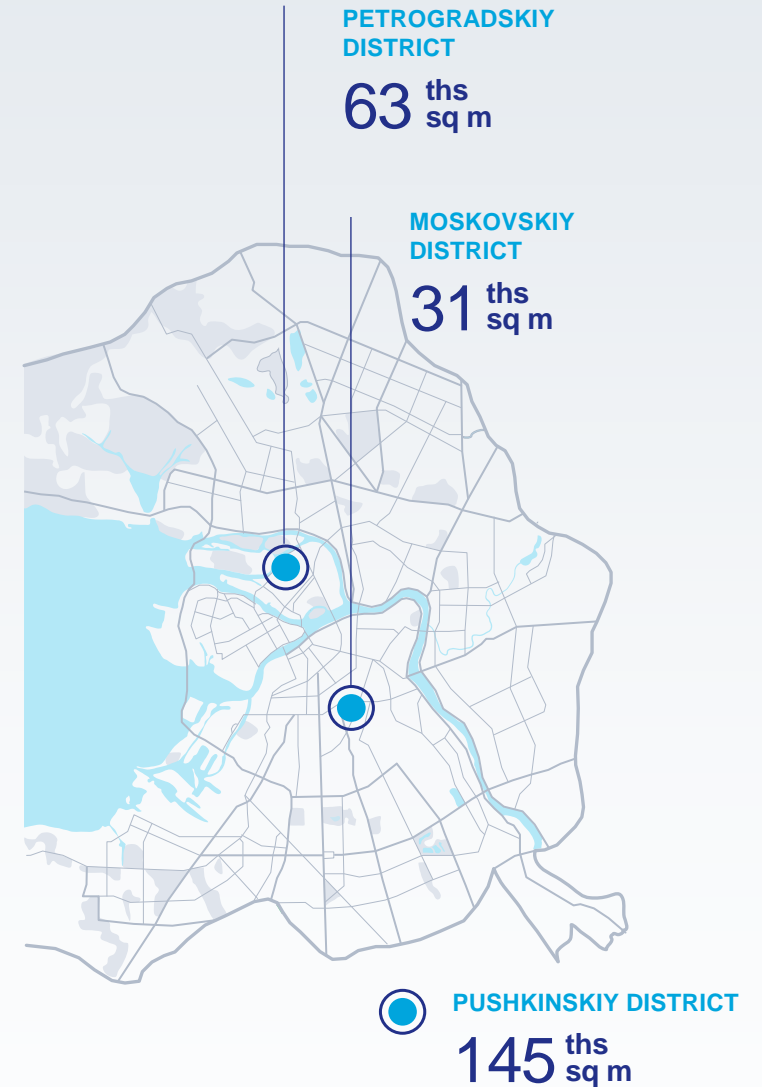
ACQUISITION TARGETS
AND RESULTS YTD

ACQUISITION TARGET FOR 2021

1 mln
sqm

ESTIMATED INVESTMENTS

up to **30** bln
RUB



ACQUISITION OF STAKE IN QB TECHNOLOGY

ETALON.
PARTNERSHIP

QB.technology

DEAL OVERVIEW

Modular construction of multi-storey buildings with finished and ready-to-assemble modules prepared at the factory.

EXPECTED IMPACT

40%

SHORTER
CONSTRUCTION
CYCLE

>20%

LOWER
CONSTRUCTION
COSTS

LIMITED
CAPEX

FULLY
FIT-OUT

BETTER
QUALITY

ZERO
WASTE

PARTNERSHIP HIGHLIGHTS

- Etalon Group acquired a 35% stake in QB Technology with an option to further increase its ownership share
- Technology used by the company enables the construction of buildings of various formats and functional purposes, including housing projects, build-to-rent housing, hotels and student

FOCUS AREA

Short-term

- Apartments (as developer)
- Hotels (as general contractor)

Mid-term

- Etalon.Start and Etalon.Comfort residential buildings for mass- and mid-market segment



MODULAR CONSTRUCTION PRODUCTION

ETALON.
PARTNERSHIP

QB.technology



**METAL FRAME
PRODUCTION**

2 WEEKS



**FINISHED MODULE
PRODUCTION**

3 WEEKS



**FIT-OUT
WORK**

1 WEEK

MODULAR CONSTRUCTION ON SITE

ETALON.
PARTNERSHIP

QB.technology



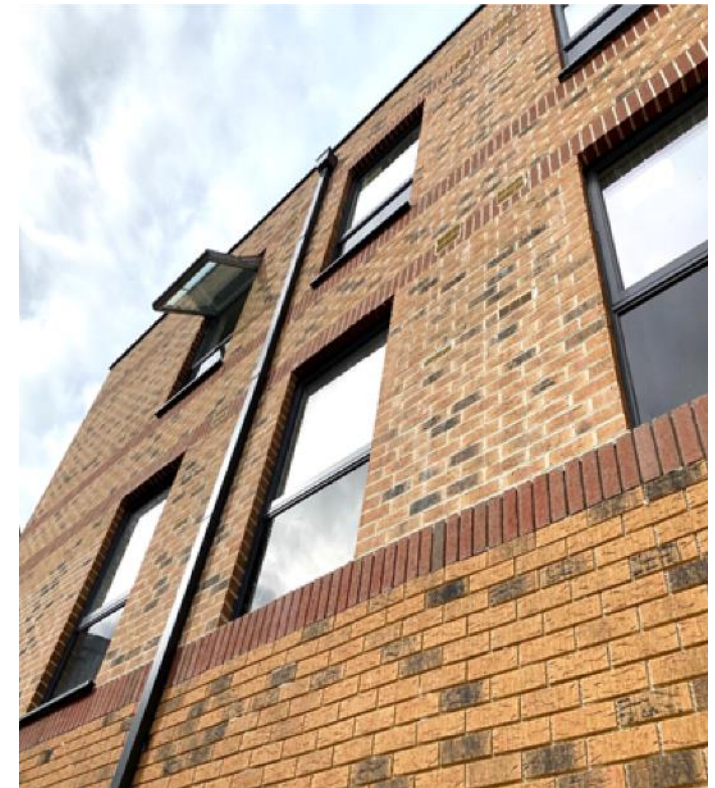
**CAST-IN-PLACE
CORE**

6 TO 20 WEEKS



**FINISHED MODULE
INSTALLATION**

6 TO 18 WEEKS



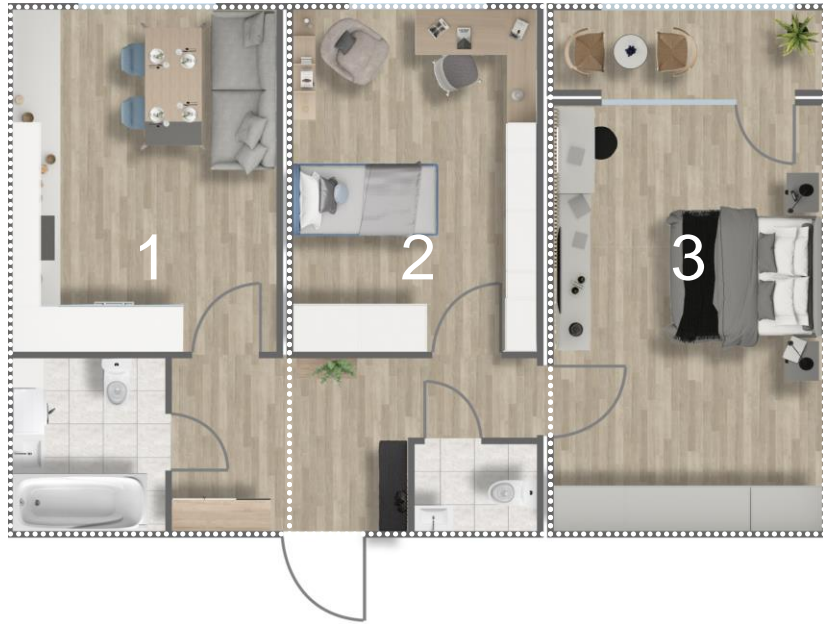
**FACADE
WORKS**

4 WEEKS

MODULAR BUILDINGS LAYOUTS

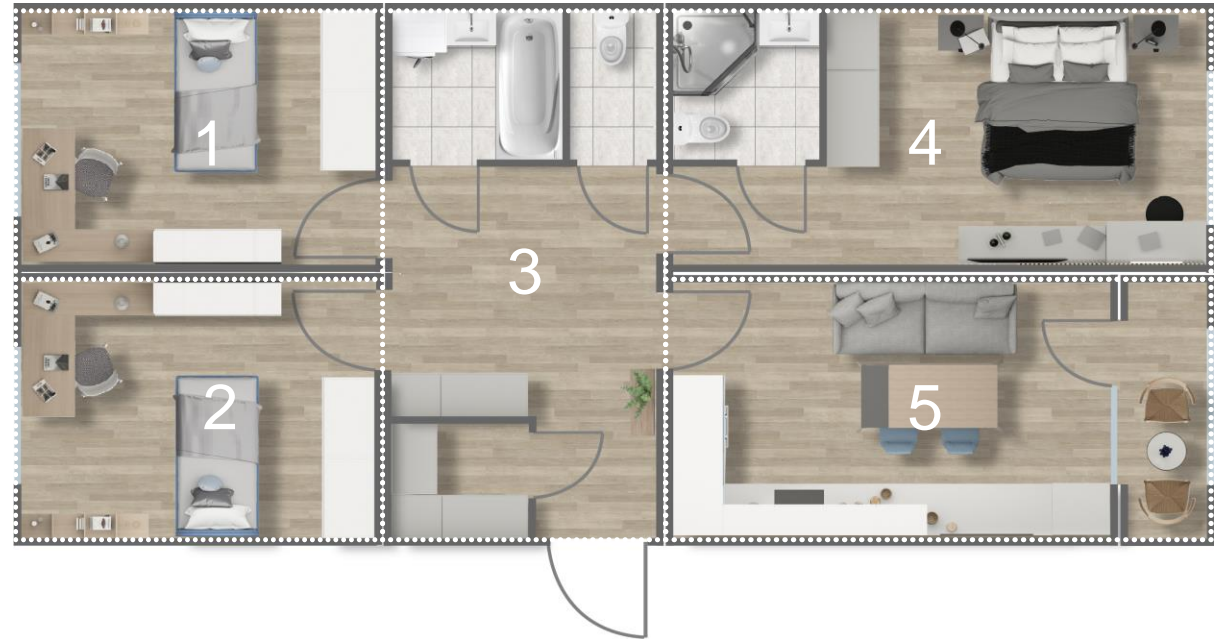
ETALON.
PARTNERSHIP

QB.technology



2-BEDROOM
LAYOUT

54 sq m



3-BEDROOM
LAYOUT

78 sq m

OPERATING RESULTS

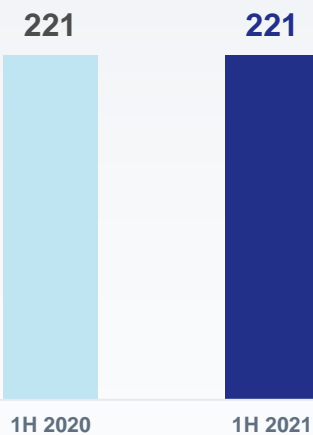
16



1H 2021

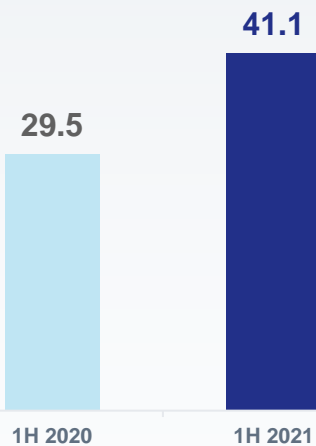
OPERATING RESULTS

NEW CONTRACT SALES
ths sqm



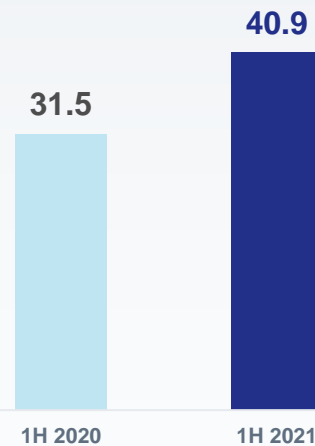
NEW CONTRACT SALES
RUB bln

⬆️ +39%



TOTAL CASH COLLECTIONS
RUB bln

⬆️ +30%



- The number of new contracts amounted **to 4,286** in 1H 2021, **up by 10% y-o-y**
- Cash collections in escrow accounts **amounted to RUB 14.3 bln** in 1H 2021, up by 76% 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 1H 2021 amounted to **3 ths sqm**

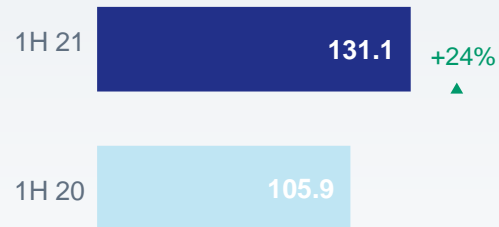
1H 2021 OPERATING RESULTS: BREAKDOWN BY REGION

18

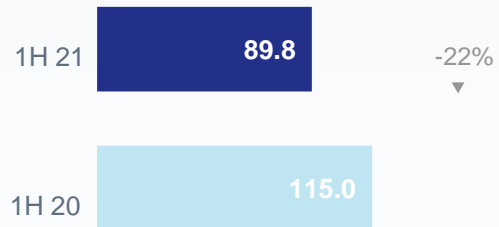
INVESTOR PRESENTATION

NEW CONTRACT SALES ths sqm

MOSCOW



ST PETERSBURG

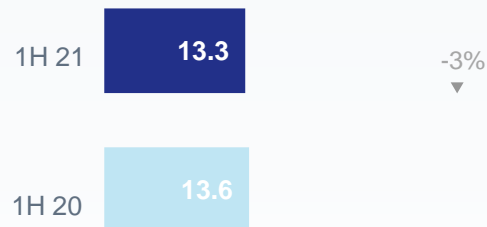


NEW CONTRACT SALES RUB bln

MOSCOW

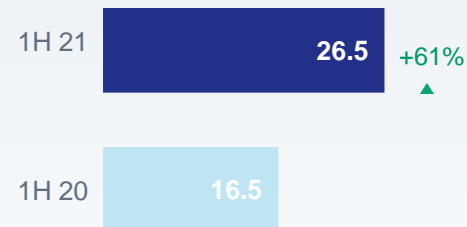


ST PETERSBURG

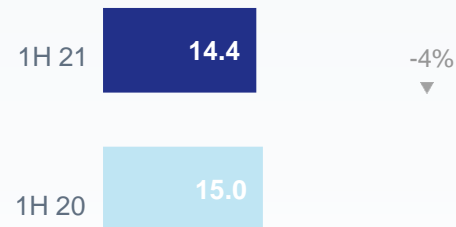


TOTAL CASH COLLECTIONS RUB bln

MOSCOW



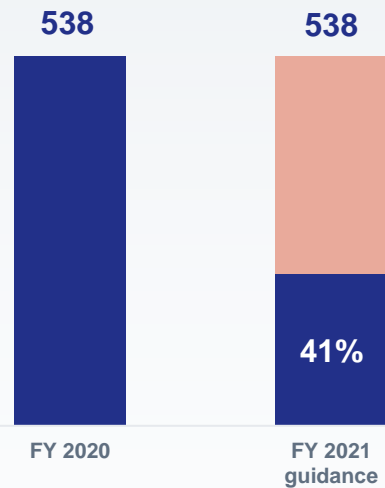
ST PETERSBURG



- In Moscow new contract sales in monetary terms **grew by 76%**, while total cash collections **increased by 61% y-o-y**, supported by new launches
- New contract sales in monetary terms decreased by 3% in St Petersburg. Lower sales were **the results a limited offering in the region**

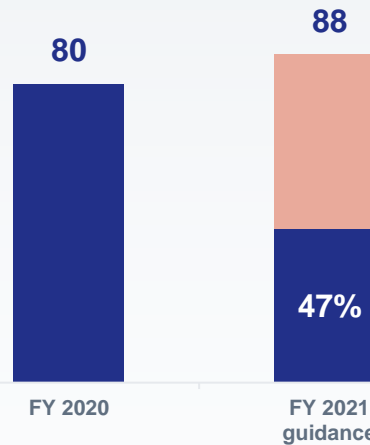
1H 2021 PERFORMANCE AGAINST FY 2021 GUIDANCE

NEW CONTRACT SALES
ths sqm



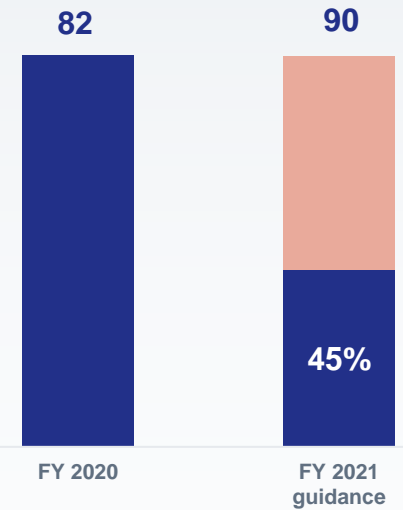
NEW CONTRACT SALES
RUB bln

▲ +10%



TOTAL CASH COLLECTIONS
RUB bln

▲ +10%



● Actual performance
● Forecast performance

● Actual performance
● Forecast performance

● Actual performance
● Forecast performance

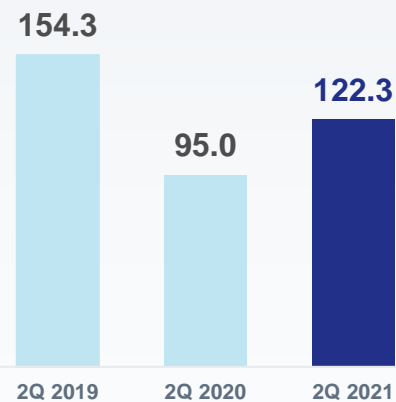
2Q 2021

OPERATING RESULTS

NEW CONTRACT SALES
ths sqm

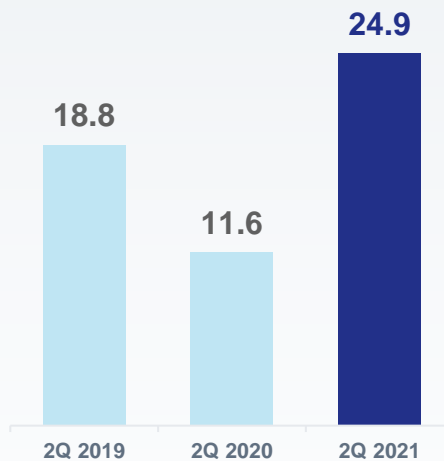
⬆️ +29%

20



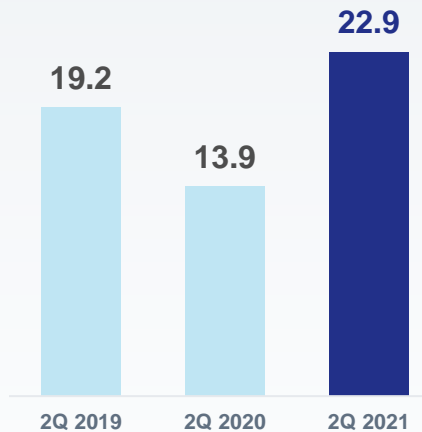
NEW CONTRACT SALES
RUB bln

⬆️ +115%



TOTAL CASH COLLECTIONS
RUB bln

⬆️ +64%

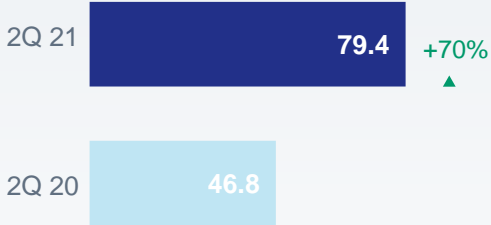


- The number of new contracts **increased by 47% y-o-y to 2,297** in 2Q 2021
- New contract sales **doubled** from RUB 11.6 bln in 2Q 2020 to **almost RUB 25 bln** in 2Q 2021
- Cash collections in escrow accounts **amounted to RUB 9.4 bln** in 2Q 2021, up by 128% year-on-year

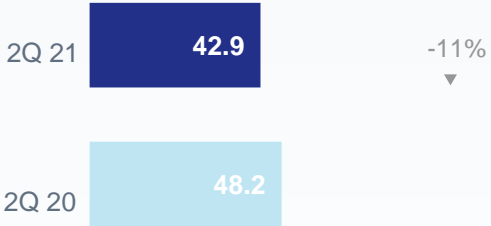
2Q 2021 OPERATING RESULTS: BREAKDOWN BY REGION

NEW CONTRACT SALES ths sqm

MOSCOW

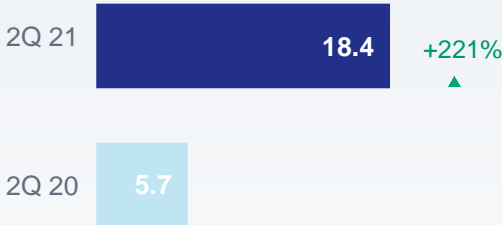


ST PETERSBURG

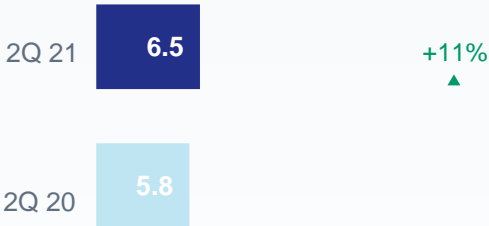


NEW CONTRACT SALES RUB bln

MOSCOW



ST PETERSBURG

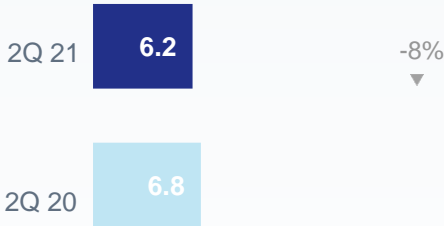


TOTAL CASH COLLECTIONS RUB bln

MOSCOW



ST PETERSBURG



- New sales and cash collections in Moscow reached RUB 18.4 and 16.6 bln, **up by an impressive 221% and 132% y-o-y**, respectively.
- Launch of **ZIL-Yug** and a new **stage of Nagatino i-Land** in Moscow gave a new impetus to sales
- Sales growth in St Petersburg is constrained by limited product offer, while an increase in sales price supported new sales growth of 11% y-o-y in monetary terms

Source: Company data; change was calculated without rounding

AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE

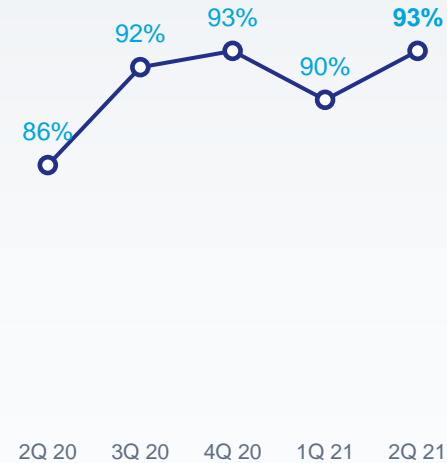
AVERAGE PRICE
RUB ths/sqm



AVERAGE APARTMENT PRICE
RUB ths/sqm



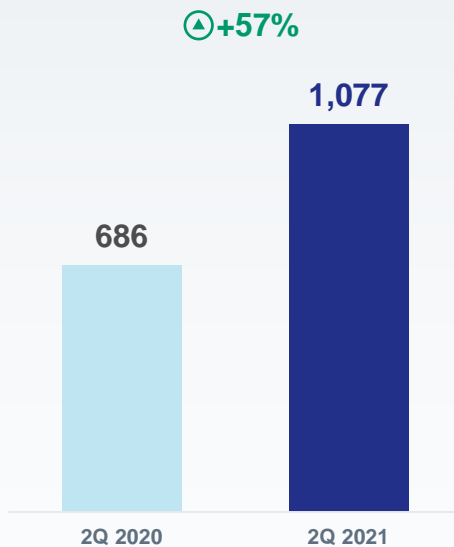
AVERAGE DOWN PAYMENT
%



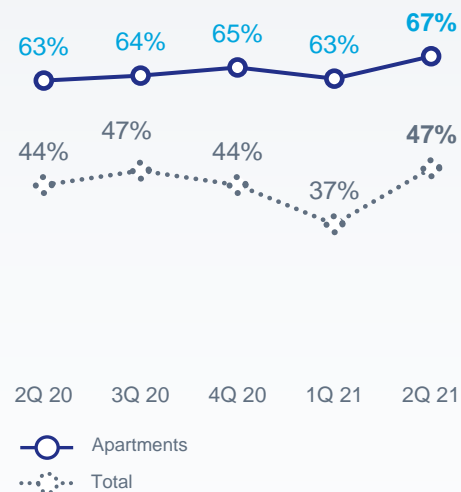
- Average price for apartments **increased by 49% y-o-y to a record high RUB 236.3 ths/sqm**
- Average price in St Petersburg remained almost unchanged in 1Q and 2Q 2021 due to unchanged product mix.
- **The launches of ZIL-Yug and Nagatino i-Land** pushed up the average price in Moscow.
- Average down payment remains at a high level of 93%, helped by **mortgages, investment demand** and a significant share of business class properties in the sales mix

MORTGAGE SALES

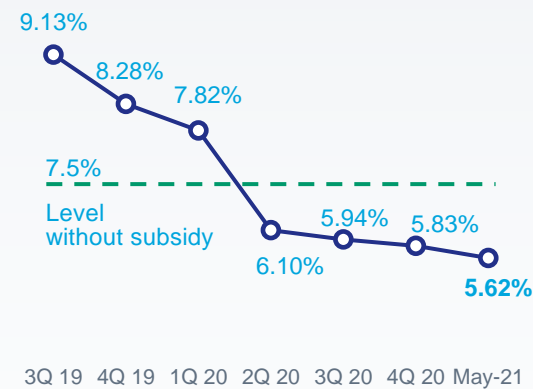
NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



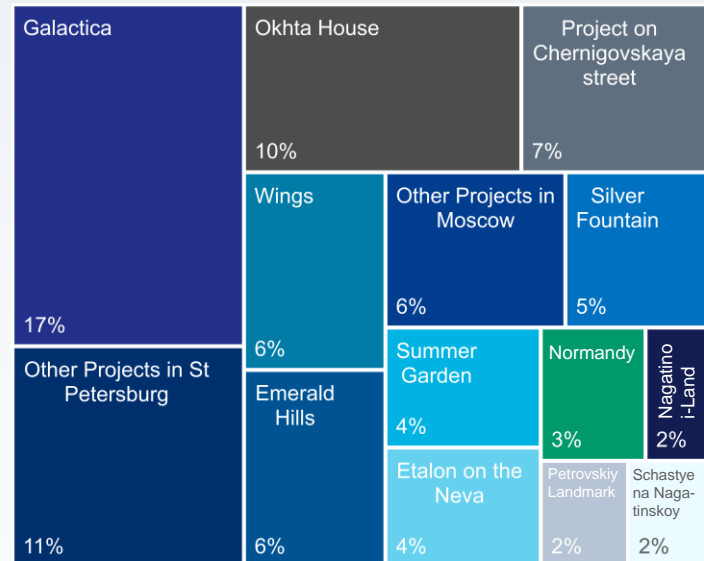
AVERAGE MORTGAGE RATE IN RUSSIA⁽¹⁾



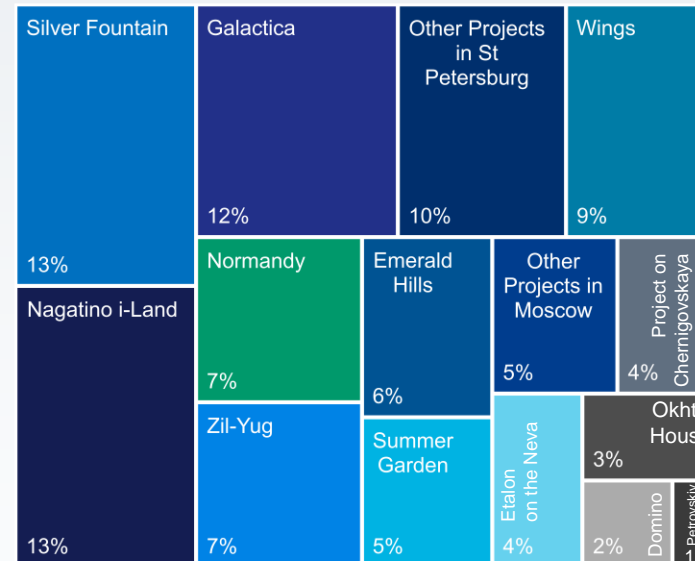
- Mortgage rates in Russia are still at **record lows**, driven by the **State support programme** and a key rate of 5.5%
- Mortgage contracts as a share of **apartment sales are at 67%** amid low mortgage rates

SALES PORTFOLIO

2Q 2020 NEW CONTRACT SALES BY PROJECT
sqm⁽¹⁾



2Q 2021 NEW CONTRACT SALES BY PROJECT
sqm

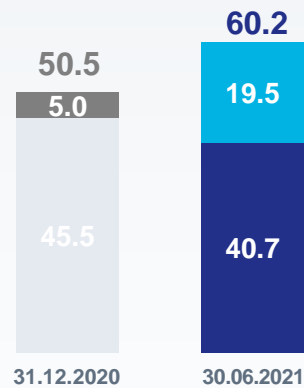


- Nagatino-i-Land, Wings and ZIL-Yug reached a 29% share of sales volume
- Launched in April, the **ZIL-Yug** project accounted for **7% of sales** in sqm terms and **11% of sales** in RUB terms.
- The share of business class projects reached **67% and 77%** in sqm and monetary terms, respectively
- New contract sales in St Petersburg and Moscow respectively amounted to 35% and 65% in sqm terms, and 26% and 74% in monetary terms

ROBUST FINANCIAL POSITION AFTER 1H 2021

TOTAL DEBT
RUB bln

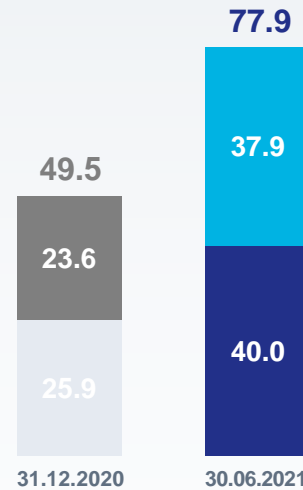
▲+19%



● Project debt
● Corporate debt

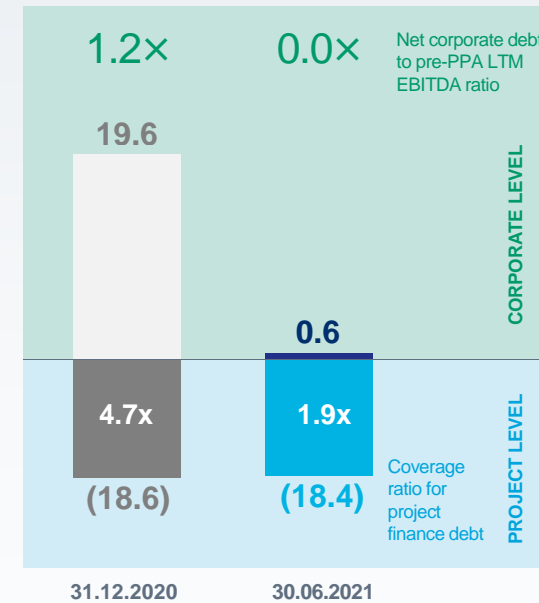
CASH AND CASH EQUIVALENTS
RUB bln

▲+57%



● 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⁽³⁾

- Net corporate debt to FY 2020 pre-PPA EBITDA decreased from 1.2x to 0.04x as of 30.06.2021
- 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 6.7% at 30.06.2021

Source: IFRS Financial statements for FY20, Company data; y-o-y change and net debt level were 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

⁽³⁾ Projects debt used in calculation of coverage ratio includes escrow adjustments

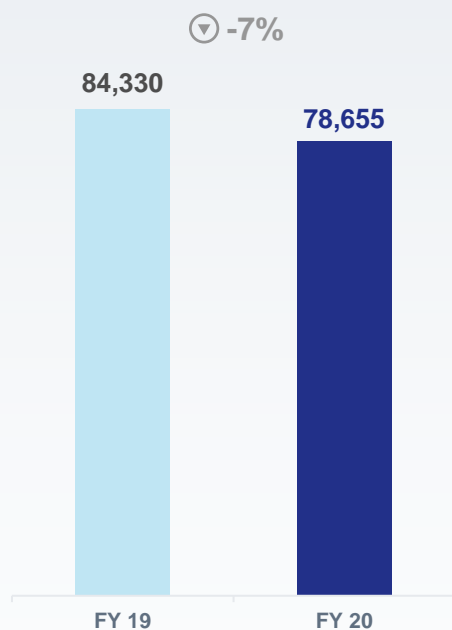
FINANCIAL RESULTS

26

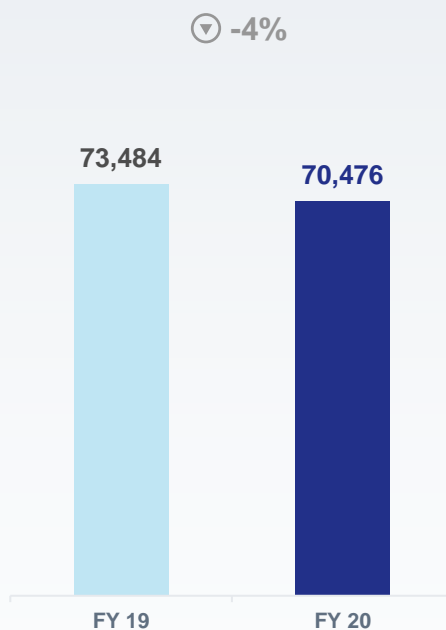


REVENUE ANALYSIS

CONSOLIDATED REVENUE RUB mln

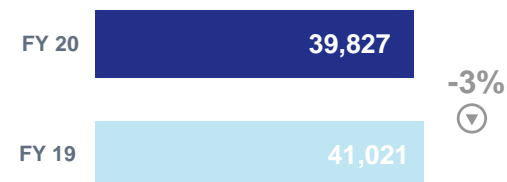


RESIDENTIAL DEVELOPMENT REVENUE RUB mln

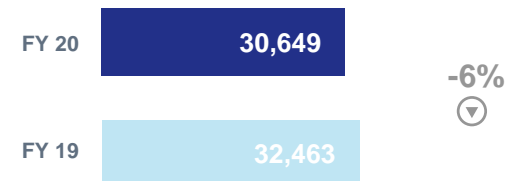


RESIDENTIAL DEVELOPMENT REVENUE BY REGION RUB mln

MOSCOW



ST PETERSBURG



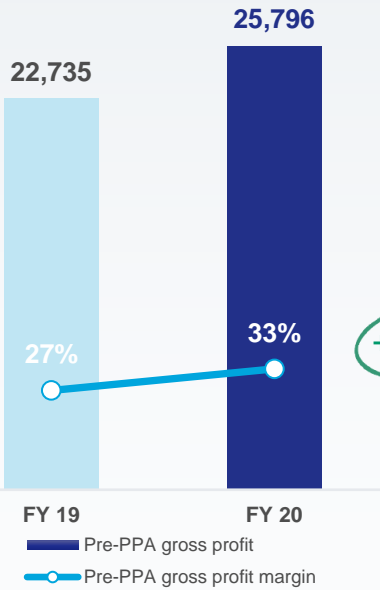
- Revenue was impacted by lower recognition in 1H 2020 due to a decline in the signing of construction completion certificates **caused by COVID-19 restrictions**
- Record sales** in 4Q and 12M 2020 helped the Company **offset** construction stoppages, with FY revenue amounting to RUB 78.7 bln

ADJUSTED GROSS PROFIT

HEALTHY GROWTH, STRONG MARGINS

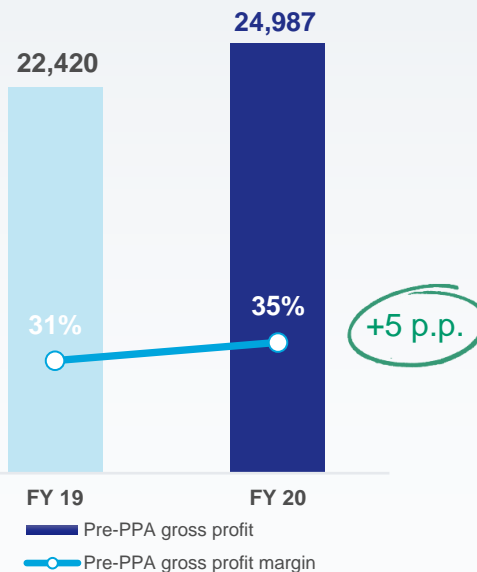
ADJUSTED⁽¹⁾ CONSOLIDATED
GROSS PROFIT
RUB mln

⬆ +13%



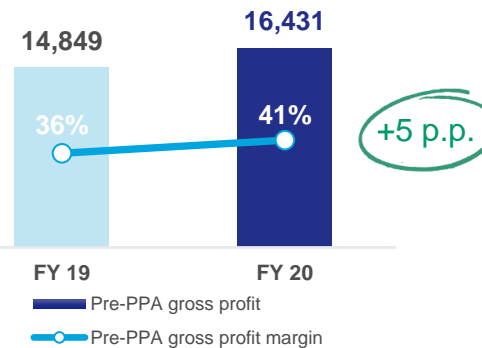
ADJUSTED⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT
RUB mln

⬆ +11%



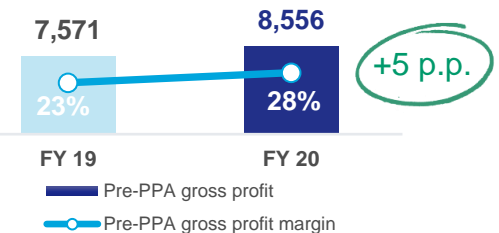
ADJUSTED⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT,
MOSCOW
RUB mln

⬆ +11%



ADJUSTED⁽¹⁾ RESIDENTIAL
DEVELOPMENT GROSS PROFIT,
ST PETERSBURG
RUB mln

⬆ +13%

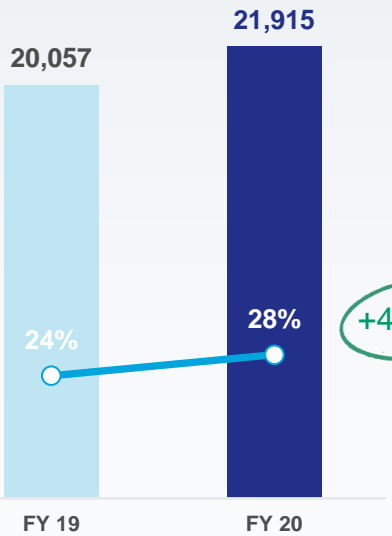


Source: IFRS Financial statements, y-o-y change was calculated without rounding
⁽¹⁾ Adjusted for purchase price allocation from acquisition of Leader-Invest

GROSS PROFIT REACHES A RECORD LEVEL

CONSOLIDATED GROSS
PROFIT
RUB mln

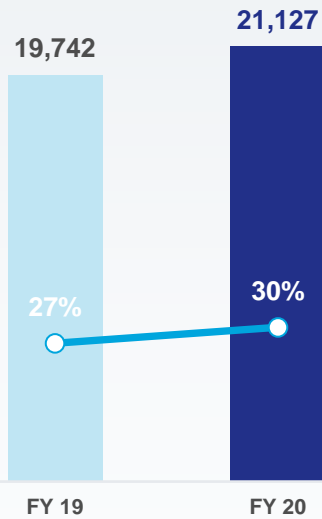
⬆️ +9%



+4 p.p.

RESIDENTIAL DEVELOPMENT
GROSS PROFIT
RUB mln

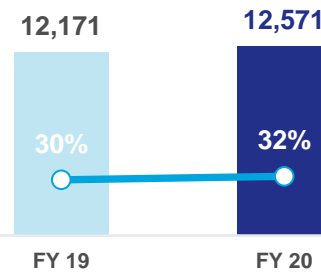
⬆️ +7%



+3 p.p.

RESIDENTIAL DEVELOPMENT
GROSS PROFIT, MOSCOW
RUB mln

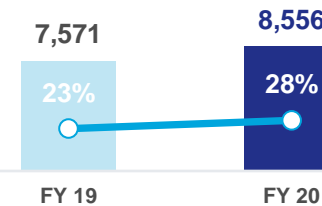
⬆️ +3%



+2 p.p.

RESIDENTIAL DEVELOPMENT
GROSS PROFIT, ST PETERSBURG
RUB mln

⬆️ +13%

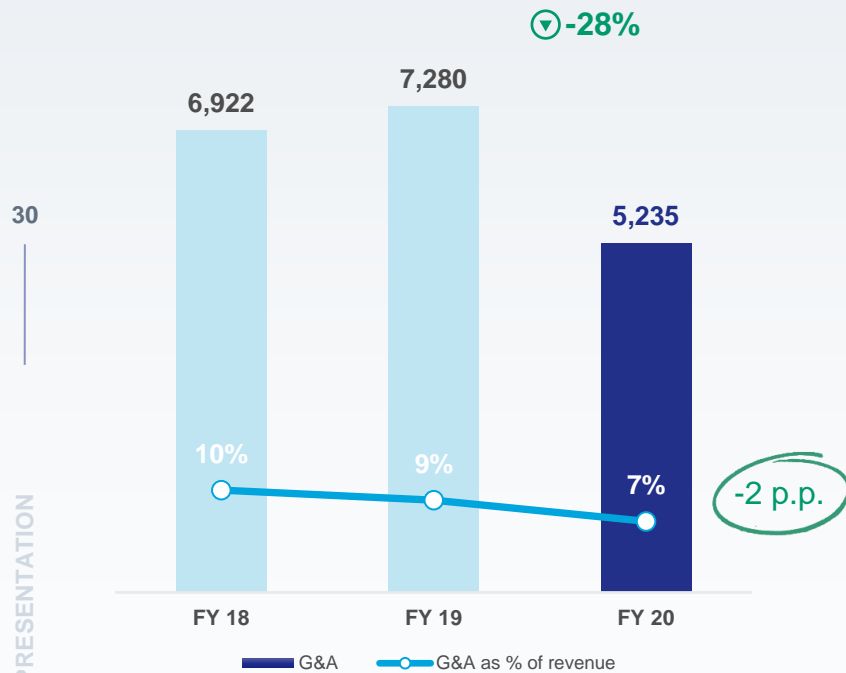


+5 p.p.

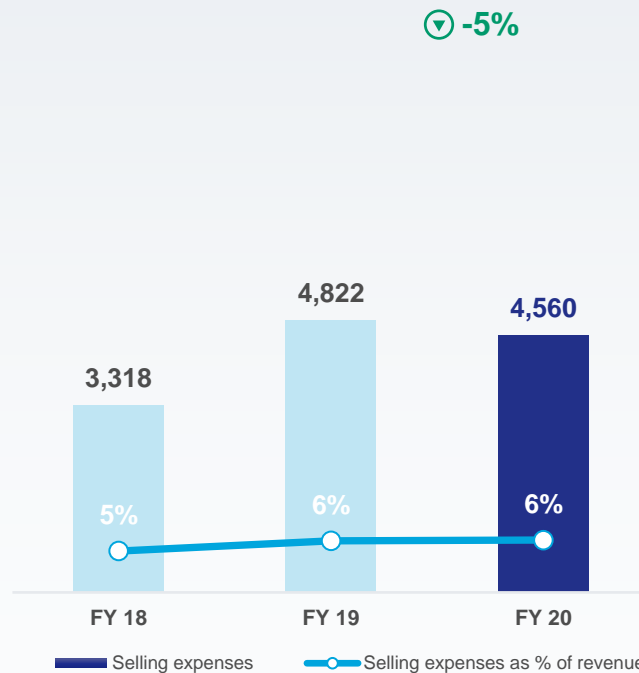
Source: IFRS Financial statements, y-o-y change was calculated without rounding

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES
RUB mln



SELLING EXPENSES
RUB mln



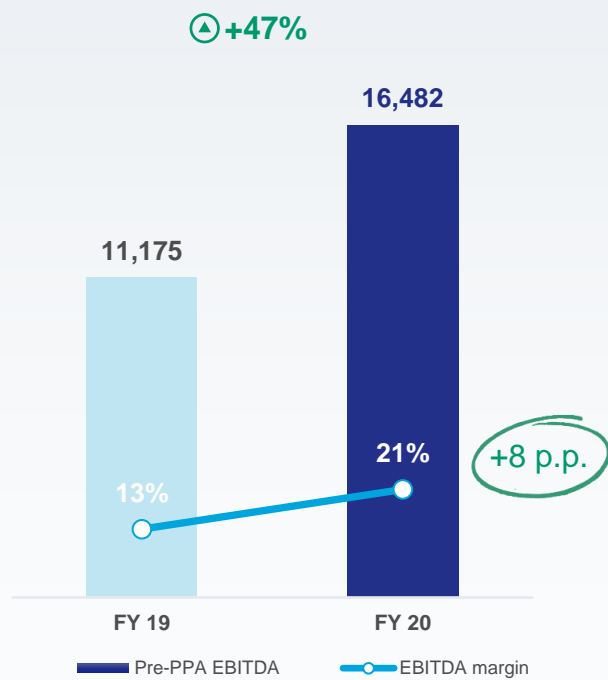
- Selling, general and administrative expenses **continue to decline in RUB terms**
- Current efforts aimed at streamlining business processes and Company structure lead to a **28% drop in G&A expenses**
- **Selling expenses** in RUB terms were **down by 5%**, even after new contract sales in monetary terms grew by 3% y-o-y

Source: IFRS Financial statements, y-o-y change was calculated without rounding

EBITDA ANALYSIS

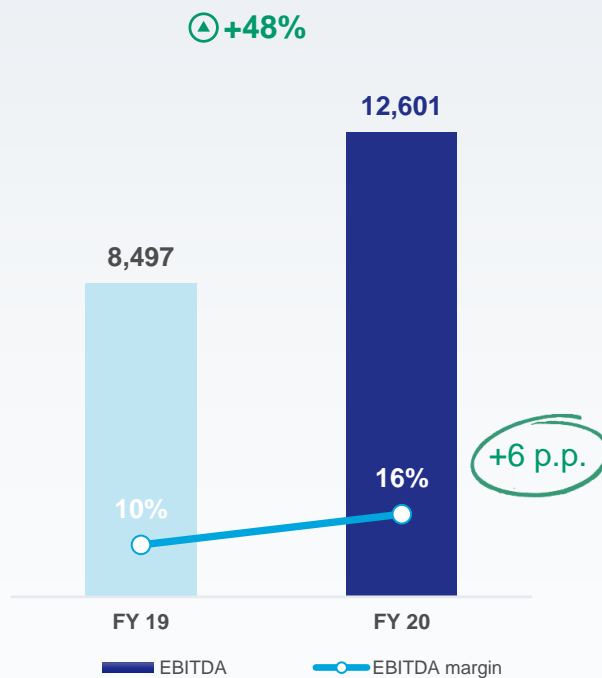
ADJUSTED EBITDA⁽¹⁾

RUB mln



EBITDA

RUB mln



- Recovery in profitability and optimisation of selling, general and administrative expenses supported a **47% increase in ADJUSTED EBITDA**, which reached RUB 16.5 bln
- Adjusted EBITDA margin also **increased significantly by 8 p.p.** and amounted to 21%
- Even adjusted for PPA, **EBITDA increased by 48%** to RUB 12.6 bln

Source: IFRS Financial statements, y-o-y change was calculated without rounding
⁽¹⁾ Adjusted for purchase price allocation from acquisition of Leader-Invest

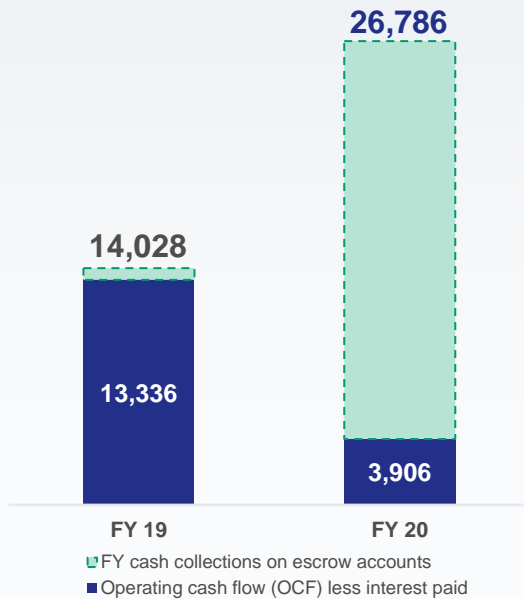
Source: IFRS Financial statements, y-o-y change was calculated without rounding

CASH FLOW ANALYSIS

OPERATING CASH FLOW⁽¹⁾

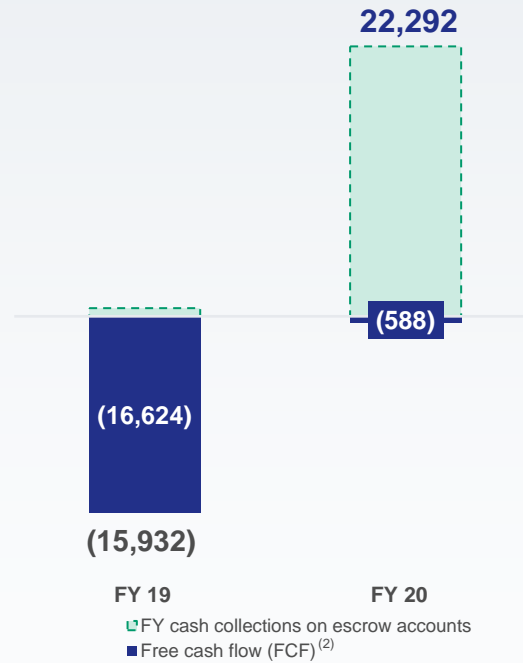
RUB mln

⬆️ +91%



FREE CASH FLOW⁽¹⁾

RUB mln



- Operating cash flow adjusted for cash collections on escrow **increased twofold to RUB 26.8 bln**
- Free cash flow adjusted for cash collections on escrow **returned to positive zone** and reached RUB 22.3 bln in 2020
- In 2020, **cash collections on escrow accounts** amounted to **RUB 22.9 bln**, with a cumulative balance of RUB 23.6 bln at 31 December 2020

Source: IFRS Financial statements, y-o-y change was calculated without rounding

⁽¹⁾ Incl. FY cash collections in escrow accounts

⁽²⁾ Free cash flow is calculated as profit for the year adjusted for depreciation, share-based payments, impairments, interest, taxation, change in working capital, and change in invested capital

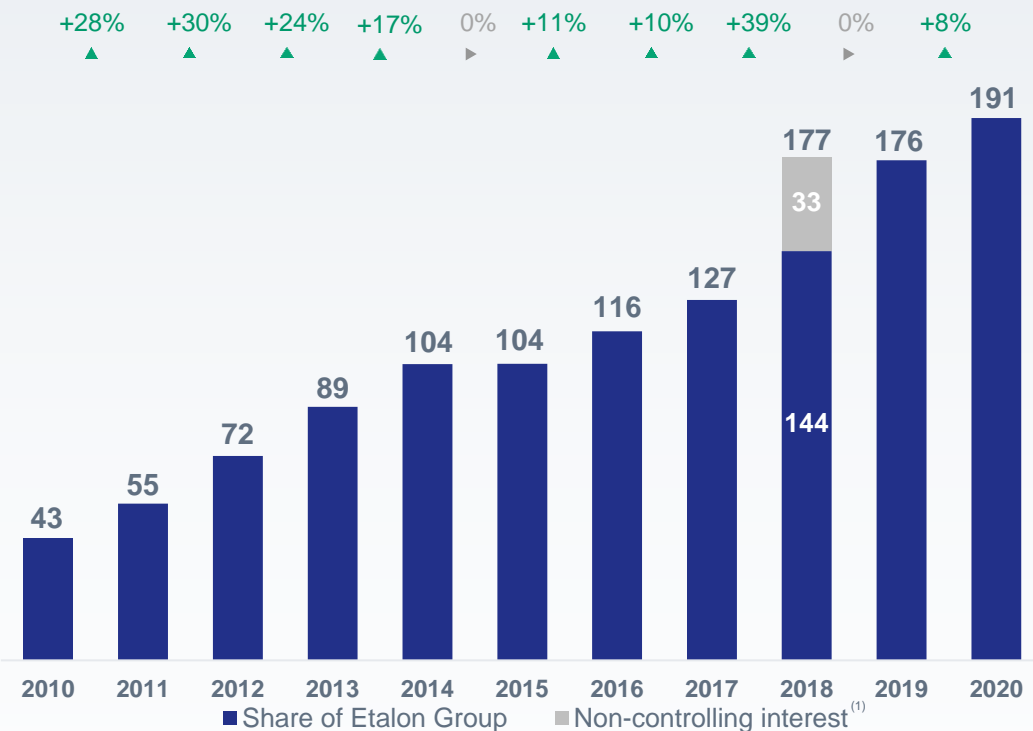
PROJECT PORTFOLIO

33

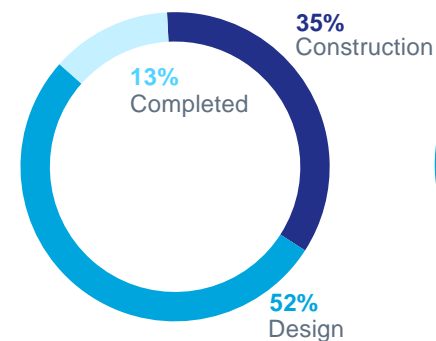


ETALON GROUP PORTFOLIO OVERVIEW

MARKET VALUE OF PROJECTS PORTFOLIO bln RUB



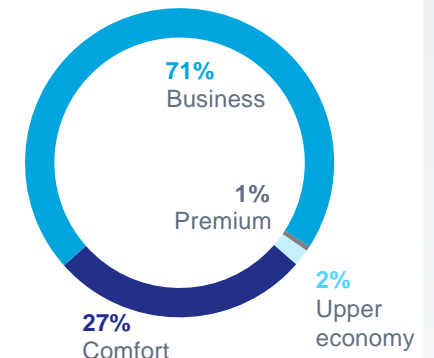
LANDBANK BY STAGE⁽²⁾



REGIONAL BREAKDOWN⁽²⁾



LANDBANK BY SEGMENT⁽²⁾



COMPLETED AND AVAILABLE FOR SALE PROPERTY

- The current portfolio includes **411 thousand sqm** of completed and available for sale property at projects that are completed or still under construction. Completed and available for sale apartments at projects currently under construction amounted to **130 thousand sqm**.
- Colliers International estimates potential income from the sale of all completed and available for sale property at **RUB 35.6 billion**, including **RUB 21.4 billion** from the sale of completed and available for sale apartments

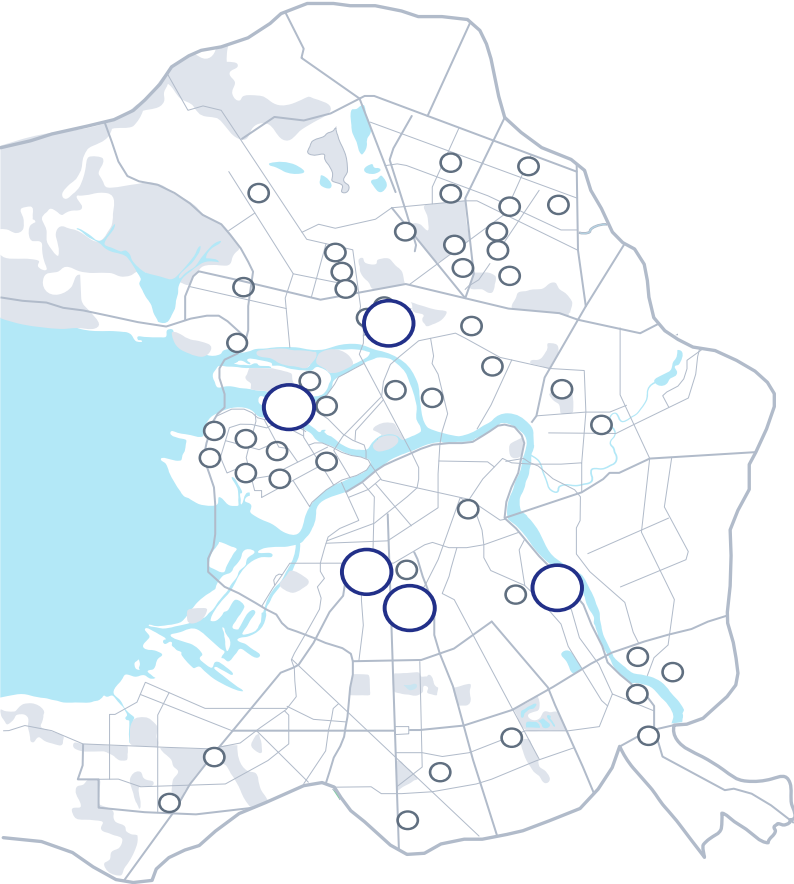
Source: Colliers International estimate as of 31.12.2020

⁽¹⁾ Sistema's 49% stake in Leader-Invest as of 2018 valuation publication date. Later in August 2019 Etalon Group consolidated 100% of Leader-Invest.

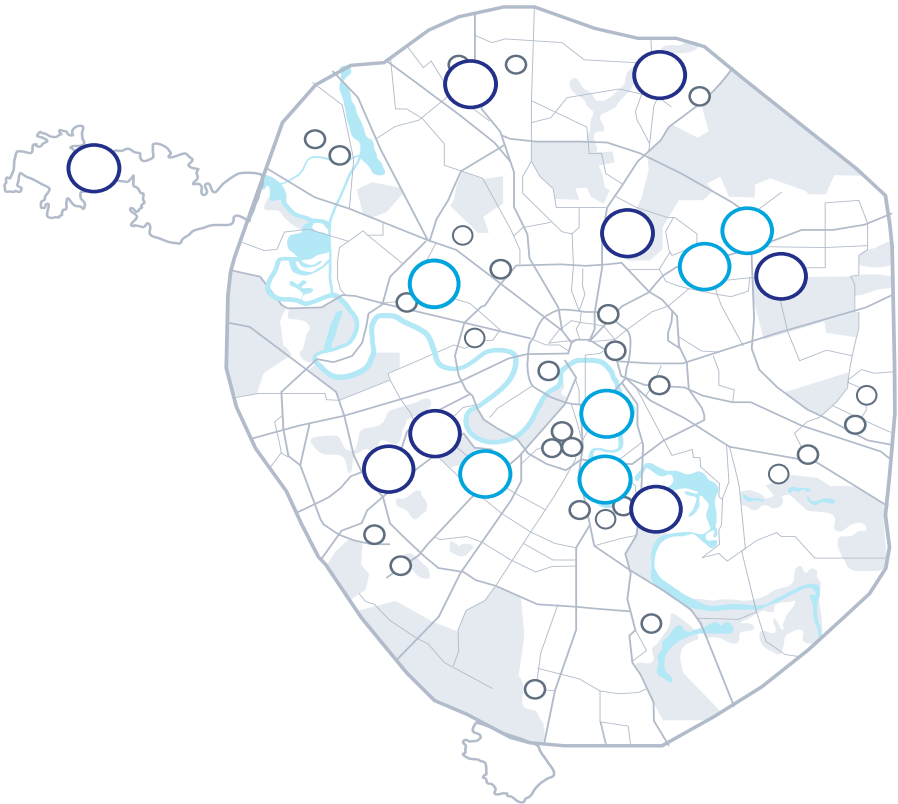
⁽²⁾ As % of Unsold NSA, in sqm terms. Percentages may not add up to exactly 100 due to rounding.

OPERATIONS IN ST PETERSBURG AND MOSCOW

ST PETERSBURG



MOSCOW



-  Under construction
-  Design stage
-  Completed

STRATEGY TO 2024



CHANGING BUSINESS LANDSCAPE

REQUIRES RETHINKING THE
DEVELOPMENT STRATEGY

1

EXPENSIVE LAND IS THE
NEW NORMAL, WITH A
LIMITED PIPELINE OF
GOOD QUALITY
PROJECTS

2

GROWING SOCIAL
OBLIGATIONS ARE
THE NEW NORMAL

3

REDUCTION IN THE NUMBER OF
SMALL PLAYERS, BUT GREATER
COMPETITION AMONG THE
TOP 20 IN MOSCOW AND
ST PETERSBURG

4

RENOVATION PROGRAMME
IN MOSCOW MAKES THE
MASS MARKET SEGMENT
THERE LESS ATTRACTIVE

5

LIMITED UPSIDE POTENTIAL
FOR HOUSEHOLD INCOME
IN THE MEDIUM TERM,
ALTHOUGH AFFORDABILITY
IS AT RECORD HIGH

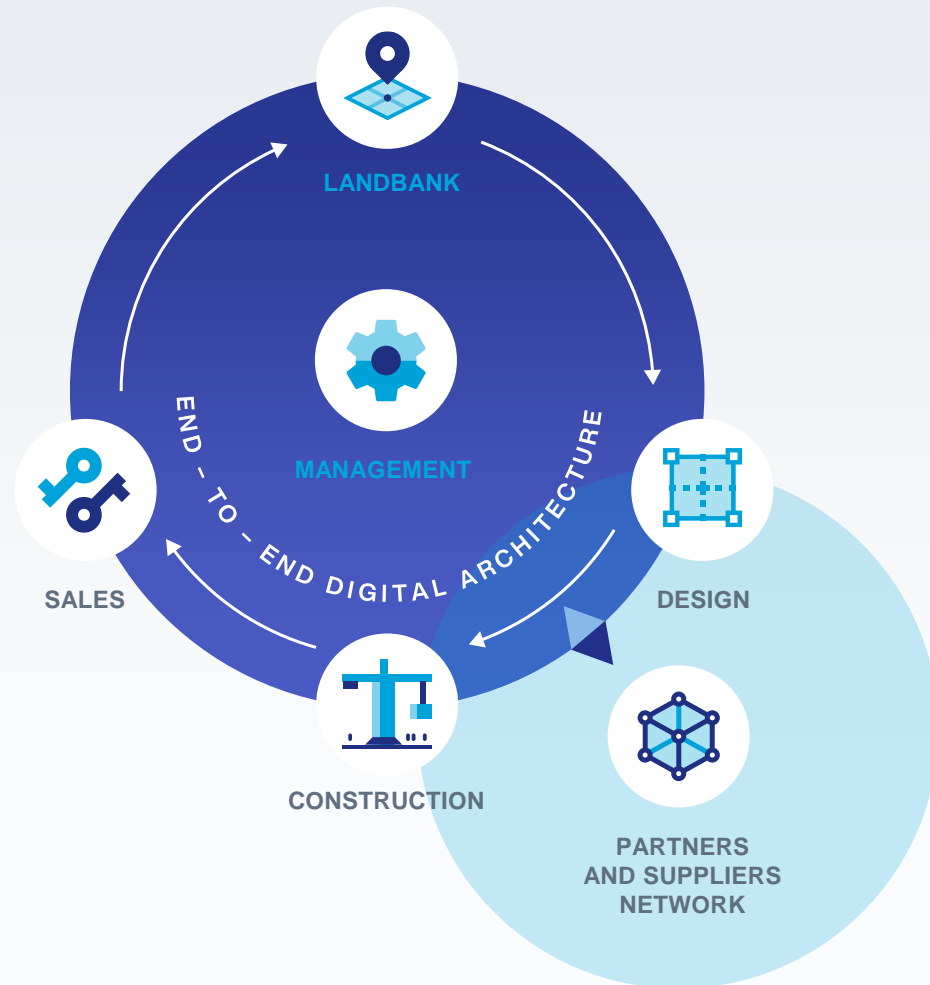
6

GROWING CUSTOMER
EXPECTATIONS

7

GROWING INDUSTRY
DIGITALISATION

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



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

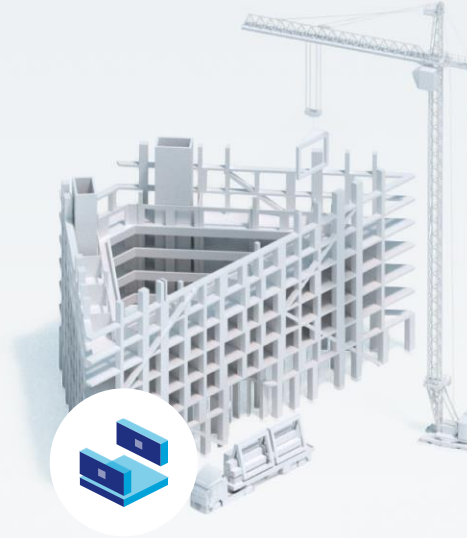
TRADITIONAL ON-SITE



MODULAR

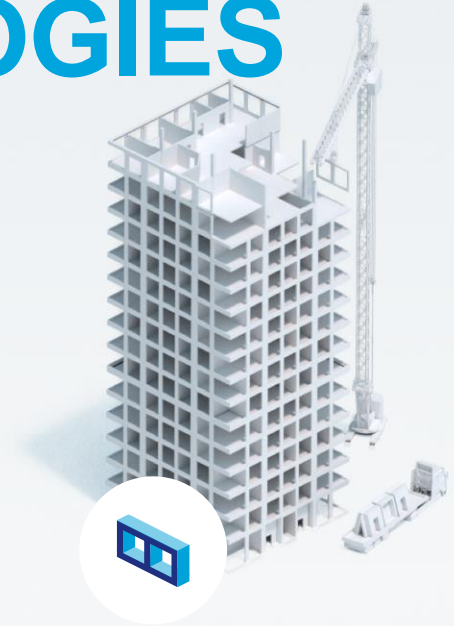
- Fully-finished prefabricated modules in new Etalon Group product offering
- In cooperation with UK-based Q. B. Technology
- First QBT building already completed / first Etalon Group planned launched in 2022

PLUS NEW INDUSTRIAL



CLT

- Hybrid and fully cross-laminated timber (CLT) buildings
- In cooperation with Segezha Group




MODERN PREFABRICATION

- Modern prefabrication technology
- Etalon is considering different partnership options to implement this technique

REINVENTED RESIDENTIAL DEVELOPMENT PROJECT LIFECYCLE

TECHNOLOGY

PROJECT IMPLEMENTATION

CAST-ON-SITE 	GROUND WORKS & PREPARATION Same	ON-SITE CONSTRUCTION  3 months shorter	TRANSFER TO SERVICE COMPANY
	GROUND WORKS & PREPARATION 1–2 months longer	ON-SITE CONSTRUCTION  6 months shorter	TRANSFER TO SERVICE COMPANY
	PRODUCTION up to 9 months		
INDUSTRIAL 	PRE-SALES up to 50 % 3–6 months longer	SALES c. 30–40 % 3–6 months shorter	SALES POST-COMPLETION c. 20 %
	CONSTRUCTION PERMIT GRANTED	BUILDING COMPLETION AND DELIVERY	

- **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

LANDBANK STRATEGY

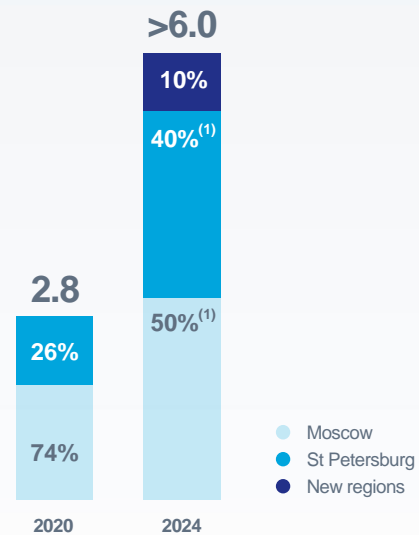
WILL SHIFT TO LONG-TERM PLANNING TO ENSURE SUSTAINABLE NEW SALES GROWTH

	NOW	STRATEGY
1	FOCUS	Moscow, St Petersburg
2	PERMITTING STAGE	Unzoned with and without landlord guarantee of receipt of planning permission, plus zoned to compensate for deficit in core regions
3	TIME TO LAUNCH SALES	24–36 months
4	PERMITTING RISK	Moderate
5	INVESTMENT HORIZON	Long
6	ACQUISITION COST	Moderate
7	IMPACT ON PROFITABILITY	Positive

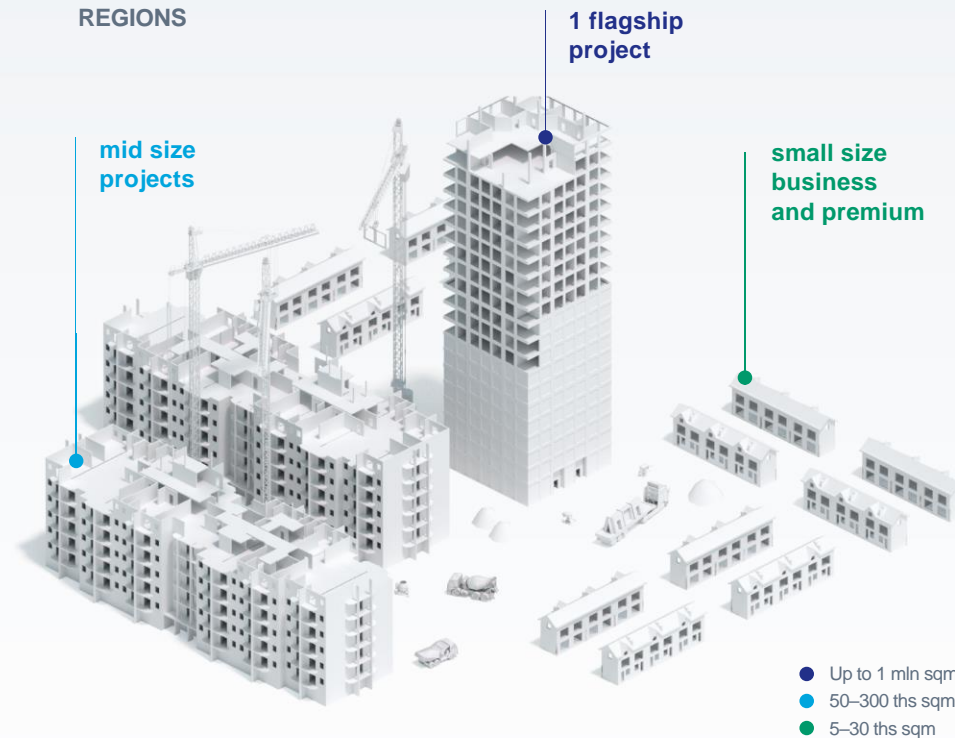
LANDBANK STRUCTURE

BALANCED BY REGION AND PROJECT SIZE

REGIONAL BREAKDOWN OF
LANDBANK
mln sqm



LANDBANK STRUCTURE BY
PROJECT SIZE IN CORE
REGIONS



REPLENISHMENT PRINCIPLES

Deficit compensation up to 1 mln sqm in 2021

Annual landbank replenishment by at least the same amount as Etalon Group plans to sell during the period

Acquisition of new unzoned land in Moscow and St Petersburg to ensure market share growth by 2023-2024

Only value-creative regional expansion with limited entry cost

Targeting presence in at least **5 regions** by 2024

Target balanced portfolio of large-scale, mid- and small-sized projects to ensure diversified product offering

⁽¹⁾ Including 20%-30% of unzoned land for potential development

MOST COMPETITIVE IN LAND ACQUISITION DUE TO COST LEADERSHIP STRATEGY

LANDBANK REPLENISHMENT PRICE CALCULATION

UPPER LIMIT FIXED

for each location

FIXED

by new strategy
commitment to
shareholders

MANAGEABLE

component: key focus
area

OFFER BEST PRICE

for land vs competitors

- Cost leadership strategy enables Etalon to be more competitive for new land acquisition while also earning a higher profit margin
- A lower purchasing price for unzoned land creates additional upside potential for profitability
- Automated land screening system provides Etalon faster access to attractive new land for potential development
- Offer a variety of instalment and profit-sharing schemes to decrease pressure on the balance sheet

LIMITED FOR EACH
LOCATION

35 %
GROSS MARGIN

Higher construction cost with
same land acquisition cost
makes the Company less
profitable than competitors

SWEET SPOT
Aim to minimise to
a level more than
competitors have

Higher construction cost with
same profitability makes the
Company less competitive for
land acquisition

ACCEPTABLE COST

FINAL ACQUISITION
COST

PROFITABILITY UPSIDE

APARTMENT
SELLING PRICE

REQUIRED
GROSS MARGIN

CONSTRUCTION
COST

LAND COST

BALANCED APPROACH TO REGIONAL EXPANSION

SUPPORTED BY LONG TRACK RECORD WORKING IN RUSSIAN REGIONS

REGION POPULATION

c. **1** mln people

Or candidates with strong population growth trends backed by both natural growth and migration

TARGET PROFITABILITY

**SAME
AS CORE
REGIONS**

Backed by lower land acquisition price and appropriate market conditions to guarantee reasonable selling price

ESTABLISHED TRACK RECORD IN REGIONAL MARKETS



AFFORDABILITY

At least
20—30 %

Of a region's population who can afford at least Etalon.Start product (mass-market) using mortgage financing to ensure sustainable demand

ENTRY STRATEGY

**PARTNERSHIP
OR PILOT WITH
FURTHER EXPANSION**

Cooperation with local player or limited size pilot project with option for further expansion if successful

59

CITIES
COVERED

>19

YEARS ON THE
REGIONAL MARKET

>30 %

OF ANNUAL SALES FROM
REGIONAL BUYERS⁽¹⁾

⁽¹⁾ Company data for 1Q 2020

STRATEGY 2024

FINANCIAL TARGETS

2024












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

ESG



CORPORATE GOVERNANCE AT ETALON

BOARD OF DIRECTORS COMPOSITION

 SERGEY EGOROV <div><div>C</div><div>R</div></div>	 OLEG MUBARAKSHIN <div><div></div><div>R</div></div>	 DENNIS VINOKOUROV <div><div></div><div>R</div></div>	 GENNADIY SHCHERBINA <div><div></div><div>E</div></div>
 MAXIM BERLOVICH <div><div></div><div>E</div></div>	 ALEXANDR VOLOSHIN <div><div></div><div>I</div></div>	 MARINA OGLOBLINA <div><div></div><div>I</div></div>	 MARTIN COCKER <div><div></div><div>I</div></div>
 BORIS SVETLICHNY <div><div></div><div>I</div></div>	 CHARALAMPOS AVGOUSTI <div><div></div><div>I</div></div>	 GANNA KHOMENKO <div><div></div><div>I</div></div>	

11 BOARD OF DIRECTORS MEMBERS

- C

 Chairman
- R

 3 Representatives of Sistema PJSC
- E

 2 Executive Directors
- I

 6 Independent Directors

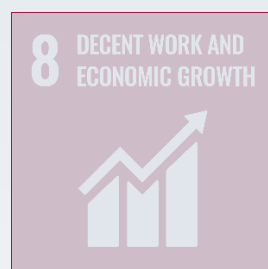
4 BOARD COMMITTEES

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

GOALS OF THE UN GLOBAL COMPACT

UN SUSTAINABLE DEVELOPMENT GOALS

- Etalon Group is not a party to the UN Global Compact, but it does support the UN's sustainability goals and principles.
- We have identified six Sustainable Development Goals (SDGs) related to our operations and our ability to make a significant contribution to their achievement.
- The SDGs that we contribute to may change as we improve our strategy on corporate and social responsibility and as we develop specific measurable goals.



NEW STRATEGIC INITIATIVES AND ESG GOALS

CLT BUILDING CONSTRUCTION

LIMITED NOISE for people living in CLT buildings due to the material's natural sound insulation

NEUTRAL CARBON FOOTPRINT over the lifetime of a CLT building⁽¹⁾

BEST ECO INDEX 3 for solid timber construction material (influence on the environment)⁽²⁾



LANDBANK STRUCTURE

CREATING OF EDUCATIONAL AND SOCIAL INFRASTRUCTURE

Due to the presence of one big anchor and several medium-sized integrated development projects in each core city, we will create education and social infrastructure for new residents



MODULAR BUILDING CONSTRUCTION

-50% IN SITE CO2 EMISSIONS for a modular building comparing to a standard building⁽³⁾

-30% SITE WATER CONSUMPTION

ZERO WASTE GENERATED ON SITE



B2B SERVICES, PARTNERSHIP FOR BUILDING ALLIANCES

By creating different partnership alliances and offering other companies access to our technologies via B2B services, we will expand our know-how to other companies,

**PROMOTING SUSTAINABLE
INDUSTRIALISATION AND
FOSTERING INNOVATION**



⁽¹⁾ Source: Royal Institution of Chartered Surveyors

⁽²⁾ Source: Ökoindex3

⁽³⁾ Source: Royal Institution of Chartered Surveyors, estimated data for modular building created under Design for Manufacture and Assembly method (DfMA)

2020: ACTIONS AND RESULTS



51

INVESTOR PRESENTATION



ACTIONS Enhanced safety monitoring system and trained 225 employees in operational health and safety

RESULTS **ZERO FATALITIES** or accidents leading to disabilities



ACTIONS Delivered five educational institutions for children

RESULTS **7 THS SQM** total area of the built pre-schools, with another preschool of **3 THS SQM** delivered in 1Q 2021



ACTIONS Increased operational efficiency, further optimised logistics routes at construction sites

RESULTS **-5%** year-on-year reduction in fuel consumption during construction in 2020⁽¹⁾



ACTIONS Used lean approach and BIM technologies to improve environmental footprint

RESULTS **-17%** year-on-year reduction in produced solid waste in 2020⁽¹⁾



ACTIONS Implemented advanced digital solutions to create an even more efficient design system

RESULTS Company project underwent **a completely digital state expert review—a first for Russia**



ACTIONS Invested in waste management, disposed of all recyclable construction waste

RESULTS **RUB 13.5 MLN** spent on waste management, **233 TONNES** of construction waste recycled in 2020⁽¹⁾

⁽¹⁾ Production unit data

SELECTED PROJECTS

52



GALACTICA

AUGUST 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.

PETROVSKIY LANDMARK

AUGUST 2021

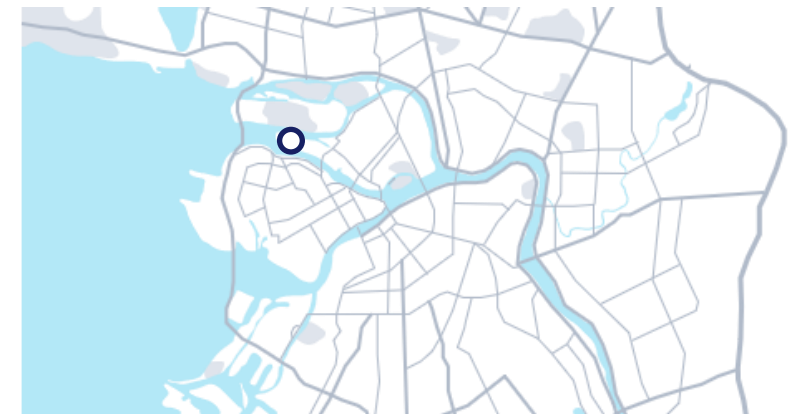


TOTAL NSA
89 ths sqm

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.

SILVER FOUNTAIN

AUGUST 2021



TOTAL NSA
226 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 17,973 mln

INCOME FROM SALES⁽¹⁾
RUB 45,493 mln

DECEMBER 2020



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2020.

NORMANDY

AUGUST 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.

SOVA CAPITAL SMALL-MID CAP CONFERENCE 2021

