

An architectural rendering of a modern city street scene. In the foreground, there are lush green trees and a sidewalk with several pedestrians, including a person walking a dog. A blue bus and a silver car are visible on the street. The background features several tall, modern buildings with light-colored facades and large windows. The sky is blue with scattered white clouds. The overall atmosphere is bright and urban.

ETALON

12M AND 4Q 2022 OPERATING RESULTS

3 February 2023

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ETALON GROUP: 2022 HIGHLIGHTS

3

FY AND 4Q 2022 OPERATING RESULTS

RECORD-BREAKING
DELIVERIES

735 ^{ths}
sqm

OF NET SELLABLE AREA AT 19
PROJECTS DELIVERED IN 2022

INCREASED LAUNCHES
OF NEW NSA

652 ^{ths}
sqm

LAUNCHED IN KEY AND
REGIONAL MARKETS, GROWTH
OF 2.3X YEAR-ON-YEAR

CASH
COLLECTIONS

75.0 ^{RUB}
bln

IN CASH COLLECTIONS IN
12M 2022⁽¹⁾

ACTIVE REGIONAL
EXPANSION

8 regions

NEW REGIONAL MARKETS:
OMSK, EKATERINBURG,
NOVOSIBIRSK, TYUMEN, KAZAN

PORTFOLIO
REPLENISHMENT

38 projects

AT THE DESIGN AND
CONSTRUCTION STAGE
THANKS TO YIT ACQUISITION
AND ORGANIC GROWTH

COMFORTABLE
DEBT BURDEN FOR
FUTURE GROWTH

0.9x

NET CORPORATE DEBT /
LTM PRE-PPA EBITDA
RATIO OF LESS THAN 1X

⁽¹⁾ Including cash from YIT development operations.

ETALON

OPERATING
RESULTS



PROFITABLE M&A AND SUCCESSFUL YIT INTEGRATION BROUGHT ETALON CLOSER TO ACHIEVING ITS STRATEGIC GOALS

IN MAY 2022, ETALON COMPLETED THE ACQUISITION OF YIT CORPORATION'S RUSSIAN BUSINESS. BY THE END OF 2022, BOTH COMPANIES WERE FULLY INTEGRATED, WHICH CREATED VALUE THROUGH OPERATIONAL SYNERGIES AND IMPROVED PROFITABILITY.

ACQUISITION SUMMARY:

- Acquisition of YIT Corporation's Russian business for a **consideration of RUB 4.6 bln**
- Acquisition of high-quality project **portfolio with excellent geographical fit** (0.6 mln sqm in 5 regions), while maintaining a strong balance sheet
- Integration of proven, **advanced technologies** that are used in existing digital products, as well as an innovative design management business
- Right time for transaction to **consolidate market in target region**

THE COMPANIES WERE FULLY INTEGRATED BY YEAR-END:



CURRENT SYNERGETIC EFFECT:

38 projects ▲ +19 projects

IN THE COMPANY'S
CURRENT PORTFOLIO

5 projects incl. 2 new projects

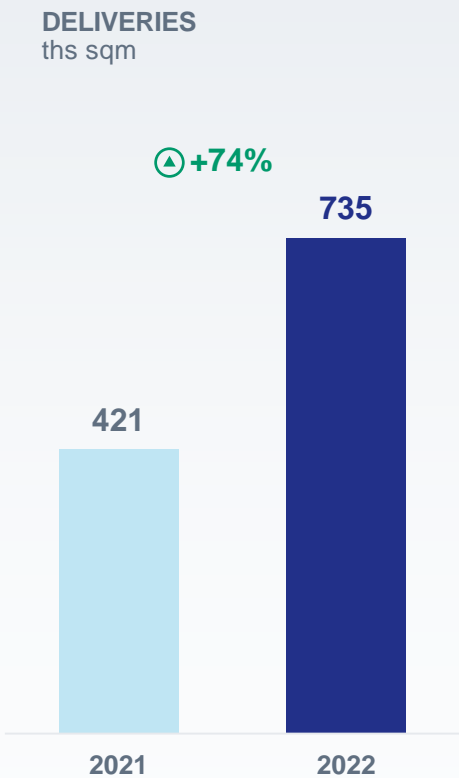
LAUNCHED NEW NSA IN
FIVE PROJECTS FROM
FORMER YIT PORTFOLIO

12 RUB bln gain from bargain purchase

POSITIVE EFFECT OF
THE ACQUISITION ON
1H 2022 NET INCOME

RECORD-BREAKING DELIVERIES IN 2022 THANKS TO SUBSTANTIAL ORGANIC AND INORGANIC GROWTH

ALL-TIME-HIGH DELIVERIES BOLSTERED ETALON GROUP’S POSITION AMONG RUSSIA’S FIVE LARGEST DEVELOPERS AND TRANSLATED INTO A RELEASE OF CASH FROM PROJECT-RELATED ESCROW ACCOUNTS



2022 DELIVERIES BREAKDOWN⁽¹⁾

	PROJECT	NSA, ths sqm
Moscow and region	Wings	169
	Silver Fountain	50
	Nagatino i-Land	47
	Emerald Hills	43
	Etalon City	11
	Severny Kvartal	9
	Schastye na Lomonosovskom	7
	Schastye na Semyonovskoy	7
St Petersburg	Che Quarter (Project on Chernigovskaya St.)	110
	Galactica	79
	Moscow Gates II (Galactica)	47
	Novoorlovskiy	43
	Domino	29
	Inkeri	14
	Tarmo	10
	House on Blyukhera	4
Regions	Green	24
	Rifey	19
	Baltym Park	10
	TOTAL	735

Source: Company data. NSA – net sellable area.
⁽¹⁾Total may not add up due to rounding.

12M 2022 OPERATING RESULTS

IMPACTED BY MACRO ENVIRONMENT

A CONTINUING CYCLE OF MONETARY TIGHTENING FOLLOWED BY A SHARP RISE IN THE KEY RATE IN EARLY 2022 AS WELL AS GEOPOLITICAL SHOCKS IN SEPTEMBER HAD A NEGATIVE IMPACT ON SALES

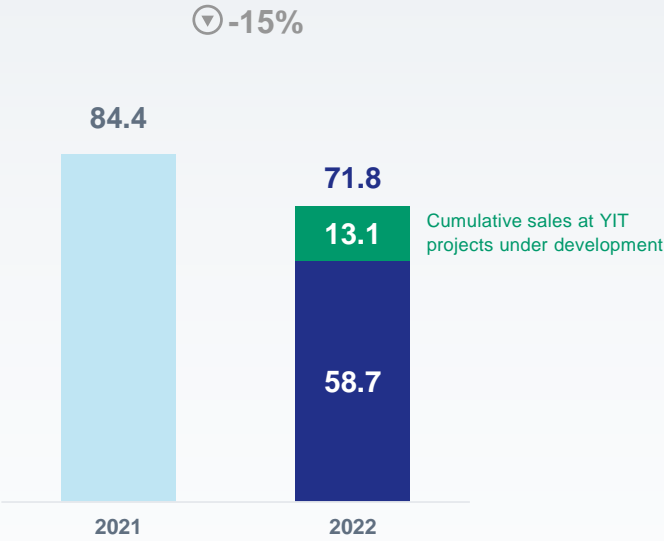
NEW CONTRACT SALES
ths sqm

⬇️ -5%



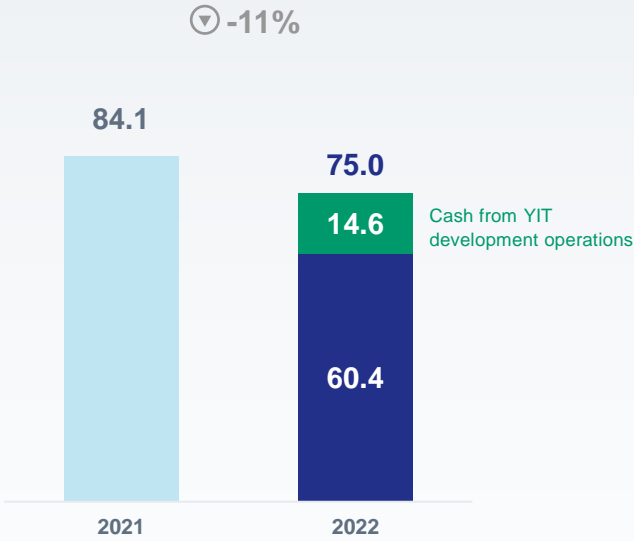
NEW CONTRACT SALES
RUB bln

⬇️ -15%



TOTAL CASH COLLECTIONS
RUB bln

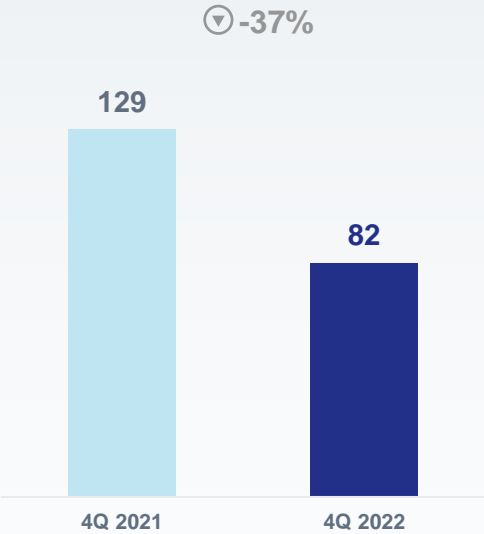
⬇️ -11%



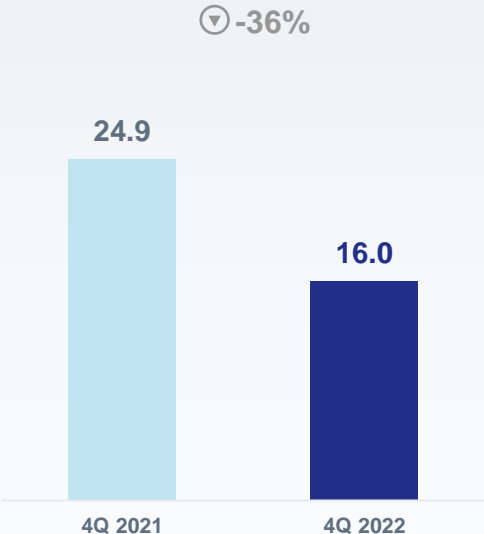
Source: Company data; change and totals were calculated without rounding. YIT Russia results were added for June-December 2022 only, i.e., since the inception of the integration.

4Q 2022 OPERATING RESULTS IMPACTED BY HISTORICAL DROP IN CONSUMER CONFIDENCE

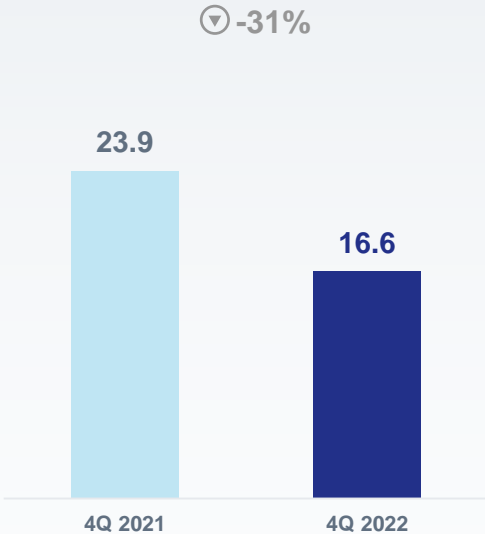
NEW CONTRACT SALES
ths sqm



NEW CONTRACT SALES
RUB bln



TOTAL CASH COLLECTIONS
RUB bln



Source: Company data; change and totals were calculated without rounding.

M-O-M OPERATING RESULTS IN 4Q 2022:

UPWARD DYNAMICS BACKED BY THE EXTENSION OF SUBSIDISED MORTGAGE PROGRAMMES

LAUNCHES OF NEW AND MORE AFFORDABLE NSA AMID THE EXTENSION OF A STATE-SUBSIDISED MORTGAGE PROGRAMME AND RECOVERY FROM CURRENT SHOCKS HELPED SALES TO RETURN TO A GROWTH TRAJECTORY AT YEAR-END

NEW CONTRACT SALES
ths sqm



NEW CONTRACT SALES
RUB bln



TOTAL CASH COLLECTIONS
RUB bln



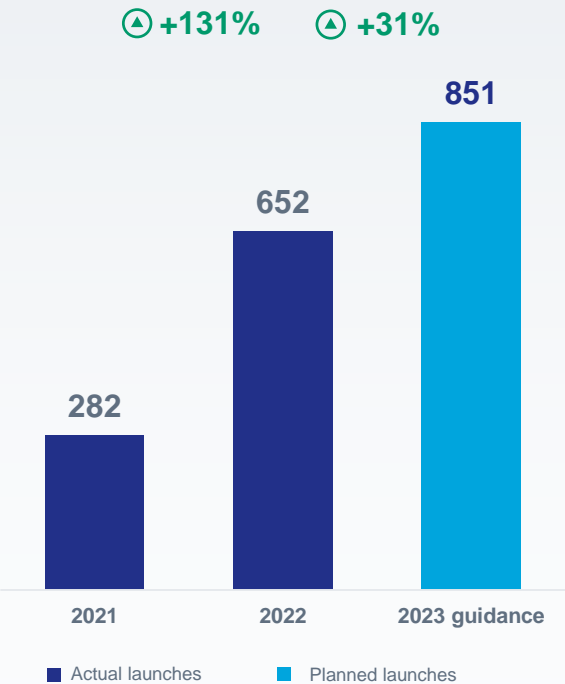
NEW LAUNCHES SUPPORTED SALES IN 2H 2022 AND WILL BE A DRIVER OF NCS GOING FORWARD

LAUNCHES OF TWICE AS MUCH NSA AS IN 2021 AT ETALON AND YIT PROJECTS HELPED MONTH-ON-MONTH SALES RECOVERY IN LATE 2022 AND, COUPLED WITH NEW SUPPLY PLANNED FOR 2023, WILL FURTHER DRIVE SALES

PERFORMANCE IN 2022 AGAINST GUIDANCE
Launched NSA, ths sqm⁽¹⁾



NEW LAUNCHES
NSA, ths sqm⁽¹⁾



- Over 652 ths sqm launched during 2022, **2.3 times the volume launched during 2021**
- Under market volatility conditions, the Company focused on improving the product in order to maintain **efficiency and quality**, so most of the projects were launched at the end of 2Q 2022 and ensured **sales recovery** by the end of the year
- The Company expects to launch **851 ths sqm on its traditional and regional markets** in 2023 to support sales growth

Source: Company data. Total may not add up due to rounding.
⁽¹⁾ Net sellable area
NCS – new contract sales.

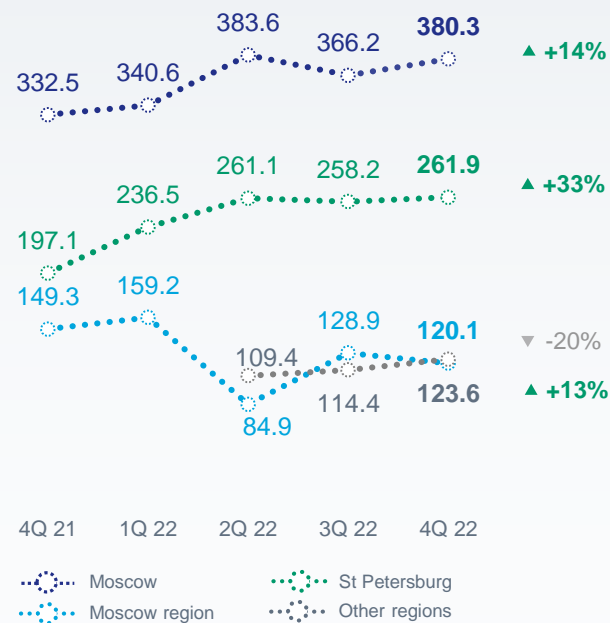
HEALTHY AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE

THE HIGHER DEGREE OF READINESS OF LIKE-FOR-LIKE PROJECTS COUPLED WITH A STILL NOTABLE SHARE OF MOSCOW PROJECTS IN THE HIGHER PRICE SEGMENT (ZIL-YUG AND NAGATINO I-LAND) IN THE SALES MIX SUPPORTED HEALTHY PRICE DYNAMICS

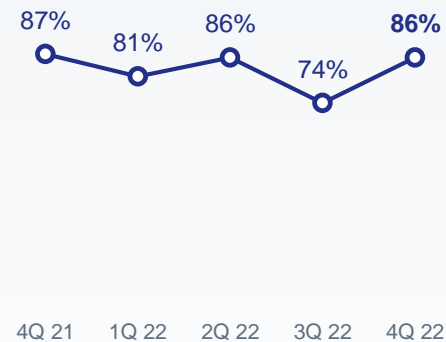
AVERAGE PRICE
RUB ths/sqm



AVERAGE APARTMENT PRICE
RUB ths/sqm



AVERAGE DOWN PAYMENT
%

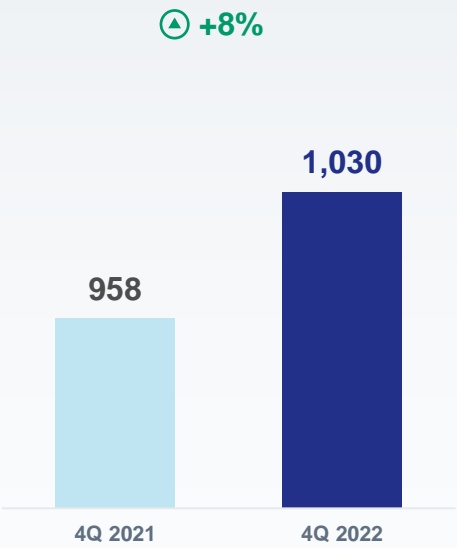


- The average price for apartments decreased by 12% year-on-year to RUB 229.3 ths/sqm **due to the launch of Etalon projects in new regions** with lower prices
- The average apartment price increased by 33% in St Petersburg and by 14% in Moscow
- The average apartment price at regional projects was **up by 13%** in the last two quarters
- The decline in apartment prices in the Moscow region is due to new additions to the product mix located farther from the Moscow Ring Road compared to Emerald Hills (MMA)
- The average **down payment recovered to 86%** after a period of market uncertainty

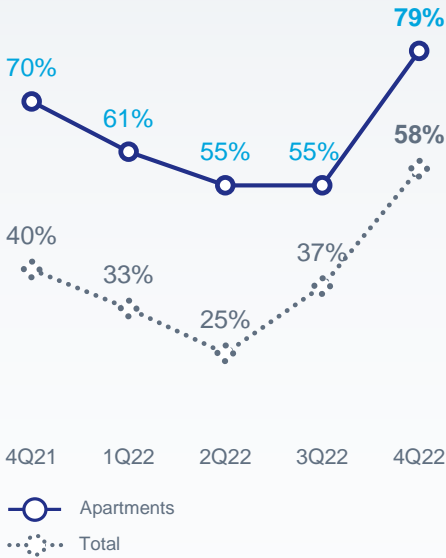
STRONG MORTGAGE SALES

MORTGAGE SALES DEMONSTRATED GROWTH OF 9 P.P. YEAR ON YEAR, BACKED BY A NEW SUPPLY OF NSA IN REGIONAL MARKETS AND THE EXTENSION OF STATE SUBSIDISED MORTGAGE PROGRAMMES

NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



AVERAGE MORTGAGE RATE IN RUSSIA⁽¹⁾



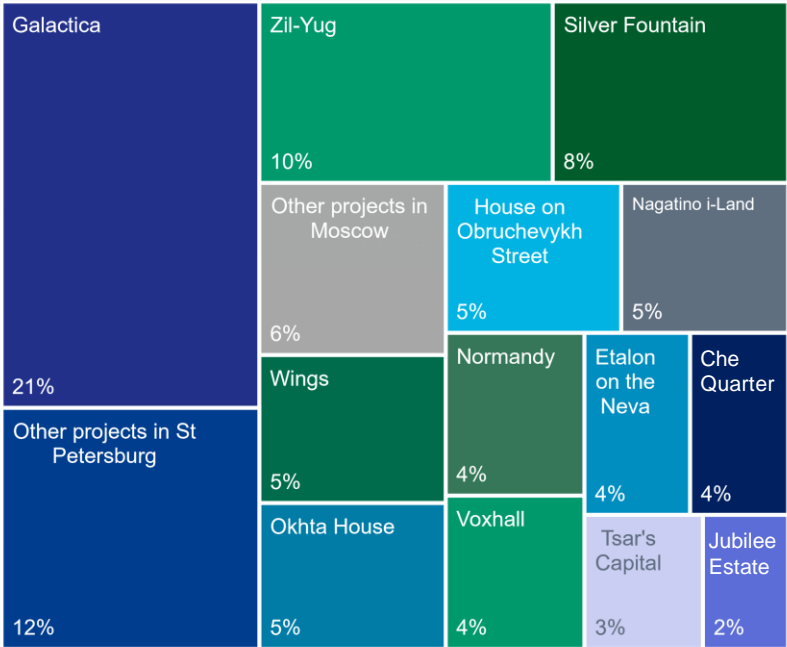
- Mortgage contracts as a share of apartment sales are at 79%: due to a decrease in the average rate and more sales in regional markets to mid-income individuals
- Potential mortgage drivers: the key rate at 7.5%, extension of the state support programme
- The average mortgage rate in Russia in Jun-Nov 2022 includes additional subsidies

Source: Company data; change was calculated without rounding. YIT Russia results were added for June-December 2022 only, i.e., since the inception of the integration.
⁽¹⁾ Weighted average interest rate on mortgage loans given to residents of Russia for the acquisition of apartments on the primary market during the month, based on CBR data.

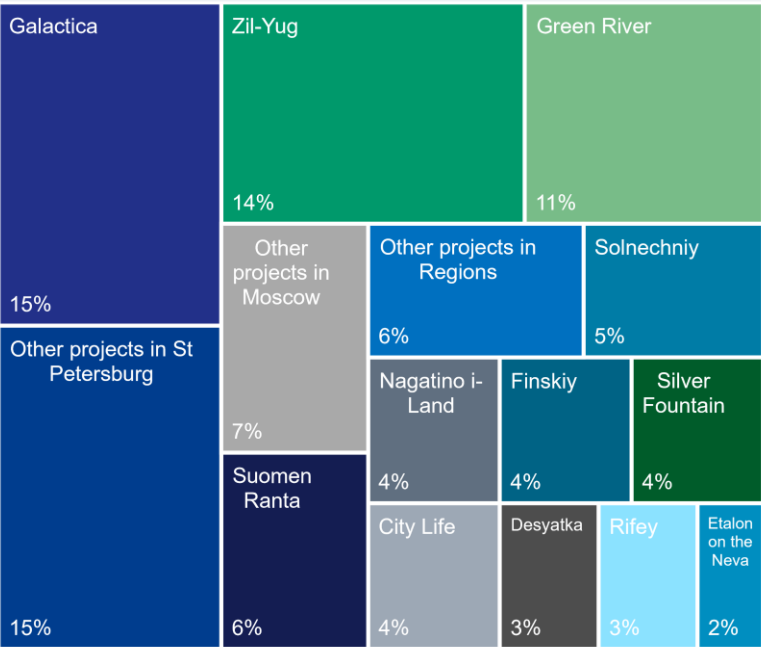
SALES PORTFOLIO

GROWING SHARE OF MORE AFFORDABLE PRODUCT AND REGIONAL PROJECTS IN THE SALES MIX TO SUPPORT DEMAND FOR ETALON PRODUCT GOING FORWARD

4Q 2021 NEW CONTRACT SALES BY PROJECT
sqm



4Q 2022 NEW CONTRACT SALES BY PROJECT
sqm

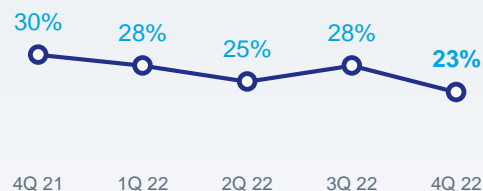


- Galactica, Zil-Yug and Green River are the largest projects in terms of new contract sales in terms of sqm (15%, 14%, 11%, respectively) and in monetary terms (18%, 25%, 6%, respectively)
- Regional projects accounted for 34% of new contract sales in sqm terms and 21% in monetary terms
- Business-class projects accounted for **26% and 45%** of new contract sales in sqm and monetary terms, respectively, as a result of the transition to the middle price segment

REGIONAL SALES PERFORMANCE

THE SHARE OF REGIONAL BUYERS REMAINS ABOVE 20%, WHILE A PORTION OF ETALON CUSTOMERS FROM RUSSIAN REGIONS ALSO STARTED BUYING APARTMENTS AT NEW REGIONAL PROJECTS DEVELOPED BY ETALON OUTSIDE MOSCOW AND ST PETERSBURG

SHARE OF REGIONAL BUYERS⁽¹⁾



ETALON GROUP'S REGIONAL SALES GEOGRAPHY⁽²⁾

REGION	SHARE OF TOTAL CONTRACTS
Leningrad region	2.4%
Krasnoyarsk Krai	1.3%
Tatarstan Republic	0.9%
Bashkortostan Republic	0.9%
Krasnodar Krai	0.8%
Yamalo-Nenets AD	0.7%
Kemerovo region	0.7%
Khanty-Mansi AD	0.6%
Novosibirsk region	0.6%
Other Russian regions	14.5%
Foreigners	0.1%
TOTAL	23.3%

REGIONAL POPULATION ACTIVELY BUYING APARTMENTS IN MOSCOW AND ST PETERSBURG



- Etalon Group's sales force focuses on the regions with the highest per capita income
- A certain number of regional buyers switched to attractive Etalon Group projects in neighbouring regions (Sverdlovsk region, Tyumen)
- Key markets: St Petersburg and Moscow
- 59 cities covered by 29 sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

Source: Company data; change was calculated without rounding. YIT Russia results were added for June-December 2022 only, i.e., since the inception of the integration.

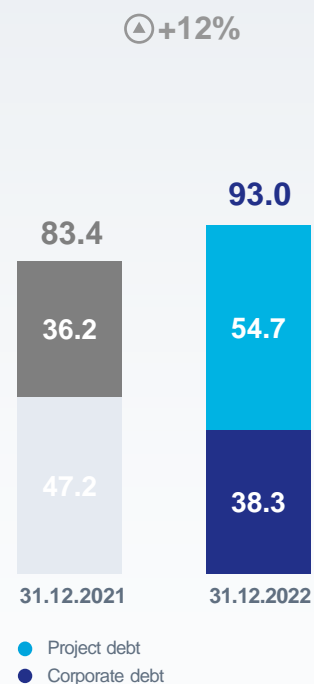
⁽¹⁾ Share of regional buyers who purchased apartments at Etalon projects in Moscow and St Petersburg.

⁽²⁾ Company data for 4Q 2022; change was calculated without rounding.

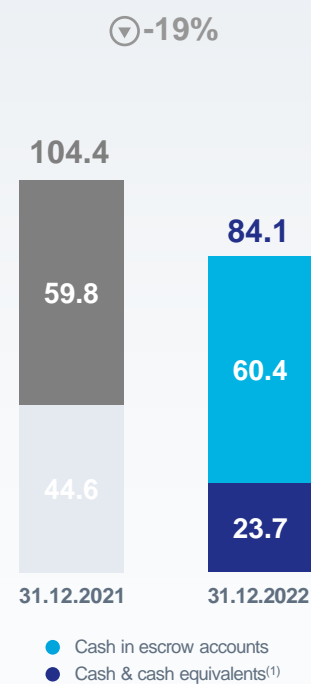
SUSTAINABLE FINANCIAL POSITION ENABLES FUTURE GROWTH

FINANCIAL POSITION REMAINS STABLE, WITH NET DEBT/PRE-PPA EBITDA AT A COMFORTABLE LEVEL BELOW 1X, EVEN DESPITE M&A TRANSACTION, MASSIVE PORTFOLIO REPLENISHMENT AND SIGNIFICANT PIPELINE OF PROJECTS UNDER DEVELOPMENT

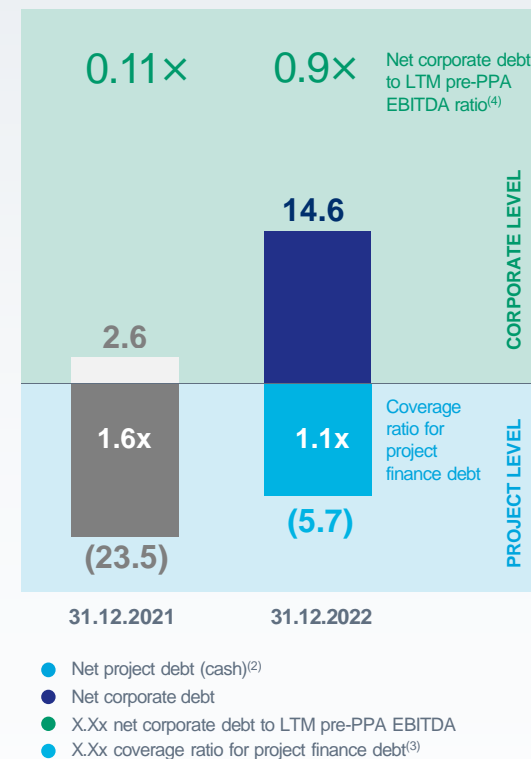
TOTAL DEBT
RUB bln



CASH AND CASH EQUIVALENTS
RUB bln



NET DEBT (CASH)
RUB bln



- Although **net corporate debt** increased mainly due to installment payments for land acquisition and a decrease in cash collections, **net corporate debt / pre-PPA EBITDA** remains **under 1x** and well **below the target range of 2-3x**
- All project finance obligations are well covered** in order to access reduced interest rates ranging from 0.01% to 3.5%
- The average cost of borrowings as of 31 December 2022 was **5.2%**

Source: IFRS Financial statements, 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 accounts.

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

⁽⁴⁾ 1H2022 LTM pre-PPA EBITDA used for calculating Net corporate debt/EBITDA as of 31.12.2022.

ETALON

**SELECTED
PROJECTS**



GALACTICA

DECEMBER 2022



TOTAL NSA
744 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 21,760 mln

INCOME FROM SALES⁽¹⁾
RUB 86,967 mln

DECEMBER 2021



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

PROJECT ON CHERNIGOVSKAYA STREET

DECEMBER 2022

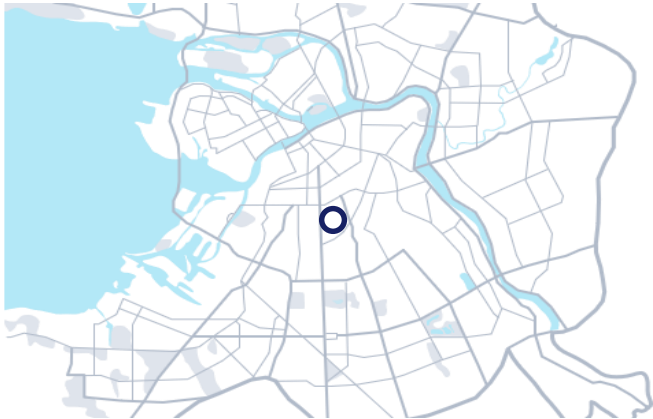


TOTAL NSA
136 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 7,005 mln

INCOME FROM SALES⁽¹⁾
RUB 21,277 mln

DECEMBER 2021



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

DOMINO

DECEMBER 2022



TOTAL NSA
39 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 3,642 mln

INCOME FROM SALES⁽¹⁾
RUB 8,755 mln

DECEMBER 2021



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

MONOGRAPH

DECEMBER 2022



TOTAL NSA
36 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 1,090 mln

INCOME FROM SALES⁽¹⁾
RUB 5,266 mln

VISUALISATION



REGION
St Petersburg

⁽¹⁾ Colliers International estimate as of 31.12.2021.

ILONA

DECEMBER 2022



TOTAL NSA
27 ths sqm

RESIDENTIAL NSA
19 ths sqm

CONSTRUCTION TIMELINE
2021-2023

DECEMBER 2021



REGION
St Petersburg

ZIL-YUG

DECEMBER 2022



TOTAL NSA
1,197 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 95,560 mln

INCOME FROM SALES⁽¹⁾
RUB 428,503 mln

DECEMBER 2021



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

SILVER FOUNTAIN

DECEMBER 2022



TOTAL NSA
206 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 11,360 mln

INCOME FROM SALES⁽¹⁾
RUB 47,223 mln

DECEMBER 2021



REGION
Moscow

⁽¹⁾ Colliers International estimate as of 31.12.2021.

GREEN RIVER

DECEMBER 2022



TOTAL NSA
1,463 ths sqm

OPEN MARKET VALUE⁽¹⁾
RUB 8,897 mln

INCOME FROM SALES⁽¹⁾
RUB 139,657 mln

VISUALISATION



REGION
Omsk

⁽¹⁾ Colliers International estimate as of 31.12.2021.

RAUTA

DECEMBER 2022



TOTAL NSA
115 ths sqm

RESIDENTIAL NSA
91 ths sqm

CONSTRUCTION TIMELINE
2021-2026

DECEMBER 2021



REGION
Ekaterinburg

KVARTAL SUITA

DECEMBER 2022



TOTAL NSA
25 ths sqm

RESIDENTIAL NSA
21 ths sqm

CONSTRUCTION TIMELINE
2020-2023

DECEMBER 2021



REGION
Kazan



ETALON

OPERATING RESULTS

12M AND 4Q 2022