

An aerial photograph of a large, modern residential complex during sunset. The buildings are multi-story, with white and grey facades and prominent red vertical accents. They feature flat roofs with solar panels and numerous windows. The complex is surrounded by green spaces, including lawns, trees, and a small playground with a blue slide. A paved road runs along the right side of the complex, and a parking lot with several cars is visible. The sky is a mix of orange, yellow, and blue, with a few clouds. In the background, other residential buildings and a distant horizon are visible.

ETALON

STRATEGIC ACQUISITION OF YIT RUSSIA BY ETALON GROUP

1 APRIL 2022

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ACQUISITION SUMMARY

TRANSACTION

- Acquisition of YIT Corporation's subsidiaries that own YIT operations in Russia (hereinafter referred to as "YIT Russia")
- Consideration of RUB 4.6 bln to be paid fully in cash by Etalon Group
- Completion of the deal is subject to further regulatory approvals

YIT RUSSIA – KEY FIGURES

- 19 projects in 5 Russian regions: Moscow metropolitan area, St Petersburg, Ekaterinburg and Sverdlovsk region, Kazan and Tyumen
- Unsold NSA of YIT's portfolio in Russia is 0.6 million sqm
- Service management company *Dispatcher 24*, which is Russia's largest private IT platform for B2C housing and utility services used by over 180 service companies in 28 Russian cities, with a total of c. 37 mln sqm of residential space under management
- Design management function based on product standardisation, automation and innovation

INTEGRATION

- After completing the transaction, YIT Russia will be fully integrated into Etalon Group

DEAL ADVISORS

- KPMG carried out legal, financial, tax due diligence and acted as a consultant

ACQUISITION: STRATEGIC RATIONALE

A LEADING NATIONWIDE PLAYER

Acquisition of YIT Russia significantly improves Etalon's position making the combined company one of the leading nationwide players in Russia:

TOP-5:

- in terms of number of regions of operations
- by deliveries among Russian nation-wide developers⁽¹⁾
- by NSA under construction⁽¹⁾

OPERATIONAL SYNERGIES

- Leading B2C ecosystem after integrating YIT Russia's *Dispatcher 24* IT platform
- Additional competencies in design standardisation
- Increased customer loyalty after uniting two strong brands

TECHNOLOGICAL LEADERSHIP

- Integration of proven, advanced technologies that are used in existing digital products, such as the *Dispatcher 24* IT platform
- Acquisition of innovative design management business:
 - potential scaling of YIT Russia's design system to Etalon's regional projects
 - well-established approach to product standardisation
 - procurement system integrated with the design process

ENHANCED PORTFOLIO

- 7 regions of operation
- 6.6 mln sqm of unsold NSA in residential mid-market real estate

STRONG FINANCIAL POSITION

- YIT Russia had a net corporate cash position of RUB 5.3 billion and net project cash of RUB 8.4 billion.

YIT RUSSIA – A STRONG REAL ESTATE DEVELOPER WITH A RICH HISTORY

LONG-ESTABLISHED ON
THE RUSSIAN MARKET

›60 years

YIT HAS BEEN OPERATING IN
RUSSIA SINCE 1961

PROVEN TRACK
RECORD OF DELIVERIES

56 projects

COMPLETED SINCE INCEPTION IN
RUSSIA

HIGH QUALITY

4 out of 5

QUALITY SCORE ACCORDING
TO ERZ.RF

PROJECT PORTFOLIO

19 projects

IN THE COMPANY'S CURRENT
PORTFOLIO

›15 years

OPERATING ON THE RUSSIAN
RESIDENTIAL REAL ESTATE MARKET

TOP 20

YIT RUSSIA IS AMONG THE TOP 20
DEVELOPERS BY DELIVERY
VOLUMES IN THE MID-MARKET
SEGMENT⁽¹⁾

COMFORT
CLASS

TARGET REAL ESTATE
SEGMENT

245 ths
sqm

OF RESIDENTIAL NSA CURRENTLY
UNDER CONSTRUCTION

⁽¹⁾ Excluding developers specialising in mass-market projects.
Source: Company data, open sources.

YIT RUSSIA PROJECT PORTFOLIO

19 projects

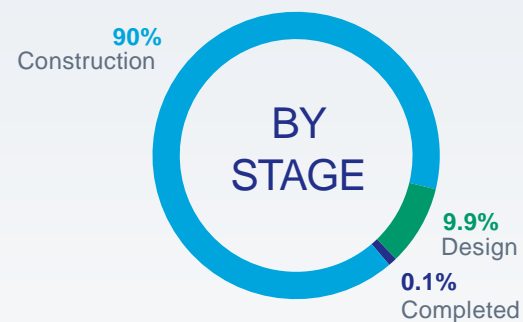
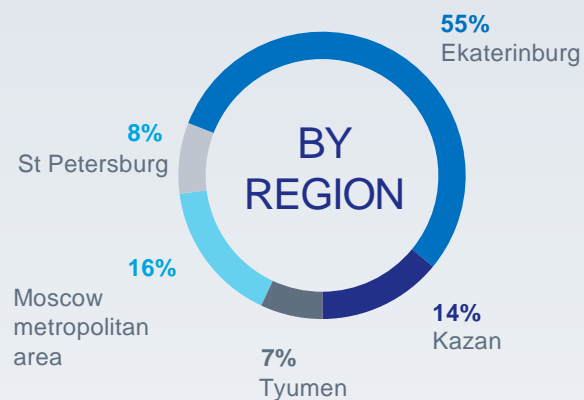
IN THE CURRENT PORTFOLIO

5 regions

COMPANY OPERATES IN THE MOST
SUSTAINABLE RUSSIAN MARKETS

0.6 mln
sqm

RESIDENTIAL AND COMMERCIAL
NSA IN THE CURRENT PORTFOLIO



6

ST PETERSBURG

3

MOSCOW
METROPOLITAN
AREA

3

KAZAN

5

EKATERINBURG REGION

2

TYUMEN

■ Design stage

■ Construction

YIT RUSSIA

KEY PROJECTS OVERVIEW

EKATERINBURG REGION



BALTYM PARK

Class	Construction period
COMFORT	2021-2029

Unsold NSA	Average sqm price
228 ths sqm	RUB 80 ths

This is a modern urban quarter that includes both residential areas and a significant number of infrastructure and public spaces. The project involves the construction of 3-5-storey residential buildings. Its unique feature is the use of advanced technologies and the latest urban planning principles.

KAZAN



TALONI

Class	Construction period
COMFORT	2021-2025

Unsold NSA	Average sqm price
62 ths sqm	RUB 121 ths

Taloni is a residential complex that consists of 6 comfort class buildings with variable heights and multi-level parking. The complex includes social and commercial infrastructure, office space, recreation areas, children's playgrounds and a landscaped pedestrian boulevard.

MOSCOW METROPOLITAN AREA



SEVERNY KVARTAL

Class	Construction period
COMFORT	2022-2026

Unsold NSA	Average sqm price
53 ths sqm	RUB 110 ths

The residential complex will be built in the Severny district of the city of Elektrostal, in a green and well-established neighbourhood. The project consists of six multi-storey buildings that meet the highest standards for modern living space, as well as a parking facility and landscaped recreational area.

ST PETERSBURG








NOVOORLOVSKY

Class	Construction period
COMFORT	2020-2024

Unsold NSA	Average sqm price
21 ths sqm	RUB 180 ths

The project is adjacent to the Novoorlovsky forest park and will include residential and commercial space, parking lots and social infrastructure. The neoclassical architectural concept was developed by Taller de Arquitectura, headed by the famous Spanish architect Ricardo Bofill.

ALIGNMENT OF YIT RUSSIA ACQUISITION WITH ETALON GROUP'S STRATEGY

STRATEGIC GOALS	TRANSACTION ALIGNMENT	DETAILS
PORTFOLIO EXPANSION BY >6 MLN SQM AND ENTRANCE INTO AT LEAST 5 NEW REGIONS BY 2024	 strong	Acquisition of YIT Russia will strengthen Etalon position as Russian-wide player with a presence in 7 regions
DIGITAL AND TECHNOLOGICAL TRANSFORMATION OF THE BUSINESS	 strong	Well-established standardised design system for large-scale development projects, procurement system integrated with the design process
INCREASE ETALON GROUP'S PRESENCE ON KEY MARKETS	 weak	YIT Russia has a limited portfolio on Etalon Group's key markets: c. 0.1 mln sqm in St Petersburg and the Moscow region
ECOSYSTEM DEVELOPMENT AND CUSTOMER RETENTION	 strong	Development of a modern management system for apartment buildings with <i>Dispatcher 24</i>
PRODUCT STANDARTISATION	 strong	YIT Russia's library of project design solutions will help to increase the product standartisation speed

ETALON GEOGRAPHY AFTER ACQUISITION

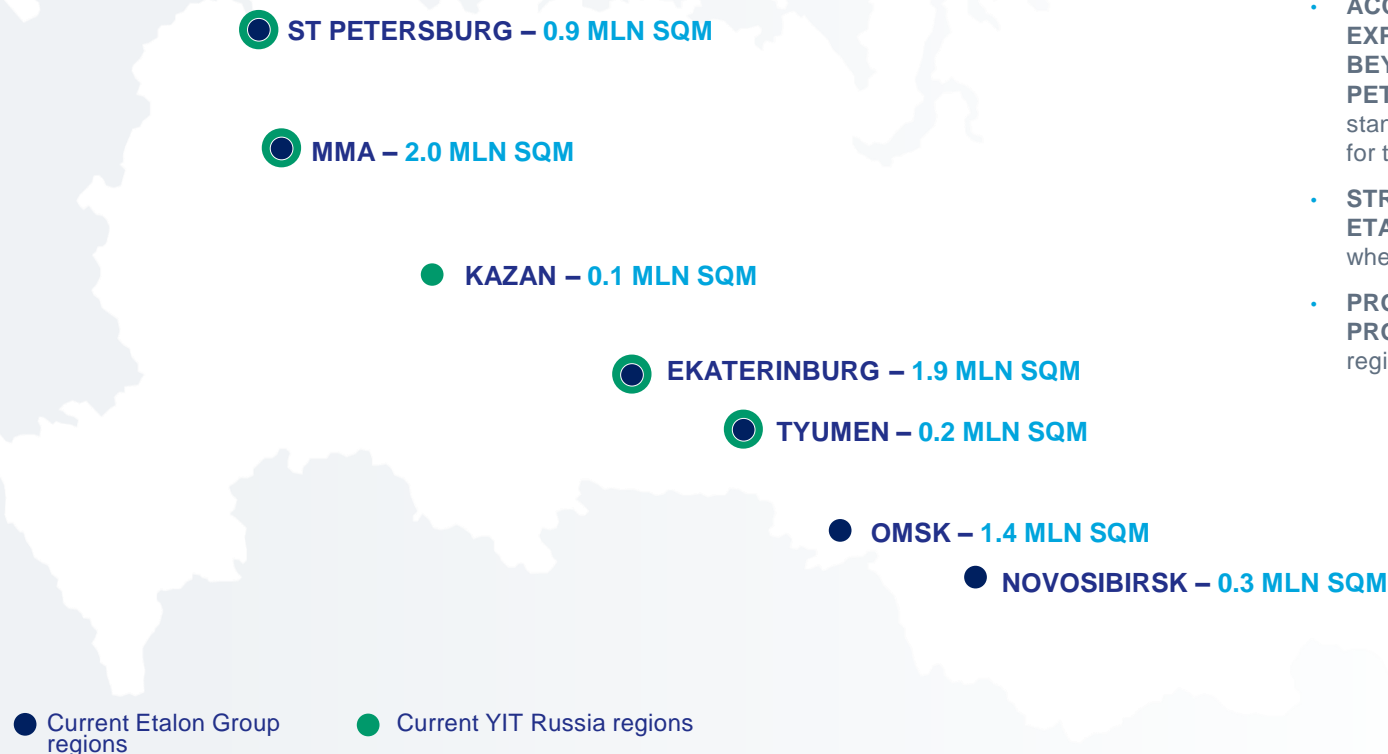
INTEGRATION WILL ENHANCE THE UNITED PORTFOLIO AND ACCELERATE ETALON REGIONAL EXPANSION THANKS TO YIT RUSSIA'S LONG TRACK RECORD IN RUSSIAN REGIONS

83 PROJECTS
in 7 Russian regions

6.6 MLN SQM
of available for sale NSA

3.8 MLN SQM
of unsold NSA - regional portfolio

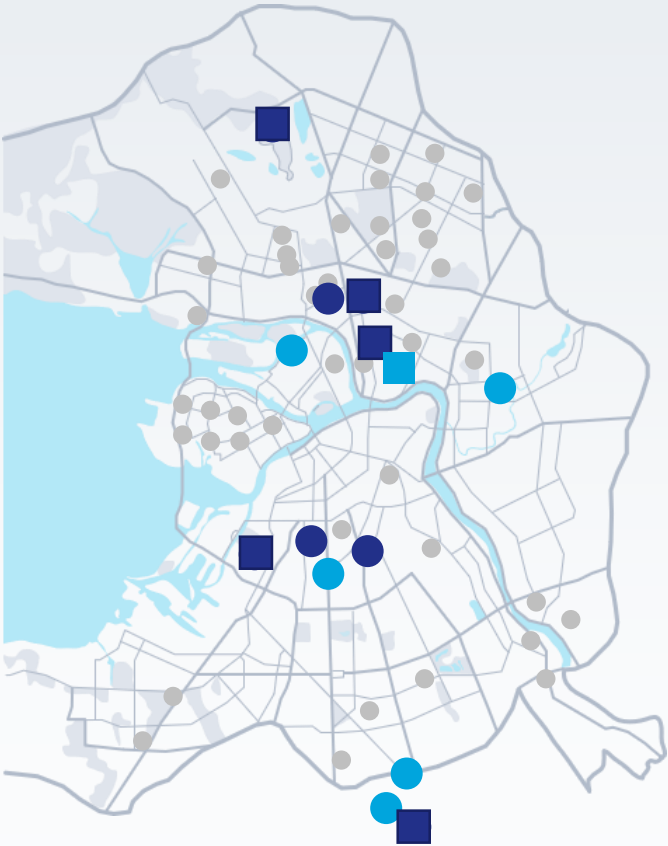
+1 NEW MARKET
of Kazan, with 3 current YIT Russia projects



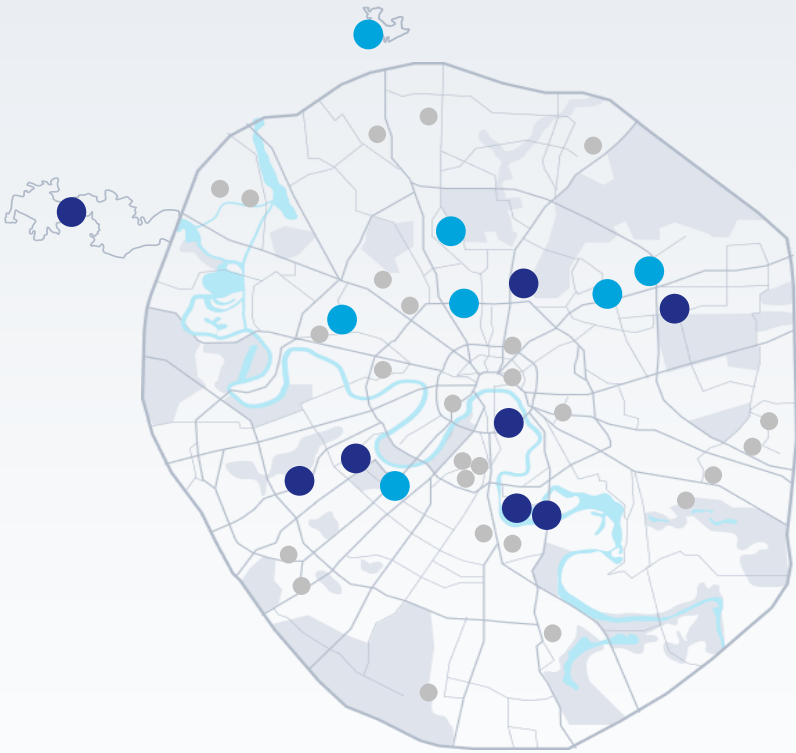
- **ACCELERATING REGIONAL EXPANSION IN MARKETS BEYOND MOSCOW AND ST PETERSBURG** backed by standardisation of our product for those regions
- **STRENGTHENING THE ETALON BRAND** in the regions where we operate
- **PROMOTING YIT RUSSIA'S PROJECTS** through Etalon's regional network

INCREASING OFFERING IN CORE REGIONS: MOSCOW AND ST PETERSBURG

ST PETERSBURG



MOSCOW METROPOLITAN AREA



14

CURRENT PROJECTS
IN ST PETERSBURG

0.9 MLN SQM

OF AVAILABLE FOR SALE NSA
IN ST PETERSBURG

18

CURRENT PROJECTS
IN MMA

2.0 MLN SQM

OF AVAILABLE FOR SALE NSA
IN MMA

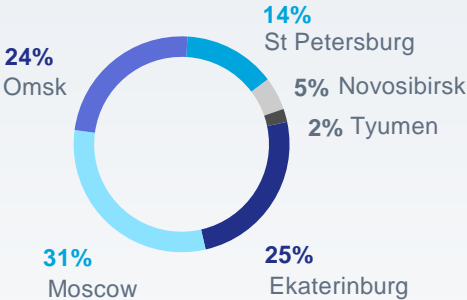
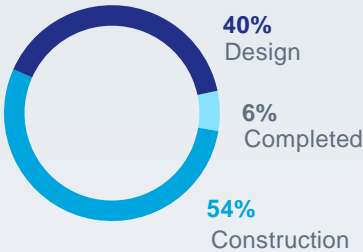
○ Etalon Group projects
□ YIT Russia projects

● / ■ Design stage
● / ■ Construction
● / ■ Completed projects

WELL-BALANCED UNITED PROJECT PORTFOLIO

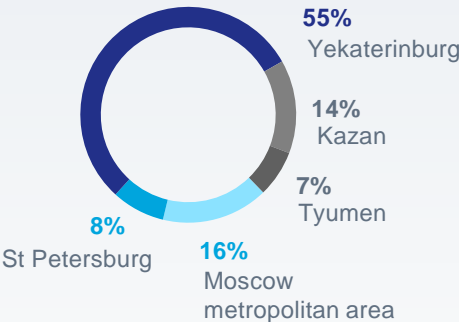
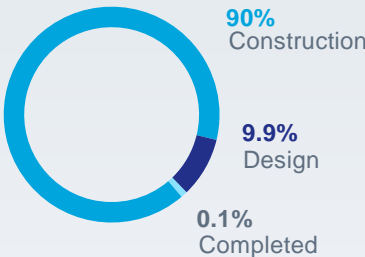
ETALON

6.0 mln sqm



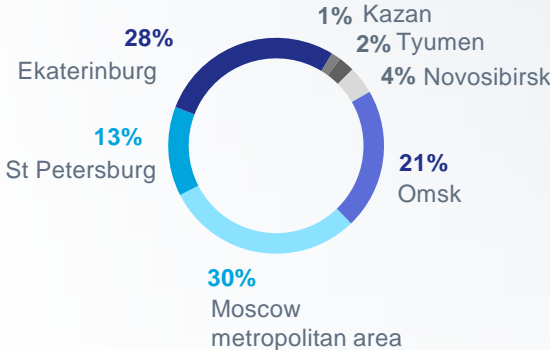
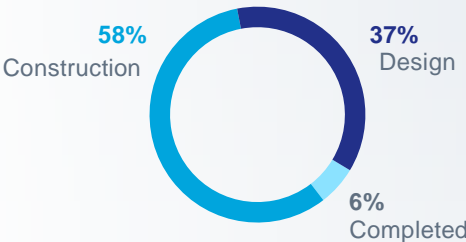
YIT RUSSIA

0.6 mln sqm



UNITED PORTFOLIO

6.6 mln sqm



NSA, MLN SQM

PORTFOLIO
BY STAGE OF
DEVELOPMENT

PORTFOLIO
BY REGION

CUTTING-EDGE SOLUTIONS AND DESIGN MANAGEMENT

STANDARDISATION

80% of building elements are **standardised**, project diversity is achieved thanks to the other 20% of non-standardised elements;
WOW architecture is not used

PROJECT MANAGEMENT

YIT Russia has a proactive approach to design management (residential development trends, etc.)

SUPPLY INTEGRATION

framework agreements with suppliers, an established pool of design contractors

INNOVATIONS

Centralised process of developing innovations, specially designed groups work on upgrading solutions, centralised database of innovations (all projects are created using BIM technology)

CORE DESIGN MANAGEMENT PRINCIPLES



SELECTED INNOVATIONS IN DESIGN

YIT Russia was the first company on the Russian real estate market to integrate the following solutions at its projects:



SYNERGETIC EFFECT

- Additional competence in designing standard projects in the regions
- Suppliers/contractors base for regional project implementation
- Competence for flexible structures and modular furniture engineering project
- Effective projects integration due to the complementarity approaches with Etalon's end-to-end Digital Platform

DISPATCHER 24: THE LARGEST PLATFORM FOR B2C

HIGH QUALITY AND EASY OPERATION SERVICES FOR CUSTOMERS



Range of requested services

- Transfer of meter readings
- Utility payments
- Communication with the service company
- Submitting applications to the service company
- Additional services (~40 paid and one-time services)

>25
NPS INDEX

Transparent and flexible tariff schedule with customise option

(the cost of services depends on the living area and the volume of services provided by the platform)

LARGEST PRIVATE IT PLATFORM FOR HOUSING AND UTILITY SERVICES IN RUSSIA

>180
MANAGING
COMPANIES IN 28
CITIES

585 ths
APARTMENTS
UNDER
MANAGEMENT

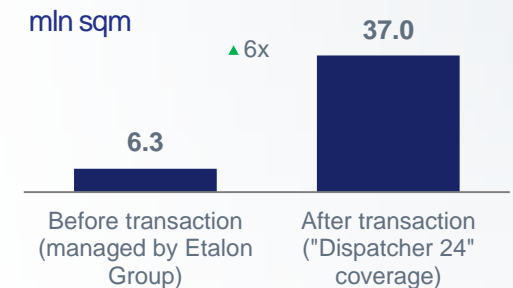
48%
REVENUE CAGR
2018-2021

Centralised collection and management of applications, tracking and round-the-clock access for tenants

- Receiving applications from tenants
- Tracking execution of applications
- Offer additional services
- Notify debtors

SYNERGETIC EFFECT

- Opportunities to create fully digital management company of utility services
- Increasing customer loyalty by combining strong brands with solid reputations
- Allows integration with the Etalon's smart home solution
- Integration to Etalon's Digital Platform as a tool for customers feedback collection
- Capacity for service business scaling and ecosystem development:

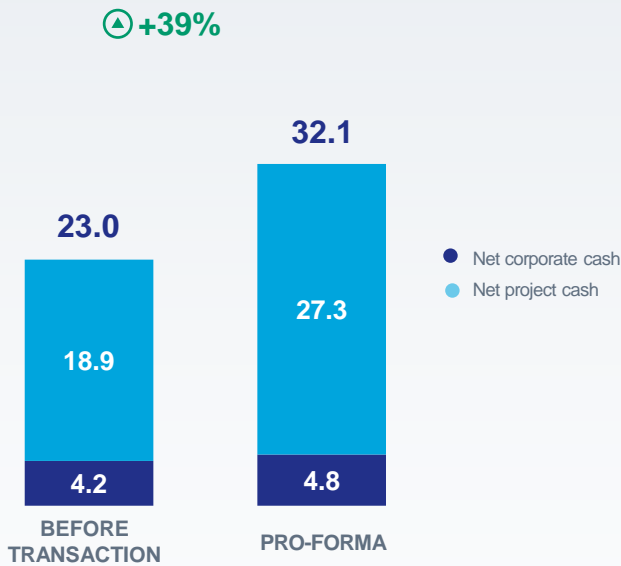


ETALON ENHANCES FINANCIAL POSITION IMMEDIATELY AFTER ACQUISITION

FINANCIAL POSITION
RUB bln

	CORPORATE LEVEL		PROJECT LEVEL		AGGREGATED FINANCIAL POSITION
	DEBT	CASH	DEBT	CASH	
ETALON	(43.3)	47.5	(43.4)	62.3	23.0
YIT RUSSIA	-	5.3	(3.7)	12.0	13.7
ACQUISITION COST	(4.6)	-	-	-	-
PRO-FORMA	(47.9)	52.7	(47.1)	74.3	32.1

AGGREGATED FINANCIAL POSITION
RUB bln



Source: Management accounts of Etalon Group as of 28.02.2022, Transaction advisors estimate for YIT Russia balance as of 31.03.2022

NOTABLE OPERATING, FINANCIAL AND CASH FLOW SYNERGIES FOR 2022

A PRELIMINARY ANALYSIS OF POTENTIAL SYNERGIES WITH YIT RUSSIA HAS IDENTIFIED THE FOLLOWING AREAS:

1

SG&A AND OPERATING IMPROVEMENTS

1. Reducing duplicate functions
2. Implementing Etalon Group's dynamic pricing system at YIT Russia projects
3. Improved margins for the management company
4. *Dispatcher 24*: economy on subscription

2

ENHANCED COMPETENCIES

1. Acquiring additional design competencies for standardised regional projects
2. Further development opportunities for B2C IT platform for utility services

3

FINANCIAL SYNERGIES

1. Economies of scale
2. Further improving cash flow and financials by uniting two big companies with strong financial position (Etalon Group net corporate debt/LTM EBITDA close to 0x, YIT Russia's net cash position on corporate and project levels)
3. Possibility to use YIT Russia's credit line at low interest rate going forward



RUB 0.5-0.7 bln

ESTIMATED SAVINGS THANKS TO SYNERGIES⁽¹⁾

⁽¹⁾ According to the estimates by transaction consultant

INDICATIVE INTEGRATION TIMETABLE



- Integration of architectural and planning decisions
- Creation of a joined team to run successful regional business
- Integration of YIT Russia's projects into the Etalon sales network
- Unification of accounting systems, as well as other policies and standards
- YIT Russia consolidation in financial reporting
- Digital solutions integration: product standardisation approach, *Dispatcher 24*, etc.
- Integrating design systems and completing work on product standardisation

APPENDIX



KAZAN

MARKET OVERVIEW



17

2.4

AFFORDABILITY
INDEX (AVG. 2.4)

RUB 45,000

5 yr CAGR 5.6%
AVERAGE INCOME IN
TATARSTAN IN 2021

0.9 MLN SQM

TOTAL AREA
COMMISSIONED IN 2020

FRAGMENTED MARKET:

SHARE OF
FEDERAL LEVEL
DEVELOPERS **0%**

Etalon will be first
to market among
the TOP-20
developers in
Russia

76%

VOLUME OF PROJECTS WITH
COST SHARING AGREEMENT
IN 2020

60+

REGIONAL DEVELOPMENT
COMPANIES OPERATE IN KAZAN

YIT RUSSIA IN KAZAN

NET SELLABLE AREA

**114 THS
SQM**

LAND BANK

10.1 HA

PROJECT COMPLETION

2025

PROJECTS



GREEN

PROPERTY
CLASS

COMFORT

EXPECTED
COMPLETION

3Q 2022

TOTAL NSA,
THS SQM

23



SUITA

COMFORT

2Q 2023

29



TALONI

COMFORT

2025

62

TYUMEN

MARKET OVERVIEW



18

2.5

AFFORDABILITY
INDEX (AVG. 2.4)

RUB 56,000

5 yr CAGR 5.9%
AVERAGE INCOME IN
TYUMEN REGION IN 2021

1.8 MLN SQM

TOTAL AREA
COMMISSIONED IN 2020

CONSOLIDATED
MARKET:

557 THS SQM

VOLUME OF PROJECTS WITH
COST SHARING AGREEMENT
IN 2020

2

FEDERAL LEVEL (TOP-20)
PLAYERS: BRUSNIKA AND LSR

YIT RUSSIA IN TYUMEN

NET SELLABLE AREA

67 THS
SQM

LAND BANK

6.1 HA

PROJECT COMPLETION

2027

PROJECTS



CITY LIFE

PROPERTY
CLASS

COMFORT

EXPECTED
COMPLETION

1Q 2027

TOTAL NSA,
THS SQM

53



FINNISH
GULF

COMFORT

2Q 2023

14



SHUKOV

COMFORT

3Q 2019

COMPLETED

EKATERINBURG

MARKET OVERVIEW



19

2.2

AFFORDABILITY
INDEX (AVG. 2.4)

RUB 48,000

5 yr CAGR 5.7%
AVERAGE INCOME IN
SVERDLOVSK REGION IN 2021

2.4 MLN SQM

TOTAL AREA
COMISSIONED IN 2020

CONSOLIDATED
MARKET:

76%

VOLUME OF PROJECTS WITH
COST SHARING AGREEMENT
IN 2020

4

FEDERAL LEVEL (TOP-20) PLAYERS:
BRUSNIKA, LSR, PIK, KORTROS

YIT RUSSIA IN SVERDLOVSK REGION

NET SELLABLE AREA

390 THS SQM

LAND BANK

79.9 HA

PROJECT COMPLETION

2029

PROJECTS



RAUTA

PROPERTY
CLASS

COMFORT

EXPECTED
COMPLETION

3Q 2023

TOTAL NSA,
THS SQM

90



SUOMEN
RANTA

COMFORT

1Q 2024

39



BALTYM
PARK

COMFORT

2029

233

An architectural rendering of a modern residential complex. The scene features a mix of building styles: a traditional red brick building on the left, a multi-story brick building with large windows in the center, and a tall, modern grey building with vertical glass panels on the right. In the foreground, there is a well-maintained playground with various equipment, including slides and climbing structures. Several people are depicted: a child playing with a ball, a woman standing near a stroller, and a man sitting on a bench. Bicycles are parked in a designated rack. The ground is paved with a reddish-brown material, and there are some small trees and shrubs. The sky is clear and blue.

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STRATEGIC ACQUISITION OF YIT RUSSIA BY ETALON GROUP