



ETALON

MARCH 2024

FY 2023
FINANCIAL RESULTS

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KEY RESULTS

TOTAL REVENUE

88.8 RUB
BLN

▲ +10% year-on-year

Residential development revenue rose by 13% and reached RUB 78.0 bln

RESIDENTIAL DEVELOPMENT REVENUE AT REGIONAL PROJECTS

11.6 RUB
BLN

▲ 3.4x year-on-year

Residential development revenue at regional projects increased more than 3 times to RUB 11.6 bln

CONSOLIDATED GROSS PROFIT

30.0 RUB
BLN

▲ +6% year-on-year

Gross profit increased by 6% y-o-y due to growth in residential development gross profit at regional projects

RESIDENTIAL DEVELOPMENT PRE-PPA GROSS MARGIN

39%

Consolidated Pre-PPA gross margin was at the target level of 35%

Pre-PPA gross margin in residential development was at 39%

EBITDA

18.1 RUB
BLN

▲+10% year-on-year

EBITDA was up by 10% year-on-year, and Pre-PPA EBITDA increased by 3% to RUB 19.4 bln supported by increased operational efficiency

COMFORTABLE FINANCIAL POSITION

1.9x

Net corporate debt to Pre-PPA EBITDA within the target of 2-3x enables for financing further regional expansion

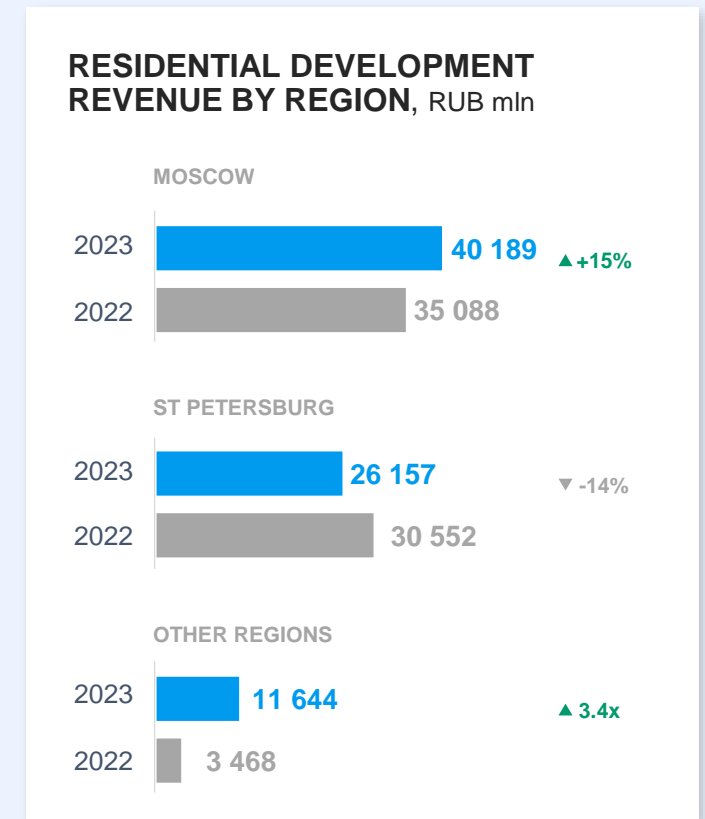
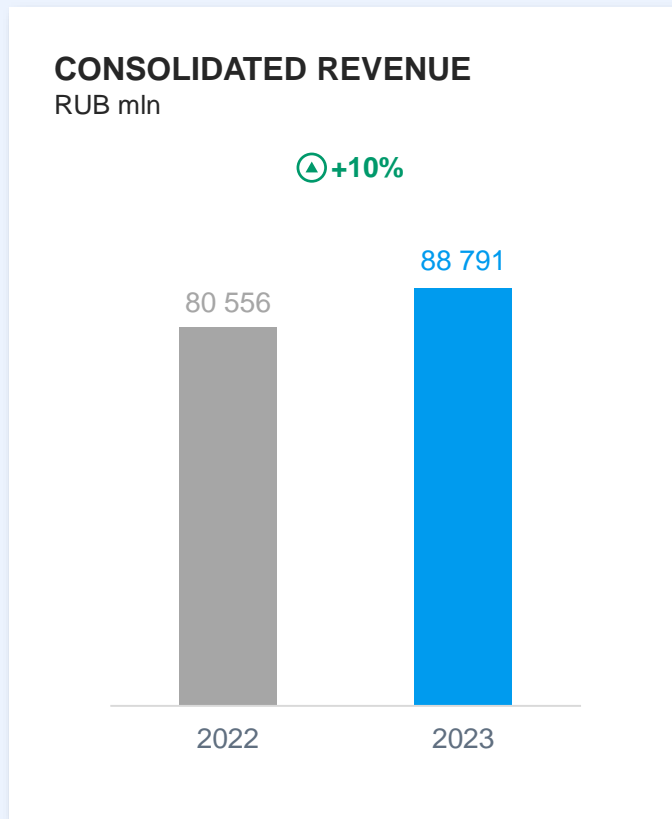
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FINANCIAL RESULTS



2023 REVENUE

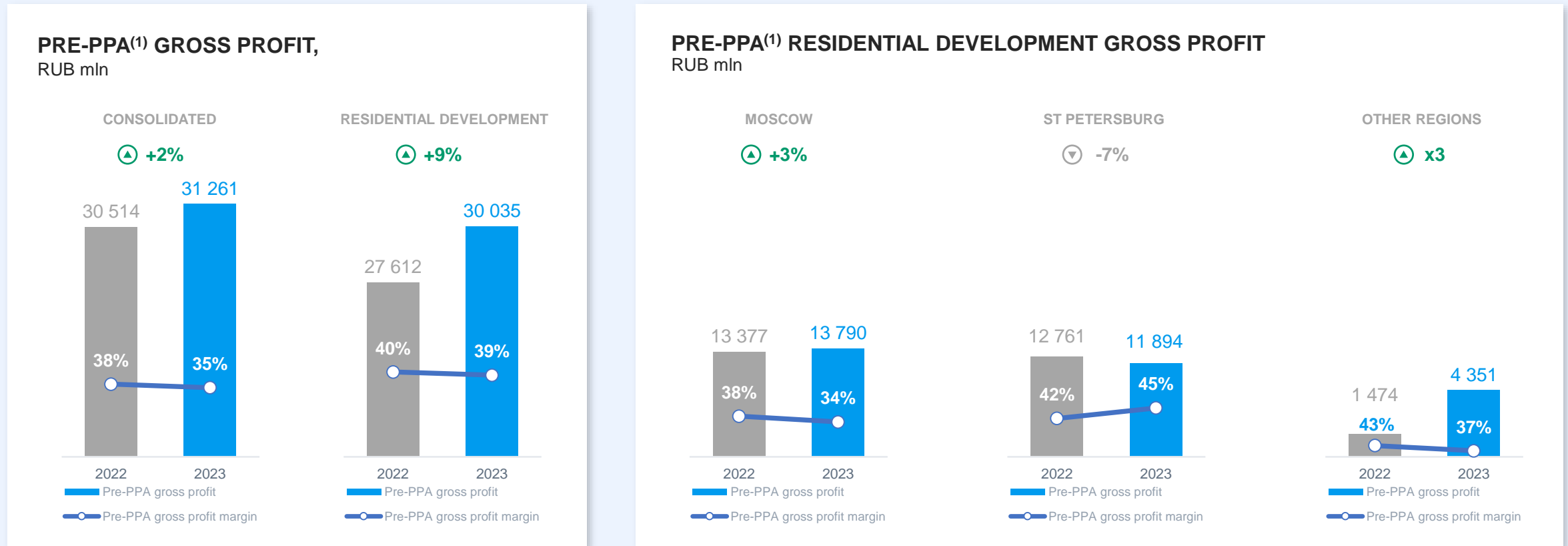
STRONG SALES IN 2023 SUPPORTED DOUBLE-DIGIT GROWTH IN FY 2023 REVENUE AND WILL BACK REVENUE GROWTH IN 2024



- Residential development revenue at regional projects increased 3.4 times year-on-year due to speedy regional expansion

PRE-PPA GROSS PROFIT

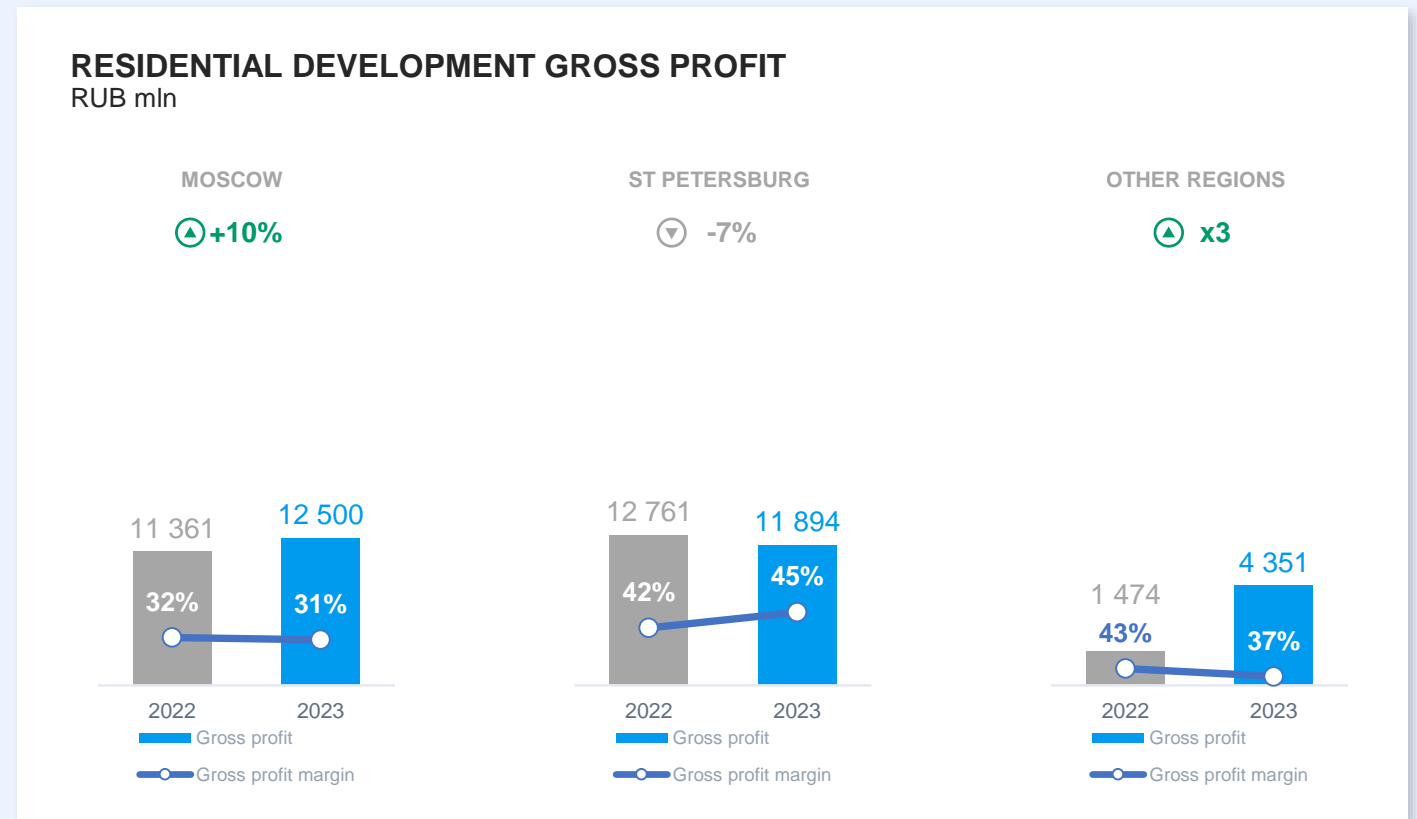
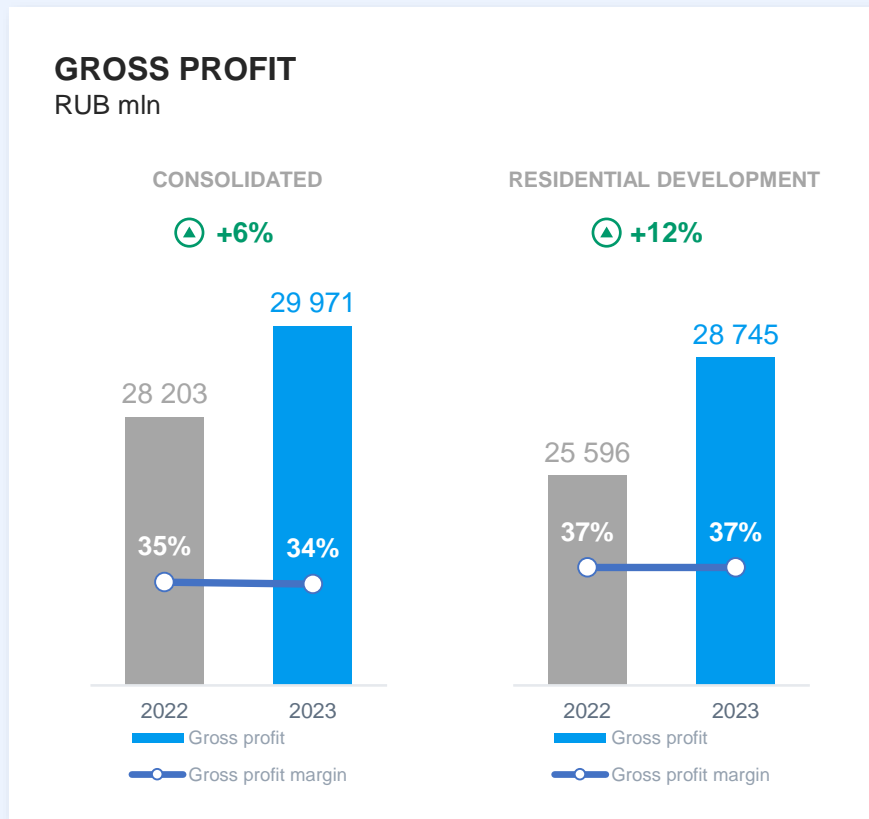
ETALON GROUP MAINTAINS HEALTHY PRE-PPA GROSS MARGINS AT THE TARGET LEVEL OF 35%



- Consolidated Pre-PPA gross margin remains at the target level of 35%, while Pre-PPA gross margin in the residential development segment was as high as 39%. Gross margin in the regions exceeds 37%
- PPA in adjusted gross profit in 2023 decreased to RUB 1.3 bln against RUB 2.5 bln in 2022 due to the gradual reduction of the share of Leader-Invest projects in our sales portfolio, which affected the dynamics of Pre-PPA gross profit

GROSS PROFIT

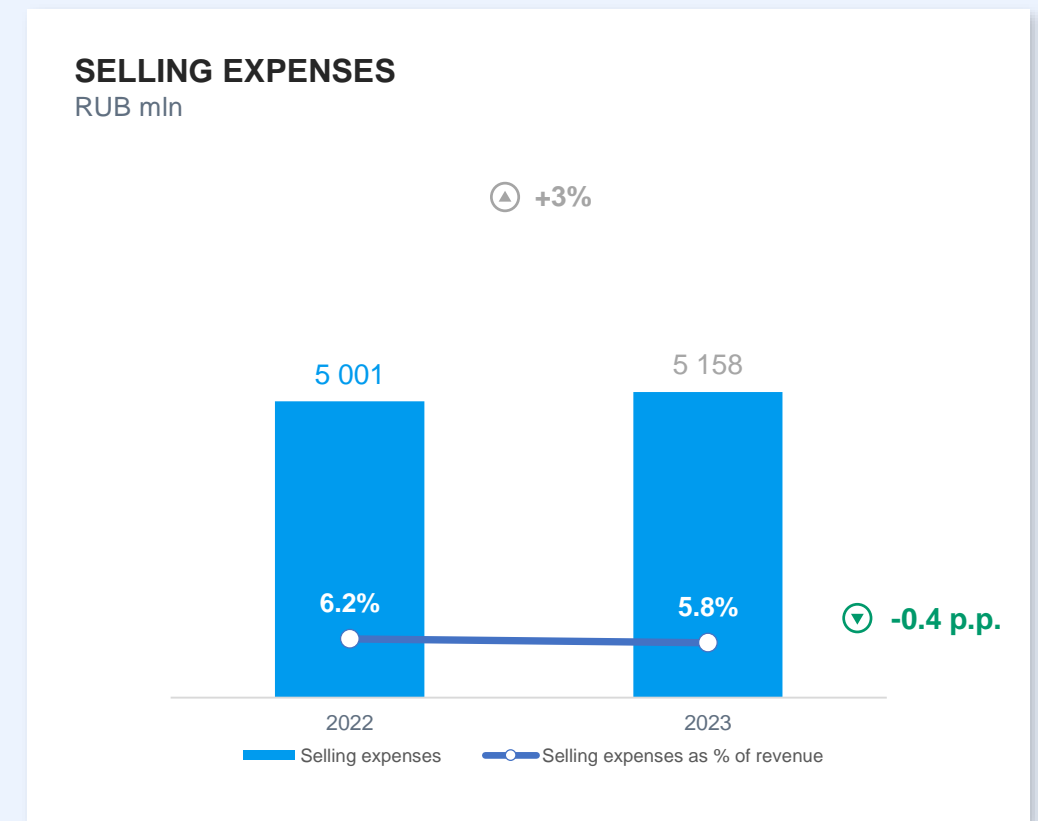
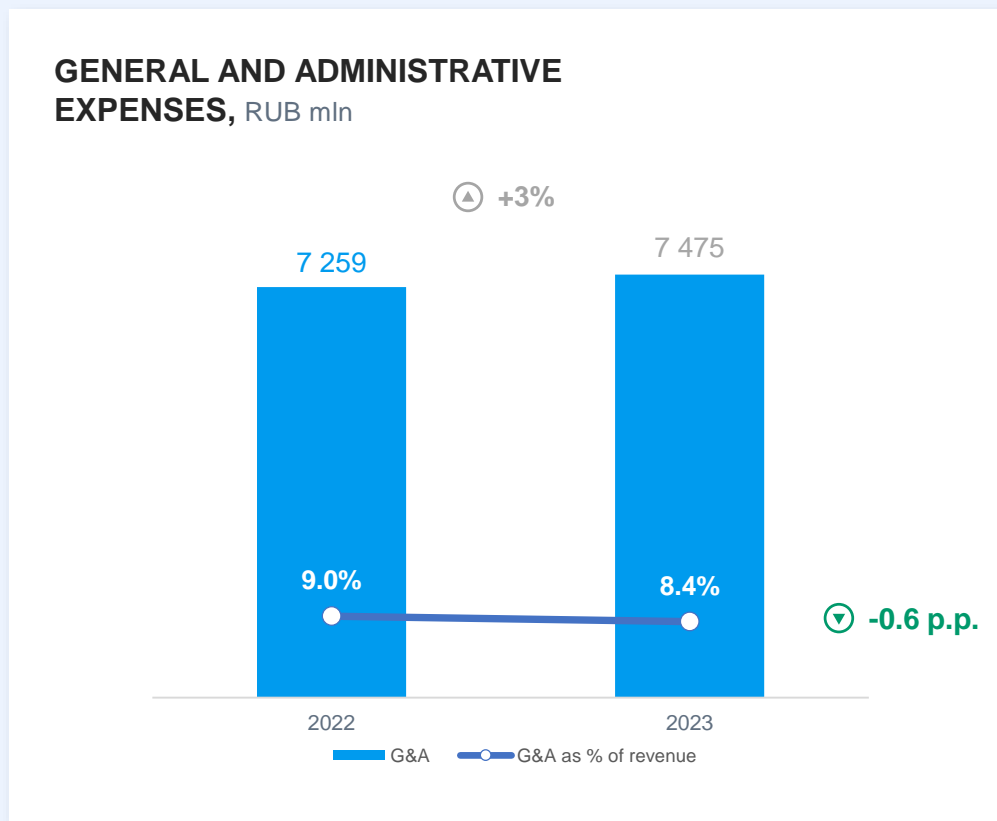
STRICT COST CONTROL TRANSLATED INTO STRONG MARGINS AND DOUBLE-DIGIT GROWTH IN RESIDENTIAL DEVELOPMENT GROSS PROFIT



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

OVERHEAD COSTS

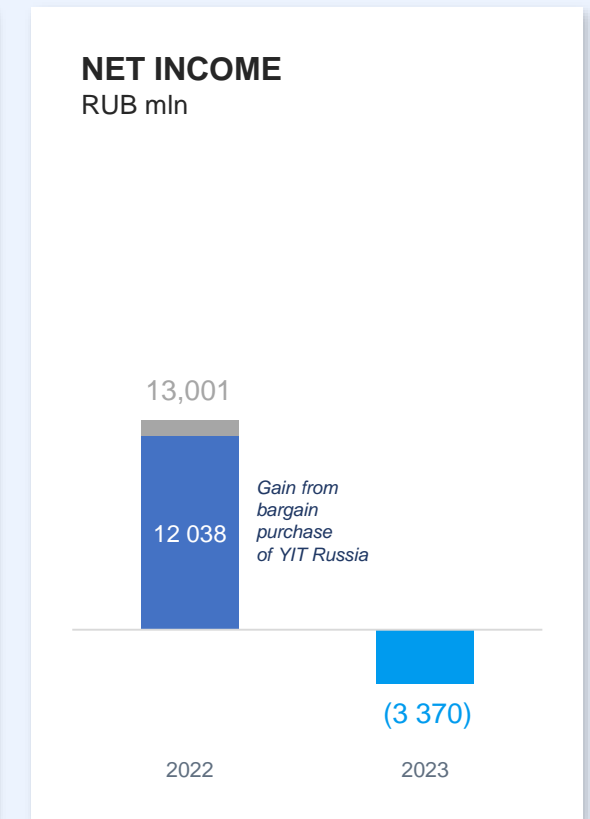
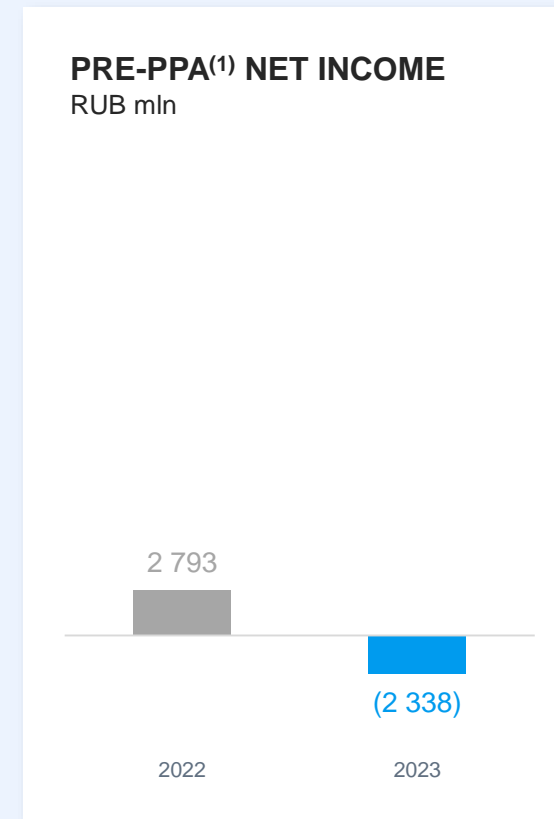
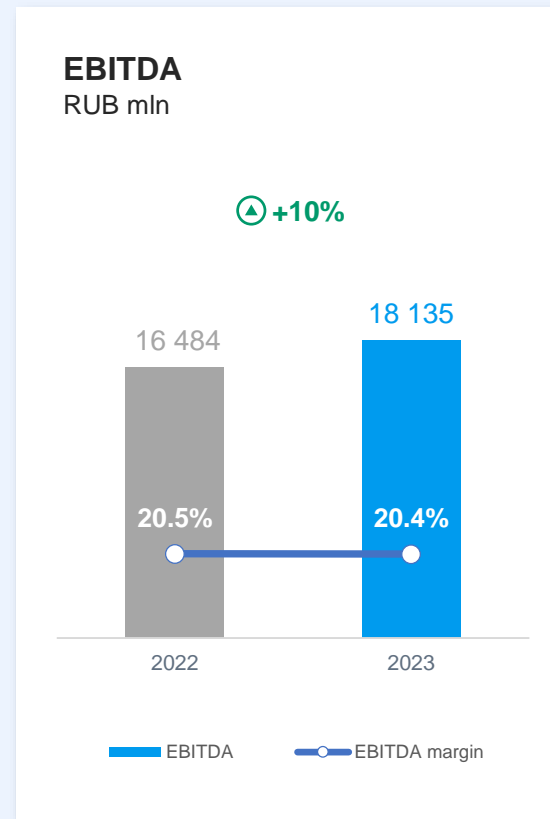
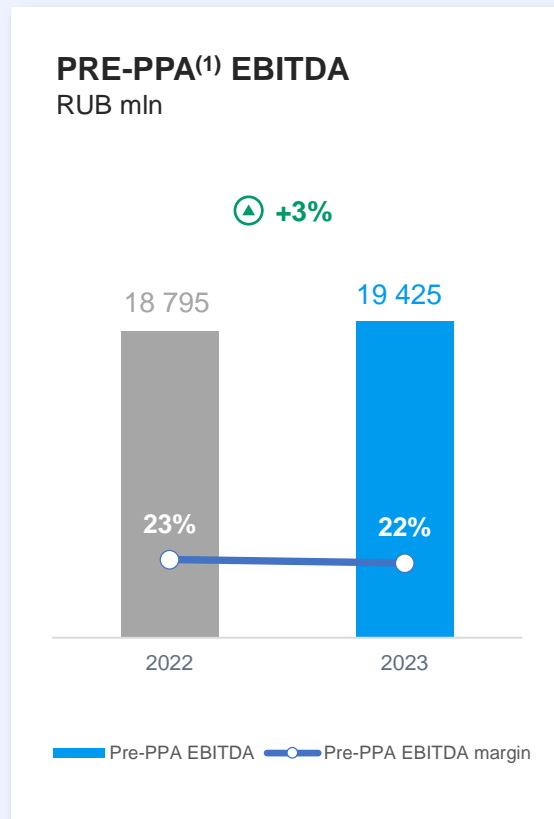
SUSTAINABLE BUSINESS GROWTH IS SUPPORTED BY MODERATE INCREASE IN OVERALL SG&A COSTS, WHILE OVERHEAD COSTS AS % OF REVENUE IS DECREASING



- Overhead costs as % of revenue decreased to 14.2% from 15.2% a year earlier
- Overhead costs are at a level that ensures business growth in the regions by several times, and the share of SG&A in revenue will decrease along with targeted business scaling

EBITDA & NET INCOME

DECREASING OVERHEAD COSTS AS % OF REVENUE SUPPORT UPWARD EBITDA DYNAMICS, WHILE CAPITAL INVESTMENTS IN SPEEDED-UP BUSINESS SCALING PUT TEMPORARY PRESSURE ON NET INCOME



- Temporary pressure on net income is associated with the investment phase amid high market rates. Substantial business expansion and efficiency with lower key rate in the medium term will ensure high profitability

KEY FACTORS OF PROFIT GROWTH

EXPANSION OF OPERATIONS ALONG WITH CHANGED MACROECONOMIC ENVIRONMENT IS A FAST TRACK TO HIGH PROFITS

OVER **X2**

GROWTH
IN REVENUE

Backed by development of the current landbank and by new launches

BY **2026**

~**10%**

SHARE OF SELLING, GENERAL
AND ADMINISTRATIVE EXPENSES
IN REVENUE

Reduction of SG&A as % of revenue by 4.2 p.p. due to the fact that most of them are incurred at an early investment stage

BY **2026**

UP TO **8** P.P.

REDUCTION IN THE COST
OF CORPORATE DEBT

In the medium term, on the back of reduction of the key rate by the Central Bank of Russia⁽¹⁾

BY **2026**

BY **15-20** RUB
BLN

POTENTIAL GROWTH
IN NET INCOME⁽²⁾

Under the influence of these factors

BY **2026**

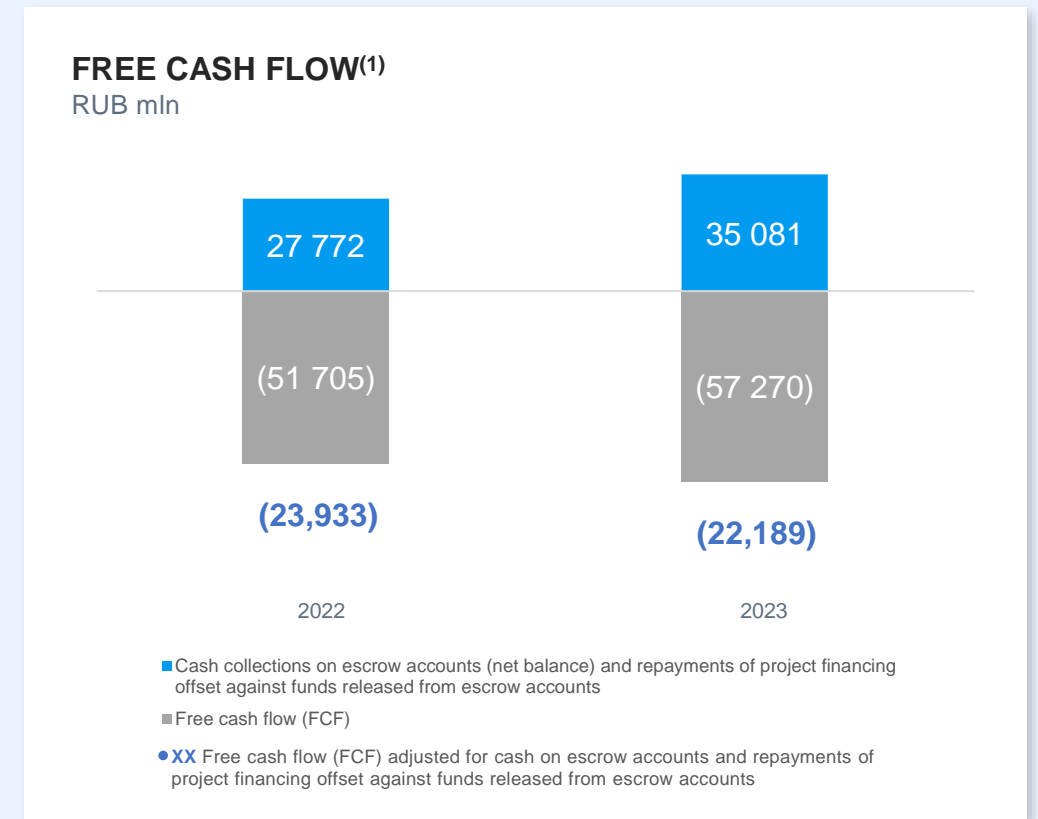
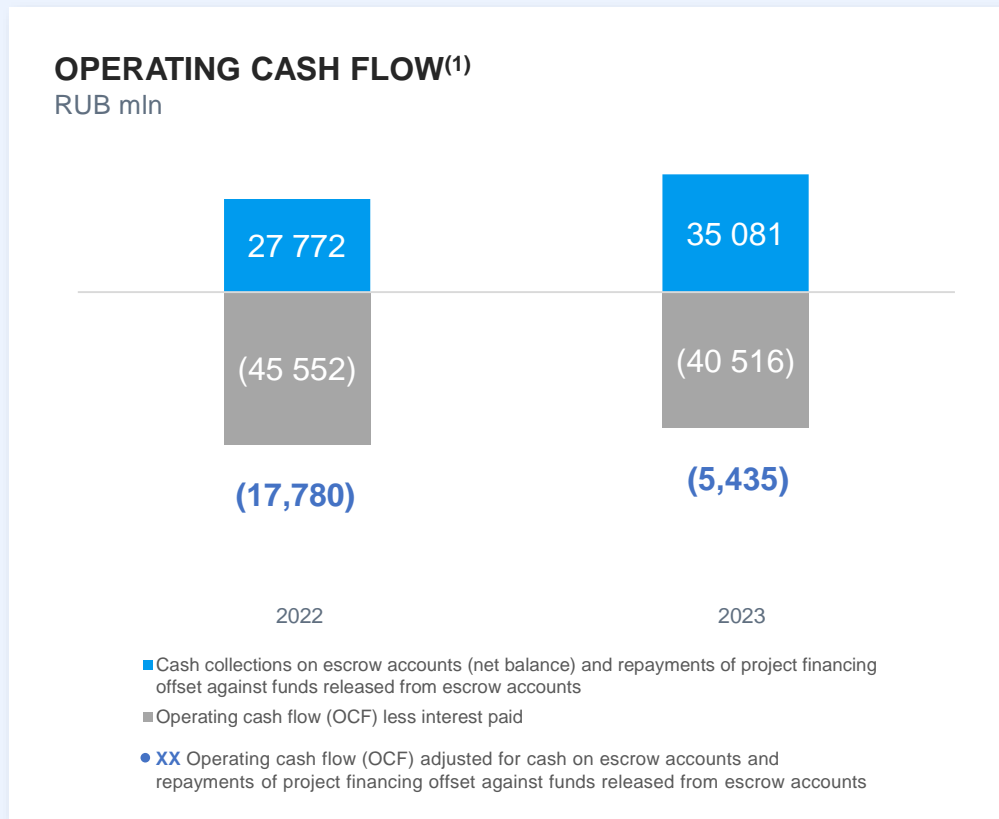
Source: IFRS financial statements, y-o-y change was calculated without rounding

⁽¹⁾ Reduction of the key rate to 8-10% based on the forecast of the Central Bank of Russia as of 16.02.2024

⁽²⁾ Forecast of net income dynamics for 2026 vs 2023 level under the potential influence of the above growth factors, excluding changes in interest and other financial income, the impact of other income and expenses, accounting and non-monetary components

CASH FLOW ANALYSIS

THE DYNAMICS OF CASH FLOWS REFLECTS THE INVESTMENT PHASE OF THE COMPANY'S DEVELOPMENT



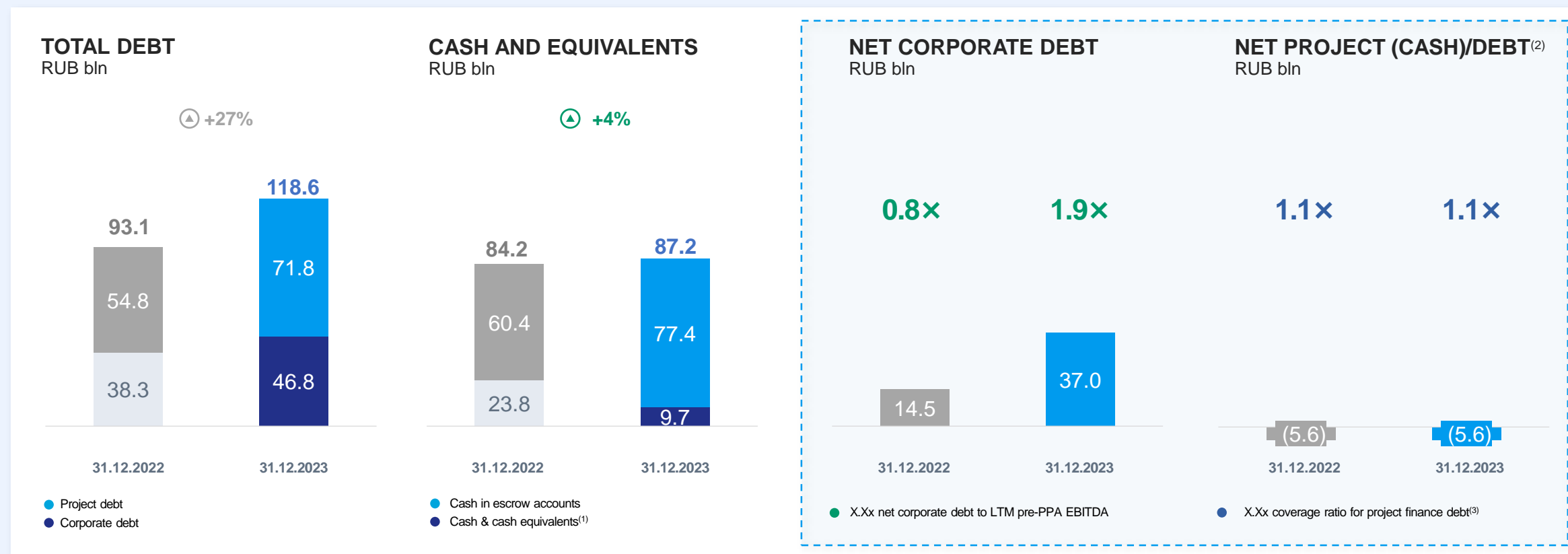
Source: IFRS financial statements, y-o-y change was calculated without rounding

⁽¹⁾ Incl. 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

SUSTAINABLE FINANCIAL POSITION

NET CORPORATE DEBT TO PRE-PPA EBITDA REMAINS AT A COMFORTABLE LEVEL BELOW 2-3X



- A coverage ratio for project finance debt above 1x ensures preferential rates for project financing
- The average cost of borrowing at project and corporate levels as of 31.12.2023 was at 8.73%

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 in escrow accounts

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

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APPENDIX



INCOME STATEMENT

MLN RUB	2022	2023
Revenue	80,556	88,791
Cost of sales	(52,353)	(58,820)
Gross profit	28,203	29,971
General and administrative expenses	(7,259)	(7,475)
Selling expenses	(5,001)	(5,158)
Impairment loss on trade and other receivables	(912)	(829)
Gain from bargain purchase	12,038	-
Other expenses, net	(2,014)	(4,568)
Results from operating activities	25,055	11,941
Finance income	3,989	2,815
Finance costs	(13,120)	(15,776)
Net finance income/(costs)	(9,131)	(12,961)
Share of loss of equity accounted investees	(37)	66
Profit/(loss) before income tax	15,887	(954)
Income tax expense	(2,886)	(2,416)
Profit/(loss) for the period	13,001	(3,370)
<i>Profit/(loss) attributable to:</i>		
Owners of the Company	12,948	(3,370)
Non-controlling interest	53	-
Profit/(loss) for the period	13,001	(3,370)

BALANCE SHEET

MLN RUB	31.12.2022	31.12.2023
ASSETS		
Non-current assets		
Property, plant and equipment	4,531	6,184
Intangible assets	2,652	2,956
Investment property	396	344
Other long-term investments	583	13,427
Trade and other receivables	1,569	1,446
Deferred tax assets	11,373	11,298
TOTAL non-current assets	21,104	35,655
Current assets		
Inventories	142,519	152,035
Contract assets, trade and other receivables	59,392	61,278
Short-term investments	22	37
Cash and cash equivalents	23,811	9,724
Other current assets	1,197	1,662
TOTAL current assets	226,941	224,736
TOTAL ASSETS	248,045	260,391
EQUITY AND LIABILITIES		
Equity		
Share capital	26,368	26,368
Retained earnings	47,821	44,523
TOTAL equity attributable to equity holders of the Company	74,189	70,891
Non-controlling interest	-	-
TOTAL equity	74,189	70,891
Non-current liabilities		
Loans and borrowings	73,970	82,112
Contract liabilities, trade and other payables	22,978	8,957
Provisions	406	366
Deferred tax liabilities	7,513	3,578
TOTAL non-current liabilities	104,867	95,013
Non-current liabilities		
Loans and borrowings	19,118	36,499
Contract liabilities, trade and other payables	40,813	50,073
Provisions	9,058	7,915
TOTAL current liabilities	68,989	94,487
TOTAL EQUITY AND LIABILITIES	248,045	260,391

CASH FLOW STATEMENT

MLN RUB	2022	2023
OPERATING ACTIVITIES		
(Loss)/profit for the period	13,001	(3,370)
<i>Adjustments for:</i>		
Depreciation	541	797
(Gain)/loss on disposal of PP&E	90	(214)
Loss on disposal of investment property	3	-
Loss/(gain) on disposal of inventories under construction and development	(51)	84
Impairment loss on inventories	994	(34)
Impairment loss/reversal on trade and other receivables, advances paid to suppliers and investments	898	829
Share of (gain)/loss of equity accounted investees	37	(66)
Gain from bargain purchase	(12,038)	-
(Gain)/loss on disposal of subsidiary	2	(14)
Gain on disposal of associate	(135)	-
Cost of social infrastructure for completed projects	-	2,535
Significant financing component from contracts with customers recognised in revenue	(324)	(157)
Savings on escrow-backed loans recognised in revenue	(2,715)	(4,697)
Finance income, net	9,131	12,961
Income tax expense	2,886	2,416
CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	12,320	11,070
Change in inventories	(24,897)	(9,780)
Change in accounts receivables	(2,212)	(49)
Change in accounts payable	2,424	(4,994)
Change in provisions	(28)	(2,964)
Change in contract assets	(24,029)	(25,990)
Change in contract liabilities	(3,577)	(3,291)
Income tax paid	(5,553)	(4,518)
Interest paid	(5,263)	(6,015)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(50,815)	(46,531)
INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	10	413
Proceeds from disposal of investment property	12	8
Interest received	1,211	1,952
Acquisition of PP&E	(1,201)	(2,146)
Loans given	(13)	(165)
Loans repaid	64	173
Acquisition of subsidiary, net of cash acquired	536	-
Disposal of subsidiary, net of cash disposed of	-	1
Acquisition of investment in associates and joint ventures	(247)	(9,014)
(Acquisition)/disposal of other investments	44	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	416	(8,778)
FINANCING ACTIVITIES		
Proceeds from borrowings	43,008	73,292
Repayments of borrowings	(11,166)	(29,150)
Acquisition of own shares	-	-
Payments of lease liabilities	(2,144)	(2,966)
Proceeds from issue of share capital	-	-
Dividends paid	-	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	29,698	41,176
Net increase/(decrease) in cash and cash equivalents	(20,701)	(14,133)
Effect of FX rate fluctuations	(75)	46
Cash & cash equivalents at the end of the period	23,811	9,724

FCF CALCULATION

MLN RUB	2022	2023
Comprehensive income	13,001	(3,370)
ADJUSTMENTS FOR		
Depreciation	541	797
Loss/(gain) on disposable PP&E	90	(214)
Loss/(gain) on disposal of investment property	3	-
(Gain)/loss on disposal of inventories under construction and development	(51)	84
Impairment loss on inventory	994	(34)
Impairment loss on trade and other receivables	898	829
Share of loss of equity accounted investees	37	(66)
Loss on disposal of subsidiary	2	(14)
Gain on disposal of associate	(135)	-
Cost of social infrastructure for completed projects	-	2,535
Gain from bargain purchase	(12,038)	-
Significant financing component from contracts with customers recognised in revenue	(324)	(157)
Savings on escrow-backed loans recognised in revenue	(2,715)	(4,697)
Finance costs, net	9,131	12,961
Income tax expense	2,886	2,416
Income tax paid	(5,553)	(4,518)
Interest paid	(5,263)	(6,015)
(Increase) in working capital:	(52,319)	(47,068)
Change in inventories	(24,897)	(9,780)
Change in accounts receivable	(2,212)	(49)
Change in accounts payable	2,424	(4,994)
Change in provisions	(28)	(2,964)
Change in contract assets	(24,029)	(25,990)
Change in contract liabilities	(3,577)	(3,291)
(Increase)/decrease in invested capital based on CF statement:	(890)	(10,739)
Acquisition of PP&E	(1,201)	(2,146)
Acquisition of subsidiary, net cash of acquired	536	-
Acquisition of investment in associates and joint ventures	(247) ⁽¹⁾	(9,014)
Proceeds from disposal of non-current assets	22	421
FCF	(51,705)	(57,270)

Source: IFRS financial statements

⁽¹⁾ In the 2022 IFRS disclosure, the free cash flow calculation did not include proceeds from acquisition of investment in associates and joint ventures