

# SBERBANK CIB AND MOEX'S JOINT VIRTUAL CONFERENCE

29 - 30 October 2020  
2 - 3 November 2020



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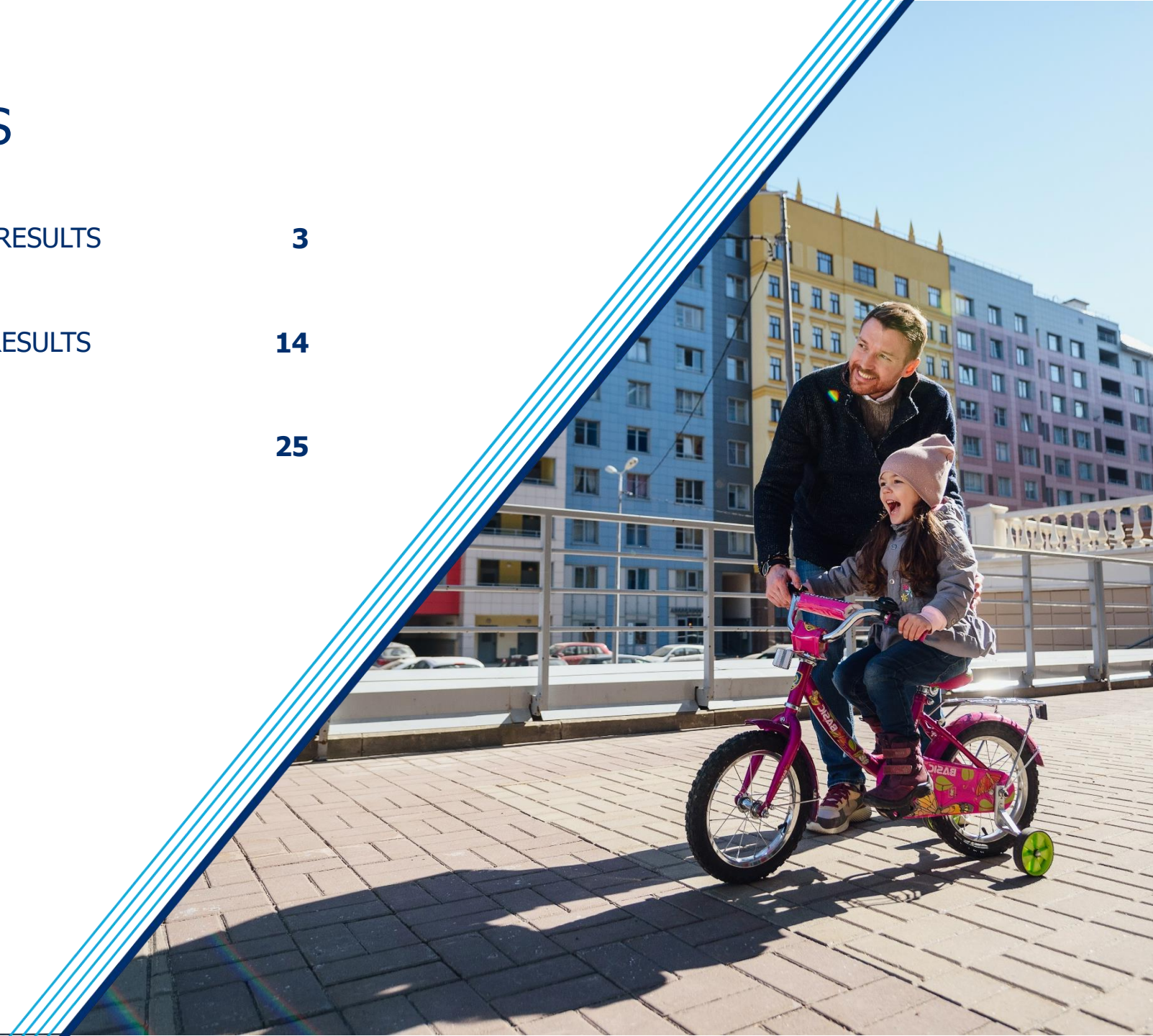
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# OPERATING RESULTS





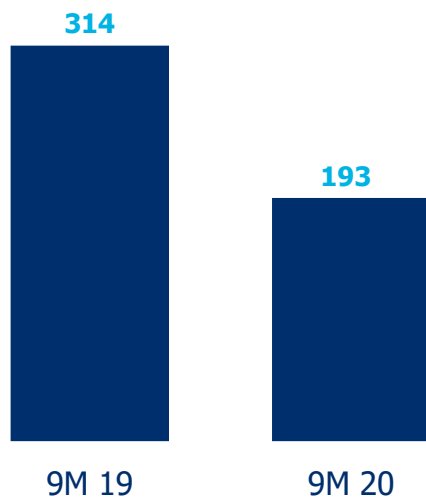
# DELIVERIES IN 9M 2020



ETALON GROUP DELIVERED 193 THS SQM  
IN 9M 2020, IN LINE WITH THE  
CONSTRUCTION PLAN

## DELIVERIES

ths sqm



## 9M 2020 DELIVERIES BREAKDOWN

ths sqm

PROJECT	NSA, ths sqm
Normandy	89
Botanica	47
House on Kosmonavtov	26
Schastye v Kuzminkakh	9
Schastye na Sokole	9
Schastye v Sadovnikakh	7
Schastye v Kuskovo	6
<b>TOTAL</b>	<b>193</b>

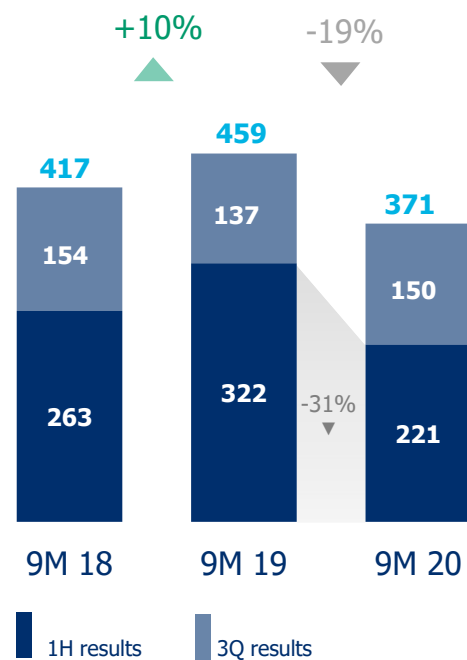


# 9M 2020 OPERATING RESULTS

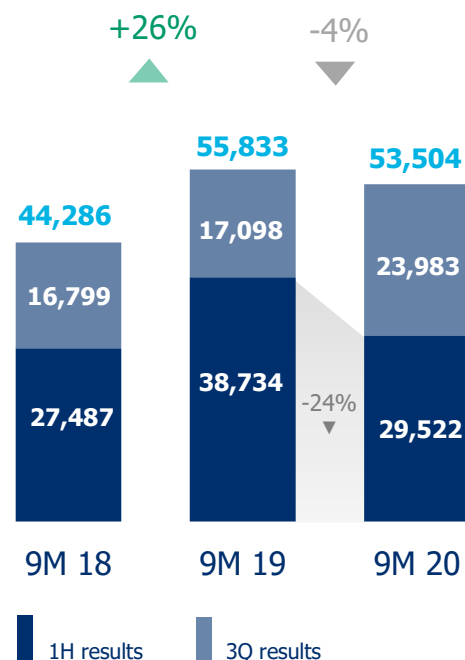


DESPITE A COVID-19 RELATED SLOWDOWN IN 1H 2020, 9M 2020 RESULTS ARE NEARLY IN LINE WITH THE PREVIOUS YEAR'S PERFORMANCE

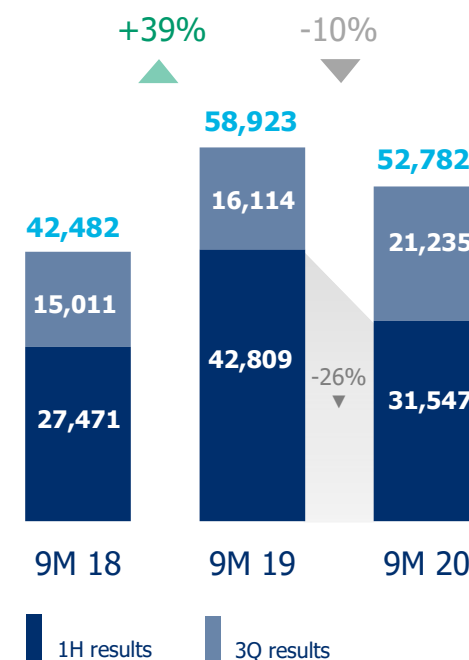
## NEW CONTRACT SALES ths sqm



## NEW CONTRACT SALES mln RUB



## TOTAL CASH COLLECTIONS mln RUB



- The number of new contracts reached **6,588 in 9M 2020**
- Cash collections in escrow accounts reached **RUB 13.8 bln** in 9M 2020, making it possible to reduce the cost of project financing to preferential interest rates ranging from 3% to 4%

Source: Company data. Total may not add up due to rounding



# 9M 2020 OPERATING RESULTS: BREAKDOWN BY REGIONS



A RECOVERY IN DEMAND  
BALANCED OUT THE DECLINE IN  
SALES CAUSED BY COVID-19

## NEW CONTRACT SALES ths sqm

### Moscow



### St Petersburg



## NEW CONTRACT SALES bln RUB

### Moscow



### St Petersburg



## TOTAL CASH COLLECTIONS bln RUB

### Moscow



### St Petersburg



- **New contract sales in monetary terms nearly reached last year's performance** despite tough Covid-19 restrictions **in both key regions** in 1H 2020

Source: Company data. Y-o-y change was calculated without rounding



# SALES GUIDANCE FOR 2020



ETALON GROUP IS WELL ON TRACK TO DELIVER ON ITS PREVIOUS BEST CASE GUIDANCE AFTER SOLID PERFORMANCE IN 9M 2020

## NEW CONTRACT SALES

th\$ sqm

## NEW CONTRACT SALES

mln RUB

## TOTAL CASH COLLECTIONS<sup>(2)</sup>

mln RUB

## UPDATED GUIDANCE

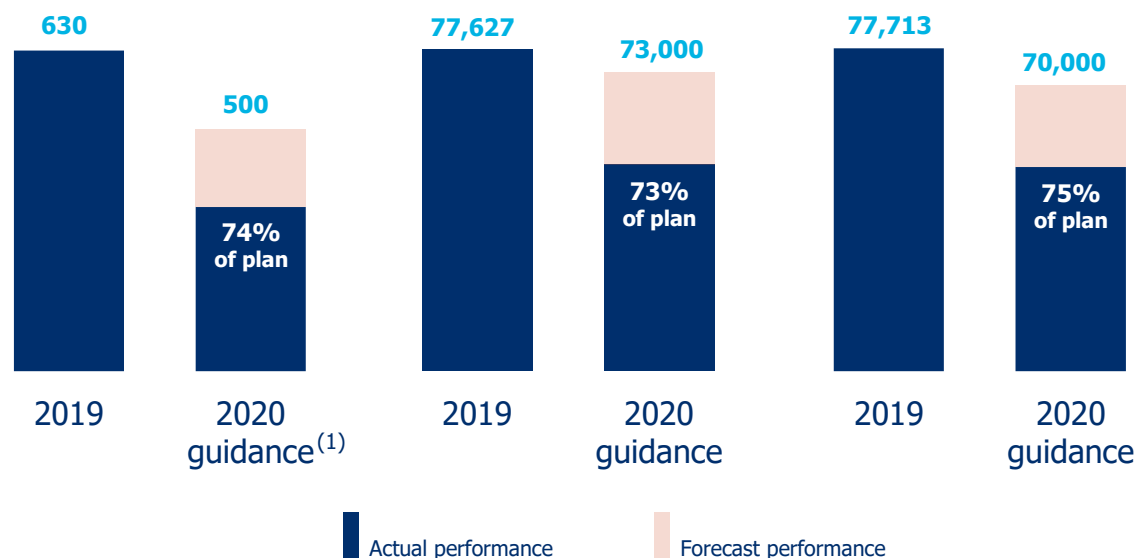
In 3Q 2020 Etalon Group achieved an impressive recovery across all key metrics. The **Company is well on track to deliver on its best-case guidance for 2020.**

Several drivers support this performance:

- ✓ Record low mortgage rates supported by the subsidised mortgage programme
- ✓ Positive impact on mortgage dynamics of Central Bank key rate being at historic low
- ✓ Possible prolongation of the subsidised mortgage programme could provide additional support to the market
- ✓ Absence of strict lockdown measures despite the growing number of COVID-19 cases

Downside risks still persist, and their effect may lead to performance in line with previous base case guidance:

- ✗ Risk of a new lockdown remains
- ✗ If the subsidised mortgage programme is ended, the pace of growth will slow



Source: Company data

<sup>(1)</sup> NCS guidance revised based on higher price growth

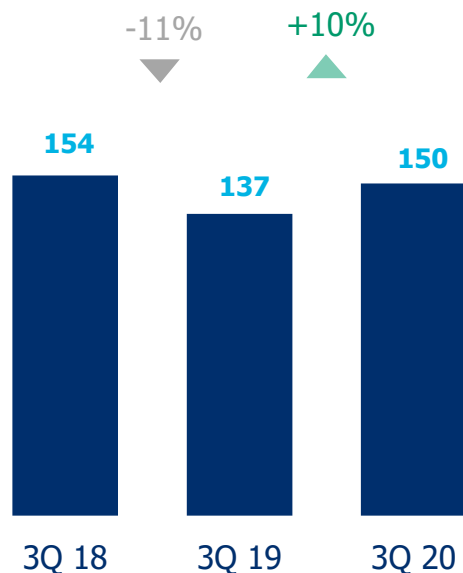
<sup>(2)</sup> Including cash on escrow accounts

# 3Q 2020 OPERATING RESULTS

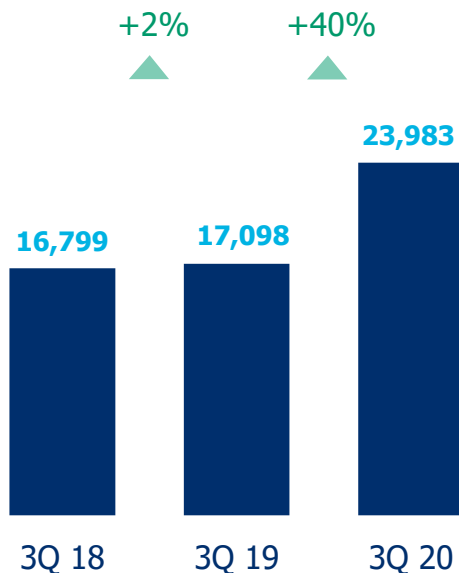


ETALON GROUP DELIVERED ONE OF ITS STRONGEST QUARTERLY RESULTS

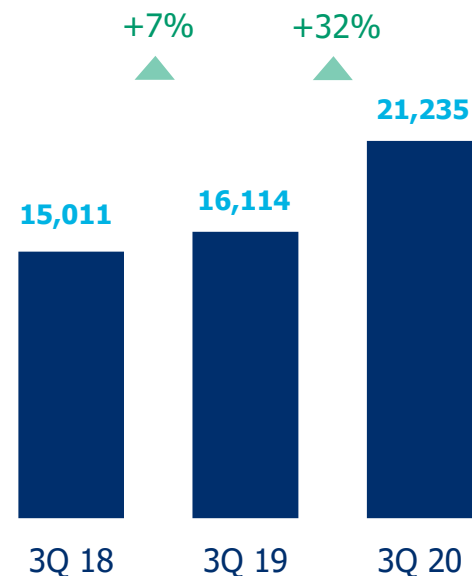
## NEW CONTRACT SALES ths sqm



## NEW CONTRACT SALES mln RUB



## TOTAL CASH COLLECTIONS mln RUB



- The number of new contracts amounted to **2,706 in 3Q 2020, up by 5% compared to 3Q 2019**
- Cash collections in escrow accounts reached **RUB 5.7 bln** in 3Q 2020, making it possible to reduce the cost of project financing to preferential interest rates ranging from 3% to 4%



# 3Q 2020 OPERATING RESULTS: BREAKDOWN BY REGIONS



NEW CONTRACT SALES INCREASED  
BY 55% TO AN ALL-TIME HIGH OF  
RUB 15.5 BLN IN MOSCOW

## NEW CONTRACT SALES ths sqm

### Moscow



### St Petersburg



## NEW CONTRACT SALES bln RUB

### Moscow



### St Petersburg



## TOTAL CASH COLLECTIONS bln RUB

### Moscow



### St Petersburg



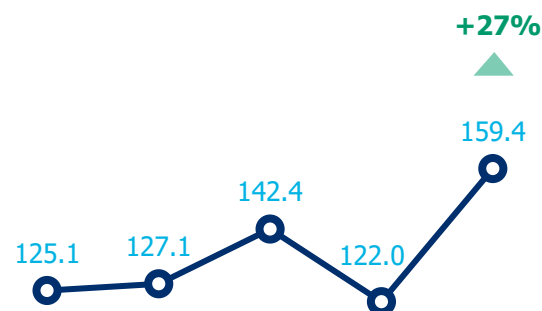
- Limited supply in St Petersburg is holding back further growth in sales volumes in this region

# AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE



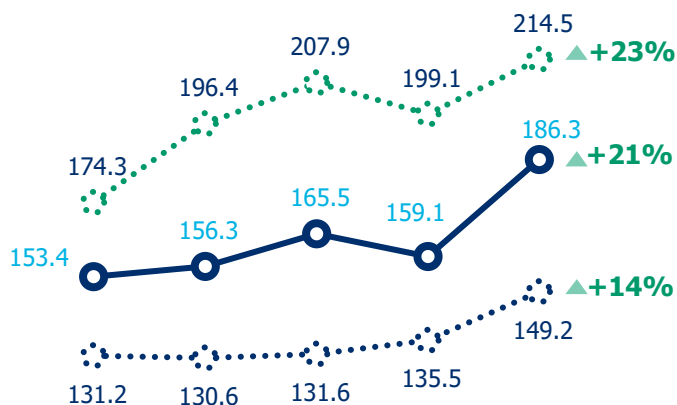
AVERAGE PRICE FOR APARTMENTS  
INCREASED BY 21% YEAR-ON-YEAR  
TO A RECORD HIGH RUB 186.3 THS

**AVERAGE PRICE**  
RUB ths/sqm



3Q 19 4Q 19 1Q 20 2Q 20 3Q 20

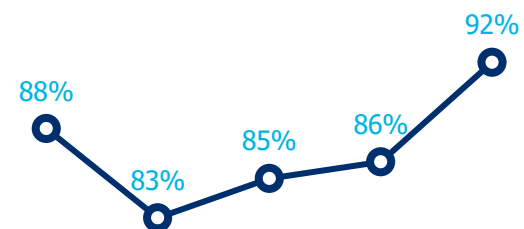
**AVERAGE PRICE APARTMENTS**  
RUB ths/sqm



3Q 19 4Q 19 1Q 20 2Q 20 3Q 20

—○— Combined ····· St Petersburg ····· Moscow

**AVERAGE DOWN PAYMENT**  
%



3Q 19 4Q 19 1Q 20 2Q 20 3Q 20

- Roll-out of dynamic pricing in St Petersburg after a successful pilot in Moscow supported like-for-like price growth of 14%
- The record-high average down payment was driven by higher mortgage financing, investment demand and a higher share of segments in which 100% payments are made

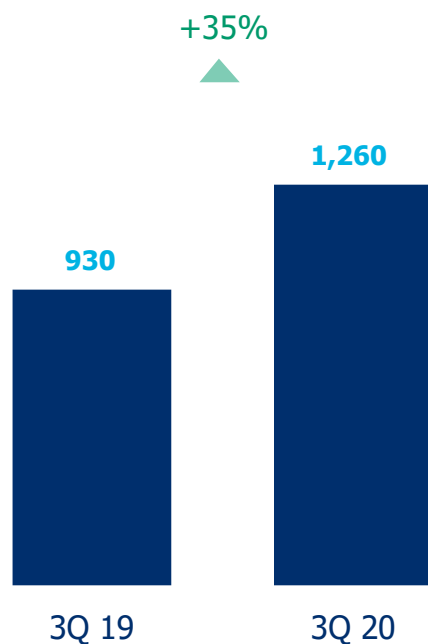


# MORTGAGE SALES

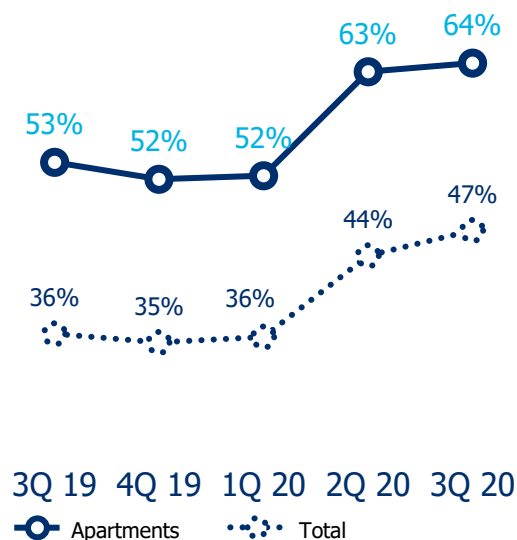


MORTGAGE CONTRACTS AS A SHARE OF APARTMENT SALES REACHED A RECORD HIGH 64% AMID DECLINING MORTGAGE RATES

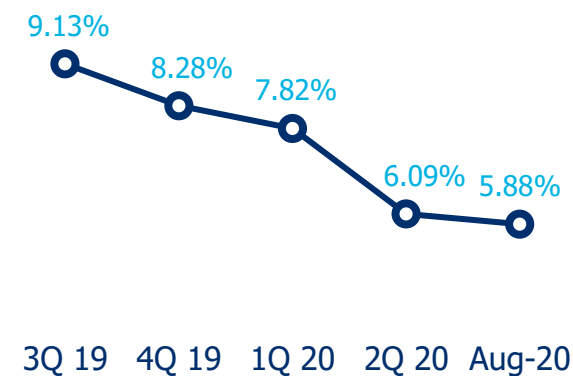
## NUMBER OF MORTGAGE CONTRACTS SIGNED



## MORTGAGE CONTRACTS AS A SHARE OF SALES



## AVERAGE MORTGAGE RATE IN RUSSIA<sup>(1)</sup>



- The share of sales financed with mortgages continues to grow both as a share of contracts signed for apartments and as a share of total contracts signed

Source: Company data

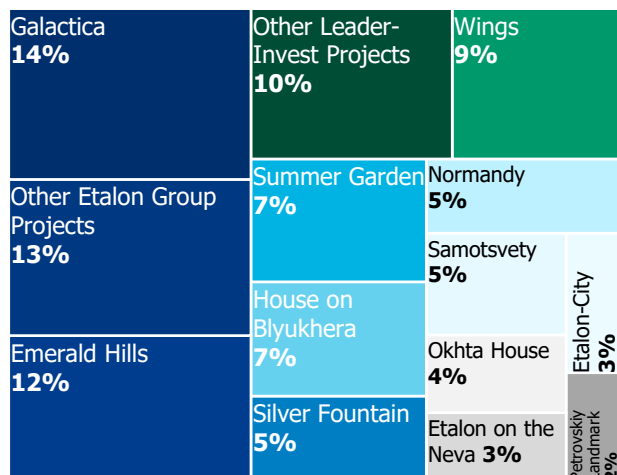
<sup>(1)</sup> Weighted average interest rate on mortgage loans given to residents of Russia for acquisition of apartments on the primary market during the month, based on CBR data

# SALES PORTFOLIO

WINGS AND NAGATINO I-LAND PROJECTS  
REACHED A 19% SHARE OF SALES VOLUME

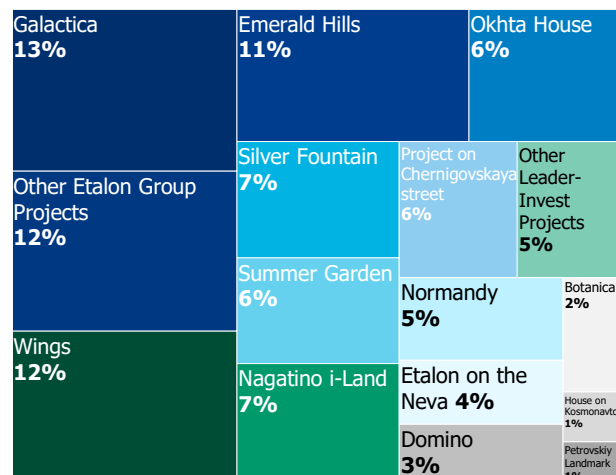
## 3Q 2019 NEW CONTRACT SALES BY PROJECT

sqm



## 3Q 2020 NEW CONTRACT SALES BY PROJECT

sqm



- Galactica remains the largest project in terms of new contract sales with a 13% share of total NCS
- Nagatino i-Land reached 7% of total sales due to an acceleration of construction work after the presale period and the lifting of Covid-19 restrictions
- The share of business class projects reached 35% and 52% in sqm and monetary terms, respectively
- Leader-Invest projects amounted to 24% and 37% in sqm and monetary terms, respectively
- New contract sales in St Petersburg and Moscow respectively amounted to 47% and 53% in sqm terms, and 35% and 65% in monetary terms

Source: Company data; Total may not add up due to rounding

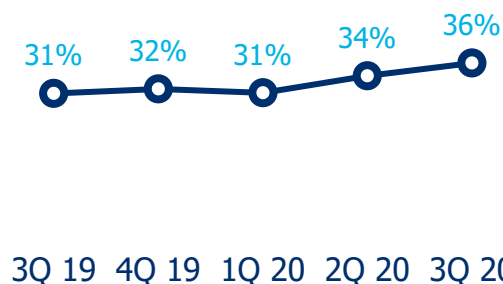


# REGIONAL SALES PERFORMANCE



NATIONWIDE SALES & MARKETING NETWORK SUPPORTS SUSTAINABLE CONTRACT SALES FOR ETALON GROUP PROJECTS

## SHARE OF REGIONAL BUYERS



## ETALON GROUP'S REGIONAL SALES GEOGRAPHY<sup>(1)</sup> <sup>(2)</sup>

REGION	SHARE OF TOTAL CONTRACTS
Leningrad region	2.5%
Yamalo-Nenets AD	1.6%
Krasnoyarsk Krai	1.5%
Krasnodar Krai	1.2%
Buryat Republic	1.2%
Murmansk region	1.0%
Saratov region	1.0%
Khanty-Mansi AD	0.9%
Khabarovskiy Krai	0.8%
Other Russian regions	23.4%
Foreigners	0.9%
<b>TOTAL</b>	<b>36%</b>

<sup>(1)</sup> Company data for 3Q 2020

<sup>(2)</sup> Including Leader-Invest sales

## REGIONAL POPULATION ACTIVELY BUYS APARTMENTS IN MOSCOW AND ST PETERSBURG



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



# 1H 2020 FINANCIAL RESULTS

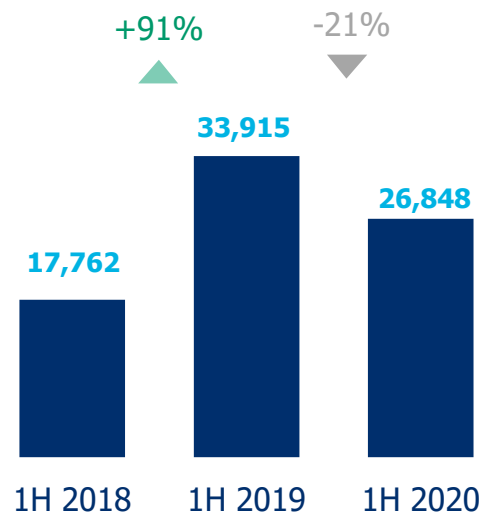




# REVENUE ANALYSIS

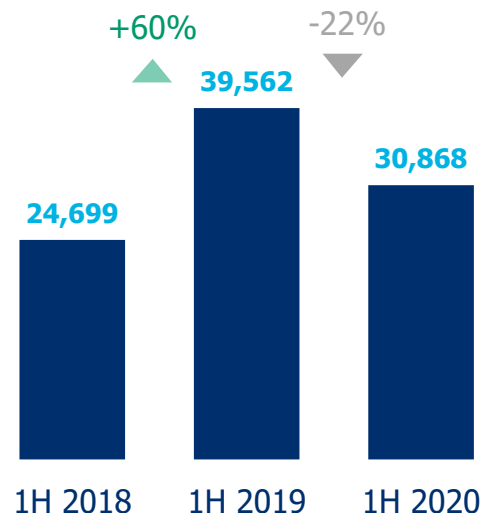
## RESIDENTIAL DEVELOPMENT REVENUE

mln RUB



## CONSOLIDATED REVENUE

mln RUB



## REASONS FOR DECREASE IN REVENUE

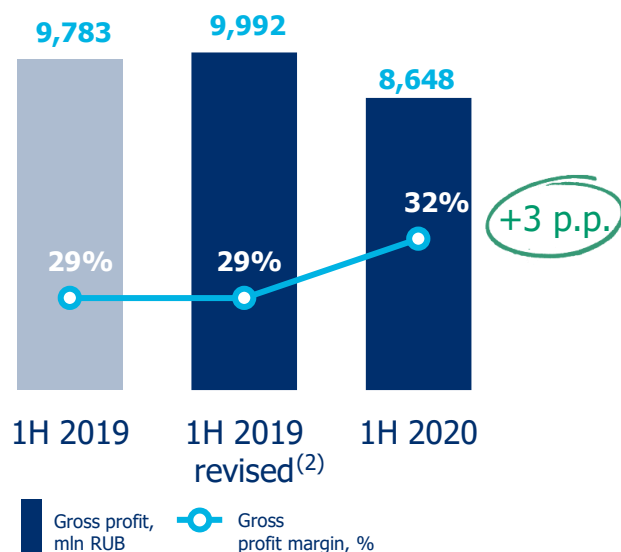
- Lower sales volumes (NCS in 1H 2020 were down 24% y-o-y) due to the COVID-19 restrictions
- Temporary construction ban in Moscow
- Lower share of revenue recognised in the first half of the year as certificates of acceptance for construction work are normally signed in the second half of the year
- **Combined effect on revenue:** around RUB 9 bln forgone

# GROSS PROFIT ANALYSIS

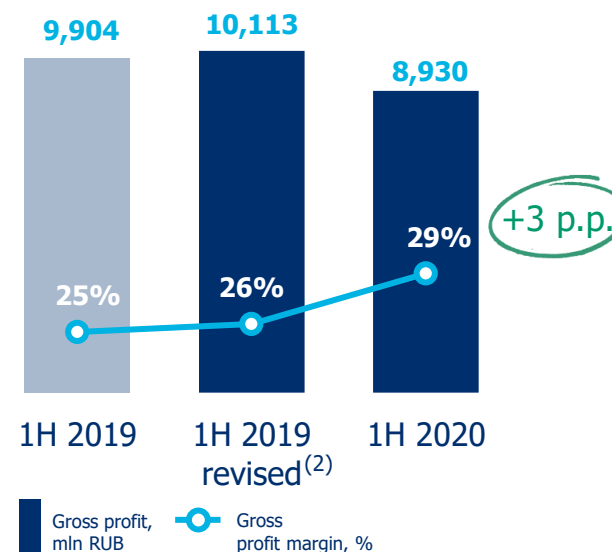


STRONG INCREASE IN MARGINS IN 1H 2020 DUE TO EFFICIENCY MEASURES UNDERTAKEN BY ETALON GROUP

## PRE-PPA<sup>(1)</sup> RESIDENTIAL DEVELOPMENT GROSS PROFIT mln RUB



## PRE-PPA<sup>(1)</sup> CONSOLIDATED GROSS PROFIT mln RUB



- Gross profit margins improved in 1H 2020: pre-PPA residential development gross margin **increased by 3 p.p. and reached 33%**, consolidated gross profit margin **increased by 3 p.p. and reached 29%**
- Purchase price allocation in the amount of **RUB 1,412 million was recognised in cost of sales (PPA)**
- Etalon Group's 1H 2020 financial statements have been revised due to adjustments to the provisional amount of Leader-Invest's assets and representation of other taxes from cost of sales to other expenses

Source: IFRS financial statements

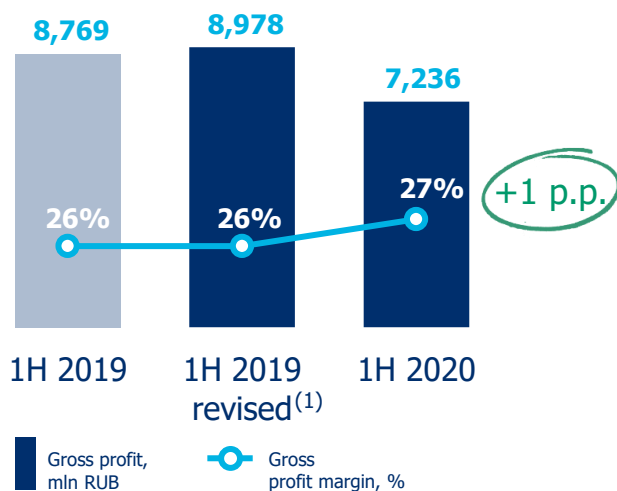
<sup>(1)</sup> Purchase price allocation

<sup>(2)</sup> Revised due to adjustments to the provisional amount of Leader-Invest's assets and representation of other taxes from cost of sales to other expenses.

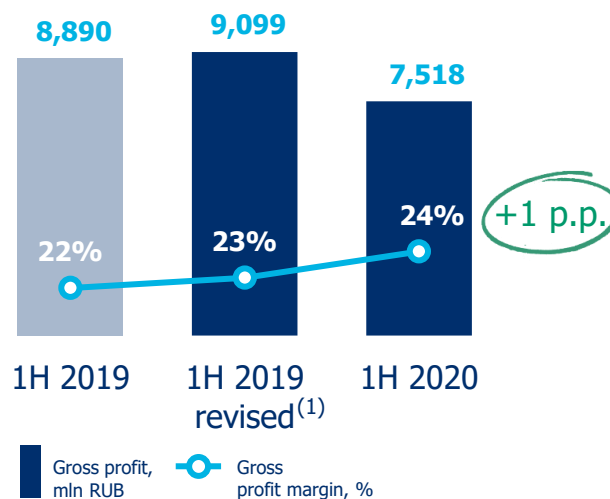
# GROSS PROFIT ANALYSIS ADJUSTED FOR PPA

RESIDENTIAL DEVELOPMENT GROSS  
MARGIN INCREASED BY 1 P.P. TO 27%

## RESIDENTIAL DEVELOPMENT GROSS PROFIT mln RUB



## CONSOLIDATED GROSS PROFIT mln RUB



- Etalon Group's stand-alone residential development gross profit margin **increased by 3 p.p. year-on-year to 32%**
- Leader-Invest's stand-alone residential development gross profit margin **amounted to 9%, or 32% on a pre-PPA basis**

Source: IFRS financial statements

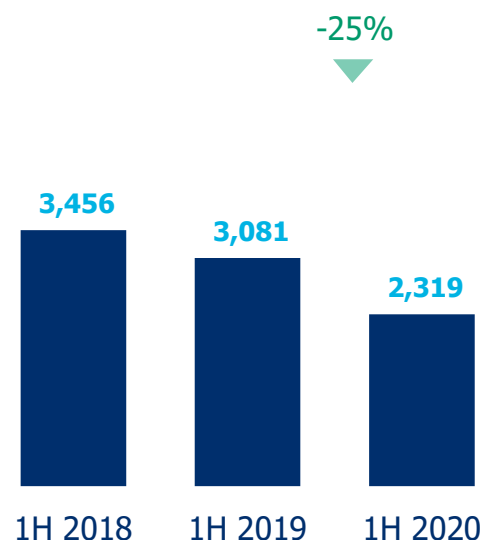
<sup>(1)</sup> Revised due to adjustments to the provisional amount of Leader-Invest's assets and representation of other taxes from cost of sales to other expenses.

# SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

G&A AND SELLING EXPENSES  
DECREASED IN 1H 2020

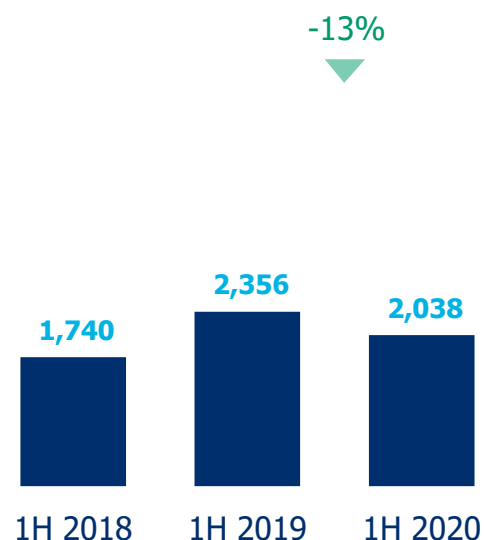
## GENERAL AND ADMINISTRATIVE EXPENSES

mln RUB



## SELLING EXPENSES

mln RUB



## SG&A OPTIMISATION

- G&A expenses **decreased by RUB 762 million y-o-y** thanks to stricter cost control
- Selling expenses declined at a slower pace due to the higher share of fixed marketing and advertising expenses frontloaded in 1H 2020
- Initiatives like dynamic pricing and online sales will improve SG&A efficiency going forward

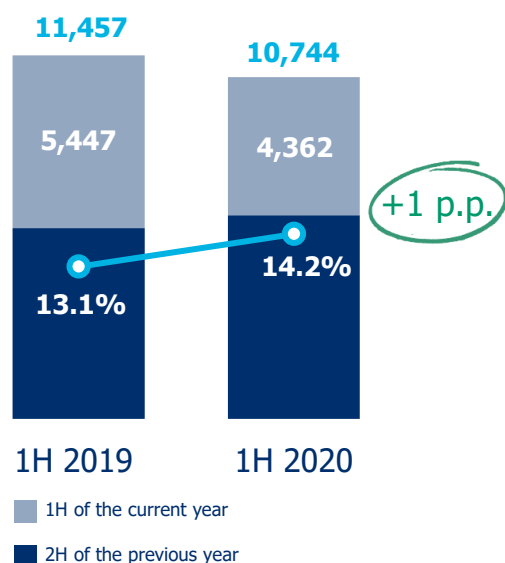


# EBITDA AND NET INCOME ANALYSIS

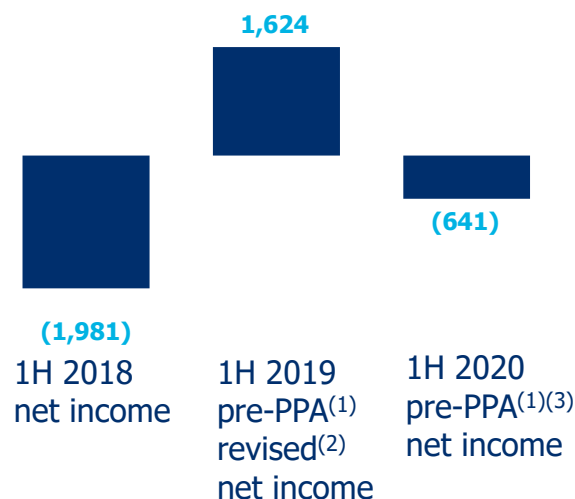


PRICING POLICY AND MEASURES TO IMPROVE EFFICIENCY IMPROVED PRE-PPA LTM EBITDA MARGIN, WHICH ROSE BY 1.1 P.P. YEAR-ON-YEAR TO 14.2%

## PRE-PPA LTM EBITDA mln RUB



## PRE-PPA NET INCOME mln RUB



## IMPACT ON 1H 2020 NET INCOME

- Fixed financial and commercial expenses amplified the impact of foregone revenue on bottom line performance
- Finance income declined by RUB 0.4 bln due to forgone interest from deposits: cash collections in escrow accounts reached RUB 8.8 bln as of 30.06.2020
- Finance costs increased by RUB 0.5 bln due to higher amount of total debt
- A part of gross profit was still taxed despite the pre-tax loss

Source: IFRS financial statements

<sup>(1)</sup> Adjusted for taxes

<sup>(2)</sup> Revised due to adjustments to the provisional amount of Leader-Invest's assets and representation of other taxes from cost of sales to other expenses

<sup>(3)</sup> PPA including RUB 1,412 million was capitalised in cost of sales in 1H 2020

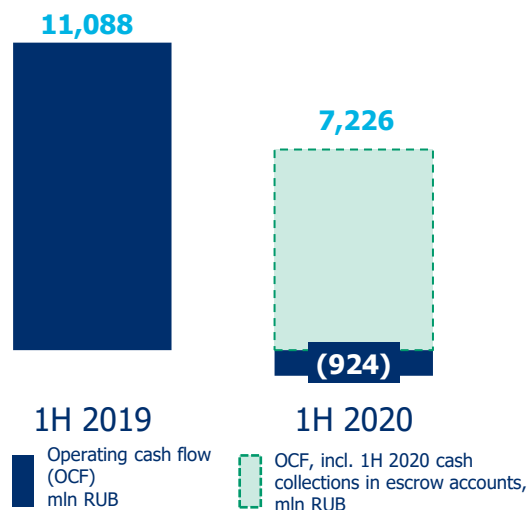
# CASH FLOW ANALYSIS



1H 2020 OPERATING CASH FLOW DECLINED  
DUE TO THE INCREASED CASH INFLOW TO  
ESCROW ACCOUNTS

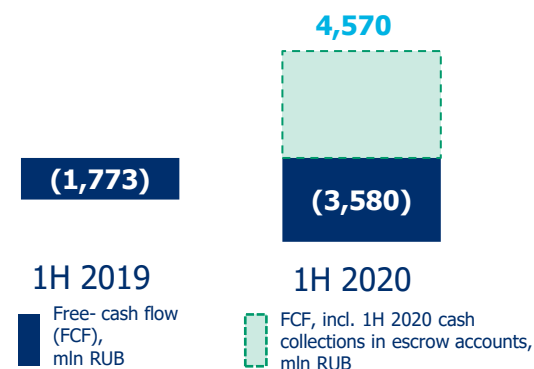
## OPERATING CASH FLOW<sup>(1)</sup>

mln RUB



## FREE CASH FLOW<sup>(2)</sup>

mln RUB



- Cash collections in escrow accounts reached **RUB 8,842 mln** as of 30 June 2020
- 1H 2020 Cash collections amounted to **RUB 8,150 mln**

Source: IFRS financial statements

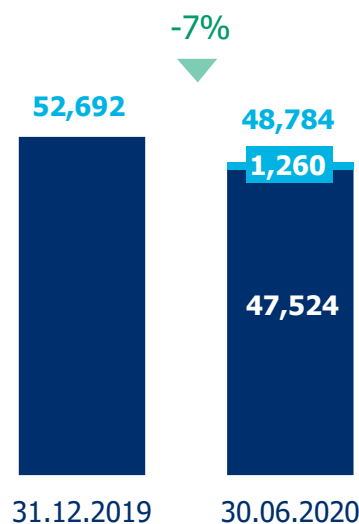
<sup>(1)</sup> Operating cash flow less interest paid

<sup>(2)</sup> 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

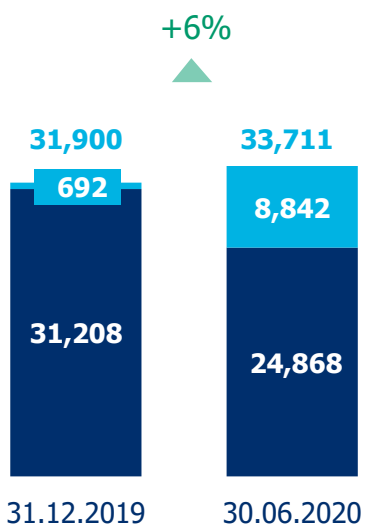
# MAINTAINING A STRONG BALANCE SHEET



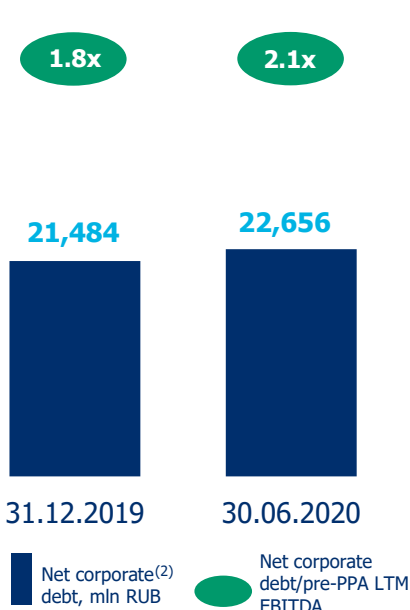
## TOTAL DEBT mln RUB



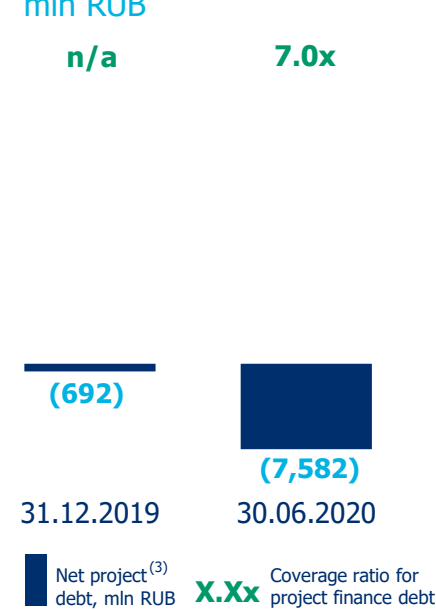
## CASH AND CASH EQUIVALENTS mln RUB



## NET CORPORATE DEBT mln RUB



## NET PROJECT FINANCE DEBT (CASH) mln RUB



- 100% of **debt denominated in RUB**
- **Average cost of borrowings declined** from 9.40% at the end of 2019 **to 9.05% as of 30.06.2020**
- **Project finance loans are sufficiently covered to receive preferential rates of 3%-4%**
- Average interest rate on deposits **decreased from 5.72% as of 30.06.2019 to 3.90% as of 30.06.2020<sup>(4)</sup>**

Source: IFRS financial statements

<sup>(1)</sup> Including bank deposits over 3 months; excluding cash collections in escrow accounts

<sup>(2)</sup> Excluding project finance loans and cash on escrow accounts

<sup>(3)</sup> Project finance debt less cash on escrow account

<sup>(4)</sup> Weighted average interest rate on deposits up to one year, including demand deposits, in RUB. Source: Bank of Russia

# ETALON GROUP'S ACTIONS TO IMPROVE FINANCIAL PERFORMANCE



## **ETALON GROUP IS TAKING A NUMBER OF MEASURES TO FURTHER IMPROVE ITS FINANCIAL PERFORMANCE:**

- 1. Acceleration of sales combined with increase in average prices, driven by more affordable mortgages and implementation of strategic initiatives on dynamic pricing and online sales**
- 2. Acceleration of the pace of construction, making it possible to recognise a larger volume of already-contracted space as revenue by the end of 2020**
- 3. Further control and optimisation of administrative costs**
- 4. Lower commercial expenses in 2H 2020 due to frontloaded marketing expenses in 1H 2020**
- 5. Revised strategy that takes into account COVID-19 restriction will be presented by the end of the year**



# DIVIDENDS

## UPDATED DIVIDEND POLICY HAS ENABLED THE COMPANY TO IMPROVE APPEAL FOR INVESTORS



### **One of the highest dividend yields in the sector: 10%**

- ✓ Best dividend policy in the sector
- ✓ Payout ratio of 40%-70%
- ✓ Guaranteed minimum dividend of RUB 12 per share/GDR



### **Well-positioned to continue dividend payouts**

- ✓ Strong recovery in 9M 2020 after decline in 1H 2020 related to COVID-19
- ✓ Margin growth due to operating efficiency improvement



### **Sufficient liquidity for further business growth while continuing to pay out dividends at current levels<sup>(1)</sup>**

- ✓ Unsold NSA without escrow of 0.9 mln sqm
- ✓ Outstanding installment payments of RUB 25.6 bln
- ✓ Cash and cash equivalents without escrow of RUB 24.5 bln
- ✓ Cash on escrow of RUB 15 bln

<sup>(1)</sup> As of 30.09.2020

## ETALON GROUP HAS ENTERED INTO AN AGREEMENT WITH THE MOSCOW GOVERNMENT REGARDING THE ZIL-YUG PROJECT

### POSITIVE DRIVERS

- ✓ Etalon Group to consolidate the 100% share of ZIL-Yug project in **4Q 2020**
- ✓ By obtaining a 100% share in the project, Etalon Group can start raising project financing
- ✓ Installment payment for acquisition will make it possible, among other things, to balance payments with the release of cash on escrow

### KEY CONDITIONS OF THE AGREEMENT

Total purchase price of RUB **36.2** bln, incl.:

- **RUB 4.0 bln already paid**
- installment payments through **2024**:
  - 2021 – RUB **3.95** bln
  - 2022 – RUB **3.65** bln
  - 2023 – RUB **8.0** bln
  - 2024 – RUB **16.6** bln

**No payments in 2020**

### KEY PARAMETERS OF THE PROJECT



Planned launch: **4Q 2020 – 1Q 2021**

Total NSA<sup>(1)</sup>: **1.2** mln sqm

Land plot area: **109** ha

#### New technologies:

- standardisation
- standard design system
- new house-building technologies

<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# APPENDIX



# ETALON GROUP AT A GLANCE

Etalon Group is one of Russia's largest development and construction corporations. The Company focuses on residential real estate for the middle class in the Moscow metropolitan area and St Petersburg.

## KEY FACTS

>30

YEARS

of experience in  
construction &  
development

57

CITIES

in Russia  
covered by sales  
network

>7

MLN SQM

commissioned since  
inception

5<sub>THS</sub>

employees

2

MARKETS

St Petersburg and Moscow  
metropolitan area – two capital  
cities with steadily growing  
population and high concentration  
of middle class customers

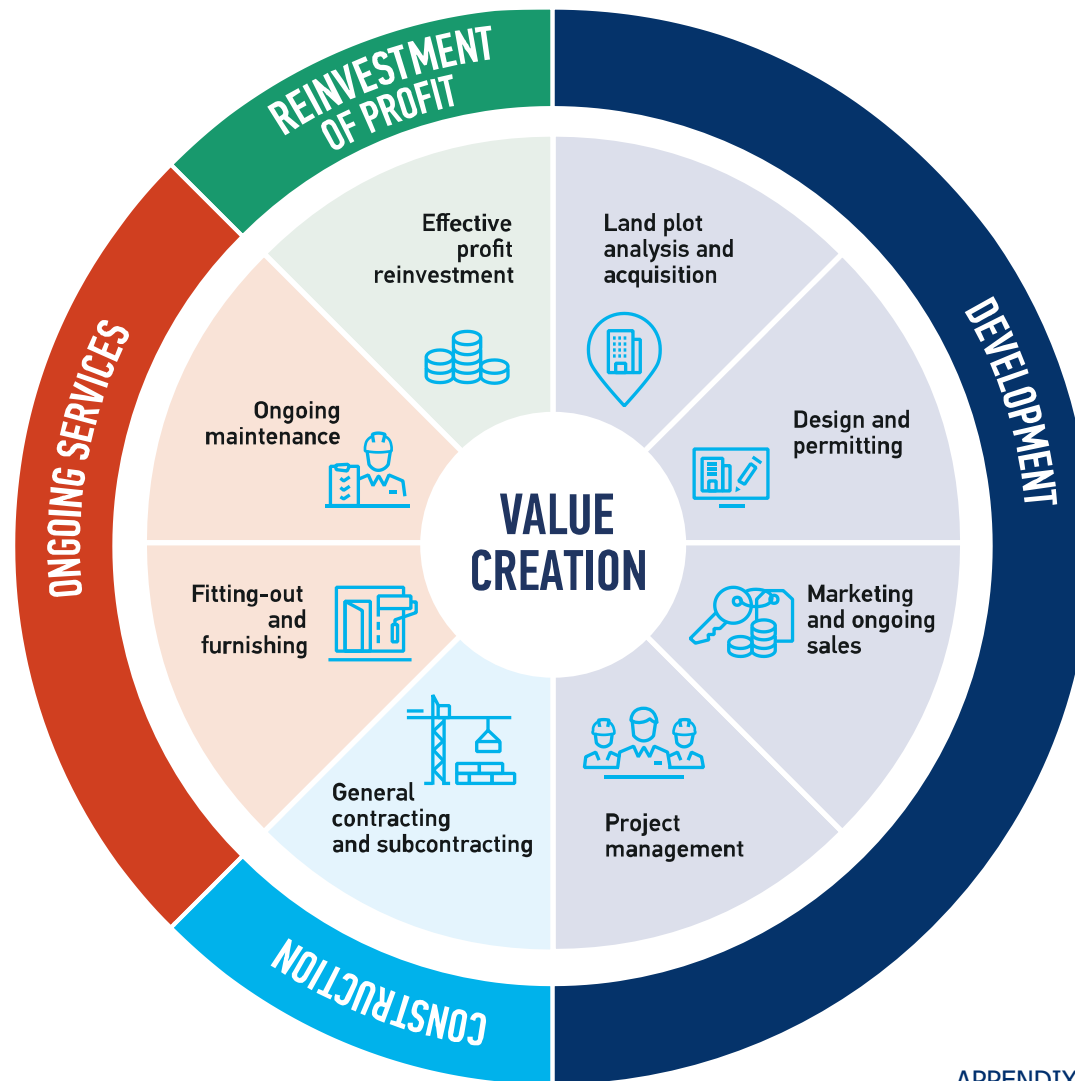
ETLN

LSE and  
MOEX ticker

GDRs listed on the London  
Stock Exchange since 2011,  
on MOEX since 2020



# HOW ETALON GROUP CREATES VALUE



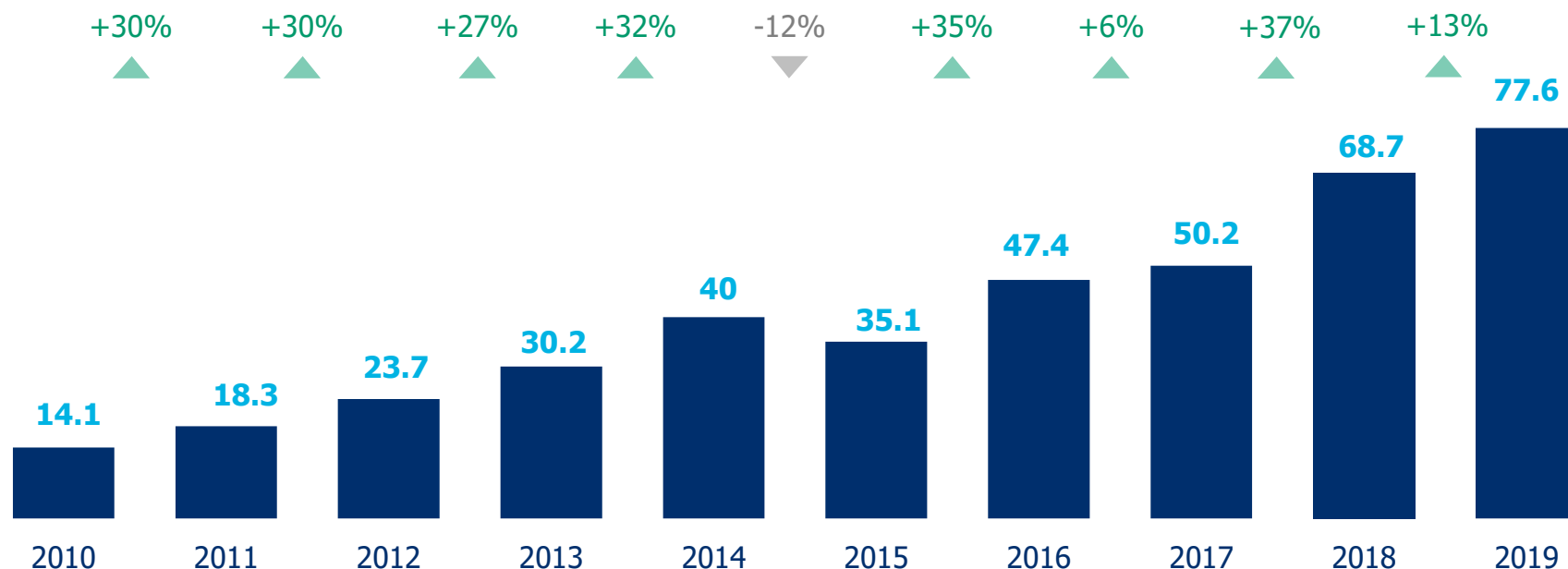
# SALES PERFORMANCE SINCE IPO



IMPRESSIVE NEW CONTRACT SALES  
GROWTH, WITH CAGR OF 21%

## NEW CONTRACT SALES

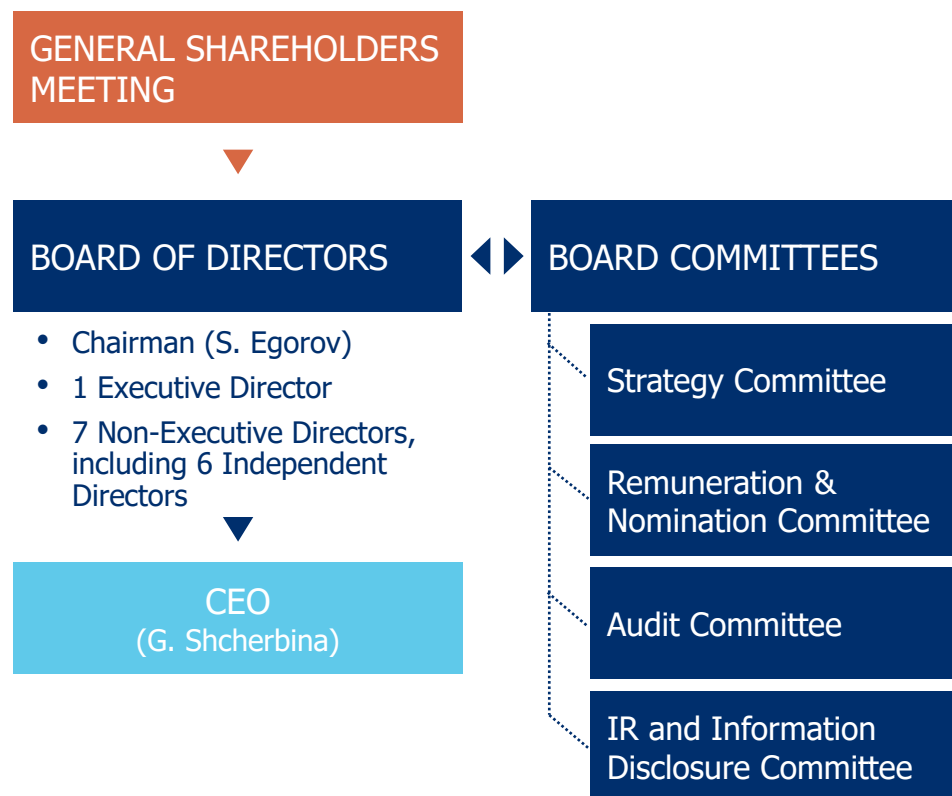
bln RUB



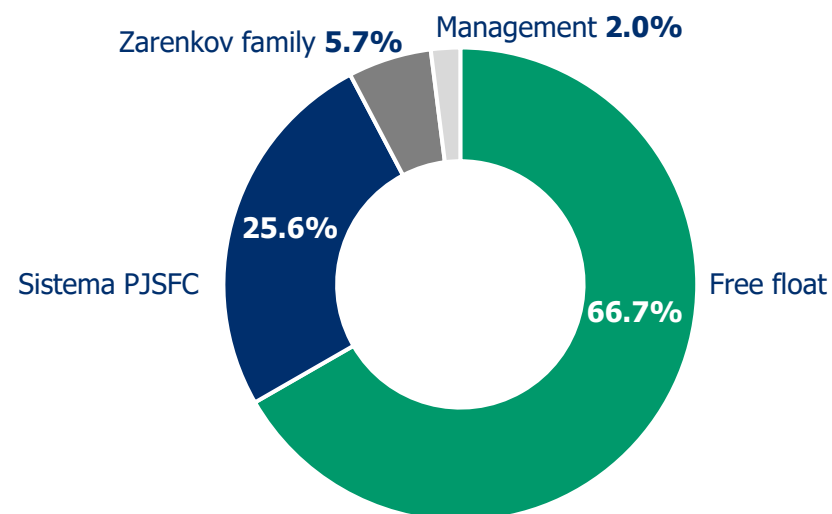
# CORPORATE GOVERNANCE AND SHAREHOLDING STRUCTURE



## CORPORATE GOVERNANCE STRUCTURE



## SHAREHOLDER STRUCTURE<sup>(1)</sup>



Source: Company data

<sup>(1)</sup> As of 24 July 2020

# BOARD OF DIRECTORS REPRESENTS INTERESTS OF ALL INVESTOR GROUPS



## NON-EXECUTIVE DIRECTORS



### SERGEY EGOROV

Chairman of the Board of Directors

#### EXPERIENCE AND AWARDS

- Sergey has experience in private equity, corporate finance, leveraged finance and debt restructuring

#### EDUCATION

- Kyrgyz State National University, Diploma in Finance



### OLEG MUBARAKSHIN

Non-Executive Director

#### EXPERIENCE AND AWARDS

- More than 20 years of experience in corporate law and investment management

#### EDUCATION

- Moscow State Academy of Law
- Finance Academy under the Government of the Russian Federation

## EXECUTIVE DIRECTOR



### MAXIM BERLOVICH

Executive Director,  
Head of Moscow Operations

#### EXPERIENCE AND AWARDS

- Over 10 years of experience in the construction industry

#### EDUCATION

- Peter the Great St Petersburg Polytechnic University, MBA from Vlerick Business School

## INDEPENDENT NON-EXECUTIVE DIRECTORS



### GANNA KHOMENKO

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- 20 years of experience in management, consultancy and strategy positions in the legal and finance fields

#### EDUCATION

- Keele University, degree in law and international politics
- College of Law in Chester, UK (completed a Legal Practice Course)



### MARINA OGLOBLINA

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- Many years of experience in the administrations of the city and region of Moscow

#### EDUCATION

- Moscow Finance University



### BORIS SVETLICHNY

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- Over 27 years of experience in finance and senior management with international and Russian companies
- Recent experience included CFO position at Orange in Russia, VP for Finance at Vimpelcom and CFO at Golden Telecom

#### EDUCATION

- University of Massachusetts (BBA in Accounting), Carnegie-Mellon University (MBA)



### CHARALAMPOS AVGOUSTI

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- 10 years of legal experience in the real estate, corporate and banking sectors
- Founder and Managing Director of Ch. Avgousti & Partners LLC (Advocates & legal consultants)
- Board member at Cyprus Telecommunication Authority (CYTA), member of the Advisory council of Limassol for the Central Cooperative Bank

#### EDUCATION

- Northumbria University Newcastle (LLM in International Commercial Law), Democritus University of Thrace



### MARTIN COCKER

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- Over 20 years of experience in audit, 7 years - in construction industry
- Runs his own development business in Portugal
- Worked at Deloitte & Touche, KPMG and Ernst & Young in Russia, Kazakhstan and UK

#### EDUCATION

- University of Keele



### DENNIS VINOKOUROV

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- Over 20 years of experience in private equity, corporate law and real estate in Moscow, Stockholm and New York
- Held senior investment roles at VI Holding Development, Russian Direct Investment Fund and East Capital
- Practiced corporate law with White & Case and is a member of the New York Bar

#### EDUCATION

- Stern Business School (MBA), NYU Law School (LL.M), Central European University (LL.M), Moscow State Institute of International Relations (Diploma in Law)



# PORTFOLIO SUMMARY

## UNSOLD NSA

3.3

mln sqm

The unsold NSA of Etalon Group's portfolio reached 3.3 mln sqm

## OPEN MARKET VALUE OF PROJECT PORTFOLIO

176

bln RUB

The market value of Etalon Group's portfolio amounted to RUB 176 bln

## CONSTRUCTION AND MAINTENANCE DIVISION VALUE

12

bln RUB

The market value of the construction and maintenance division reached RUB 12 bln, up 25% y-o-y

## TOTAL ASSETS VALUE<sup>(1)</sup>

188

bln RUB

Colliers International valued Etalon Group's assets at RUB 188 bln

## TOTAL ASSETS VALUE PER SHARE/GDR

10.3

USD per GDR

The total assets value of the Group amounted to USD 3.0 bln<sup>(2)</sup>, or USD 10.3 per share/GDR

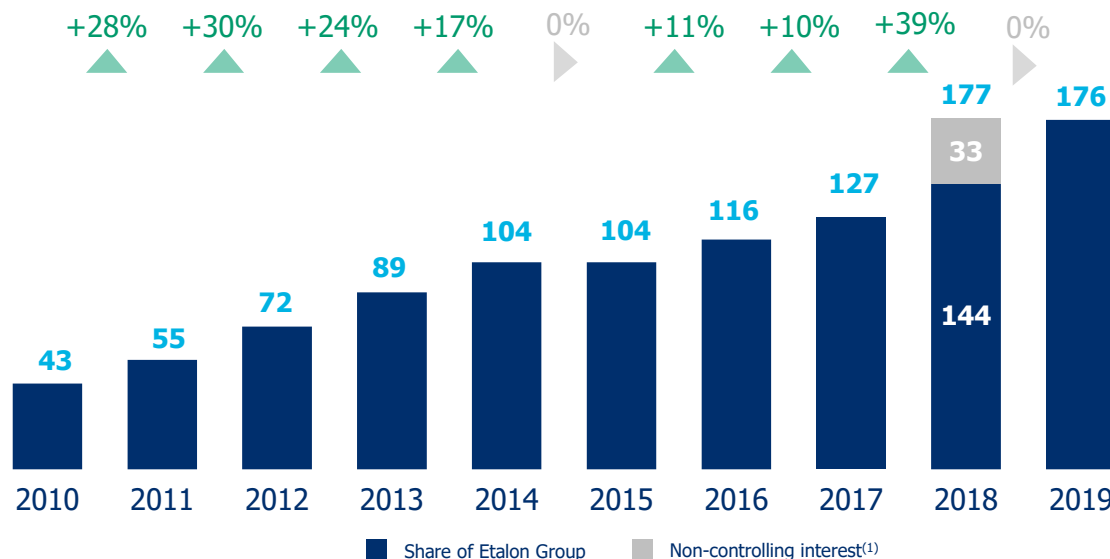
<sup>(1)</sup> Including construction and maintenance business.

<sup>(2)</sup> Central Bank of Russia exchange rate as of 31.12.2019.

# PROJECT PORTFOLIO OPEN MARKET VALUE

## MARKET VALUE OF PROJECTS PORTFOLIO

bln RUB



## COMPLETED AND AVAILABLE FOR SALE PROPERTY

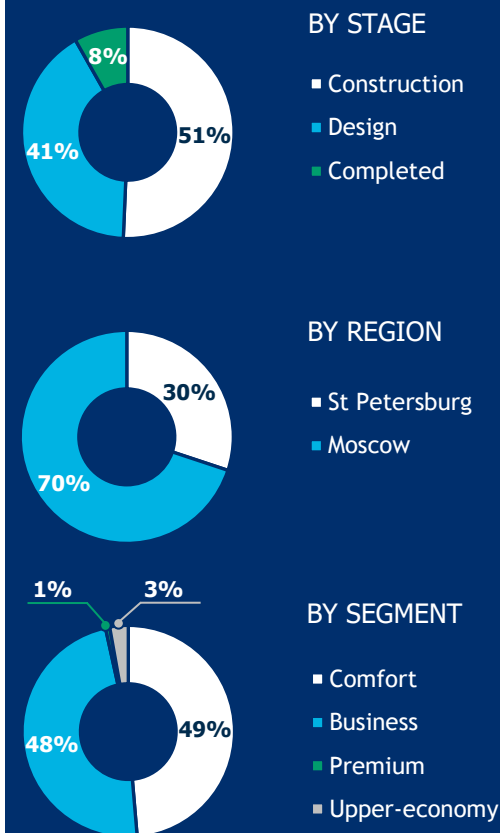
- The current portfolio includes 384 thousand sqm of completed and available for sale property at projects that are completed or still under construction. Completed and available for sale apartments at projects currently under construction amounted to 84 ths sqm.
- Colliers International estimates potential income from the sale of all completed and available for sale property at RUB 28,170 million, including RUB 14,258 million from the sale of completed and available for sale apartments

Source:  
Colliers International estimate as of  
31.12.2019..

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

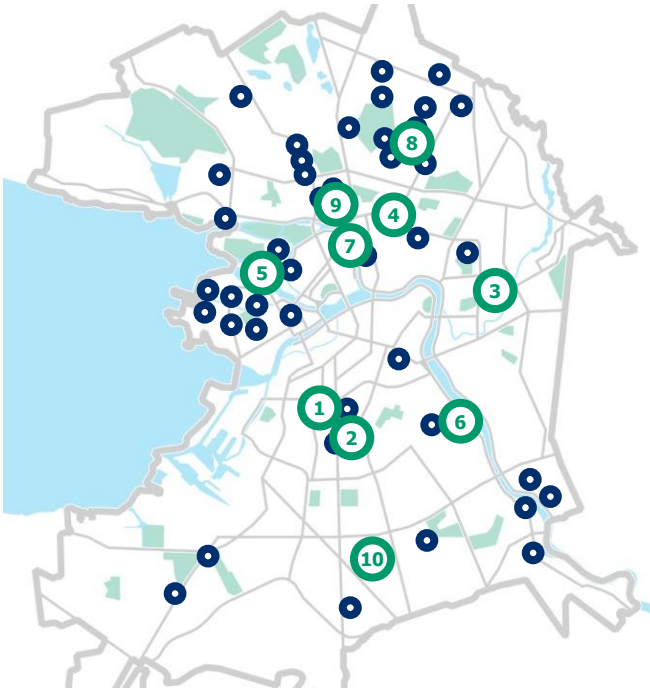
<sup>(2)</sup> As % of Unsold NSA, in  
sqm terms. Percentages may  
not add up to exactly 100  
due to rounding.

## PROJECTS BREAKDOWN<sup>(2)</sup>

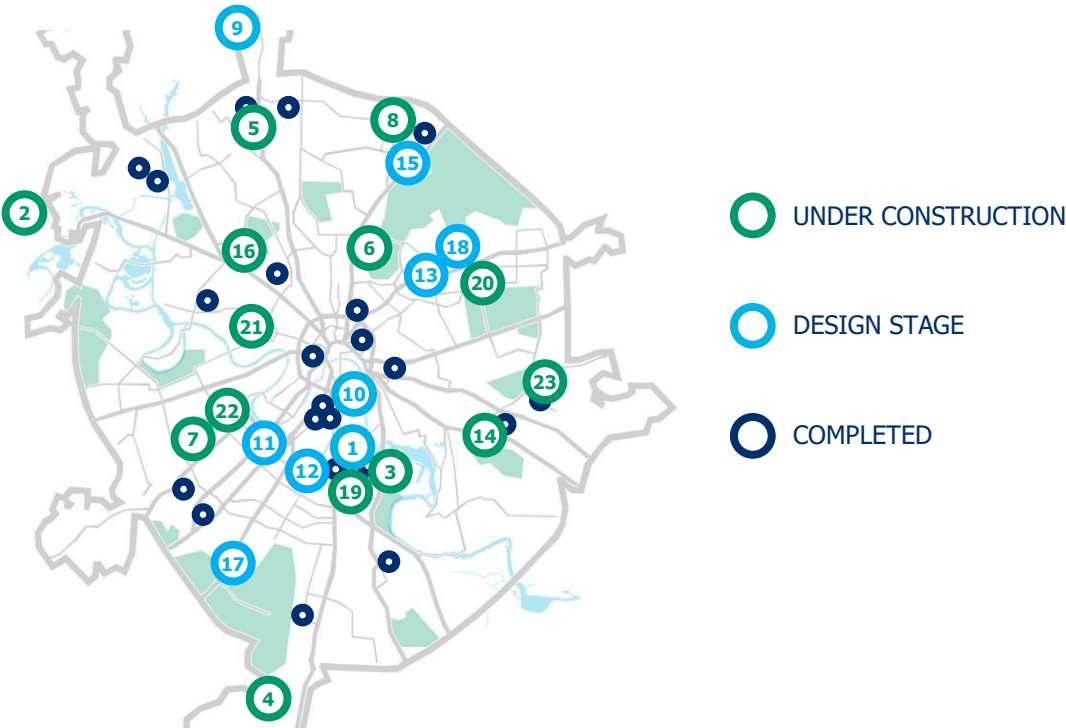


# OPERATIONS IN ST PETERSBURG AND MOSCOW

## PROJECTS IN ST PETERSBURG



## PROJECTS IN MOSCOW



# ETALON GROUP ASSETS VALUE (1/2)

PROJECT	STATUS	TOTAL NSA (‘000 SQM)	UNSOLD NSA (‘000 SQM) <sup>(1)</sup>	UNSOLD PARKING	OMV (LOTS) (MLN RUB)	INCOME FROM SALES (MLN RUB) <sup>(2)</sup>	CONSTRUCTION BUDGET (MLN RUB) <sup>(3)</sup>	OUTSTANDING BUDGET (MLN RUB) <sup>(3)</sup>
<b>CURRENT PROJECTS</b>								
<b>ST PETERSBURG</b>								
1 Galactica	Construction	814	360	2,965	18,330	75,075	49,838	26,304
2 Project on Chernigovskaya Street	Construction	136	122	1,005	5,411	17,453	8,470	7,981
3 Okhta House	Construction	130	98	78	5,820	12,973	6,785	3,348
4 House on Blyukhera	Construction	105	7	94	324	8,313	5,319	855
5 Petrovskiy Landmark	Construction	89	45	370	5,053	14,744	6,952	5,367
6 Etalon on the Neva	Construction	77	56	452	3,522	8,483	4,602	2,572
7 Botanica	Construction	47	26	314	2,743	7,033	3,084	1,212
8 House on Obruchevykh Street	Construction	45	4	492	120	5,011	2,753	372
9 Beloostrovskaya	Construction	29	29	218	818	3,444	2,081	1,962
10 House on Kosmonavtov	Construction	27	14	128	938	2,475	1,504	496
<b>TOTAL ST PETERSBURG</b>		<b>1,500</b>	<b>761</b>	<b>6,116</b>	<b>43,079</b>	<b>155,002</b>	<b>91,387</b>	<b>50,468</b>
<b>MOSCOW METROPOLITAN AREA (MMA)<sup>(4)</sup></b>								
1 ZIL-Yug	Design stage	1,213	1,116	5,641	40,115	264,599	132,373	132,125
2 Emerald Hills	Construction	847	70	546	4,975	60,118	42,327	4,598
3 Nagatino I-Land	Construction	472	403	1,816	18,134	68,803	40,136	38,172
4 Etalon-City	Construction	366	19	328	1,852	28,861	19,851	1,049
5 Summer Garden	Construction	293	67	563	3,671	31,717	18,169	6,181
6 Silver Fountain	Construction	226	156	1,700	13,174	39,056	19,760	11,309
7 Wings (Lobachevskogo 120)	Construction	187	112	794	9,828	30,449	14,947	9,254
8 Normandy	Construction	124	54	320	3,968	16,671	7,927	3,261
9 Letnikovskaya Street	Design stage	106	106	717	7,503	24,235	10,477	9,620
10 Mytishinskiy District	Design stage	93	82	322	1,228	6,837	4,469	4,376
11 Fotievoi 5	Design stage	13	13	57	1,375	4,094	1,646	1,604
12 Nagornaya 28	Design stage	11	11	46	898	2,306	790	789
13 Electrozavodskaya 60	Design stage	10	10	88	598	2,134	1,048	998
14 Schastye v Kuzminkah (Zelenodolskaya st., 41/2)	Construction	9	2	65	16	1,374	1,032	124
15 Yaroslavskoe 51	Design stage	9	9	33	675	1,577	672	594
16 Schastye na Sokole (Usievicha st., 10B)	Construction	8	3	65	359	1,925	1,190	256
17 Dom v Konkovo (Akademika Kapitsy, 32)	Design stage	8	8	39	615	1,739	717	704
18 Bolshaya Cherkizovskaya st. 4	Design stage	7	7	46	579	1,389	556	385
19 Schastye v Sadovnikakh (Nagatinskaya st., 4/3)	Construction	7	2	13	78	1,174	808	243
20 Schastye na Semyonovskoi (Izmailovskoe shosse 20)	Construction	7	7	31	533	1,104	510	382

<sup>(1)</sup> Including parking. Parking area in launched projects with partially sold parking lots is calculated as 30 sqm per 1 parking space.

<sup>(2)</sup> Income from sales includes potential and received incomes as of 31.12.2019.

<sup>(3)</sup> Excluding land acquisition costs.

<sup>(4)</sup> Moscow, New Moscow and Moscow region within 30 km from Moscow Ring Road.

Source:  
Colliers International valuation report as of 31.12.2019.

# ETALON GROUP ASSETS VALUE (2/2)

PROJECT	STATUS	TOTAL NSA ( <sup>'000</sup> SQM)	UNSOLD NSA ( <sup>'000</sup> SQM) <sup>(1)</sup>	UNSOLD PARKING (LOTS)	OMV (MLN RUB)	INCOME FROM SALES (MLN RUB) <sup>(2)</sup>	CONSTRUCTION BUDGET (MLN RUB) <sup>(3)</sup>	OUTSTANDING BUDGET (MLN RUB) <sup>(3)</sup>
<b>MOSCOW METROPOLITAN AREA (MMA)<sup>(4)</sup></b>								
21 Schastye na Presne (Krasnogvardeyskiy 15 bldg. 2)	Construction	6	1	1	90	1,626	746	200
22 Schastye na Lomonosovskom	Construction	6	5	54	844	1,854	688	489
23 Schastye v Kuskovo (Veshnyakovskaya st., 10)	Construction	6	4	29	458	960	674	110
<b>TOTAL MMA</b>		<b>4,035</b>	<b>2,266</b>	<b>13,314</b>	<b>111,566</b>	<b>594,603</b>	<b>321,511</b>	<b>226,823</b>
<b>TOTAL CURRENT PROJECTS</b>		<b>5,535</b>	<b>3,027</b>	<b>19,430</b>	<b>154,645</b>	<b>749,606</b>	<b>412,898</b>	<b>277,291</b>
<b>COMPLETED PROJECTS</b>								
Residential property in completed projects		2,789	286	6,579	18,846	234,976		
Completed stand-alone commercial properties		24	14	55	788			
Land plots for sale					1,774			
<b>TOTAL COMPLETED PROJECTS</b>		<b>2,813</b>	<b>301</b>	<b>6,634</b>	<b>21,408</b>	<b>234,976</b>		
<b>TOTAL ETALON GROUP PROJECTS</b>		<b>8,348</b>	<b>3,328</b>	<b>26,064</b>	<b>176,053</b>	<b>984,581</b>	<b>412,898</b>	<b>277,291</b>
<b>PRODUCTION UNIT</b>								
Production Unit's business and properties			18		12,446			
<b>TOTAL ASSETS VALUE</b>		<b>8,348</b>	<b>3,345</b>	<b>26,064</b>	<b>188,499</b>	<b>984,581</b>	<b>412,898</b>	<b>277,291</b>

<sup>(1)</sup> Including parking. Parking area in launched projects with partially sold parking lots is calculated as 30 sqm per 1 parking space.

<sup>(2)</sup> Income from sales includes potential and received incomes as of 31.12.2019.

<sup>(3)</sup> Excluding land acquisition costs.

<sup>(4)</sup> Moscow, New Moscow and Moscow region within 30 km from Moscow Ring Road.

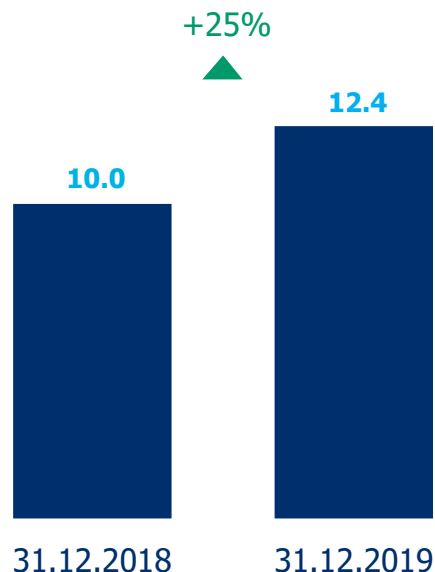


# UNIFIED CONSTRUCTION AND MAINTENANCE DIVISION VALUATION



## UNIFIED DIVISION OPEN MARKET VALUE<sup>(1)</sup>

bln RUB



<sup>(1)</sup> Colliers International estimate.

<sup>(2)</sup> Company data.

## OVERVIEW OF UNIFIED DIVISION<sup>(2)</sup>



**1.6 mln sqm** currently under construction, with potential capacity of up to **2.4 mln sqm**



**5.5 mln sqm** of residential & commercial area and **24.9 ths** parking places under management as of 31.12.2019



**62** Liebherr and Wolff tower cranes



**3** office buildings with total area of **18 ths sqm**

# INCOME STATEMENT

MLN RUB	1H 2018 restated	1H 2019 revised	1H 2020
Revenue	24,699	39,562	30,868
Cost of sales	(19,126)	(30,463)	(23,350)
Gross profit	5,573	9,099	7,518
General and administrative expenses	(3,456)	(3,081)	(2,319)
Selling expenses	(1,740)	(2,356)	(2,038)
Impairment loss on trade and other receivables	(212)	(142)	(80)
Gain from bargain purchase	-	729	-
Other expenses, net	(1,427)	(720)	(879)
Results from operating activities	(1,262)	3,529	2,202
Finance income	1,104	1,554	1,275
Finance costs	(2,192)	(3,667)	(4,166)
Net finance income/(costs)	(1,088)	(2,113)	(2,891)
Profit before income tax	(2,350)	1,416	(689)
Income tax expense	369	(857)	(1,082)
Profit for the period	(1,981)	559	(1,771)
<i>Profit attributable to:</i>			
Owners of the Company	(1,892)	1,142	(1,772)
Non-controlling interest	1	(583)	1
Profit for the period	(1,891)	559	(1,771)

# BALANCE SHEET



MLN RUB	2019	1H 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
PP&E	3,561	3,431
Investment property	1,065	853
Other long-term investments	190	71
Trade and other receivables	4,692	4,442
Deferred tax assets	3,921	5,221
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,429</b>	<b>14,018</b>
<b>Current assets</b>		
Inventories	100,689	97,357
Contract assets, trade and other receivables	25,143	24,775
Short-term investments	203	304
Cash and cash equivalents	31,128	24,678
Other current assets	752	755
<b>TOTAL CURRENT ASSETS</b>	<b>157,915</b>	<b>147,869</b>
Assets held for sale	-	402
<b>TOTAL ASSETS</b>	<b>171,344</b>	<b>162,289</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	15,487	15,487
Retained earnings	37,089	35,317
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>52,576</b>	<b>50,804</b>
Non-controlling interest	-	1
<b>TOTAL EQUITY</b>	<b>52,576</b>	<b>50,805</b>
<b>Non-current liabilities</b>		
Loans and borrowings	42,258	33,623
Contract liabilities, trade and other payables	3,227	1,411
Provision	116	183
Deferred tax liabilities	6,463	7,342
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>52,064</b>	<b>42,559</b>
<b>Current liabilities</b>		
Loans and borrowings	10,434	15,161
Contract liabilities, trade and other payables	55,581	53,142
Provisions	689	622
<b>TOTAL CURRENT LIABILITIES</b>	<b>66,704</b>	<b>68,925</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>171,344</b>	<b>162,289</b>

# CASH FLOW STATEMENT

MLN RUB	1H 2018 revised	1H 2019 revised	1H 2020
<b>OPERATING ACTIVITIES</b>			
Profit for the period	(1,981)	559	(1,771)
<i>Adjustments for:</i>			
Depreciation	169	270	385
Gain on disposal of PP&E	7	(14)	(25)
Gain on disposal of investment property	-	-	(23)
Impairment loss on inventories	1,524	458	319
Impairment loss/reversal on trade and other receivables, advances paid to suppliers and investments	212	180	126
	846	-	-
Gain from bargain purchase	-	(729)	-
Finance income, net	1,088	2,113	2,891
Income tax expense	(369)	857	1,082
<b>CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>1,496</b>	<b>3,694</b>	<b>2,984</b>
Change in inventories	(4,833)	7,357	2,781
Change in accounts receivables	4,391	(1,862)	2,635
Change in accounts payable	(2,068)	(9,286)	(2,870)
Change in provisions	(654)	(316)	-
Change in contract assets	1,023	(333)	(1,513)
Change in contract liabilities	8,492	13,454	(3,210)
Income tax paid	(600)	(1,620)	(1,731)
Interest paid	(1,146)	(2,056)	(2,504)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>6,101</b>	<b>9,032</b>	<b>(3,428)</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of non-current assets	6	51	92
Proceeds from disposal of investment property	8	-	62
Interest received	431	1,238	723
Acquisition of PP&E	(266)	(335)	(306)
Loans given	(19)	(2)	(8)
Loans repaid	34	18	29
Acquisition of subsidiary, net of cash acquired	-	(10,481)	-
(Acquisition)/disposal of other investments	(37)	59	1
<b>NET CASH FROM /(USED IN) INVESTING ACTIVITIES</b>	<b>157</b>	<b>(9,452)</b>	<b>593</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings	3,609	15,719	1,367
Repayments of borrowings	(4,716)	(2,126)	(4,958)
Acquisition of own shares	(651)	-	-
Payments of lease liabilities	-	(363)	(52)
Dividends paid	-	(13)	-
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(1,758)</b>	<b>13,217</b>	<b>(3,643)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,500</b>	<b>12,797</b>	<b>(6,478)</b>
Effect of FX rate fluctuations	240	(66)	28
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>18,865</b>	<b>35,797</b>	<b>24,678</b>

Source: IFRS financial statements

# EBITDA CALCULATION

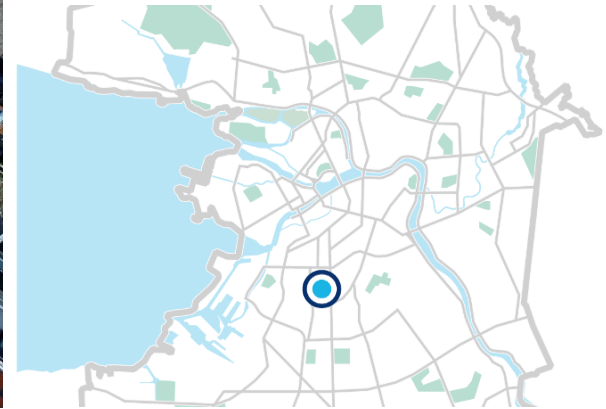


MLN RUB	1H 2018 restated	1H 2019 revised	1H 2020
Comprehensive income	(1,981)	559	(1,771)
Income tax expense	(369)	857	1,082
Interest expense on loans and finance lease	2,191	3,561	3,906
Net foreign exchange loss	-	66	-
Other finance costs	-	-	31
Interest income on bank deposits	(200)	(386)	(340)
Interest income on cash and cash equivalents	(231)	(756)	(383)
Interest income SFC		(96)	(59)
Net foreign exchange gain	(121)		(28)
Bank fees and commissions	93	93	51
Borrowing costs	483	473	64
SFC in cost of sales	74	204	12
Depreciation	169	270	385
EBITDA	108	4,845	2,950
Gain from bargain purchase	-	(729)	-
Purchase price allocation (PPA)	-	1,331	1,412
Pre-PPA EBITDA	108	5,447	4,362



OCTOBER 2020

DECEMBER 2019



Total NSA  
814 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 18,330 mln

Income from sales<sup>(1)</sup>  
RUB 75,075 mln

St Petersburg

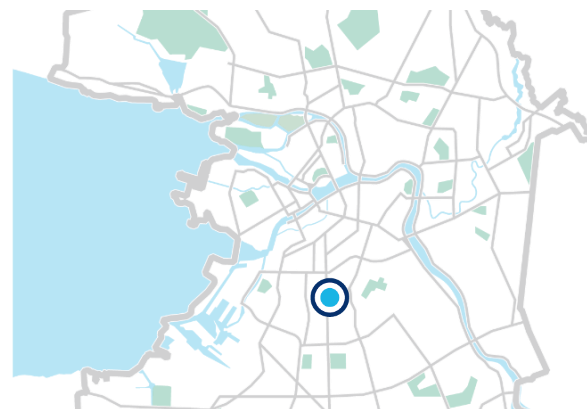
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# PROJECT ON CHERNIGOVSKAYA STREET

OCTOBER 2020

VISUALISATION



Total NSA  
136 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 5,411 mln

Income from sales<sup>(1)</sup>  
RUB 17,453 mln

St Petersburg

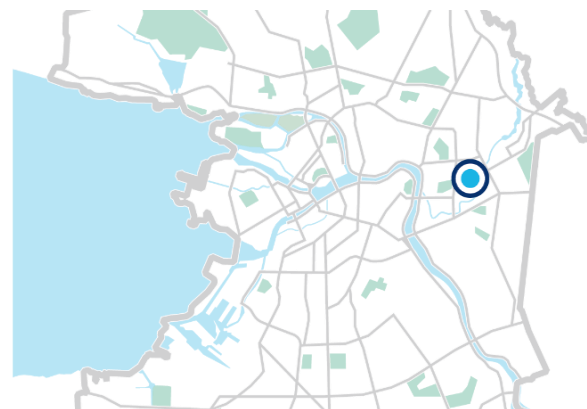
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# OKHTA HOUSE

OCTOBER 2020

DECEMBER 2019



Total NSA  
130 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 5,820 mln

Income from sales<sup>(1)</sup>  
RUB 12,973 mln

St Petersburg

<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# PETROVSKIY LANDMARK

OCTOBER 2020

DECEMBER 2019



Total NSA  
89 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 5,053 mln

Income from sales<sup>(1)</sup>  
RUB 14,744 mln

St Petersburg

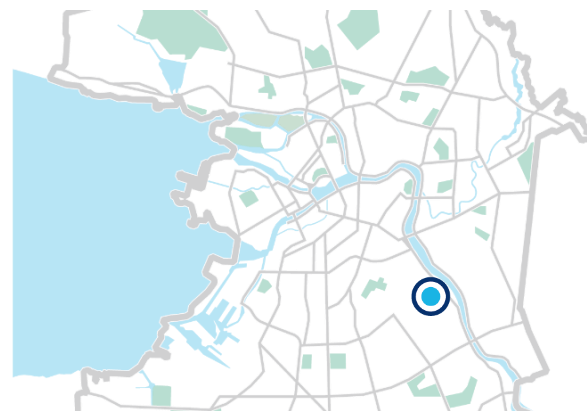
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# ETALON ON THE NEVA

OCTOBER 2020

DECEMBER 2019



Total NSA  
77 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 3,522 mln

Income from sales<sup>(1)</sup>  
RUB 8,483 mln

St Petersburg

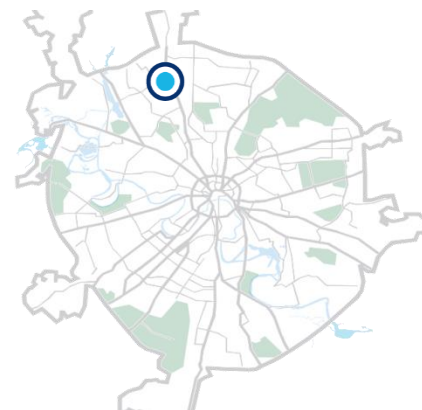
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# SUMMER GARDEN

OCTOBER 2020

DECEMBER 2019



Total NSA  
293 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 3,671 mln

Income from sales<sup>(1)</sup>  
RUB 31,717 mln

Moscow

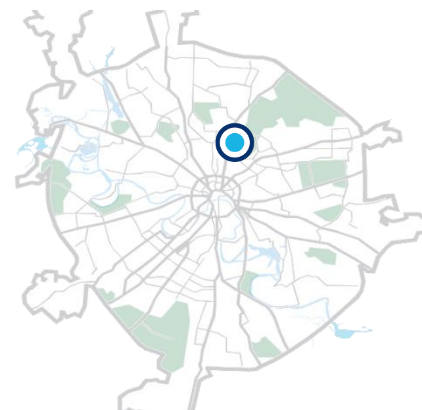
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# SILVER FOUNTAIN

OCTOBER 2020

DECEMBER 2019



Total NSA  
226 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 13,174 mln

Income from sales<sup>(1)</sup>  
RUB 39,056 mln

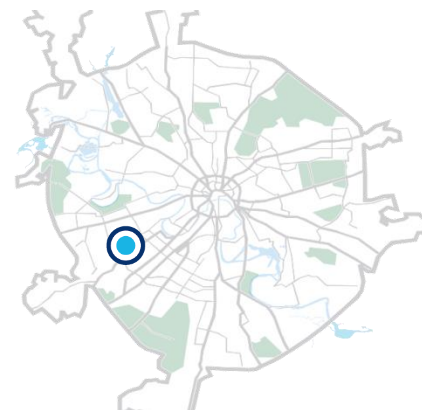
Moscow

<sup>(1)</sup> Colliers International estimate as of 31.12.2019



OCTOBER 2020

DECEMBER 2019



Total NSA  
187 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 9,828 mln

Income from sales<sup>(1)</sup>  
RUB 30,449 mln

Moscow

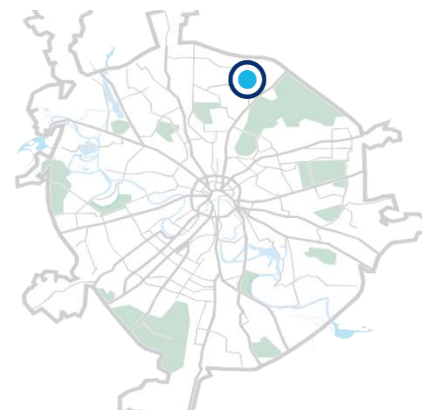
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# NORMANDY

OCTOBER 2020

DECEMBER 2019



Total NSA  
124 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 3,968 mln

Income from sales<sup>(1)</sup>  
RUB 16,671 mln

Moscow

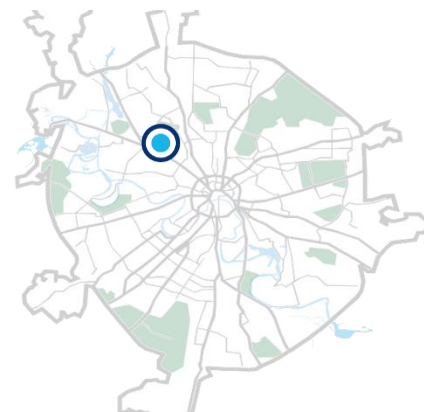
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# SCHASTYE NA SOKOLE

OCTOBER 2020

DECEMBER 2019



Total NSA  
8 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 359 mln

Income from sales<sup>(1)</sup>  
RUB 1,925 mln

Moscow

<sup>(1)</sup> Colliers International estimate as of 31.12.2019

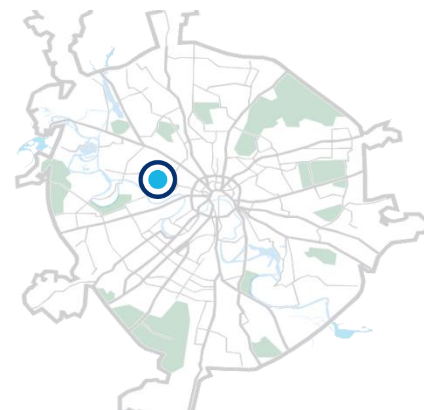


# SCHASTYE NA PRESNE



OCTOBER 2020

DECEMBER 2019



Total NSA  
6 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 90 mln

Income from sales<sup>(1)</sup>  
RUB 1,626 mln

Moscow

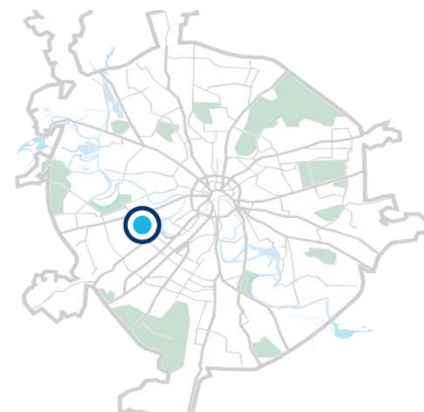
<sup>(1)</sup> Colliers International estimate as of 31.12.2019



# SCHASTYE NA LOMONOSOVSKOM

OCTOBER 2020

VISUALISATION



Total NSA  
6 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 844 mln

Income from sales<sup>(1)</sup>  
RUB 1,854 mln

Moscow

<sup>(1)</sup> Colliers International estimate as of 31.12.2019



## SBERBANK CIB AND MOEX'S JOINT VIRTUAL CONFERENCE

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