

1H AND 2Q 2019 OPERATING RESULTS

17 July 2019



DISCLAIMER



IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING

The text hereinafter contained applies to the presentation (the "Presentation") following this important notice, and you are, therefore, advised to consider it carefully before reading, assessing or making any other use of the Presentation. In assessing the Presentation, you unconditionally agree to be bound by the following terms, conditions and restrictions, including any modifications to them any time that you receive any information from ETALON GROUP PLC ("Etalon Group" or the "Company"). This Presentation has been prepared by the Company for informational purposes only and does not constitute or form part of, and should not be construed as solicitation of any offer to subscribe for or purchase any securities of Company in any jurisdiction or an inducement, an offer or invitation to sell or issue, or any to enter into investment activity in any jurisdiction and under any applicable legislation, including, but not limited to the United States, the UK, any member state of the European Union, Australia, Canada, South Africa, Japan, Hong Kong Special Administrative Region of the People's Republic of China.

This Presentation (i) is not intended to form the basis for any investment decision and (ii) does not purport to contain all the information that may be necessary or desirable to evaluate the Company fully and accurately, and (iii) is not to be considered as recommendation by the Company or any of its affiliates that any person (including a recipient of this Presentation) participate in any transaction involving the Company or its securities.

The Company has prepared this Presentation based on information available to it as at the date of this Presentation, including information derived from public sources that have not been independently verified. The information contained in this document may be updated, amended or superseded by subsequent disclosures, or may become outdated and inaccurate over time and is subject to change without notice. Neither the Company nor any of its directors, officers, employees, shareholders, affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with the

Presentation or undertake any duty or obligation to supplement, amend, update or revise any information contained in this Presentation.

This Presentation contains certain unaudited half- and full-year financial information which has been prepared based on the Company's reviewed management accounts (hereinafter - Management accounts). If not specifically noted otherwise, this Presentation contains also certain full- and half- year financial information based on the Company's audited consolidated IFRS accounts. It also includes certain non-IFRS financial information, such as Earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, Working capital and free cash flow ("FCF") which has not been audited or reviewed by the Company's auditors.

Any „forward-looking statements“, which include all statements other than statements of historical facts, including, without limitation, forecasts, projections and any statements preceded by, followed by or that include the words „targets“, „believes“, „expects“, „aims“, „intends“, „will“, „may“, „anticipates“, „would“, „could“ or similar expressions or the negative thereof, involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include statements regarding: our construction programme and future construction and development projects (information concerning which is being provided solely on an indicative basis for information purposes only and is subject to change without notice); strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors. Such forward-looking statements are based on numerous assumptions by management regarding present and future business strategies and the environment operating in the future. Although the

Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. Neither the Company, nor any of its agents, employees or advisors undertake or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Presentation.

You may download Presentation only for your own personal use, provided that all copyright and other proprietary notices are kept intact. You may not otherwise copy, reproduce, republish, upload, post, retransmit, distribute, commercially exploit or otherwise transfer the Presentation or any part of it without Company's prior written consent. The burden of determining that use of any Information is permissible rests with you.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require registration of licensing within such jurisdiction.

By receiving and reading this Presentation, you agree to be bound by the restrictions in this disclaimer, and acknowledge that you will be solely responsible for your own assessment of the market, the market position of the Company and any securities of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

RESULTS SUMMARY

NEW CONTRACT SALES

+23%



322

THS SQM

In 1H 2019, new contract sales reached 322,212 sqm, up by 23% y-o-y

NEW CONTRACT SALES

+41%



38,734

MLN RUB

In 1H 2019, new contract sales reached an all-time first-half high and amounted to RUB 38,734 mln, up by 41% y-o-y

CASH COLLECTIONS

+56%



42,809

Cash collections rose y-o-y by 56% in 1H 2019 and by 31% in 2Q 2019, supported by high down-payments

AVERAGE PRICE

+13%



122

THS RUB/SQM

In 2Q 2019, average price reached 121,759 RUB/sqm, up by 13% y-o-y

CONTENTS

1/ OPERATING RESULTS 4

2/ LEADER-INVEST INTEGRATION 15

3/ SELECTED PROJECTS 25



OPERATING RESULTS



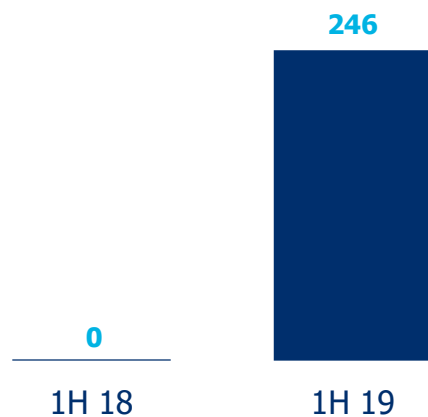
DELIVERIES IN 1H 2019



ETALON GROUP DELIVERED 246
THS SQM IN 1H 2019

DELIVERIES

ths sqm



1H 2019 DELIVERIES BREAKDOWN

ths sqm

PROJECT	NSA, ths sqm
Summer Garden	122
Emerald Hills	64
Schastye v Chertanovo	9
Schastye na Shodnenskoy	9
Schastye na Dmitrovke	8
Schastye v Veshnyakah	8
Schastye v Tsaritsyno	7
Schastye v Olimpiyskoy Derevne	7
Schastye na Leninskom	6
Residence on Pokrovskiy Boulevard	6
TOTAL	246

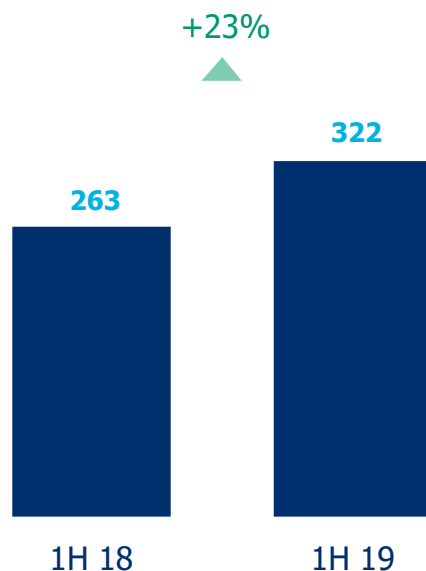
Source: Company data

1H 2019 OPERATING RESULTS

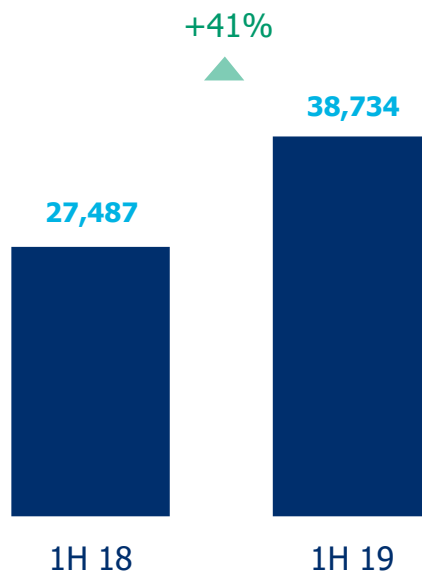


IN 1H 2019 ETALON GROUP STRONGLY OUTPERFORMED ITS 1H 2018 OPERATING RESULTS, SETTING NEW ALL-TIME RECORD

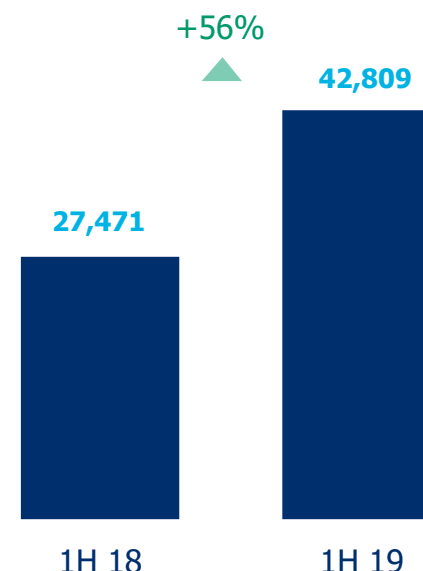
NEW CONTRACT SALES
ths sqm



NEW CONTRACT SALES
mln RUB



CASH COLLECTIONS
mln RUB



- The number of new contracts reached **6,530 in 1H 2019, up by 28% compared to 1H 2018**

1H 2019 OPERATING RESULTS: BREAKDOWN BY REGIONS



CASH COLLECTIONS IN
MOSCOW GREW BY
102% YEAR-ON-YEAR

NEW CONTRACT SALES ths sqm

Moscow



St Petersburg



NEW CONTRACT SALES bln RUB

Moscow



St Petersburg



CASH COLLECTIONS bln RUB

Moscow



St Petersburg

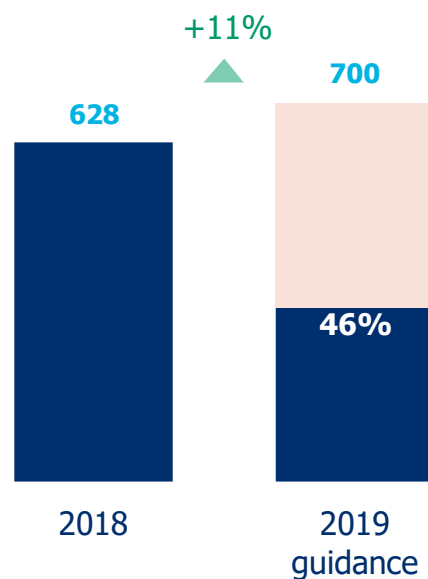


SALES GUIDANCE FOR 2019

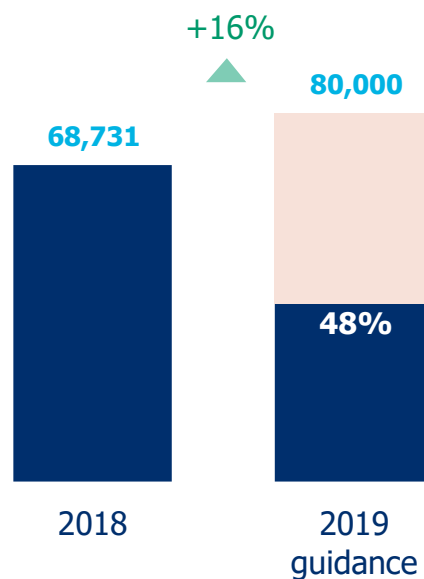


ETALON GROUP IS WELL ON TRACK TO DELIVER ON ITS FY 2019 GUIDANCE AFTER SOLID PERFORMANCE IN 1H 2019

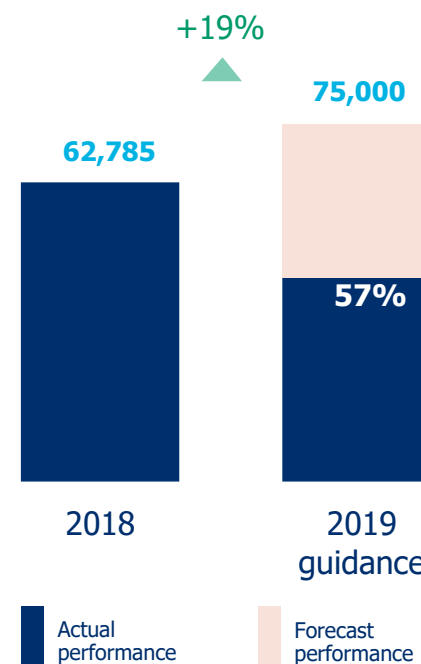
NEW CONTRACT SALES ths sqm



NEW CONTRACT SALES mln RUB



CASH COLLECTIONS mln RUB



- In 1H 2019 NCS in both sqm and RUB terms exceeded 46% of FY 2019 guidance
- Cash collections have already reached 57% of FY 2019 guidance

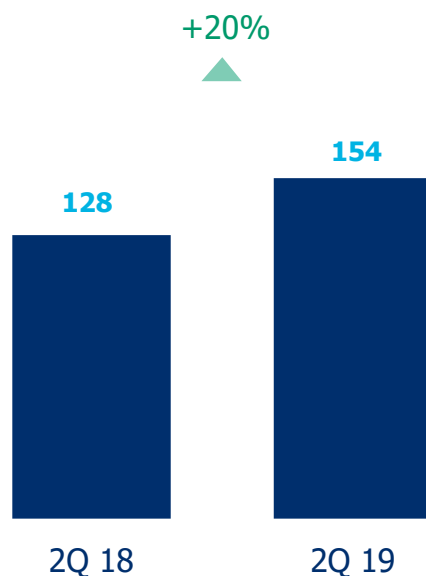
2Q 2019 OPERATING RESULTS



IN 2Q 2019 BOTH CASH COLLECTIONS AND NEW CONTRACT SALES GREW BY MORE THAN 30% YEAR-ON-YEAR, REACHING RUB 19 BLN

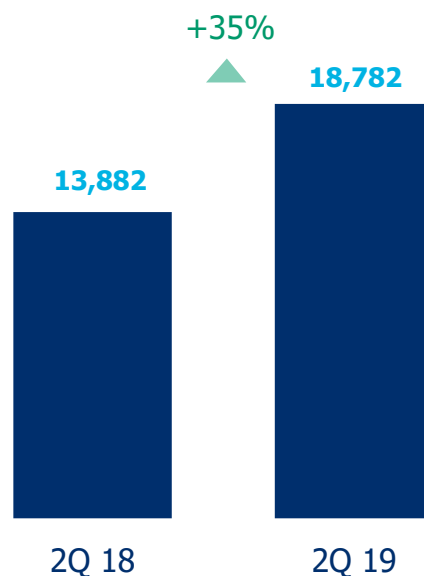
NEW CONTRACT SALES

ths sqm



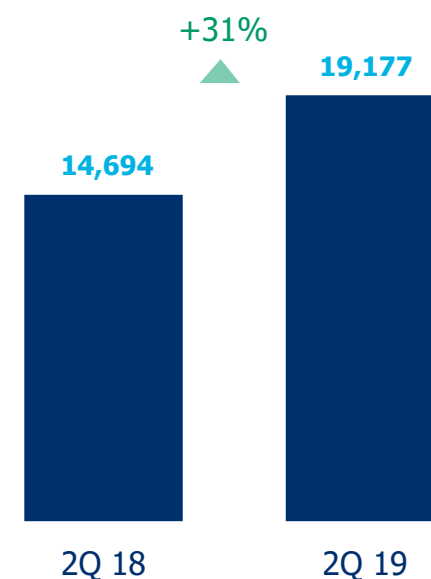
NEW CONTRACT SALES

mln RUB



CASH COLLECTIONS

mln RUB



- The number of new contracts reached **3,060 in 2Q 2019, up by 21% year-on-year**

2Q 2019 OPERATING RESULTS: BREAKDOWN BY REGIONS



IN 2Q 2019 MOSCOW SALES
DEMONSTRATED OUTSTANDING
PERFORMANCE

NEW CONTRACT SALES ths sqm

Moscow



St Petersburg



NEW CONTRACT SALES bln RUB

Moscow



St Petersburg



CASH COLLECTIONS bln RUB

Moscow



St Petersburg

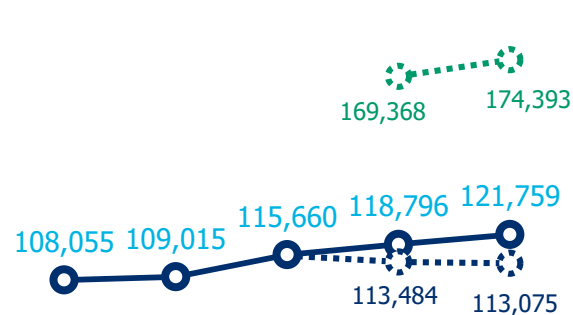


AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE



AVERAGE PRICE FOR APARTMENTS
INCREASED BY 22% YEAR-ON-YEAR

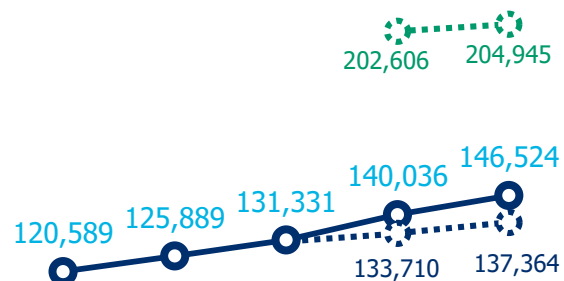
AVERAGE PRICE TOTAL
RUB/sqm



2Q 18 3Q 18 4Q 18 1Q 19 2Q 19

Combined Etalon Group Leader-Invest

AVERAGE PRICE APARTMENTS
RUB/sqm



2Q 18 3Q 18 4Q 18 1Q 19 2Q 19

Combined Etalon Group Leader-Invest

AVERAGE DOWN PAYMENT
%



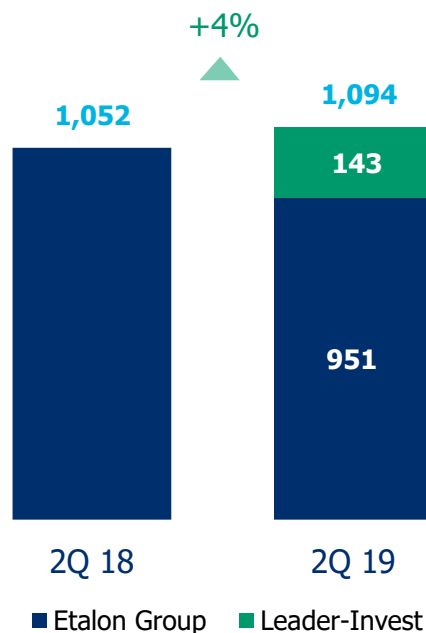
2Q 18 3Q 18 4Q 18 1Q 19 2Q 19

MORTGAGE SALES

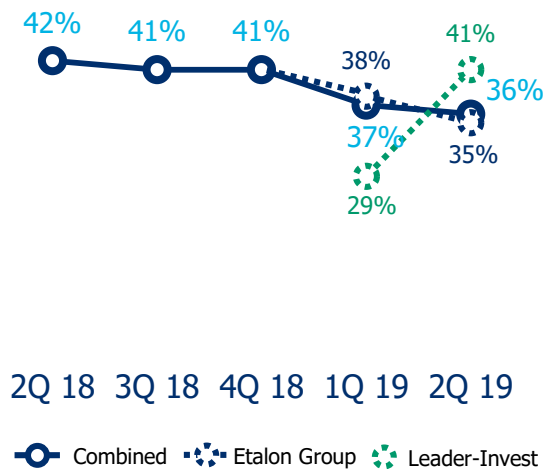


NUMBER OF MORTGAGE SALES ROSE BY 4%, WHILE THE SHARE OF MORTGAGE SALES DECREASED SLIGHTLY DUE TO THE TEMPORARY INCREASE IN MORTGAGE RATES

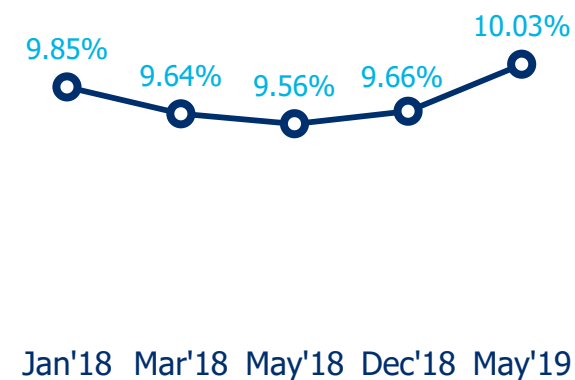
NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



AVERAGE MORTGAGE RATE IN RUSSIA⁽¹⁾



Source: Company data

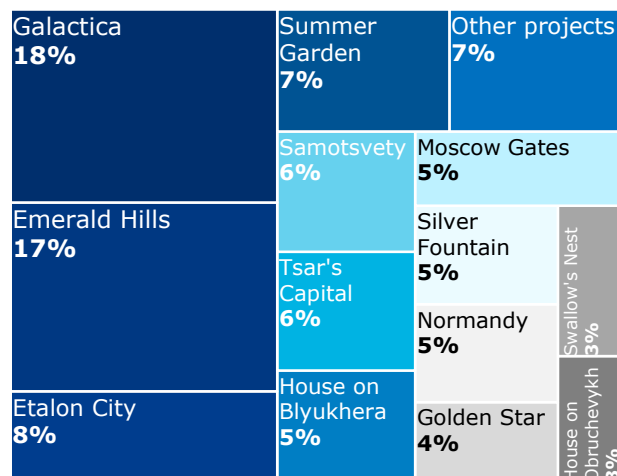
⁽¹⁾ Weighted average interest rate on mortgage loans given to residents of Russia for acquisition of apartments on the primary market during the month, based on CBR data

SALES PORTFOLIO

LEADER-INVEST PROJECTS AMOUNTED TO 14% AND 20% OF SALES IN SQM AND MONEY TERMS, RESPECTIVELY

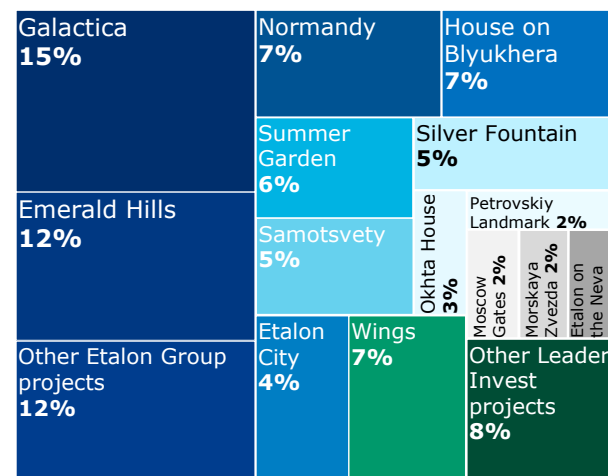
2Q 2018 NEW CONTRACT SALES BY PROJECT

sqm



2Q 2019 NEW CONTRACT SALES BY PROJECT

sqm



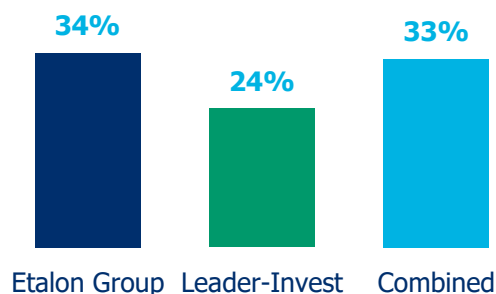
- Galactica remains the largest project in terms of new contract sales
- Share of new sales in Moscow reached 49%
- The share of business class projects reached 18% thanks to Leader-Invest's contribution

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⁽¹⁾ ⁽²⁾

REGION	SHARE OF TOTAL CONTRACTS
Leningrad region	2.7%
Krasnoyarsk Krai	1.7%
Yamalo-Nenets AD	1.4%
Khanty-Mansi AD	1.4%
Murmansk region	0.8%
Bashkortostan Republic	0.8%
Khabarovskiy krai	0.8%
Krasnodar Krai	0.9%
Saratov region	0.7%
Other Russian regions	20.6%
Foreigners	0.9%
TOTAL	32.8%

⁽¹⁾ Company data for 2Q 2019

⁽²⁾ 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
- 58 cities covered by 25 sales offices nationwide
- External professional marketing and sales service agents engaged nationwide

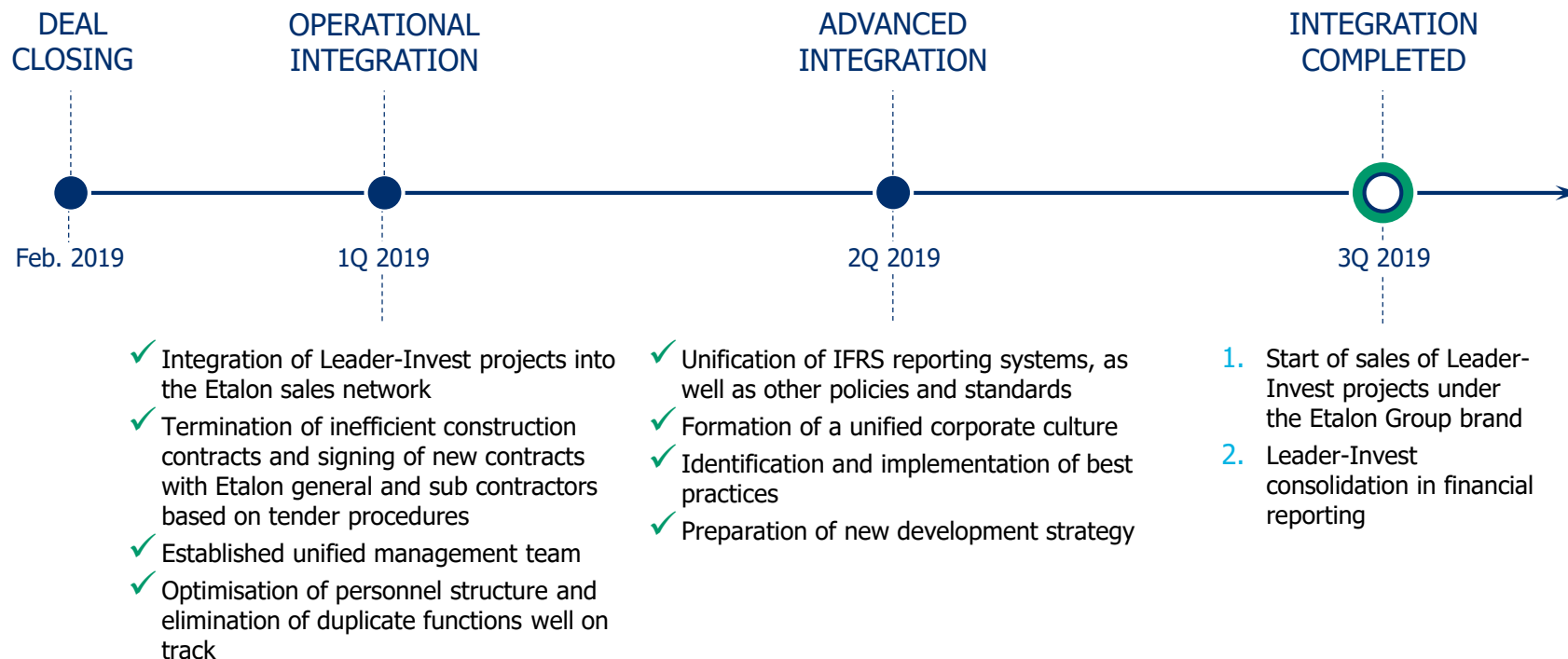
LEADER-INVEST INTEGRATION



INTEGRATION TIMETABLE



INTEGRATION PROCESS IS WELL ON TRACK, WITH
OPERATIONAL INTEGRATION ALMOST FULLY
COMPLETED



HEADCOUNT OPTIMISATION IN COMBINED MOSCOW OFFICE



PRIOR TO TRANSACTION

NOW

YEAR-END TARGET



HEADCOUNT

814

ETALON + LEADER

718 (-12%)

680 (-16%)



MONTHLY
PAYROLL⁽¹⁾

151 MLN RUB
ETALON + LEADER

129 (-15%)
MLN RUB

121 (-20%)
MLN RUB

⁽¹⁾ Excluding bonus payments under existing motivation scheme

ACCELERATING PROJECT IMPLEMENTATION



WINGS



December 2018



July 2019

SCHASTYE NA VOLGOGRADKE



December 2018



July 2019

SCHASTYE NA SOKOLE



December 2018



July 2019

SCHASTYE NA MASLOVKE



December 2018



July 2019

ACCELERATING PROJECT IMPLEMENTATION



SCHASTYE NA PRESNE



December 2018

SCHASTYE V KUSKOVO



December 2018

RESIDENCE ON VSEVOLOZHSKIY



December 2018

SCHASTYE V KUZMINKAKH



December 2018



July 2019



July 2019



July 2019



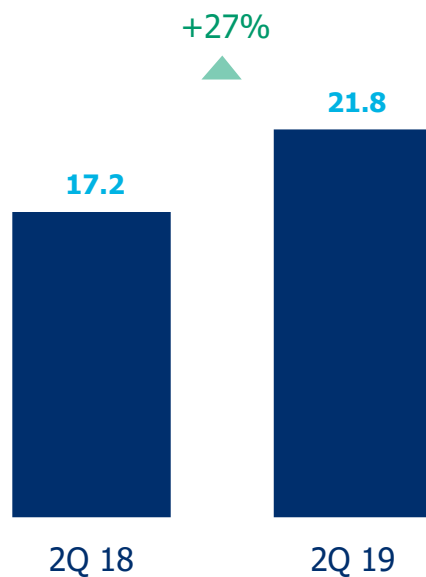
July 2019

2Q 2019 OPERATING RESULTS: LEADER-INVEST

LEADER-INVEST NEW CONTRACT SALES INCREASED BY 33% YEAR-ON-YEAR

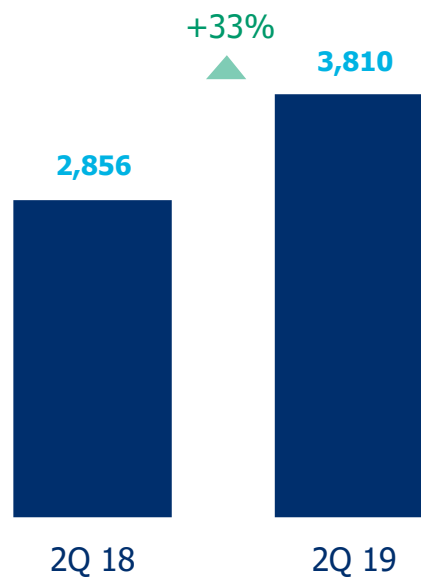
NEW CONTRACT SALES

ths sqm



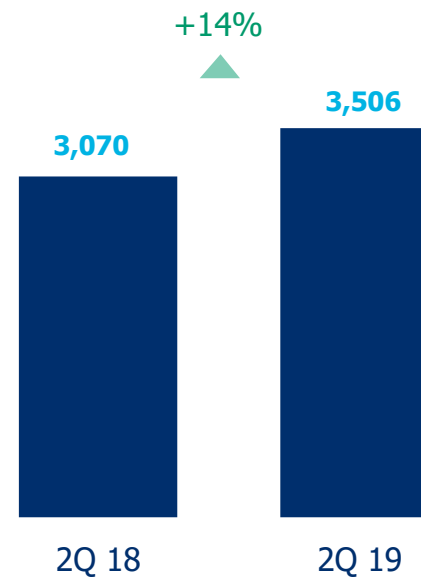
NEW CONTRACT SALES

mln RUB



CASH COLLECTIONS

mln RUB

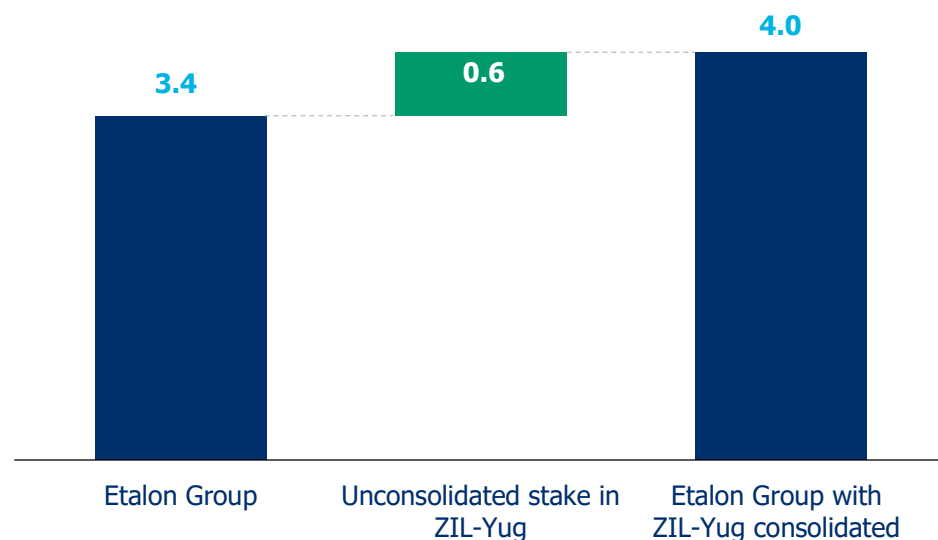


LANDBANK INCREASE IN 2Q 2019



UNSOLD NSA

mln sqm



ZIL-YUG CONTROL

- In June 2019 Etalon Group's subsidiary Leader-Invest acquired the remaining 50% stake in OJSC Razvitie ("Razvitie"), which holds the development rights for the ZIL-Yug project
- Leader-Invest previously held a 50% equity stake in Razvitie, and as a result of the new agreement will now own 100% of Razvitie
- Etalon Group, which owns a controlling stake in Leader-Invest, has consequently gained control of the ZIL-Yug project and will act as its sole developer

Source: Company data

ZIL-YUG DEVELOPMENT

1,246 THS SQM



REGION: MOSCOW

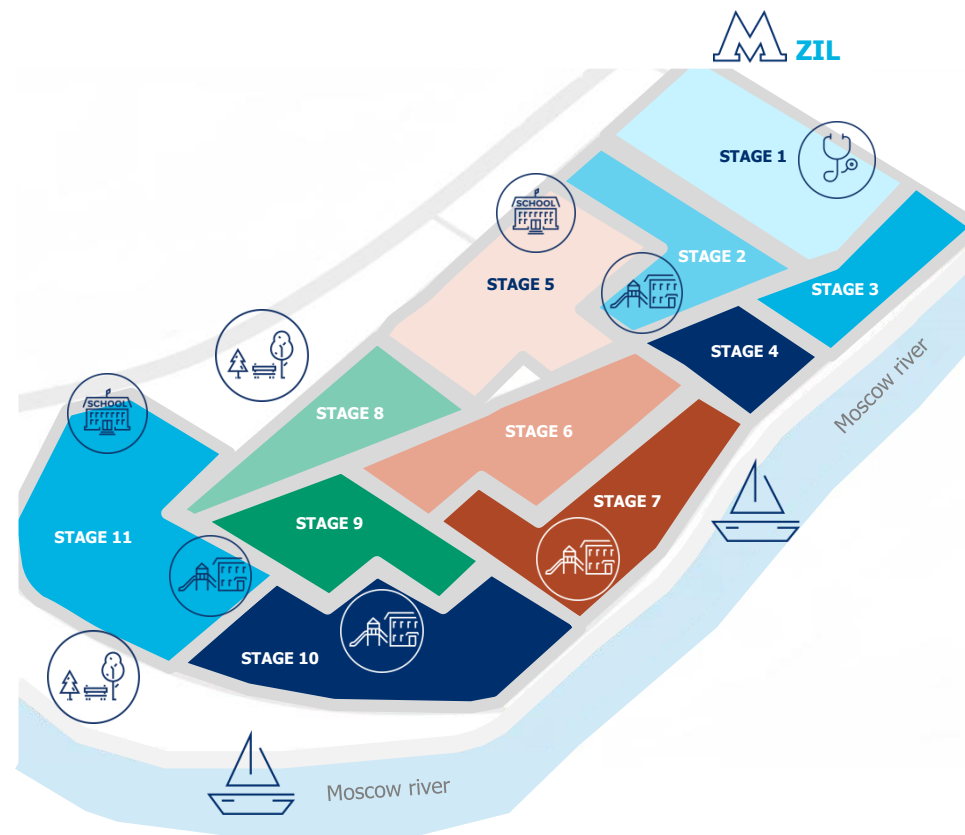
SITE AREA: **104** HECTARES

CLASS: COMFORT/BUSINESS

PLANNED LAUNCH: **2020**

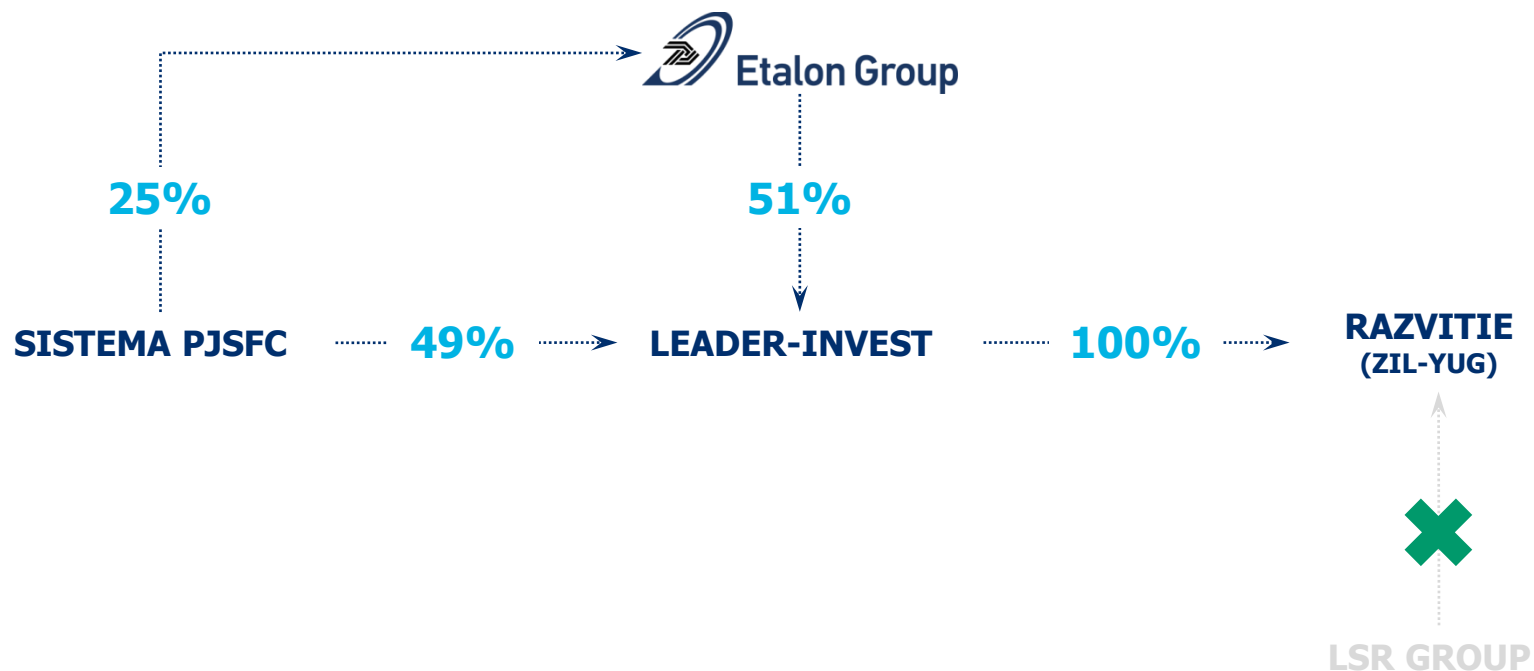
MARKET VALUE: RUB **38.3** BLN⁽¹⁾

DEVELOPMENT SITE AND STAGES



⁽¹⁾ Based on Knight Frank estimate as of 31.12.2018

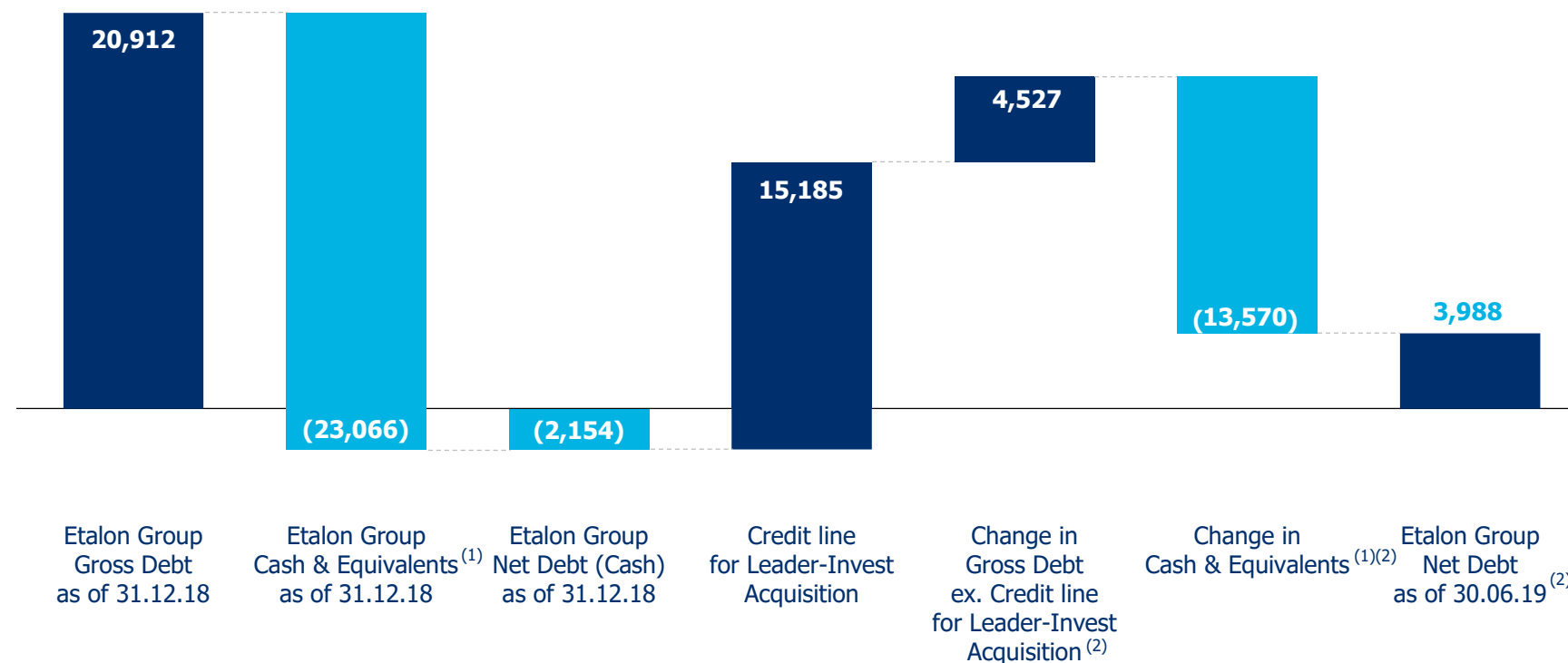
STREAMLINING ASSET OWNERSHIP STRUCTURE



STRONG FINANCIAL POSITION AFTER LEADER-INVEST ACQUISITION AND ZIL-YUG CONSOLIDATION



TOTAL DEBT mln RUB



Source: Company data

⁽¹⁾ Including bank deposits over 3 months

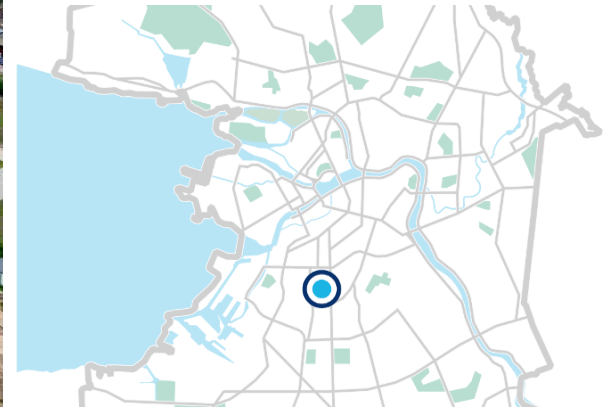
⁽²⁾ Including Leader-Invest financial position

SELECTED PROJECTS



JULY 2019

DECEMBER 2018



Total NSA
809 ths sqm

Open Market Value⁽¹⁾
RUB 17,268 mln

Income from sales⁽¹⁾
RUB 78,386 mln

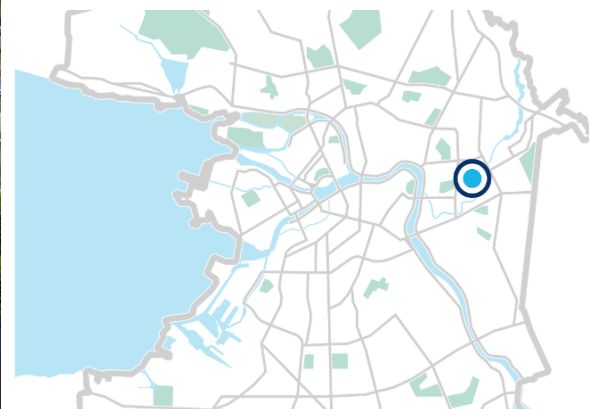
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

OKHTA HOUSE

JULY 2019

DECEMBER 2018



Total NSA
133 ths sqm

Open Market Value⁽¹⁾
RUB 5,469 mln

Income from sales⁽¹⁾
RUB 19,036 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

HOUSE ON BLYUKHERA

JULY 2019

DECEMBER 2018



Total NSA
105 ths sqm

Open Market Value⁽¹⁾
RUB 2,500 mln

Income from sales⁽¹⁾
RUB 8,938 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

PETROVSKIY LANDMARK

JULY 2019

DECEMBER 2018



Total NSA
89 ths sqm

Open Market Value⁽¹⁾
RUB 5,115 mln

Income from sales⁽¹⁾
RUB 15,409 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

ETALON ON THE NEVA

JULY 2019

VISUALISATION



Total NSA
76 ths sqm

Open Market Value⁽¹⁾
RUB 2,928 mln

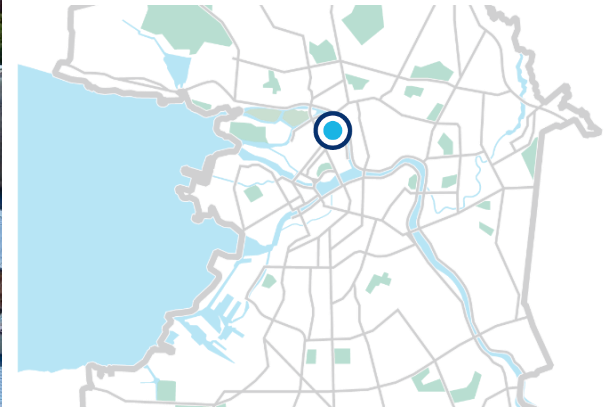
Income from sales⁽¹⁾
RUB 8,980 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

JULY 2019

DECEMBER 2018



Total NSA
47 ths sqm

Open Market Value⁽¹⁾
RUB 2,699 mln

Income from sales⁽¹⁾
RUB 7,519 mln

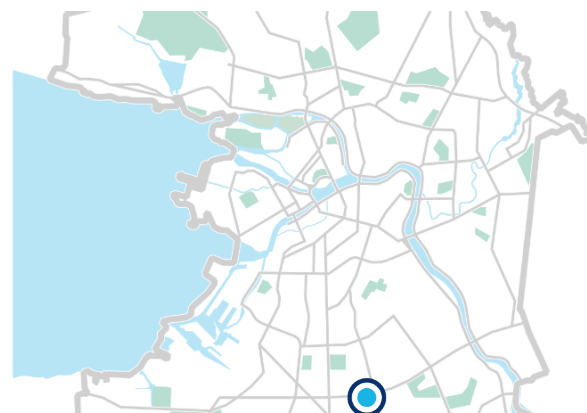
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

HOUSE ON KOSMONAVTOV

JULY 2019

DECEMBER 2018



Total NSA
27 ths sqm

Open Market Value⁽¹⁾
RUB 1,129 mln

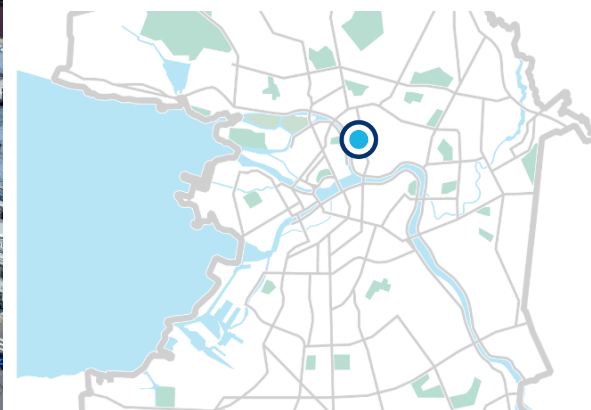
Income from sales⁽¹⁾
RUB 2,364 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

JULY 2019

DECEMBER 2018



Total NSA
14 ths sqm

Open Market Value⁽¹⁾
RUB 831 mln

Income from sales⁽¹⁾
RUB 2,199 mln

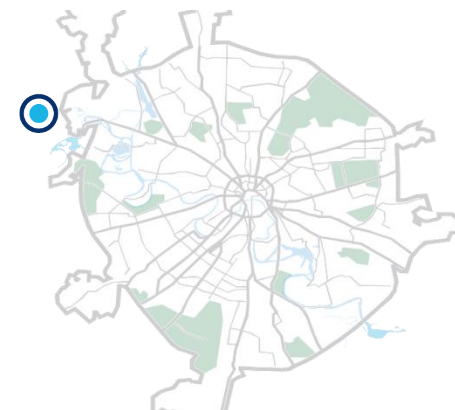
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

EMERALD HILLS

JULY 2019

DECEMBER 2018



Total NSA
855 ths sqm

Open Market Value⁽¹⁾
RUB 8,673 mln

Income from sales⁽¹⁾
RUB 60,108 mln

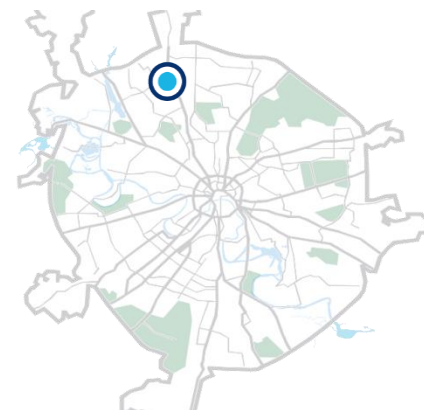
Moscow region

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SUMMER GARDEN

JULY 2019

DECEMBER 2018



Total NSA
294 ths sqm

Open Market Value⁽¹⁾
RUB 6,696 mln

Income from sales⁽¹⁾
RUB 35,947 mln

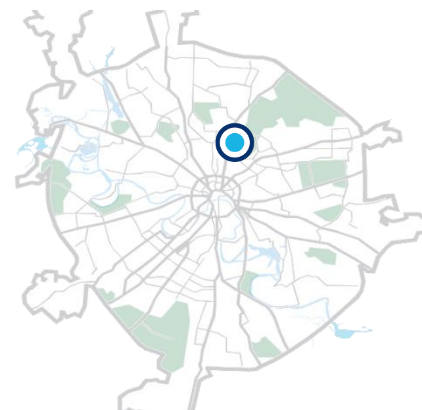
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SILVER FOUNTAIN

JULY 2019

DECEMBER 2018



Total NSA
226 ths sqm

Open Market Value⁽¹⁾
RUB 11,111 mln

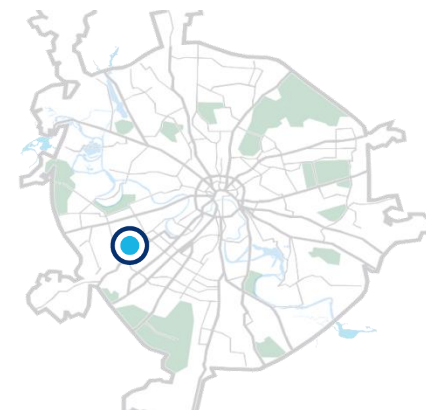
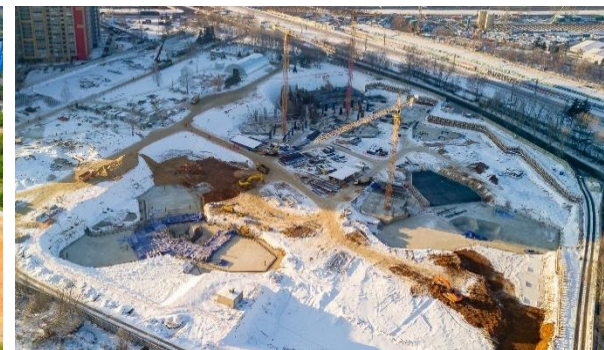
Income from sales⁽¹⁾
RUB 42,121 mln

Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

JULY 2019

DECEMBER 2018



Total NSA
186 ths sqm

Open Market Value⁽¹⁾
RUB 10,234 mln

Income from sales⁽¹⁾
RUB 37,045 mln

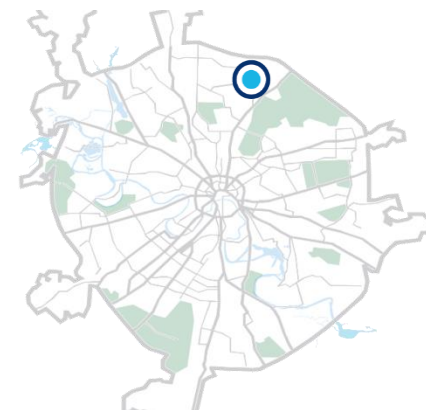
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

NORMANDY

JULY 2019

DECEMBER 2018



Total NSA
129 ths sqm

Open Market Value⁽¹⁾
RUB 5,889 mln

Income from sales⁽¹⁾
RUB 16,522 mln

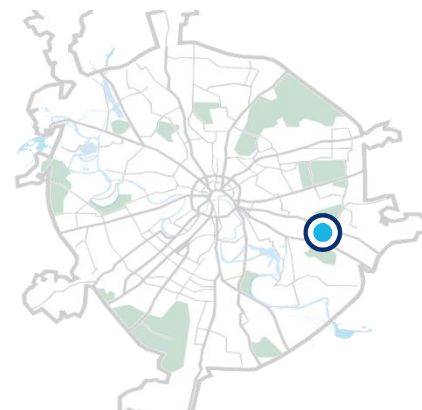
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA VOLGOGRADKE

JULY 2019

DECEMBER 2018



Total NSA
14 ths sqm

Open Market Value⁽¹⁾
RUB 473 mln

Income from sales⁽¹⁾
RUB 1,674 mln

Moscow

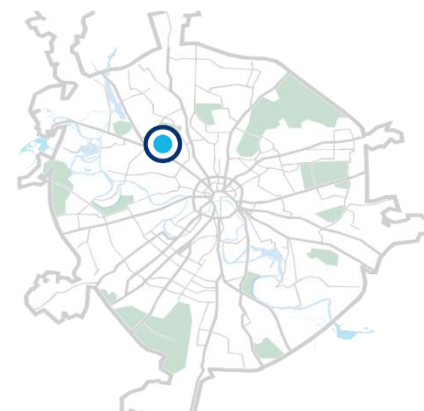
⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA SOKOLE



JULY 2019

DECEMBER 2018



Total NSA
8 ths sqm

Open Market Value⁽¹⁾
RUB 224 mln

Income from sales⁽¹⁾
RUB 1,742 mln

Moscow

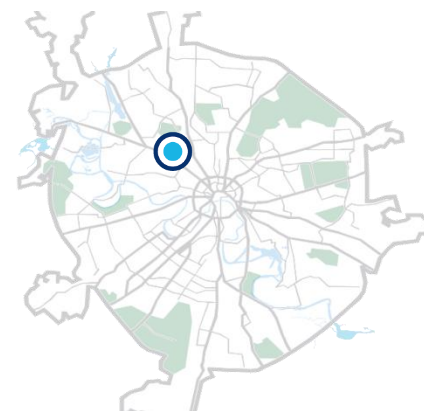
⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA MASLOVKE



JULY 2019

DECEMBER 2018



Total NSA
7 ths sqm

Open Market Value⁽¹⁾
RUB 569 mln

Income from sales⁽¹⁾
RUB 1,509 mln

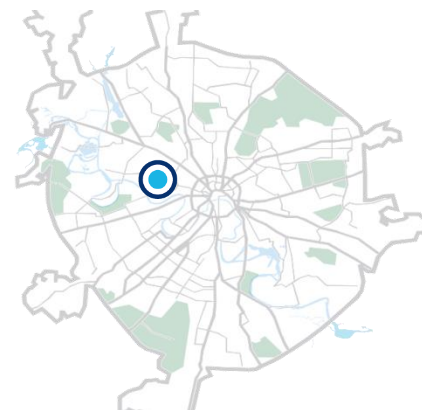
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA PRESNE

JULY 2019

DECEMBER 2018



Total NSA
6 ths sqm

Open Market Value⁽¹⁾
RUB 394 mln

Income from sales⁽¹⁾
RUB 1,456 mln

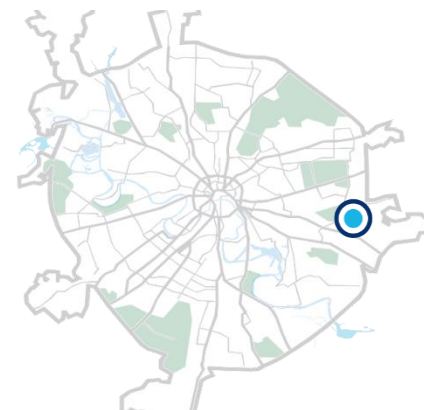
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE V KUSKOVO

JULY 2019

DECEMBER 2018



Total NSA
6 ths sqm

Open Market Value⁽¹⁾
RUB 464 mln

Income from sales⁽¹⁾
RUB 848 mln

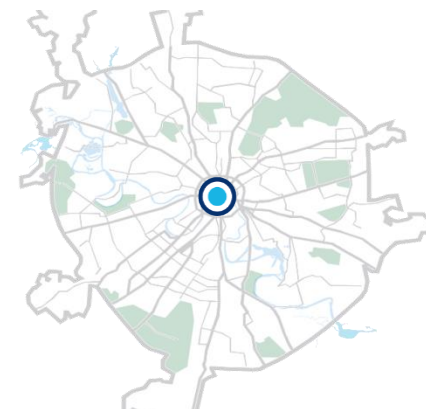
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

RESIDENCE ON VSEVOLOZHSKIY

JULY 2019

DECEMBER 2018



Total NSA
4 ths sqm

Open Market Value⁽¹⁾
RUB 2,265 mln

Income from sales⁽¹⁾
RUB 4,688 mln

Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018



1H AND 2Q 2019 OPERATING RESULTS

ETALON GROUP PLC

2-4 CAPITAL CENTRE
ARCH. MAKARIOU III AVENUE
NICOSIA | CYPRUS

TEL: +44 (0)20 8123 1328
FAX: +44 (0)20 8123 1328
EMAIL: INFO@ETALONGROUP.COM