

9M 2019 OPERATING AND 1H 2019 FINANCIAL RESULTS

16 October 2019



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RESULTS SUMMARY

CONSOLIDATED REVENUE

+ 60%



39,562

MLN RUB

Consolidated revenue increased by 60% year-on-year to RUB 39,562 million in 1H 2019

CONSOLIDATED GROSS PROFIT

+ 60%



8,890

MLN RUB

1H 2019 Consolidated gross profit grew by 60% year-on-year to RUB 8,890 million

NEW CONTRACT SALES

+ 26%



55,833

MLN RUB

In 9M 2019, new contract sales reached RUB 55,833 mln, up by 26% y-o-y

CASH COLLECTIONS

+ 39%



58,923

MLN RUB

Cash collections rose y-o-y by 39% in 9M 2019, supported by high down-payments

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FINANCIAL RESULTS



LEADER-INVEST ACQUISITION IN ETALON GROUP FINANCIAL STATEMENTS



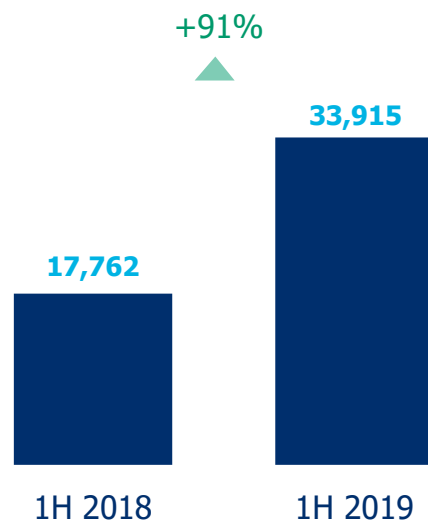
- Etalon Group acquired 51% of Leader-Invest in February 2019 for RUB 15,185 million
- Leader-Invest's financial performance, including revenue and costs, was fully consolidated into Etalon Group's P&L starting from 19 February 2019⁽¹⁾
- A valuation by Cushman & Wakefield was carried out in order to transfer Leader-Invest's assets onto the Etalon Group balance sheet. Based on this valuation, the value of Leader-Invest's total net assets on the acquisition date was RUB 31,988 million (100%)
- The difference between the valuation price of 51% of the assets (RUB 16,315 million) and the actual price paid was recognised as income (gain from bargain purchase) in the amount of RUB 1,129 million
- The remaining purchase price will be accounted for as part of cost of goods sold for real estate and as other expenses, in proportion to the discounted value of each individual project and its level of completion in a given reporting period (this cost distribution is known as purchase price allocation, or PPA)

⁽¹⁾ Following the acquisition of a controlling 51% stake in Leader-Invest, 100% of its financial results are consolidated. 1H 2019 net income was adjusted for non-controlling minority interest

REVENUE ANALYSIS

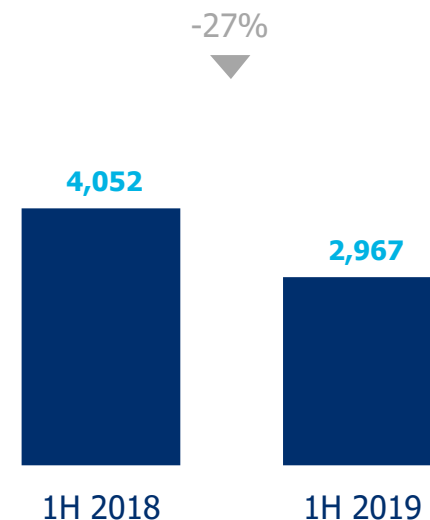
RESIDENTIAL DEVELOPMENT REVENUE

mln RUB



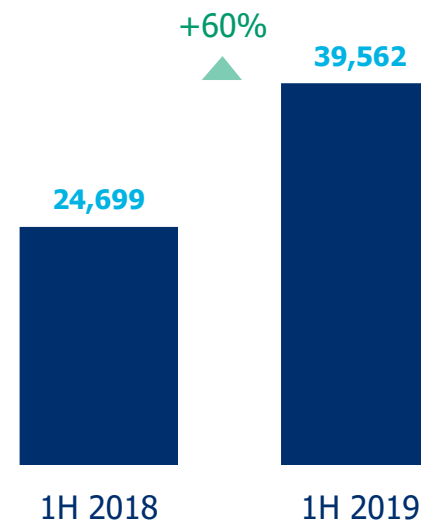
CONSTRUCTION SERVICES REVENUE FROM THIRD PARTIES

mln RUB



CONSOLIDATED REVENUE

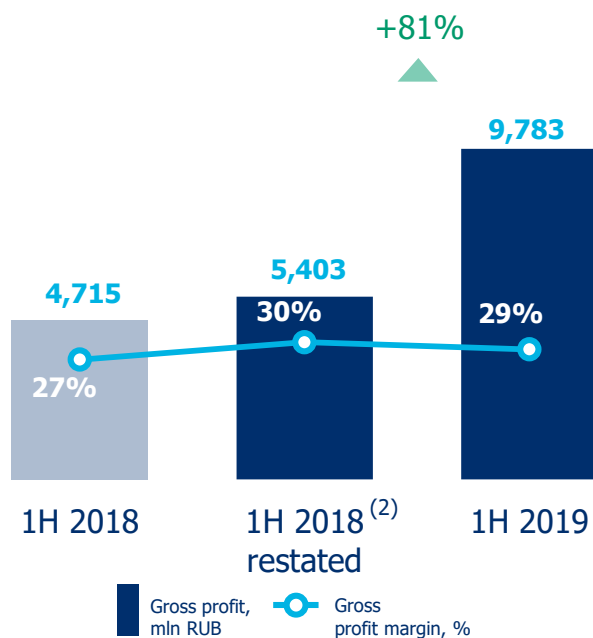
mln RUB



GROSS PROFIT ANALYSIS

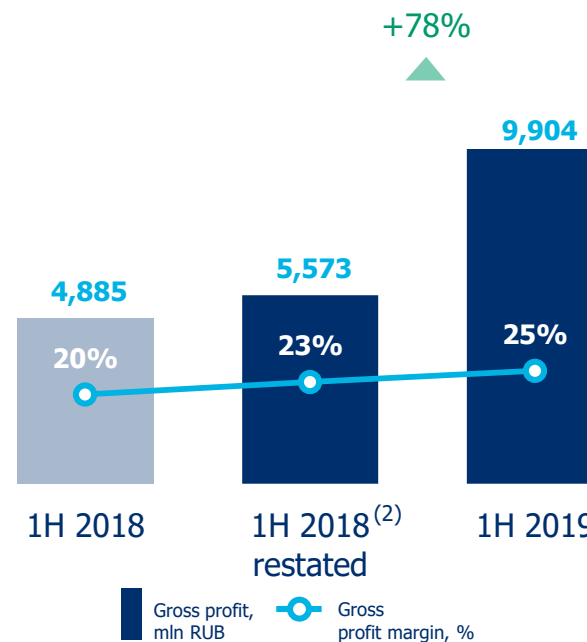
PRE-PPA⁽¹⁾ RESIDENTIAL DEVELOPMENT GROSS PROFIT

mln RUB



PRE-PPA⁽¹⁾ CONSOLIDATED GROSS PROFIT

mln RUB



- Etalon Group **1H 2018 financial statements have been restated** due to a change in accounting policy introduced on 1 January 2019 and applied to previous periods. The Group ceased capitalisation of significant financing component in cost of sales and will recognise it in finance costs in order to enable for a better representation of gross profit, net of interest expenses

Source: IFRS financial statements

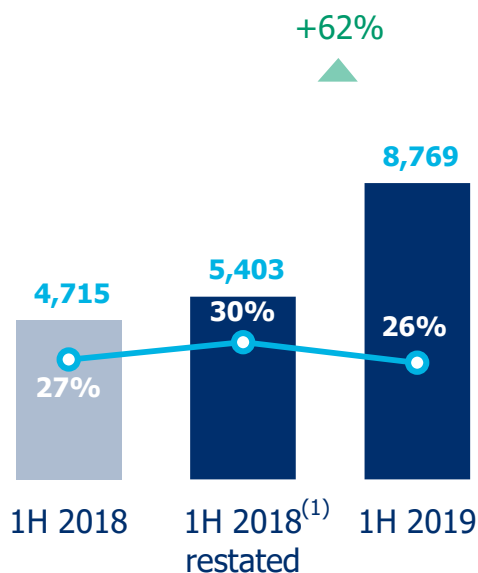
⁽¹⁾ Purchase price allocation

⁽²⁾ Due to a change in accounting policy with respect to capitalisation of borrowing costs and significant financing component

GROSS PROFIT ANALYSIS ADJUSTED FOR PPA IMPACT

RESIDENTIAL DEVELOPMENT GROSS PROFIT

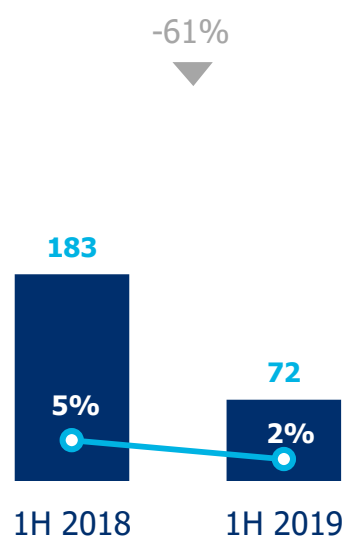
mln RUB



■ Gross profit, mln RUB
● Gross profit margin, %

CONSTRUCTION SERVICES GROSS PROFIT

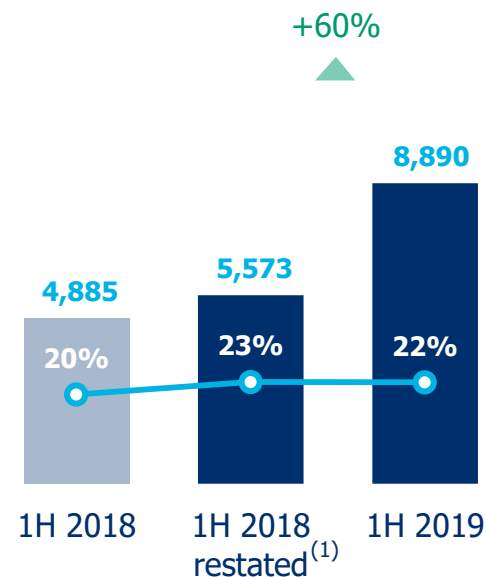
mln RUB



■ Gross profit, mln RUB
● Gross profit margin, %

CONSOLIDATED GROSS PROFIT

mln RUB



■ Gross profit, mln RUB
● Gross profit margin, %

- Purchase price allocation in the amount of **RUB 1,014 million was recognised in cost of sales (PPA)**

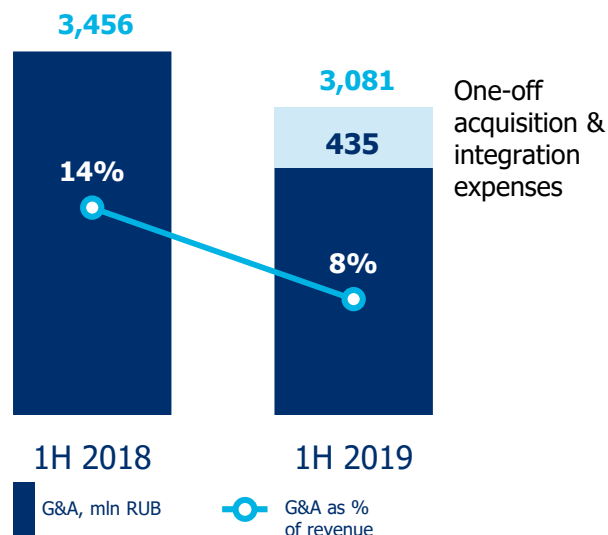
Source: IFRS financial statements

⁽¹⁾ Restated due to a change in accounting policy with respect to capitalisation of borrowing costs and significant financing component

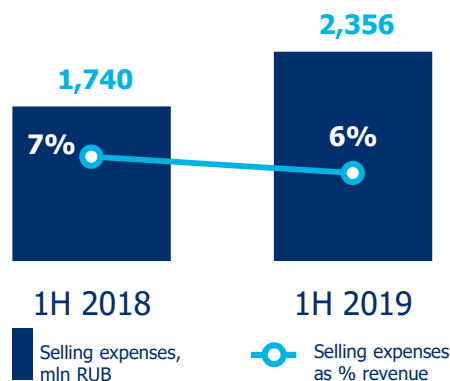
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES DECREASED DESPITE THE ACQUISITION, SEVERANCE PAYMENTS AND ONE-OFF EXPENSES

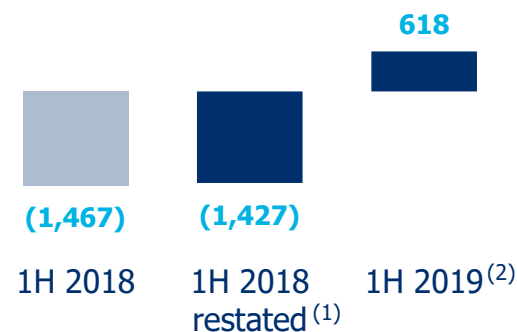
GENERAL AND ADMINISTRATIVE EXPENSES mln RUB



SELLING EXPENSES mln RUB



OTHER (EXPENSES) INCOME mln RUB



- General and administrative expenses, **net of one-off acquisition and integration expenses** in the amount of RUB 435 million, **decreased by RUB 810 million y-o-y, and amounted to 7% of 1H 2019 revenue**

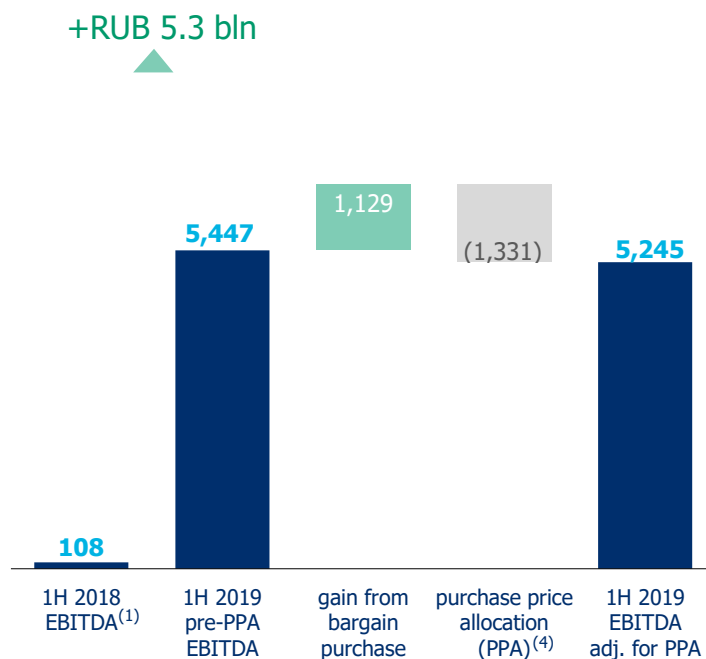
Source: IFRS financial statements

⁽¹⁾ Due to a change in accounting policy with respect to capitalisation of borrowing costs and significant financing component

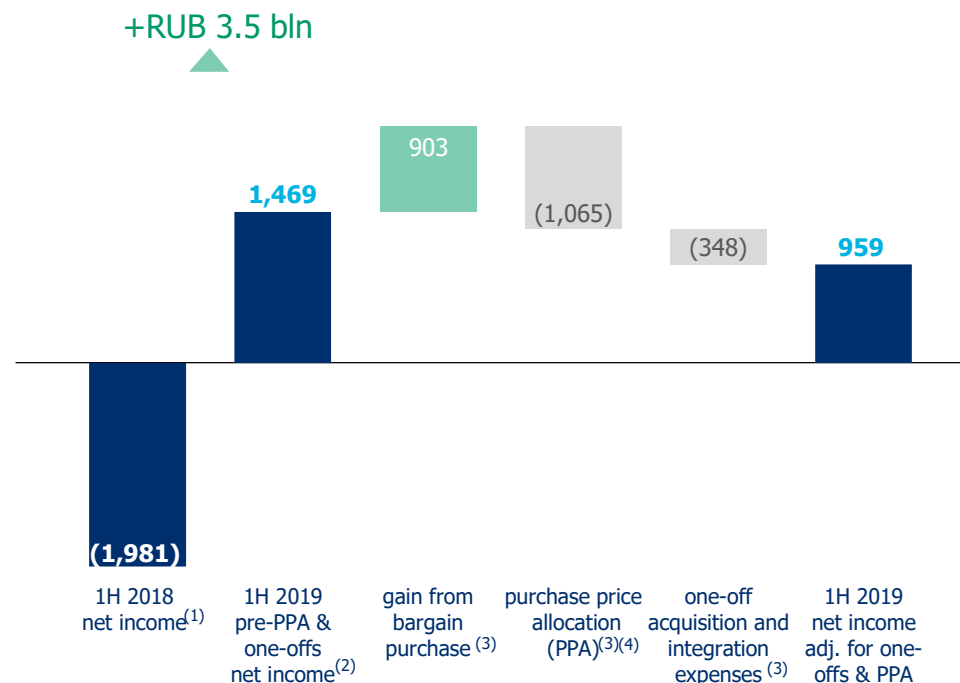
⁽²⁾ Including gain from bargain purchase

EBITDA AND NET INCOME ANALYSIS

EBITDA mln RUB



NET INCOME mln RUB



Source: IFRS financial statements

⁽¹⁾ Restated due to a change in accounting policy with respect to capitalisation of borrowing costs and significant financing component

⁽²⁾ Including non-controlling interest

⁽³⁾ Adjusted for taxes

⁽⁴⁾ PPA in the amount of RUB 1,014 million was capitalised in cost of sales, and RUB 317 million in G&A and other costs

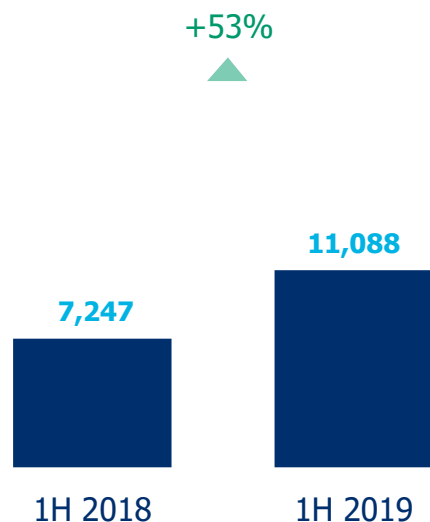
CASH FLOW ANALYSIS



STRONG CASH FLOW GENERATION BROUGHT FREE CASH FLOW TO LESS THAN NEGATIVE 2 BLN, DESPITE RUB 15.2 BLN ACQUISITION

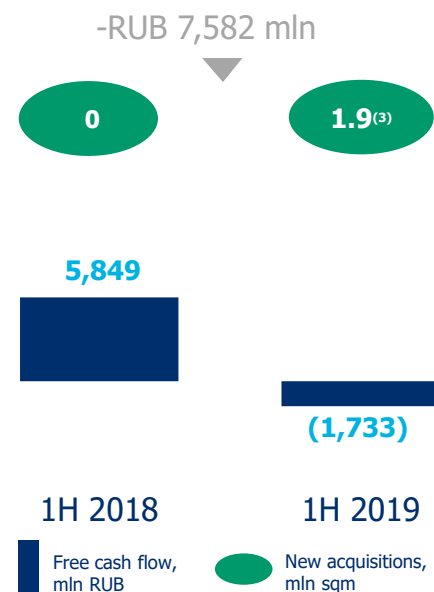
OPERATING CASH FLOW⁽¹⁾

mln RUB



FREE CASH FLOW⁽²⁾

mln RUB



Source: IFRS financial statements

⁽¹⁾ Operating cash flow less interest paid

⁽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

⁽³⁾ Unsold NSA of Etalon Group's property under management, including 100% ownership in ZIL-Yug project, according to Knight Frank valuation as of 31.12.2018

OPERATING RESULTS



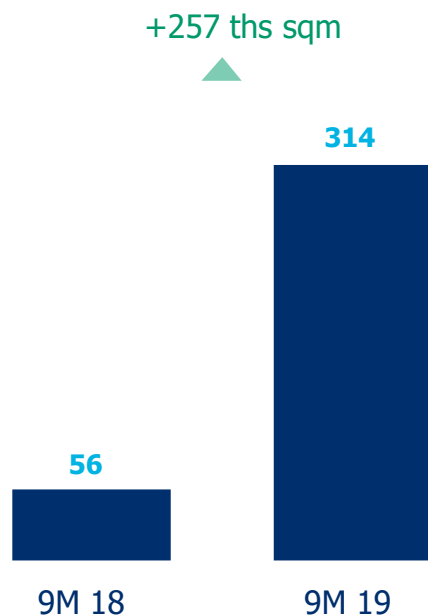
DELIVERIES IN 9M 2019



ETALON GROUP DELIVERED 314
THS SQM IN 9M 2019

DELIVERIES

ths sqm



9M 2019 DELIVERIES BREAKDOWN

ths sqm

PROJECT	NSA, ths sqm
Summer Garden	122
Emerald Hills	64
Morskaya Zvezda	60
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
Residence on Vsevolozhskiy	4
House on Obruchevykh Street	3
TOTAL	314

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

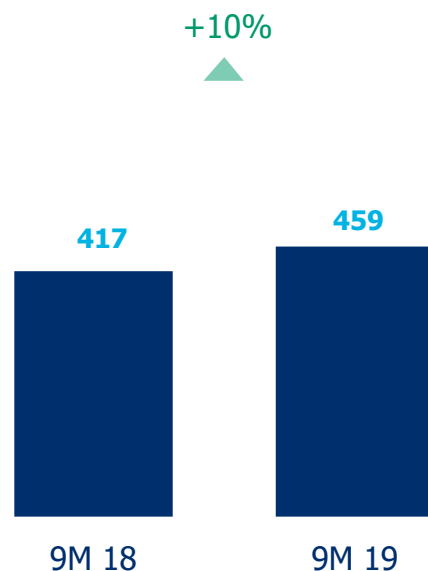
9M 2019 OPERATING RESULTS



ETALON GROUP DELIVERED
RECORD PERFORMANCE ACROSS
ALL KEY METRICS IN 9M 2019

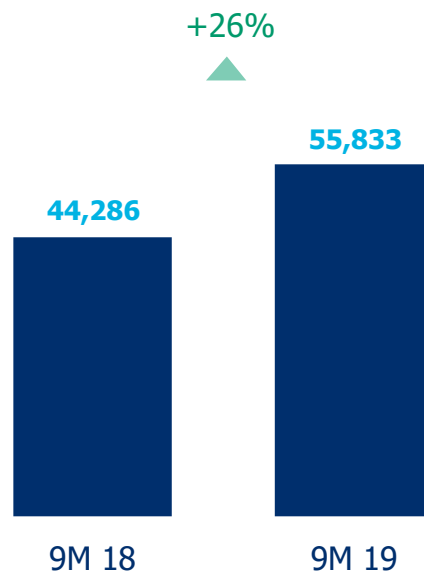
NEW CONTRACT SALES

ths sqm



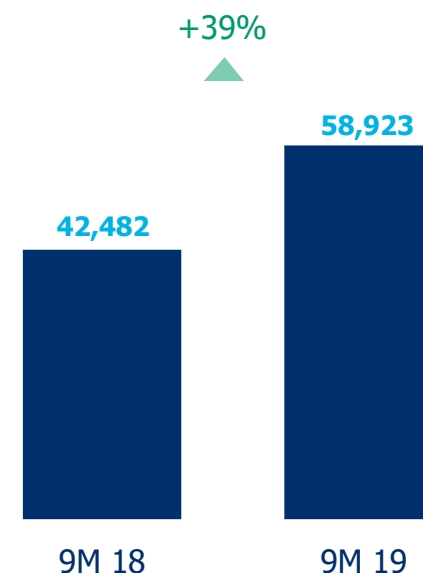
NEW CONTRACT SALES

mln RUB



CASH COLLECTIONS

mln RUB



- The number of new contracts reached **9,109 in 9M 2019, up by 13% compared to 9M 2018**

9M 2019 OPERATING RESULTS: BREAKDOWN BY REGIONS



CASH COLLECTIONS IN
MOSCOW GREW BY 77%
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



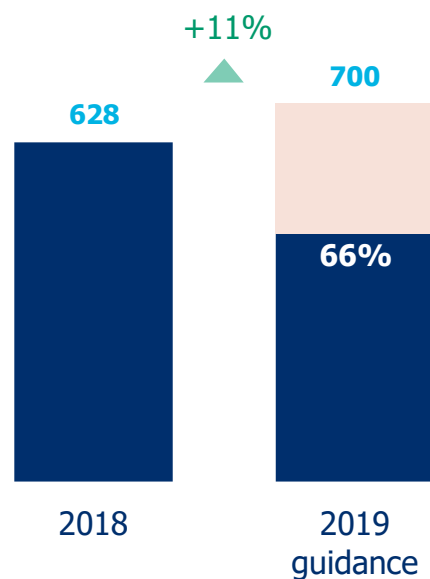
Source: Company data. Y-o-y change was calculated without rounding

SALES GUIDANCE FOR 2019

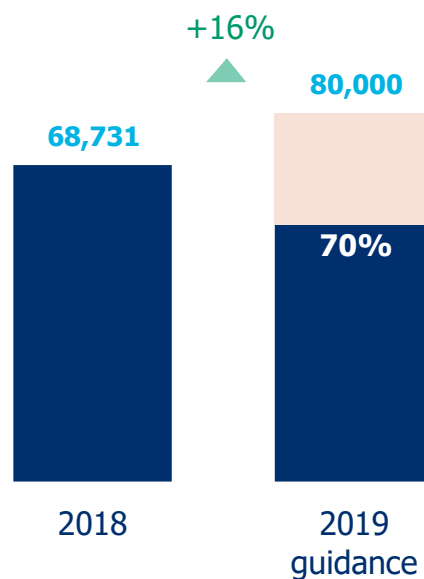


ETALON GROUP IS WELL ON TRACK TO DELIVER ON ITS FY 2019 GUIDANCE AFTER SOLID PERFORMANCE IN 9M 2019

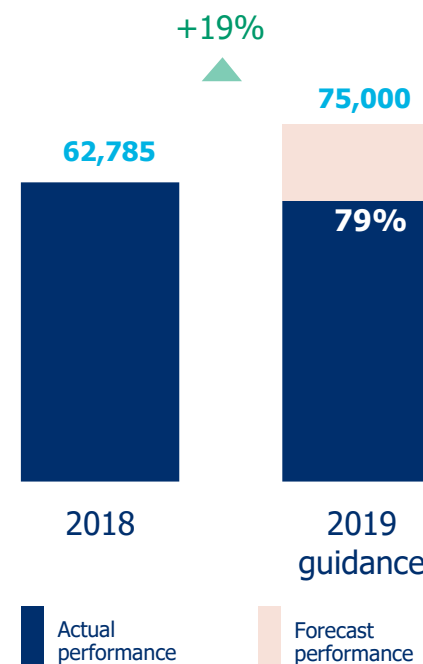
NEW CONTRACT SALES ths sqm



NEW CONTRACT SALES mln RUB



CASH COLLECTIONS mln RUB



- In 9M 2019 NCS in RUB terms amounted to 70% of FY 2019 guidance
- Cash collections have already reached 79% of FY 2019 guidance

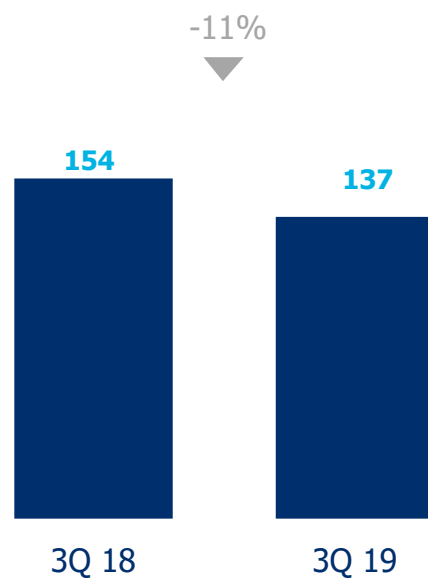
3Q 2019 OPERATING RESULTS



IN 3Q 2019 CASH COLLECTION GREW BY 7% YEAR-ON-YEAR

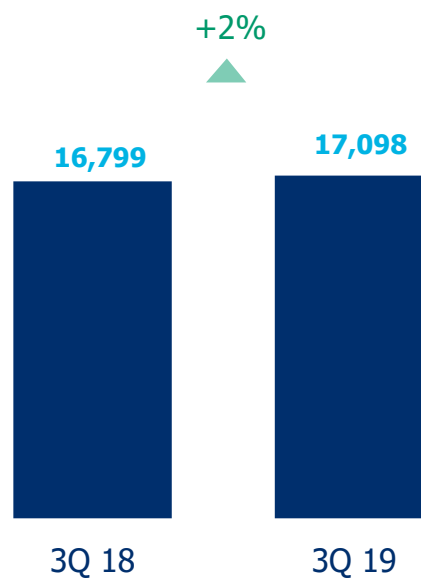
NEW CONTRACT SALES

ths sqm



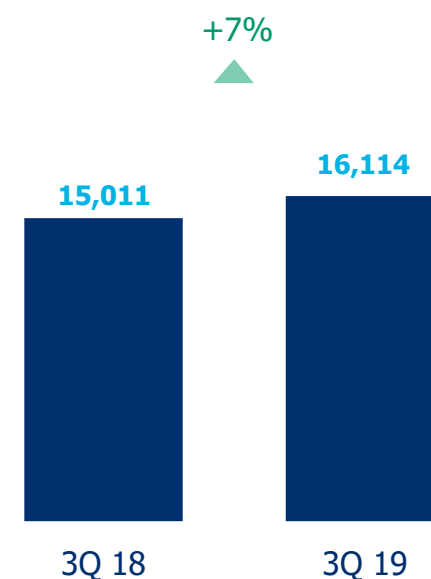
NEW CONTRACT SALES

mln RUB



CASH COLLECTIONS

mln RUB



- The number of new contracts amounted to **2,579 in 3Q 2019**

3Q 2019 OPERATING RESULTS: BREAKDOWN BY REGIONS



IN 3Q 2019 CASH COLLECTIONS
AND NCS IN RUB TERMS GREW IN
MOSCOW

NEW CONTRACT SALES ths sqm

Moscow



St Petersburg



NEW CONTRACT SALES bln RUB

Moscow



St Petersburg



CASH COLLECTIONS bln RUB

Moscow



St Petersburg



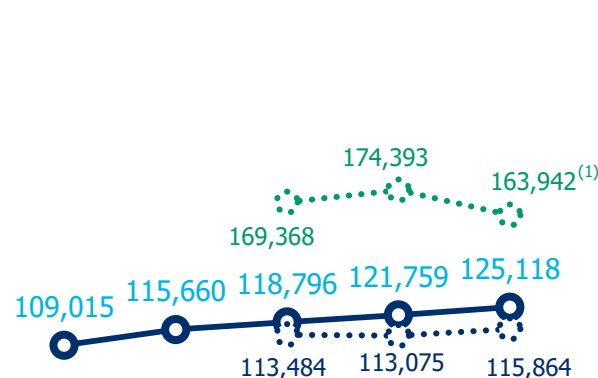
Source: Company data. Y-o-y change was calculated without rounding

AVERAGE PRICE AND DOWN PAYMENT PERFORMANCE

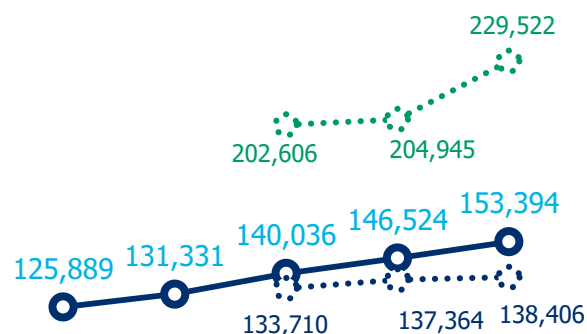


AVERAGE PRICE FOR APARTMENTS
INCREASED BY 22% YEAR-ON-YEAR

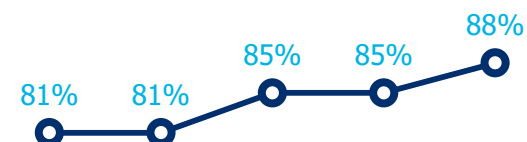
AVERAGE PRICE
RUB/sqm



AVERAGE PRICE APARTMENTS
RUB/sqm



AVERAGE DOWN PAYMENT
%



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

—○— Combined —••• Etalon Group —••• Leader-Invest

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

—○— Combined —••• Etalon Group —••• Leader-Invest

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

Source: Company data

⁽¹⁾ Leader-Invest's average price for 3Q 2019 was affected by the sale in July 2019 of a land plot with an average price per sqm of RUB 39 ths

OPERATING RESULTS

ETALON GROUP

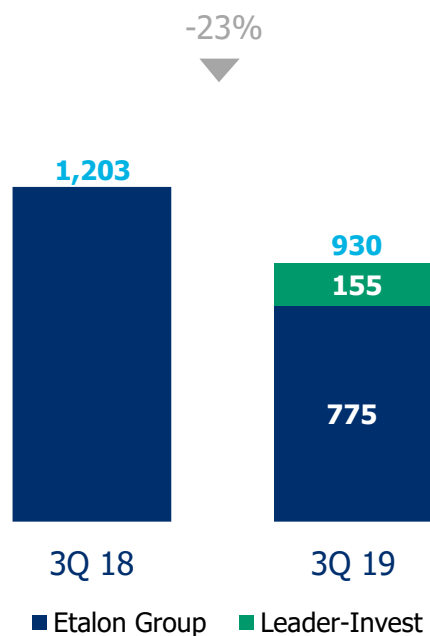
19

MORTGAGE SALES

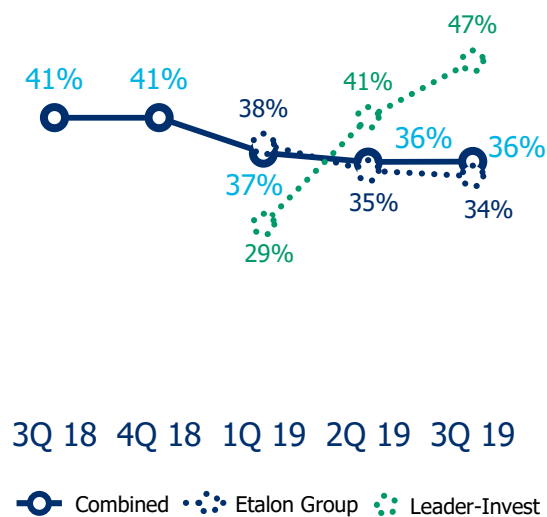


WHILE THE COMBINED SHARE OF MORTGAGE SALES DECREASED SLIGHTLY, LEADER-INVEST'S SHARE OF MORTGAGE SALES IS GROWING STEADILY

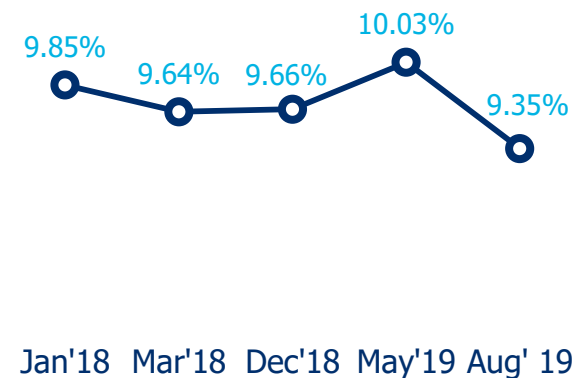
NUMBER OF MORTGAGE CONTRACTS SIGNED



MORTGAGE CONTRACTS AS A SHARE OF SALES



AVERAGE MORTGAGE RATE IN RUSSIA⁽¹⁾



Source: Company data

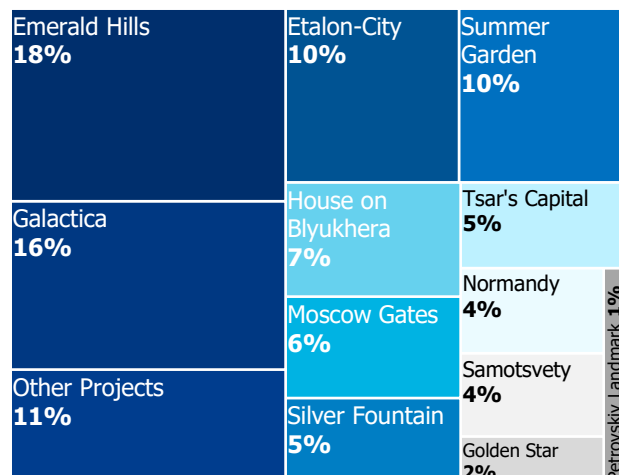
⁽¹⁾ Weighted average interest rate on mortgage loans given to residents of Russia for acquisition of apartments on the primary market during the month, based on CBR data

SALES PORTFOLIO

LEADER-INVEST PROJECTS AMOUNTED TO 19% AND 25% OF SALES IN SQM AND MONEY TERMS, RESPECTIVELY

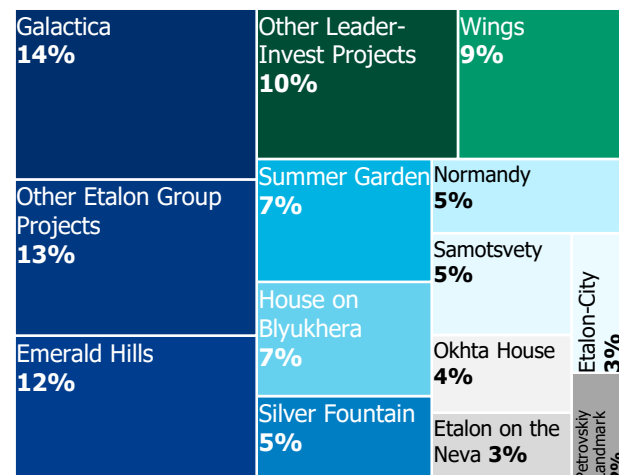
3Q 2018 NEW CONTRACT SALES BY PROJECT

sqm



3Q 2019 NEW CONTRACT SALES BY PROJECT

sqm



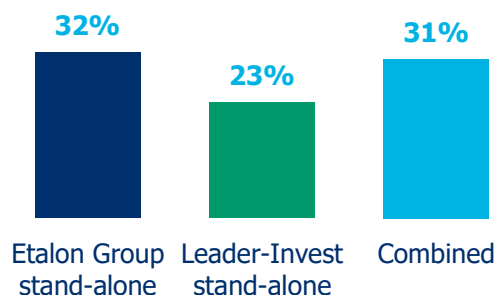
- Galactica remains the largest project in terms of new contract sales
- The share of business class projects reached 22% thanks to Leader-Invest's contribution
- Share of new sales in Moscow reached 52%

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⁾

REGION	SHARE OF TOTAL CONTRACTS
Leningrad region	2.9%
Yamalo-Nenets AD	1.5%
Krasnoyarsk Krai	1.4%
Khabarovskiy Krai	1.4%
Khanty-Mansi AD	1.3%
Sakhalin region	0.9%
Krasnodar Krai	0.8%
Samara region	0.8%
Murmansk region	0.8%
Other Russian regions	18.6%
Foreigners	1.0%
TOTAL	31.2%

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

⁽¹⁾ Company data for 3Q 2019

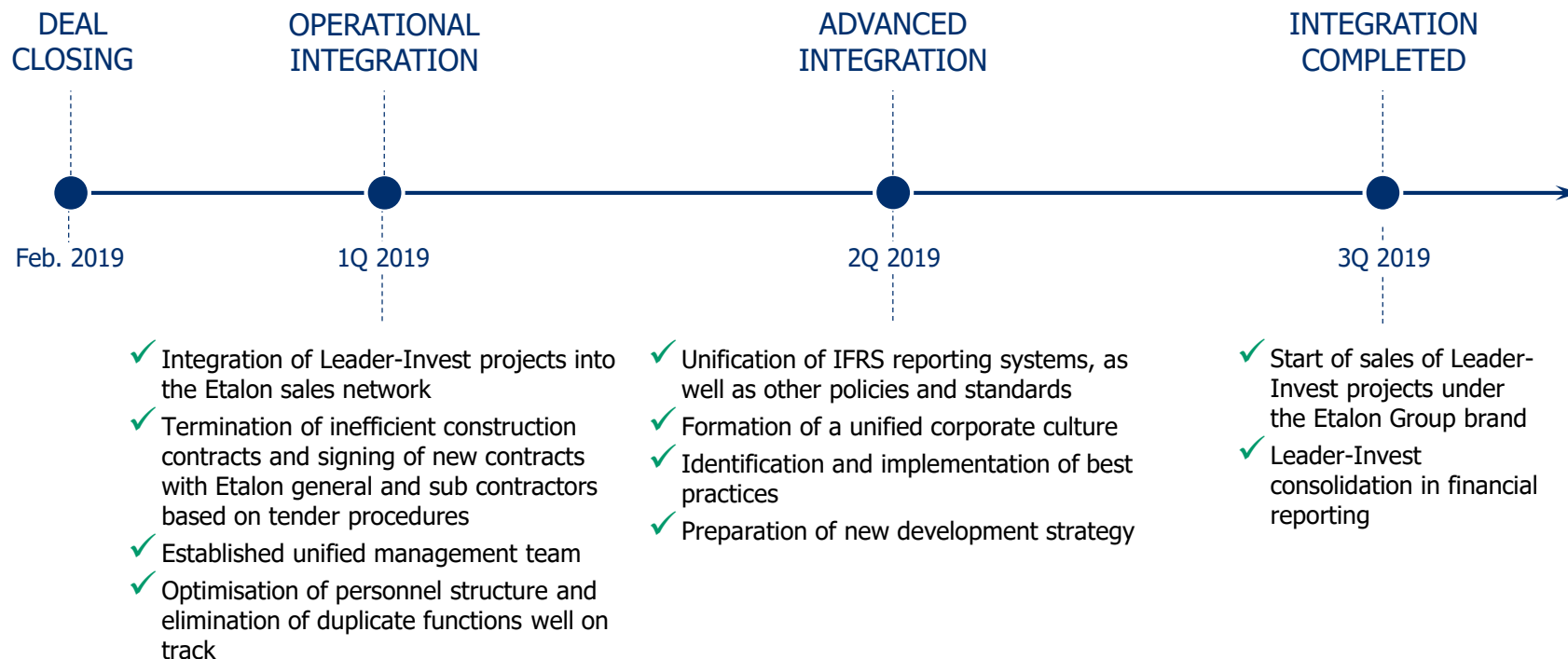
LEADER-INVEST INTEGRATION



INTEGRATION TIMETABLE



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



ACCELERATING PROJECT IMPLEMENTATION



WINGS



December 2018



October 2019

SCHASTYE NA PRESNE



December 2018



October 2019

SCHASTYE V KUZMINKAKH



December 2018



October 2019

SCHASTYE V KUSKOVO



December 2018



October 2019

DELIVERED PROJECTS

RESIDENCE ON POKROVSKIY BOULEVARD



December 2018

SCHASTYE NA LENINSKOM



December 2018

SCHASTYE V OLIMPIYSKOY DEREVNE



December 2018

RESIDENCE ON VSEVOLOZHSKIY



December 2018



Delivered in April 2019



Delivered in May 2019



Delivered in June 2019



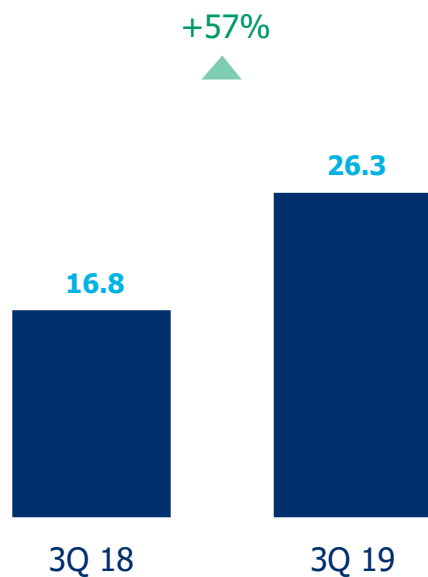
Delivered in September 2019

3Q 2019 OPERATING RESULTS: LEADER-INVEST

LEADER-INVEST CASH COLLECTIONS INCREASED BY 47% YEAR-ON-YEAR

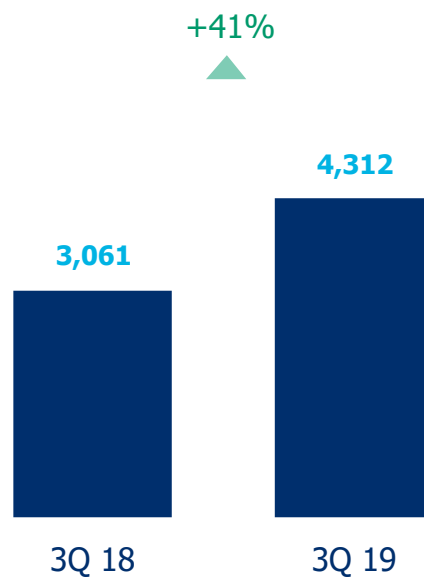
NEW CONTRACT SALES

ths sqm



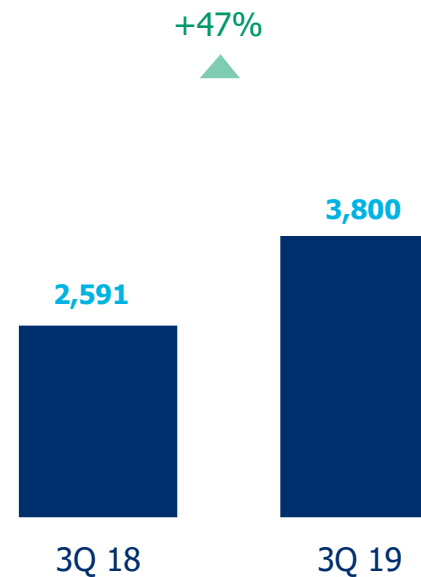
NEW CONTRACT SALES

mln RUB



CASH COLLECTIONS

mln RUB

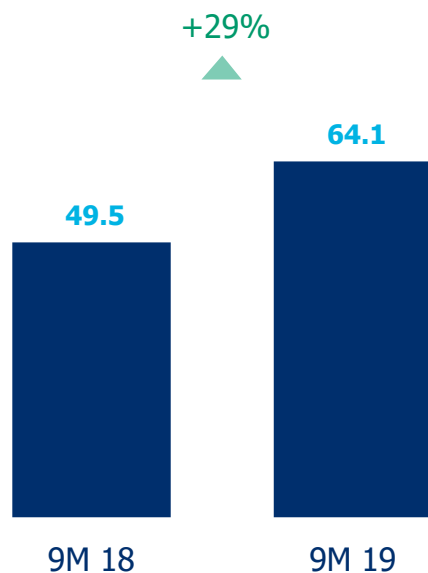


9M 2019 OPERATING RESULTS: LEADER-INVEST

LEADER-INVEST NEW CONTRACT SALES IN RUB TERMS INCREASED BY 28% YEAR-ON-YEAR

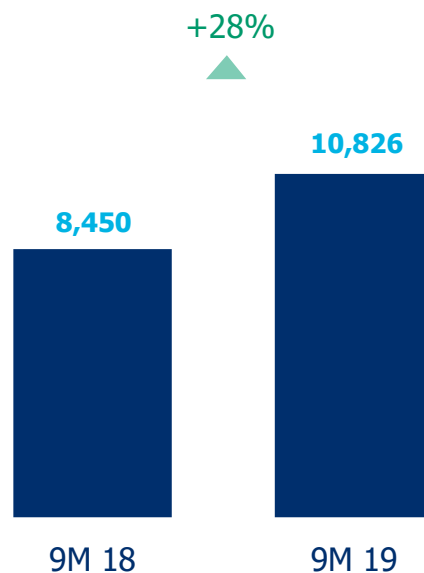
NEW CONTRACT SALES

ths sqm



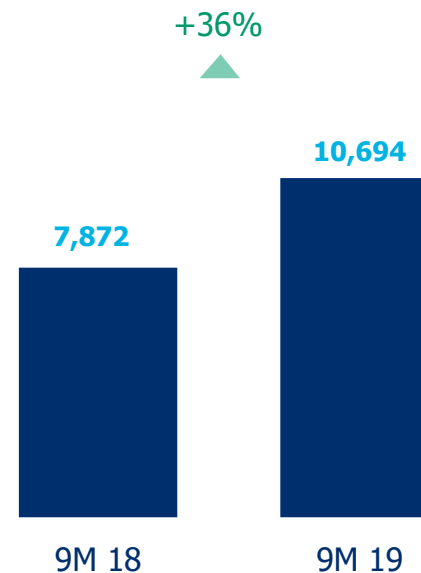
NEW CONTRACT SALES

mln RUB

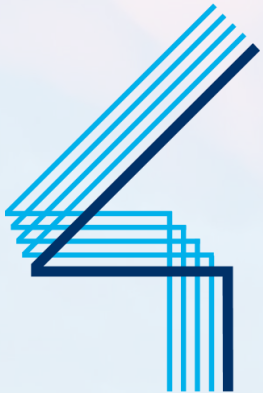


CASH COLLECTIONS

mln RUB

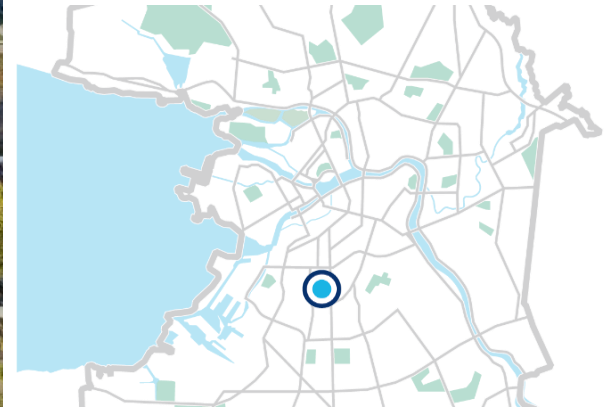


SELECTED PROJECTS



OCTOBER 2019

DECEMBER 2018



Total NSA
809 ths sqm

Open Market Value⁽¹⁾
RUB 17,268 mln

Income from sales⁽¹⁾
RUB 78,386 mln

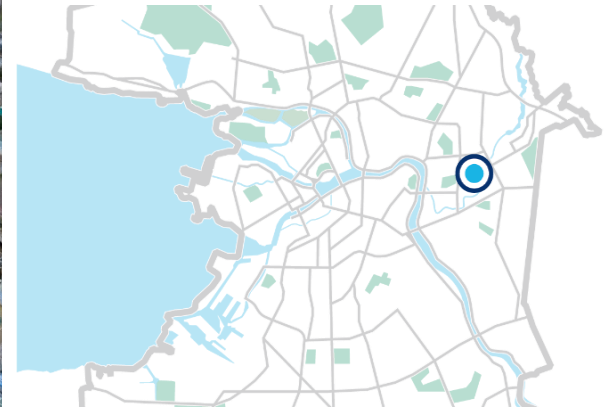
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

OKHTA HOUSE

OCTOBER 2019

DECEMBER 2018



Total NSA
133 ths sqm

Open Market Value⁽¹⁾
RUB 5,469 mln

Income from sales⁽¹⁾
RUB 19,036 mln

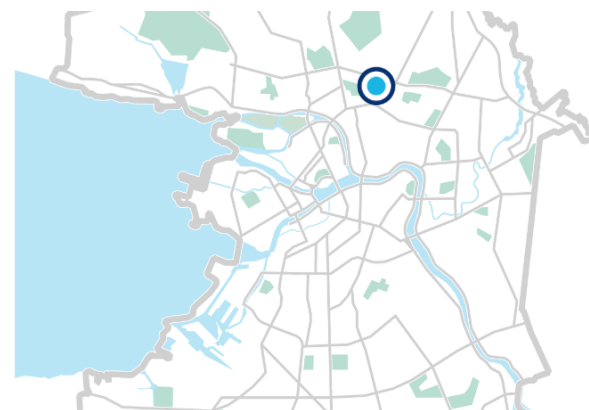
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

HOUSE ON BLYUKHERA

OCTOBER 2019

DECEMBER 2018



Total NSA
105 ths sqm

Open Market Value⁽¹⁾
RUB 2,500 mln

Income from sales⁽¹⁾
RUB 8,938 mln

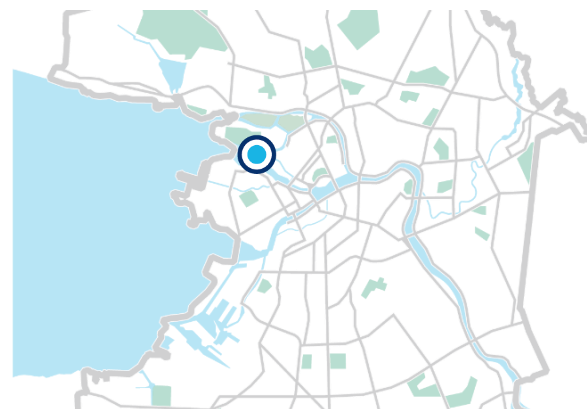
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

PETROVSKIY LANDMARK

OCTOBER 2019

DECEMBER 2018



Total NSA
89 ths sqm

Open Market Value⁽¹⁾
RUB 5,115 mln

Income from sales⁽¹⁾
RUB 15,409 mln

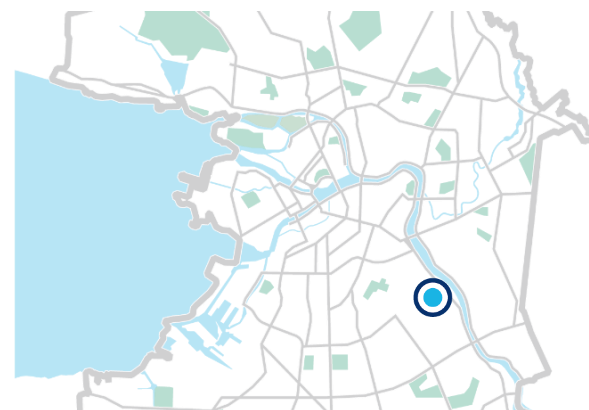
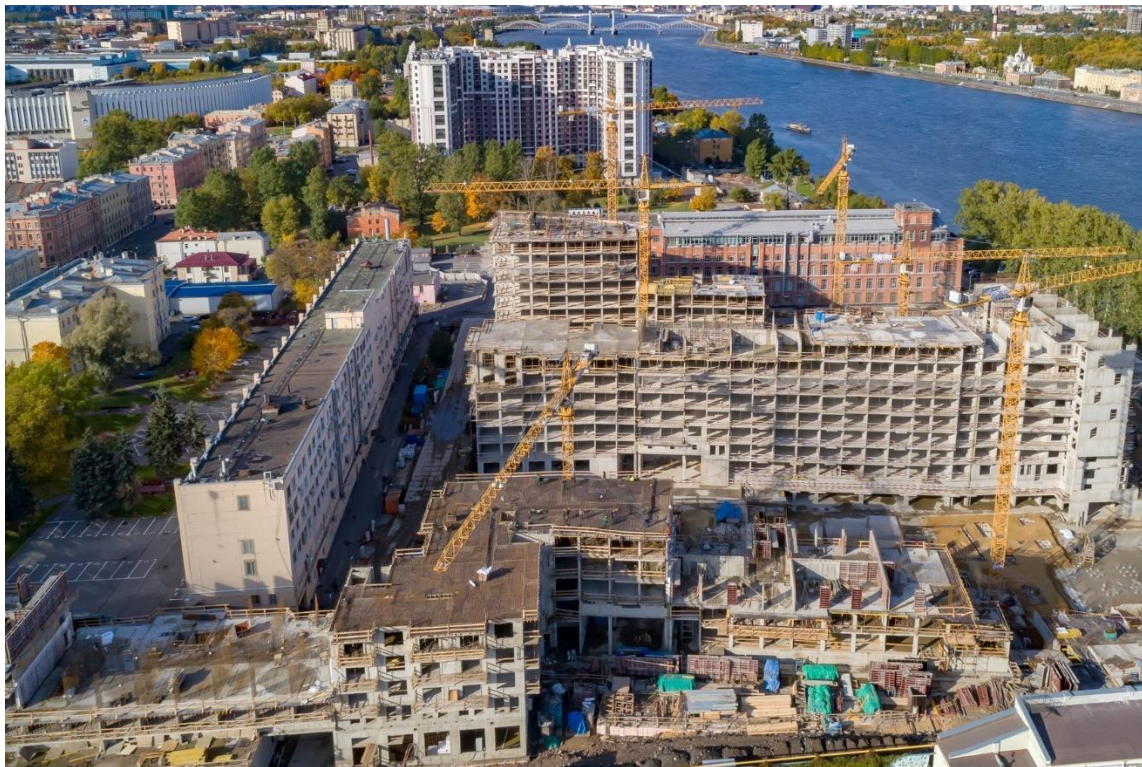
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

ETALON ON THE NEVA

OCTOBER 2019

VISUALIZATION



Total NSA
76 ths sqm

Open Market Value⁽¹⁾
RUB 2,928 mln

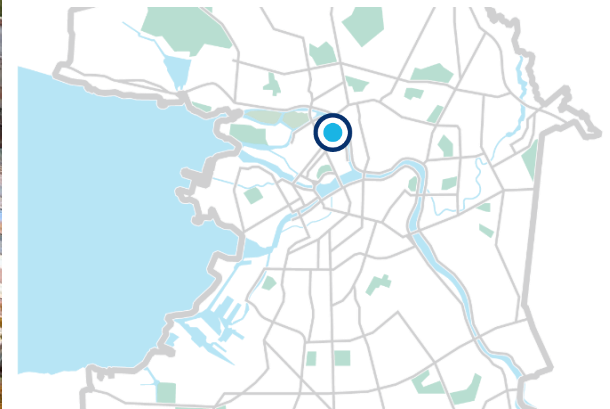
Income from sales⁽¹⁾
RUB 8,980 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

OCTOBER 2019

DECEMBER 2018



Total NSA
47 ths sqm

Open Market Value⁽¹⁾
RUB 2,699 mln

Income from sales⁽¹⁾
RUB 7,519 mln

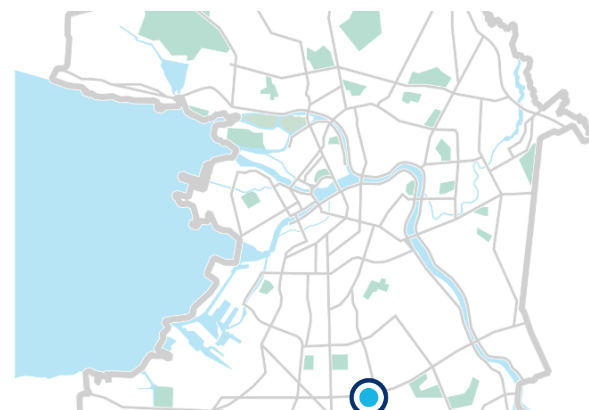
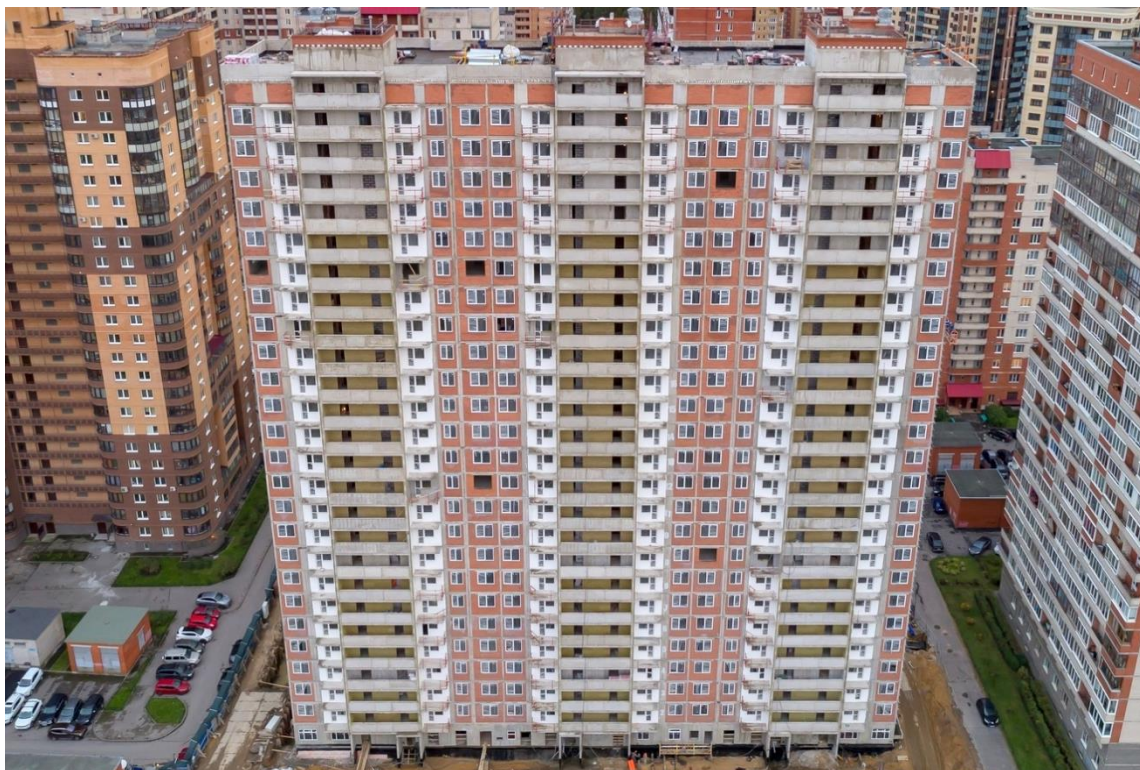
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

HOUSE ON KOSMONAVTOV

OCTOBER 2019

DECEMBER 2018



Total NSA
27 ths sqm

Open Market Value⁽¹⁾
RUB 1,129 mln

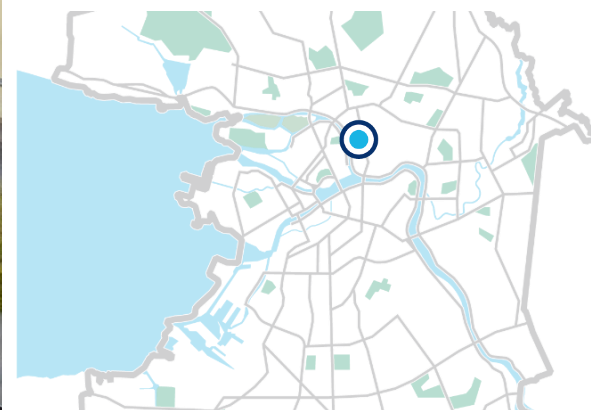
Income from sales⁽¹⁾
RUB 2,364 mln

St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

OCTOBER 2019

DECEMBER 2018



Total NSA
14 ths sqm

Open Market Value⁽¹⁾
RUB 831 mln

Income from sales⁽¹⁾
RUB 2,199 mln

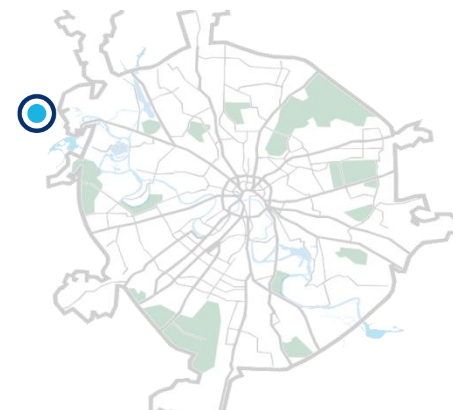
St Petersburg

⁽¹⁾ Knight Frank estimate as of 31.12.2018

EMERALD HILLS

OCTOBER 2019

DECEMBER 2018



Total NSA
855 ths sqm

Open Market Value⁽¹⁾
RUB 8,673 mln

Income from sales⁽¹⁾
RUB 60,108 mln

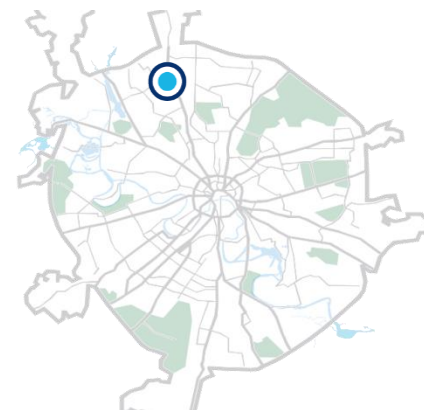
Moscow region

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SUMMER GARDEN

OCTOBER 2019

DECEMBER 2018



Total NSA
294 ths sqm

Open Market Value⁽¹⁾
RUB 6,696 mln

Income from sales⁽¹⁾
RUB 35,947 mln

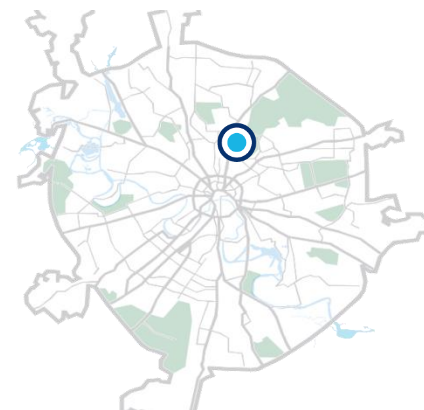
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SILVER FOUNTAIN

OCTOBER 2019

DECEMBER 2018



Total NSA
226 ths sqm

Open Market Value⁽¹⁾
RUB 11,111 mln

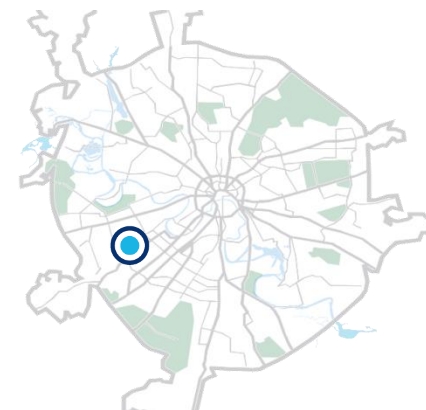
Income from sales⁽¹⁾
RUB 42,121 mln

Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

OCTOBER 2019

DECEMBER 2018



Total NSA
186 ths sqm

Open Market Value⁽¹⁾
RUB 10,234 mln

Income from sales⁽¹⁾
RUB 37,045 mln

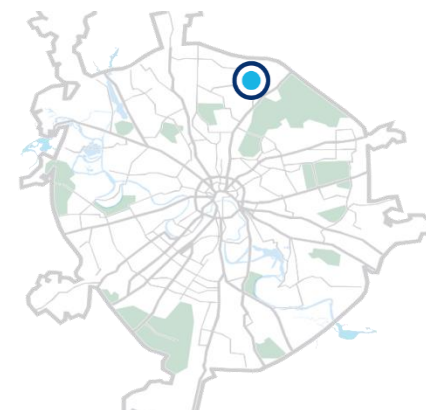
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

NORMANDY

OCTOBER 2019

DECEMBER 2018



Total NSA
129 ths sqm

Open Market Value⁽¹⁾
RUB 5,889 mln

Income from sales⁽¹⁾
RUB 16,522 mln

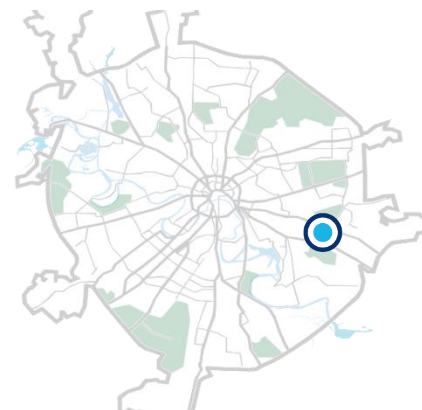
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA VOLGOGRADKE

OCTOBER 2019

DECEMBER 2018



Total NSA
14 ths sqm

Open Market Value⁽¹⁾
RUB 473 mln

Income from sales⁽¹⁾
RUB 1,674 mln

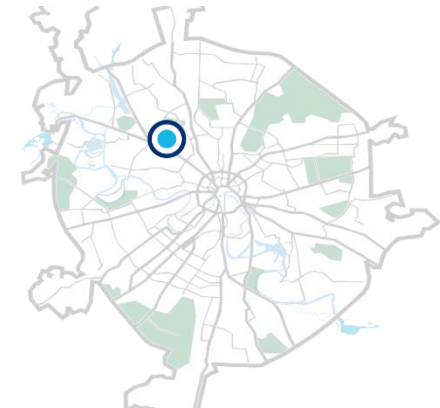
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA SOKOLE

OCTOBER 2019

DECEMBER 2018



Total NSA
8 ths sqm

Open Market Value⁽¹⁾
RUB 224 mln

Income from sales⁽¹⁾
RUB 1,742 mln

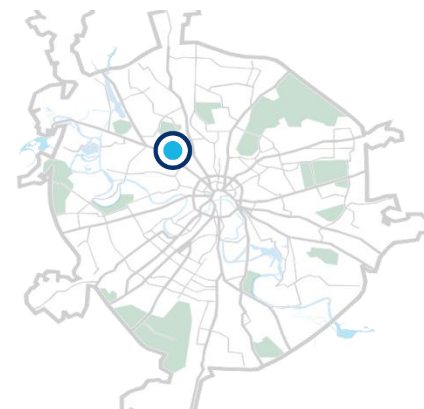
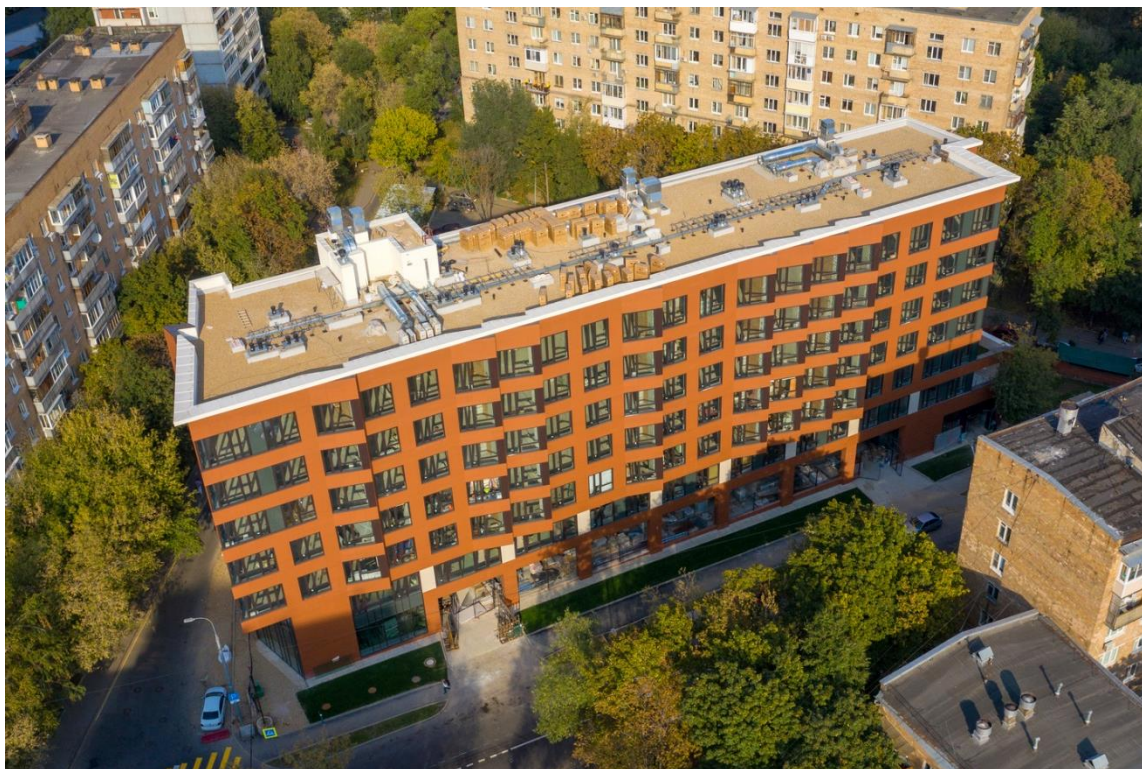
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA MASLOVKE

OCTOBER 2019

DECEMBER 2018



Total NSA
7 ths sqm

Open Market Value⁽¹⁾
RUB 569 mln

Income from sales⁽¹⁾
RUB 1,509 mln

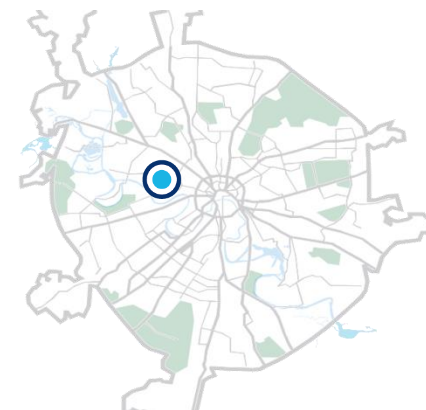
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

SCHASTYE NA PRESNE

OCTOBER 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

OCTOBER 2019

DECEMBER 2018



Total NSA
6 ths sqm

Open Market Value⁽¹⁾
RUB 464 mln

Income from sales⁽¹⁾
RUB 848 mln

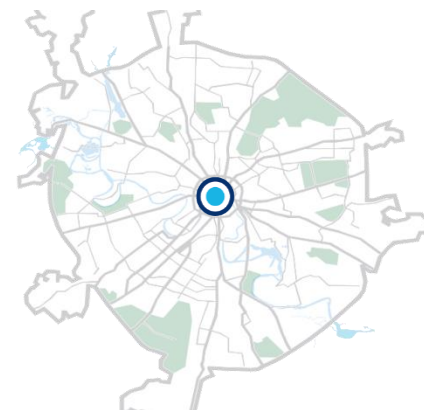
Moscow

⁽¹⁾ Knight Frank estimate as of 31.12.2018

RESIDENCE ON VSEVOLOZHSKIY

OCTOBER 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

APPENDIX



INCOME STATEMENT

MLN RUB	2017	2018	1H 2018	1H 2018 restated	1H 2019
Revenue	70,645	72,327	24,699	24,699	39,562
Cost of sales	(52,644)	(57,835)	(19,814)	(19,126)	(30,672)
Gross profit	18,001	14,492	4,885	5,573	8,890
General and administrative expenses	(5,052)	(6,922)	(3,456)	(3,456)	(3,081)
Selling expenses	(2,930)	(3,318)	(1,740)	(1,740)	(2,356)
Impairment loss on trade and other receivables	(673)	(800)	(212)	(212)	(142)
Gain from bargain purchase	-	-	-	-	1,129
Other expenses, net	366	(2,376)	(1,467)	(1,427)	(511)
Results from operating activities	9,712	1,076	(1,990)	(1,262)	3,929
Finance income	1,712	2,284	1,104	1,104	1,554
Finance costs	(1,007)	(2,015)	(441)	(2,192)	(3,667)
Net finance income/(costs)	705	269	663	(1,088)	(2,113)
Profit before income tax	10,417	1,345	(1,327)	(2,350)	1,816
Income tax expense	(2,524)	(1,308)	164	369	(857)
Profit for the period	7,893	37	(1,163)	(1,981)	959
<i>Profit attributable to:</i>					
Owners of the Company	7,890	35	(1,164)	(1,892)	1,542
Non-controlling interest	3	2	1	1	(583)
Profit for the period	7,893	37	(1,163)	(1,891)	959

Source:
IFRS financial statements

BALANCE SHEET

MLN RUB	2017	2018	2018 restated	1H 2019
ASSETS				
Non-current assets				
PP&E	3,085	3,195	3,195	3,637
Investment property	333	306	306	1,123
Other long-term investments	739	758	758	762
Trade and other receivables	5,867	5,777	5,777	5,586
Deferred tax assets	2,173	2,805	2,806	3,297
TOTAL NON-CURRENT ASSETS	12,197	12,841	12,842	14,405
Current assets				
Inventories	78,122	73,729	68,324	106,579
Contract assets, trade and other receivables	30,184	20,732	20,408	25,451
Short-term investments	185	203	203	879
Cash and cash equivalents	14,125	23,066	23,066	35,797
Other current assets	-	324	324	706
TOTAL CURRENT ASSETS	122,616	117,730	112,325	169,412
TOTAL ASSETS	134,813	130,571	125,167	183,817
EQUITY AND LIABILITIES				
Equity				
Share capital	14,103	15,487	15,487	15,487
Retained earnings	48,702	44,627	40,306	41,848
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	62,805	60,114	55,793	57,335
Non-controlling interest	-	2	2	15,079
TOTAL EQUITY	62,805	60,116	55,795	72,414
Non-current liabilities				
Loans and borrowings	21,418	17,559	17,559	33,422
Contract liabilities, trade and other payables	2,546	1,995	1,995	2,868
Provision	102	121	121	136
Deferred tax liabilities	2,941	2,808	1,725	6,551
TOTAL NON-CURRENT LIABILITIES	27,007	22,483	21,400	42,977
Current liabilities				
Loans and borrowings	2,569	3,353	3,353	7,229
Contract liabilities, trade and other payables	40,569	43,658	43,658	60,520
Provisions	1,863	961	961	677
TOTAL CURRENT LIABILITIES	45,001	47,972	47,972	68,426
TOTAL EQUITY AND LIABILITIES	134,813	130,571	125,167	183,817

Source:
IFRS financial statements

CASH FLOW STATEMENT

MLN RUB	2017	2018	1H 2018	1H 2018 restated	1H 2019
OPERATING ACTIVITIES					
Profit for the period	7,893	37	(1,163)	(1,981)	959
<i>Adjustments for:</i>					
Depreciation	340	365	169	169	270
Gain on disposal of PP&E	(113)	8	7	7	(14)
Gain on disposal of investment property	(27)	-	-	-	-
Impairment loss on inventories	819	512	1,564	1,524	458
Impairment loss/reversal on trade and other receivables, advances paid to suppliers and investments	673	900	212	212	180
Equity-settled share-based payment transactions	221	846	846	846	-
Gain from bargain purchase	-	-	-	-	(1,129)
Finance income, net	(705)	(269)	(663)	1,088	2,113
Income tax expense	2,524	1,308	(164)	(369)	857
CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	11,625	3,707	808	1,496	3,694
Change in inventories	(1,009)	5,648	(4,145)	(4,833)	7,357
Change in accounts receivables	(6,953)	9,036	4,391	4,391	(1,862)
Change in accounts payable	161	(65)	(2,068)	(2,068)	(9,286)
Change in provisions	112	(883)	(654)	(654)	(316)
Change in contract assets	(203)	(57)	1,023	1,023	(333)
Change in contract liabilities	1,329	1,500	8,492	8,492	13,454
Income tax paid	(2,381)	(1,483)	(600)	(600)	(1,620)
Interest paid	(2,257)	(2,246)	(1,146)	(1,146)	(2,056)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	424	15,157	6,101	6,101	9,032
INVESTING ACTIVITIES					
Proceeds from disposal of non-current assets	294	57	6	6	51
Proceeds from disposal of investment property	232	8	8	8	-
Interest received	918	1,125	431	431	1,238
Acquisition of PP&E	(707)	(550)	(266)	(266)	(335)
Loans given	(60)	(91)	(19)	(19)	(2)
Loans repaid	93	6	34	34	18
Acquisition of subsidiary, net of cash acquired	-	-	-	-	(10,481)
(Acquisition)/disposal of other investments	122	41	(37)	(37)	59
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	892	596	157	157	(9,452)
FINANCING ACTIVITIES					
Acquisition of non-controlling interest	(29)	-	-	-	-
Proceeds from borrowings	15,889	4,707	3,609	3,609	15,719
Repayments of borrowings	(10,009)	(7,719)	(4,716)	(4,716)	(2,126)
Acquisition of own shares	(628)	(651)	(651)	(651)	-
Payments of lease liabilities	-	-	-	-	(363)
Dividends paid	(2,542)	(3,567)	-	-	(13)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	2,681	(7,230)	(1,758)	(1,758)	13,217
Net increase/(decrease) in cash and cash equivalents	3,997	8,523	4,500	4,500	12,797
Effect of FX rate fluctuations	(78)	418	240	240	(66)
Cash & cash equivalents at the end of the period	14,125	23,066	18,865	18,865	35,797

Source:
IFRS financial statements

EBITDA CALCULATION

MLN RUB	2017	2018	1H 2018	1H 2018 restated	1H 2019
Comprehensive income	7,893	37	(1,163)	(1,981)	959
Income tax expense	2,524	1,308	(164)	(369)	857
Interest expense on loans and finance lease	912	1,883	440	2,191	3,561
Net foreign exchange loss	79	-	-	-	66
Interest income on bank deposits	(505)	(453)	(200)	(200)	(386)
Interest income on cash and cash equivalents	(413)	(672)	(231)	(231)	(852)
Net foreign exchange gain	-	(64)	(121)	(121)	-
Bank fees and commissions	122	173	93	93	93
Borrowing costs	2,247	1,689	496	483	473
SFC in cost of sales (Note 11)	1,624	1,416	387	74	204
DEPRECIATION:	340	365	169	169	270
Depreciation in cost of goods sold (Note 13 PP&E)	261	250	116	116	103
Depreciation to selling expenses (Note 13 PP& E)	10	11	6	6	47
Depreciation to general and administrative expenses (Note 13 PP&E)	47	85	38	38	104
Depreciation to investment property (Note 14 Investment property)	22	19	9	9	16
Gain from bargain purchase					(1,129)
Purchase price allocation (PPA)					1,331
EBITDA	14,823	5,682	(294)	108	5,447

Source:
IFRS financial statements



9M 2019 OPERATING AND 1H 2019 FINANCIAL RESULTS

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