

# 4Q AND FY 2018 OPERATING RESULTS

21 January 2019



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# RESULTS SUMMARY

## NEW CONTRACT SALES

+23%



628

THS SQM

In FY 2018, new contract sales reached a record 627,996 sqm

## NEW CONTRACT SALES

+37%



68.7

BLN RUB

In FY 2018, new contract sales rose by 37% y-o-y to an all-time high of RUB 68,731 mln

## CASH COLLECTIONS

+36%



62.8

BLN RUB

Cash collections increased by 36% y-o-y to RUB 62,785 mln

## AVERAGE PRICE

+12%



116

THS RUB/SQM

In 4Q 2018, average price reached 115,660 RUB/sqm, up by 12% y-o-y

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# OPERATING RESULTS

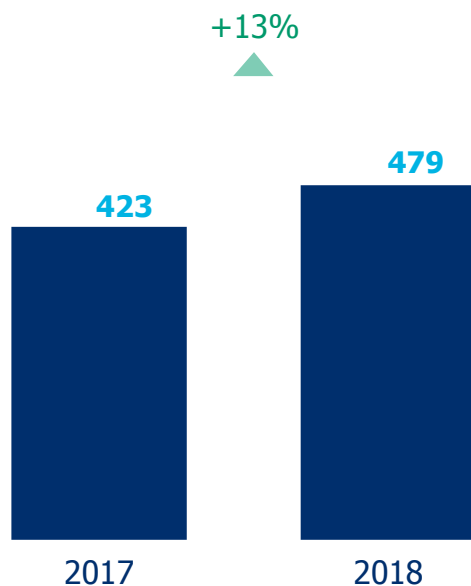


# DELIVERIES IN 2018



ETALON GROUP DELIVERED 479 THS SQM, IN LINE WITH THE PLAN FOR 2018

DELIVERIES  
ths sqm



2018 DELIVERIES BREAKDOWN  
ths sqm

PROJECT	NSA, ths sqm
Etalon-City	171
Galactica	152
Samotsvety	56
Summer Garden	47
House on Obruchevykh street	39
Emerald Hills	8
Moscow Gates	6
<b>TOTAL</b>	<b>479</b>

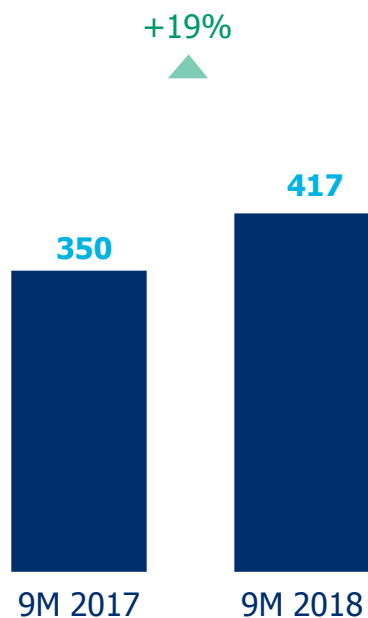
Source:  
Company data

# 9M 2018 OPERATING RESULTS

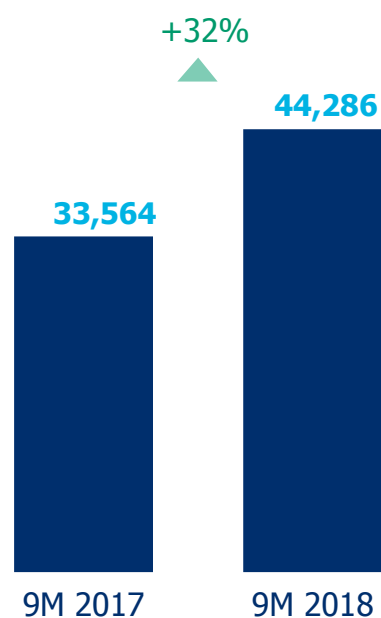


ETALON GROUP SET NEW RECORDS  
ACROSS ALL KEY METRICS IN 9M 2018

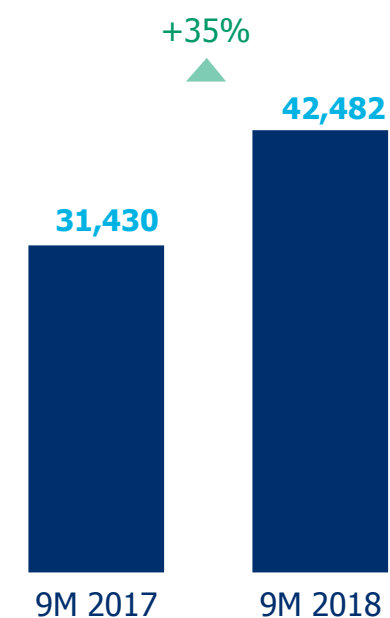
NEW CONTRACT SALES  
ths sqm



NEW CONTRACT SALES  
mln RUB



CASH COLLECTIONS  
mln RUB



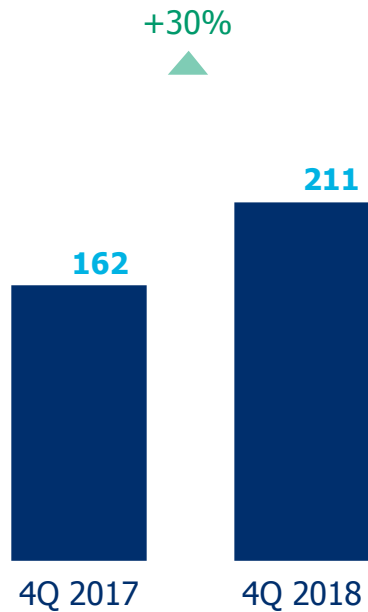
> The number of new contracts reached 8,067 in 9M 2018, up by 20% compared to 9M 2017

# 4Q 2018 OPERATING RESULTS

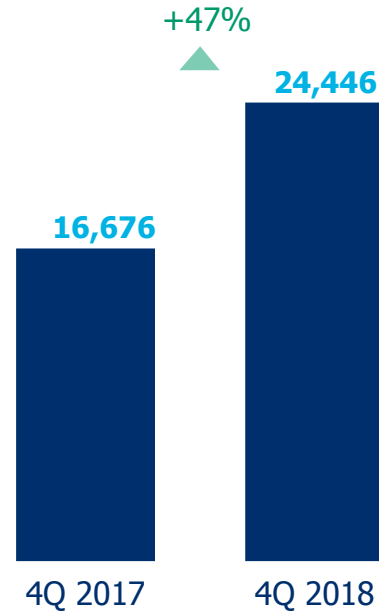


NEW CONTRACT SALES INCREASED BY 47% Y-O-Y TO AN ALL-TIME HIGH OF RUB 24 BLN

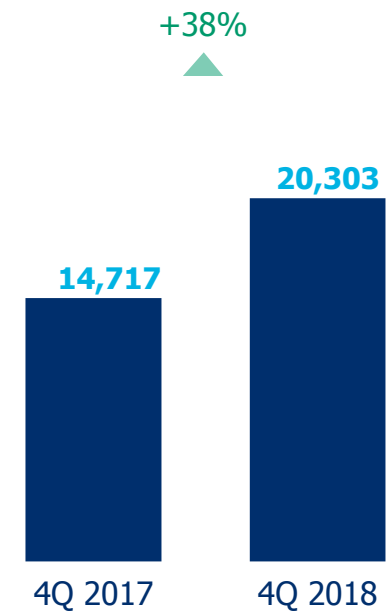
NEW CONTRACT SALES  
ths sqm



NEW CONTRACT SALES  
mln RUB



CASH COLLECTIONS  
mln RUB



> The number of new contracts reached 4,245 in 4Q 2018, up by 33% compared to 4Q 2017

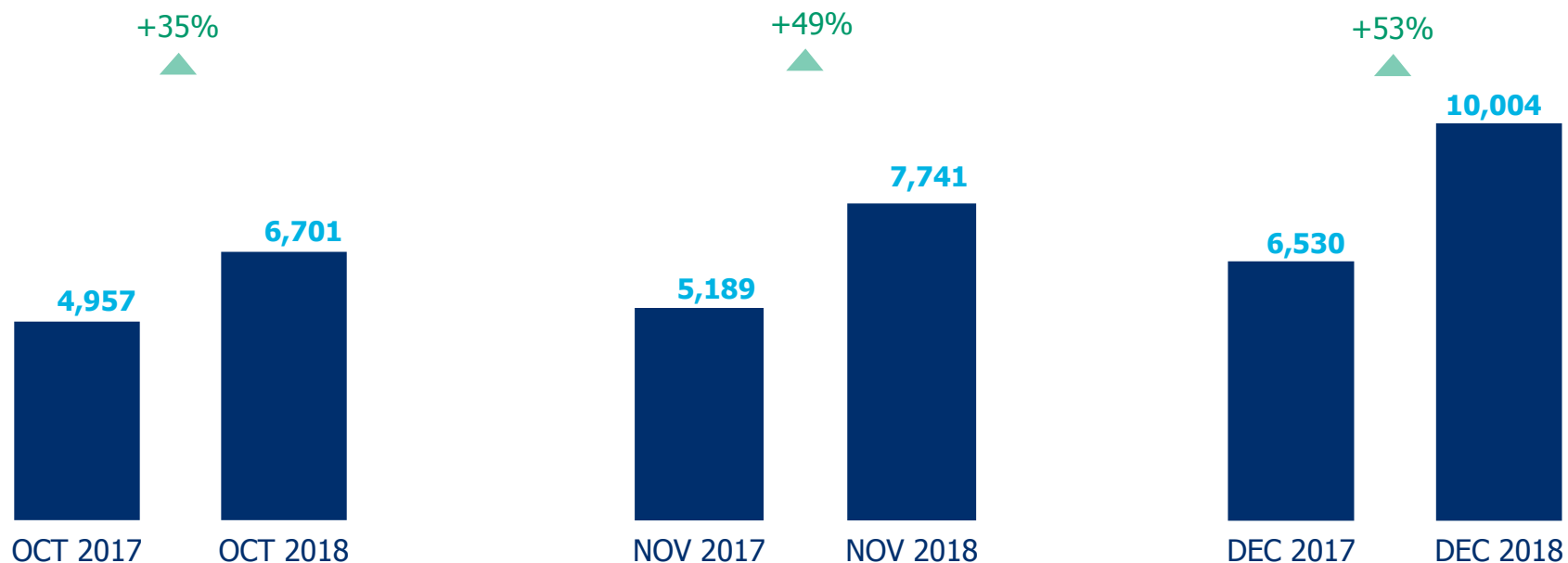


# MONTHLY SALES PERFORMANCE



ETALON SAW IMPRESSIVE MONTHLY SALES PERFORMANCE THROUGHOUT 4Q 2018

NEW CONTRACT SALES  
mln RUB



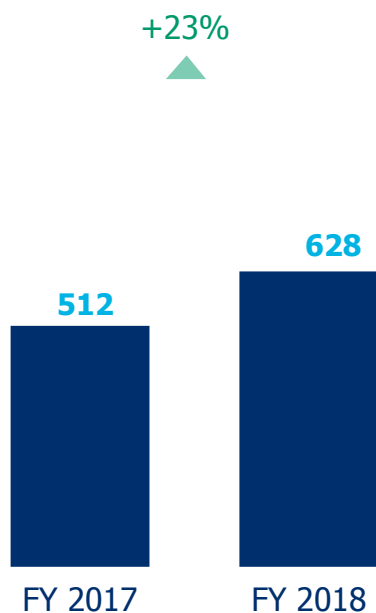
Source:  
Company data

# FY 2018 OPERATING RESULTS

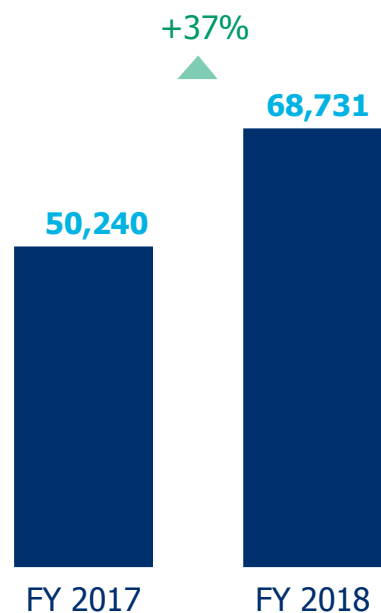


ETALON DELIVERED RECORD RESULTS  
ACROSS ALL KEY METRICS IN FY 2018

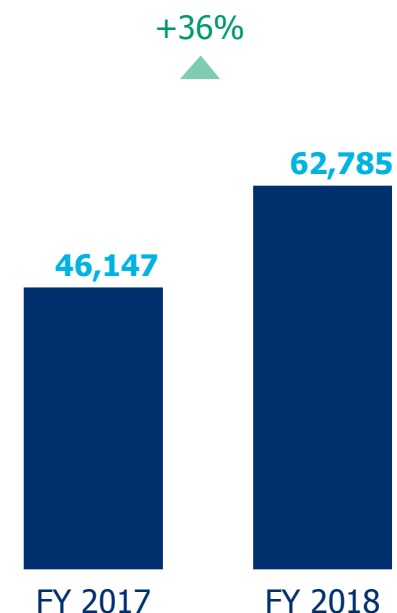
NEW CONTRACT SALES  
ths sqm



NEW CONTRACT SALES  
mln RUB



CASH COLLECTIONS  
mln RUB



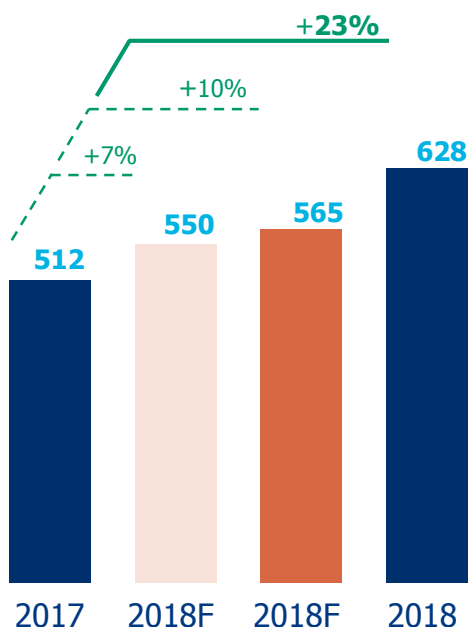
> The number of new contracts reached 12,312 in FY 2018, up by 24% compared to FY 2017

# 2018 GUIDANCE

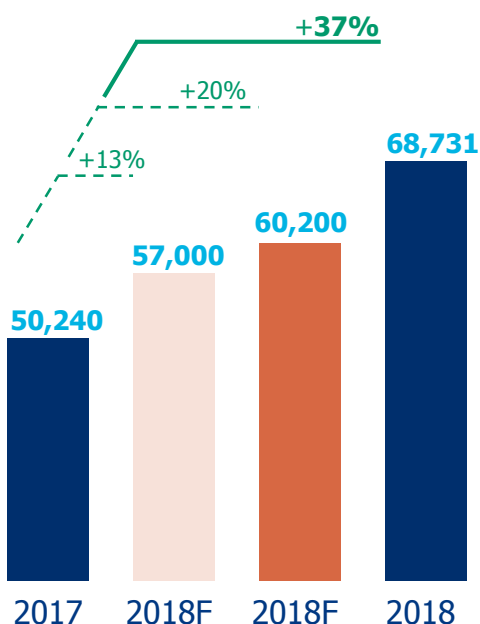


ETALON STRONGLY OUTPERFORMED  
EVEN UPGRADED AND AMBITIOUS  
FY 2018 GUIDANCE

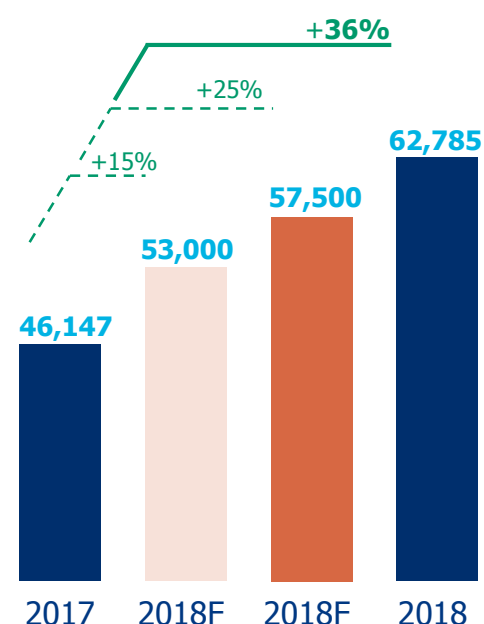
NEW CONTRACT SALES  
ths sqm



NEW CONTRACT SALES  
mln RUB



CASH COLLECTIONS  
mln RUB



> In FY 2018 NCS in both sqm and RUB terms exceeded upgraded FY 2018 guidance by 13 p.p and 17 p.p, respectively

Actual performance
  Initial guidance
  Upgraded guidance

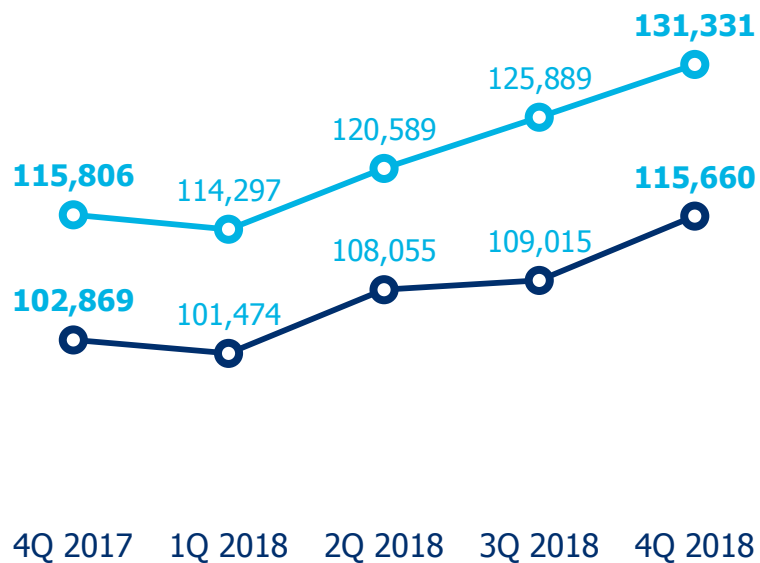
Source:  
Company data

# 2018 PRICE DYNAMICS



AVERAGE PRICE FOR APARTMENTS  
INCREASED BY 13% Y-O-Y

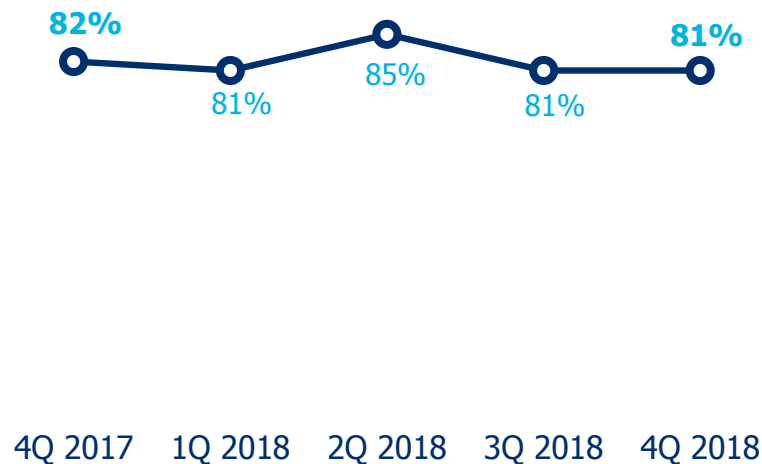
AVERAGE PRICE  
RUB/sqm



—○— apartments

—●— total

AVERAGE DOWN PAYMENT  
%



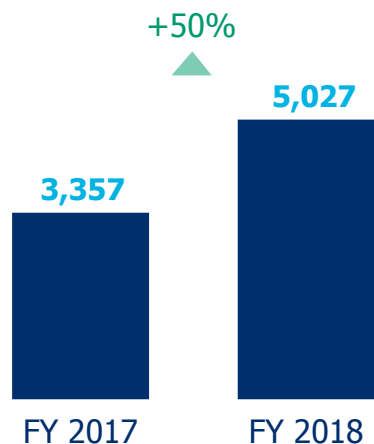
Source:  
Company data

# MORTGAGE SALES



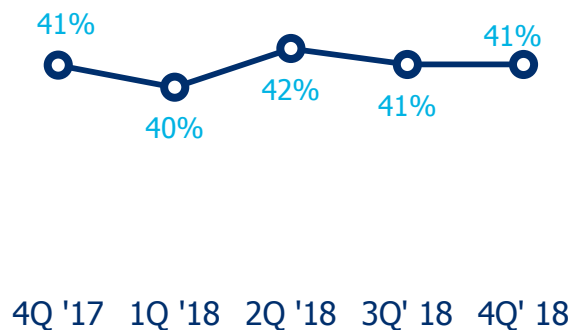
NUMBER OF MORTGAGE CONTRACTS INCREASED BY 50% IN FY 2018

## NUMBER OF MORTGAGE CONTRACTS SIGNED



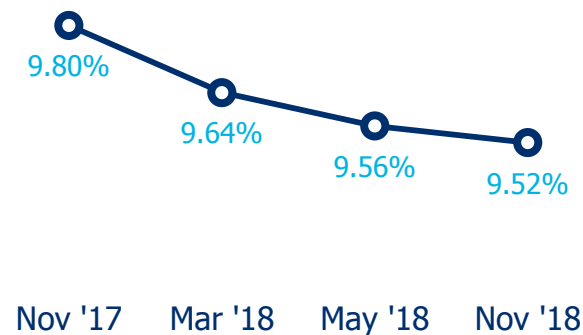
- > Etalon Group offers various mortgage programmes through major banks, including Sberbank, VTB Group, Gazprombank, Raiffeisenbank and Absolut Bank

## MORTGAGE CONTRACTS AS A SHARE OF SALES



- > Joint programmes established with 25 banks and special mortgage agencies to offer flexible financing options:
  - minimum down payment: 10 – 20%
  - maturity: 1 – 30 years
  - interest rate: from 6%

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



Source: Company data

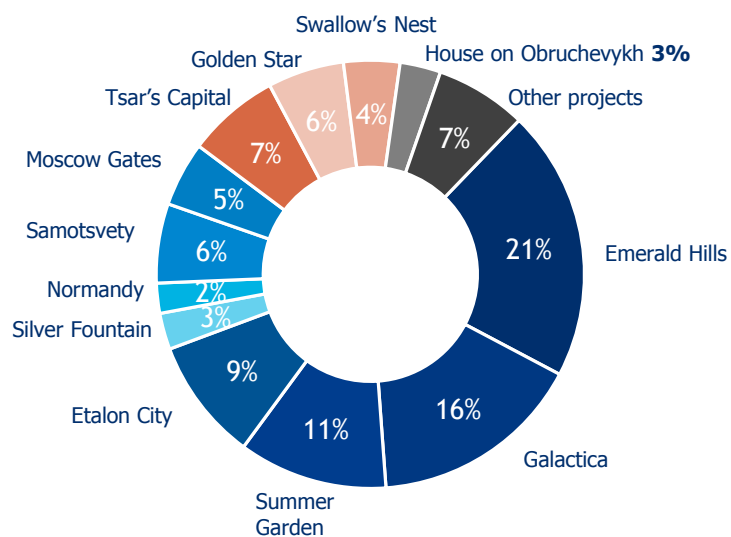
<sup>(1)</sup> Weighted average interest rate on mortgage loans given to residents of Russia for acquisition of apartments on the primary market during the month, based on CBR data

# SALES PORTFOLIO

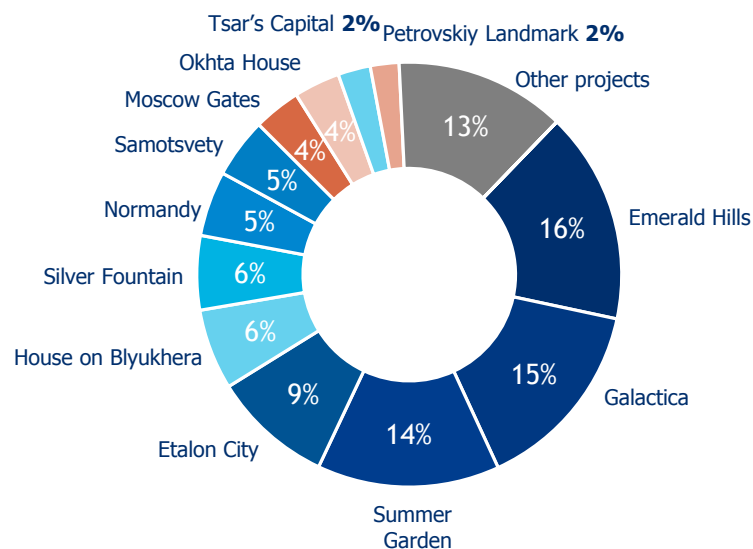


SALES PORTFOLIO IS EQUALLY DISTRIBUTED BETWEEN PROJECTS IN ST PETERSBURG AND MOSCOW

4Q 2017 NEW CONTRACT SALES BY PROJECT  
sqm<sup>(1)</sup>



4Q 2018 NEW CONTRACT SALES BY PROJECT  
sqm<sup>(1)</sup>



- > Projects in Moscow accounted for 50% of total sales
- > Share of business-class projects in total sales increased from 7% to 15% in monetary terms
- > Summer Garden project brought 14% of 4Q 2018 new contract sales in sqm and an impressive RUB 4 billion in monetary terms
- > Share of regional sales reached 35%

Source: Company data

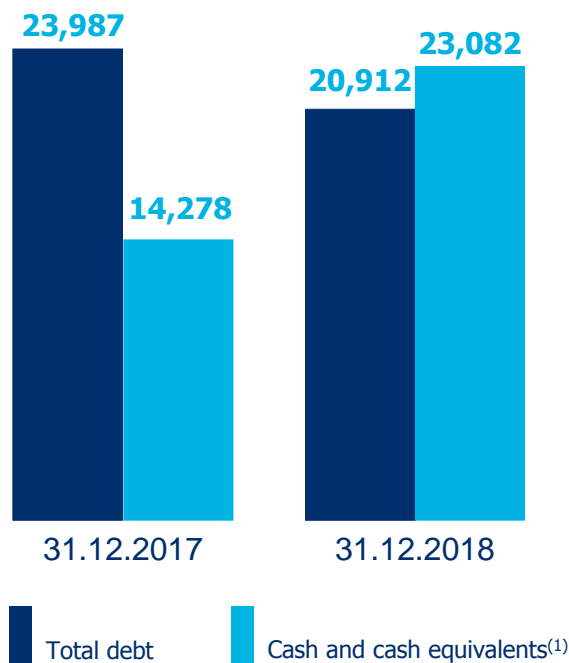
<sup>(1)</sup> Percentages may not add up to exactly 100 due to rounding

# MAINTAINING A STRONG BALANCE SHEET

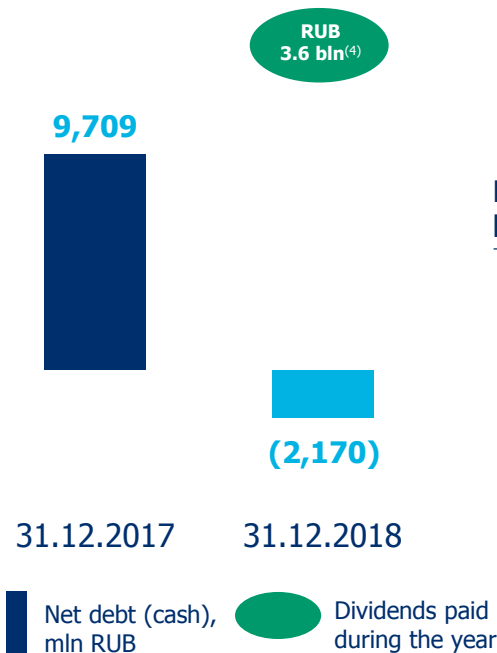


ETALON HAS NET CASH POSITION DUE TO HEALTHY CASH FLOW GENERATION

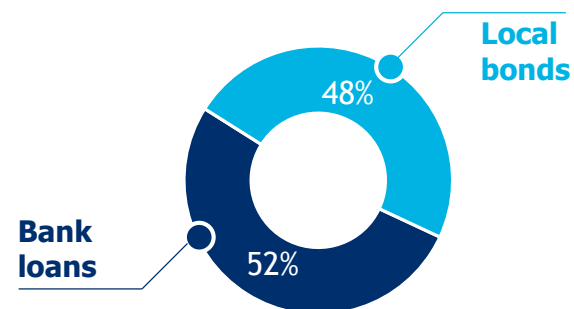
## STRONG LIQUIDITY POSITION mln RUB



## NET DEBT (CASH) mln RUB



## BALANCED GROSS DEBT COMPOSITION<sup>(2)</sup>



- > 100% of debt denominated in RUB
- > Average cost of borrowings declined from 10.29% at the end of 2017 to 9.85% at the end of 2018
- > S&P once again affirmed the long term global scale credit rating of Etalon Group subsidiary Etalon LenSpetsSMU at B+ with a stable outlook<sup>(3)</sup>

Source: Company data

<sup>(1)</sup> Including bank deposits over 3 months

<sup>(2)</sup> As of 31.12.2018

<sup>(3)</sup> As of 26.06.2018

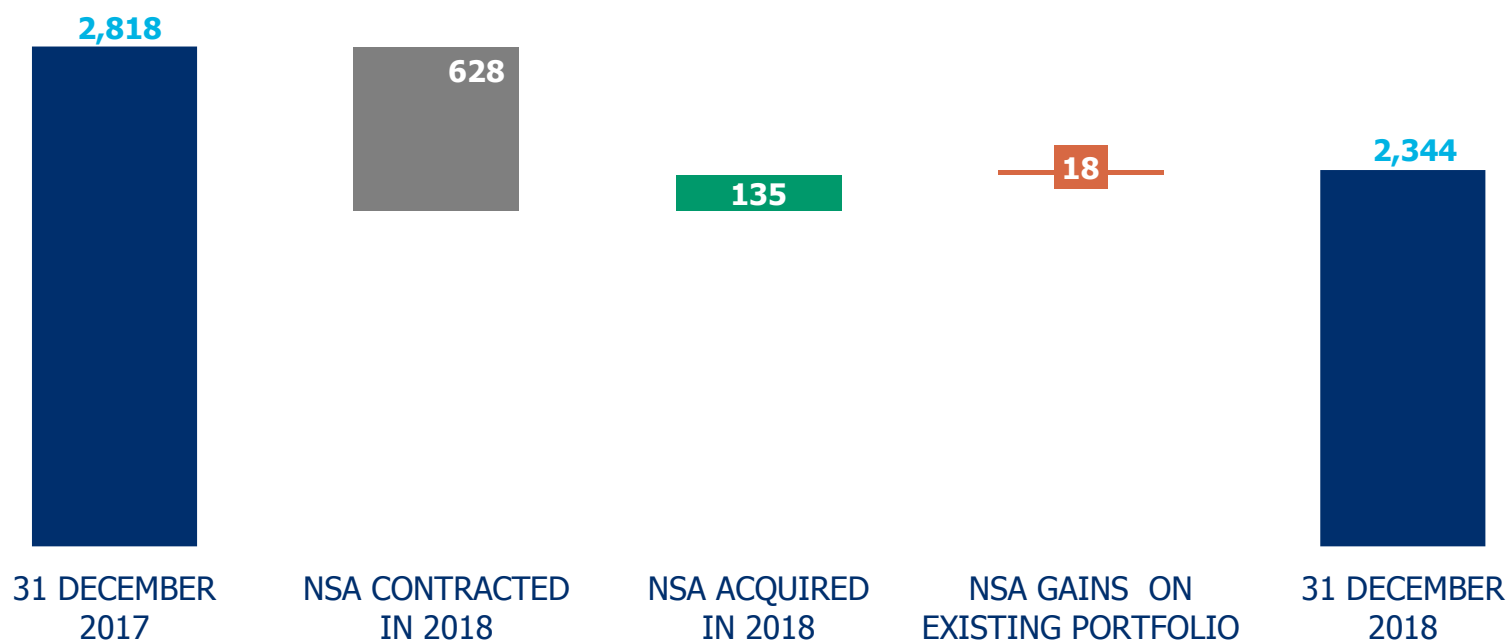
<sup>(4)</sup> Company data

# LAND BANK DEVELOPMENTS



DESPITE THE HIGH LEVEL OF SALES THIS YEAR, THE LAND BANK IS SUFFICIENT TO SUPPORT SALES FOR THE NEXT 4 YEARS

UNSOLD NSA  
ths sqm



Source:  
Company data

(\*) Not rounded numbers were used in calculation.



# APPROACH TO PORTFOLIO EXPANSION



IN ORDER TO GROW THE BUSINESS, THE COMPANY NEEDS TO INCREASE ITS LAND BANK BY ACQUIRING NEW PROJECTS FOLLOWING THE HIGH LEVEL OF SALES ACHIEVED IN 2018

## PROJECT ACQUISITION CRITERIA

### QUANTITATIVE:

- > Size
  - Large-scale (>300 ths sqm) and medium-sized (30 - 300 ths sqm) projects
- > Return
  - Target IRR exceeds 15%

### QUALITATIVE:

- > Focus segments
  - Upper-economy
  - Comfort
  - Business
- > Location
  - Prime locations and outskirts with well-developed public transport access and social infrastructure

## NON-ORGANIC GROWTH OPPORTUNITIES

Value creation and further strengthening of market position through M&A with companies that meet the following criteria:

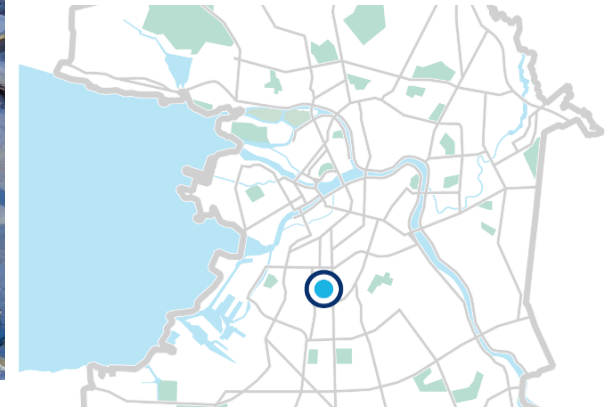
- > Focus on the same regions and segments
- > Complementary portfolio and value chain
- > Considerable operating synergies due to elimination of duplicate functions and monetisation of sales network
- > Attractive profitability across project portfolio and significant return on investments

# SELECTED PROJECTS



JANUARY 2019

DECEMBER 2017



Total NSA  
809 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 18,234 mln

Income from sales<sup>(1)</sup>  
RUB 74,907 mln

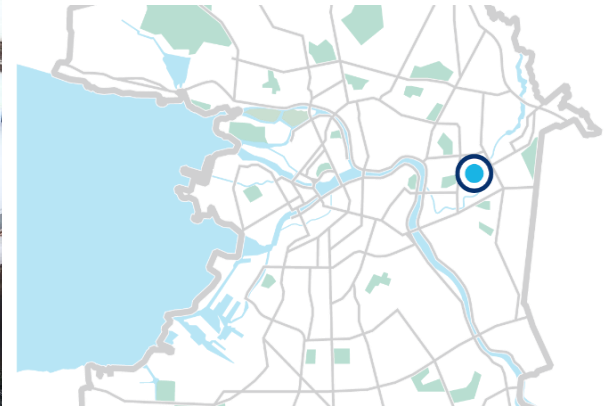
St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# OKHTA HOUSE

JANUARY 2019

VISUALISATION



Total NSA  
133 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 4,435 mln

Income from sales<sup>(1)</sup>  
RUB 15,951 mln

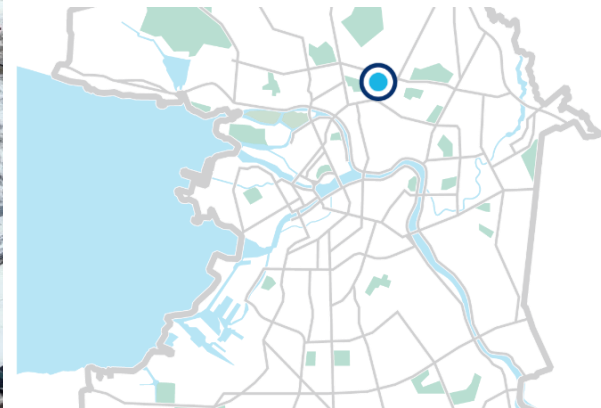
St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# HOUSE ON BLYUKHERA

JANUARY 2019

DECEMBER 2017



Total NSA  
105 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 2,233 mln

Income from sales<sup>(1)</sup>  
RUB 9,219 mln

St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# PETROVSKIY LANDMARK

JANUARY 2019

VISUALISATION



Total NSA  
89 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 6,005 mln

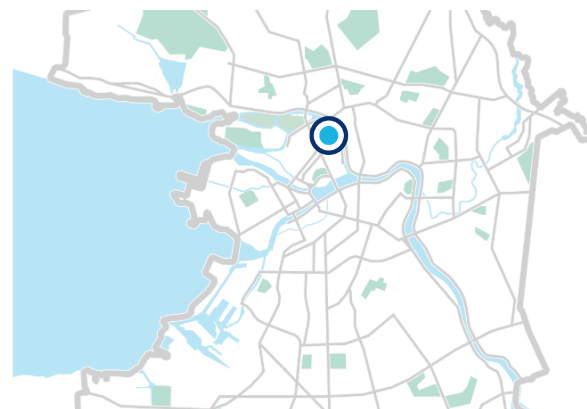
Income from sales<sup>(1)</sup>  
RUB 17,982 mln

St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

JANUARY 2019

VISUALISATION



Total NSA  
47 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 1,866 mln

Income from sales<sup>(1)</sup>  
RUB 6,516 mln

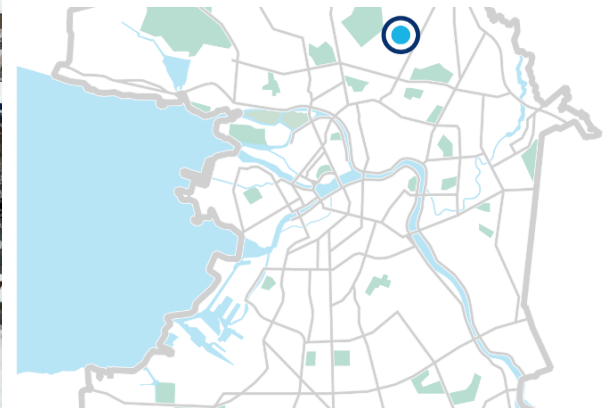
St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# HOUSE ON OBRUCHEVYKH STREET

JANUARY 2019

DECEMBER 2017



Total NSA  
44 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 1,230 mln

Income from sales<sup>(1)</sup>  
RUB 4,720 mln

St Petersburg

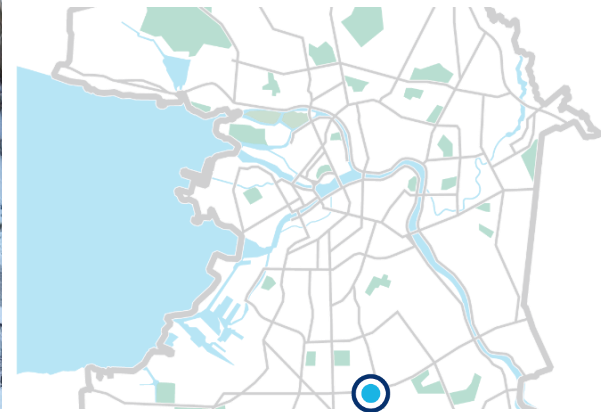
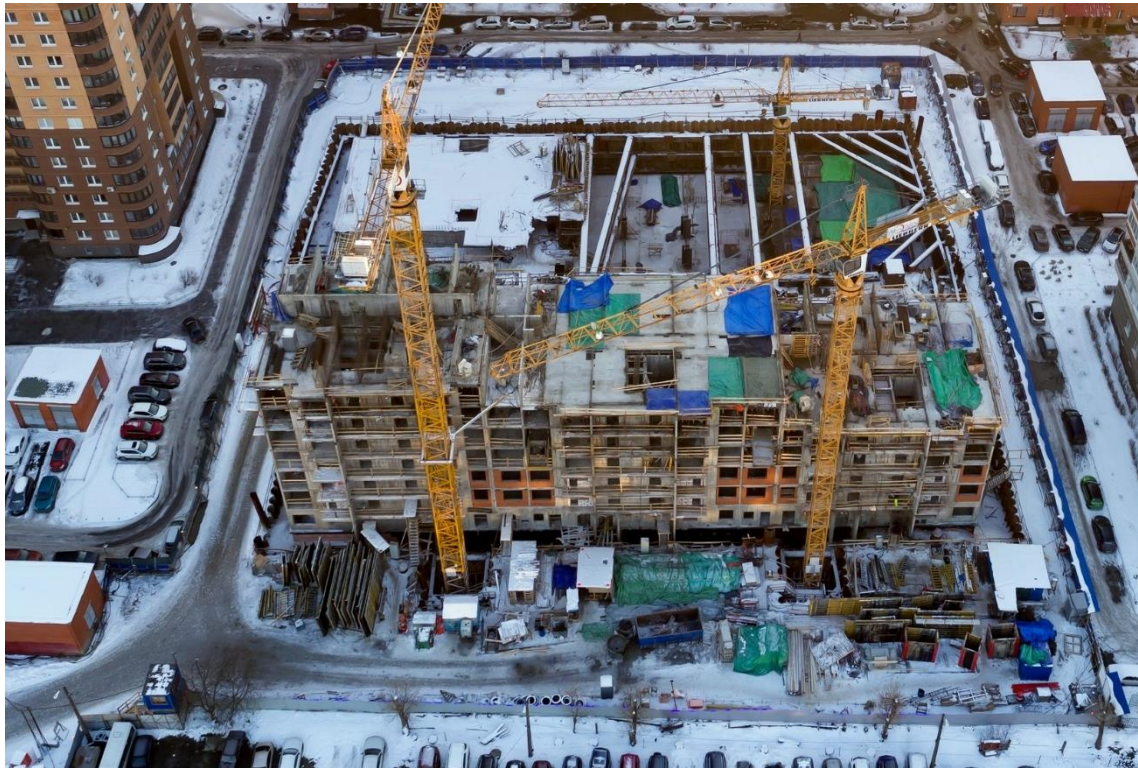
<sup>(1)</sup> Knight Frank estimate as of 30.06.2018



# HOUSE ON KOSMONAVTOV

JANUARY 2019

VISUALISATION



Total NSA  
27 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 944 mln

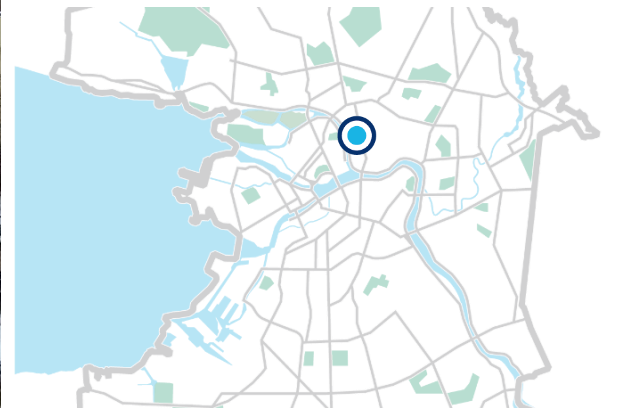
Income from sales<sup>(1)</sup>  
RUB 2,504 mln

St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

JANUARY 2019

VISUALISATION



Total NSA  
14 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 740 mln

Income from sales<sup>(1)</sup>  
RUB 2,210 mln

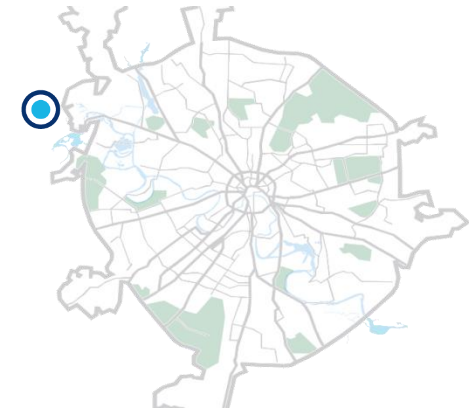
St Petersburg

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# EMERALD HILLS

JANUARY 2019

DECEMBER 2017



Total NSA  
850 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 10,296 mln

Income from sales<sup>(1)</sup>  
RUB 60,069 mln

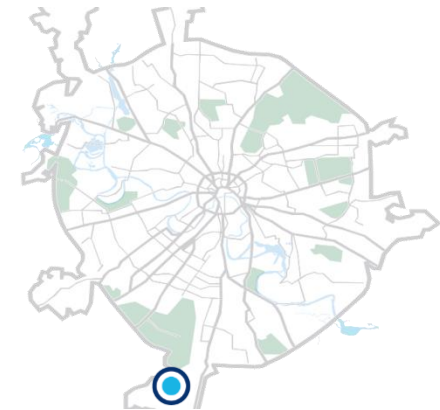
Moscow region

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# ETALON CITY

JANUARY 2019

DECEMBER 2017



Total NSA  
363 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 5,664 mln

Income from sales<sup>(1)</sup>  
RUB 30,154 mln

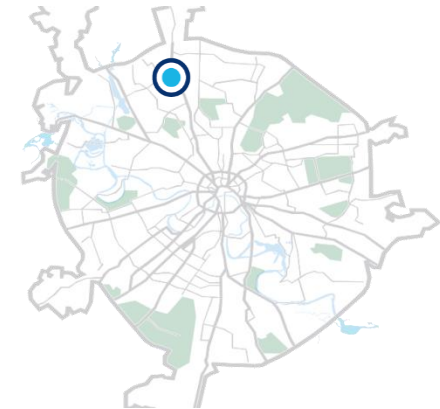
Moscow

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# SUMMER GARDEN

JANUARY 2019

DECEMBER 2017



Total NSA  
294 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 6,750 mln

Income from sales<sup>(1)</sup>  
RUB 33,447 mln

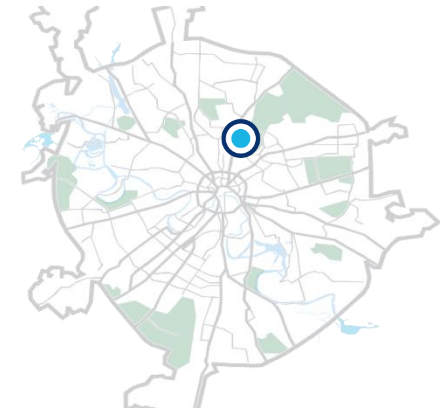
Moscow

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# SILVER FOUNTAIN

JANUARY 2019

DECEMBER 2017



Total NSA  
225 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 10,622 mln

Income from sales<sup>(1)</sup>  
RUB 43,917 mln

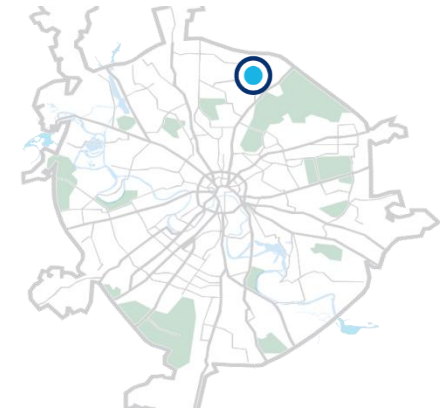
Moscow

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# NORMANDY

JANUARY 2019

DECEMBER 2017



Total NSA  
129 ths sqm

Open Market Value<sup>(1)</sup>  
RUB 5,003 mln

Income from sales<sup>(1)</sup>  
RUB 14,730 mln

Moscow

<sup>(1)</sup> Knight Frank estimate as of 30.06.2018

# APPENDIX





# AT A GLANCE

## PRESENCE IN RUSSIA'S LARGEST MARKETS

- > Focus on middle class residential real estate in Moscow metropolitan area (MMA) and St Petersburg
- > 11% CAGR for deliveries over 2010-2018<sup>(1)</sup>

## STRONG DELIVERY TRACK RECORD

- > Over 30 years of construction & development experience
- > 6.3 mln sqm commissioned

## TRUE VERTICAL INTEGRATION

- > Strategic vertical integration in key value-added segments of property development enables the Company to control costs, quality and timing
- > 5 ths employees
- > Country-wide sales network covering 52 cities

## DIVERSIFIED PROJECTS PORTFOLIO

- > Land bank of 2.7 mln sqm<sup>(2)</sup>
- > Land bank sufficient until 2022
- > Projects well diversified by locations within both St Petersburg and MMA

## LIQUIDITY AND CREDIT RATINGS

- > Secure liquidity position supported by pre-sales cash collections model
- > Low leverage: 0.4x net debt / EBITDA<sup>(3)</sup>
- > Credit rating by S&P: B+<sup>(4)</sup>

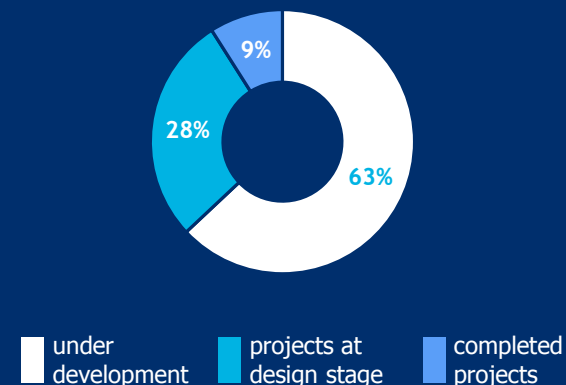
## CORPORATE GOVERNANCE

- > 11 BoD members, 8 NEDs
- > Board of Directors consists of professionals with broad range of experience and expertise, ensuring that the interests of all groups of shareholders are appropriately represented
- > Monthly visual updates on projects, quarterly trading updates and semi-annual financial reporting
- > Official guidance on deliveries and new contract sales
- > Dividend policy aims to pay out 40% to 70% of IFRS net profit semi-annually

LSE ticker	ETLN:LI
Current share price	1.70 (18.01.2019)
Market Capitalisation	USD 501.4 mln

Total Assets Value (by Knight Frank) <sup>(2)</sup>	RUB 132,487 mln (30.06.2018)
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## PROJECT PORTFOLIO COMPOSITION<sup>(2)</sup>



<sup>(1)</sup> Company operating results

<sup>(2)</sup> Knight Frank valuation report as of 30.06.2018

<sup>(3)</sup> Net Debt of 30.06.2018 (IFRS Financial Statements for 6M ended 30.06.2018), LTM EBITDA

<sup>(4)</sup> 'B+' long-term corporate credit rating of Etalon LenSpetsSMU (last reconfirmed on 26.06.2018)

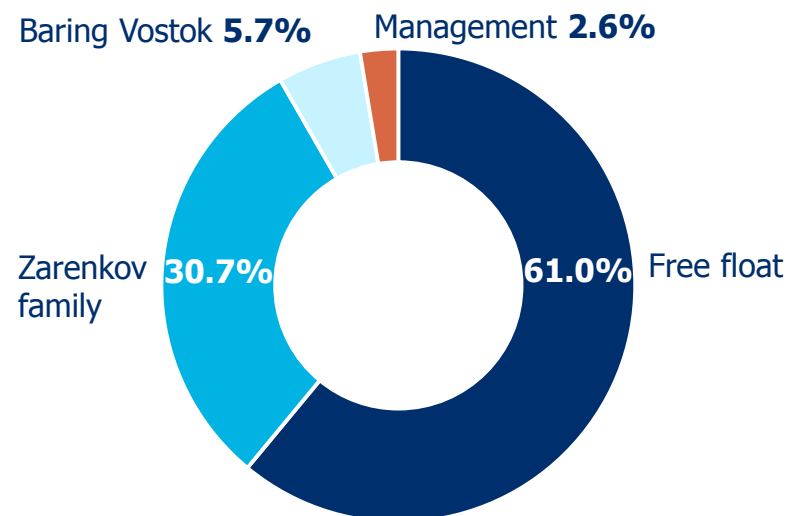
# CORPORATE GOVERNANCE AND SHAREHOLDING STRUCTURE



## CORPORATE GOVERNANCE STRUCTURE



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



Source:  
Company data

<sup>(1)</sup> As of 30 June 2018

# BOARD OF DIRECTORS AND CEO REPRESENT INTERESTS OF ALL INVESTOR GROUPS



## NON-EXECUTIVE DIRECTORS



### VIACHESLAV ZARENKOV

Chairman of the Board of Directors,  
Founding shareholder

#### EXPERIENCE AND AWARDS

- 48 years of experience in construction industry
- Honoured builder of Russia<sup>(1)</sup>

#### EDUCATION

- Institute of Civil Engineering, St Petersburg University of Internal Affairs
- PhD in Economics, PhD in Technical Sciences, PhD in Architecture, Professor



### DMITRY ZARENKOV

Non-Executive Director

#### EXPERIENCE AND AWARDS

- 21 years of experience in construction industry
- Honoured builder of Russia<sup>(1)</sup>; Certificate of Honour of the Ministry of Regional Development

#### EDUCATION

- Institute of Aeronautical Instrumentation, St Petersburg University of Architecture & Civil Engineering, St Petersburg University of Internal Affairs
- PhD in Engineering



### ALEXEI KALININ

Partner at Baring Vostok

#### EXPERIENCE AND AWARDS

- With Baring Vostok since 1999
- Worked at Alfa-Bank and Alfa Capital
- Chairman of the Board of Directors at Volga Gas, member of the board at Samarenerg and other companies

#### EDUCATION

- Moscow Power Engineering University
- PhD in Engineering



### OLGA SHEVCHUK

Non-Executive Director

#### EXPERIENCE AND AWARDS

- 15 years of experience managing legal departments at large industrial and construction companies

#### EDUCATION

- South-Russian Humanities Institute

## INDEPENDENT NON-EXECUTIVE DIRECTORS



### 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



### BORIS SVETLICHNY

Independent Non-Executive Director

#### EXPERIENCE AND AWARDS

- Over 29 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 RE, 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, Democritus University of Thrace



### 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., Hauser Scholar), Central European University (LL.M.), Moscow State Institute of International Relations (Diploma in Law, Highest Honors)

## EXECUTIVE DIRECTORS



### KIRILL BAGACHENKO

Chief Financial Officer

#### EXPERIENCE AND AWARDS

- 13 years' experience in corporate finance and asset management
- Previously held position of senior equity portfolio manager at TKB BNP Paribas Investment Partners
- In 2013 voted one of the top-3 portfolio managers in Russia by Thomson Reuters Extel Survey

#### EDUCATION

- St Petersburg State University of Economics and Finance



### MAXIM BERLOVICH

Executive Director, Head of  
Construction & Maintenance Division

#### 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



### ANTON SHATOV

Executive Director

#### EXPERIENCE AND AWARDS

- Over 10 years of experience in the construction industry

#### EDUCATION

- St Petersburg Polytechnic University

## CEO



### GENNADIY SHCHERBINA

Non-Board Member

#### EXPERIENCE AND AWARDS

- 14 years of experience in the construction industry
- Certificate of Honour of the Ministry of Regional Development, Badge of Honour and the Order of Merit for Construction

#### EDUCATION

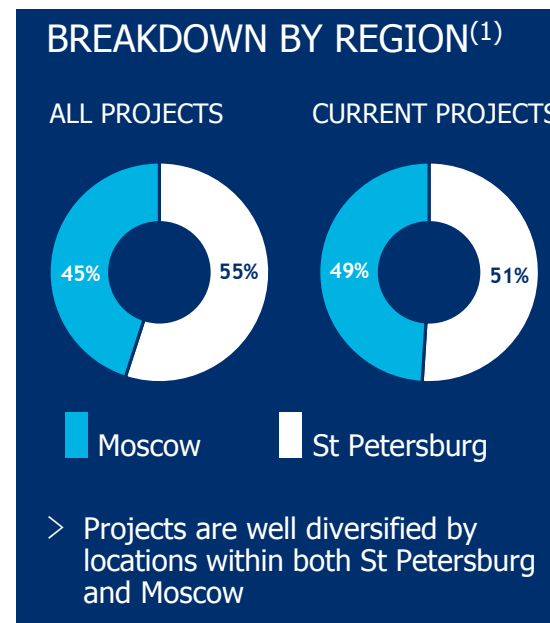
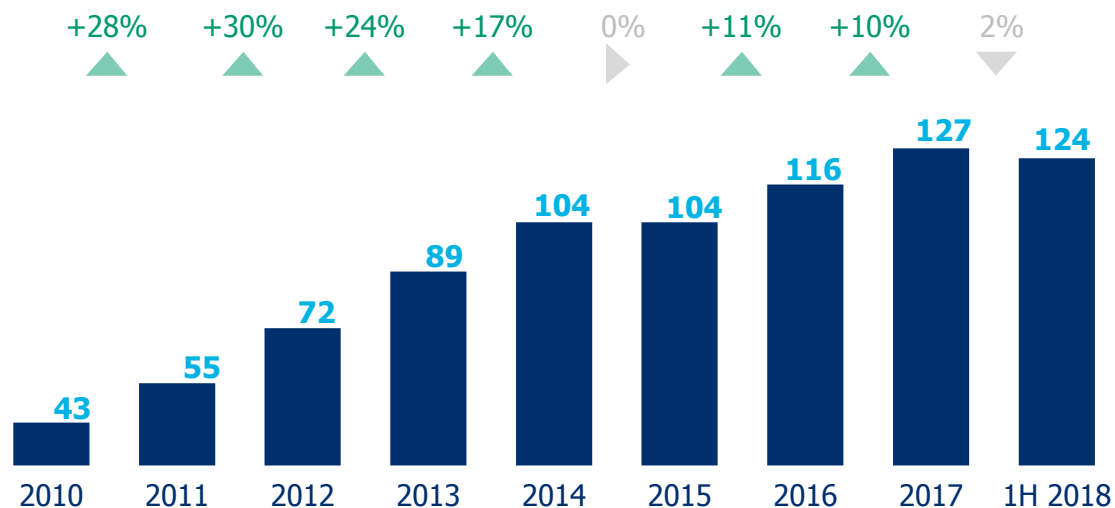
- St Petersburg State University for Architecture and Construction (graduate degrees in industrial and civic construction, finance and management of construction business; PhD in Economics)
- Marshal A. A. Grechko Naval Academy (graduate degree in military sciences)

<sup>(1)</sup> Title granted by President of Russia

# PROJECT PORTFOLIO OPEN MARKET VALUE



## PROJECT PORTFOLIO OPEN MARKET VALUE Bln RUB



## COMPLETED AND AVAILABLE FOR SALE PROPERTY

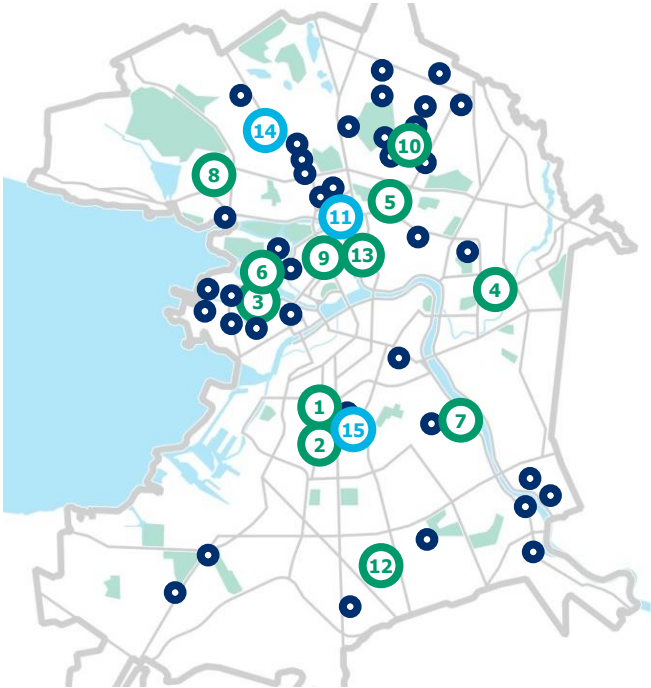
- > The current portfolio includes 394 thousand sqm of completed and available for sale property at projects that are completed or still underway, out of which completed and available for sale apartments account for 136 thousand sqm
- > Knight Frank estimates potential income from the sale of all completed and available for sale property at RUB 28,167 million, including RUB 16,805 million from the sale of completed and available for sale apartments

Source:  
Knight Frank estimate as of 30.06.2018

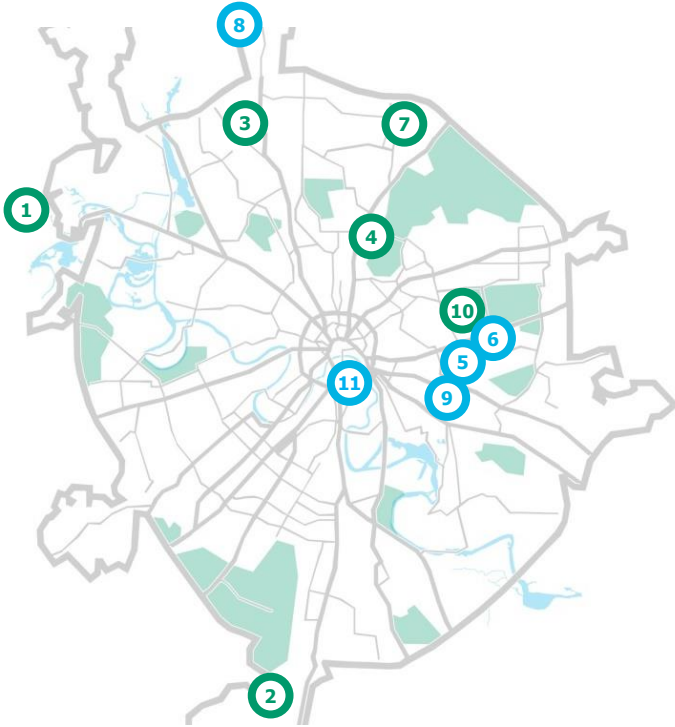
<sup>(1)</sup> As % of Unsold NSA, in sqm terms

# OPERATIONS IN ST PETERSBURG AND MOSCOW

PROJECTS IN ST PETERSBURG



PROJECTS IN MOSCOW



-  UNDER CONSTRUCTION
-  DESIGN STAGE
-  COMPLETED

# ETALON GROUP ASSETS VALUE

PROJECT	STATUS	TOTAL NSA (‘000 SQM)	UNSOLD NSA (ETALON’S SHARE) (‘000 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>CURRENT PROJECTS</b>									
<b>ST PETERSBURG</b>									
1	Galactica	Construction	809	517	3,742	18,234	74,907	49,701	36,216
2	Moscow Gates	Construction	235	41	706	2,619	21,705	11,411	1,545
3	Samotsvety	Construction	209	67	1,263	5,188	20,694	9,713	976
4	Okhta House	Construction	133	131	80	4,435	15,951	6,601	6,342
5	House on Blyukhera (Kalininskiy district)	Construction	105	66	344	2,233	9,219	5,292	4,114
6	Petrovskiy Landmark (Project On Petroskiy Island)	Construction	89	73	395	6,005	17,982	6,211	6,064
7	Etalon on the Neva	Construction	76	74	501	1,966	6,409	4,414	4,318
8	Morskaya zvezda	Construction	61	31	148	774	3,233	2,339	1,823
9	Botanica	Construction	47	37	363	1,866	6,516	3,071	2,436
10	House on Obruchevykh street	Construction	44	19*	437	1,230	4,720	2,764	1,144
11	Beloostrovskaya	Design stage	29	28	235	598	4,271	1,683	1,670
12	House on Kosmonavtov	Construction	27	21	198	944	2,504	1,392	1,126
13	Fusion (Project on Krapivniy Pereulok)	Construction	14	11	72	740	2,210	1,023	761
14	Korolyova prospect	Design stage	6	6	47	110	575	372	340
15	New project in Moscovskiy district	Design stage	139	135	1,010	4,756	15,131	6,244	6,243
<b>TOTAL ST PETERSBURG</b>			<b>2,023</b>	<b>1,258</b>	<b>9,541</b>	<b>51,697</b>	<b>206,030</b>	<b>112,232</b>	<b>75,116</b>
<b>MOSCOW METROPOLITAN AREA (MMA)<sup>(4)</sup></b>									
1	Emerald Hills	Construction	850	188	1,329	10,296	60,069	42,345	7,907
2	Etalon-City	Construction	363	77	597	5,664	30,154	21,032	5,342
3	Summer Garden (Dmitrovskoe shosse)	Construction	294	158	1,054	6,750	33,447	18,993	12,386
4	Silver Fountain (Alekseevskiy District)	Construction	225	199	2,089	10,622	43,917	21,641	19,315
5	Perovo Region	Design stage	162	130	1,063	3,178	15,888	9,030	9,030
6	Ryazanskiy Prospect	Design stage	145	119	732	2,973	16,029	8,572	8,572
7	Normandy (Losinoostrovskiy District)	Construction	129	101	583	5,003	14,730	8,508	6,889
8	Mytishinskiy District	Design stage	93	82	322	781	6,867	4,469	4,376
9	Nizhegorodskiy Region	Design stage	86	72	734	1,595	9,446	4,821	4,821
10	Golden Star (Budennogo)	Construction	85	10	124	1,252	10,227	6,020	680
11	Letnikovskaya Street	Design stage	82	81	589	8,397	19,563	8,518	8,053
<b>TOTAL MMA</b>			<b>2,513</b>	<b>1,216</b>	<b>9,216</b>	<b>56,510</b>	<b>260,338</b>	<b>153,948</b>	<b>87,370</b>
<b>TOTAL CURRENT PROJECTS</b>			<b>4,536</b>	<b>2,474</b>	<b>18,757</b>	<b>108,207</b>	<b>466,368</b>	<b>266,180</b>	<b>162,487</b>
<b>COMPLETED PROJECTS</b>									
Residential property in completed projects			2,005	219	4,976	14,688	141,023		
Completed stand-alone commercial properties			24	19	55	928			
<b>TOTAL COMPLETED PROJECTS</b>			<b>2,030</b>	<b>239</b>	<b>5,031</b>	<b>15,616</b>	<b>141,023</b>		
<b>TOTAL ETALON GROUP PROJECT PORTFOLIO</b>			<b>6,566</b>	<b>2,713</b>	<b>23,788</b>	<b>123,824</b>	<b>607,390</b>	<b>266,180</b>	<b>162,487</b>
<b>PRODUCTION UNIT</b>									
Construction and Maintenance Division				20		8,664			
<b>TOTAL ASSETS VALUE</b>			<b>6,566</b>	<b>2,733</b>	<b>23,788</b>	<b>132,487</b>	<b>607,390</b>	<b>266,180</b>	<b>162,487</b>

(1) Including parking. Parking area in launched projects with partially sold parking lots is calculated as 30 sqm per 1 parking place.

(2) Income from sales includes potential and received incomes as of 30.06.2018

(3) Excluding land acquisition costs

(4) Moscow, New Moscow and Moscow region within 30 km from Moscow Ring Road

\* NSA of parking is calculated as: (Total NSA of parking lots / # parking lots) \* # unsold parking lots

Source:  
Knight Frank valuation report as of 30.06.2018

# POWERFUL SALES NETWORK ACROSS THE COUNTRY



NATIONWIDE SALES & MARKETING NETWORK SUPPORTS SUSTAINABLE CONTRACT SALES

REGIONAL POPULATION ACTIVELY BUYS APARTMENTS IN MOSCOW AND ST PETERSBURG

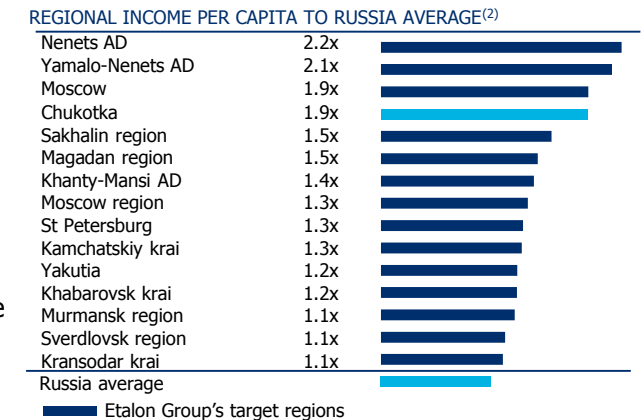


- > Etalon Group's sales force focuses on regions with the highest per capita income levels
- > Key markets: St Petersburg and Moscow
- > 52 cities covered with nine sales offices in St Petersburg and 22 more sales offices nationwide
- > External professional marketing and sales service agents engaged nationwide

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

REGION	SHARE OF TOTAL CONTRACTS
Leningrad region	2.7%
Khabarovsk Krai	1.4%
Yamalo-Nenets AD	1.3%
Khanty-Mansi AD	1.3%
Murmansk region	1.2%
Yakutia	1.1%
Krasnoyarsk Krai	1.0%
Primorsky Krai	0.9%
Arkhangelsk region	0.9%
Other Russian regions	22.3%
Foreigners	0.9%
<b>TOTAL</b>	<b>34.9%</b>

THE GROUP'S FLATS ARE SOLD IN 14 OF RUSSIA'S 15 MOST AFFLUENT REGIONS

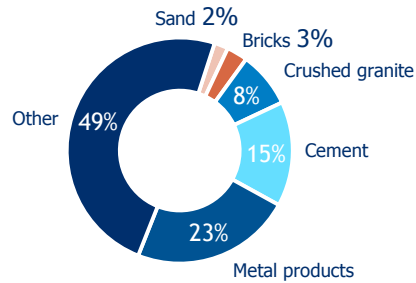


<sup>(1)</sup> Source: Company data for 4Q 2018

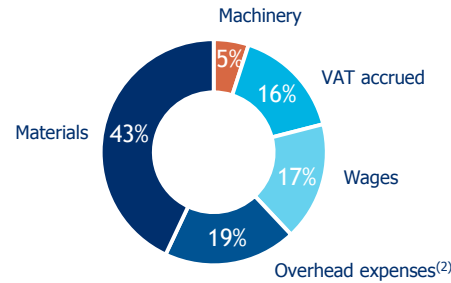
<sup>(2)</sup> Average monthly cash income per capita, Rosstat's estimates for 10 months of 2018

# TYPICAL PROJECT COST STRUCTURE

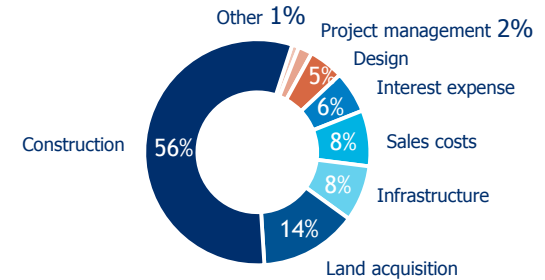
**MATERIALS COST STRUCTURE<sup>(1)</sup>**  
RUB 12,000-18,000 per sqm of NSA



**CONSTRUCTION COST STRUCTURE<sup>(1)</sup>**  
RUB 29,000-39,000 per sqm of NSA

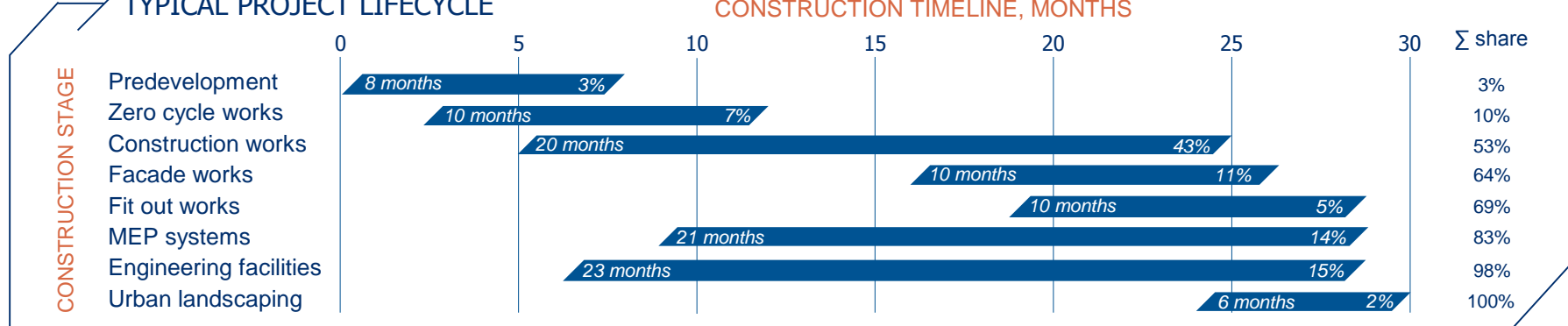


**TOTAL COST STRUCTURE<sup>(1)</sup>**  
RUB 59,000-72,000 per sqm of NSA



## TYPICAL PROJECT LIFECYCLE

### CONSTRUCTION TIMELINE, MONTHS



<sup>(1)</sup> Source: Company estimates for typical project based on current portfolio average. Actual breakdown per project is subject to significant variation due to a number of factors.

<sup>(2)</sup> Including payroll tax





# 4Q AND FY 2018 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](mailto:INFO@ETALONGROUP.COM)