

PIK Group

1H 2020 Financial results

September 2020



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Financial results

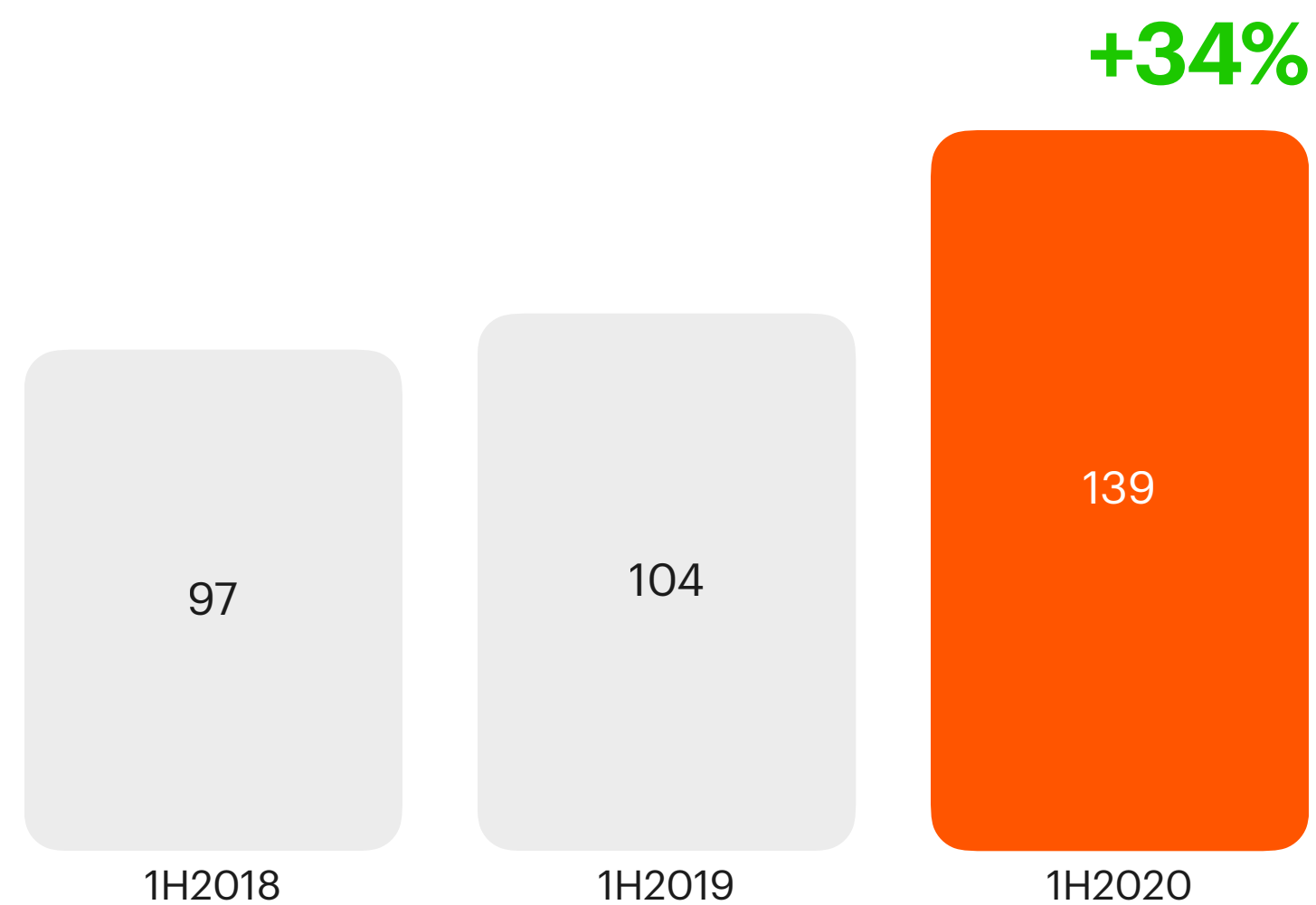
01

Financial Results 1H 2020

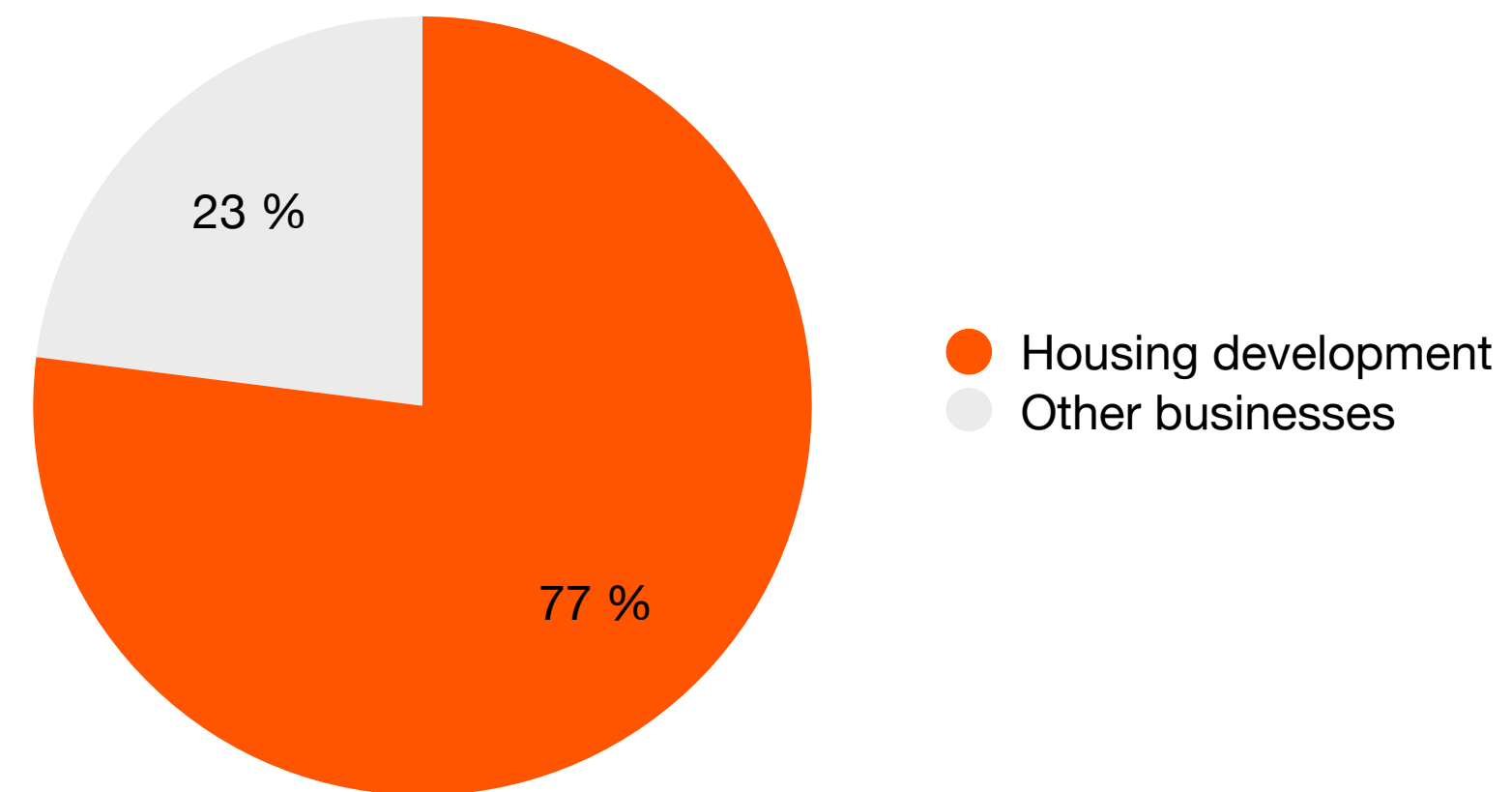
Strong growth in all indicators in the first half of 2020 despite turbulence in the economy caused by COVID-19

- Revenue growth - **34%**
 - EBITDA growth - **84%**
 - **2x net** income growth
 - Cost reduction of both corporate and project debt
- Maintaining all credit ratings at the same high level:
 - Fitch: BB- (stable)
 - NCR: A+ (stable)
 - Expert: ruA (stable)

Financial Results 1H 2020

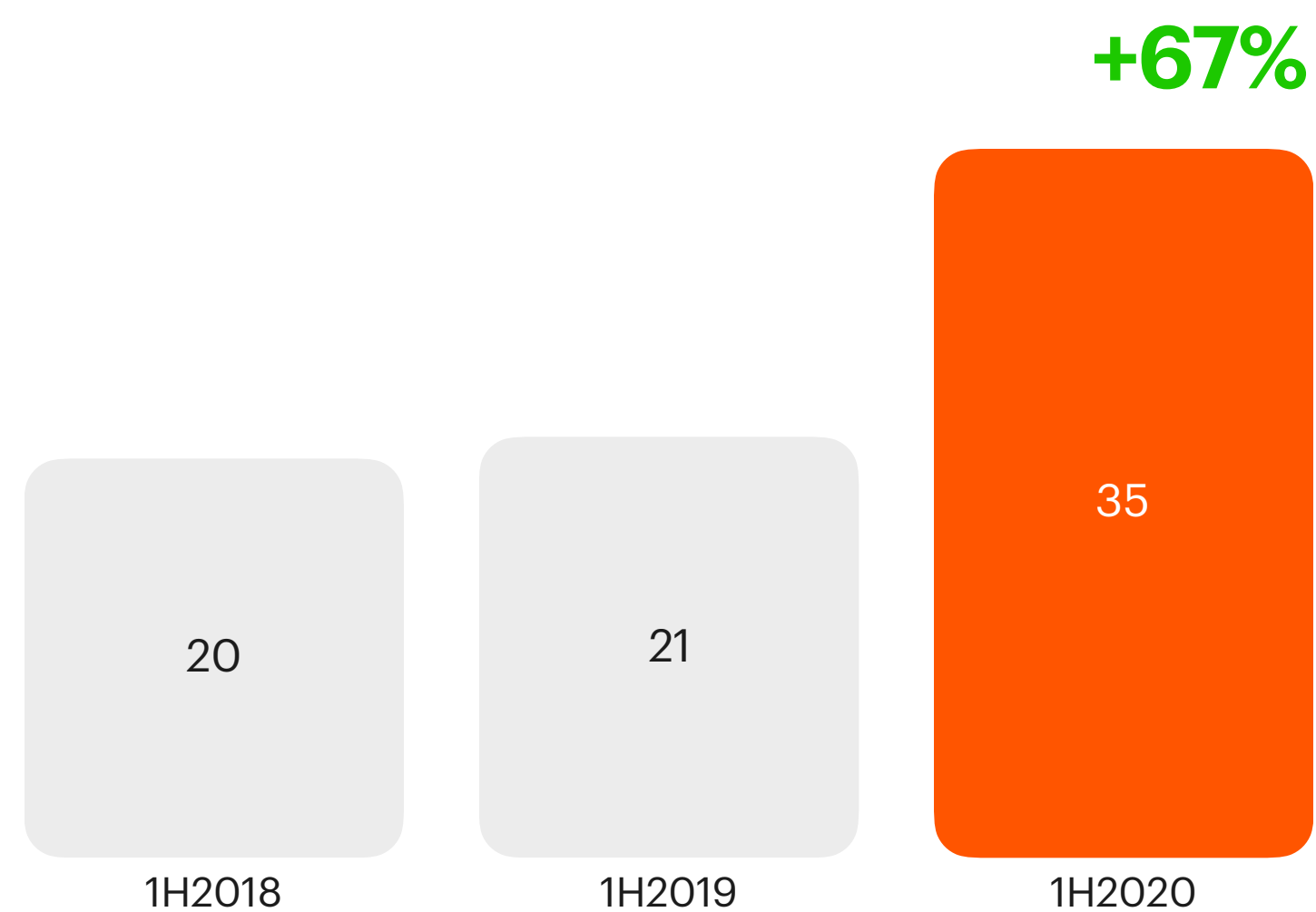


Revenue, RUB bln

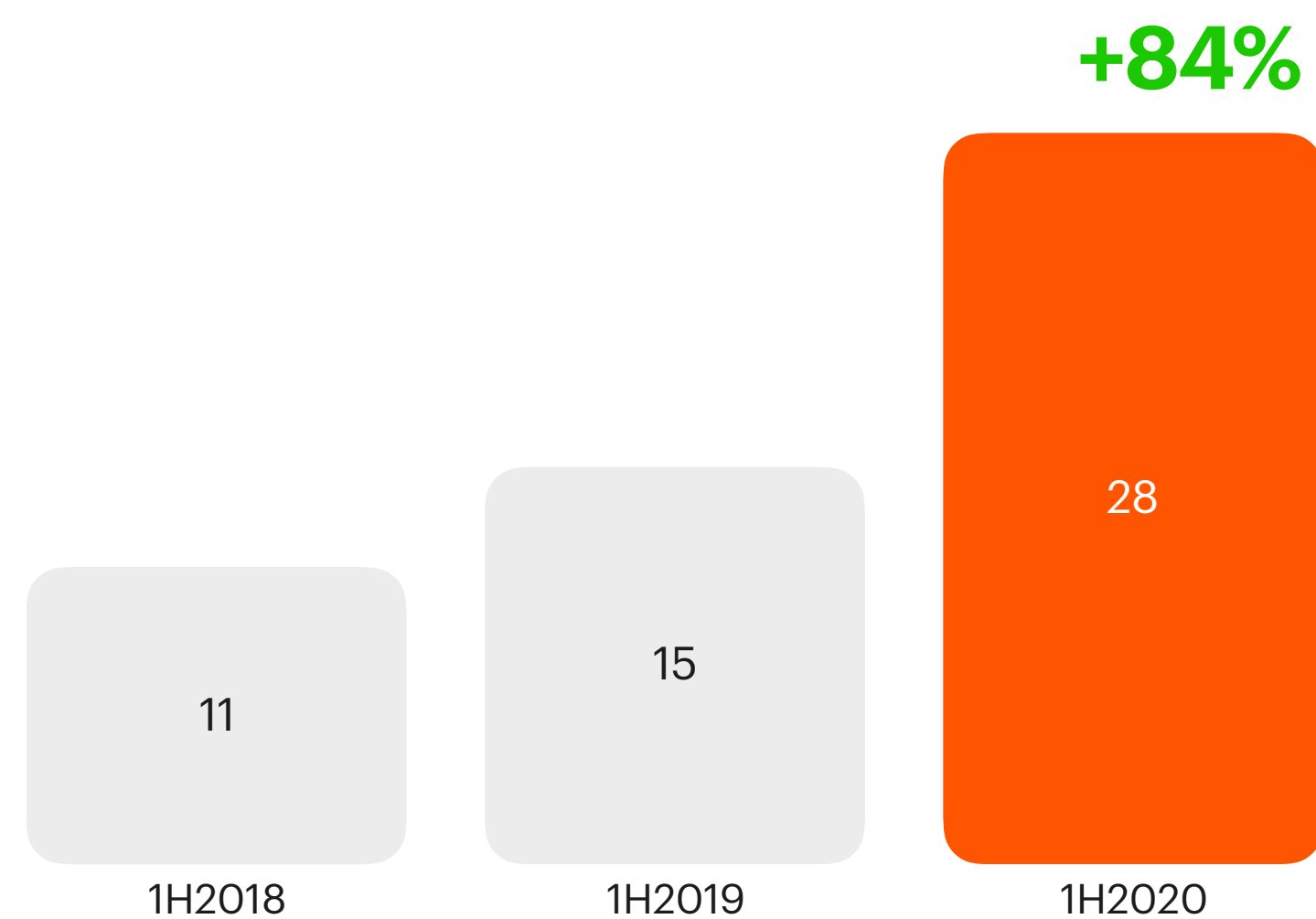


Revenue breakdown

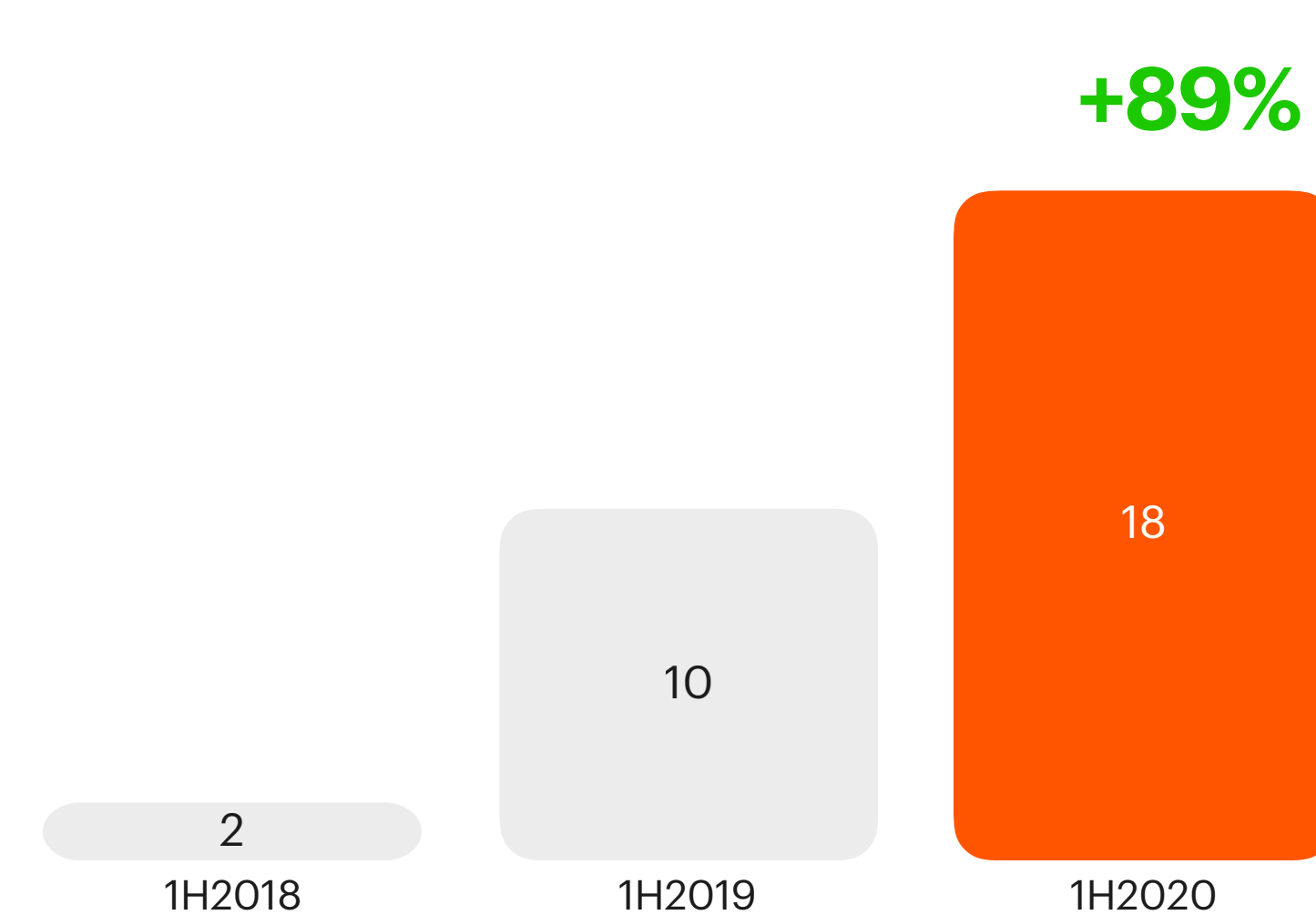
Financial Results 1H 2020



Gross profit, RUB bin



EBITDA, RUB bln



Net income, RUB bln

Corporate debt

Prudent financial policy and smooth implementation of escrow accounts from autumn 2018 resulted in consistent reduction of corporate debt and its cost

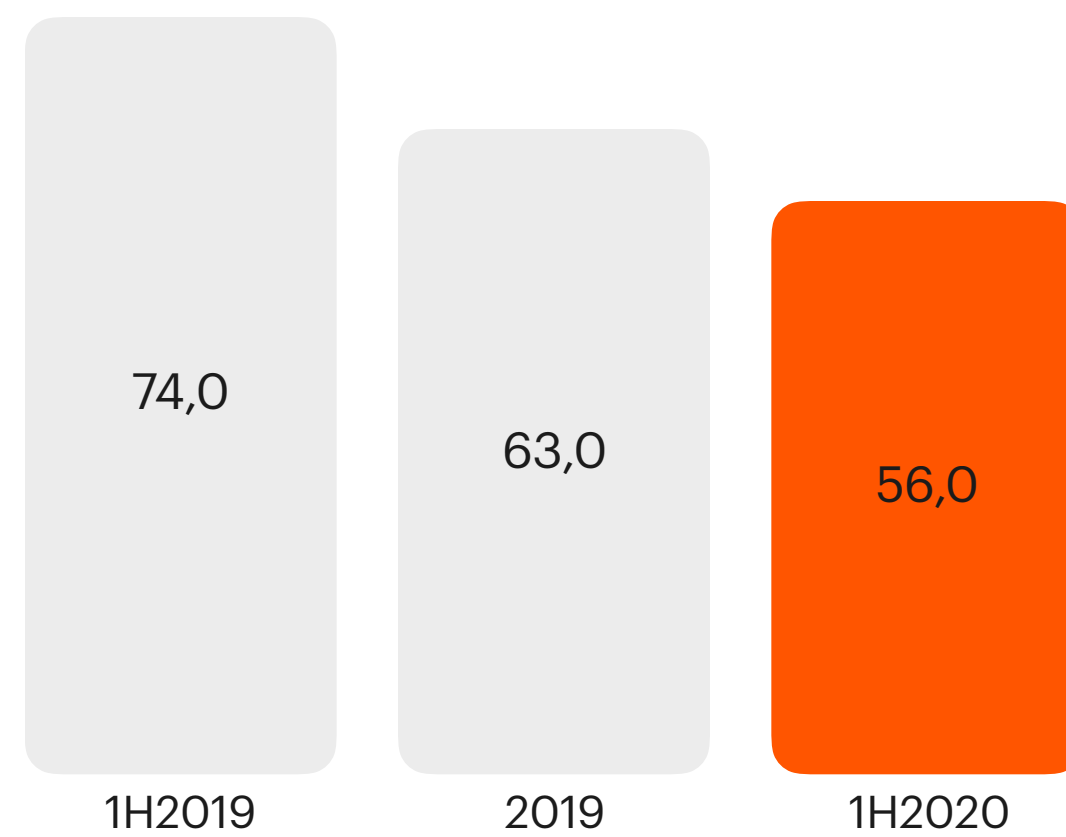
Credit ratings

Fitch: BB- (stable)

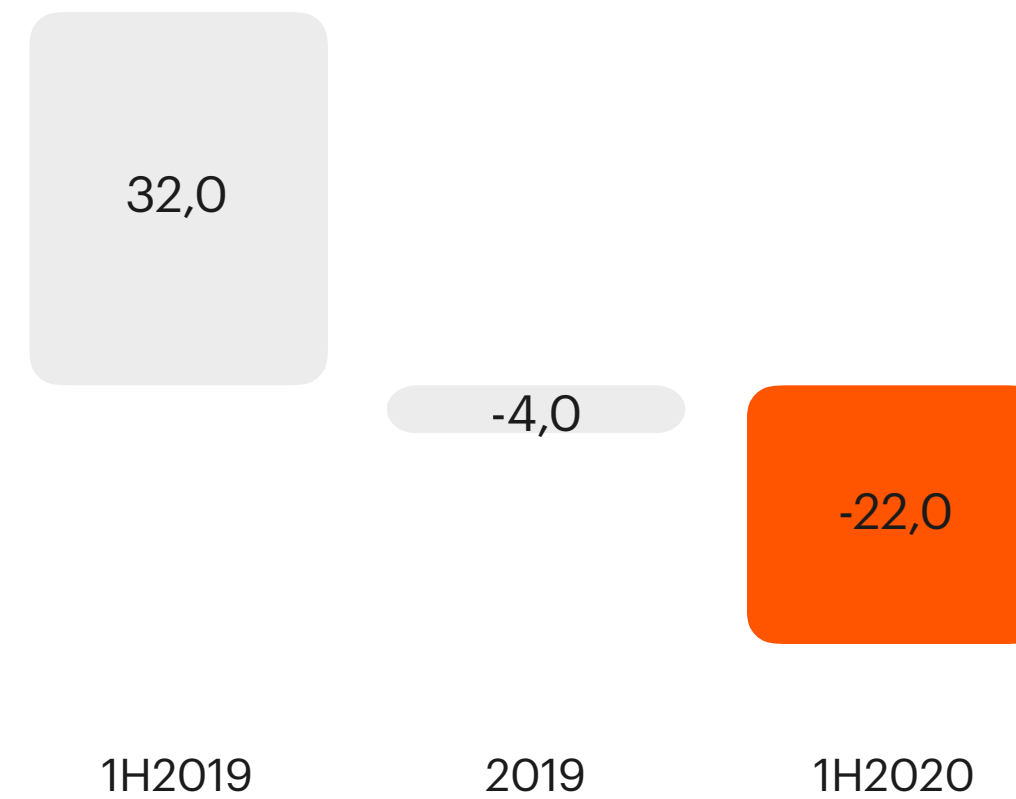
NCR: A+ (stable)

Expert: ruA (stable)

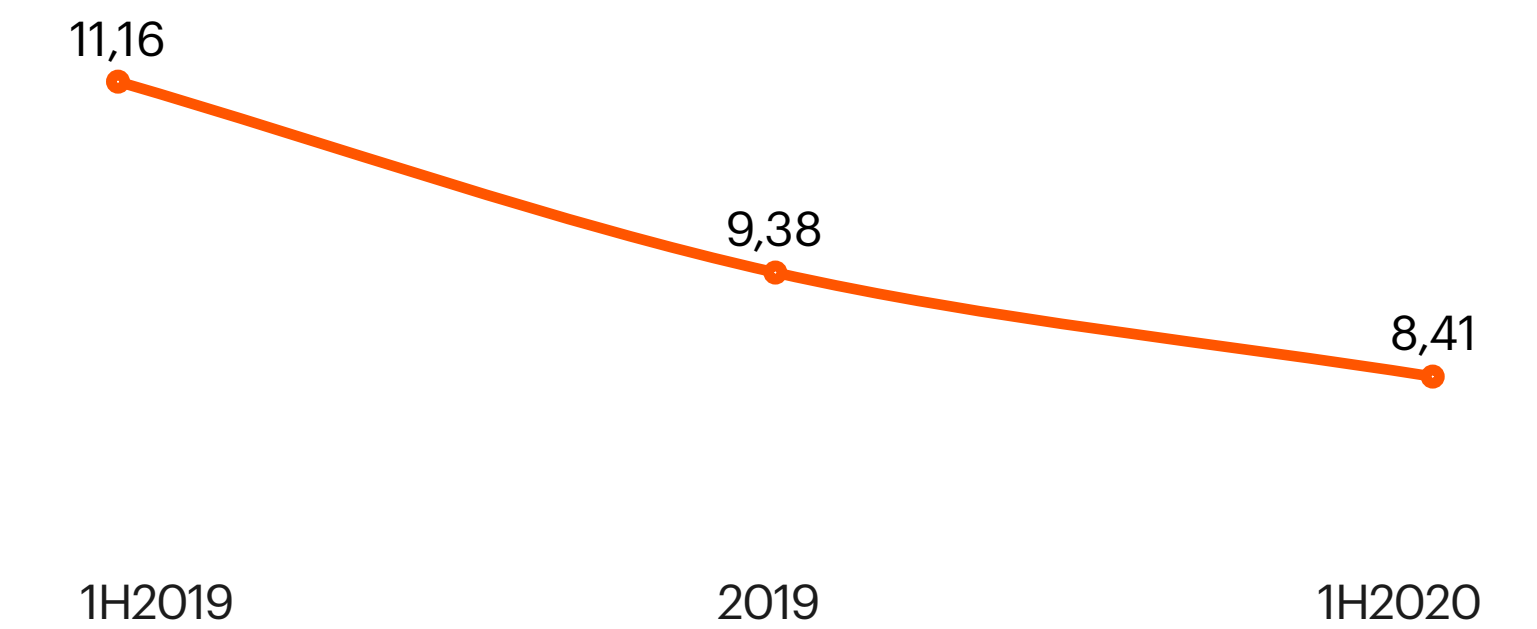
Total debt
RUB bln



Net debt
RUB bln



Cost of debt
%



Online

02

Online sales

Online sales meet the main criteria of digital business - freedom of choice: there are no restrictions for the client. Neither geography nor the agreement with a certain bank is important.

January 2020

February

April

May

June

Online payment by card

Online transaction

Mortgage online

All sales and services
are online only

Closing
offline sales
offices

Online sales

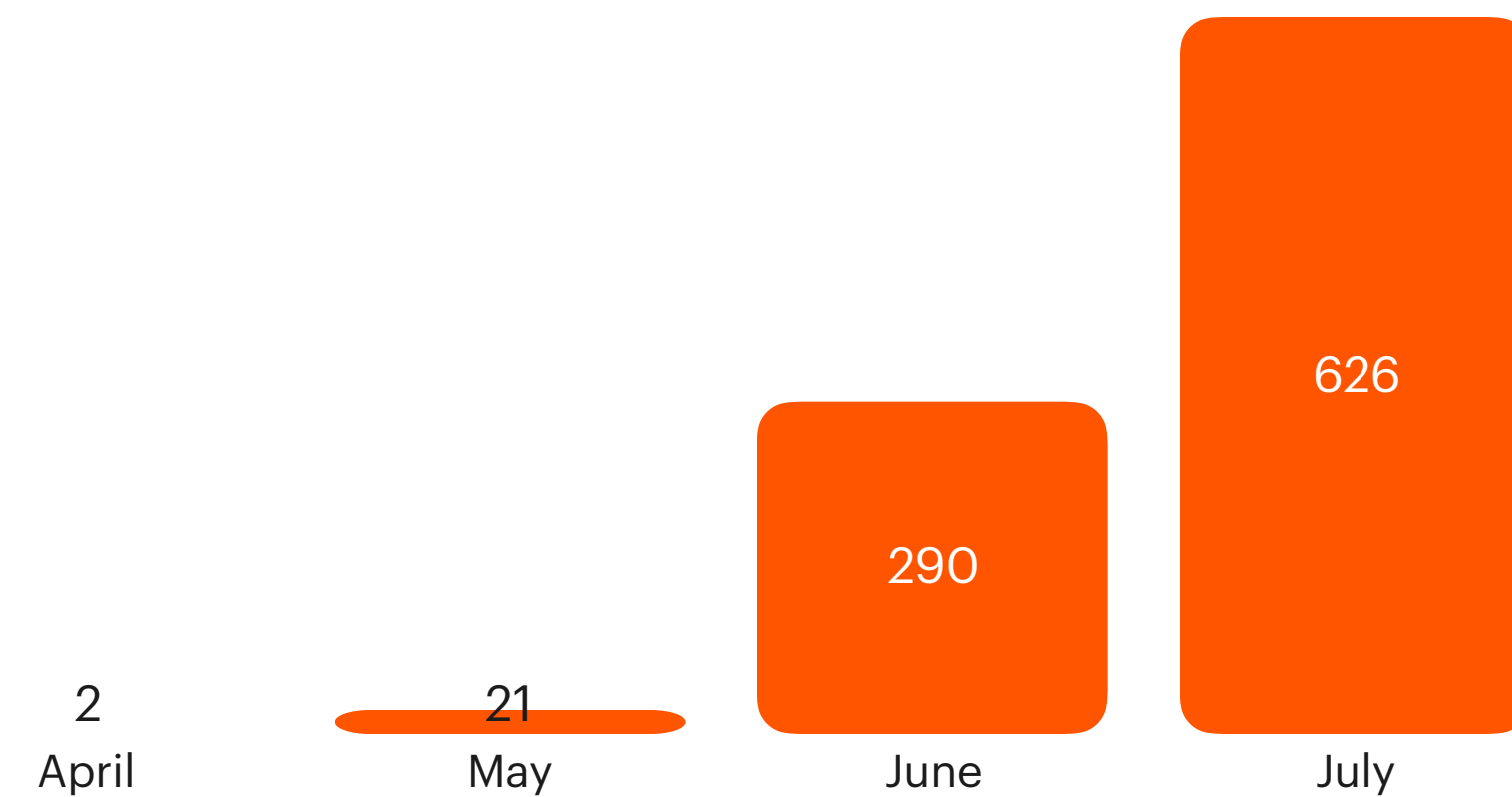
Online sales meet the main criteria of digital business - freedom of choice: there are no restrictions for the client. Neither geography nor the agreement with a certain bank is important.

- Over **100,000 online bookings** since 2017
- 2019 - the start of online sales
- We were the first **to launch the acquiring** and implemented payment by card on the website. Conducted transactions for **815 million rubles**.
- We closed the offices and made possible to conduct all stages of the deal online through a personal account. Sold during this time **725,000 m²**
- Developed additional commercial products and raised **250 million rubles** of passive income
- We moved all stages of the customer journey online, including the introduction of contactless moving in

Online mortgage

A unique technology for fully online mortgage lending was created and approved by the regulator.

- We launched a digital application form for all partner banks and achieved **99% approval rate** of mortgage applications
- Simplified the conditions for getting a loan - from a portfolio of certificates to 2 documents
- Assisted banks to enable online mortgages possibility.



Online mortgage - growth in the number of transactions

- Promoted subsidized mortgage **rate 6,5%**
- We launched an exclusive program «We take on mortgage interest»
- On April 15, 2020, PIK and VTB Bank conducted the **first mortgage transaction** in Russia and the purchase of an apartment completely online

Online company: PIK remote

Processes in the company are built around remote work and employees working outside the office.

Employees of the company can work from anywhere, taking advantage of all the benefits of remote work - access to work programs and communication tools, allowing them to get the job done efficiently

- The number of employees working remotely - **4,000** or **80%** of the company's office staff
- Reducing the volume of rented office space by **7 times** - significant cost savings of administrative costs

Online company: PIK Project

Nº1 in remote work:

end of 2018 - 300 people (20%)

end of 2019 - 1000 people (40%)

Today - 2500 people (100%)

Unique technological and organizational solutions
for effective online work

- Knowledge base and learning materials
- Decomposition of tasks
- Virtual 3D desktop technology
- Objective and subjective control systems
- Personnel productivity analytics system

Online company: PIK 12

Construction period from building permit to completion (escrow accounts release) reduced to 12 months with finishing and networks

1. **construction period reduced to 12 months against 42 on average in the market**
2. **less payments for project financing (escrow accounts)**
3. **increase in sales by reducing the delivery time of the finished apartment to the buyer (the buyer, in particular, spends less on renting an apartment or mortgage payments until the keys are received)**
4. **increase in the average selling price of apartments**
5. **ambitions to further reduce the construction period to 6 - 9 months through the implementation of:**
 - digital finishing platform PIK.PRO
 - building cross-functional project management teams and seamless transitions between stages / contractors
 - troubleshooting and acceptance of work in advance during the installation / production of work
 - construction of autonomous external engineering networks that do not require connection to highways

**Status: in progress
2 months ahead of schedule**



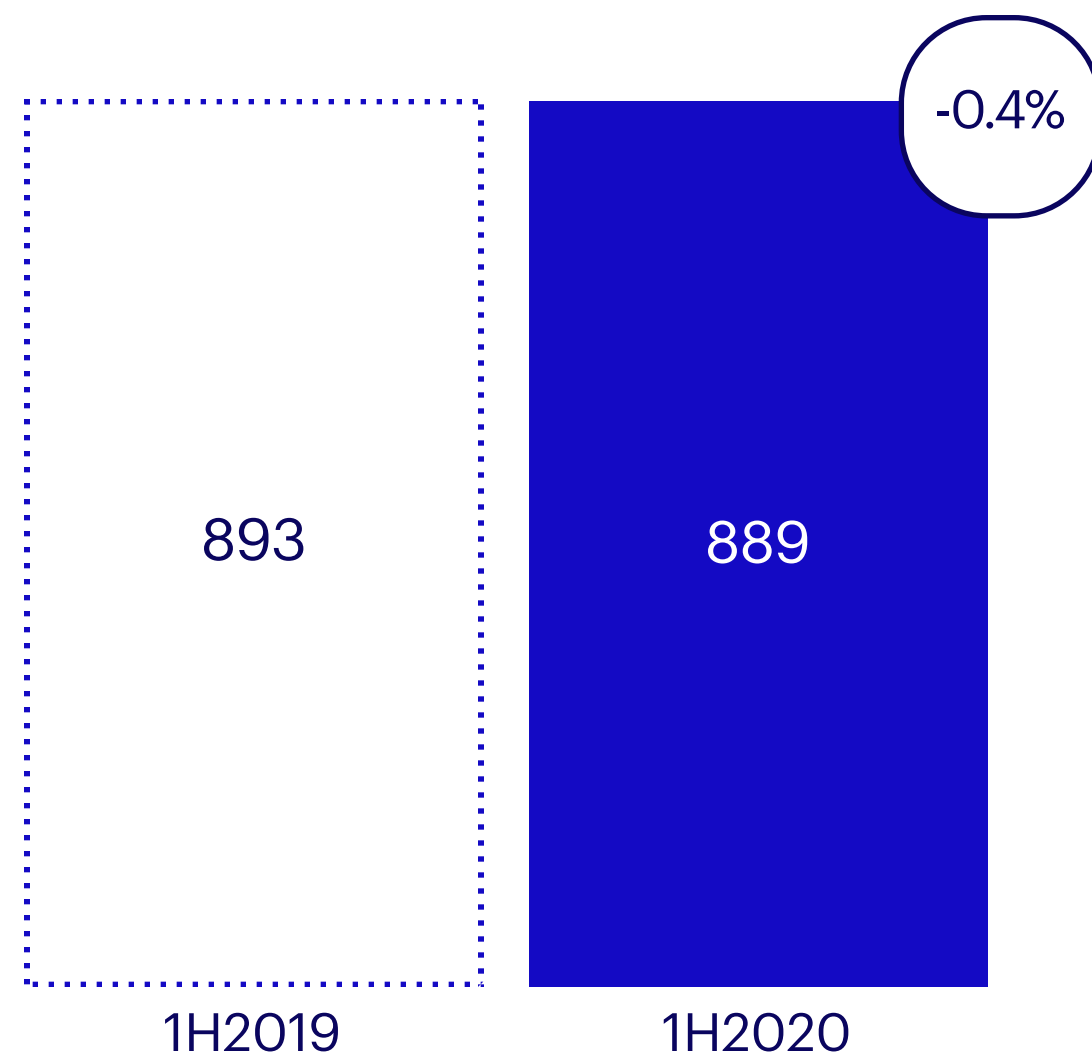
Operating results

1H 2020

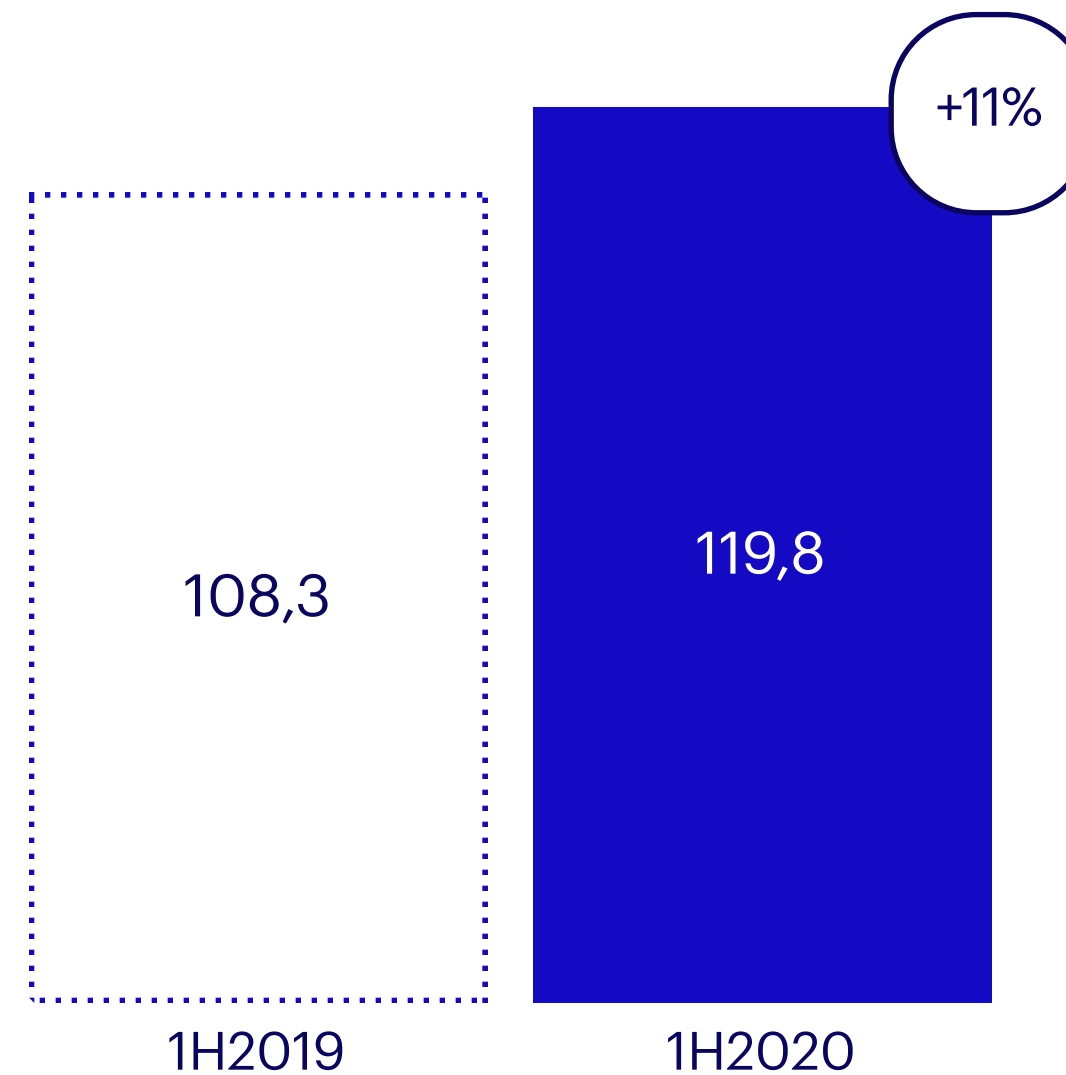
03

Real estate sales

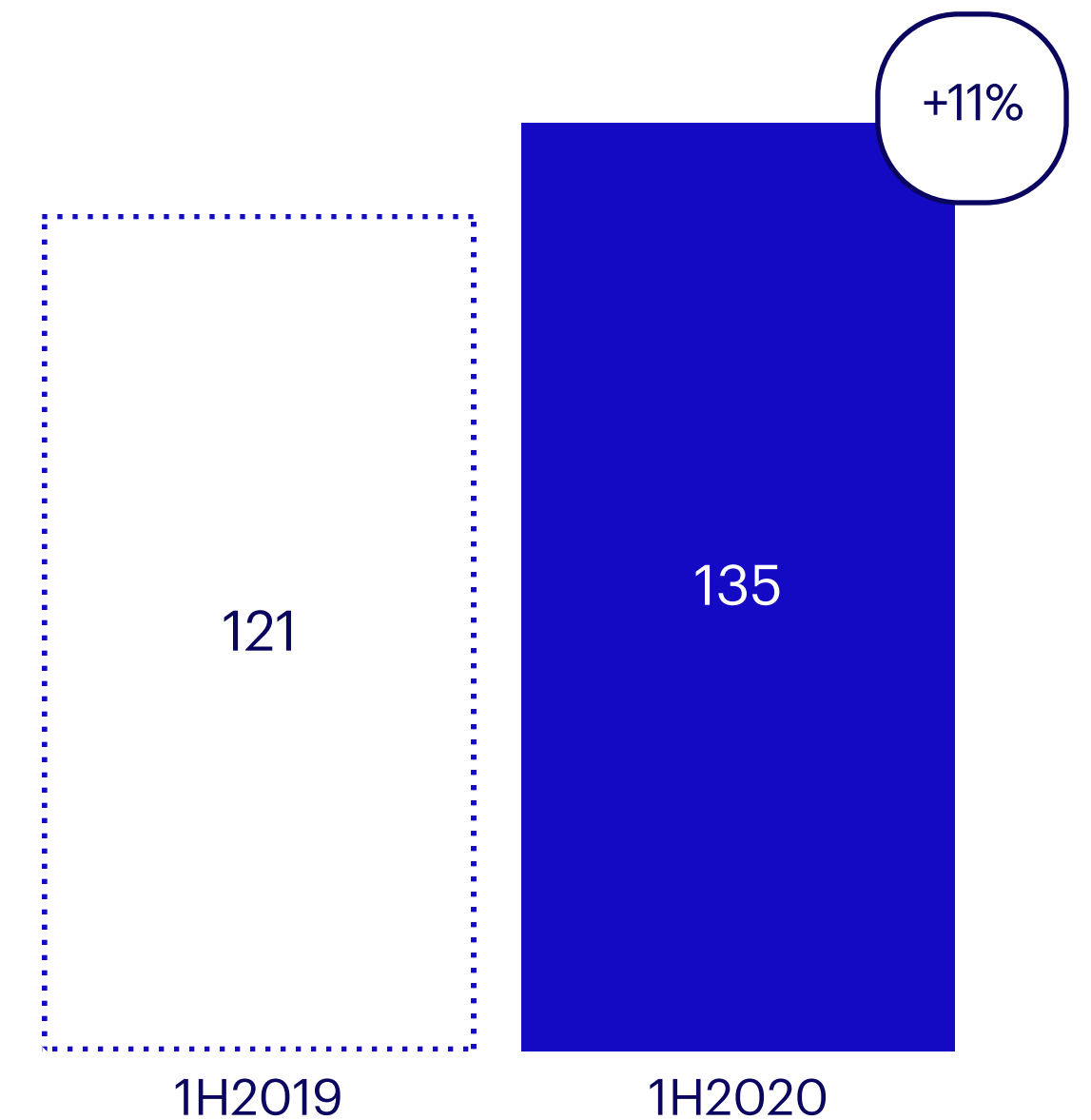
New contract sales,
th m²



New contract sales,
RUB bn



Average price,
th RUB/sqm

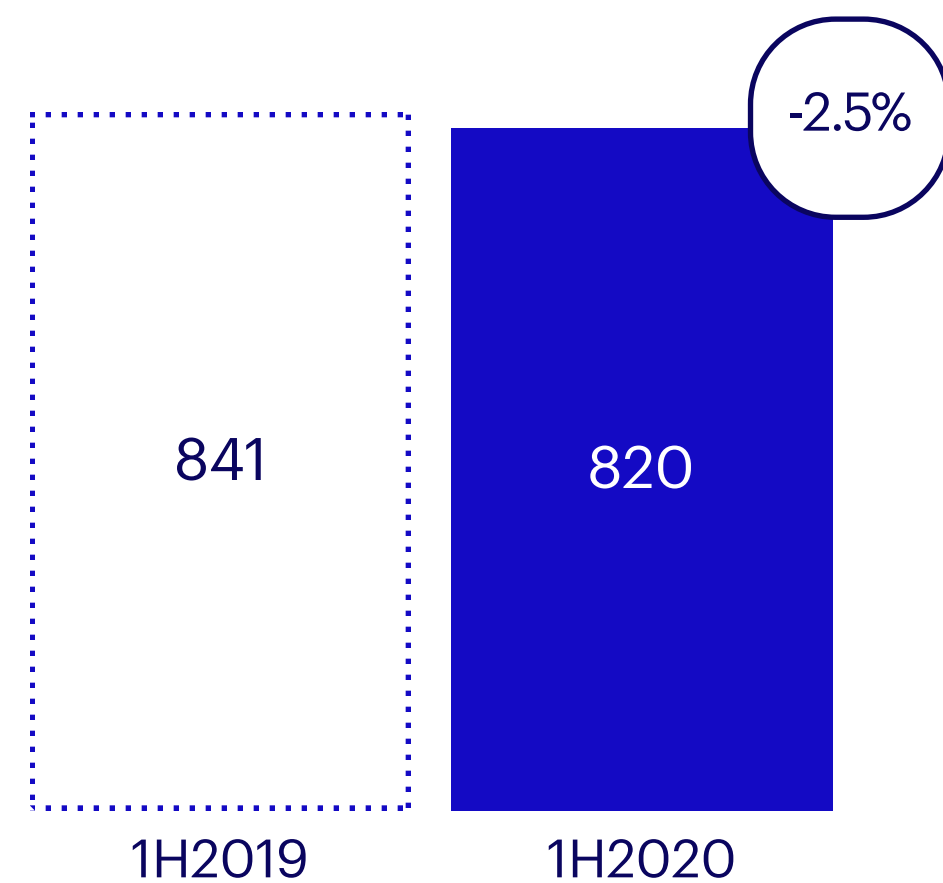


Share of mortgage sales — 76%

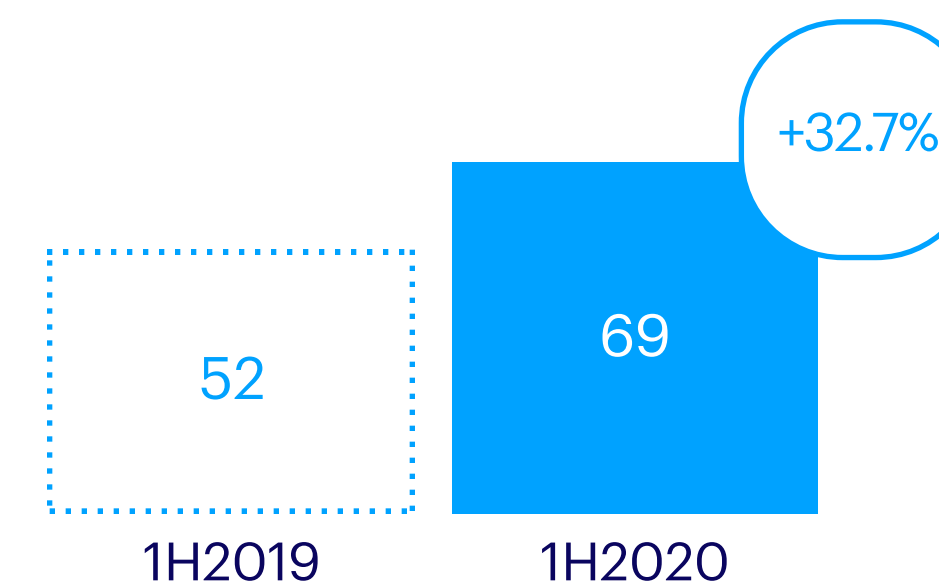
Real estate sales

by segment

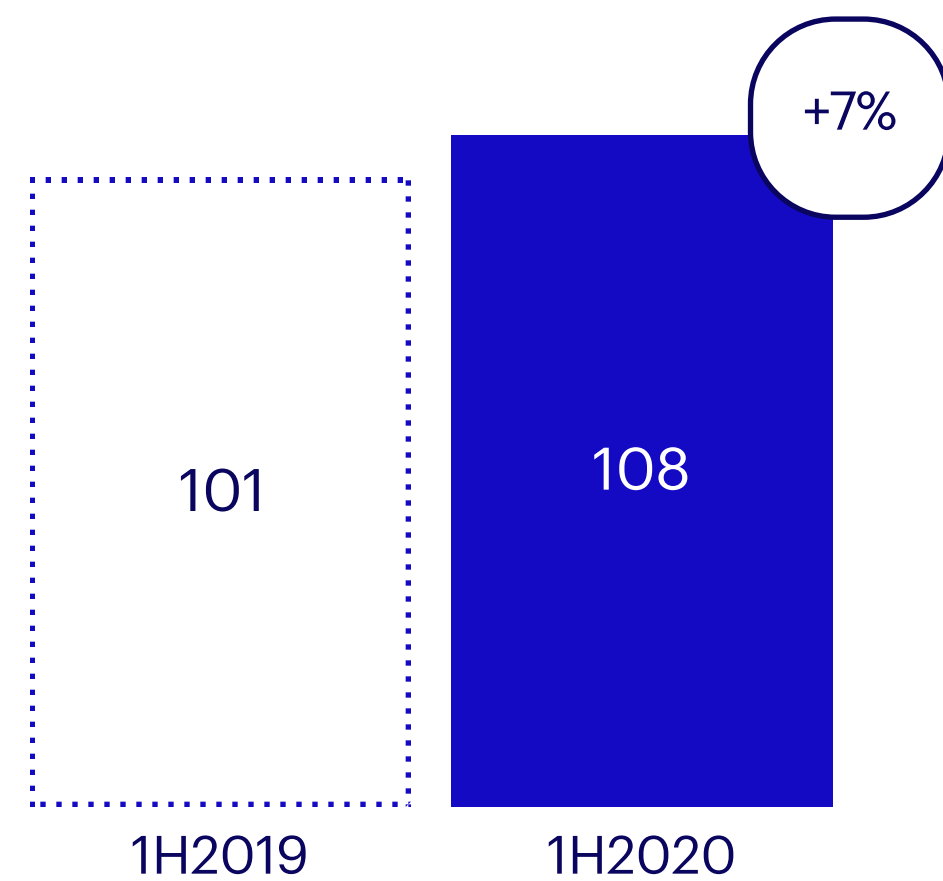
New contract sales, th m²



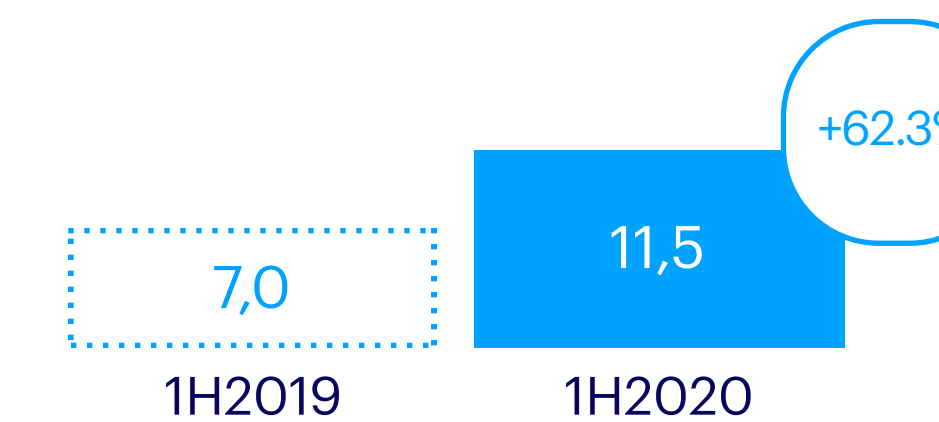
Fee-development, th m²



New contract sales, RUB bn

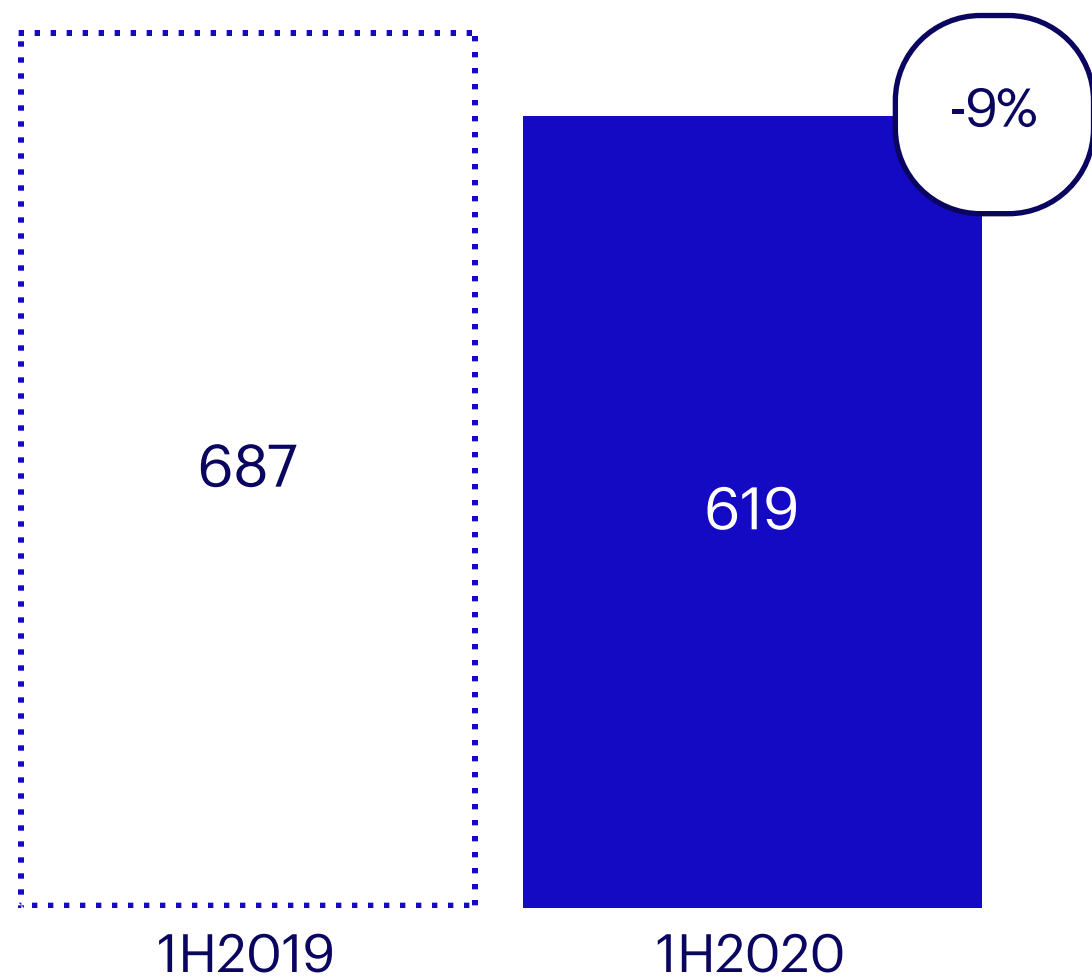


Fee-development, RUB bn

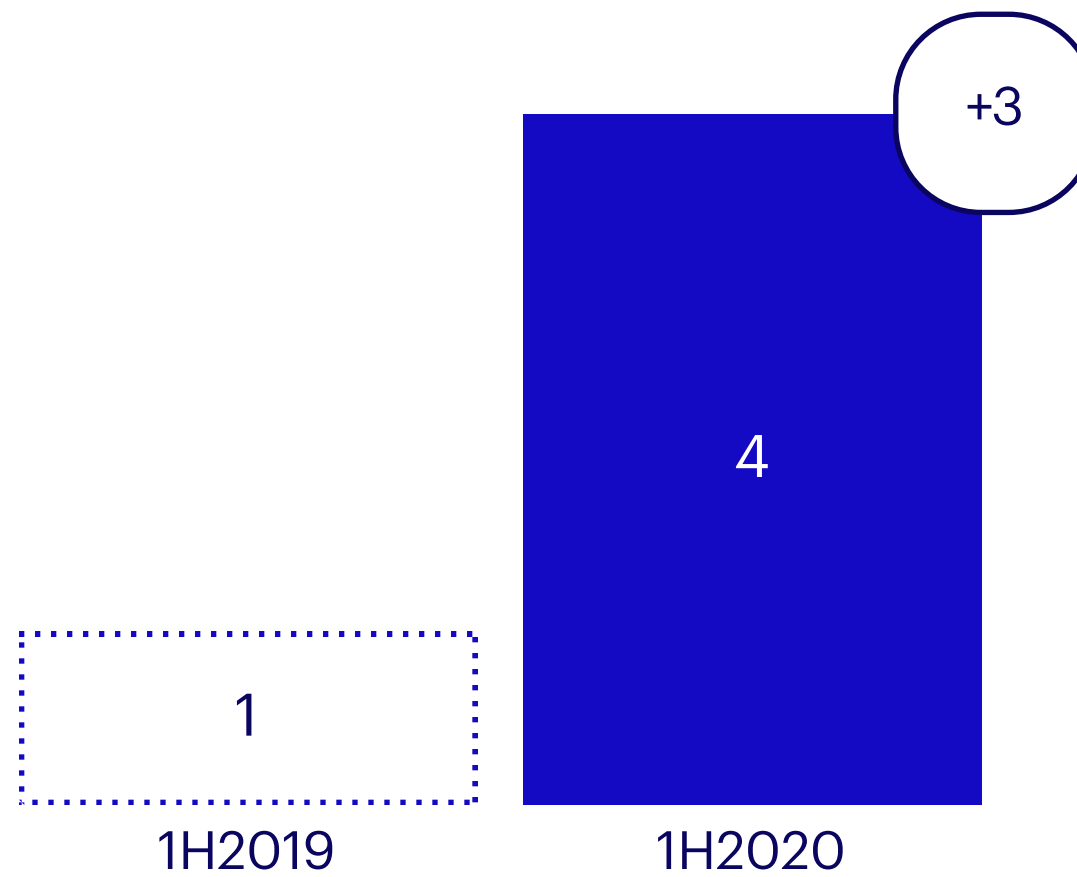


New project launches

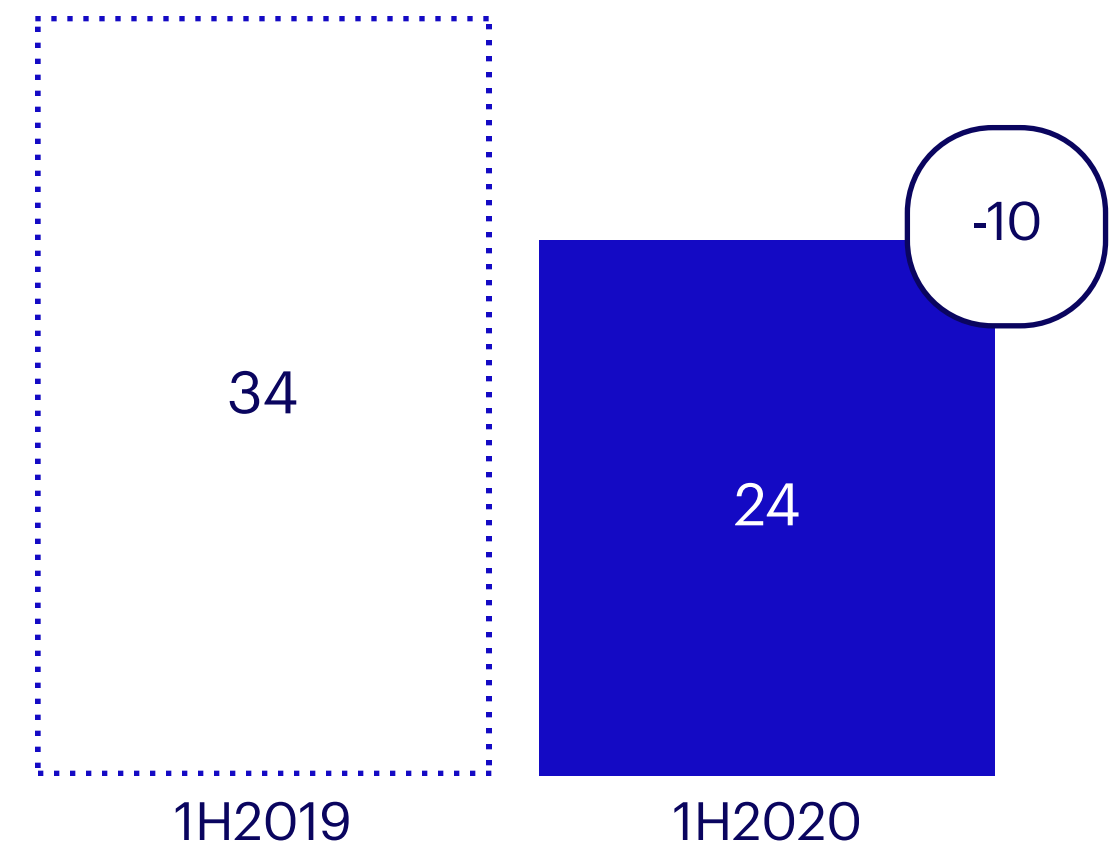
New supply,
th m²



New projects



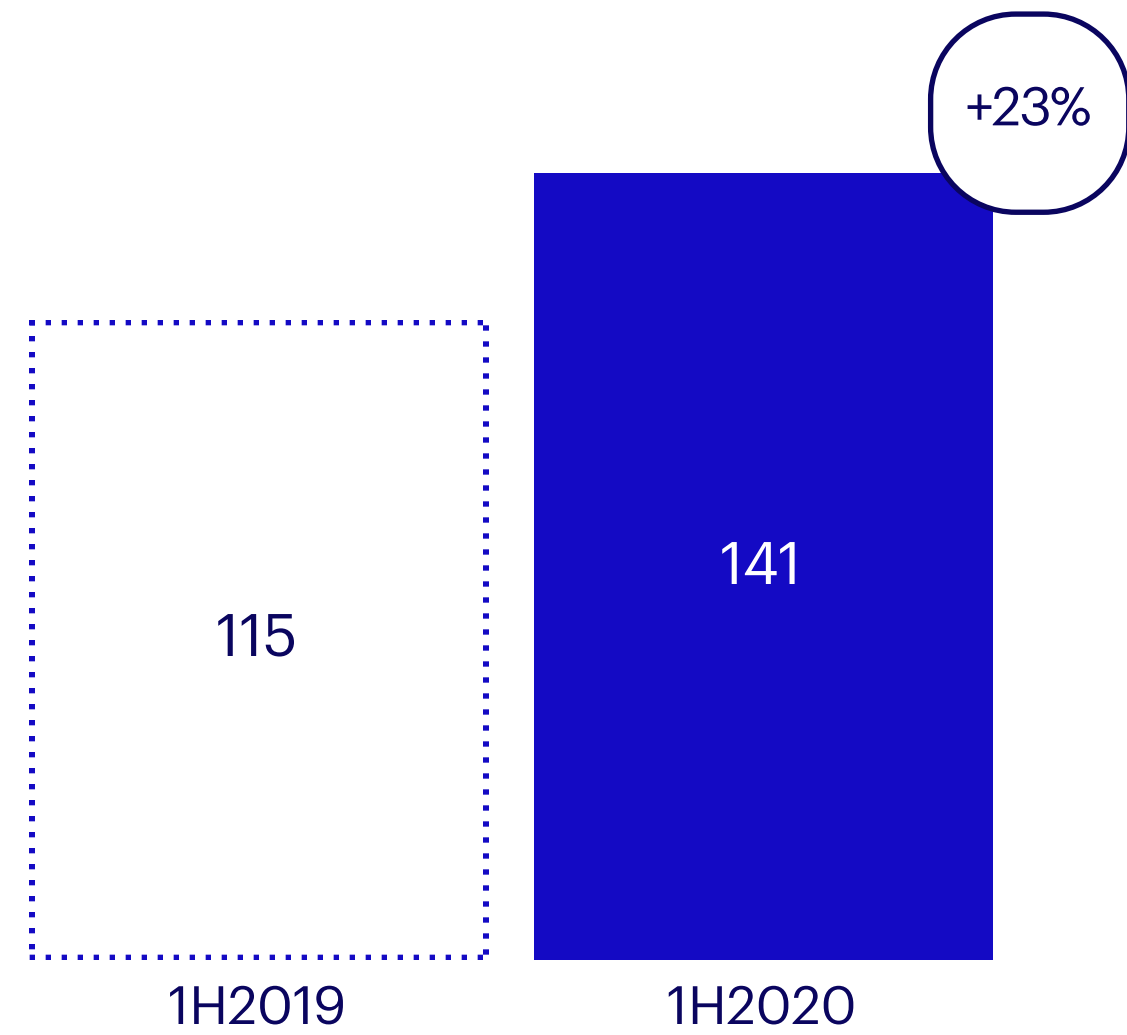
New buildings



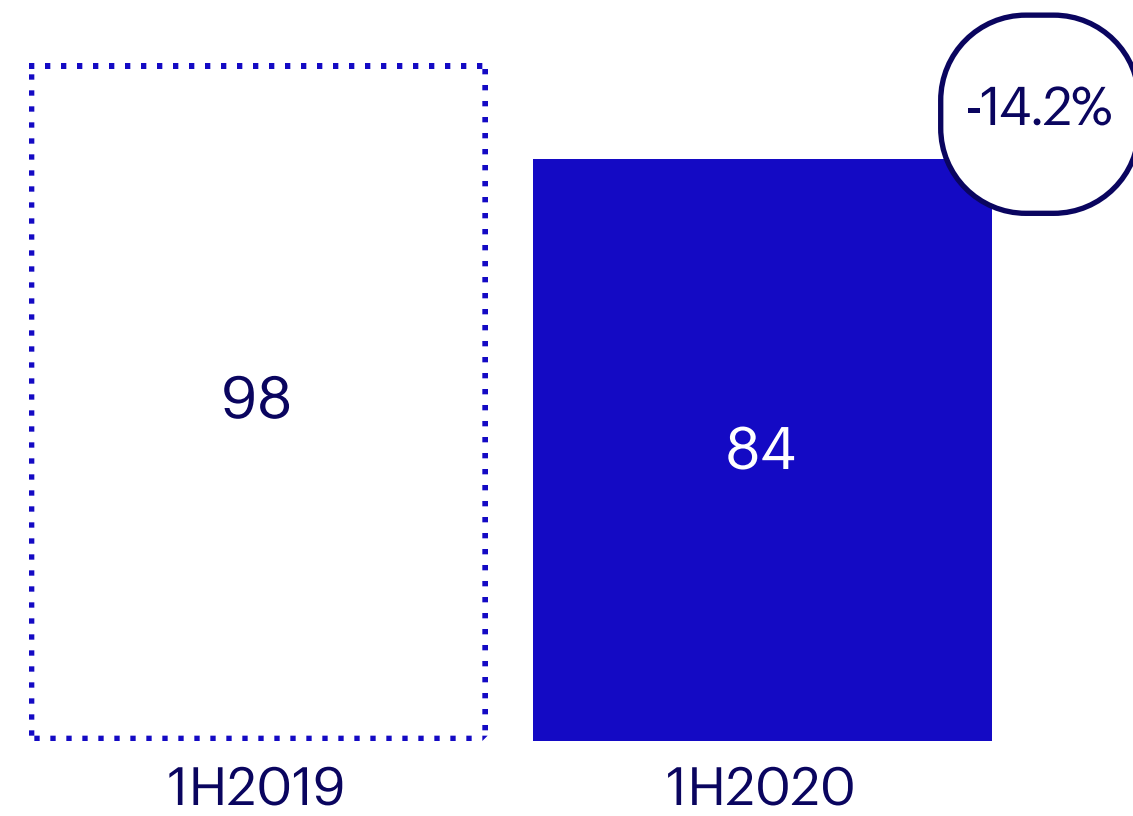
4 new projects in the Moscow area — Volokolamskoe 24, Serednevsky les, Volgsky park and Holland park
24 new buildings in the Moscow area, Kaluga, Tyumen and Novorossiysk

Cash collections

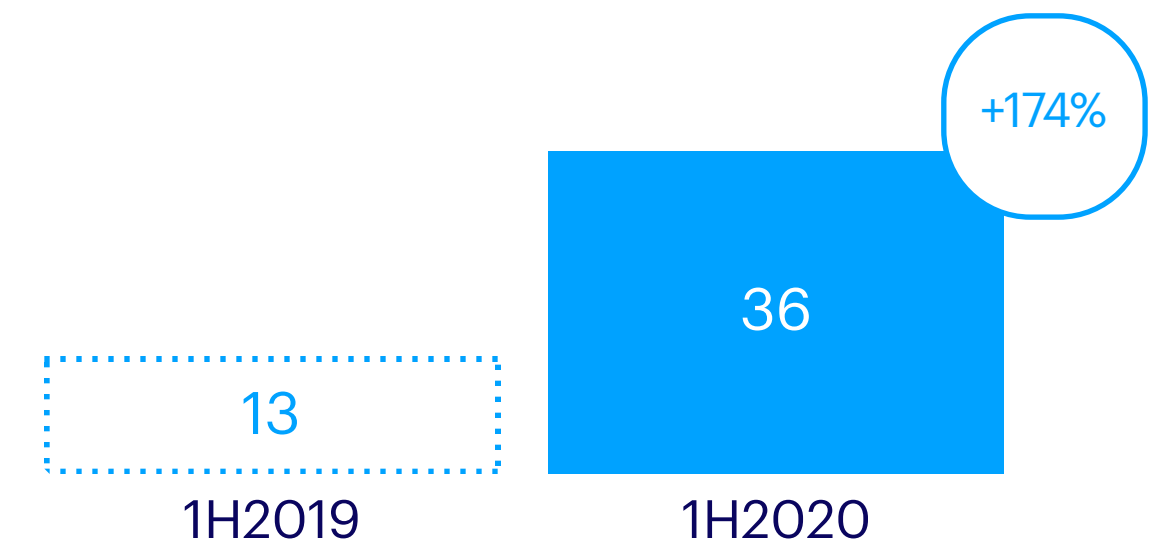
Cash collections,
RUB bn



Cash collections -
real estate, RUB bn



Cash collections -
other businesses,
RUB bn



Company Overview

04

PIK Group — Undisputed leader in Russian Housing market

Nº1

Real Estate brand in Russia

12 mln m²

Nº1 by land bank size

330 bln ₺

Nº1 by market capitalization among other public homebuilders

40K

apartments delivered in 2019

25.5K

employees

50 mln m² AUM

Nº1 private housing maintenance and management company

>7 mln m²

Nº1 area under construction

281 bln ₺

revenue, 2019

>400K

households live PIK apartments

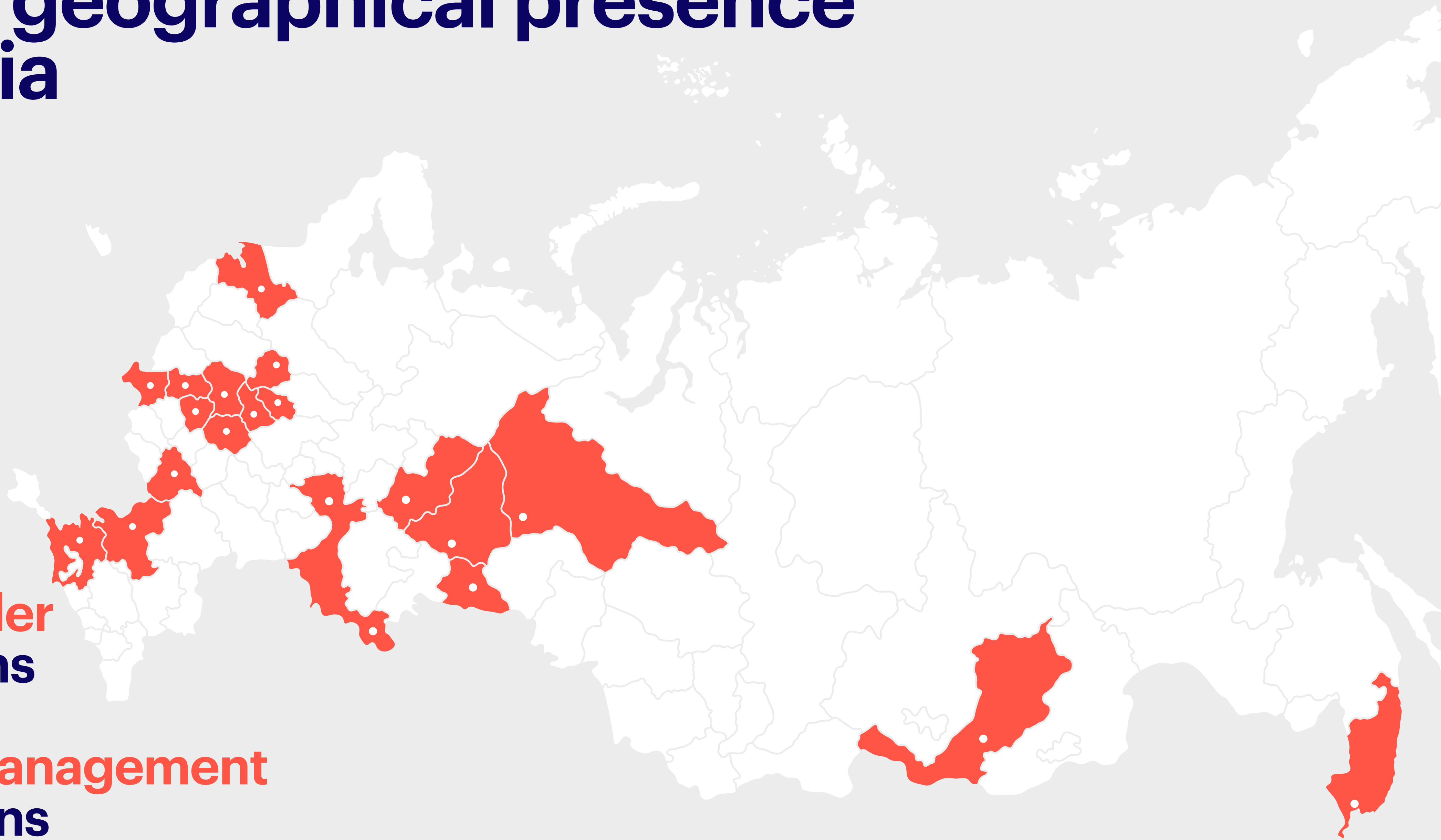
88K

employees work daily-base on PIK projects

Widest geographical presence in Russia

Homebuilder
in 12 regions

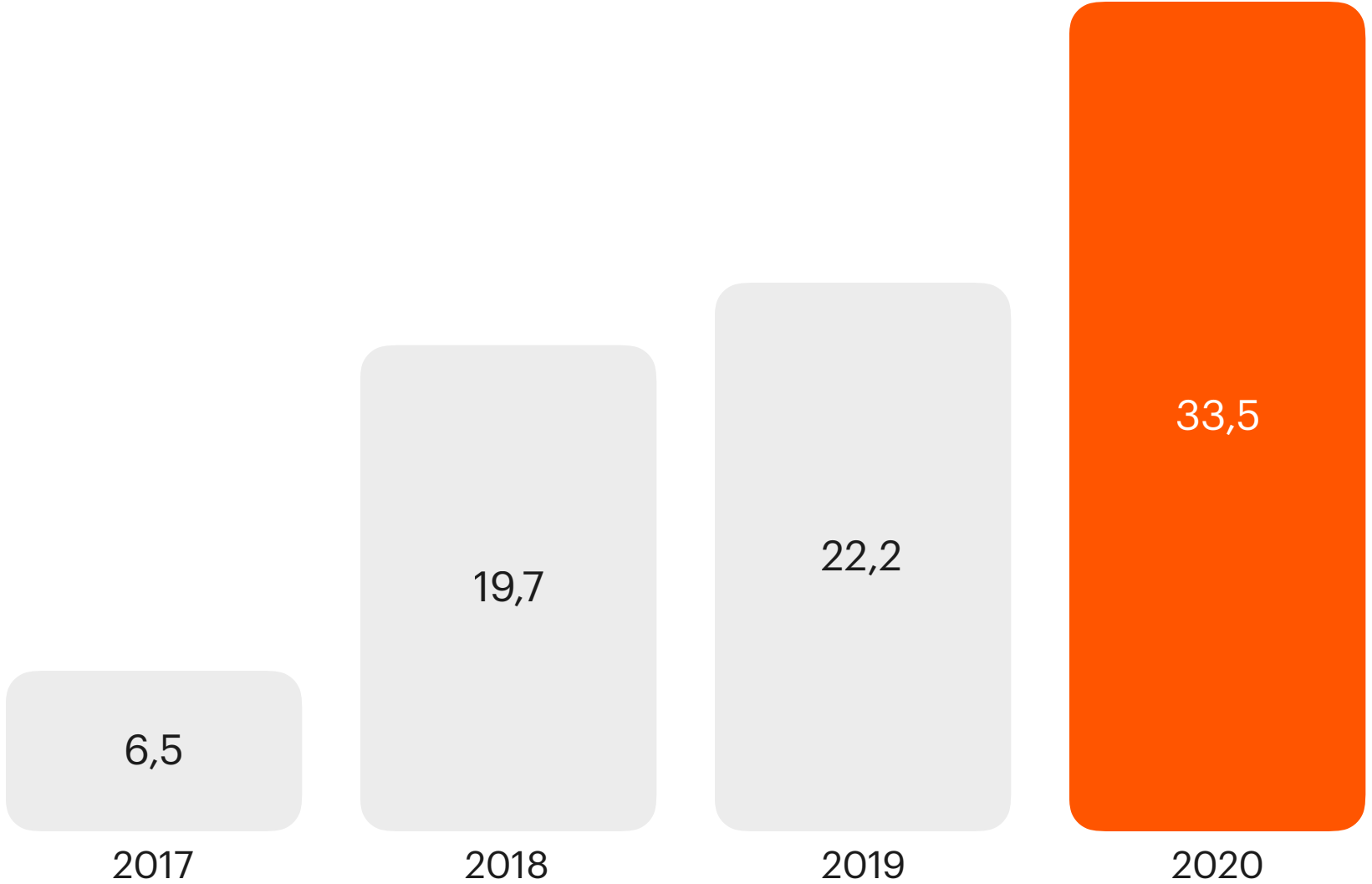
Housing management
in 20 regions



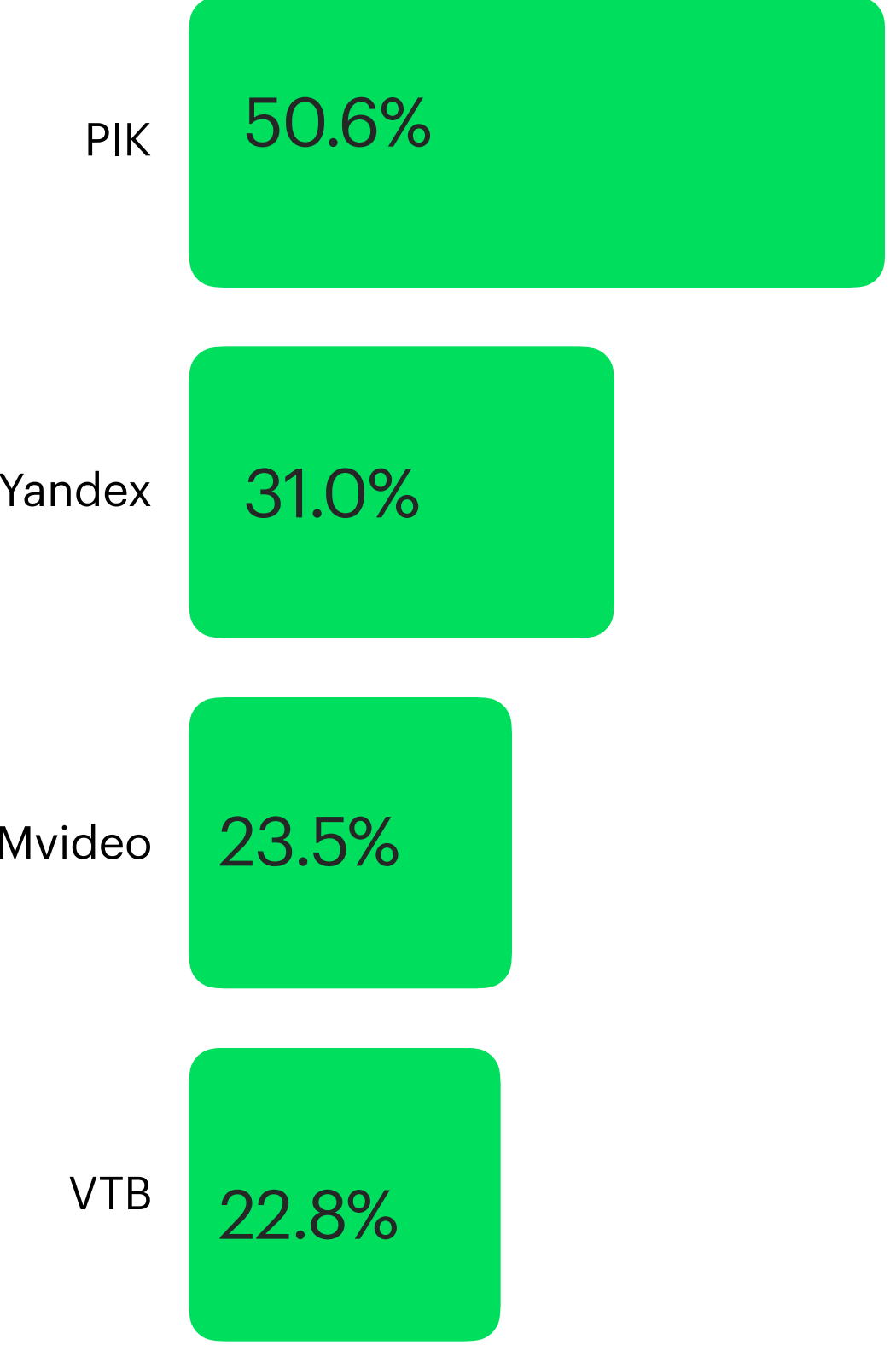
Brand №1 in Russian real estate

PIK is the №1 brand of housing development in Russia, one of the top 30 strongest brands in the country

since 2017 PIK brand value has grown 5 times



Brand value growth
RUB bln



Fastest growing
brand in Russia in 2020

PIK Investment highlights

1

Nationwide leader in Russian residential development market

2

Largest and most lucrative land bank among competitors

3

Vertically integrated business model - scalability, technology efficient and sustainability for the development lifecycle

4

Real Estate Asset Management integrated with a wide range of value-added service offerings

5

Sustainable cash flows and strong growth outlook to maximize shareholder value

6

Experienced management team with a track record of success

7

International Corporate Governance Standards

8

Well capitalized to capture market opportunities

PIK Group

Growth strategy for all business divisions

Housing
development

Housing maintenance
and Utilities

General contracting
services

PropTech – traditional housing
markets disruption

ConTech platform – construction technologies, IT solutions,
business processes and manufacturing capacity of PIK

PIK Vision

Create state-of-the-art construction technologies

Design and build housing fast and efficient

Provide affordable housing that is beautiful, functional and durable

PIK Mission

Develop the best global solution for construction:

- 1. Sustainable**
- 2. Energy efficient**
- 3. Carbon neutral or negative**

Strategy

Innovation based growth strategy of core businesses driven by **PIK ConTech** (industry leading construction technology) and **PIK PropTech** (customer-centric housing ecosystem)

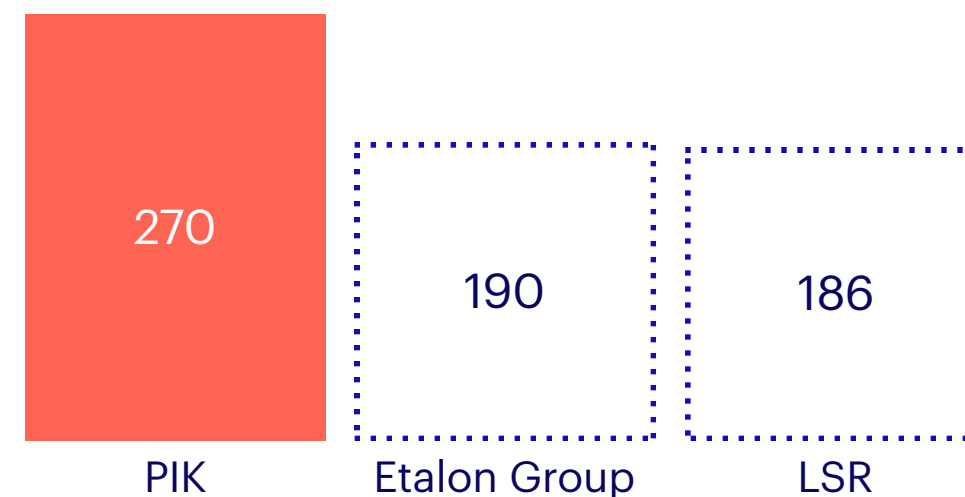
1. Bring continuous improvements, innovation and sustainability to the Russian housing sector serving a growing need for new high-quality apartments and a modern infrastructure.
2. Support and promote key national projects and Government initiatives for housing and urban development - the leading company in renovation construction delivering new homes under large-scale Moscow renovation program.
3. Carry out urban development projects of all sizes in economically important regions of Russia and focus on Moscow area with over 7 million sqm of housing currently under construction:
 - Supporting sustainable urban development in full compliance with the highest standards: PIK's projects are aimed at revamping neglected neighbourhoods to increase residential spaces within Moscow and other Russian cities
 - Using scale and innovation to deliver new housing at lower cost/affordable prices and to significantly shorten construction time period
 - With strong focus on social infrastructure in all projects (schools, kindergartens, modern playhubs) - significant social impact and strengthening local communities

High-quality sizable efficiently managed land bank

Pipeline of projects securing growth visibility on the back of the largest land bank among competitors

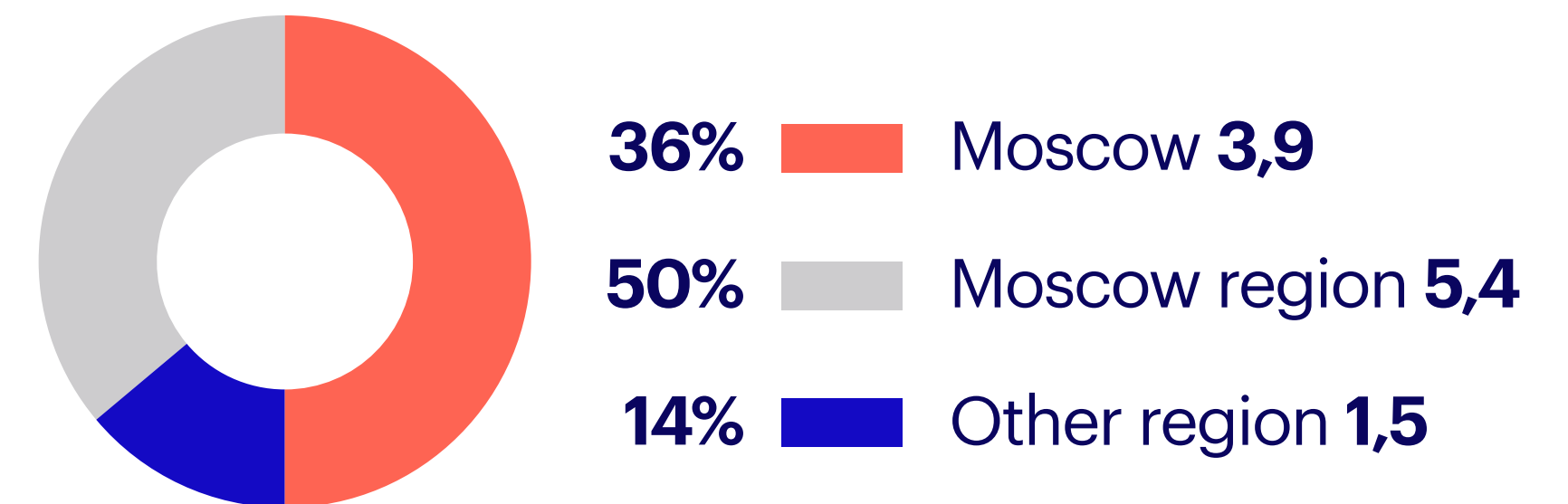
Major part of the land bank ca. 96% by value is located in MMA — the largest and most lucrative Real Estate market in the country
Efficiently managed land bank with fast turnover from sqm to RUB

The largest land bank among competitors, RUB bn

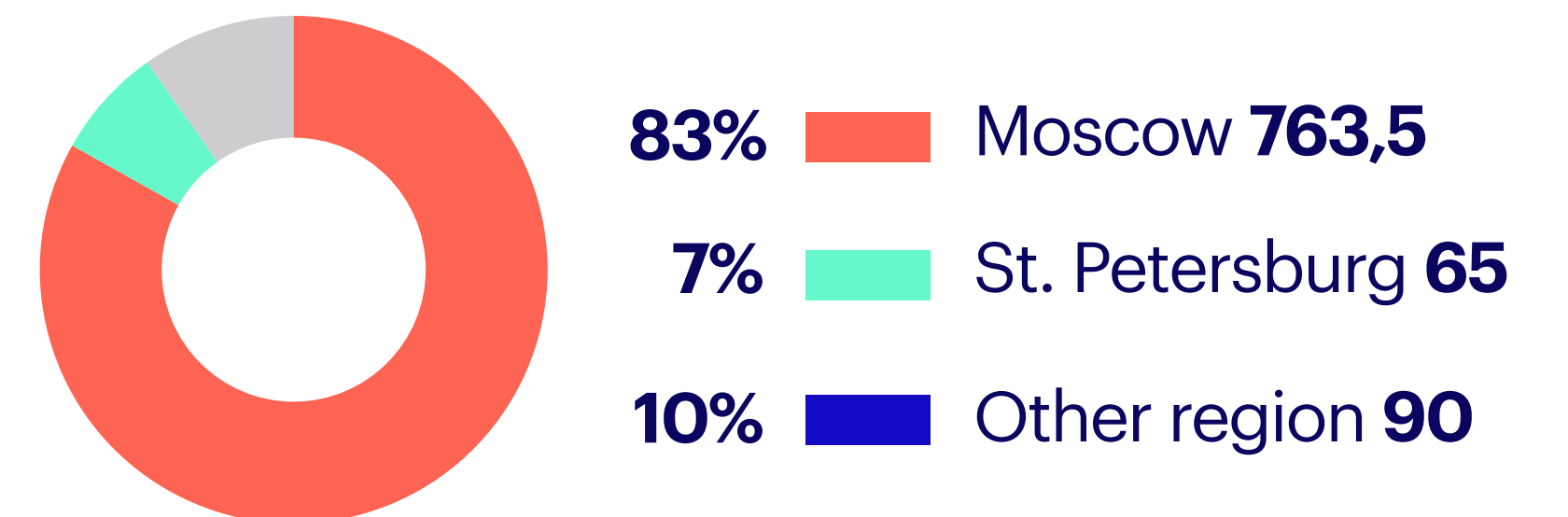


Proven ability to source land bank efficiently — given its large scale and real estate development track record PIK is the natural partner for landlords

Focus on Moscow Metropolitan Area
By unsold area, m sqm



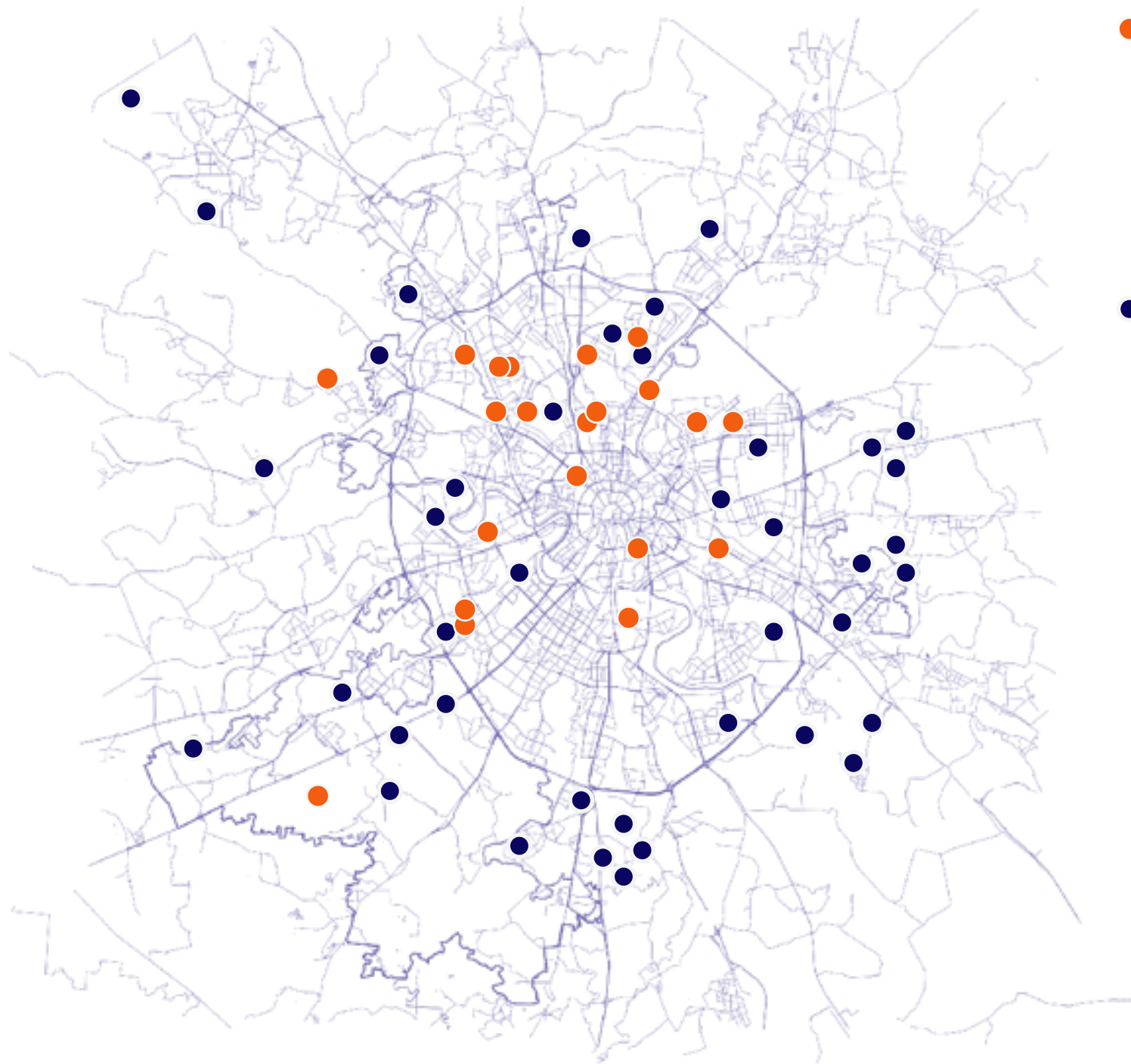
New Acquisitions in 2019, th sqm



Projects in Moscow and the Moscow region

The most lucrative real estate market in Russia

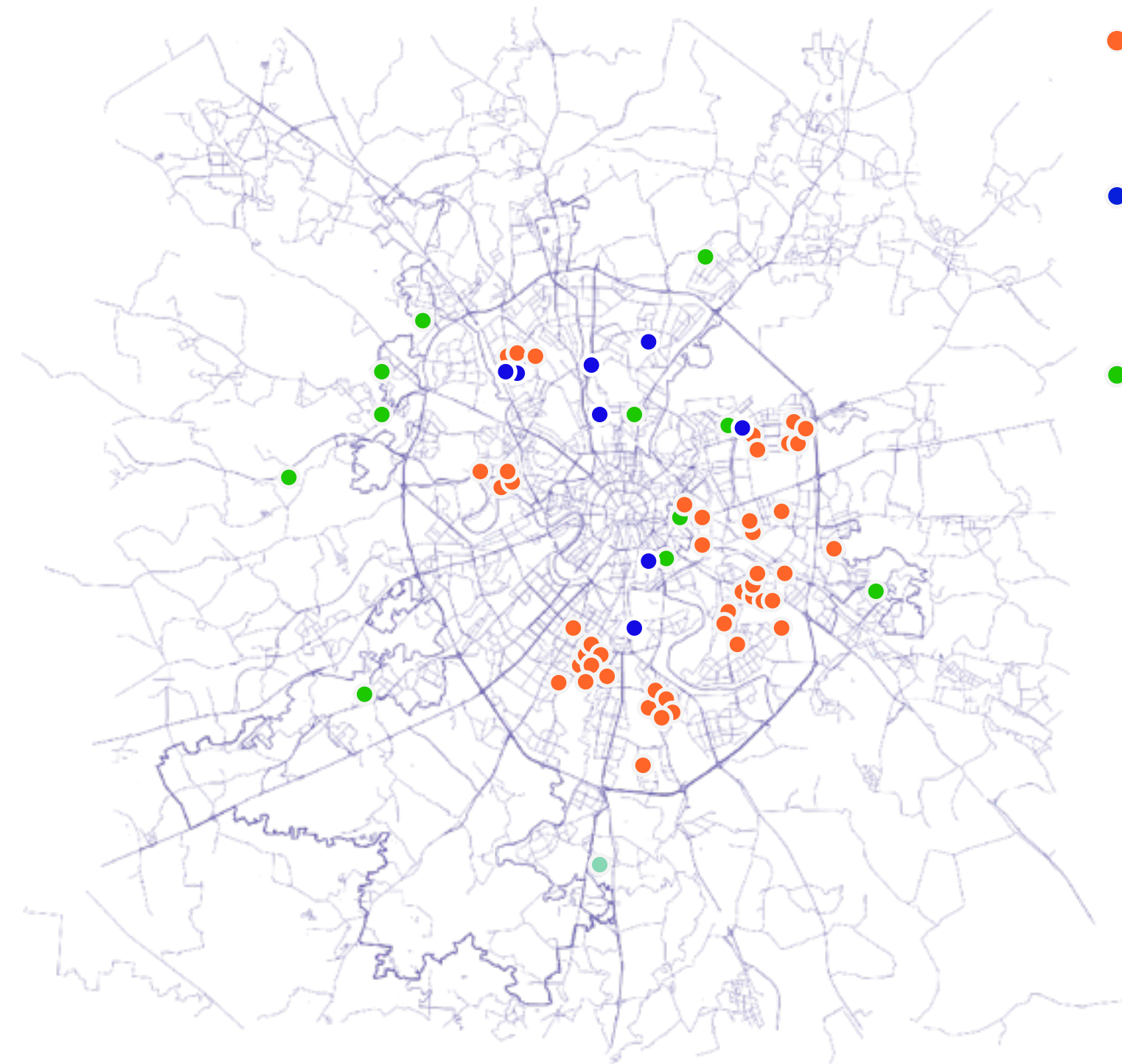
Housing development projects in Moscow



- New projects to be launched in 2020/2021
- Current projects

50+
projects

Construction projects in Moscow



- Renovation
- Fee-development
- Social infrastructure

PIK ConTech

Design-driven organization: leadership through technology and innovations

1. The only homebuilder in Russia with R&D department - **75** people and R&D budget **>5M** USD
2. In-house architecture bureau (**top 5** globally - **2000** architects) and construction capacities
3. Patent protected proprietary technologies: **15+** patents for architectural urban and IT solutions

PIK — true **Construction Technology** company: Strategic focus on establishing a best in class IT platform, digitalization of business processes and investments in start-up companies offering a full-range of real estate services:

1. Proprietary **SaaS platform** and **AEC** solutions for best-in-class project and business process management
2. Digitization of marketing, sales, customer relationship and other business processes to increase speed of construction, sales, cash flows. Transition to **100% online** sales
3. Proprietary **project financing platform** and strategic partnership with Russian leading financial institutions for mortgage offerings: facilitating seamless mortgage approval process ensuring market-leading speed of property purchase transactions

PIK becomes an ecosystem to disrupt traditional housing and construction markets leveraging a distinct first mover advantage, technological superiority and industry leadership

PIK ConTech. Capacity

1. Proprietary **modern production** of construction materials and structures
2. **Sustainability** and **high quality** at each stage
3. **Scale** and **technologies** driving operating and procurement **efficiency**

PIK operates 10 production facilities in Moscow and other Russian regions:

1. Production of concrete and reinforced concrete structures
2. Production of reinforcement mesh and cages
3. Casting reinforced concrete slabs
4. Production of small piece materials (paving blocks, kerbs, street furniture, Acotec panels)
5. Production of window units (the most advanced production line in Eastern Europe with annual capacity of over 300k windows, Top-4 production in Russia)
6. Bathroom pods production - annual capacity: 30 000 pods
7. Elevators of proprietary design along with switchboard equipment and IoT technology
8. RUBETEK - Modern production of wide-ranging innovative IoT products for smart home

In addition to its own production facilities PIK has established long-term partnerships with a broad base of leading suppliers and contractors to create flexible and adaptive ecosystem of suppliers and contractors that can scale up in a timely manner

PIK ConTech. Innovation and Growth

1. Continued focus on breakthrough industrial/construction technologies to allow for the shortest construction cycle, improved quality control, superior reliability and durability of housing to optimize future maintenance costs.
2. PIK researches and develops new initiatives in the construction technology that helps assemble houses as a set (room modules are manufactured at a plant and then delivered and installed at the construction site) - modular and off-site construction.
3. The largest in Europe bathroom pods production factory - more than 30K pods per year

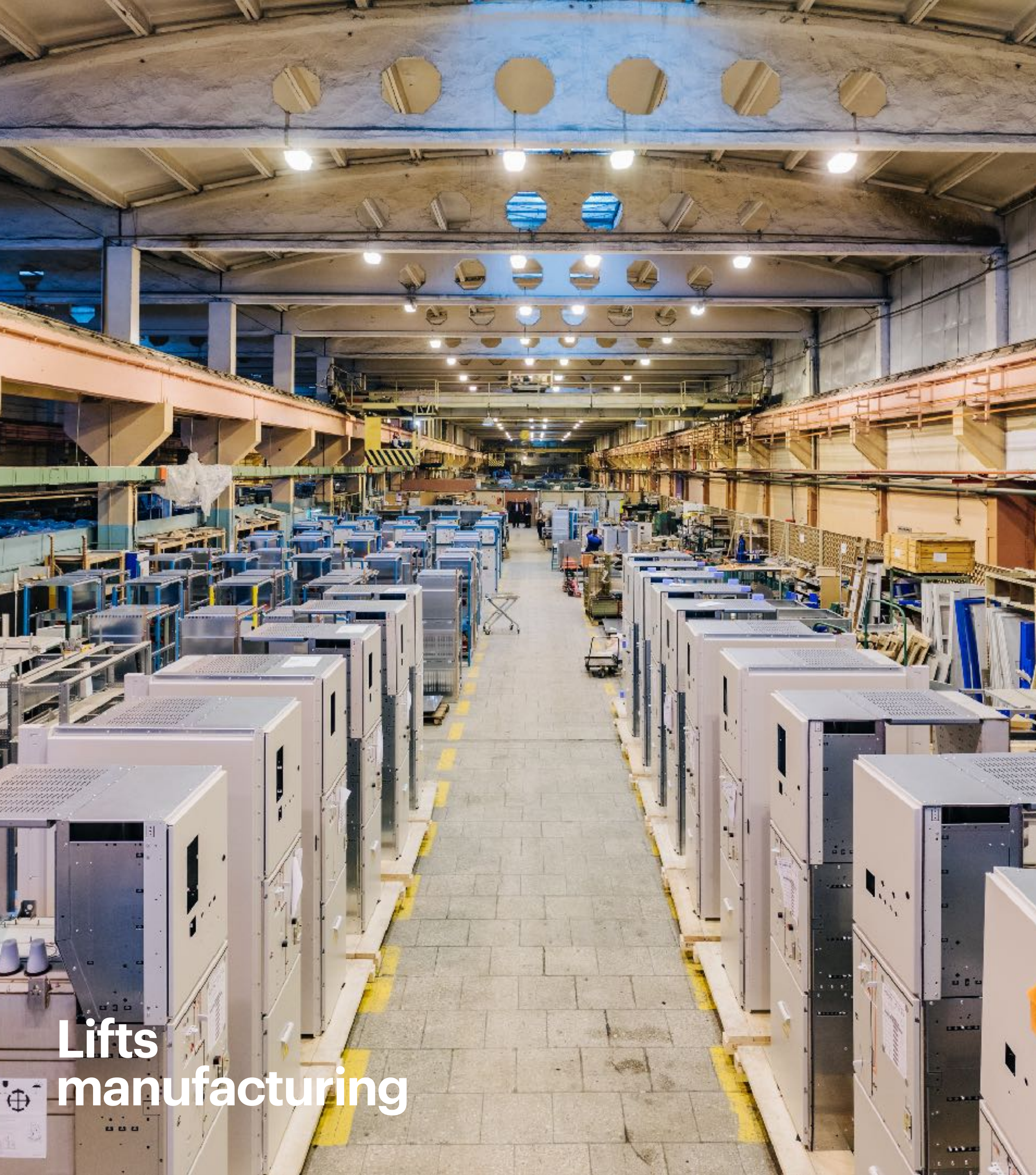
PIK plans to create production of modular houses with a production capacity of up to 300,000 sqm per year on Sakhalin. Prefabricated houses will be used in housing construction and infrastructure projects in the Far Eastern Federal District and South-East Asia



PIK Pre-fab factory



1.5M sqm annual capacity

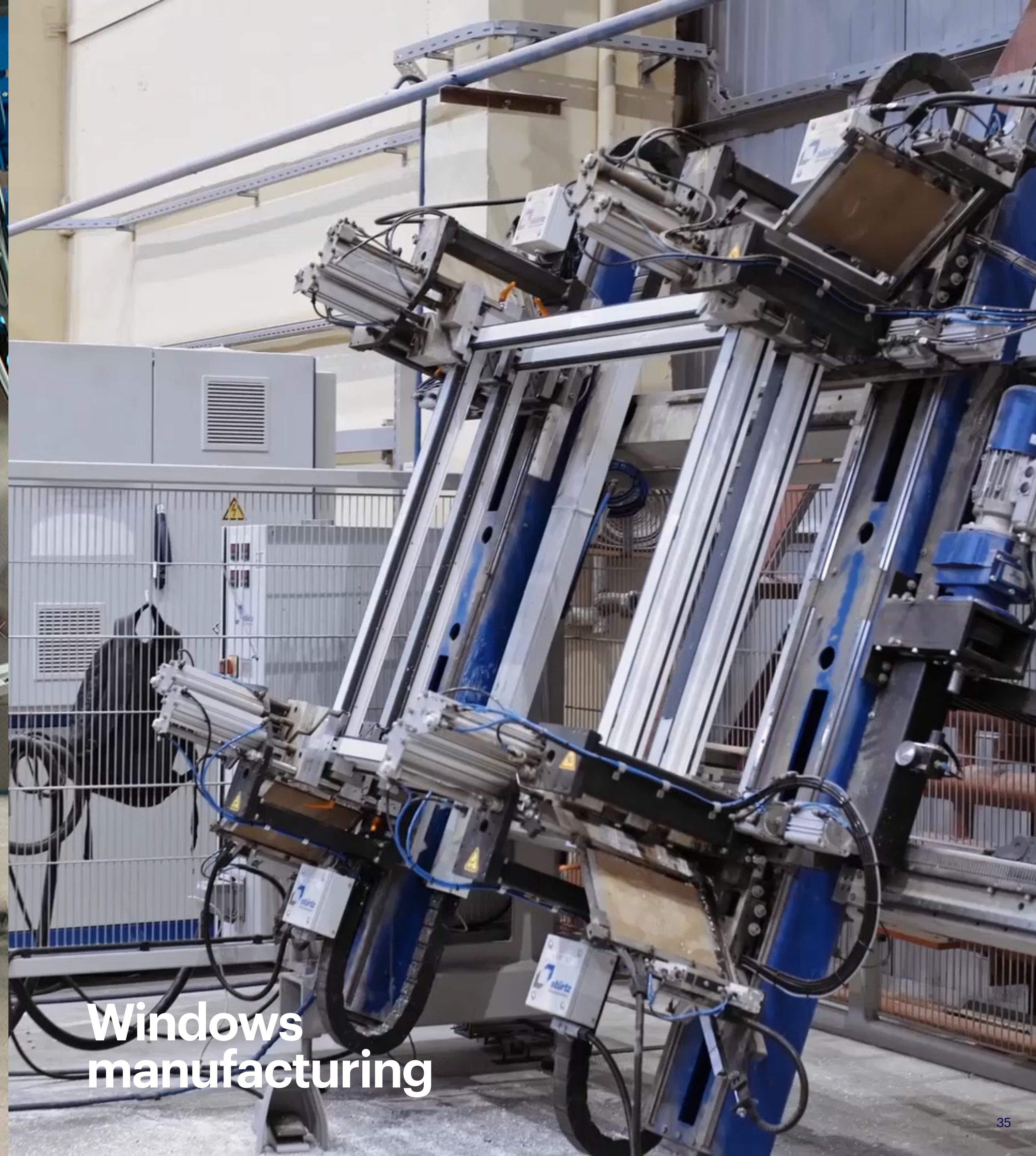


Lifts
manufacturing





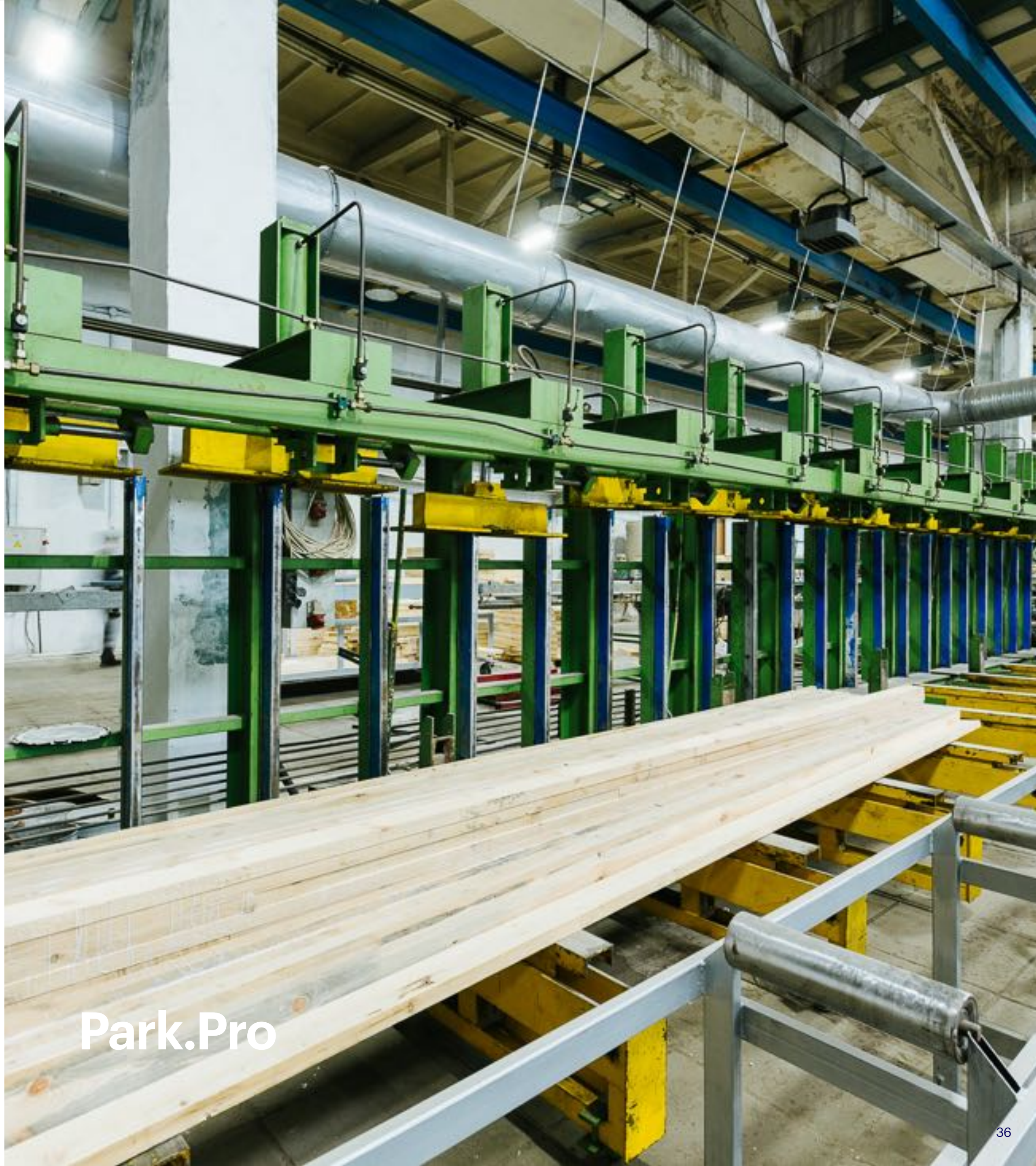
Doors
manufacturing



Windows
manufacturing



Bathroom pods production line



Park.Pro

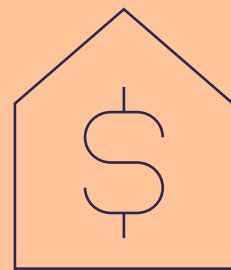
PIK PropTech Platform

The first disruption of traditional real estate markets

Unique platform for owners and tenants with full range of additional services - a customer-centric real estate ecosystem with significant growth opportunities

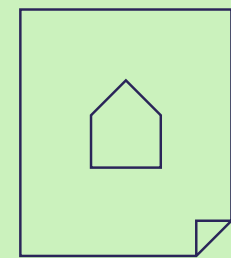
PIK-Broker

Full cycle service on primary housing market, buying and selling properties using own funds



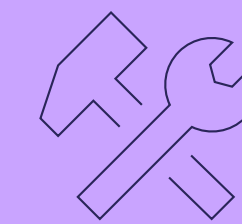
PIK-Rent

Digital platform for renting apartments: for tenants and owners



PIK-Refit PIK.Pro

On-demand refit and home improvements



PIK-Sales

Full cycle brokerage service on primary housing market



Housing related value-added services throughout real estate life cycle: Rent - Buy - Sell - Improve

Infrastructure for seamless launch of new verticals: financial and other complementary services - further expanding ecosystem to strengthen core customer proposition

Robust corporate governance with focus on sustainability



Aleksey Karpenko

Chairman of the Board of Directors
Senior partner of "Forward Legal" law firm since 2014



Alexander Varennya

Independent member of the Board of Directors
Senior Vice President at Da Vinci Capital



Ilya Balandin

Member of the Board of Directors
Director of Venture Investment Department of PIK



Yury Ilin

Member of the Board of Directors
Vice President for Capital Markets and Corporate Finance of PIK since 2018



Sergei Gordeev

Member of the Board of Directors
President of PIK since 2014



Aleksei Blarin

Independent member of the Board of Directors
General Director of Development Solutions Real Estate since 2008



Zumrud Rustamova

Independent member of the Board of Directors
Non-executive Director of MMK



Dmitriy Timofeev

Member of the Board of Directors
Vice President for Legal Affairs of PIK since 2018



Alexander Prygunkov

Member of the Board of Directors
First Vice President – Operational Director of PIK since 2017

Head of Committee
 INED

All committees chaired by INEDs

Audit Committee

Aleksei Blarin
Alexander Varennya
Yury Ilin

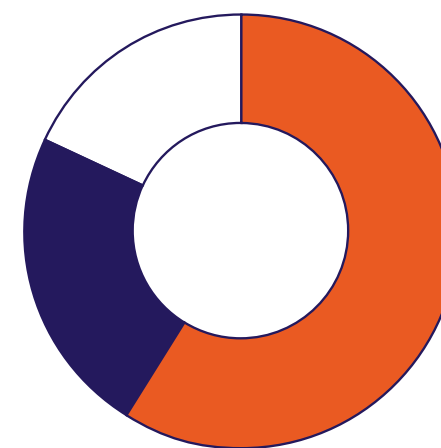
Personnel and Remunerations Committee

Alexander Varennya
Zumrud Rustamova
Aleksey Karpenko

Strategy Committee

Aleksei Blarin
Yury Ilin
Ilya Balandin

Shareholders' structure:



	Sergei Gordeev	59.33%
	VTB	23.05%
	Free float	17.62%

Experienced management team with track record in growth and operational efficiency

Experienced management team with strong track record

Sergei Gordeev
President
20+ years in industry

Elena Smakovskaya
Vice President
Financial Director
10+ years in industry
20+ years in finance

Dmitry Timofeev
Vice President
for Legal Affairs
20+ years in legal sector

Yury Ilin
Vice President for Capital
Markets and Corporate
Finance
15+ years in industry

Andrey Lysukho
Vice President for HR
15+ years in HR

Sergey Fuksman
IT Director
8+ years in IT

Focus on sustainability

1. PIK is a responsible residential real estate developer focused on maintenance of robust environmental, social and governance practices and aims to adhere to international ESG standards
2. The Company strategy is to contribute to sustainable social development providing modern housing solutions and infrastructure to population
3. Strict compliance with environmental requirements is of utmost importance for PIK

ConTech & Design

Stanislav Kondratyev
Senior Vice President
Head of ConTech
5+ years in industry

Andrey Kalinovsky
General Director of
PIK-Industries
30+ years in industry

Denis Ivakin
Vice President
Director of design
department
6+ years in industry

Development and construction

Ivan Polandov
Senior Vice President,
Real Estate Development
15+ years in industry

Aleksey Almazov
Vice President
for Regional development
15+ years in industry

Maxim Yakusheckin
Senior Vice President, General
Construction Services
15+ years in industry

PropTech and Sales

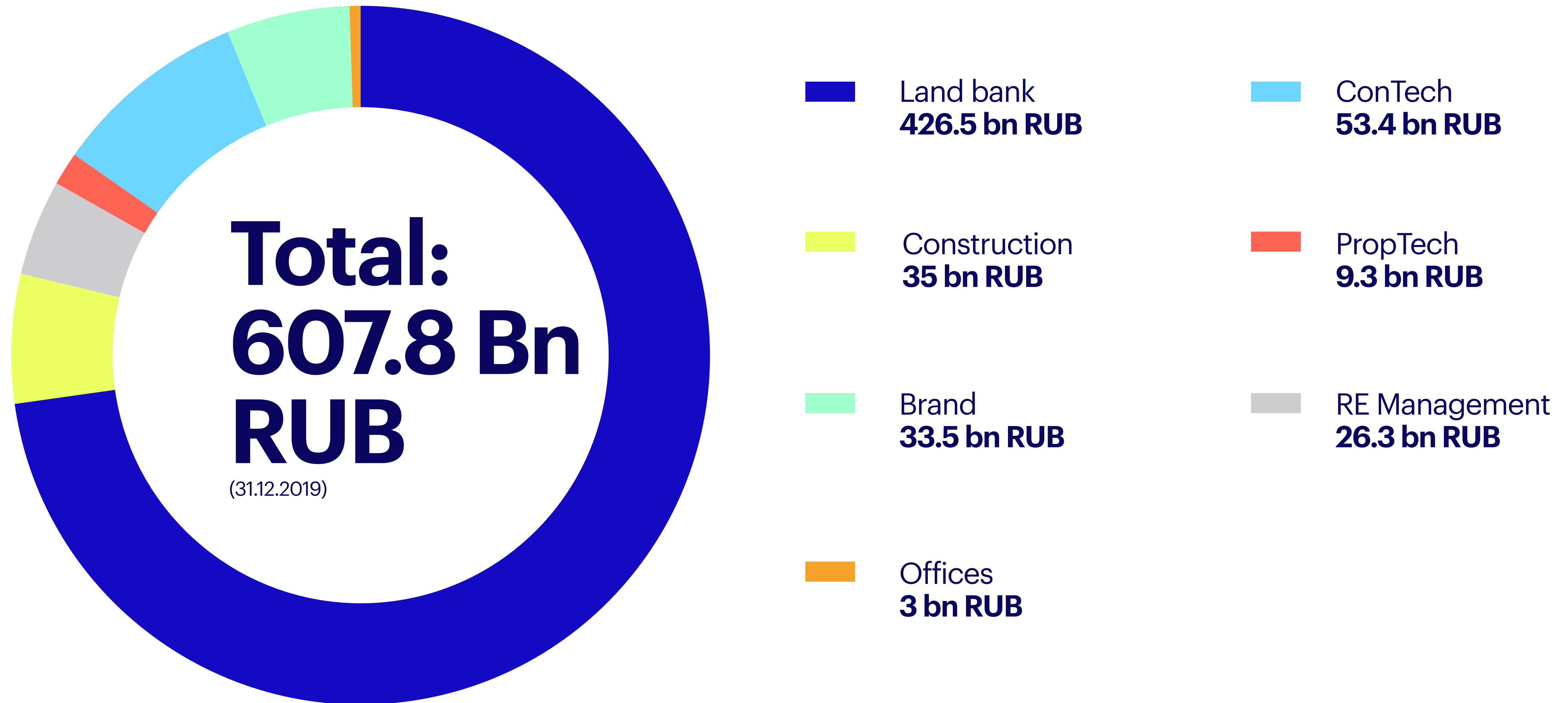
Gennady Rosso
Senior Vice President,
PropTech and Sales
8+ years in industry

Maintenance & Utilities

Vyacheslav Borisenkov
Vice President for
Utilities Division
15+ years in industry

Sergey Rubtsov
Head of Maintenance Division
15+ years in industry

Assets portfolio overview



Source: CW, company data

PIK vs. competitors

#1 positioning among competitors	PIK	LSR	Etalon Group
Target segment	Mass-market Business	Mass-market Business Elite	Mass-market Business
Federal player ¹	9 regions	3 regions	2 regions
Portfolio value (RUB bn)	426	186	190
Total land bank (m sqm)	11.1	7.8	7.8
New contract sales 2019 (RUB bn)	223	93.0	68.7
New contract sales 2019 (th. sqm)	1,836	920	628
Market Cap (US\$ bn) ³	4	1	0.4
Integrated business model	✓	✓	✓
Prefab capacity (m sqm)	1.5	0.6	n/a
Area under management (in m sqm)	50	n/a	5
Add-on services	Maintenance Rent Other Value Added Services	✗	41 Maintenance

Competitive Advantages

1. Largest player in the Russian real estate market with nationwide presence
2. Marketshare in Moscow >25%
3. Resilient to economic downturns due to diversified business model and strong customer base
4. Vertically integrated products and services resulting in reduced costs, improved quality control and shorter construction cycle
5. Strong and sustainable cash flows to maximize shareholder value
6. Innovative construction technology platform for the real estate industry

Appendix

05

PIK Standard

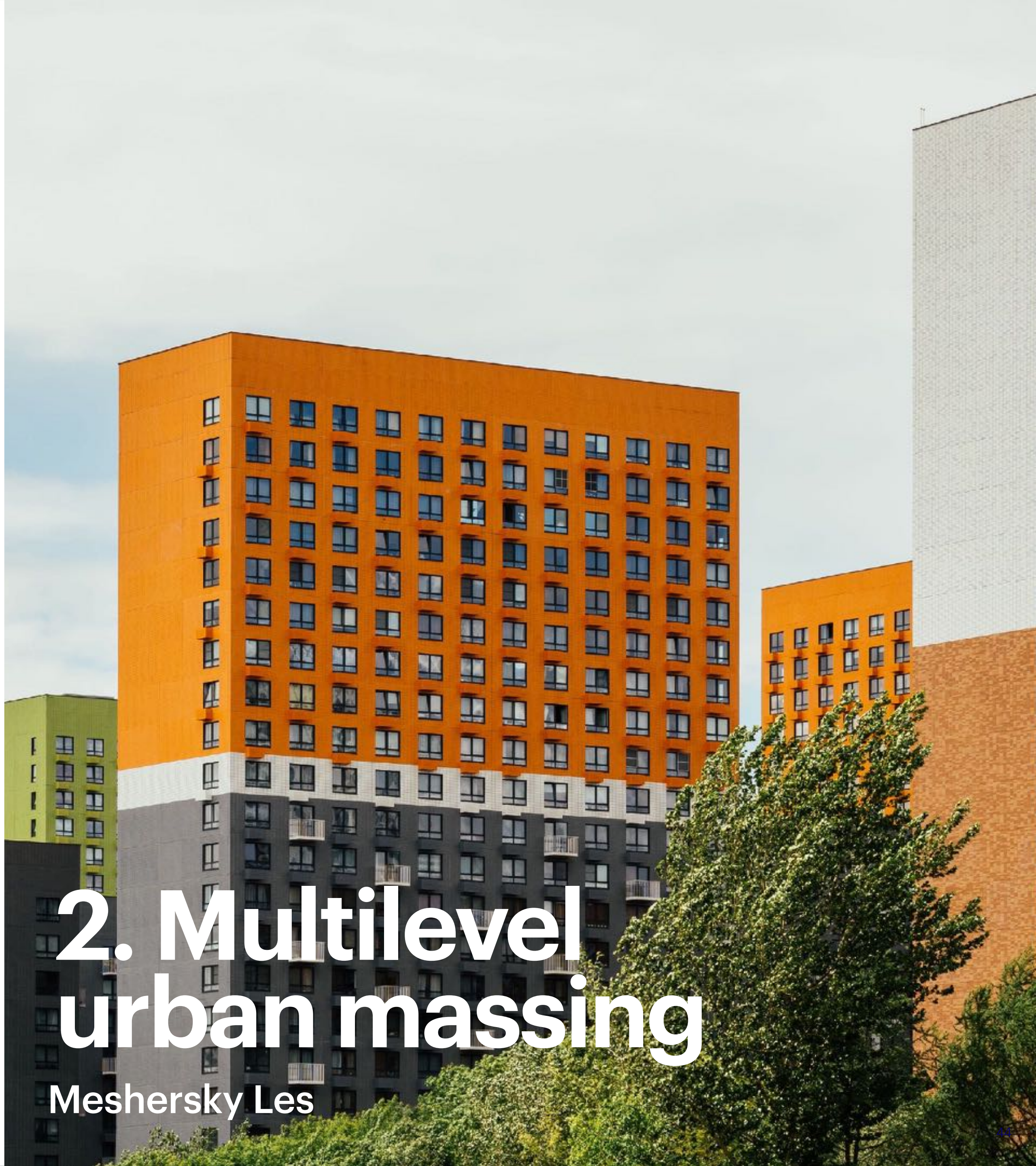
Breakthrough
in housing market:
PIK Standard — modern
philosophy in residential
neighborhood creation

1. Comprehensive masterplan
2. Multilevel urban massing
3. Courtyard-parks
4. Pedestrian friendly areas
5. Play & Sport hubs
6. Organized parking
7. Schools and kindergartens
8. Entrance at ground level
9. Variety of layouts
10. Panoramic windows
11. Fully finished apartments
12. Diverse architecture and durable facades



1. Comprehensive masterplan

Buninskie Luga



2. Multilevel urban massing

Meshersky Les



3. Courtyard parks without cars

Green Park



4. Pedestrian friendly areas

Buninskie Luga



5. Play- & Sport-hubs

Buninskie Luga



6. Organized Parking

Meshersky Les



7. Schools and kindergartens

Buninskie Luga

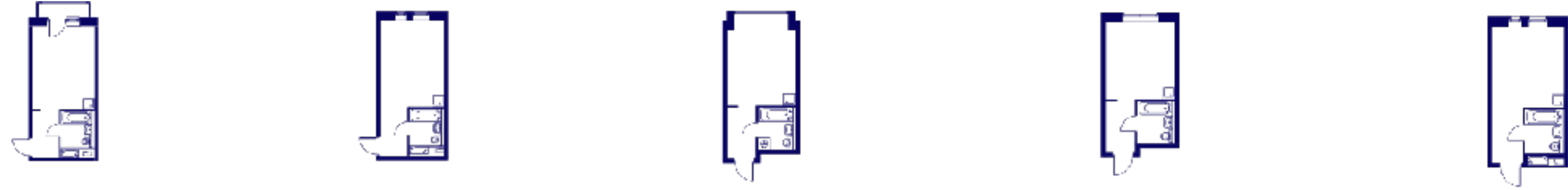


8. Entrance at ground level

Meshersky Les

9. Variety of layouts

Studio
10 options



1 bedroom apartment
60 options



1+ bedroom apartment
154 options



2 bedroom apartment
65 options



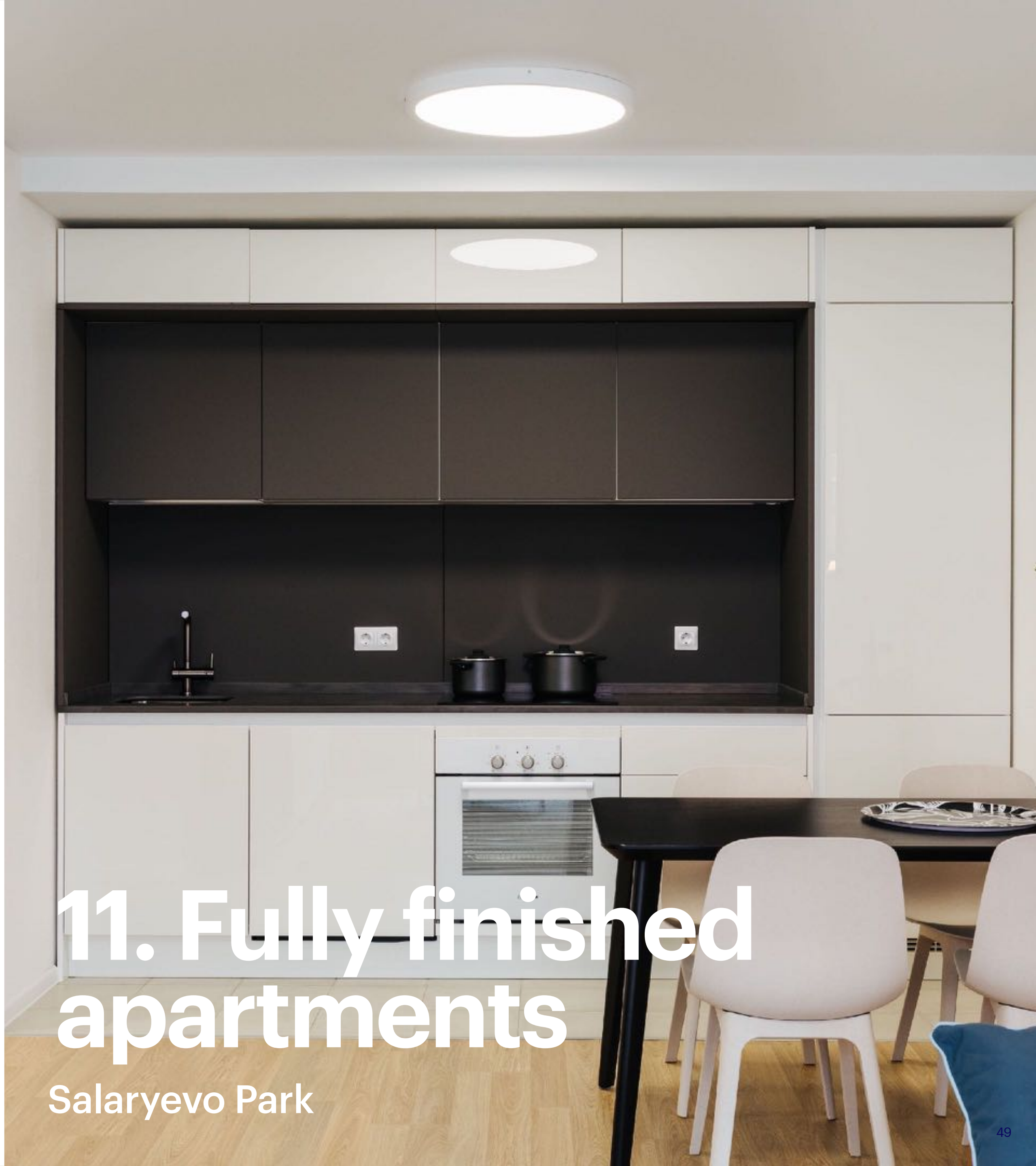
3 bedroom apartment
77 options





10. Panoramic Windows

Buninskie Luga



11. Fully finished apartments

Salaryevo Park



12. Diverse architecture and durable facades

Vander Park

Selected projects



1. Mass-market housing



Meschersky Les

- Residential, comfort-class development occupying an entire block in West Moscow
- Minimalist architecture is distinguished by colorful facades and various layouts of apartments
- The project infrastructure includes two schools, two kindergartens and several above-ground parking lots
- Courtyards are picturesque and commercial shops and cafes are open on the first floors of the housing complexes
- Next to the apartment complex are clinics, supermarkets, shopping center and the hypermarket OBI

2

kindergartens

2

schools

900_{sqm}

skatepark

1000_m

boulevard
on territory

5_{min}

to Govorovo
metro station

10_{min}

to Skolkovo station

Completion year

2024

Number of units

5 821

Gross Floor Area
(GFA)

379 840 sqm

Gross Sellable Area
(GSA)

342 703 sqm





Buninskie Luga

- Residential comfort-class neighborhood in the new Moscow District, surrounded by ponds and forest areas
- Infrastructure includes residential buildings of different design, two schools, five kindergartens and medical facilities
- Pedestrian boulevard with cycling lanes, sport fields and quiet places of rest
- Mega shopping malls, Globus, Ashan, OBI, IKEA store and sports complex with swimming pool are a short drive away

5

kindergartens

2

schools

1

medical centre

20 min

walk to Buninskaya Alleya metro station

1

Play-hub on territory

1

Play-hub on territory

Completion year

2026

Number of units

12 712

Gross Floor Area (GFA)

983 886 sqm

Gross Sellable Area (GSA)

877 826 sqm





Green park

- Brand-new monolithic masterplan located in the prestigious, well-developed Ostankino district
- Architecture designed to increase natural light of the residential complexes and create a clear visual identity
- Kindergarten and school facilities created by famous architect, Dominique Coulon Studio
- Pedestrian alley with sport fields, children play-hubs, relaxation areas located in the central square
- Nearby to hypermarkets Auchan, Karusel, Europoli and 10 minutes to metro stations and botanical gardens

3

kindergartens

1

school

1

medical centre

1

multi-level parking

20_{min}

to Moscow city centre

10_{min}

to Main Botanical Garden

Completion year

2023

Number of units

5 687

Gross Floor Area (GFA)

448 624 sqm

Gross Sellable Area (GSA)

371 256 sqm





Salaryevo Park

- A comfort-class Transit Orientated Development (TOD) located three kilometers from MKAD on the Kiev highway
- Green parks are equipped with sports fields and relaxation areas
- Unique origami children's playground with a stream, slides and green areas
- Major brand department and food stores nearby include RIO, Metro Cash and Carry and Leroy Merlin
- The Ulyanovsk Forest Park is within walking distance of the area and Rummyantsevo is a five-minute drive away

12

kindergartens

6

schools

1

pedestrian boulevard
Salaryevo-Filatov Lug

1

Play-hub Origami

5 min

to Ulyanovkiy
forestpark

5 min

to Salaris Shopping Mall

Completion year

2026

Number of units

13 824

Gross Floor Area
(GFA)

1 562 254 sqm

Gross Sellable Area
(GSA)

1 462 833 sqm





Chernyakhovsky 19

- The residential complex is in a prestigious area of Moscow near the Timiryazev Forest Park
- The project includes a school, kindergarten, three-story sports and wellness complex, and underground parking. On the first floors of the houses are shops, beauty salons and cafes
- Landscape was developed by the well-known British landscape architectural firm Gillespies
- The Airport metro station, Graduate School of Economics and VTB Arena are a 10-minute walk away and the road to the center of Moscow by car takes 15 minutes

1

kindergartens

1

school

1

GYM

10_{min}

to Aeroport metro station

15_{min}

to the city center

10_{min}

to Timiryasev park

Completion year

2023

Number of units

1 094

Gross Floor Area (GFA)

90 454 sqm

Gross Sellable Area (GSA)

81 667 sqm





2. Middle segment



Zapadny Port

- Modern residential complex being built in a prestigious district on the banks of the Moscow River, 5 minutes on foot from the Fili metro
- The project includes three residential blocks with underground parking and two kindergartens
- Residents will be able to walk around the Fili Park, as well as on their own landscaped embankment overlooking the business center of Moscow City
- The Fillon Entertainment Centre and one of the capital's largest shopping and entertainment centres, Afimall City, are within walking distance

2

kindergartens

HVAC

system by ventilation machines

15_{min}

to the city center by car

20_{min}

to Fili park

5_{min}

to Fili metro station

Completion year

2024

Number of units

2 787

Gross Floor Area (GFA)

234 757 sqm

Gross Sellable Area (GSA)

223 862 sqm





Vander park

- Luxury residential complex with modernist layouts and a distinct identity in the Moscow skyline
- Development was designed by international de Architekten Cie and has recognizable style of dutch architecture displaying a variety of geometric forms and facades
- Courtyard designed by leading Dutch studio West 8 with direct access to canal walkways
- Smart fitness facilities, swimming pool, recovery area, Finnish sauna, hammam and integrated wellness amenities for residents
- Nearby schools and kindergartens, as well as famous national sports facilities including: rowing channel, ice palace, Olympic cycle track, ski school, equestrian center and golf club are next door

15_{min}

to the some of the largest parks like Krylatskie hills

15_{min}

to Mountain skiing school

5_{min}

to metro station Molodezhnaya

Completion year	Number of units	Gross Floor Area (GFA)	Gross Sellable Area (GSA)
2018	879	81 406 sqm	1 574 sqm





Vavilova 4

- The prestigious housing complex was developed by the international architectural firm, Aukett Swanke, located in upmarket Donskoy area in Moscow
- Bold design approach with spacious floor-to-ceiling windows allow for panoramic views of Moscow
- The area has developed infrastructure including: schools and kindergartens, shopping malls and a notable equestrian school
- Nearby are the embankment of the Moscow River, Sparrow Mountains, the Academy of Sciences and numerous boulevards.

4.2 m

panoramic glazing
at height

5.5 m

celing height

20_{min}

to the city
center by car

10_{min}

to Neskuchny
Garden

Completion year

2019

Number of units

301

Gross Floor Area
(GFA)

35 477 sqm

Gross Sellable Area
(GSA)

606 sqm



