

# FINANCIAL RESULTS 1H 2022



Progressive urban solutions





Progressive urban solutions

As at 30.06.2022

**24**

Completed projects

**2,6** mln sq m

put into operation

**1,9** mln sq m

under design and  
construction stage

A-(RU) ruA-  
A-|ru|

high credit ratings

Progressive urban solutions

# PROJECTS

As at 30.06.2022

⤴ The area of objects under construction

**487** thnd sq m

⤴ The area of objects at the design stage

**1 421** thnd sq m

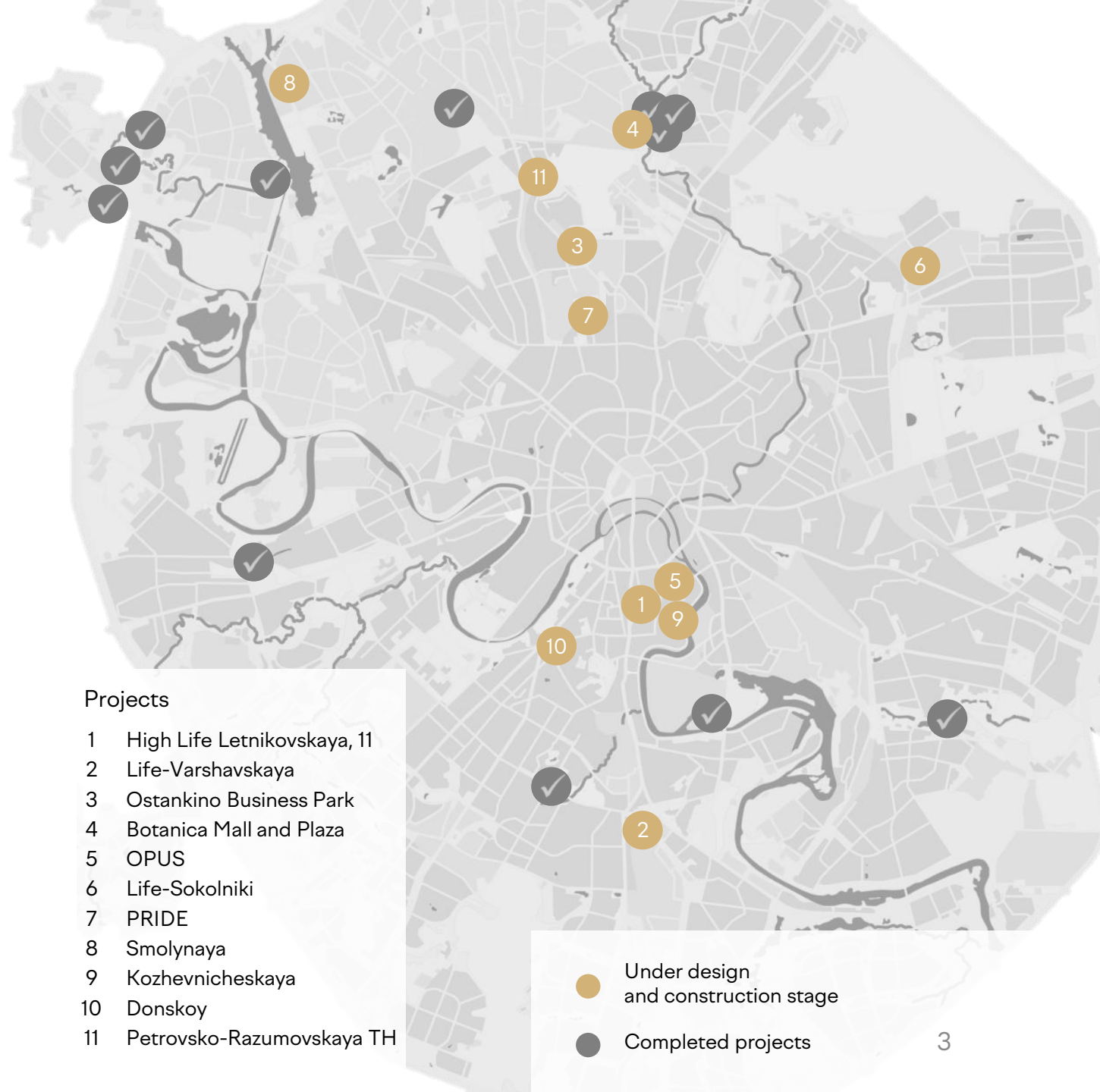
⤴ The area of completed objects

MOSCOW

**1 859** thnd sq m

SAINT-PETERSBURG

**751** thnd sq m



## Projects

- 1 High Life Letnikovskaya, 11
- 2 Life-Varshavskaya
- 3 Ostankino Business Park
- 4 Botanica Mall and Plaza
- 5 OPUS
- 6 Life-Sokolniki
- 7 PRIDE
- 8 Smolynaya
- 9 Kozhevnickeskaya
- 10 Donskoy
- 11 Petrovsko-Razumovskaya TH

- Under design and construction stage
- Completed projects

# FINANCIAL RESULTS

According to the IFRS consolidated interim financial statements of the Group



**2,5**  
billion  
rubles  
Gross profit

**6,6**  
billion  
rubles

**23%** 36%  
Gross margin

**1,8**  
billion  
rubles  
EBITDA

**5,0**  
billion  
rubles

**16%** 27%  
EBITDA margin

**0,3**  
billion  
rubles  
Net profit

**3,1**  
billion  
rubles

**3%** 17%  
Net margin

Revenue

**11,0**  
billion  
rubles

**18,5**  
billion  
rubles

30.06.2022

31.12.2021

Net  
assets

**17,0**  
billion  
rubles

**22,5**  
billion  
rubles

# REVENUE

According to the IFRS consolidated interim financial statements of the Group

## 1 half of 2021

Project	1H 2021	30.06.2021	30.06.2021
	Revenue, billion rubles	Percentage completion, %	% sales completion
Life-Varshavskaya 2	6,7	🟡	🟢
Life-Kutuzovsky	4,3	🟢	🟢
Life-Varshavskaya 1	2,4	🟢	🟢
YE'S Botanica	1,5	🟢	🟢
Technopark	1,3	🟡	🟡
Life-Botanichesky sad 2	0,9	🟢	🟢
Ostankino Business Park	0,1	🟠	🟠
Life-Varshavskaya 3	-	🟠	🟠
High Life Letnikovskaya, 11	-	🟠	🟠
Other	1,3		

## 1 half of 2022

Project	1H 2022	30.06.2022	30.06.2022
	Revenue, billion rubles	Percentage completion, %	% sales completion
Life-Varshavskaya 2	2,7	△ 🟢	🟢
Life-Kutuzovsky	0,8	🟢	🟢
Life-Varshavskaya 1	1,5	△ 🟢	🟢
YE'S Botanica	0,1	🟢	🟢
Technopark	0,8	🟢	🟡
Life-Botanichesky sad 2	0,2	🟢	🟢
Ostankino Business Park	2,0	🟠	△ 🟡
Life-Varshavskaya 3	2,2	△ 🟠	△ 🟡
High Life Letnikovskaya, 11	0,3	🟠	🟠
Other	0,4		

🟢 Projects with high completion stage/high sales completion (>80%)

🟡 Projects with medium completion stage/medium sales completion (41%-80%)

🟠 Projects with low completion stage/low sales completion (<41%)

△ The change of percentage completions or sales completion as at 30.06.2022 comparing to 31.12.2021 was more than 10%

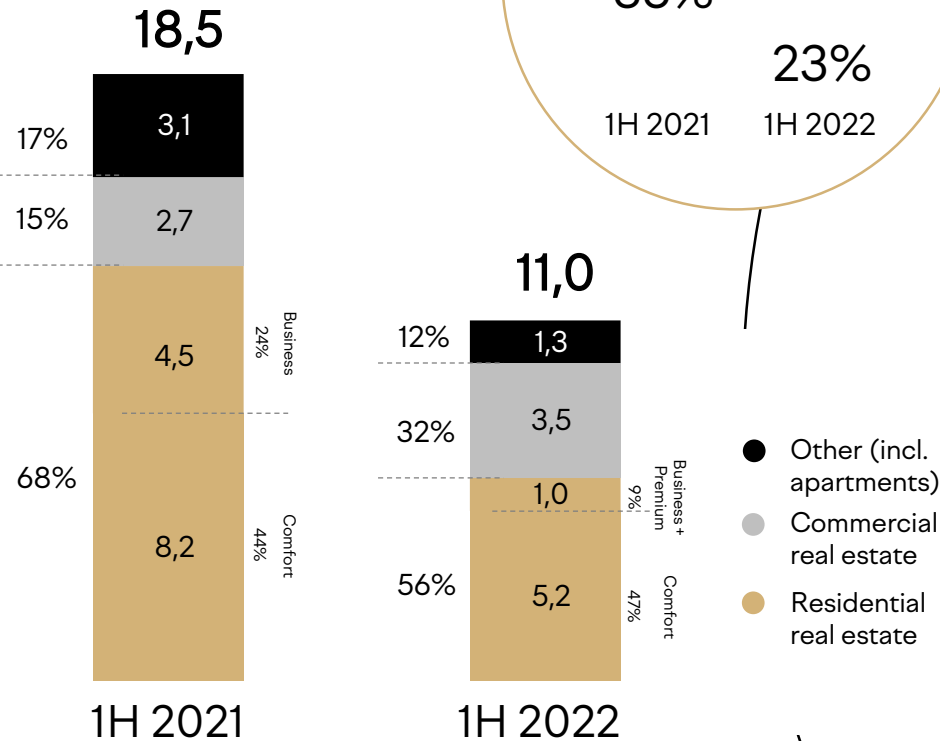
- ✓ In most cases the Group recognizes revenue under IFRS depending on project's percentage completion.
- ✓ In the 1<sup>st</sup> half of 2021 the biggest share of revenue was revenue from high completion level (>80%), that according to IFRS allows to recognize revenue in more volume than from low percentage completion projects. Most of this projects had sales completion level (percentage of sold volume in meters of total meters for sale) as at 30.06.2021 above 95%.
- ✓ In the 1<sup>st</sup> half of 2022 41% of IFRS revenue was revenue from low percentage completion projects, wherein high percentage completion projects (that allow recognize revenue at more level) were almost totally sold during 2021. The best-selling projects of 1<sup>st</sup> half of 2022 are those that received permit for construction in the middle-end 2021 and due to low percentage completion as of 30.06.2022 were generating revenue in less volume.
- ✓ **22** billion rubles Revenue that is expected to be recognized in the future under contracts registered as of June 30, 2022
- ✓ Additional impact on decrease in revenue in the 1<sup>st</sup> half of 2022 comparing 1<sup>st</sup> half of 2021 was sales decrease in March - June 2022.

# REVENUE AND GROSS MARGIN

According to the IFRS consolidated interim financial statements of the Group

## REVENUE BY TYPES

billion rubles



## COMMERCIAL REAL ESTATE

- At the end of 2018 the Group decided to diversify business and increase its presence in the commercial real estate market. In 2020 were started sales of offices in the following projects: Ostankino Business Park, Multifunctional center YE'S Technopark, in 2021 sales of offices in Plaza Botanica were launched. In the 1<sup>st</sup> half of 2022 the share of revenue from commercial real estate increased more than double up to 32% (comparing 15% for the same period of 2021).

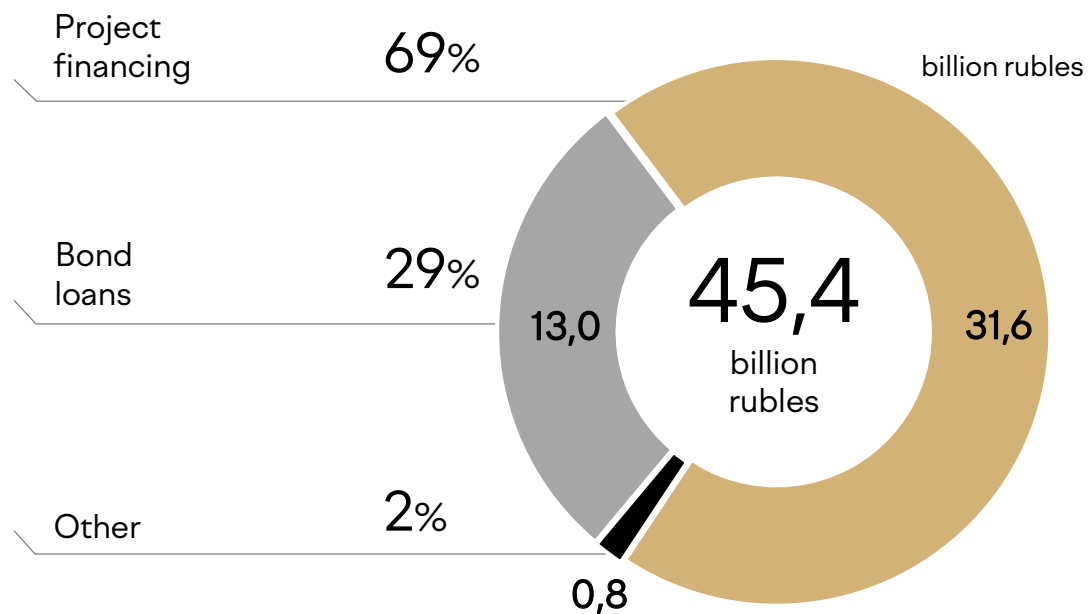
## RESIDENTIAL REAL ESTATE

- In the 1<sup>st</sup> half of 2022 the biggest share of IFRS revenue was revenue from low percentage completion projects that received permit for construction in the middle-end 2021. Gross margin at initial stage of a project is less and increases with extension of percentage completion.
- Main volume of high-profit margin project (business class) was sold until the end of 2021 which combined with high completion level as at 30.06.2021 led to recognizing of major part of revenue from these projects in 2021. The biggest share Comfort-class projects accounted for the largest share of revenue in the 1<sup>st</sup> half of 2022: Life-Varshavskaya 2 and Life-Varshavskaya 3.
- Factors mentioned above impacted significantly on the gross margin of the 1<sup>st</sup> half of 2022.

# DEBT

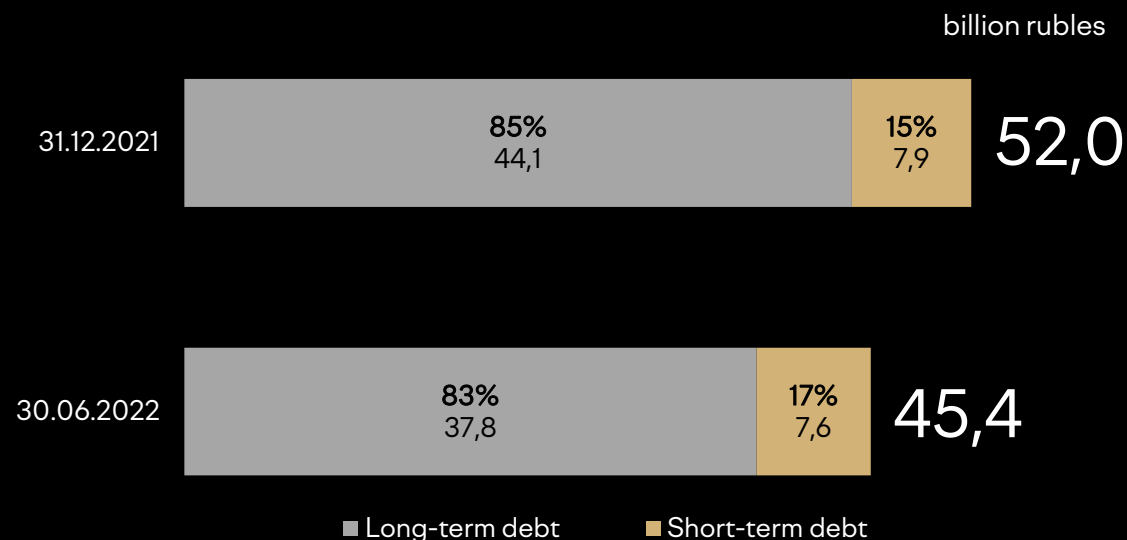
According to the IFRS consolidated interim financial statements of the Group

## TOTAL DEBT STRUCTURE as at 30.06.2022



In the 1<sup>st</sup> half of 2022 the Group repaid its corporate loan, therefore as at 30.06.2022 corporate debt of the Group consists only of bond loans.

## TOTAL DEBT STRUCTURE BY MATURITY



# DEBT LOAD

According to the IFRS consolidated interim financial statements of the Group

## NET DEBT

billion rubles	31.12.2021	30.06.2022
Corporate debt (incl. bond loans)**	17,0	13,0
Project financing	34,0	31,6
Other	1,0	0,8
<b>Total debt</b>	<b>52,0</b>	<b>45,4</b>
Cash	6,0	4,5
Escrow balances	44,1	27,9
<b>Net corporate debt*</b>	<b>11,0</b>	<b>8,5</b>
<b>Net debt*</b>	<b>1,9</b>	<b>13,0</b>

\* Net corporate debt = corporate debt – cash  
Net debt = total debt – cash – escrow balances

\*\* As at 30.06.2022 corporate debt consists only of bond loans

## DEBT LOAD

### Net corporate debt/EBITDA LTM

31.12.2021 30.06.2022

1,1x → 1,2x

- ✓ Debt load index by net corporate debt as at 30.06.2022 remained at comparable level.

### Net debt\*/EBITDA LTM

31.12.2021 30.06.2022

0,2x → 1,8x

- ✓ Due to increasing of project at the initial stage or at the design stage in the Group's portfolio and the fact that escrow balances of these projects do not yet exceed received project financing amounts debt load index by net debt as at 30.06.2022 increased comparing to 31.12.2021.



# SALE OF ASTORIA PROJECT (USA)

- Due to increasing sanction pressing and associated risks the Group has decided to sell of a subsidiary LLC Astoria West Common Member (USA), which held 52% in LLC Astoria West JV joint venture running project in USA.
- As a result of the deal was held in April 2022 profit before income tax from selling of share in the subsidiary was 1 018 million rubles and was reflected in the Profit and loss statement of the Group at the line named "Income from the sale of a subsidiary".

**66,7**

million US dollars

The amount received in USA by the Group as a result of the deal (5 422 million rubles equivalent).

**1 018**

million rubles

Profit before income tax on disposal of the subsidiary.

- Due to existing cross-abroad money transfers restrictions, disconnection of number of Russian banks from SWIFT-system and other potential risks the Group has decided to distribute cash received in USA from the sale of the subsidiary to the shareholder. Taking into account the exchange rates at the date of transactions the total amount of cash received was 4 210 million rubles.



# FINANCIAL STABILITY

Due to the current market situation caused by sanction against Russian Government as well as big financial institution and other enterprises and individuals in Russia, imposed by United States of America, European Union and some other countries, **the Group evaluated its finance stability and doesn't detect any uncertainty in its ability to operate as a going concern for the foreseeable future.**

1

The Group operates in the Russian market mainly with Russian suppliers and customers, and therefore the sanctions imposed do not have a significant impact on the Group.

2

The Group receives funds from customers only after completion of construction and disclosure of escrow accounts, therefore, in case of a temporary decrease in demand for unfinished real estate, it will not have a significant impact on the Group's liquidity position in 2022 – such facilities, where the disclosure of escrow accounts will take place in 2022, are mainly sold out as of June 30th, 2022. The rest of the facilities will be completed and escrow accounts will be disclosed in 2023-2026.

3

As of June 30, 2022, the Group has resources in the amount of RUB 58.8 billion: cash and cash equivalents in the amount of RUB 4.5 billion and an unused limit of credit lines in the amount of RUB 54.3 billion.

4

Based on internal analysis and prepared cashflow forecast the Group believes that it will be able to operate as a going concern for the foreseeable future and Group will not need additional financing to settle its financial obligations.

5

The Group doesn't experience any issues in operations with banks subject to sanctions.

6

The construction of the current projects is going according to approved schedules, all necessary materials are supplied to the construction fields. The Group are in actively searching of new suppliers of analogue components to replace those that have left the Russian market.

# HIGHLIGHTS 1H 2022

## Ostankino Business Park

Pioneer Group started construction works on 6<sup>th</sup> building of 3<sup>rd</sup> phase of Ostankino Business Park project.

## LIFE-Varshavskaya

In January 2022 3 section of Life-Varshavskaya 2 were put into operation. Gross area of commissioned section is 159 thnd sq m.

## TOP-4

Pioneer Group took the 4<sup>th</sup> place by commissioning volume since the beginning of 2022 in Moscow (by ERZ ranking).

## Leaders of the market

According to RBK Pioneer Group became the leader among Russian developers in the office real estate segment. The volume of sales of office real estate in 2020-2021 in physical and value terms, the area of projects commissioned in 2020-2021, the plans for commissioning till the end of 2023 were taken into account for the rating.

# HIGHLIGHTS 1H 2022



## Botanichesky sad-2

Pioneer Group renovated the cultural heritage site in Sviblovo district – the 19<sup>th</sup> century fire lookout tower where housed the manager’s office of the former I.G. Kozhevnikov cloth factory.



## TOP-5

As of May 1, 2022 Pioneer Group entered the TOP-5 of developers of Russia in terms of consumer appeal of residential complexes (by ERZ portal).



## 5 stars object

HIGH LIFE Letnikovskaya, 11 is the winner of “Real estate market records” award in the category “5 stars object”. Professional jury recognized the project as the best offer of 2022 in terms of location, architecture, innovations, infrastructure and price.



## Systemic company

Pioneer Group was included again in the list of systemic companies of Russia in terms of volume and revenue.

# PROFIT & LOSS STATEMENT

According to the IFRS consolidated interim financial statements of the Group

million rubles unless otherwise stated	1H 2021	1H 2022	Variance 1H 2022-1H 2021	Variance 1H 2022-1H 2021, %
Revenue	18 469	10 964	(7 505)	-41%
Cost of sales	(11 898)	(8 432)	3 466	-29%
<b>Gross profit</b>	<b>6 571</b>	<b>2 532</b>	<b>(4 039)</b>	<b>-61%</b>
Other income	155	110	(45)	-29%
Income from the sale of a subsidiary	-	1 018	1 018	100%
Administrative expenses	(1 024)	(1 111)	(87)	8%
Commercial expenses	(803)	(684)	119	-15%
Other expenses	(73)	(216)	(143)	196%
<b>Results from operating activities</b>	<b>4 826</b>	<b>1 649</b>	<b>(3 177)</b>	<b>-66%</b>
Finance income	165	275	110	67%
Finance costs	(1 117)	(1 653)	(536)	48%
<b>Profit before income tax</b>	<b>3 874</b>	<b>271</b>	<b>(3 603)</b>	<b>-93%</b>
Income tax expense	(726)	(5)	721	-99%
<b>Profit for the period</b>	<b>3 148</b>	<b>266</b>	<b>(2 882)</b>	<b>-92%</b>
<b>Net cash from / (disposed in) operating activities</b>	<b>(8 714)</b>	<b>7 020</b>	<b>15 734</b>	<b>181%</b>
	31.12.2021	30.06.2022	Variance	Variance, %
<b>Net assets</b>	<b>22 495</b>	<b>16 983</b>	<b>(5 512)</b>	<b>-25%</b>
<b>Total assets</b>	<b>93 002</b>	<b>85 413</b>	<b>(7 589)</b>	<b>-8%</b>

# CONTACTS

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