



PIK GROUP 2018 Trading Update

MOSCOW, January 22, 2018 - PIK Group, the leading Russian residential real estate developer, released today its trading update for the twelve months ended December 31, 2018 (2018).

2018 key operational highlights:

- New sales contracts to customers increased by 5.6% to 1,941 th sqm (2017: 1,839 th sqm).
- Value of new sales contracts to customers increased by 10.9% to RUB 210.6 billion (2017: RUB 189.9 billion).
- Average retail selling price of real estate increased by 5.5% to 108,896 RUB per sqm.
- Total cash collections increased by 20.4% to RUB 245.0 billion (2017: RUB 203.4 billion).
 - Cash collections from sale of real estate (including collections to the escrow accounts) increased by 17.0% to RUB 221.1 billion (2017: RUB 189.1 billion).
 - Cash collections from construction services and other operations increased by 66.9% to RUB 23.9 billion, (2017: RUB 14.3 billion).
- In 2018, PIK put on sale 13 new projects compared to 11 new projects in 2017. In 2018 PIK Group entered two new regional markets - Yekaterinburg and Tyumen.
- In 2018, PIK put on sale 102 new buildings compared to 99 new buildings in 2017.
- In 2018, 2,503 th sqm were launched to the market, up 16.8% year-on-year (2017: 2,143 th sqm).
- Completions decreased by 3.8% to 1,980 th sqm (2017: 2,059 th sqm). Completions of social infrastructure amounted to 82 th sqm. Completions of parking amounted to 5 380 parking units.
- Share of mortgage sales reached 65% in 2018.

Commenting on the results, Sergei Gordeev, PIK Group's President, said:

“2018 was a successful year for the Company. Strong operational figures and their positive dynamics are fully in line with our forecasts announced earlier. The company has entered 2 new regional markets - Yekaterinburg and Tyumen. In October, we were the first company to conclude the largest transaction in Russia on project financing using escrow accounts. During the year, the Company has completed 10 social infrastructure objects with a capacity for more than 5,000 people and delivered apartments to more than 35,000 customers. Due to the implementation of proprietary IT solutions for automatization and digitalization, we have achieved a significant acceleration and optimization of business processes. New customer satisfaction data collection platform launched this year allowed us to improve client experience and service, as well as product and construction quality. In 2019, the company will continue to actively work to further improve efficiency and increase the supply of high-quality housing provided with all the necessary social infrastructure.”



2019 Outlook

- PIK Group intends to maintain a leading position in the residential real estate market and provides the guidance for 2019 maintaining the levels of 2018:
 - Total new sales to customers between the range of 1.7 – 1.9 million sqm
 - Total cash collections of RUB 200 - 220 billion

Table 1 – New sales contracts

	4Q2017	4Q2018	Change, %	2017	2018	Change, %
New sales contracts to customers, th sqm, total	608	632	4.0%	1,839	1,941	5.6%
Value of contracts for apartments and ground floors, RUB million	63,047	70,942	12.6%	189,874	210,578	10.9%

Table 2 – New sales contracts by region

<i>Th sqm</i>	4Q2017	4Q2018	Change, %	2017	2018	Change, %
Moscow	306	317	3.6%	921	955	3.7%
Moscow region	245	253	3.3%	775	775	0%
Other regions	57	62	8.8%	143	211	47.6%
Total	608	632	4.0%	1,839	1,941	5.6%

Table 3 – New sales contracts value by region

<i>RUB million</i>	4Q2017	4Q2018	Change, %	2017	2018	Change, %
Moscow	38,499	43,008	11.8%	115,812	126,858	9.6%
Moscow region	21,356	23,991	12.4%	66,435	71,068	7.0%
Other regions	3,192	3,943	23.6%	7,627	12,652	65.9%
Total	63,047	70,942	12.6%	189,874	210,578	10.9%

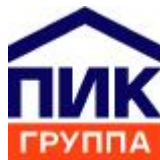


Table 4 – Average retail selling price by region

RUB/ th. sqm	4Q2017	4Q2018	Change, %	2017	2018	Change, %
Moscow	125,814	142,879	13.6%	125,746	134,858	7.2%
Moscow region	87,167	94,826	8.8%	85,723	91,701	7.0%
Other regions	56,018	64,639	15.4%	53,336	59,962	12.4%
Total	103,697	114,037	10.0%	103,249	108,896	5.5%

Table 5 - Cash collections

RUB millions	4Q2017	4Q2018	Change, %	2017	2018	Change, %
Total gross cash collections	67,829	88,725	30.8%	203,441	245,000	20.4%
<i>Including:</i>						
Cash collections from sale of real estate	62,320	72,103	15.7%	189,128	219,966	16.3%
Cash collections to the escrow accounts	0	1,144	-	0	1,144	-
Cash collections from construction services and other operations	5,509	15,478	181.0%	14,313	23,890	66.9%

* data for 2017 excludes cash collections from discontinued operations

Table 6 – New building put on sale

	4Q2017	4Q2018	Change, %	2017	2018	Change, %
New sellable area, th. sqm	510	695	36.3%	2,143	2,503	16.8%
Number of buildings launched for sale	23	30	+7	99	102	+3

PIK Group will host a conference call for 2018 operational results:

Date: January 22, 2019
 Time: 17:00 Moscow / 14:00 London / 9:00 New York
 Title: PIK Group 2018 operational results
 Conference ID: 1982528
 Domestic line: +7 495 213 1767
 UK international tel.: +44 330 336 9126

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About PIK Group

PIK Group has been operating on the market since 1994 and specializes in residential real estate development in the segment of affordable housing. Since its inception, the company has built about 21.2 million sqm of housing.

Today, the company's portfolio of projects consists of 11.5 million sqm. The portfolio's market value is 225 billion rubles (estimated by Cushman & Wakefield on 31.12.2017). In 2017 the revenue of PIK (in accordance with IFRS) amounted to RUB 175 134 million.

According to the Unified Register of Developers, PIK is a leader among Russian developers in terms of current construction volume and in terms of completions for 2018. In September 2018, ACRA affirmed PIK Group's credit rating at BBB + (RU) and upgraded the outlook from "stable" to "positive", which implies the highest probability of a rating upgrade in the short term. In addition, this year for the first time PIK entered the TOP-50 of the most valuable brands of Russia by Brand Finance, ahead of all other developers.

Since 2007, PIK is present on the stock market. The company adheres to the best international standards of corporate governance, which contribute to the successful development of business. By the decision of the Government of the Russian Federation, PIK Group of Companies is included in the list of strategic companies for the Russian economy.