

TCS Group Holding PLC (TCS)

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**PROPOSED OFFERING BY TCS GROUP HOLDING PLC (THE "COMPANY") OF APPROXIMATELY 18.3 MILLION GLOBAL DEPOSITARY RECEIPTS REPRESENTING INTERESTS IN CLASS A SHARES OF THE COMPANY**

Limassol, Cyprus - 27 June 2019.

TCS GROUP HOLDING PLC (the "**Company**"), which together with its consolidated subsidiaries, including Tinkoff Bank, is Russia's leading provider of online retail financial and lifestyle services via its Tinkoff.ru financial ecosystem, announces its intention to proceed with the offering (the "**Offering**") of approximately 18.3 million global depositary receipts representing interests in its Class A shares (1 global depositary receipt = 1 Class A Share) (the "**Offering GDRs**"). The Offering GDRs represent approximately 10 per cent of the Company's issued share capital. The Company's global depositary receipts are admitted to listing to the official list of the United Kingdom Financial Conduct Authority and the London Stock Exchange plc.

The Offering GDRs are being offered in the United States to QIBs in reliance on Rule 144A, or another exemption from the registration requirements of the Securities Act, and outside the United States in offshore transactions in reliance on Regulation S.

Pursuant to the extraordinary general meeting of the Company's shareholders held on 27 June 2019 (the "**EGM**") the pre-emption rights of the shareholders under the Company's Articles of Association have been disapplied for the purposes of the Offering. However, the Company has undertaken to use reasonable endeavours to prefer in allocations existing shareholders of the Company wishing to participate in the Offering pro rata to their respective shareholdings.

The EGM was held at the registered office of the Company in Limassol, Cyprus and had a quorum of 870,135,000 votes present, corresponding to 96.38535% in number of the votes carried or conferred by the shares giving a right to be present and vote at the meeting. The EGM duly passed all four resolutions, namely: (1) variation of Special Rights of the shares (Majority Resolution); (2) increase of share capital (Ordinary Resolution); (3) authority to the Board of Directors to allot and issue shares (Special Resolution); and (4) waiver of pre-emption rights (Majority Resolution). Over 68% of GDR votes were cast, with those GDR votes in favour ranging between around 85% and 86%.

The Minutes of the 27 June 2019 EGM will be available for viewing at the registered office of the Company and available on the National Storage Mechanism of the UK Listing Authority, located at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm).

Morgan Stanley & Co. International plc is acting as global coordinator in connection with the Offering (the "**GC**"). Renaissance Securities (Cyprus) Limited, Sberbank CIB (UK) Limited and UBS Europe SE are acting as joint bookrunners (the "**JBRs**").

The final number of Offering GDRs to be placed and the offering price will be agreed by the Company, the GC and the JBRs at the close of the bookbuild process, and the results of the Offering will be announced as soon as practicable thereafter. The timings for the close of the bookbuild process and pricing are at the absolute discretion of the Company, the GC and the JBRs.

Any of the Company's shares and global depositary receipts held directly or indirectly by Oleg Tinkov or by the Company will be subject to a lock-up through 31 December 2019, subject to customary exceptions.

The Company intends to use the proceeds it receives from the Offering to increase Tinkoff Bank's capital adequacy position, whether by subscribing for new ordinary shares in the share capital of Tinkoff Bank through a closed subscription and/or by any other means deemed appropriate by the Company's management for such purpose.

**Important Notice:**

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. This announcement has not been approved by any competent regulatory authority.

Members of the general public are not eligible to take part in the Offering. This announcement and any offer of securities to which it relates are only addressed to and directed at (1) in any Member State of the European Economic Area, persons who are "qualified investors" within the meaning of article 2(1)(e) of EU Directive 2003/71/EC (as amended by directive 2010/73/EU to the extent implemented in the relevant Member State and Regulation EU 2017/1129) and any relevant implementing measures (the "**Prospectus Directive**"); and (2) in the United Kingdom, persons who (i) have professional experience in matters relating to investments who fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"); (ii) fall within Article 49(2)(a) to (d) of the Order; or (iii) are persons to whom an offer of the Offering GDRs may otherwise lawfully be made (all such persons referred to in (1) and (2) together being referred to as "**relevant persons**"). The information regarding the offering set out in this announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement and any offer of securities to which it relates are only being addressed to and are only directed at persons in Cyprus who are "Professional Clients" as defined in the Investment Services and Activities and Regulated Markets Law 2017 (the "**Professional Clients**"). Any investment activity to which the announcement relate is only available to and will only be engaged with Professional Clients.

Any person who is not a Professional Client should not act or rely on this announcement.

This announcement does not, and shall not, in any circumstances constitute a public offering, nor an offer to sell or to subscribe for, nor a solicitation to offer to purchase or to subscribe for securities in any jurisdiction. The distribution of this announcement and the offering or sale of the Offering GDRs in certain jurisdictions may be restricted by law. No action has been taken by TCS Group Holding PLC (or any affiliates thereof) or the GC or the JBRs or any of their affiliates that would, or which is intended to, permit a public offer of the Offering GDRs in any jurisdiction or possession or distribution of this announcement or any other offering or publicity material relating to the Offering GDRs in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by TCS Group Holding PLC, the GC and the JBRs to inform themselves about and to observe any applicable restrictions.

With respect to the member states of the European Economic Area which have implemented the Prospectus Directive (each, a **"Relevant Member State"**), no action has been undertaken or will be undertaken to make an offer to the public of the Offering GDRs sold by TCS Group Holding PLC requiring the publication of the offering memorandum in any Relevant Member State. As a consequence, the Offering GDRs may only be offered or sold in any Relevant Member State pursuant to an exemption under the Prospectus Directive.

This announcement and the information contained herein is for information purposes only and does not constitute or form part of any offer of, or the solicitation of an offer to acquire or dispose of securities in the United States, Canada, Australia or Japan or in any other jurisdiction in which such an offer or solicitation is unlawful.

The Offering GDRs have not been, and will not be, registered under the US Securities Act, or under the applicable securities laws of any state or other jurisdiction of the United States, Canada, Australia or Japan. The Offering GDRs may not be offered or sold in the United States unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the securities laws of any relevant state or other jurisdiction of the United States. There will be no public offering of the Offering GDRs in the United States or elsewhere.

The Offering GDRs have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Investors should not subscribe for or purchase any Offering GDR except on the basis of information in the offering memorandum (the **"Offering Memorandum"**) to be published by TCS Group Holding PLC in due course. Investors will be able to obtain a copy of the Offering Memorandum from <http://tcsgh.com.cy/>. The Offering Memorandum will not be approved by the United Kingdom Financial Conduct Authority as a prospectus prepared in accordance with the prospectus rules made under section 73A of the Financial Services and Markets Act 2000, or by any other regulatory authority.

The information with respect to the Offering GDRs contained herein is not for release, publication or distribution in whole or in part in or into the Russian Federation subject to certain exceptions. These written materials are not, and under no circumstances are to be construed as, a public offer or advertising or an invitation to make offers to sell, purchase, exchange or otherwise transfer or dispose of any securities, including securities of foreign issuers, or other financial instruments in the Russian Federation within the meaning of Russian securities laws or to or for the benefit of any persons or entities resident, incorporated, established or having their usual residence in the Russian Federation, or to or for the benefit of any person located within the territory of the Russian Federation, who, in respect of the Offering GDRs, is not a "qualified investor" within the meaning of Article 51.2 of the Russian Federal Law "On the Securities Market" No. 39-FZ dated 22 April 1996, as amended, and must not be distributed or circulated into the Russian Federation or made available in the Russian Federation, to any persons who are not qualified investors, unless and to the extent the recipients are otherwise permitted to access such information under Russian law. The Offering GDRs referred to herein have not been registered in Russia or admitted to placement and/or public circulation in the Russian Federation and the information contained herein is not to be made publicly available in the Russian Federation or passed on to third parties in the Russian Federation, unless otherwise permitted under Russian law. The securities are not intended for "offering", "placement" or "circulation" (each as defined in Russian securities laws) in the Russian Federation, except as permitted by Russian law.

Distribution of this announcement shall not be deemed to be any form of commitment on the part of TCS Group Holding PLC to proceed with the Offering or any transaction or arrangement referred to therein. This announcement has not been approved by any competent regulatory authority.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect TCS Group Holding PLC's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.

Each of the GC and the JBRs and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Morgan Stanley & Co. International plc and Sberbank CIB (UK) Limited are authorised by the Prudential Regulation Authority ("**PRA**") and regulated in the United Kingdom by the PRA and Financial Conduct Authority ("**FCA**"). Renaissance Securities (Cyprus) Limited is authorised and regulated by Cyprus Securities and Exchange Commission. UBS Europe SE is authorised and regulated by the Bundesanstalt Für Finanzdienstleistungsaufsicht (BaFin) and the European Central Bank (ECB). The GC and the JBRs are acting exclusively for TCS Group Holding PLC and no-one else in connection with the Offering and will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than TCS Group Holding PLC for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the GC, the JBRs and any of their affiliates, may take up a portion of the Offering GDRs in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offering GDRs and other securities of TCS Group Holding PLC or related investments in connection with the Offering or otherwise. Accordingly, references in the Offering Memorandum, once published, to the Offering GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in

should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the GC, the JBRs and any of their affiliates acting in such capacity. In addition, the GC, the JBRs and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the GC, the JBRs and any of their affiliates may from time to time acquire, hold or dispose of the Offering GDRs. The GC and the JBRs do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the GC or the JBRs or any of their respective affiliates, or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for the contents of this announcement or for any statement made or purported to be made by it, or on its behalf, in connection with TCS Group Holding PLC or the Offering. The GC and the JBRs and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such announcement or any such statement and for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. No representation or warranty express or implied, is made by any of the GC and/or any of the JBRs or any of their respective affiliates as to the truth, accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this announcement (or whether any information has been omitted from the announcement) or any other information relating to TCS Group Holding PLC, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available.

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**About the Group**

TCS Group Holding PLC is an innovative provider of online retail financial services. It includes Tinkoff Bank, mobile virtual network operator Tinkoff Mobile, Tinkoff Insurance, and Tinkoff Software DC, a network of development hubs in major Russian cities. The Group also has Tinkoff.ru, an evolving ecosystem that offers financial and lifestyle services.

The Group was founded in 2006 by Russian entrepreneur Oleg Tinkov and has been listed on the London Stock Exchange since October 2013.

The Group's key business is Tinkoff Bank, the country's first and only direct bank and the core of the Tinkoff.ru ecosystem.

Tinkoff Bank is the second largest player in the Russian credit card market, with a share of 12.4% as of 1 April 2019. The 1Q'19 IFRS net income of TCS Group Holding PLC amounted to RUB 7.2 bn, ROE stood at 64.4%.

With no branches, the Group serves all its customers remotely via online channels and a cloud-based call centre staffed by over 10,000 employees, which makes it one of the largest in Europe. To ensure smooth delivery of the Group's products, the Group has a nationwide network of over 2,500 representatives.

In 2018 Global Finance named Tinkoff Bank the world's Best Consumer Digital Bank, in 2018, 2016 and 2015, the Best Consumer Digital Bank in Russia, and in 2017 and 2013 The Banker recognised it as the Bank of the Year in Russia. The bank's mobile app has been consistently praised by local and global independent experts as the best of its kind (in 2013, 2014, 2015, 2016 by Deloitte and in 2018 by Global Finance).

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