

MAGNIT PJSC (MGNT)

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Press Release

Krasnodar

May 29, 2018

PJSC "Magnit" Announces the Execution of the Material Transaction by JSC "Tander"

Krasnodar, Russia (May 29, 2018): Magnit PJSC, one of Russia's leading retailers (the "Company", the "Issuer"; MOEX and LSE: MGNT), announces the execution of the material transaction by JSC "Tander" on May 29, 2018.

Type of transaction: major transaction.

Company which executed major transaction: **Joint Stock Company "Tander"** (company controlled by and of material significance to PJSC "Magnit") located at 185 Levanevskogo street, Krasnodar, 350000, Taxpayer Id. Number 2310031475, Primary State Registration Number 1022301598549.

Subject of transaction:

Additional agreement No.2 of May 29, 2018 (hereinafter - the Additional agreement) to the Credit agreement No. KC-IQB-730750/2015/00024 of December 31, 2015 (hereinafter - the Credit agreement) between Joint Stock Company "Tander" (hereinafter - the Borrower) and VTB Bank (Public Joint Stock Company) (hereinafter - the Bank (the Creditor)).

Content of transaction:

According to the Credit agreement (as amended under the Additional agreement No.1 of May 5, 2016, the Additional agreement No.2 of May 29, 2018) the Creditor shall provide the Credit amounts to the Borrower under the Borrower's requests (offers), and the Borrower shall repay the Credit amounts, pay interest and fulfill other obligations on the following essential terms and conditions:

1. Maximum debt limit under the Credit agreement shall not exceed 60,000,000,000 (Sixty billion) rubles;
2. Purpose of the credit line (the aggregate amount of credit transactions which the Borrower is entitled to obtain under the Credit agreement):
 - 2.1. Financing of the ordinary course of business for the purpose of working capital financing;
 - 2.2. Financing of the current operations and financing of operations stipulated in the charter of the Borrower;
 - 2.3. Financing of the cash flow gaps;
 - 2.4. Financing of the general corporate needs;
 - 2.5. Acquisition of financial assets (except for promissory notes);
 - 2.6. Acquisition, repair, modernization of fixed assets;
 - 2.7. Organization of a new production line/business activity;
 - 2.8. Construction (reconstruction) of real estate for production/commercial activities;
 - 2.9. Acquisition of real estate for production/commercial activities;
 - 2.10. Refinancing of real estate construction (reconstruction) costs for production/commercial activities;
 - 2.11. Acquisition of securities issued by the Bank (including promissory notes with a maturity of not less than 180 (One hundred and eighty) calendar days from the issue date). The subsequent use of funds received after redemption of securities shall be carried out within the purposes set out in the Additional agreement;
 - 2.12. Settlement of the Borrower's liabilities to repay loans and borrowings obtained from the third parties (except for loans provided by the Bank) in respect of the borrowed funds used for the purposes authorized by the Additional Agreement;
3. The interest rate within the Credit line is determined according to the terms of the Credit agreement and shall not exceed 26 (Twenty six) percent per annum for each particular Credit transaction;
4. The terms, procedure of provision and repayment of credit amounts, interest and other payments shall be determined by the Credit agreement.

Deadline for fulfillment of obligations under the transaction:

The Borrower shall repay (return) the full amount of the Credits on the date on 1,825 (one thousand eight hundred twenty five) calendar days from the execution date of the Additional agreement . The Borrower shall repay (return) the Credits within 1,825 (One thousand eight hundred and twenty five) calendar days from the execution date of the Additional agreement under the Credit line.

Parties and beneficiaries under the transaction:

The Creditor (the Bank) - VTB Bank (Public Joint Stock Company)
The Borrower - Joint Stock Company "Tander".

The amount of the transaction in the monetary value and as a % of the asset value of JSC "Tander" :

138,000,000,000 rubles (32.22%)

Asset value of JSC "Tander" as of the closing date of the accounting period preceding the execution of the transaction:

428,257,402 thousand rubles

Date of the transaction execution: May 29, 2018

Information on the approval of the transaction:

The transaction is approved by the decision of the sole shareholder of the Joint Stock Company "Tander" as w/o No. of April 19, 2018.

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Company description:

Public Joint Stock Company "Magnit" is one of Russia's leading retailers. Founded in 1994, the company is headquartered in the southern Russian city of Krasnodar. As of March 31, 2018, Magnit operated 37 distribution centers and 16,625 stores (12,283 convenience, 242 hypermarkets, 210 Magnit Family stores and 3,890 drogerie stores) in 2,764 cities and towns throughout 7 federal regions of the Russian Federation.

In accordance with the audited IFRS results for 2017, Magnit had revenues of RUB 1,143 billion and an EBITDA of RUB 92 billion. Magnit's local shares are traded on the Moscow Exchange (MOEX: MGNT) and its GDRs on the London Stock Exchange (LSE: MGNT) and it has a credit rating from Standard & Poor's of BB. Measured by market capitalization, Magnit is one of the largest retailers in Europe.

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