

Sistema PJSFC (SSA)

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Sistema completes merger of OBL Pharm and Binnopharm

Moscow, 14 October 2019. - Sistema PJSFC ("Sistema") (LSE: SSA, MOEX: AFKS), a publicly traded diversified Russian holding company, announces the completion of the merger of pharmaceutical assets JSC Pharmaceutical Enterprise Obolenskoe ("OBL Pharm") and JSC Binnopharm ("Binnopharm"). The merged company will operate under the brand Alium.

As a result of Sistema's participation in an additional issue of OBL Pharm shares, Sistema's effective stake in the company increased from 12.8% to 26.3%. VTB Bank's effective stake in OBL Pharm now stands at 38.5%, while the total stake owned by the consortium of investors including the Russian Direct Investment Fund ("RDIF"), the Russia-China Investment Fund (RCIF, which was created by RDIF and China Investment Corporation) and leading Middle Eastern funds is 23.0%. Sistema paid for its additional shares of OBL Pharm using the 88.7% of Binnopharm shares that it owned.^[1]

The merger of OBL Pharm and Binnopharm created pharmaceuticals holding Alium, one of Russia's largest pharma companies in the commercial segment. Alium's total production area exceeds 70,000 sq m and includes four high-tech facilities in Moscow and the Moscow region. The company's diversified product portfolio comprises approximately 200 drugs used across therapeutic areas including respiratory, nervous and gastrointestinal systems, cardiology, infectious diseases and colds as well as pain relief.

Sistema PJSFC is a publicly-traded diversified Russian holding company serving over 150 million customers in the sectors of telecommunications, high technology, financial services, retail, paper and packaging, agriculture, real estate, tourism and medical services. The company was founded in 1993. Revenue in 2018 was RUB 777.4 bn; total assets equalled RUB 1.5 tn as of 31 December 2018. Sistema's global depositary receipts are listed under the "SSA" ticker on the London Stock Exchange. Sistema's ordinary shares are listed under the "AFKS" ticker on the Moscow Exchange. Website: www.sistema.com

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^[1] As part of the process of merging OBL Pharm and Binnopharm, Sistema increased its stake in Binnopharm to 88.7% by acquiring 14.7% of the company from minority shareholders.

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