

Sistema PJSFC (SSA)
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FOR IMMEDIATE RELEASE

15 November 2019

LAUNCH OF OFFERING OF AT LEAST 150 MILLION DETSKY MIR SHARES

Moscow, Russia - 15 November 2019 - Sistema PJSFC ("Sistema" or the "Corporation") (LSE: SSA; MOEX: AFKS), a publicly traded diversified Russian holding company, together with the Russia-China Investment Fund ("RCIF") announce the launch of an offering of at least 150 million existing shares in Detsky Mir (the "Offering").

DETAILS OF THE OFFERING

- Offering shares are being offered (i) outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and (ii) within the United States to certain qualified institutional buyers as defined in, and in reliance on, Rule 144A under the Securities Act
- The Offering will consist exclusively of existing shares held by Sistema directly and RCIF via its investment vehicles Floette Holdings Limited and Exarzo Holdings Limited (collectively, the "Selling Shareholders")
- An offering memorandum (the "Offering Memorandum") dated 15 November 2019 has been published in relation to the Offering and is available on <http://corp.detmir.ru/en/press-centre/news>
- In relation to the offering, Detsky Mir will be conducting a series of investor meetings starting from 18 November 2019
- The bookbuilding period will commence on 18 November 2019 and is expected to close on or about 21 November 2019
- The number of shares to be placed and the offering price will be determined at the close of the bookbuild process, and the results will be announced as soon as practicable thereafter
- Goldman Sachs International, UBS Investment Bank, Sberbank CIB and VTB Capital plc are acting as Joint Global Coordinators and Joint Bookrunners (the "JGCs")

Via the Offering Sistema and RCIF seek to meaningfully increase the free float and trading liquidity of the Company's shares in order to further unlock the fundamental value potential of the Company for all Detsky Mir shareholders.

Pro-forma for the minimum offering size of 150 million shares, Sistema will retain no more than a 36.0% stake, and RCIF no more than a 9.7% stake, respectively, in the Company.

Shares in Detsky Mir held by Sistema and RCIF which are not sold in the Offering will be subject to a 180-day lock-up, subject to certain customary exceptions.

Net proceeds from the offering received by Sistema will be used for general corporate purposes, including potential debt reduction.

Andrei Dubovskov, President and Chief Executive Officer of Sistema, stated :

"Since we began examining options to monetize our stake in Detsky Mir, our goal has always been to ensure that shareholders continue to benefit from Detsky Mir's strong financial and operational performance. Based on feedback from investors and positive market sentiment, we believe that by increasing the free float of Detsky Mir, we can attract more investors to the Company and enhance liquidity, which benefits all shareholders. As Sistema will remain a significant shareholder, we feel this transaction benefits and further aligns the interests of all key stakeholders. Funds from the transaction will allow Sistema to continue deleveraging and support our investment activities."

For further information, please visit www.sistema.com or contact:

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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 1.1 trn 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

Detsky Mir Group is a multi-format retailer and Russia's largest specialized children's goods retailer. The Group comprises the Detsky Mir retail chain, ELC (Early Learning Centre in Russia) and the ABC retail chains, as well as the Zoozavr pet supplies retail chain. The company operates a network of 710 Detsky Mir stores located in 266 cities in Russia, Kazakhstan and Belarus, as well as 48 ELC and 14 ABC stores as of 30 September 2019. The Zoozavr retail chain comprises eight stores.

Total selling space was approximately 794,000 square meters.

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