

Sistema PJSC (SSA)

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FOR IMMEDIATE RELEASE

22 November 2019

Moscow, Russia - 22 November 2019 - Sistema PJSC ("Sistema" or the "Corporation") (LSE: SSA; MOEX: AFKS), a publicly traded diversified Russian holding company, together with the Russia-China Investment Fund ("RCIF") via its investment vehicles Floette Holdings Limited and Exarzo Holdings Limited (collectively, the "Selling Shareholders"), have successfully priced the offering of Detsky Mir shares (the "Offering").

DETAILS OF THE OFFERING

- The Offering size amounts to 175 million existing shares in Detsky Mir, representing 23.7% of Detsky Mir's share capital.
- The shares were sold at a price of RUB 91 per share.
- After giving effect to the Offering, the free float of Detsky Mir is 57.6%.
- The Offering raised gross proceeds of approximately RUB 15,925m for the Selling Shareholders, inclusive of RUB 12,542m for Sistema.
- Sistema has a remaining ownership interest of 33.4% and RCIF has a remaining ownership interest of 9.0%, respectively, in Detsky Mir.
- Goldman Sachs International, Sberbank CIB, UBS Investment Bank and VTB Capital plc acted as Joint Global Coordinators and Joint Bookrunners (the "JGCs").

Shares in Detsky Mir held by Sistema and RCIF which were 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 debt reduction.

Andrey Dubovskov, President and CEO of Sistema, said:

"In launching the Offering, we believed it was critical to the interests of all shareholders to enhance liquidity by increasing the free float to attract more investors. We feel that we have achieved our goals, as interest among investors has proven to be strong both regionally and globally and among a variety of investors attracted by Detsky Mir's strong financial and operational profile. As Sistema will remain a significant shareholder, we affirm our commitment to Detsky Mir's strategic development and leadership team."

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

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Sistema PJSC 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 Zootavr 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 Zootavr retail chain comprises eight stores. Total selling space was approximately 794,000 square meters.

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