Sistema PJSFC (SSA)
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Sistema increases stake in Ozon

Moscow, 26 March 2020 - Sistema PJSFC (hereinafter, "Sistema" or "the Corporation", together with its subsidiaries, "the Group) (LSE: SSA, MOEX: AFKS), a publicly traded diversified Russian holding company, announces that it has increased its direct shareholding in Ozon Holdings Limited ("Ozon" or "the Company"), a leading Russian multi-category online retailer, from 21.9% to 31.3% as a result of conversion of the convertible loans provided in 2019.[1] Sistema Group's total shareholding in Ozon, including the 11.699% stake that Sistema controls via its venture capital fund Sistema_VC, has therefore reached 42.999%.

The investments have been predominantly used by Ozon to develop its logistical infrastructure. The Company has more than doubled its fulfilment capacity to almost 200,000 sqm and has invested significantly in the expansion of last-mile delivery infrastructure. As of the end of 2019, Ozon owned the largest network of parcel lockers in Russia with a total of 6,897 locations. Together with third party parcel lockers and pickup points, Ozon's total pickup network grew threefold last year to 16,651 locations.

In 2019, Ozon's product assortment increased threefold to over 5mn Stock Keeping Units (SKUs). Over 70% of the assortment is generated by the company's marketplace sellers. As of the end of 2019, approximately 6,500 companies were actively using Ozon as a platform for selling their goods, with another 15,000 in the onboarding process.

This investment in infrastructure, the parcel lockers network, product assortment expansion and the development of the marketplace enabled Ozon to increase its growth rates in 2019 and boost its Gross Merchandise Value (GMV, net of returns) by 93% to RUB 80.7bn (including VAT).

In 2020, the Company plans to continue investing in the development of fulfilment centres, the delivery network and IT systems. For this purpose, in Q1 2020 Sistema and Baring Vostok funds provided Ozon with financing in the form of convertible loans for the total amount of RUB 6.0bn, out of which Sistema provided RUB 3bn.

Alexey Katkov, Managing Partner at Sistema, commented,

"*We are satisfied with the unprecedented business growth rates demonstrated by Ozon in 2019. Expansion of the assortment, active development of the marketplace, the enhancement of delivery channels and growth of the number of loyal customers made it possible for Ozon to strengthen its leading position in the Russian e-commerce market. Funding provided by the key shareholders will enable the Company to maintain its high growth pace in 2020 and to continue increasing its market share.*"

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Sistema PJSFC is a Russian publicly-traded diversified holding company serving over 150 million customers in the sectors of telecommunications, high technology, banking, retail, timber processing, agriculture, real estate, tourism and healthcare. The company was founded in 1993. Its revenue in 2018 reached RUB 773.9bn; its total assets equalled RUB 1.5tn as of 31 December 2018. Sistema's global depositary receipts are listed under the symbol "SSA" on the London Stock Exchange. Sistema's ordinary shares are listed under the "AFKS" ticker on the Moscow Stock Exchange.

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[1] In 2019 Ozon's largest shareholders, Sistema and Baring Vostok funds, provided convertible loans to the Company to support its aggressive market capture strategy. The total amount of loans provided by Sistema amounted to RUB 9.2bn.

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