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22 February 2021

**Fix Price confirms intention to float on Main Market of London Stock Exchange**

Following its announcement on 15 February 2021 regarding the publication of a Registration Document, Fix Price, one of the leading variety value retailers globally and the largest in Russia, today confirms its intention to proceed with an initial public offering (the "IPO" or the "Offer") and provides certain details of the Offer.

Fix Price confirms its intention to apply for admission of global depositary receipts representing its ordinary shares (the "GDRs") to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities ("LSE Admission") and on Moscow Exchange (together, "Admission").

The final offer price in respect of the Offer (the "Offer Price") will be determined following a book-building process. LSE Admission is currently expected to occur in March 2021.

The Company is planning to implement certain changes to its corporate governance structure in order to align with best international practices. As part of this, Fix Price today also announces the expected appointment of three independent non-executive directors (the "Independent Directors") to the Board of Directors to be formed following completion of the IPO. In line with best international corporate governance practices, the Independent Directors are expected to chair the committees of the Board of Directors. Biographies of the new Independent Directors can be found below.

Dmitry Kirsanov, CEO of Fix Price, said:

"We are pleased to confirm our previously announced intention to proceed with the IPO of Fix Price. Since day one we have built Fix Price with the intention of becoming a public company, with a business model that taps into the structural shift in consumer behaviour towards value and performs robustly throughout the economic cycle, state-of-the-art operational and IT infrastructure, a highly professional team, and high business standards and transparency.

"We believe that the proposed appointment of three Independent Directors will strengthen our governance structure and underscore our commitment to high standards of corporate governance. Between them, the proposed Independent Directors bring a combination of unrivalled track records as senior executives and board members of listed companies, and a deep understanding of the retail industry. Fix Price will benefit greatly from their knowledge and expertise."

## Confirmation of Offer Details

- The Offer consists of an offering of GDRs by certain existing shareholders of the Company (together, the "Selling Shareholders"). The Selling Shareholders comprise (i) Luncor Overseas S.A. (an investment vehicle owned by one of the Company's founders, Artem Khachatryan) ("Luncor"); (ii) LF Group DMCC (an investment vehicle owned by one of the Company's founders, Sergey Lomakin); (iii) Samonico Holdings Ltd (an investment vehicle of Marathon Group); and (iv) GLQ International Holdings Ltd (an indirect wholly owned subsidiary of The Goldman Sachs Group, Inc.). In addition, Luncor intends to sell certain GDRs on behalf of certain members of the Company's senior management and other minority shareholders, to allow such persons to monetise some of their shareholding. The founding shareholders will retain a significant interest in the Company post-IPO.
- The Offer will comprise an offering to institutional investors outside the United States pursuant to Regulation S and to Qualified Institutional Buyers in the United States pursuant to Rule 144A under the United States Securities Act of 1933 (the "Securities Act").
- The GDRs will be admitted to the standard listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, with a secondary listing on Moscow Exchange.
- In connection with the Offer, each of the Company, its senior management of the Group and Selling Shareholders are expected to agree to lock-up arrangements restricting the disposal of the Company's securities for a period of time following Admission.
- Certain Selling Shareholders intend to grant an over-allotment option for up to a maximum of 15% of the total number of GDRs being sold in the Offer.
- BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital (each as defined below) have been engaged by the Company to act as Joint Global Coordinators and Joint Bookrunners.
- Any additional details in relation to the Offer will be disclosed in the Prospectus.

## Further information about the Independent Directors

**Alexander Tynkovan** will be appointed as an Independent Director of Fix Price with effect from LSE Admission. Mr. Tynkovan is a prominent business leader in the Russian retail industry having founded M.Video, a leading consumer electronics retailer in Russia, in 1993. Alexander remained the permanent CEO of the company until 2020, taking the company public in 2007. Upon strategic sale of M.Video to Safmar Group, he became the President of M.Video and Member of the Board, remaining in charge of merger with Eldorado and its integration into M.Video's omni-channel business model. Currently Alexander remains the Member of the Board and Head of Strategy Committee of the M.Video-Eldorado Group, fostering digitalization and growing online presence.

**Elena Titova** will be appointed as an Independent Director of Fix Price with effect from LSE Admission. Ms. Titova has over 22 years of experience in investment banking. She is currently an independent member of the Supervisory Board of the "Bank Otkritie Financial Corporation" (Public Joint-Stock Company), a member of the Supervisory Board of Bank Trust, independent member of the Board of Directors of Qiwi Plc, and also a partner and chairperson of the Advisory Board of ICONIC, a blockchain integrator. In 1998-2006 she headed the Moscow office of Goldman Sachs. In 2006 Ms. Elena Titova joined Morgan Stanley in Moscow as Head of Investment Banking Division and then became a President and General Director of Morgan Stanley Bank in Russia and a member of its Board of Directors. In 2012-2013 Ms. Titova was a President and Chairperson of the Management Board of the Russian Regional Development Bank. In 2014-2018, Ms. Titova was Chief Executive Officer of UBS Bank, Moscow, Russia, as well as a member of its Board of Directors, and Country Head for Russia at UBS.

**Gregor Mowat** will be appointed as an Independent Director of Fix Price with effect from LSE Admission. Mr. Mowat spent more than 20 years working in the audit and accounting profession, mainly with KPMG. In 2011, Mr. Mowat was appointed CFO of KPMG in Russia and CIS, a role he held until 2016 and which required him to take responsibility for all the support functions in a multijurisdictional professional services firm with 4,000 staff. In 2013, in addition to his CFO responsibilities, Mr. Mowat was appointed Managing Partner of KPMG in Kazakhstan, growing the business significantly in a challenging economic environment. After being part of the team that set up and implemented new corporate governance rules for KPMG in Russia and CIS, including being a founding member of the Board of Partners, in 2016, Mr. Mowat joined his family in the UK where he co-founded LOQBOX, a financial inclusion FinTech with a mission to end financial exclusion globally. Mr. Mowat also serves on the board of directors, inter alia, at PJSC Magnit, PIK Group and AK BARS Bank.

## About Fix Price

- Fix Price is one of the leading variety value retailers globally and the largest in Russia, with more than 4,200 stores. Fix Price has grown rapidly in recent years, with revenue of RUB 190.1 billion, RUB 142.9 billion and RUB 108.7 billion for 2020, 2019 and 2018, respectively. Adjusted EBITDA for the same years was RUB 36.8 billion, RUB 27.2 billion and RUB 14.2 billion, respectively. Net income was RUB 17.6 billion, RUB 13.2 billion and RUB 9.1 billion, respectively, for the same years.
- Fix Price occupies a separate niche to traditional discounters. Fix Price's stores provide an affordable shopping destination, offering customers a broad range of essential and unique products at multiple fixed price points, all under RUB 250 (ca. US$3.40).
- Fix Price's pricing policy capitalises on a structural shift towards value among consumers worldwide, which Fix Price believes allows it to benefit in almost any economic environment, most recently during the COVID-19 pandemic. In 2020, Fix Price reported double-digit quarterly like-for-like sales growth every quarter and FY like-for-like sales growth of 15.8%.
- The variety value retail market is one of the fastest-growing segments in Russian retail and is expected to triple in size by 2027 with a CAGR of 16.9% for 2019-2027, according to an independent industry consultant report. The market has more than doubled its size over the past five years, albeit still at a low base compared to other countries, suggesting further significant potential for growth.
- In the Russian variety value retail market, Fix Price is the leader both by number of stores and revenue. According to an independent industry consultant report, Fix Price was estimated to account for 93% of the Russian variety value retail market by revenue in 2019, and had by far the largest number of stores among Russian variety value retailers.
- Today there are more than 4,200 Fix Price stores primarily in Russia, as well as in neighbouring countries (Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan, Latvia and Georgia), all of them stocking approximately 1,800 SKUs across around 20 product categories. In addition to its own

private brands, Fix Price sells products from leading global names and smaller local suppliers. Fix Price's wholesale operations service a number of franchisees operating in Russia, Belarus, Georgia, Kazakhstan, Kyrgyzstan and Latvia.

- Fix Price has an efficient and easily scalable business model, which is underpinned by the following key pillars: data-driven procurement, supplemented by streamlined centralised logistics, an efficient store management model, and a highly experienced management team. State-of-the art IT solutions enable Fix Price to achieve a high degree of automation across its operations.

**Investment highlights**

Fix Price benefits from a combination of competitive advantages that it believes have contributed to its success and will continue to support its competitive position and business strategy going forward. These competitive advantages include:

**Leading market position in a highly attractive, large and growing market**

- Fix Price was estimated to account for 93% of variety value retail sales in Russia in 2019, according to an independent industry consultant report, making it 13 times larger than other players on the Russian variety value retail market combined, and had by far the largest number of stores among Russian variety value retailers.
- Fix Price believes that it pioneered and scaled the variety value retail concept in Russia, and therefore has a first-mover advantage, as a result of which it currently operates in a market that is characterised by significant barriers to entry to new competitors.
- Fix Price's leading market position enables it to drive the development of the variety value retail market in Russia and neighbouring countries, drawing upon a globally proven concept which has demonstrated significant growth over the past decade.
- The Fix Price business proposition addresses a material and fast-growing market, which is underpinned by a sizeable population of over 249 million (in Russia, other CIS countries, Georgia and Latvia — the geographies comprising Fix Price's expansion focus).
- On the back of structural shift in consumer behaviour towards value, in 2017-2020, the Russian variety value retail market, measured by sales, grew at a CAGR of 23%. Fix Price sees substantial further upside supported by the significant level of under-penetration today.

**A unique customer value proposition**

- Fix Price offers its customers deep value across a diverse, unique and constantly renewed product assortment, satisfying their needs for everyday essentials while providing an engaging "treasure hunt" experience. Fix Price's loyalty card programme brings additional value to customers through a number of attractive benefits.
- The elements of this unique customer value proposition include:
    - *Deep value across a diverse product offering*. Fix Price strives to offer outstanding value via an uncompromising "every day low price" strategy across several highly competitive anchor price points, all under RUB 250 (c. US$ 3.40). As of 31 December 2020, c.80% of the Company's product assortment was priced under RUB 100 (c. US$ 1.3). Fix Price sells a broad range of products across approximately 1,800 SKUs in approximately 20 different categories, including household goods, cosmetics and hygiene, stationery and books, clothes, toys, household chemicals, as

well as shelf-stable food and drinks. Fix Price maintains a diversified mix of own private brands, branded and non-branded (no-name) products.

- *Constant newness and rapid time to market.* A continuously refreshed product offering is at the core of Fix Price's assortment strategy. Fix Price launches 40 to 60 products every week, many of which are driven by seasonal occasions and latest retail trends, with approximately 60% of assortment in SKU terms being rotated up to six times per year. Fix Price's own private brands are developed in-house by dedicated procurement and design teams that continuously monitor the market for best-selling goods, collaborating closely with Fix Price's suppliers to deliver quality products at the right time, at strategic price points and with target profitability.
- *Convenient shopping experience and an exciting "treasure hunt"*. Fix Price seeks to open its stores in locations it believes benefit from convenience of access and high traffic. Fix Price constantly renews its assortment to create an element of discovery and "treasure hunt" experience for its customers. This encourages repeat visits fuelled by the search for exciting novelties. According to a study by Marketing Agency Vector, a marketing consultancy, Fix Price enjoys a high Net Promoter Score of 60%.
- *Fast-growing loyalty programme with highly attractive benefits*. Fix Price's "Bonus Card" loyalty programme has approximately 12 million registered card holders. Approximately 36% of Fix Price's retail sales in 2020 were generated from sales of products to Fix Price's loyalty programme card holders, creating a "win-win" for the customers and Fix Price.

**Operational excellence: standardisation, tech-enabled automation and agile sourcing**

- Fix Price believes that its efficient operational model driven by lean decision making and nimble management approach greatly benefits from standardisation of its store network, highly automated operations, centralised logistics and efficient procurement as follows:
  - *Fully standardised leased store portfolio driving outstanding unit economics.* Fix Price has standardised its entire network of stores in terms of pricing, product assortment, product layout, equipment and marketing. Fix Price believes that the standardisation of its stores drives value, convenience and a great experience for Fix Price customers. At the same time, standardisation reduces the complexities of running Fix Price's vast store portfolio, allows it to make efficient purchasing decisions and contributes to the efficiency of its operations.
  - *Agile sourcing model and long-standing relationships with suppliers*. Fix Price's efficient, agile and streamlined sourcing model translates into the ability to offer a constantly changing and carefully crafted product assortment, delivering deep value to its customers and strong margins to the business. Fix Price has developed long-standing, direct and collaborative relationships with over 600 local and international suppliers. Fix Price's procurement team works closely with these suppliers to continuously create new and on-trend products to meet the evolving tastes and needs of its customers. Fix Price believes that the sheer scale of its business and purchasing volumes make it a highly relevant partner to its suppliers.
  - *State-of-the-art IT infrastructure, translating into better decision-making and decreased costs*. Since the inception of Fix Price, its IT infrastructure has been designed for scale, and today supports all key facets of decision-making within its business. The high degree of tech-enabled automation of store-level processes allows Fix Price to effectively run the entire network as a single store and to further scale it

without significant expansion of HQ personnel or significant additional investments in IT infrastructure.

  - *Logistics infrastructure scaled for growth*. The design of Fix Price's logistics infrastructure is highly strategic in supporting a portfolio of more than 4,200 stores. Operating across 78 out of 85 regions in the world's largest country by land size, Fix Price's logistical infrastructure is critical to the success of its business model. As of 31 December 2020, Fix Price had eight distribution centres. Fix Price's logistics infrastructure is nearly 100% centralised.

**Leading financial KPIs among best-in-class peers**

- Fix Price believes it enjoys leading revenue growth, profitability and ROIC levels among publicly traded variety value retailers globally (namely, Dollar General, Dollar Tree, Five Below, Ollie's, Grocery Outlet, Dollarama, B&M and Dino), based on their publicly reported financial information.
- Fix Price's outstanding revenue growth at a CAGR of 32.2% in the three years ended 31 December 2020 is driven by both rapid network expansion, with more than 1,690 increase in store count over the period of three years since 31 December 2017 and robust like-for-like sales growth averaging 19.0% for the last 16 quarters ending 31 December 2020.
- A combination of high sales densities, low operating expenses and asset-light business model enables Fix Price to achieve superior returns on capital, with a market leading ROIC among publicly traded variety value retailers listed above of 98% in 2020 (estimated by reference to their publicly reported financial information).

**Visionary management team – experienced, dedicated and incentivised**

- Fix Price's visionary founders, Sergey Lomakin and Artem Khachatryan, who will also be on the Board of Directors at the time of Admission, launched Fix Price in 2007 in order to create the largest retailer in the variety value retail market. Having the benefit of substantial prior experience in discount and non-food retailers, they channelled their passion of bringing the variety value retail concept to the Russian consumer to drive the rapid growth of Fix Price over the past 13 years.
- The overwhelming majority of Fix Price's top executives started working together with Sergey Lomakin and Artem Khachatryan at the initial stage of Fix Price's development in 2007-2009. The Fix Price management team, led by the CEO, Dmitry Kirsanov, has multi-year experience in retail across a broad range of disciplines, including merchandising, marketing, real estate, finance, store operations, supply chain management and information technology.

**Media enquiries**

**EM** (communications advisor to Fix Price)

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In any member state of the European Economic Area, this announcement and any offer if made subsequently is, and will be, directed only at persons who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 and amendments thereto.

In the United Kingdom, this announcement is only being distributed to and is directed at “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, (a) having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended (the “Order”); (b) who are high net worth entities described in Article 49(2) (a) to (d) of the Order; or (c) other persons to whom they may lawfully be communicated (all such persons together being referred to as “Relevant Persons”). Any investment or investment activity to which this announcement relates will only be available to and will only be engaged in with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents.

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This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Each of the Company, Citigroup Global Markets Limited (“Citigroup”), J.P. Morgan Securities plc (“J.P. Morgan”), Merrill Lynch International (“BofA Securities”), Morgan Stanley & Co. International plc (“Morgan Stanley”), VTB Capital plc (“VTB Capital”), the Selling Shareholders and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act (“affiliates”), expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Selling Shareholders to proceed with the Offer or any transaction or arrangement referred to therein.

Any purchase of any securities in the proposed Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before purchasing any securities in the Offer, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase any securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of Admission may be influenced by a variety of factors which include market conditions. The Company may decide not to go ahead with the IPO and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not form part of or constitute a recommendation concerning any offer. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

None of BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley, VTB Capital, the Selling Shareholders or any of their respective affiliates or any of their or their affiliates’ directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. Accordingly, each of BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley, VTB Capital, the Selling Shareholders, and any of their respective affiliates and any of their or their affiliates’ directors, officers, employees, advisers or agents expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital is acting exclusively for the Company and no-one else in connection with the proposed Offer. They will not regard any other person as their respective clients in relation to the proposed Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the proposed Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. Each of BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom.

In connection with the Offer, BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital and any of their respective affiliates, may take up a portion of the GDRSs as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such GDRs and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital and any of their respective affiliates acting in such capacity. In addition, BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of GDRs. None of BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

In connection with the Offer, Morgan Stanley, as stabilisation manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot GDRs or effect other transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail in the open market. Morgan Stanley is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of commencement of conditional dealings of the GDRs on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on Morgan Stanley or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the GDRs above the Offer Price. Save as required by law or regulation, neither Morgan Stanley nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, Morgan Stanley, as stabilisation manager, may, for stabilisation purposes, over-allot GDRs up to a maximum of 15% of the total number of GDRs comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of GDRs effected by it during the stabilisation period, Morgan Stanley will enter into over-allotment arrangements with certain existing shareholders pursuant to which Morgan Stanley may purchase or procure purchasers for additional GDRs up to a maximum of 15% of the total number of GDRs comprised in the Offer (the “Over-Allotment GDRs”) at the Offer Price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by Morgan Stanley, at any time on or before the 30th calendar day after the commencement of conditional trading of the GDRs on the London Stock Exchange. Any Over-Allotment GDRs made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the GDRs, will be purchased on the same terms and conditions as the GDRs being issued or sold in the Offer.

Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA ("U.K. MiFIR"); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, (together, the "U.K. MiFIR Product Governance Rules"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of U.K. MiFIR) may otherwise have with respect thereto, the GDRs have been subject to a product approval process, which has determined that the GDRs are: (i) compatible with an end target market of retail investors and investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in U.K. MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by U.K. MiFIR (the "U.K. Target Market Assessment"). Notwithstanding the U.K. Target Market Assessment, distributors should note that: the price of the GDRs may decline and investors could lose all or part of their investment; the GDRs offer no guaranteed income and no capital protection; and an investment in the GDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The U.K. Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the U.K. Target Market Assessment, BofA Securities, Citigroup, J.P. Morgan, Morgan Stanley and VTB Capital will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the U.K. MiFIR Product Governance Rules.

For the avoidance of doubt, the U.K. Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the U.K. MiFIR Product Governance Rules; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the GDRs.

Each distributor is responsible for undertaking its own target market assessment in respect of the GDRs and determining appropriate distribution channels.