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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**1 April 2019**

**PROPOSED CASH OFFER**

**FOR**

**Lenta Ltd.**

**BY**

**Severgroup LLC**

**Summary**

- Severgroup LLC (“Severgroup”) announces that it has agreed to acquire from Luna, Inc. (“Luna”) 166,383,595 Lenta GDRs, representing 33,276,719 Lenta Shares and approximately 34.44 per cent. of the issued and outstanding voting shares in Lenta Ltd. (“Lenta”) (excluding treasury shares) as of 1 April 2019 and separately agreed to acquire from the European Bank for Reconstruction and Development (“EBRD”) 36,076,870 Lenta GDRs, representing 7,215,374 Lenta Shares and approximately 7.47 per cent. of the issued and outstanding voting shares in Lenta (excluding treasury shares) as of 1 April 2019, in each case at a price of US\$ 3.60 per Lenta GDR and on and subject to the terms and conditions of separate conditional share purchase agreements each dated 1 April 2019.
  - Accordingly, Severgroup announces that, subject to satisfaction of the Pre-Condition (as defined below), Severgroup intends to make a cash offer (as required by Regulation 5.8 of the Lenta Articles) to acquire all of the issued and to be issued shares of Lenta and all of the Lenta GDRs (excluding treasury shares) (the “Offer”) from the holders thereof (the “Lenta Securityholders”).
  - Under the terms of the Offer, Lenta Securityholders will be entitled to receive:
    - for each Lenta Share US\$ 18.00 in cash
    - for each Lenta GDR US\$ 3.60 in cash
- (or, with respect to those Lenta GDR Holders who are Russian Residents, the equivalent of US\$ 3.60 in Russian Roubles at the exchange rate of US\$ to Russian Rouble established by the Central Bank of the Russian Federation as at the relevant payment date). Five Lenta GDRs represent an interest in one Lenta Share.
- The Offer Price implies a value of approximately US\$ 1.75 billion for 100 per cent. of the issued and to be issued shares of Lenta and represents:
    - a premium of approximately 8.11 per cent. to the price of the Lenta GDRs on the London Stock Exchange of US\$ 3.33 at the close of business on 26 March

2019, being the last London Business Day before the first announcement by Lenta regarding the possibility of the Offer being made; and

- a premium of approximately 9.76 per cent. to the volume weighted average price of the Lenta GDRs on the London Stock Exchange of US\$ 3.28 for the six months ending on 26 March 2019.
- The Offer will be made only if and when (a) all conditions to completion of the sale and purchase of the Lenta GDRs contemplated by the Luna SPA have been satisfied or waived (and the Luna SPA has not been terminated), and (b) the process for completion and settlement under the Luna SPA has commenced, in each case in accordance with the terms of the Luna SPA (together, the “Pre-Condition”). If the Pre-Condition is satisfied, Severgroup intends to announce publicly on the same New York and London Business Day that the Pre-Condition has been satisfied and that the Offer Document is being made available to Lenta Securityholders by the Tender Agent. Completion of the sales and purchases of Lenta GDRs contemplated by the SPAs is conditional upon, among other things: (i) FAS Clearance having been obtained and being in full force and effect, (ii) certain decisions made by the Lenta Board as further detailed in section 10 of this announcement and in the SPAs remaining unchanged, valid and in full force and effect, (iii) Lenta continuing to indirectly hold all the equity in Lenta LLC, free from any encumbrances, (iv) the Lenta Articles and Lenta’s overall number of shares remaining unchanged (other than scheduled issuances of shares under employee benefit incentive plans (the “MIP” and “LTIP”) of up to 187,217 new Lenta Shares), and (v) certain other conditions as further detailed in the SPAs. Severgroup anticipates that FAS Clearance will be obtained before the end of May 2019. Each of the SPAs terminates automatically if FAS Clearance has not been received by 31 May 2019. The Luna SPA also terminates automatically if Luna or Severgroup or any parent undertaking or ultimate controlling person becomes a “Sanctioned Person” (as defined in the Luna SPA) or if the transactions contemplated by the Luna SPA would violate any “Sanctions Law” (as defined in the Luna SPA). If the Luna SPA terminates, the Pre-Condition will not be satisfied and the Offer will not be made.
- The making of the Offer is subject to satisfaction of the Pre-Condition. However, the Offer, if made, will not be subject to any conditions, and in particular will not be conditional upon Severgroup achieving any particular level of acceptances under the Offer. Accordingly, any valid acceptances of the Offer by Lenta Securityholders that are received by Severgroup while the Offer remains open for acceptances will (subject to the terms set out in Appendix 1 to this announcement and to the terms to be set out in the Offer Document) be binding on Severgroup and such Lenta Securityholders.
- If and once made, the Offer will be open for acceptance for 21 calendar days. If valid acceptances have been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including Lenta Securities purchased under the Luna SPA and EBRD SPA), carry in aggregate more than 50 per cent. of Lenta’s voting rights, the Offer will remain open for acceptance for an additional 14 calendar day period after the expiry of the initial 21-day period.
- If: (a) Severgroup, any parent undertaking (as such term is defined under the UK Companies Act 2006) of Severgroup, or the ultimate controlling person of Severgroup becomes a Sanctioned Person; or (b) the acceptance of the Offer, or the transfer of tendered Lenta Securities to Severgroup, or the settlement of consideration to which tendering Lenta Securityholders are entitled under the Offer, would comprise a violation of, or conduct subject to adverse consequences under, any Sanctions Law by any person (except where any tendering Lenta Securityholder is or becomes a Sanctioned Person), then (in either case), with effect from the date of such event, the Offer shall automatically terminate in its entirety and no transfer of any tendered Lenta

Securities to Severgroup and no settlement of consideration to which any tendering Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case any tendered Lenta Securities shall remain the property of the relevant tendering Lenta Securityholders) (each of (a) and (b) above, a “Sanctions Termination”).

- In addition, if any Lenta Securityholder who would otherwise be entitled to tender its Lenta Securities under the Offer is or becomes a Sanctioned Person, then any purported acceptance of the Offer by such Lenta Securityholder will be deemed to be (or, if such acceptance has already been made at the time, shall automatically become with effect from the date of such event) invalid and no transfer of Lenta Securities to Severgroup by such Lenta Securityholder and no settlement of consideration to which such Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case the relevant Lenta Securities shall remain the property of the relevant Lenta Securityholder) (a “Sanctions Invalidity”), but the Offer shall otherwise remain in full force and effect.
- The Lenta Independent Directors, who have been so advised by J.P. Morgan as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their advice, J.P. Morgan has taken into account the commercial assessments of the Lenta Independent Directors. The Lenta Independent Directors are supportive of the fact that all Lenta Securityholders are being offered the opportunity to sell their Lenta Securities in the Offer at the same price as the exiting Lenta Securityholders, Luna and EBRD. Lenta Securityholders should decide whether or not to accept the Offer in light of their own circumstances.

- Commenting on the Offer, Alexey Mordashov, Chief Executive Officer of Severgroup said:

“We see tremendous value in businesses that improve people’s quality of life and we believe there is great potential in retail as an industry which is now going through important transformation to meet the growing demands of consumers. Widely known as an efficient grocery retailer with one of the highest growth rates in the market, Lenta is a unique asset to unlock this potential in the Russian market. We are confident that combining Lenta’s highly professional management team and excellent corporate culture with Severgroup’s experience in building and managing successful businesses, deep expertise in both industrial and consumer sectors as well as in the digital & IT sector will enhance the company’s position as a leading grocery player in terms of customer’s service, offering and loyalty.”

- Commenting on the Offer, Herman Tinga, Chief Executive Officer of Lenta said:

“We have always been dedicated to providing our customers with a full range of best-in-class services. We understand that, to ensure that today we meet the needs of all of our existing customers and to attract new ones, we need a unique selling proposition. This is only possible through a deep understanding of our customers and fulfilling their demands through innovative tools. We are glad to welcome Severgroup, a new strategic investor who has committed to create value for all shareholders through a combination of Lenta’s strong market position and deep data-driven customer knowledge with Severgroup’s experience of online retail and digital marketing.”

**This summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The making of the Offer is subject to the satisfaction of the Pre-Condition and the Offer, if made, will be subject to the terms set out in Appendix 1 and to the full terms to be set out in the Offer Document. Appendix 2 contains the bases and sources of certain information contained in this summary and the**

**following announcement. Appendix 3 contains the definitions of certain terms used in this summary and the following announcement.**

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**Further information**

*This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Lenta in any jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by means of the Offer Document, which will, together, contain the full terms of the Offer including details of how it may be accepted. Further details on how eligible Lenta Securityholders can accept the Offer will be set out in the Offer Document.*

*Please be aware that addresses, electronic addresses and certain other information provided by Lenta Securityholders and other relevant persons for the receipt of communications from Lenta may be provided to Severgroup during the Offer Period.*

*Citigroup Global Markets Limited (“Citi”), which is authorised by the PRA and regulated by the PRA and the FCA in the UK, is acting exclusively as financial adviser to Severgroup and no one else in connection with the Offer and the subject matter of this announcement, and shall not be responsible to anyone other than Severgroup for providing the protections afforded to clients of Citi, or for providing advice in connection with the Offer and the subject matter of this announcement. Neither Citi nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein or otherwise.*

*J.P. Morgan Securities plc (“J.P. Morgan”), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively as financial adviser to Lenta and no one else in connection with the Offer and will not regard any other person as its client in relation to the Offer and will not be responsible to anyone other than Lenta for providing the protections afforded to clients of J.P. Morgan or its affiliates, or for providing advice in relation to the Offer or any other matter referred to in this announcement.*

### ***The City Code on Takeovers and Mergers***

*Lenta is incorporated under the laws of the British Virgin Islands and, as such, is not subject to the jurisdiction of the City Code or any equivalent takeover regulations. In particular, this announcement does not amount to a firm intention to make an offer under Rule 2.7 of the City Code. Lenta has incorporated certain takeover-related provisions into its articles of association but these do not provide Lenta Securityholders with the protections offered by the City Code, and enforcement of such provisions is the responsibility of Lenta, not the UK Takeover Panel. Accordingly, Lenta Securityholders are reminded that the UK Takeover Panel does not have responsibility for ensuring compliance of the Offer with the City Code and is not able to answer shareholders’ queries in that regard. The Lenta Board has full power, authority and discretion to interpret the takeover-related provisions in the Lenta Articles and to waive, in whole or in part, compliance with the same and in doing so will (unless it reasonably resolves otherwise in light of the relevant prevailing facts and circumstances) have reference to the precedent practice of the UK Takeover Panel. See further in section 10 (the Lenta Articles) of this announcement.*

### ***Overseas jurisdictions***

*The availability of the Offer, if made, to Lenta Securityholders who are not resident in and citizens of the UK, Russia or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Lenta Securityholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Further details in relation to Overseas Securityholders will be contained in the Offer Document.*

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK, Russia or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK, Russia or the United States should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. As this announcement has been prepared for the purposes of complying with BVI law and Lenta’s Articles, the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of the BVI.*

*The Offer will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Offer will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.*

### ***Notice to US Lenta Securityholders***

*The Offer, if made, will be made for the securities of a BVI incorporated company and will be subject to disclosure requirements which are different from those of the United States. The financial information included in this announcement and to be included in the Offer Document has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The Offer, if made, will be made in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(d) under the US Exchange Act. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Severgroup or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Lenta Securities outside of the United States, other than pursuant to the Offer, until the date on which the Offer is complete. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required by applicable laws.*

*The receipt of cash pursuant to the Offer by a US Lenta Securityholder will likely be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Lenta Securities is urged to consult his or her independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.*

*It may be difficult for US Lenta Securityholders to enforce their rights and any claim arising out of US federal securities laws, since Severgroup and Lenta are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Lenta Securityholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

#### **Notice to persons resident or located in Russia**

*Distribution of this document does not constitute an offer (“oferta”) pursuant to Russian law and does not constitute a placement and/or public circulation of securities or other financial instruments in the Russian Federation.*

*The Lenta Shares have not been registered in the Russian Federation and have not been, and are not intended to be, admitted to “placement” and/or “public placement” and/or “public circulation” in the Russian Federation. Accordingly, this document and the information contained in it is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer Lenta Shares in the Russian Federation and does not purport to constitute an advertisement of Lenta Shares in the Russian Federation. Information regarding Lenta Shares contained in this announcement is not intended for any persons in the Russian Federation who are not “qualified investors” (as defined under Russian law). Any sale or transfer of Lenta Shares in the territory of the Russian Federation will be subject to the requirements and restrictions set forth by Russian law, including the Russian currency control laws, as discussed below.*

*Russian Residents are permitted by Russian currency control laws to tender their Lenta GDRs under the Offer only if (i) the transfer of such Lenta GDRs to Severgroup is recorded with an*

entity or entities licensed to provide depositary services in Russia and (ii) payment by Severgroup for such Lenta GDRs is made in Russian Roubles. As Lenta Shares are currently not eligible for depositing with Russian Depositaries, no Offer will be made in respect of the Lenta Shares to Lenta Shareholders who qualify as Russian Residents, whether or not such Lenta Shareholders qualify as "qualified investors" for the purposes of Russian securities market laws. The terms of the Offer will not restrict those Lenta Shareholders from depositing relevant Lenta Shares in accordance with the Deposit Agreement and tendering the Lenta GDRs representing those Lenta Shares under the Offer. Lenta GDRs tendered by Russian Residents under the Offer will have to be delivered from the securities account of the tendering Lenta GDR Holder with a Russian Depositary to the securities account of Severgroup with the Russian Depositary designated in the Offer Document. Such tendering Lenta GDR Holders will be paid in Russian Roubles at the exchange rate of US\$ to Russian Rouble established by the Central Bank of the Russian Federation as at the relevant payment date in accordance with the procedure to be specified in the Offer Document.

### **Forward-looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by Severgroup and Lenta contain statements which are, or may be deemed to be, "forward-looking statements" including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Severgroup and Lenta about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on Severgroup and Lenta, the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Severgroup and Lenta each believe that the expectations reflected in its respective forward-looking statements are reasonable, Severgroup and Lenta can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Severgroup nor Lenta, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Severgroup nor Lenta is under any obligation, and Severgroup and Lenta expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **No profit forecasts or quantified benefits statement**

No statement in this announcement is intended as a profit forecast, profit estimate or qualified benefits statement and no statement in this announcement should be interpreted to mean that earnings per Lenta Security for the current or future financial years would necessarily match

*or exceed the respective historical published earnings per Lenta Security or to mean that the enlarged group's earnings in the first 12 months following the Offer, or in any subsequent period, would necessarily match or be greater than those of Lenta for the relevant preceding financial period or any other period.*

***Publication on website***

*A copy of this announcement and the Offer Document (if published as referred to in this announcement) will be made available by Lenta, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Lenta's website at [www.lentainvestor.com/en/investors](http://www.lentainvestor.com/en/investors). For the avoidance of doubt, the contents of that website are not incorporated into and do not form part of this announcement.*





- a premium of approximately 8.11 per cent. to the price of the Lenta GDRs on the London Stock Exchange of US\$ 3.33 at the close of business on 26 March 2019, being the last London Business Day before the first announcement by Lenta regarding the possibility of the Offer being made; and
- a premium of approximately 9.76 per cent. to the volume weighted average price of the Lenta GDRs on the London Stock Exchange of US\$ 3.28 for the six months ending on 26 March 2019.

### 3. **Background to and reasons for the Offer**

Severgroup believes in the prospects of the retail industry in Russia and values Lenta as one of the best platforms in the market that has an excellent track record of development and growth and is well positioned for further accomplishments. Lenta is managed by an industry-leading management team and their significant expertise and experience in the sector is the key to the further success of Lenta in which Severgroup believes strongly. In addition, Severgroup is convinced that it can contribute its successful experience of managing various businesses across a number of sectors to support Lenta's management in developing and implementing a strategy that would strengthen its position as a retailer of choice to customers across the Russian Federation.

### 4. **The Pre-Condition**

The Offer will be made only if and when (a) all conditions to completion of the sale and purchase of the Lenta GDRs contemplated by the Luna SPA have been satisfied or waived (and the Luna SPA has not been terminated), and (b) the process for completion and settlement under the Luna SPA has commenced, in each case in accordance with the terms of the Luna SPA (together, the "Pre-Condition"). Further details of the Luna SPA and the conditions to which it is subject are set out below.

If the Pre-Condition is satisfied, Severgroup intends to announce publicly on the same New York and London Business Day that the Pre-Condition has been satisfied and that the Offer Document is being made available to Lenta Securityholders by the Tender Agent.

### 5. **Views of the Lenta Independent Directors**

The Lenta Independent Directors, who have been so advised by J.P. Morgan as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their advice, J.P. Morgan has taken into account the commercial assessments of the Lenta Independent Directors. The Lenta Independent Directors are supportive of the fact that all Lenta Securityholders are being offered the opportunity to sell their Lenta Securities in the Offer at the same price as the exiting Lenta Securityholders, Luna and EBRD. Lenta Securityholders should decide whether or not to accept the Offer in light of their own circumstances.

### 6. **Sanctions Termination and Sanctions Invalidation**

If: (a) Severgroup, any parent undertaking (as such term is defined under the UK Companies Act 2006) of Severgroup, or the ultimate controlling person of Severgroup becomes a Sanctioned Person; or (b) the acceptance of the Offer, or the transfer of tendered Lenta Securities to Severgroup, or the settlement of consideration to which tendering Lenta Securityholders are entitled under the Offer, would comprise a violation of, or conduct subject to adverse consequences under, any Sanctions Law by any person (except where any tendering Lenta Securityholder is or becomes a Sanctioned Person), then (in either case), with effect from the date of such event, the Offer shall automatically terminate in its entirety and no transfer of any tendered Lenta Securities to Severgroup and no settlement of consideration to which any tendering Lenta Securityholder would otherwise be entitled under the Offer shall be made (in

which case any tendered Lenta Securities shall remain the property of the relevant tendering Lenta Securityholders) (each of (a) and (b) above, a “Sanctions Termination”).

In addition, if any Lenta Securityholder who would otherwise be entitled to tender its Lenta Securities under the Offer is or becomes a Sanctioned Person, then any purported acceptance of the Offer by such Lenta Securityholder will be deemed to be (or, if such acceptance has already been made at the time, shall automatically become with effect from the date of such event) invalid and no transfer of Lenta Securities to Severgroup by such Lenta Securityholder and no settlement of consideration to which such Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case the relevant Lenta Securities shall remain the property of the relevant Lenta Securityholder) (a “Sanctions Invalidity”), but the Offer shall otherwise remain in full force and effect.

## **7. SPA with Luna and SPA with EBRD**

### *Luna SPA*

Severgroup has agreed to acquire from Luna 166,383,595 Lenta GDRs, representing 33,276,719 Lenta Shares and approximately 34.44 per cent. of the issued and outstanding shares in Lenta (excluding treasury shares) as of 1 April 2019, at a price of US \$3.60 per Lenta GDR pursuant to the Luna SPA.

Pursuant to the terms of the Luna SPA, if the Offer Price is increased, Severgroup has agreed to increase the price per Lenta GDR under the Luna SPA by the same amount (or, if the Offer Price is increased after completion has occurred under the Luna SPA, to pay Luna an amount equal to the difference) in order that Luna is treated in the same way as other Lenta Securityholders in relation to any increase in the Offer Price.

Completion of the sale and purchase of Lenta GDRs contemplated by the Luna SPA is conditional upon, among other things: (i) FAS Clearance having been obtained and being in full force and effect, (ii) certain decisions made by the Lenta Board as further detailed in section 10 of this announcement and in the SPAs remaining unchanged, valid and in full force and effect, (iii) Lenta continuing to indirectly hold all the equity in Lenta LLC, free from any encumbrances, (iv) the Lenta Articles and Lenta’s overall number of shares remaining unchanged (other than scheduled issuances of shares under employee benefit incentive plans (the “MIP” and “LTIP”) of up to 187,217 new Lenta Shares), and (v) certain other conditions as further detailed in the SPAs. Severgroup anticipates that FAS Clearance will be obtained before the end of May 2019.

The Luna SPA terminates automatically if FAS Clearance has not been received by 31 May 2019. The Luna SPA also terminates automatically if Luna or Severgroup or any parent undertaking or ultimate controlling person becomes a “Sanctioned Person” (as defined in the Luna SPA) or if the transactions contemplated by the Luna SPA would violate any “Sanctions Law” (as defined in the Luna SPA). If the Luna SPA terminates, the Pre-Condition will not be satisfied and the Offer will not be made.

### *EBRD SPA*

Severgroup has agreed to acquire from EBRD 36,076,870 Lenta GDRs, representing 7,215,374 Lenta Shares and approximately 7.47 per cent. of the issued and outstanding shares in Lenta (excluding treasury shares) as of 1 April 2019, at a price of US\$ 3.60 per Lenta GDR pursuant to the EBRD SPA. The terms of the Luna SPA described above are also included in the EBRD SPA and, in addition, completion under the EBRD SPA is conditional on completion under the Luna SPA having first occurred.

## 8. Conditions

The making of the Offer is subject to satisfaction of the Pre-Condition. However, the Offer, if made, will not be subject to any conditions, and in particular will not be conditional upon Severgroup achieving any particular level of acceptances under the Offer. Accordingly, any valid acceptances of the Offer by Lenta Securityholders that are received by Severgroup while the Offer remains open for acceptances will (subject to the terms set out in Appendix 1 to this announcement and to the terms to be set out in the Offer Document) be binding on Severgroup and such Lenta Securityholders.

## 9. Terms of the Offer

The Offer, if made, will remain open until 1.00 pm (London time) on the 21<sup>st</sup> day after the date on which the Offer Document is made available to Lenta Securityholders by the Tender Agent (the “First Closing Date”). If, by 1.00 pm (London time) on the First Closing Date valid acceptances have been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta’s voting rights, then the Offer will remain open for a further 14 days from the First Closing Date (or until such later date as Severgroup may, with the consent of the Lenta Board, decide). If the Offer is so extended, any valid acceptances received on or before the First Closing Date will be settled (if not previously settled) within 14 days after the First Closing Date, and any valid acceptances received after the First Closing Date will be settled and paid for within 14 days after the Offer closes. If, by 1.00 pm (London time) on the First Closing Date valid acceptances have not been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta’s voting rights, then (unless it is extended by Severgroup with the consent of the Lenta Board) the Offer will close and cease to be capable of further acceptance. In such case, all valid acceptances received on or before the First Closing Date will be settled (if not previously settled) within 14 days after the First Closing Date.

If the Offer is made, Severgroup will make an announcement: (a) if applicable, on the London Business Day immediately following the date on which Severgroup has received valid acceptances in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta’s voting rights; and (b) on the London Business Day immediately following the First Closing Date, in each case in relation to the level of acceptances received by such date and the extension or closing of the Offer (as the case may be).

The Offer, if made, will be subject to the terms set out in Appendix 1 to this announcement and to the terms to be set out in the Offer Document. In particular, (a) the Offer will automatically lapse and cease to be capable of acceptance upon Sanctions Termination and (b) any acceptance by a tendering Lenta Securityholder shall automatically be invalid in the case of any Sanctions Invalidity.

## 10. The Lenta Articles

Regulation 5.8 of the Lenta Articles provides (among other matters) that no person may acquire an interest in Lenta Shares if, as a result, such person would have an interest in Lenta Shares that would carry 30 per cent. or more of the voting rights in Lenta unless such person has made or simultaneously makes an offer (a “Mandatory Offer”) to all Lenta Shareholders to acquire their Lenta Shares at a price not less than the greater of (a) the highest price paid by such person for an interest in Lenta Shares in the 12 months immediately preceding the date of such Mandatory Offer or (b) the volume weighted average market price of the listed Lenta Shares or Lenta GDRs over the six months immediately preceding the date of such Mandatory Offer (in

each case subject to such adjustment and/or determination by the Lenta Board as the Lenta Board may determine is fair and reasonable in the circumstances).

The Lenta Articles also provide that the Lenta Board has full power, authority and discretion to interpret and implement Regulation 5.8 of the Lenta Articles and to waive, in whole or in part, compliance with the same and to condition any such waiver as it sees fit, provided that all Lenta Shareholders of the same class are afforded equivalent treatment.

Entry into the Luna SPA has triggered a requirement for Severgroup to make a Mandatory Offer pursuant to Regulation 5.8 of the Lenta Articles, subject to the derogations granted by the Lenta Board, as outlined below.

As part of its consideration of the Luna SPA and the Offer, the Lenta Board has (in accordance with the power, authority and discretion afforded to it in Regulation 5.8 item (xi) of the Lenta Articles) consented to the following limited derogations from the strict requirements of Regulation 5.8 of the Lenta Articles:

- Severgroup will proceed to make the Offer only if the Pre-Condition is satisfied (and will invoke the Pre-Condition and not make the Offer only in circumstances where the Luna SPA has terminated and Severgroup has not acquired any Luna GDRs). On that basis, the Lenta Board has agreed not to require Severgroup to make the Offer unless and until the Pre-Condition is satisfied.
- If Severgroup proceeds to make the Offer, the Tender Agent at Severgroup's instruction will announce the launch of the Offer via the Regulatory News Service on [www.londonstockexchange.com](http://www.londonstockexchange.com). The Tender Agent will make available the Offer Document in electronic form: (i) to Lenta for (A) publication by Lenta on Lenta's website, and (B) providing such Offer Document to all registered Lenta Securityholders (including the depository for the GDR programme) (subject to applicable law), and (ii) on request, to registered Members and GDR holders (including the depository for the GDR programme) (subject to applicable law). The Lenta Board has confirmed this mode of making and announcing of the Offer would be compliant with the Lenta Articles.
- The Lenta Board has agreed that the Offer, if made, will be subject to Sanctions Termination and Sanctions Invalidity.
- The Lenta Board will not require Severgroup to increase the Offer Price to reflect any increase in the volume weighted average market price of the Lenta GDRs during the Offer Period. However, if Severgroup acquires any Lenta Securities at prices above the Offer Price during the Offer Period, Severgroup will be required to increase the Offer Price to the highest price paid by Severgroup in respect of such acquisitions.
- The Lenta Board will not require Severgroup to make an offer into the Russian Federation to acquire any Lenta Shares because any such offer would breach applicable law in the Russian Federation and any Lenta Shareholders can instead deposit their Lenta Shares under the Deposit Agreement and then accept the Offer in respect of the relevant Lenta GDRs.
- The Lenta Board has agreed that, in order to comply with applicable currency control laws in the Russian Federation, Lenta GDRs tendered to Severgroup by Lenta GDR Holders who are Russian Residents will be required to be delivered from the securities accounts of such Lenta GDR Holders with a Russian Depository to the securities account of Severgroup with the Russian Depository designated in the Offer Document.

- The Lenta Board will not require Severgroup to pay the Offer Price in US\$ to Lenta GDR Holders who are Russian Residents and will accept payment by Severgroup to such Lenta GDR Holders of the Offer Price in Russian Roubles at the exchange rate of US\$ to Russian Rouble established by the Central Bank of the Russian Federation as at the relevant payment date.

In light of the size of Severgroup's holding of Lenta GDRs following completion under the Luna SPA, and having regard to the Lenta Articles, the Lenta Board has also resolved that:

- for so long as Severgroup holds Lenta Securities representing in aggregate at least 15 per cent. of Lenta's voting rights, if so requested by Severgroup in writing the Lenta Board will: (a) as contemplated by Regulation 9.3 of the Lenta Articles, convene, as soon as reasonably practicable, a general meeting of Lenta's members and include such items on the agenda for such meeting as may be reasonably requested by Severgroup, in each case in accordance with the rules and procedures set out in the Lenta Articles; and (b) propose any candidate(s) for director proposed by Severgroup at such meeting, provided that Severgroup has complied with the procedural requirements set out in Regulation 10.3 of the Lenta Articles;
- if and when Severgroup holds Lenta Securities representing in aggregate more than 50 per cent. of Lenta's voting rights, then, if so requested by Severgroup in writing, the Lenta Board will, by way of resolution of the Lenta Directors as contemplated by Regulation 10.12 of the Lenta Articles, elect each and all of Messrs. Alexey Mordashov, Alexey Kulichenko, Roman Vasilkov and Maxim Bakhtin to the seats left vacant on the Lenta Board following the resignations of the Luna Directors and the EBRD Director in each case to serve on the Lenta Board until the next Lenta Shareholders' meeting at which the Lenta Board is elected (provided that such person is not a Sanctioned Person and is not a person who may not be appointed as a Director to the Board under applicable law), it being understood that such persons shall have no participation in any Lenta Board discussion or decision in respect of, and no access to any information held by Lenta relating to, the Offer or any other then outstanding competing offer, or possible competing offer, for Lenta Securities; and
- upon completion of the sale under the Luna SPA, the Lenta Board will permit Mr. Tomas Korganas (Head of Strategy and M&A of Severgroup LLC) from time to time to attend all Lenta Board meetings in an observer capacity, inform such observer in advance whenever a Lenta Board meeting is convened and supply to such observer all materials that are being supplied to the members of the Lenta Board in connection with any Lenta Board meeting (provided that such person is not a Sanctioned Person and is not a person who may not be appointed as a Director to the Board under applicable law), it being understood that such person shall have no participation in any Lenta Board discussion or decision in respect of, and no access to any information held by Lenta relating to, the Offer or any other then outstanding competing offer, or possible competing offer, for Lenta Securities, such observer status to immediately end upon the earlier of: (a) the election of a nominee of Severgroup to the Lenta Board as contemplated above; (b) the next meeting of Lenta Shareholders; and (c) the Offer having closed with the result that valid acceptances have not been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta's voting rights.

The Luna Directors and the EBRD Director did not vote on the decisions of the Lenta Board described in this section 10.

## 11. Information relating to Severgroup

Severgroup is a private investment company founded in 1993 which makes long-term investments and manages assets on behalf of Mr. Alexey Mordashov.

Severgroup was formed to develop established businesses and invest in attractive new projects. Severgroup's core investment areas are currently: metallurgy and minerals, power plant engineering, gold mining, woodworking, tourism, wholefood e-commerce, talent tech, high-tech venture capital, media, advertising, telecommunications and medicine.

Severgroup directly or indirectly owns shares and interests, among others, in the following selected companies:

— Severstal	— Aterra Capital
— Nordgold	— S-Group Capital Management
— Sveza	— CTC Media
— TUI AG	— Tele2 Russia
— TUI Russia	— National media group
— Utkonos	— AVA-Peter Group
— TalentTech	

## 12. Information relating to Lenta

Lenta was founded in 1993 in St. Petersburg and is now the largest hypermarket chain in Russia and the country's third largest retail chain. Lenta operates 245 hypermarkets in 88 cities across Russia and 135 supermarkets in Moscow, St Petersburg, Central, Siberia and Ural regions, with a total of approximately 1,472,714 sq.m of selling space. The average Lenta hypermarket store has selling space of approximately 5,500 sq.m and its average supermarket store has selling space of approximately 800 sq.m. Lenta also operates seven owned distribution centres. Lenta's price-led hypermarket formats are differentiated in terms of their promotion and pricing strategies as well as their local product assortment. Lenta employed approximately 45,759 people as of 31 December 2018.

The Lenta GDRs are admitted to trading on the Main Market of the London Stock Exchange and on the Moscow Exchange and trade under the ticker: 'LNTA'. For more information, visit [www.lentainvestor.com](http://www.lentainvestor.com).

## 13. Changes to the Lenta Board

The three Lenta Directors and the one EBRD Director each intend to step down from the Lenta Board with effect from completion occurring under the Lenta SPA and EBRD SPA, respectively.

## 14. Financing of the Offer

The cash consideration payable by Severgroup under the terms of the Offer will be funded from existing cash resources of Severgroup. In particular, Severgroup has, and will maintain, cash (in the form of US dollars, or the equivalent thereof (applying the current applicable exchange rate for each day until the Offer is completed) in Euros) on bank deposit sufficient to complete

the Offer on the basis that all Lenta Securityholders tender all their Lenta Securities at the Offer Price (as well as to make due and full payment under the SPAs).

**15. Lenta GDRs**

Lenta GDR Holders will be able to participate in the Offer with respect to their Lenta GDRs and the Lenta Shares represented by their Lenta GDRs. Further details in relation to how Lenta GDR Holders can accept the Offer will be set out in the Offer Document.

**16. Lenta Employee Share Incentive Programme**

Participants in the Lenta share incentive programme will be contacted by Lenta in due course with further details on the effect of the Offer on their individual rights under that programme.

**17. Disclosure of interests in Lenta Securities**

Except pursuant to the SPAs, as at close of business on 1 April 2019, neither Severgroup, nor (so far as Severgroup is aware) any person acting in concert with Severgroup, has any interest in Lenta Securities.

**18. Expected continuation of Lenta GDR programme and stock exchange listings (unless trading in Lenta GDRs becomes illiquid)**

Severgroup does not intend to take steps (or to procure that Lenta takes steps) to cancel the listing of the Lenta GDRs on the Official List or trading of the Lenta GDRs on the market for listed securities of the London Stock Exchange or of the Moscow Exchange, provided however, that Severgroup reserves the right to do so if, as a result of the high level of acceptances of the Offer liquidity in Lenta GDRs becomes limited.

Notwithstanding the foregoing, if Severgroup receives acceptances under the Offer, in respect of, or otherwise acquires or has contracted to acquire, interests in Lenta Securities that together with any other Lenta Securities or interests in Lenta Securities held by Severgroup (or persons acting in concert with it) carry 90 per cent. or more of the voting rights in Lenta, Severgroup reserves the right to acquire compulsorily the remaining Lenta Shares in respect of which the Offer has not been accepted pursuant to Regulation 5.8 of the Lenta Articles, to terminate Lenta's GDR programme and to procure that Lenta will make an application for the cancellation of the listing of the Lenta GDRs on the Official List and for the cancellation of trading of the Lenta GDRs on the market for listed securities of the London Stock Exchange and of the Moscow Exchange.

**19. Overseas Securityholders**

The availability of the Offer or the distribution of this announcement to Lenta Securityholders who are not resident in and citizens of the UK, Russia or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Lenta Securityholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Further details in relation to Overseas Securityholders will be contained in the Offer Document.

US Lenta Securityholders should read the section entitled "Notice to US Lenta Securityholders". Lenta Securityholders who are Russian Residents or are otherwise resident or located in Russia should read the section entitled "Notice to persons resident or located in Russia".



This announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Lenta Securityholders are advised to read carefully the Offer Document if and when published.

## 20. Lenta issued shares and GDRs

Lenta confirms that as of 1 April 2019 there are 97,508,265 Lenta Shares in issue (of which 872,411.4 are held in treasury by Lenta LLC as a result of Lenta's share buyback programme), and there are 485,654,640 GDRs in issuance (of which 4,362,057 are held by Lenta LLC as a result of Lenta's share buyback programme) (not including any GDRs purchased under the programme on 1 April 2019). Five Lenta GDRs represent one Lenta Share. The International Securities Identification Numbers of the Lenta GDRs is (a) US52634T2006 in the case of the Lenta Regulation S GDRs and (b) US52634T1016 in the case of the Lenta Rule 144A GDRs.

## 21. Documents published on a website

Copies of this announcement will from the date hereof be published by Lenta on Lenta's website at [www.lentainvestor.com/en/investors](http://www.lentainvestor.com/en/investors) until the end of the Offer Period.

## 22. General

The making of the Offer is subject to the satisfaction of the Pre-Condition and the Offer, if made, will be subject to the terms set out in Appendix I and to the full terms to be set out in the Offer Document. If the Pre-Condition is satisfied, Severgroup expects to announce publicly on the same New York and London Business Day that the Pre-Condition has been satisfied and that the Offer Document is being made available to Lenta Securityholders by the Tender Agent.

The bases and sources of certain information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 3.

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## **Further information**

*This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Lenta in any jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by means of the Offer Document, which will, together, contain the full terms of the Offer including details of how it may be accepted. Further details on how eligible Lenta Securityholders can accept the Offer will be set out in the Offer Document.*

*Please be aware that addresses, electronic addresses and certain other information provided by Lenta Securityholders and other relevant persons for the receipt of communications from Lenta may be provided to Severgroup during the Offer Period.*

*Citigroup Global Markets Limited (“Citi”), which is authorised by the PRA and regulated by the PRA and the FCA in the UK, is acting exclusively as financial adviser to Severgroup and no one else in connection with the Offer and the subject matter of this announcement, and shall not be responsible to anyone other than Severgroup for providing the protections afforded to clients of Citi, or for providing advice in connection with the Offer and the subject matter of this announcement. Neither Citi nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein or otherwise.*

*J.P. Morgan Securities plc (“J.P. Morgan”), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively as financial adviser to Lenta and no one else in connection with the Offer and will not regard any other person as its client in relation to the Offer and will not be responsible to anyone other than Lenta for providing the protections afforded to clients of J.P. Morgan or its affiliates, or for providing advice in relation to the Offer or any other matter referred to in this announcement.*

## **The City Code on Takeovers and Mergers**

*Lenta is incorporated under the laws of the British Virgin Islands and, as such, is not subject to the jurisdiction of the City Code or any equivalent takeover regulations. In particular, this announcement does not amount to a firm intention to make an offer under Rule 2.7 of the City Code. Lenta has incorporated certain takeover-related provisions into its articles of association but these do not provide Lenta Securityholders with the protections offered by the City Code, and enforcement of such provisions is the responsibility of Lenta, not the UK Takeover Panel. Accordingly, Lenta Securityholders are reminded that the UK Takeover Panel does not have responsibility for ensuring compliance of the Offer with the City Code and is not able to answer shareholders’ queries in that regard. The Lenta Board has full power, authority and discretion to interpret the takeover-related provisions in the Lenta Articles and to waive, in whole or in part, compliance with the same and in doing so will (unless it reasonably resolves otherwise in light of the relevant prevailing facts and circumstances) have reference to the precedent practice of the UK Takeover Panel. See further in section 10 (the Lenta Articles) of this announcement.*

## **Overseas jurisdictions**

*The availability of the Offer, if made, to Lenta Securityholders who are not resident in and citizens of the UK, Russia or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should*

*inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Lenta Securityholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Further details in relation to Overseas Securityholders will be contained in the Offer Document.*

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK, Russia or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK, Russia or the United States should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. As this announcement has been prepared for the purposes of complying with BVI law and Lenta's Articles, the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of the BVI.*

*The Offer will not be made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Offer will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.*

#### **Notice to US Lenta Securityholders**

*The Offer, if made, will be made for the securities of a BVI incorporated company and will be subject to disclosure requirements which are different from those of the United States. The financial information included in this announcement and to be included in the Offer Document has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The Offer, if made, will be made in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(d) under the US Exchange Act. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Severgroup or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Lenta Securities outside of the United States, other than pursuant to the Offer, until the date on which the Offer is complete. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required by applicable laws.*

*The receipt of cash pursuant to the Offer by a US Lenta Securityholder will likely be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Lenta Securities is urged to consult his or her independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.*

*It may be difficult for US Lenta Securityholders to enforce their rights and any claim arising out of the US federal securities laws, since Severgroup and Lenta are located in countries other*

than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Lenta Securityholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Notice to persons resident or located in Russia**

*Distribution of this document does not constitute an offer ("oferta") pursuant to Russian law and does not constitute a placement and/or public circulation of securities or other financial instruments in the Russian Federation.*

*The Lenta Shares have not been registered in the Russian Federation and have not been, and are not intended to be, admitted to "placement" and/or "public placement" and/or "public circulation" in the Russian Federation. Accordingly, this document and the information contained in it is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer Lenta Shares in the Russian Federation and does not purport to constitute an advertisement of Lenta Shares in the Russian Federation. Information regarding Lenta Shares contained in this announcement is not intended for any persons in the Russian Federation who are not "qualified investors" (as defined under Russian law). Any sale or transfer of Lenta Shares in the territory of the Russian Federation will be subject to the requirements and restrictions set forth by Russian law, including the Russian currency control laws, as discussed below.*

*Russian Residents are permitted by Russian currency control laws to tender their Lenta GDRs under the Offer only if (i) the transfer of such Lenta GDRs to Severgroup is recorded with an entity or entities licensed to provide depositary services in Russia and (ii) payment by Severgroup for such Lenta GDRs is made in Russian Roubles. As Lenta Shares are currently not eligible for depositing with Russian Depositaries, no Offer will be made in respect of the Lenta Shares to Lenta Shareholders who qualify as Russian Residents, whether or not such Lenta Shareholders qualify as "qualified investors" for the purposes of Russian securities market laws. The terms of the Offer will not restrict those Lenta Shareholders from depositing relevant Lenta Shares in accordance with the Deposit Agreement and tendering the Lenta GDRs representing those Lenta Shares under the Offer. Lenta GDRs tendered by Russian Residents under the Offer will have to be delivered from the securities account of the tendering Lenta GDR Holder with a Russian Depositary to the securities account of Severgroup with the Russian Depositary designated in the Offer Document. Such tendering Lenta GDR Holders will be paid in Russian Roubles at the exchange rate of US\$ to Russian Rouble established by the Central Bank of the Russian Federation as at the relevant payment date in accordance with the procedure to be specified in the Offer Document.*

#### **Forward-looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by Severgroup and Lenta contain statements which are, or may be deemed to be, "forward-looking statements" including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Severgroup and Lenta about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on Severgroup and Lenta, the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget",*

*“scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Severgroup and Lenta each believe that the expectations reflected in its respective forward-looking statements are reasonable, Severgroup and Lenta can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Severgroup nor Lenta, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Severgroup nor Lenta is under any obligation, and Severgroup and Lenta expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

***No profit forecasts or quantified benefits statement***

*No statement in this announcement is intended as a profit forecast, profit estimate or qualified benefits statement and no statement in this announcement should be interpreted to mean that earnings per Lenta Security for the current or future financial years would necessarily match or exceed the respective historical published earning per Lenta Security or to mean that the enlarged group’s earnings in the first 12 months following the Offer, or in any subsequent period, would necessarily match or be greater than those of Lenta for the relevant preceding financial period or any other period.*

***Publication on website***

*A copy of this announcement and the Offer Document (if published as referred to in this announcement) will be made available by Lenta, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Lenta’s website at [www.lentainvestor.com/en/investors](http://www.lentainvestor.com/en/investors). For the avoidance of doubt, the contents of that website are not incorporated into and do not form part of this announcement.*

## APPENDIX 1

### CERTAIN TERMS OF THE OFFER

Lenta Securities will be acquired by Severgroup under the Offer, if made, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption (save as set out in the Lenta Articles) and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of this announcement or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable on or after the date of this announcement.

If, on or after the date of this announcement, any dividend and/or other distribution is declared, made or paid or becomes payable in respect of the Lenta Securities, Severgroup reserves the right, to reduce the consideration payable under the terms of the Offer for the Lenta Securities by an amount up to the amount of such dividend and/or distribution, in which case any reference in this announcement or in the Offer Document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend and/or distribution is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles Severgroup to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by Severgroup of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

The making of the Offer is subject to the Pre-Condition, and the Offer, if made, will be subject to the terms which are set out in this announcement, including in this Appendix 1, and those terms which will be set out in the Offer Document and such further terms as may be required to comply with the Listing Rules.

If: (a) Severgroup, any parent undertaking (as such term is defined under the UK Companies Act 2006) of Severgroup, or the ultimate controlling person of Severgroup becomes a Sanctioned Person; or (b) the acceptance of the Offer, or the transfer of tendered Lenta Securities to Severgroup, or the settlement of consideration to which tendering Lenta Securityholders are entitled under the Offer, would comprise a violation of, or conduct subject to adverse consequences under, any Sanctions Law by any person (except where any tendering Lenta Securityholder is or becomes a Sanctioned Person), then (in either case), with effect from the date of such event, the Offer shall automatically terminate in its entirety and no transfer of any tendered Lenta Securities to Severgroup and no settlement of consideration to which any tendering Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case any tendered Lenta Securities shall remain the property of the relevant tendering Lenta Securityholders) (each of (a) and (b) above, a “Sanctions Termination”).

In addition, if any Lenta Securityholder who would otherwise be entitled to tender its Lenta Securities under the Offer is or becomes a Sanctioned Person, then any purported acceptance of the Offer by such Lenta Securityholder will be deemed to be (or, if such acceptance has already been made at the time, shall automatically become with effect from the date of such event) invalid and no transfer of Lenta Securities to Severgroup by such Lenta Securityholder and no settlement of consideration to which such Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case the relevant Lenta Securities shall remain the property of the relevant Lenta Securityholder) (a “Sanctions Invalidity”), but the Offer shall otherwise remain in full force and effect.

The Offer, if made, will remain open until 1.00 pm (London time) on the 21<sup>st</sup> day after the date on which the Offer Document is made available to Lenta Securityholders by the Tender Agent

(the “First Closing Date”). If, by 1.00 pm (London time) on the First Closing Date valid acceptances have been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta’s voting rights, then the Offer will remain open for a further 14 days from the First Closing Date (or until such later date as Severgroup may, with the consent of the Lenta Board, decide). If the Offer is so extended, any valid acceptances received on or before the First Closing Date will be settled (if not previously settled) within 14 days after the First Closing Date, and any valid acceptances received after the First Closing Date will be settled and paid for within 14 days after the Offer closes. If, by 1.00 pm (London time) on the First Closing Date valid acceptances have not been received in respect of Lenta Securities which, when aggregated with any other Lenta Securities in which Severgroup has an interest (including the SPA GDRs), carry in aggregate more than 50 per cent. of Lenta’s voting rights, then (unless it is extended by Severgroup with the consent of the Lenta Board) the Offer will close and cease to be capable of further acceptance. In such case, all valid acceptances received on or before the First Closing Date will be settled (if not previously settled) within 14 days after the First Closing Date.

The availability of the Offer or the distribution of this announcement to Lenta Securityholders who are not resident in and citizens of the UK, Russia or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Lenta Securityholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Further details in relation to Overseas Securityholders will be contained in the Offer Document.

Any rights and liabilities arising under the Offer will be governed by the laws of the British Virgin Islands and be subject to the jurisdiction of the courts of the British Virgin Islands. The Offer will also be subject to the applicable requirements of the London Stock Exchange and the FCA.

## **APPENDIX 2**

### **BASES AND SOURCES**

- (a) The value attributed to the existing issued and to be issued shares of Lenta is based upon: the 97,508,265 Lenta Shares in issue on 1 April 2019 less 872,411.4 Lenta Shares held as treasury shares (in the form of GDRs) on such date (not including any GDRs purchased under the Lenta share buyback programme on 1 April 2019) and the up to 838,359 Lenta Shares that may be issued in the future under the Lenta employee share incentive programme.
- (b) For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation.
- (c) Unless otherwise stated, the financial information on Lenta is extracted (without material adjustment) from Lenta's Accounts for the year ended 31 December 2018.
- (d) The market prices of the Lenta GDRs are the closing middle market quotations as derived from the Daily Official List.



## APPENDIX 3

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“acting in concert”	has the meaning given in the City Code
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks in the city or cities specified are open for ordinary banking business
“BVI”	the British Virgin Islands
“Citi”	Citigroup Global Markets Limited, financial adviser to Severgroup
“City Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Competition Law”	Federal Law of the Russian Federation No. 135-FZ dated 26 July 2006 “On Protection of Competition” (as amended)
“Daily Official List”	the Daily Official List of the London Stock Exchange
“Deposit Agreement”	the deposit agreement relating to global depository receipts in respect of equity shares of Lenta dated 28 February 2014 between Lenta and Deutsche Bank Luxembourg S.A.
“Depository”	Deutsche Bank Luxembourg S.A.
“Directors of Lenta” or “Lenta Directors”	the directors of Lenta from time to time
“EBRD”	the European Bank for Reconstruction and Development, an international organisation formed by treaty and operating through its office at One Exchange Square, London, EC2A 2JN
“EBRD Director”	the Lenta director nominated for appointment to the Lenta Board by EBRD (being Martin Elling)
“EBRD GDRs”	the Lenta GDRs agreed to be purchased by Severgroup under the EBRD SPA
“EBRD SPA”	the conditional share purchase agreement dated 1 April 2019 entered into between Severgroup and EBRD under which EBRD has agreed to sell, and Severgroup has agreed to purchase, 36,076,870 Lenta GDRs representing 7,215,374 Lenta Shares on the terms and subject to the conditions of the EBRD SPA

“FAS”	the Russian Federal Anti-Monopoly Service
“FAS Clearance”	the consent of the FAS under the Competition Law in respect of the acquisition by Severgroup of rights allowing it to determine the conditions of carrying on by Lenta LLC of business activities in the Russian Federation (unless such consent is subject to material remedies or conditions as set forth in the Luna SPA)
“FCA”	the UK Financial Conduct Authority
“First Closing Date”	the date falling 21 days after the date on which the Offer Document is made available to Lenta Securityholders by the Tender Agent
“interest(s) in Lenta Shares”	has the meaning given to “Holder” in the Lenta Articles, which refer to the definition in the City Code, and “interest(s) in Lenta Shares” also includes interest(s) in Lenta GDRs (or any other depositary receipts relating to Lenta Shares and option rights relating to Lenta Shares or other interests in Lenta Shares (including depositary interests relating to Lenta Shares))
“J.P. Morgan”	J.P. Morgan Securities plc, financial adviser to Lenta
“Lenta”	Lenta Ltd., a company organised and existing under the laws of the British Virgin Islands with company number 1058643
“Lenta Articles”	the memorandum and articles of association of Lenta
“Lenta Board”	the board of directors of Lenta
“Lenta GDRs”	global depositary receipts representing Lenta Shares, which includes the Lenta Rule 144A GDRs and the Lenta Regulation S GDRs
“Lenta GDR Holders”	the registered holders of Lenta GDRs from time to time
“Lenta Group”	Lenta and its subsidiaries
“Lenta Independent Directors”	the directors of Lenta, excluding the Luna Directors and the EBRD Director
“Lenta Regulation S GDRs”	global depositary receipts representing Lenta Shares that are designated as Regulation S GDRs under the Deposit Agreement
“Lenta Rule 144A GDRs”	global depositary receipts representing Lenta Shares that are designated as Rule 144A GDRs under the Deposit Agreement
“Lenta Securities”	Lenta Shares and Lenta GDRs
“Lenta Securityholders”	Lenta Shareholders and Lenta GDR Holders

“Lenta Shareholders”	the registered holders of Lenta Shares from time to time
“Lenta Shares”	<p>(a) the existing unconditionally allotted or issued and fully paid ordinary shares of no par value in Lenta; and</p> <p>(b) any further ordinary shares of no par value in Lenta which are unconditionally allotted or issued and fully paid before the date on which the Offer closes</p>
“Listed Person”	(a) any person identified in any list of sanctioned persons maintained by (i) the United States government, including the United States Department of Treasury, Office of Foreign Assets Control (“OFAC”), the United States Department of Commerce, Bureau of Industry and Security (“BIS”), or the United States Department of State; (ii) the government of the United Kingdom, including HM Treasury; (iii) the European Union or (iv) the Russian Federation; or (b) any person controlled by a person indicated in (a) above or any person the share capital of which is 50 per cent. or more owned directly or indirectly by a person indicated in (a) above; or (c) any person acting for the benefit or on behalf of a person indicated in (a) or (b) above
“Listing Rules”	the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000, and contained in the Financial Conduct Authority’s publication of the same name
“London Stock Exchange”	London Stock Exchange plc
“Luna”	Luna, Inc., an exempted company incorporated under the laws of the Cayman Islands
“Luna Directors”	the Lenta directors nominated for appointment to the Lenta Board by Luna (being John Oliver, Dmitry Shvets and Steven Hellman)
“Luna GDRs”	the Lenta GDRs agreed to be purchased by Severgroup under the Luna SPA
“Luna SPA”	the conditional share purchase agreement dated 1 April 2019 entered into between Severgroup and Luna under which Luna has agreed to sell, and Severgroup has agreed to purchase, 166,383,595 Lenta GDRs representing 33,276,719 Lenta Shares on the terms and subject to the conditions of the Luna SPA
“Offer”	the proposed cash offer to be made by or on behalf of Severgroup (subject to the satisfaction of the Pre-Condition) to acquire the Lenta Securities subject to the terms set out or referred to in this announcement and to be set out in the Offer Document, including, where the

	context so requires, any subsequent revision, variation, extension, or renewal of such offer
“Offer Document”	the offer document proposed to be sent to (among others) Lenta Securityholders containing and setting out, among other things, the full terms of the Offer
“Offer Period”	the period commencing on 27 March 2019 (being the date on which the possibility of the Offer being made was first announced by Lenta) and ending on the date on which the Offer ceases to be open for acceptances (or, if earlier, the date on which the Luna SPA terminates or the Offer terminates)
“Offer Price”	US\$18.00 per Lenta Share or US\$3.60 per Lenta GDR (with respect to those Lenta GDR Holders who are Russian Residents, payable in Russian Roubles at the exchange rate of US\$ to Russian Rouble established by the Central Bank of the Russian Federation as at the relevant payment date)
“Official List”	the Official List of the UK Listing Authority
“Overseas Securityholders”	Lenta Securityholders (or nominees of, or custodians or trustees for Lenta Shareholders) not resident in or citizens of the United Kingdom, Russia or the United States
“PRA”	the UK Prudential Regulatory Authority
“Pre-Condition”	(a) all conditions to completion of the sale and purchase of the Lenta GDRs contemplated by the Luna SPA having been satisfied or waived (and the Luna SPA has not been terminated), and (b) the process for completion and settlement under the Luna SPA having commenced, in each case in accordance with the terms of the Luna SPA
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Lenta Securityholders in that jurisdiction
“Russian Depository”	means any legal entity licensed to provide in the Russian Federation depository services in relation to securities
“Russian Residents”	has the meaning defined in the Russian currency control laws, and includes among others Russian citizens, legal entities incorporated in Russia and foreign citizens and

stateless persons permanently residing in Russia under residence permit

“Sanctioned Country”	any country or territory with which dealings are broadly restricted or prohibited by any Sanctions Laws (as of the date hereof, Crimea, Cuba, Iran, North Korea, and Syria)
“Sanctioned Person”	(a) any Listed Person; (b) any person located, organised, or resident in any Sanctioned Country; or (c) any person with whom dealings otherwise are restricted or prohibited under any Sanctions Laws, provided in each case that a person shall not be deemed to be a Sanctioned Person if no Sanctions Law would prohibit or deem subject to adverse consequences any transactions contemplated by the Offer, its acceptance and the payment of consideration to a tendering Lenta Securityholder in which such person participates, assuming such Sanctions Law were applicable to all transactions related to this announcement and the persons conducting such transactions
“Sanctions Invalidation”	if any Lenta Securityholder who would otherwise be entitled to tender its Lenta Securities under the Offer is or becomes a Sanctioned Person, then any purported acceptance of the Offer by such Lenta Securityholder will be deemed to be (or, if such acceptance has already been made at the time, shall automatically become with effect from the date of such event) invalid and no transfer of Lenta Securities to Severgroup by such Lenta Securityholder and no settlement of consideration to which such Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case the relevant Lenta Securities shall remain the property of the relevant Lenta Securityholder), but the Offer shall otherwise remain in full force and effect
“Sanctions Laws”	all laws of the following jurisdictions: (a) the United States, (b) the European Union (and each constituent jurisdiction thereof), (c) the United Kingdom, (d) the British Virgin Islands or (e) the Russian Federation, concerning embargoes, economic sanctions, export restrictions, the ability to make or receive international payments, the ability to engage in international transactions, or the ability to take an ownership interest in assets located in a foreign country, including without limitation all laws adopted by the relevant jurisdiction’s governmental entities relating to the same or similar subject matter as such laws and regulations administered by OFAC, BIS, or the U.S. Department of State (or their respective successors)
“Sanctions Termination”	if: (a) Severgroup, any parent undertaking (as such term is defined under the UK Companies Act 2006) of Severgroup, or the ultimate controlling person of Severgroup becomes a Sanctioned Person; or (b) the acceptance of the Offer, or the transfer of tendered Lenta

Securities to Severgroup, or settlement of consideration to which tendering Lenta Securityholders are entitled under the Offer, would comprise a violation of, or conduct subject to adverse consequences under, any Sanctions Law by any person (except where any tendering Lenta Securityholder is or becomes a Sanctioned Person), then (in either case), with effect from the date of such event, the Offer shall automatically terminate in its entirety and no transfer of any tendered Lenta Securities to Severgroup and no settlement of consideration to which any Lenta Securityholder would otherwise be entitled under the Offer shall be made (in which case any tendered Lenta Securities shall remain the property of the relevant tendering Lenta Securityholders)

“Severgroup”	Severgroup LLC, incorporated in Russia with registered address at 33, prospekt Pobedy, Cherepovets, Vologda region, Russia, 162614
“Severgroup Group”	Severgroup and its subsidiaries
“SPA GDRs”	the Luna GDRs and the EBRD GDRs
“SPAs”	the Luna SPA and the EBRD SPA
“Tender Agent”	Citibank N.A., London Branch, a national banking association established under the laws of the United States of America, acting through the Agency & Trust business of its London branch at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB and registered in the companies register of England and Wales under no. BR001018, in its capacity as the tender agent appointed by Severgroup
“treasury shares”	any Lenta Shares/GDRs held by Lenta (including Lenta LLC) as treasury shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States of America” or “United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Exchange Act”	the US Securities Exchange Act of 1934 as amended, and the rules and regulations promulgated thereunder
“US Persons”	US persons as defined in Regulation S under the US Securities Act
“US Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

All references to time in this announcement are to London time unless otherwise stated.

For the purposes of this announcement, “subsidiaries” has the meaning given in the UK Companies Act 2006.

All references to “**US dollar**” or “**US\$**” are to the lawful currency of the United States. All references to “**Russian Roubles**” are references to the lawful currency of the Russian Federation.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.