

**RECOMMENDATIONS OF THE BOARD OF DIRECTORS OF DETSKY MIR PJSC
IN RELATION TO THE VOLUNTARY OFFER RECEIVED BY DETSKY MIR PJSC FROM
DMFA JSC ON THE ACQUISITION OF EQUITY SECURITIES OF THE JOINT STOCK
COMPANY**

**I. INFORMATION ABOUT THE VOLUNTARY OFFER RECEIVED FROM DMFA LLC
ON THE ACQUISITION OF EQUITY SECURITIES OF THE JOINT STOCK
COMPANY: PRINCIPAL CONDITIONS**

On May 30, 2023, Detsky Mir Public Joint Stock Company (OGRN (Primary State Registration Number): 1027700047100; hereinafter – **Detsky Mir PJSC**) received a voluntary offer from DM-Finansovye Aktivy Joint Stock Company (OGRN (Primary State Registration Number): 1227700800920; hereinafter – **DMFA JSC**) (hereinafter – **Voluntary Offer of DMFA JSC**) on the acquisition of equity securities of the Joint Stock Company – ordinary shares of Detsky Mir PJSC (state registration number of the issue 1-02-00844–A; hereinafter collectively – **Shares**, and separately – **Share**).

The Voluntary offer of DMFA JSC contains the following principal conditions:

1. The number of Shares that DMFA JSC intends to acquire: 735 788 136 (seven hundred thirty-five million seven hundred eighty-eight thousand one hundred thirty-six) Shares;
2. The proposed purchase price of Shares: RUB 71 (seventy-one) 50 (fifty) kopecks per Share;
3. The deadline for accepting the Voluntary offer of DMFA JSC (the period during which the application for the sale of securities must be received by DMFA JSC): 70 (seventy-one) days from the date of receipt by Detsky Mir PJSC of the Voluntary offer of DMFA JSC;
4. The term of payment for the purchased Shares: 90 (ninety) days from the date of expiry of the deadline for accepting the Voluntary offer of DMFA JSC;
5. Form of payment for the purchased Shares: payment for the purchased Shares will be made at the choice of the owners of the Shares (hereinafter – **Shareholders**):

— in cash in the currency of the Russian Federation (Russian rubles); or

— other securities – ordinary shares of DM Kapital Joint Stock Company (OGRN (Primary State Registration Number) 1237700314235), the state registration number of the issue of shares 1-01-87511-H dated 09.02.2023, based on the value of one share of DMK JSC equal to RUB 268,125,000 (two hundred sixty eight million one hundred twenty five thousand).

If the number of shares of DMK JSC to be transferred to the Shareholder who has chosen the form of payment in shares of DMK JSC is a fractional number, the number of shares of DMK JSC equal to an integer to a comma (without applying the rules of mathematical rounding) will be transferred to the Shareholder, with payment to the Shareholder of the difference in the price of the exchanged shares in cash on time and the procedure specified in the Voluntary offer of DMFA JSC.

Other conditions of the Voluntary offer of DMFA JSC are specified in the Voluntary offer of DMFA JSC, the text of which is published by DMFA JSC on the Internet: <https://e-disclosure.ru/portal/company.aspx?id=38840>.

The voluntary offer of DMFA JSC complies with the requirements of the Federal Law of the Russian Federation dated December 26, 1995 No. 208-FZ “On Joint Stock Companies” (hereinafter – the **Law on JSC**), it is accompanied by a bank guarantee No. 000H00719–001, issued on May 10, 2023 by the Sberbank of Russia Public Joint Stock Company (OGRN (Primary State Registration Number) 1027700132195) in the amount of RUB 52,650,000,000 (nineteen billion three hundred and fifty million).

In accordance with Article 84.9 of the Law on JSC, the Voluntary Offer of DMFA JSC has passed the procedure of state control over the acquisition of shares of a public company and contains a note from the Bank of Russia on the date of submission of a preliminary notification to it (May 12, 2023).

Due to the fact that on May 29, 2023 Detsky Mir PJSC received a voluntary offer from the DM-invest Limited Liability Company (OGRN (Primary State Registration Number): 1237700252844) (hereinafter – the **Voluntary Offer of DMI LLC**), the Voluntary offer of DMFA JSC in accordance with Article 84.5 of the Law on JSC is competing.

II. RECOMMENDATIONS OF THE BOARD OF DIRECTORS OF DETSKY MIR PJSC REGARDING THE RECEIVED VOLUNTARY OFFER OF DMFA LLC

In accordance with clause 1 of Article 84.3 of the Law on JSC, the Board of Directors of Detsky Mir PJSC (hereinafter – the **Board of Directors**) makes the following recommendations regarding the received Voluntary offer of DMFA LLC:

1. Evaluation of the proposed price of the purchased Shares

The Board of Directors evaluates the proposed price of the acquired Shares as fairly estimated, justified and in accordance with the requirements of the current legislation of the Russian Federation.

2. Possible change in the market value of Shares after the acquisition of Shares

After the completion of the procedure for the acquisition of Shares at the Voluntary Offer of DMFA LLC, the number of freely traded Shares may decrease, which may lead to a decrease in trading amounts and volatility of the share price. This circumstance, along with other factors that are beyond the control of Detsky Mir PJSC and the Board of Directors, including changes in macroeconomic indicators, the state of the global and Russian economies, the level of household income, a potential decrease in liquidity and demand for Shares on the stock market may affect the share price. Shareholders are invited to evaluate these circumstances when deciding to participate in the Voluntary Offer of DMFA LLC.

3. Evaluation of the plans of DMFA LLC in relation to Detsky Mir PJSC and its employees

In accordance with the plans of DMFA JSC in relation to Detsky Mir PJSC, specified in clause 6.3.6 of Voluntary offer of DMFA JSC, if, as a result of the Voluntary offer, DMFA JSC becomes the owner of more than 30 % (thirty percent) of Shares, taking into account the Shares owned by it and its affiliates, DMFA JSC, in accordance with the requirements of the legislation of the Russian Federation, will send a mandatory offer to purchase Shares in accordance with the procedure provided for in Article 84.2 of the Law on JSC.

The Voluntary offer of DMFA JSC is sent as part of the implementation of the business transformation plan of Detsky Mir PJSC, published on November 07, 2022 in the press release “Information about the activities of Detsky Mir PJSC.”

DMFA JSC plans to retain employees of Detsky Mir PJSC, necessary for the activities of Detsky Mir PJSC.

The Board of Directors positively assesses the plans of DMFA JSC in relation to Detsky Mir PJSC and its employees, specified in the Voluntary offer of DMFA JSC.

4. Restrictions of the current legislation of the Russian Federation applicable to individual Shareholders

According to the information specified in clause 8.1 of the Voluntary offer of DMFA JSC on obtaining a permit by the sub-commission of the Government Commission for Monitoring the Implementation of Foreign Investments in the Russian Federation (hereinafter – the **Sub-Commission**) for the implementation (execution) of transactions (operations) within the framework of the Voluntary offer of DMFA JSC, the Sub-Commission decided to allow DMFA JSC to carry out (execute) the transactions (operations) entailing the emergence of ownership rights to Shares in the aggregate amount of no more than 317,770,000 (three hundred seventeen million seven hundred seventy thousands) pieces, with Shareholders belonging to foreign persons associated with foreign states that commit against the Russian Federation, unfriendly actions of Russian legal entities and individuals (including if such foreign persons have the citizenship of these states, the place of their registration, the place of preferential conduct of their economic activities or the place of preferential extraction of profits from their activities are these states), or persons who are under the control of these foreign persons, regardless of the place of their registration or the place of their primary economic activity (**hereinafter – Persons of foreign states committing unfriendly acts**), the prohibition on the implementation (execution) of which is established by the third paragraph of sub-clause “a” of clause 1 of Decree of the President of the Russian Federation dated 01.03.2022 No. 81 and clause 1 of Decree of the President of the Russian Federation dated 08.09.2022 No. 618, subject to payment of the share price to Persons of foreign states committing unfriendly acts, within 3 months from the date of the end of accepting applications from Shareholders within the framework of the Voluntary offer of DMFA JSC, in the amount of no more than RUB 8,000,000,000 per month, with the payment of funds for Shares to foreign persons associated with foreign states who commit unfriendly actions against the Russian Federation, Russian legal entities and individuals (including if such foreign persons have the citizenship of these states, the place of their registration, the place of their preferential conduct of economic activity or the place of their preferential extraction of profit from the activity are these states), or persons who are under the control of these foreign persons, regardless of the place of their registration (except in cases where the place of their registration is the Russian Federation) or the place of preferential conduct of their business activities to accounts of type “C”, the regime of which is established by the decision of the Board of Directors of the Central Bank of the Russian Federation in accordance with the Decree of the President of the Russian Federation dated 05.03.2022 No. 95.

The Board of Directors recommends that Persons of foreign states who commit unfriendly actions assess the prospects for accepting the Voluntary offer of DMFA JSC, taking into account the above restrictions in accordance with clause 8.1 of the Voluntary offer of DMFA JSC.

Taking into account the above, the Board of Directors recommends that Shareholders make a decision regarding their participation in the Voluntary offer of DMFA JSC within the period specified in the Voluntary offer of DMFA JSC on the basis of the information contained in the Voluntary offer of DMFA JSC, taking into account the current stock price on the stock exchange and possible scenarios for its changes,

their own investment preferences and trading strategies of Shareholders, as well as publicly available information about the business transformation plans of Detsky Mir PJSC.

Persons of foreign States who commit unfriendly acts are recommended to take into account the information specified in clause 4 of these Recommendations.

The Board of Directors recommends that Shareholders, before making a decision, familiarize themselves with the texts of the Voluntary offer of DMFA JSC and the Competing Voluntary offer of DMI LLC, with the requirements of Chapter XI.1 of the Law on JSC, as well as take into account the information contained in these Recommendations.

III. OTHER PROVISIONS

These Recommendations of the Board of Directors are based solely on the information contained in the Voluntary offer of DMFA JSC, as well as information publicly available as of the date of these Recommendations.