

LETTER OF INFORMATION

for shareholders of Detsky Mir PJSC re: taxation issues
in view of repurchase of own shares by Detsky Mir PJSC

November 2022

This Letter of Information contains a description of certain issues related to the procedure for taxation of income of legal entities and individuals, being shareholders of Detsky Mir PJSC, who voted “against” the decision on reorganization at the Extraordinary General Meeting of Shareholders of Detsky Mir PJSC or did not take part in the voting on this issue (in the event a decision is made to reorganize Detsky Mir PJSC in the form of a spin-off of DM LLC) from the sale of Shares based on the Call for Repurchase. The description is given from the point of view of Detsky Mir PJSC acting as a tax agent when paying the purchase price from the sale of Shares.

Shareholders, being individuals, shall study the provisions of Section 1 of this Letter of Information. The taxation regulations will depend, among other things, on whether the Shareholder is a tax resident (subsection 1 of Section 1) or a tax non-resident of the Russian Federation (subsection 2 of Section 1).

Shareholders, being organizations (legal entities), are recommended to study the provisions of Section 2 of this Letter of Information.

WE HIGHLY RECOMMEND THAT THE SHAREHOLDERS CONSULT WITH THEIR TAX CONSULTANTS AND, IF NECESSARY, GET CLARIFICATIONS ON ISSUES SET FORTH IN THIS LETTER OF INFORMATION, INCLUDING, IF APPLICABLE, ISSUES OF DETERMINING THE SHAREHOLDER’S COUNTRY OF TAX DOMICILE AND TAXATION OF INCOME FROM SALE OF SHARES AS PART OF THE CALL FOR REPURCHASE.

THE INFORMATION IN THIS LETTER OF INFORMATION IS GIVEN FOR REFERENCE ONLY AND NOT FOR THE PURPOSE OF PROVIDING A CONSULTATION ON TAX ISSUES AND IS SENT TO SHAREHOLDERS IN CONNECTION WITH THE DETSKY MIR PJSC NEED TO CARRY OUT THE FUNCTIONS OF A TAX AGENT WHEN PAYING A PURCHASE PRICE FOR SHARES THAT WILL BE PURCHASED ON THE BASIS OF THE SHAREHOLDER’S CALL FOR REPURCHASE.

TERMS

Term	Definition
Shares	Ordinary shares of Detsky Mir PJSC, state registration number of the issue 1-02-00844-A dd February 11, 2014, ISIN RU000A0JSQ90
Shareholder	Holder of shares who has the right to demand the repurchase of all or part of its Shares in accordance with Articles 75 and 76 of the Federal Law “On Joint-Stock Companies” (both registered and not registered in the register of shareholders of Detsky Mir PJSC (client of the nominee))
Questionnaire	Questionnaire of a Shareholder (Annex No. 1 to this Letter of Information)
IRC – R.O.S.T. JSC	Independent Registrar Company R.O.S.T. Joint-Stock Company, which is the registrar of Detsky Mir PJSC and engaged by Detsky Mir PJSC to provide services in connection with the right of Shareholders to demand the repurchase, including obtaining of documents from Shareholders subject to submission to the tax agent
Call for Repurchase	Call for Repurchase of all or part of Shares of Detsky Mir PJSC in accordance with Articles 75 and 76 of the Federal Law “On Joint-Stock Companies”
IE	Individual Entrepreneur
PIT	Personal Income Tax
TC RF	Tax Code of the Russian Federation
RF	Russian Federation
DTT	Double Tax Treaty

TABLE OF CONTENTS

TERMS	3
SECTION 1 INDIVIDUALS AND INDIVIDUAL ENTREPRENEURS	5
1. Tax effects for individuals - residents of the Russian Federation	5
1.1. Procedure for determining tax domicile.....	5
1.2. Performing the functions of a tax agent	5
1.2.1. Performing the functions of a tax agent, if a Shareholder, being an individual, sends a Call for Repurchase independently	5
1.2.2. Performing the functions of a tax agent if a Shareholder, being an individual, acts through a broker (trustee)	6
1.2.3. Provisions applicable to a Shareholder, being an individual, acting as an individual entrepreneur ...	6
1.3. Documents required and tax payment deadlines.....	7
1.3.1. List of documents to be submitted	7
1.3.2. Method and deadline for submission of supporting documents.....	8
1.3.3. Method of certification of supporting documents	9
1.4. Tax rates	9
1.5. Tax benefits and tax deductions.....	10
1.5.1. Investment tax deduction	10
1.5.2. Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years	11
2. Tax effects for individuals - non-residents of the Russian Federation.....	11
2.1. The procedure for determining the taxable base and tax domicile	11
2.2. Performing the functions of a tax agent	12
2.2.1. Performing the functions of a tax agent, if a Shareholder, being an individual, sends a Call for Repurchase independently	12
2.2.2. Performing the functions of a tax agent if a Shareholder, being an individual, acts through a broker (trustee)	12
2.3. Documents required and tax payment deadlines.....	13
2.3.1. List of documents to be submitted	14
2.3.2. Method and deadline for submission of supporting documents.....	15
2.3.3. Method of certification of supporting documents	15
2.4. Tax rates	16
2.5. Tax benefits.....	16
2.5.1. Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years	16
2.5.2. Application of benefits provided for by DTT	17
SECTION 2 LEGAL ENTITIES	19
Annex No. 1 to the Letter of Information	20

SECTION 1 INDIVIDUALS AND INDIVIDUAL ENTREPRENEURS

The income of an individual, being a shareholder, from the sale of shares, including the Shares sold on the basis of the Call for Repurchase, is subject to personal income tax and inclusion in the taxable base of such an individual in accordance with cl. 1 of Article 210 of the Tax Code of the Russian Federation (see also clause 1.5 “*Tax benefits and tax deductions*” for information on tax benefits and deductions that are provided for certain categories of individuals - Shareholders). In such case, the taxable base for personal income tax can be reduced by actually incurred and documented expenses that are associated with the acquisition and storage of sold shares.

The tax rate depends, among other things, on whether the Shareholder, being an individual, is a tax resident of the Russian Federation (sub-clause 1 of Section 1 below) or a tax non-resident of the Russian Federation (sub-clause 2 of Section 1 below).

1. Tax effects for individuals - residents of the Russian Federation

1.1. Procedure for determining tax domicile

According to the general rule (cl. 2, Article 207 of the Tax Code of the Russian Federation), individuals who actually stay in the Russian Federation for at least 183 calendar days within 12 consecutive months are recognized as tax residents of the Russian Federation.

If Detsky Mir PJSC acts as a tax agent when paying the Shareholder the purchase price for the Shares acquired on the basis of the Call for Repurchase (see clause 1.2 below), in order to confirm the status of a tax resident of the Russian Federation, the Shareholders, being individuals, shall submit to IRC – R.O.S.T. JSC, authorized by Detsky Mir PJSC to receive documents, the information in accordance with the Questionnaire (Appendix No. 1 to this Letter of Information).

The specified information shall be submitted before the deadline for accepting the Calls for Repurchase. The procedure and terms for submitting supporting documents are specified in clause 1.3 of this Letter of Information.

1.2. Performing the functions of a tax agent

1.2.1. Performing the functions of a tax agent, if a Shareholder, being an individual, sends a Call for Repurchase independently

As per paragraph 3 of cl. 1 of Article 226 of the Tax Code of the Russian Federation, Russian organizations that make payments under securities purchase and sale agreements concluded by them with taxpayers are recognized as tax agents for personal income tax purposes in relation to securities purchase and sale transactions. The exceptions are set forth in cl. 2 of Article 226.1 of the Tax Code of the Russian Federation, according to which, among other things, if such transactions are carried out for the benefit of the taxpayer by a trustee or broker on the basis of a trust agreement, a brokerage agreement, a fiduciary agreement, a commission agreement or an agency agreement with a taxpayer, then the functions of a tax agent are assigned to such trustee or broker.

Therefore, if a Shareholder, being an individual, sends a Call for Repurchase independently (without involving trustees or brokers acting on behalf of such a Shareholder), including through a nominee, Detsky Mir PJSC will be recognized as a tax agent (cl. 1 of Article 226 of the Tax Code of the Russian Federation) and will be obliged to assess the personal income tax and withhold it from the purchase price payable to

the Shareholder, being an individual, for Shares purchased from the Shareholder, being an individual, and transfer it to the budget of the Russian Federation.

Please note that the tax agent status of Detsky Mir PJSC does not change if several foreign and/or Russian nominees are involved.

1.2.2. Performing the functions of a tax agent if a Shareholder, being an individual, acts through a broker (trustee)

In accordance with cl. 2 of Article 226.1 of the Tax Code of the Russian Federation, when an individual receives income from transactions (including those recorded on a personal investment account) with securities, a tax agent is recognized as a trustee or a broker who carries out transactions with securities for the benefit of the taxpayer on the basis of a trust agreement, a brokerage agreement, a fiduciary agreement, a commission agreement or agency agreement with the taxpayer.

The tax agents for the purposes of assessing and paying personal income tax are listed in Articles 226 and 226.1 of the Tax Code of the Russian Federation. In accordance with these provisions, Russian organizations, as well as standalone subdivisions of foreign organizations in the Russian Federation, are recognized as tax agents only in respect of income received from or as a result of relations with such standalone subdivisions. Therefore, foreign organizations that do not have standalone subdivisions on the territory of the Russian Federation are not recognized as tax agents for personal income tax purposes.

Therefore:

- when the Shares are sold in favor of Detsky Mir PJSC by a Shareholder, being an individual, who acts through a broker (trustee) that is a Russian organization, or through a Russian standalone subdivision of a foreign broker (trustee) on the basis of a brokerage agreement (trust agreement, fiduciary agreement, commission agreement or agency agreement), Detsky Mir PJSC will not be recognized as a tax agent, and Detsky Mir PJSC will not have any obligations to assess, withhold and pay the amount of personal income tax on income received from the sale of Shares. In this case, a broker (trustee) will be the tax agent) who shall assess, withhold from the Shareholder and pay to the budget the amount of personal income tax from the income received from the sale of the Shares; and
- if a Shareholder, being an individual, receives income from the sale of Shares from a foreign broker (trustee) that does not have a standalone subdivision in the Russian Federation, Detsky Mir PJSC will be recognized as a tax agent and will be obliged to assess, withhold from the Shareholder and pay the amount of tax on such income.

If it is not possible to identify whether the Shareholder is acting through a broker (trustee) or independently, Detsky Mir PJSC will be responsible for assessing, withholding and paying the tax amount to the budget.

If information about the owner of Shares acting through a nominee or a foreign broker (trustee) is not disclosed, Detsky Mir PJSC, acting as a tax agent, will withhold tax at a maximum rate of 30%.

1.2.3. Provisions applicable to a Shareholder, being an individual, acting as an individual entrepreneur

In accordance with sub-cl. 1 of cl. 1 of Article 227 of the Tax Code of the Russian Federation, individuals engaged in entrepreneurial activities in the territory of the Russian Federation on the basis of a certificate

of registration as an individual entrepreneur, shall independently assess and pay personal income tax based on the amount of income received from such activities. However, in accordance with the provisions of the Federal Law No. 39-FZ dd. April 22, 1996 “On the Securities Market”, only legal entities can carry out professional activities as a participant in the securities market, with the exception of investment advisory activities.

In view of the above, regardless of the registered types of activities of an individual entrepreneur in relation to income from operations, the general procedure for assessing and paying personal income tax from operations with securities, established by Articles 226 and 226.1 of the Tax Code of the Russian Federation shall be applicable to a Shareholder, being an individual entrepreneur (see the general procedure set out in clauses 1.1-1.3 of this Letter of Information).

1.3. Documents required and tax payment deadlines

In cases where Detsky Mir PJSC performs the functions of a tax agent, when assessing the personal income tax to be withheld and paid, Detsky Mir PJSC will take into account actually incurred and documented expenses that are associated with the acquisition and storage of the relevant Shares and which the taxpayer incurred without the participation of the tax agent (cl. 1 of Article 226 of the Tax Code of the Russian Federation). These expenses are taken into account on the basis of an application prepared by the taxpayer (Shareholder, being an individual) in a free form on the decrease of income subject to personal income tax from the sale of Shares by the expenses incurred in relation to these Shares, with the relevant supporting documents attached (see below). We recommend that you make such an application in the form of a Questionnaire (Annex No. 1 to this Letter of Information).

We draw the attention of Shareholders that the taxable base may be reduced by the amount of the investment tax deduction provided for in sub-cl. 1 of cl. 1 of Article 219.1 of the Tax Code of the Russian Federation (see clause 1.5.1 “Investment tax deduction” below), as well as that income from the sale of Shares is exempt from personal income tax if the Shares have been continuously held by a Shareholder, being an individual, on the basis of the right of ownership or other real right for more than five years (see clause 1.5.2 “*Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years*” below).

1.3.1. List of documents to be submitted

To enable Detsky Mir PJSC to perform the functions of a tax agent and correctly assess the personal income tax subject to withholding and payment, Shareholders, being individuals, shall submit to IRC – R.O.S.T. JSC, authorized by Detsky Mir PJSC to collect documents, the following documents (hereinafter collectively referred to as “supporting documents”):

- (1) Completed Questionnaire signed by the Shareholder (Annex No. 1 to this Letter of Information) with the attachment of documents specified in clauses (2)-(4) below.

The documents referred to in clauses (2) and (3) below are submitted if the Shares have been continuously held by the Shareholder, being an individual, on the basis of the right of ownership or other real right for no more than five years. If the Shares have been continuously held by the Shareholder, being an individual, on the basis of the right of ownership or other real right for more than five years, then it is necessary to submit the documents specified in clause (4) of this list of documents (see clause (4) below and clause 1.5.2 “*Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years*” below).

- (2) Originals or duly certified (see clause 1.3.3 “Method of certification of Supporting Documents” below) copies of documents on the basis of which the Shareholder, being an individual, incurred the expenses of acquiring the Shares.

For example, such documents will include a share purchase and sale agreement, an order to credit the Shares to the personal account (custody account) of the Shareholder, an extract from the custody account or an extract from the system of keeping the register of Shareholders, brokerage reports, other documents confirming the fact of transfer to the taxpayer of the rights to the relevant Shares, the fact and amount of payment of the relevant expenses.

We would like to draw your attention to the fact that there is no unified list of documents confirming the expenses incurred for the acquisition of Shares. The above list of documents has been prepared for the general case of the acquisition of Shares on the basis of a sale and purchase agreement. If the title to Shares has been transferred to an individual on other legal grounds (for example, under a gift agreement, under an exchange agreement, as a result of inheritance), the list of documents will be different.

The tax agent reserves the right to request additional documents from the Shareholder, being an individual, to clarify the amount of tax liabilities in connection with the sale of the Shares.

- (3) If applicable (see clause 1.5.1 “*Investment tax deduction*” below), an application for tax deduction and documents supporting the information necessary to determine the maximum amount of tax deduction.
- (4) If applicable (see clause 1.5.2 “*Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years*” below), documents evidencing that the Shares have been held for more than five years, in order to apply the tax benefit for Shareholders who have held Shares on the basis of the right of ownership for over five years.

1.3.2. Method and deadline for submission of supporting documents

The supporting documents shall be submitted to IRC – R.O.S.T. JSC, authorized by Detsky Mir PJSC to collect documents, and can be submitted:

- by way of personal delivery (during working days and hours) at IRC – R.O.S.T. JSC or
- by mail,

in each case to the addresses indicated in the Letter of Information and listed below for convenience:

- at the address of IRC – R.O.S.T. JSC: 18, Stromynka str., bldg. 5B, room IX, Moscow, 107076, for Independent Registrar Company R.O.S.T. Joint-Stock Company; or
- at the address of any of the branches of IRC – R.O.S.T. JSC, which will be indicated in the Unified State Register of Legal Entities on the date of sending the documents. Information about the branches of IRC – R.O.S.T. JSC is published on Web-page: <http://www.rrost.ru/ru/filials/>.

Supporting documents shall be received by IRC – R.O.S.T. JSC before the deadline for receiving Calls for Repurchase, that is, until February 13, 2023 (inclusive).

Shareholders whose rights to the Shares are recorded in the register shall send (submit) the supporting

documents to IRC – R.O.S.T. JSC simultaneously with sending (submission) of the Call for Repurchase.

Shareholders whose rights to Shares are registered with nominees shall send (submit) the supporting documents to IRC – R.O.S.T. JSC immediately after sending the Call for Repurchase by submitting an order (instruction) to their nominee. In this case, the Questionnaire shall indicate the nominee, which records the rights to the Shares of the relevant Shareholder, being an individual, and through which the Call for Repurchase was sent, the number of Shares in respect of which the Call for Repurchase was sent, and data that make it possible to identify Shareholder, being an individual.

1.3.3. Method of certification of supporting documents

The tax legislation does not establish a unified method of certification of documents, which is recognized as appropriate. Depending on the situation, copies of documents can be certified:

- by IRC – R.O.S.T. JSC – upon handing over of originals of such documents to the address of IRC – R.O.S.T. JSC;
- by authorized persons and, if there is a seal, the seal of a broker (for example, brokerage reports) or a depository (for example, statements on custody accounts).

In the case of sending documents to the address of IRC – R.O.S.T. JSC by mail, as a general rule, documents certified by a notary public will be recognized as properly certified documents (with the exception of brokerage reports, which are subject to certification by a broker).

In the event that a Shareholder, being an individual, submits the original documents, IRC – R.O.S.T. JSC will make certified copies of such documents, and the originals will be returned to the Shareholder.

If the documents confirming the expenses incurred are drawn up in a foreign language, it is necessary to submit their notarized translation into Russian.

Due to the current situation and possible changes in the work of notaries, we recommend that Shareholders start receiving notarized copies of documents in sufficient time in advance.

In case of late submission of documents (documents were received by IRC – R.O.S.T. JSC later than the above-mentioned deadline), personal income tax will be withheld from the entire amount of income from the sale of Shares. For general information on applicable tax rates, see clause 1.4 below.

Detsky Mir PJSC, as a tax agent, withholds personal income tax directly from the taxpayer's income upon payment (cl. 4 of Article 226 of the Tax Code of the Russian Federation). The amount of personal income tax shall be transferred to the budget no later than the day following the day of payment under the share purchase and sale agreement (cl. 6 of Article 226 of the Tax Code of the Russian Federation).

1.4. Tax rates

Income of a Shareholder, being an individual, received from the sale of Shares is subject to personal income tax:

- at a rate of 13% of the amount of income received, if the amount of taxable bases specified in clause 2.1 of Article 210 of the Tax Code of the Russian Federation does not exceed 5 million rubles for the tax period;

- 650 thousand rubles and 15% of the amount of taxable bases specified in clause 2.1 of Article 210 of the Tax Code of the Russian Federation, exceeding 5 million rubles, if the amount of such bases for the tax period is more than 5 million rubles.

In relation to income received in 2021 or 2022, the above tax rates are applied by tax agents for each taxable base separately.

In this case, the Shareholders, being individuals, who have the right to reduce the amount of taxable income by the amount of documented and actually incurred expenses for the purchase of securities being sold.

When assessing the payable personal income tax, statutory tax benefits and deductions can also be taken into account (see reference information in clause 1.5 below). Shareholders should consult with their tax, financial or other professional advisers to assess the possibility of applying tax benefits and/or tax deductions.

In case of late submission of supporting documents, as well as in case of submission of an incomplete set of documents or improperly certified supporting documents, personal income tax will be withheld from the entire amount of income from the sale of Shares.

1.5. Tax benefits and tax deductions

1.5.1. Investment tax deduction

The taxable base for income from the sale of Shares, taxable at the rate specified in cl. 1.4 above, may be reduced by the amount of the investment tax deduction provided for in sub-cl. 1 of cl. 1 of Article 219.1 of the Tax Code of the Russian Federation. This tax deduction is available only to Shareholders, being individuals, who are residents of the Russian Federation.

The deduction is applied in the amount of the positive P&L of the taxpayer in the tax period from the sale of securities circulating on the established securities market and owned by the taxpayer for more than three years. In this case, the period of ownership of a security is calculated based on the method of selling securities acquired first (FIFO).

According to cl. 2 of Article 219.1 of the Tax Code of the Russian Federation, the maximum amount of tax deduction is determined as the product of the calculated coefficient (Csec.) and the amount equal to 3 million rubles. The value of Csec. depends on the number of full years the Shares have been owned by the taxpayer. A detailed procedure for calculating the coefficient is given in sub-cl. 2 of cl. 2 of Article 219.1 of the Tax Code of the Russian Federation.

This tax deduction does not apply to the sale of Shares held in a personal investment account. The taxpayer may be entitled to receive the investment deduction established by sub-cl. 3 of cl. 1 of Article 219.1 of the Tax Code of the Russian Federation, in the event of the acquisition of the Shares through a personal investment account. In this case, in order to be entitled to a tax deduction, the taxpayer shall contact the organization that opened the specified personal investment account and acts as a tax agent, or apply for a tax deduction independently by submitting a tax return (Form 3-NDFL).

If Detsky Mir PJSC assesses the tax amount, in order to get a tax deduction, a Shareholder, being an individual, shall, along with the submission of supporting documents, send IRC – R.O.S.T. JSC an application for a tax deduction and documents confirming the information necessary to determine the maximum amount of tax deduction. Such documents include documentary evidence of the date of

acquisition of the Shares and the amount of expenses incurred for their acquisition (examples of such documents are given in clause 1.3.1 above).

In case of failure to submit documents within the period specified in clause 1.3.2 above, personal income tax will be withheld from the entire amount of income from the sale of Shares.

When granting a tax deduction, the tax agent shall independently determine the amount of the tax deduction to which the taxpayer - Shareholder, being an individual, is entitled. The tax agent provides the Shareholder with a certificate of income and tax amounts of an individual and a calculation of the amount of the tax deduction provided to such Shareholder.

The specified investment tax deduction can be received by the taxpayer independently when submitting a tax return (form 3-NDFL) to the tax authority of the Russian Federation. In this case, Detsky Mir PJSC shall withhold tax from the entire amount of payment and the taxpayer will have to independently apply to the tax authorities for a tax deduction.

1.5.2. Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years

Russian tax legislation provides for exemption from personal income tax on income received by individuals from the sale of shares of Russian organizations, where not more than 50 percent of assets directly or indirectly consist of real estate located on the territory of the Russian Federation, provided that on the date of sale of such shares they have been continuously held by an individual on the basis of the right of ownership or other real right for more than five years (cl. 17.2 of Article 217 of the Tax Code of the Russian Federation). This exemption applies regardless of the individual's tax domicile status.

As of October 30, 2022, less than 50 percent of assets of Detsky Mir PJSC directly or indirectly consist of real estate located in the territory of the Russian Federation, respectively, the specified tax benefit can be applied.

In order to apply this benefit, a Shareholder, being an individual, shall submit to IRC – R.O.S.T. JSC documents confirming the fact of ownership of the Shares for more than five years, and indicate the relevant information in the Questionnaire (Annex No. 1 to this Letter of Information). Such documents may include, for example, a share purchase and sale agreement and a certificate of transfer of title to Shares (an extract from the register of shareholders indicating inclusion in this register, an extract from the custody account). The specified documents shall be submitted in the original or in the form of duly certified copies in the manner and within the timeframe specified in clause 1.3.2 above.

In case of failure to submit documents within the period specified in clause 1.3.2 above, personal income tax will be withheld from the entire amount of income from the sale of Shares.

2. Tax effects for individuals - non-residents of the Russian Federation

2.1. The procedure for determining the taxable base and tax domicile

See clause 1.1 of this Letter of Information on the procedure for determining tax domicile.

For individuals who are not tax residents of the Russian Federation, income received from sources in the Russian Federation shall be deemed to be the taxable item (cl. 2 of Article 209 of the Tax Code of the Russian Federation). This income includes, among other things, income from the sale of shares in the

Russian Federation. Russian tax legislation does not provide for a clear definition of the “place of sale” of shares. In accordance with the well-established practice and official clarifications of the regulatory authorities, the Russian Federation is recognized as the place of sale of shares if the Russian Federation is the place of location of the depository or registrar that records transactions involving the transfer of title to securities. Considering the fact that the registrar that records transactions involving the transfer of title to the Shares is located in the Russian Federation, according to Russian tax legislation, income from the sale of Shares is recognized as received from sources in the Russian Federation and is subject to taxation in the Russian Federation with respect to persons who are not tax residents of the Russian Federation.

Shareholders, being individuals, who are not tax residents of the Russian Federation should take into account the provisions of double tax treaties concluded by the Russian Federation with a foreign country in which the specified Shareholder is recognized as a tax resident (see clause 2.5.2 “*Application of benefits provided for by DTT*” below).

2.2. Performing the functions of a tax agent

2.2.1. Performing the functions of a tax agent, if a Shareholder, being an individual, sends a Call for Repurchase independently

As specified in clause 1.2 of this Letter of Information, in accordance with sub-clause 3 of cl. 1 of Article 226 of the Tax Code of the Russian Federation, Russian organizations that make payments under securities purchase and sale agreements concluded by them with taxpayers are recognized as tax agents for personal income tax purposes in relation to securities purchase and sale transactions. The exceptions are set forth in cl. 2 of Article 226.1 of the Tax Code of the Russian Federation, according to which, among other things, if such transactions are carried out for the benefit of the taxpayer by a trustee or broker on the basis of a trust agreement, a brokerage agreement, a fiduciary agreement, a commission agreement or an agency agreement with a taxpayer, then the functions of a tax agent are assigned to such trustee or broker.

Thus, if a Shareholder, being an individual, sends a Call for Repurchase independently (without involving trustees or brokers acting on behalf of such Shareholder), including through a nominee, Detsky Mir PJSC will be recognized as a tax agent and will be obliged to assess the amount of personal income tax, withhold it from the purchase price payable to the Shareholder, being an individual, for Shares purchased from the Shareholder, being an individual, and transfer it to the budget of the Russian Federation.

Please note that the tax agent status of Detsky Mir PJSC does not change if several foreign and/or Russian nominees are involved.

2.2.2. Performing the functions of a tax agent if a Shareholder, being an individual, acts through a broker (trustee)

In accordance with cl. 2 of Article 226.1 of the Tax Code of the Russian Federation, when an individual receives income from transactions (including those recorded on a personal investment account) with securities, a tax agent is recognized as a trustee or a broker who carries out transactions with securities for the benefit of the taxpayer on the basis of a trust agreement, a brokerage agreement, a fiduciary agreement, a commission agreement or agency agreement with the taxpayer.

The tax agents for the purposes of assessing and paying personal income tax are listed in Articles 226 and 226.1 of the Tax Code of the Russian Federation. In accordance with these provisions, Russian organizations, as well as standalone subdivisions of foreign organizations in the Russian Federation, are

recognized as tax agents only in respect of income received from or as a result of relations with such standalone subdivisions. Therefore, foreign organizations that do not have standalone subdivisions on the territory of the Russian Federation are not recognized as tax agents for personal income tax purposes.

Therefore:

- when the Shares are sold in favor of Detsky Mir PJSC by a Shareholder, being an individual, who acts through a broker (trustee) that is a Russian organization, or through a Russian standalone subdivision of a foreign broker (trustee) on the basis of a brokerage agreement (trust agreement, fiduciary agreement, commission agreement or agency agreement), Detsky Mir PJSC will not be recognized as a tax agent, and Detsky Mir PJSC will not have any obligations to assess, withhold and pay the amount of personal income tax on income received from the sale of Shares. In this case, a broker (trustee) will be the tax agent) who shall assess, withhold from the Shareholder and pay to the budget the amount of personal income tax from the income received from the sale of the Shares; and
- if a Shareholder, being an individual, receives income from the sale of Shares from a foreign broker (trustee) that does not have a standalone subdivision in the Russian Federation, Detsky Mir PJSC will be recognized as a tax agent and will be obliged to assess, withhold from the Shareholder and pay the amount of tax on such income.

If it is not possible to identify whether the Shareholder is acting through a broker (trustee) or independently, Detsky Mir PJSC will be responsible for assessing, withholding and paying the tax amount to the budget.

Please note that the tax agent submits to the Shareholder a certificate of income and tax amounts of an individual, which will indicate the amount of tax withheld from the income received from the sale of Shares. This certificate can later be used to receive a tax credit at a time of payment of income tax by the Shareholder in the country of its tax domicile (while, the competent authorities of a foreign state may request additional documents from the Shareholder confirming the fact of tax payment). We strongly recommend that Shareholders discuss the issues of tax credit provided in relation to tax paid with regard to the sale of Shares with their tax advisors.

If information about the owner of Shares acting through a nominee or a foreign broker (trustee) is not disclosed, Detsky Mir PJSC, acting as a tax agent, will withhold tax at a maximum rate of 30%.

2.3. Documents required and tax payment deadlines

In cases where Detsky Mir PJSC performs the functions of a tax agent, when assessing the personal income tax to be withheld and paid, Detsky Mir PJSC will take into account actually incurred and documented expenses that are associated with the acquisition and storage of the relevant Shares and which the taxpayer incurred without the participation of the tax agent (cl. 1 of Article 226 of the Tax Code of the Russian Federation). These expenses are taken into account on the basis of an application prepared by the taxpayer (Shareholder, being an individual) in a free form on the decrease of income subject to personal income tax from the sale of Shares by the expenses incurred in relation to these Shares, with the relevant supporting documents attached (see below). We recommend that you make such an application in the form of a Questionnaire (Annex No. 1 to this Letter of Information).

We draw the attention of Shareholders to the fact that income from the sale of Shares is exempt from personal income tax if the Shares have been continuously held by a Shareholder, being an individual, on

the basis of the right of ownership or other real right for more than five years (see clause 2.5.1 *“Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years”* below).

2.3.1. List of documents to be submitted

To enable Detsky Mir PJSC to perform the functions of a tax agent and correctly assess the personal income tax subject to withholding and payment, Shareholders, being individuals, shall submit to IRC – R.O.S.T. JSC, authorized by Detsky Mir PJSC to collect documents, the following documents (hereinafter collectively referred to as “supporting documents”):

- Completed Questionnaire signed by the Shareholder (Annex No. 1 to this Letter of Information) with the attachment of documents specified in clauses (2)-(4) below.

The documents referred to in clauses (2) and (3) below are submitted if the Shares have been continuously held by the Shareholder, being an individual, on the basis of the right of ownership or other real right for no more than five years. If the Shares have been continuously held by the Shareholder, being an individual, on the basis of the right of ownership or other real right for more than five years, then it is necessary to submit the documents specified in clause (4) of this list of documents (see clause (4) below and clause 2.5.1 *“Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years”* below).

- Originals or duly certified (see clause 2.3.3 *“Method of certification of Supporting Documents”* below) copies of documents on the basis of which the Shareholder, being an individual, incurred the expenses of acquiring the Shares.

For example, such documents will include a share purchase and sale agreement, an order to credit the Shares to the personal account (custody account) of the Shareholder, an extract from the custody account or an extract from the system of keeping the register of Shareholders, brokerage reports, other documents confirming the fact of transfer to the taxpayer of the rights to the relevant Shares, the fact and amount of payment of the relevant expenses.

We would like to draw your attention to the fact that there is no unified list of documents confirming the expenses incurred for the acquisition of Shares. The above list of documents has been prepared for the general case of the acquisition of Shares on the basis of a sale and purchase agreement. If the title to Shares has been transferred to an individual on other legal grounds (for example, under a gift agreement, under an exchange agreement, as a result of inheritance), the list of documents will be different.

The tax agent reserves the right to request additional documents from the Shareholder, being an individual, to clarify the amount of tax liabilities in connection with the sale of the Shares.

- If applicable (see clause 2.5.2 *“Application of benefits provided for by DTT”* below), documents confirming, in respect of a Shareholder, being an individual, the status of a tax resident of the country with which the Russian Federation has entered into a DTT.
- If applicable (see clause 2.5.1 *“Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years”*), documents evidencing that the Shares have been held for more than five years, in order to apply the tax benefit for Shareholders who have held Shares on the basis of the right of ownership for over five years.

2.3.2. Method and deadline for submission of supporting documents

The supporting documents shall be submitted to IRC – R.O.S.T. JSC, authorized by Detsky Mir PJSC to collect documents, and can be submitted:

- by way of personal delivery (during working days and hours) at IRC – R.O.S.T. JSC or
- by mail,

in each case to the addresses indicated in the Letter of Information and listed below for convenience:

- at the address of IRC – R.O.S.T. JSC: 18, Stromynka str., bldg. 5B, room IX, Moscow, 107076, for Independent Registrar Company R.O.S.T. Joint-Stock Company; or
- at the address of any of the branches of IRC – R.O.S.T. JSC, which will be indicated in the Unified State Register of Legal Entities on the date of sending the documents. Information about the branches of IRC – R.O.S.T. JSC is published on Web-page: <http://www.rrost.ru/ru/filials/>.

Supporting documents shall be received by IRC – R.O.S.T. JSC before the deadline for receiving Calls for Repurchase, that is, until February 13, 2023 (inclusive).

Shareholders whose rights to the Shares are recorded in the register shall send (submit) the supporting documents to IRC – R.O.S.T. JSC simultaneously with sending (submission) of the Call for Repurchase.

Shareholders whose rights to Shares are registered with nominees shall send (submit) the supporting documents to IRC – R.O.S.T. JSC immediately after sending the Call for Repurchase by submitting an order (instruction) to their nominee. In this case, the Questionnaire shall indicate the nominee, which records the rights to the Shares of the relevant Shareholder, being an individual, and through which the application for sale of Shares was sent, the number of Shares in respect of which the application for sale of Shares was sent, and data that make it possible to identify Shareholder, being an individual.

2.3.3. Method of certification of supporting documents

The tax legislation does not establish a unified method of certification of documents, which is recognized as appropriate. Depending on the situation, copies of documents can be certified:

- by IRC – R.O.S.T. JSC – upon handing over of originals of such documents to the address of IRC – R.O.S.T. JSC;
- by authorized persons and, if there is a seal, the seal of a broker (for example, brokerage reports) or a depository (for example, statements on custody accounts).

In the case of sending documents to the address of IRC – R.O.S.T. JSC by mail, as a general rule, documents certified by a notary public will be recognized as properly certified documents (with the exception of brokerage reports, which are subject to certification by a broker).

In the event that a Shareholder, being an individual, submits the original documents, IRC – R.O.S.T. JSC will make certified copies of such documents, and the originals will be returned to the Shareholder.

If the documents confirming the expenses incurred are drawn up in a foreign language, it is necessary to submit their notarized translation into Russian.

Due to the current situation and possible changes in the work of notaries, we recommend that Shareholders start receiving notarized copies of documents in sufficient time in advance.

In case of late submission of documents (documents were received by IRC – R.O.S.T. JSC later than the above-mentioned deadline), personal income tax will be withheld from the entire amount of income from the sale of Shares. For general information on applicable tax rates, see clauses 1.4 and 2.4 below.

Detsky Mir PJSC, as a tax agent, withholds personal income tax directly from the taxpayer's income upon payment (cl. 4 of Article 226 of the Tax Code of the Russian Federation). The amount of personal income tax shall be transferred to the budget no later than the day following the day of payment under the share purchase and sale agreement (cl. 6 of Article 226 of the Tax Code of the Russian Federation).

2.4. Tax rates

Income of individuals who are not tax residents of the Russian Federation, received from the sale of Shares in the Russian Federation, is subject to personal income tax at a rate of 30% of the amount of income received.

In this case, the Shareholders, being individuals, who are not tax residents of the Russian Federation, shall have the right to reduce the amount of taxable income by the amount of documented and actually incurred expenses for the purchase of securities being sold. In case of late submission of documents, personal income tax will be withheld from the entire amount of income from the sale of Shares.

2.5. Tax benefits

2.5.1. Tax benefit for Shareholders who have held Shares on the basis of the right of ownership for more than five years

Russian tax legislation provides for exemption from personal income tax on income received by individuals from the sale of shares of Russian organizations, where not more than 50 percent of assets directly or indirectly consist of real estate located on the territory of the Russian Federation, provided that on the date of sale of such shares they have been continuously held by an individual on the basis of the right of ownership or other real right for more than five years (cl. 17.2 of Article 217 of the Tax Code of the Russian Federation). This exemption applies regardless of the individual's tax domicile status.

As of October 30, 2022, less than 50 percent of assets of Detsky Mir PJSC directly or indirectly consist of real estate located in the territory of the Russian Federation, respectively, the specified tax benefit can be applied.

In order to apply this benefit, a Shareholder, being an individual, shall submit to IRC – R.O.S.T. JSC documents confirming the fact of ownership of the Shares for more than five years, and indicate the relevant information in the Questionnaire (Appendix No. 1 to this Letter of Information). Such documents may include, for example, a share purchase and sale agreement and a certificate of transfer of title to Shares (an extract from the register of shareholders indicating inclusion in this register, an extract from the custody account). The specified documents shall be submitted in the original or in the form of duly certified copies in the manner and within the timeframe specified in clause 2.3.2 above.

In case of failure to submit documents within the period specified in clause 2.3.2 above, personal income tax will be withheld from the entire amount of income from the sale of Shares.

2.5.2. Application of benefits provided for by DTT

Currently, the Russian Federation has concluded more than 80 double tax treaties with various jurisdictions. These treaties are aimed, among other things, at eliminating situations of double taxation. The list of jurisdictions with which the Russian Federation has concluded DTTs is given on the website of the Federal Tax Service of the Russian Federation - https://www.nalog.ru/rn77/about_fts/inttax/mpa/dn/.

The national legislation of most jurisdictions with which DTTs are concluded provide for the taxation of all income of individuals who are tax residents of such jurisdictions, which can potentially lead to cases of double taxation of income received by individuals, including income from the sale of Shares. In view of the above, DTTs with most countries contain provisions according to which income from the sale of property (including shares) is taxable only in the country, being a party to DTT, of which the person alienating such property is a resident, provided that a number of conditions are met. If it is possible to apply these provisions to the income of residents of such countries from the sale of Shares, the relevant income shall be exempt from personal income tax in the Russian Federation. Due to the fact that the provisions of the DTT are different depending on an agreement, we strongly recommend that Shareholders contact their tax advisors for clarification on taxation of income from the sale of Shares in the country of tax domicile of the relevant Shareholder.

If a Shareholder, being an individual, is a tax resident of a foreign state with which the Russian Federation has entered into a DTT providing for full or partial exemption from taxation in the Russian Federation of income from the sale of Shares, then Detsky Mir PJSC, acting as a tax agent, shall not withhold tax upon payment of such income to the Shareholder, being an individual, subject to the submission by the Shareholder of the necessary supporting documents listed below.

Supporting documents shall be submitted by IRC – R.O.S.T. JSC in the manner and within the timeframe specified in clause 2.3.2 above. In case of late submission of documents, personal income tax will be withheld at a rate of 30%.

In order to confirm the right to tax exemption of income in accordance with the provisions of the DTT, a Shareholder, being an individual, shall submit to the tax agent an official confirmation of its status as a tax resident of the country with which the Russian Federation has entered into a DTT.

In accordance with the Tax Code of the Russian Federation, the specified confirmation shall be issued by the competent authority of the relevant foreign state authorized to issue such confirmations on the basis of the DTT with the Russian Federation. If such a confirmation is drawn up in a foreign language, the Shareholder, being an individual, shall submit to IRC – R.O.S.T. JSC its notarized translation into Russian¹.

In the event that a Shareholder, being an individual, for objective reasons, is not able to submit to IRC – R.O.S.T. JSC a certificate of its tax domicile (for example, if it is not possible to obtain a certificate before the end of the calendar year or for other objective reasons), it shall send to IRC – R.O.S.T. JSC a letter about the impossibility of presenting the certificate with a description of the relevant reasons and an indication of the planned date of submission.

Based on cl. 7 of Article 232 of the Tax Code of the Russian Federation, in the event that confirmation of the status of a tax resident of a foreign state is submitted by an individual to a tax agent - the source of payment of income after the date of payment of income subject to exemption on the basis of the DTT with the Russian Federation, the refund of amounts of overwithheld tax shall be arranged through the tax agent by filing an application for tax refund and submission of relevant documents confirming tax domicile. The

tax agent shall refund the withheld tax in the manner provided for in cl. 1 of Article 231 of the Tax Code of the Russian Federation for the return of amounts of overpaid tax.

SECTION 2 LEGAL ENTITIES

In accordance with the legislation of the Russian Federation, Detsky Mir PJSC will not act as a withholding agent for income tax in respect of income of Shareholders, being legal entities, from the sale of Shares (see below).

Therefore, the purchase price for Shares sold by Shareholders, being legal entities, pursuant to the Call for Repurchase will be paid to such Shareholders without deduction. We strongly recommend that Shareholders review the tax effects of the sale of Shares with their tax advisors.

Shareholders that are Russian organizations and foreign organizations operating in the Russian Federation through continuously operating representative offices.

Detsky Mir PJSC does not have an obligation of a tax agent to withhold and transfer to the budget of income tax from the sale of Shares received by Shareholders, being Russian organizations and foreign organizations operating in the Russian Federation through continuously operating representative offices. These organizations, being holders (sellers) of Shares shall be liable to assess and pay the tax on their own.

The same applies to foreign companies recognized as Russian tax residents (Article 246.2 of the Tax Code of the Russian Federation) voluntarily (self-recognized as Russian tax residents) or involuntarily (as part of a tax audit by the Russian tax authorities).

Shareholders that are foreign organizations that do not operate in the Russian Federation through a continuously operating representative office

In accordance with the provisions of Russian legislation, neither Detsky Mir PJSC nor any of its agents will be required to withhold Russian income tax from the sale of Shares paid to foreign entities not operating in the Russian Federation through a continuously operating representative office.

¹ See, for example, Letter of the Ministry of Finance No. BS-3-11/6303@ dd September 7, 2018.

Shareholder Questionnaire

1. This Annex is a questionnaire for the Shareholders of Detsky Mir PJSC, being individuals, and is designed to determine the possible tax effects from the acquisition of Shares that Detsky Mir PJSC shall take into account as a tax agent.
2. If a Shareholder, being an individual, fails to provide the information specified below, with the supporting documents specified in the Letter of Information, Detsky Mir PJSC, acting as a tax agent in accordance with the legislation of the Russian Federation, may withhold tax at the rate provided for cl. 1 of Article 224 of the Tax Code of the Russian Federation (in relation to individuals - residents of the Russian Federation) or 30% (in relation to individuals - non-residents of the Russian Federation) of the total purchase price for Shares payable to the Shareholder, being an individual.
3. If the Shareholder, being an individual, fails to submit documents confirming:
 - tax domicile,
 - expenses for the acquisition of Shares,
 - term of holding the Shares,

The Shareholder, being an individual, may get a unilateral refusal to recognize its expenses related to the acquisition of Shares and apply tax benefits when assessing tax, and the tax will be withheld at a maximum rate of 30%.

Determination of the Shareholder's status for the purposes of taxation of its income from the sale of Shares in the territory of the Russian Federation		
Personal account number / Custody account number and name of the nominee		
Full Name		
Date of birth:		
Type, series, number, issuer, date of issue of identity document		
INN (Taxpayer Identification Number)		
Place of residence		
Postal address (if different from place of registration)		
Contact telephone number		
Number of Shares in relation to which the Call for Repurchase was filed		
Inspection criteria	Response options	Comments of the Shareholder
This questionnaire is to be filled in by the Shareholder, being an individual		
Please answer the following questions:		
1. (A) Are you acting on your own or through a nominee/chain of nominees or (B) there is a third party broker or trustee operating on your behalf acting on the basis of a trust agreement, a brokerage agreement, an fiduciary agreement, a commission agreement or an agency agreement?	A/B	
2. If you answered "B" to question 1, is the broker (trustee) you engaged a Russian organization or a Russian standalone subdivision of a foreign broker (trustee)? <i>If you answered "No" to this question, Detsky Mir PJSC will act as a tax agent, and you will need to submit all supporting documents to Detsky Mir PJSC.</i>	Yes/No	
If in questions 1 and 2 you answered respectively "A" and "No":		

<p>3. Have you held the Shares continuously for more than 5 years? (Please note that continuous holding of the Shares in this context means continuous holding for the purposes of Article 284.2 of the Tax Code of the Russian Federation)</p> <p><i>To confirm the expenses associated with the acquisition and storage of Shares and/or holding them for more than 5 years (if any), you need to submit the following documents to Detsky Mir PJSC: Purchase and sale agreement, Order on crediting securities to the personal account, statement of the custody account, extract from the system of maintaining the register of securities holders. Please note that the list of documents may vary depending on the legal methods of acquiring the Shares (see clause 1.3.1 (for Shareholders, being individuals, who are residents of the Russian Federation) and clause 2.3.1 (for Shareholders, being individuals, who are non-residents of the Russian Federation) of the Letter of Information).</i></p> <p><i>Please note that the above documents shall be duly certified, translated into Russian (if applicable) and sent (submitted) to IRC – R.O.S.T. JSC in the manner specified in clauses 1.3.2-1.3.3 (for Shareholders, being individuals, who are residents of the Russian Federation) and clauses 2.3.2-2.3.3 (for Shareholders, being individuals, who are non-residents of the Russian Federation) of the Letter of Information, no later than February 13, 2023 (inclusive).</i></p>	Yes/No	
If you answered “No” to question 3:		
4. Are you a tax resident of the Russian Federation ¹ ?	Yes/No	
If you answered “No” to question 4:		

¹In accordance with cl. 2 of Article 207 of the Tax Code of the Russian Federation, individuals who actually stay in the Russian Federation for at least 183 calendar days within 12 consecutive months, are recognized as tax residents.

<p>5. Please indicate whether the country of your tax domicile is included in the list of jurisdictions with which the Russian Federation has entered into a DTT²?</p> <p><i>To confirm tax domicile³, you need to submit to Detsky Mir PJSC a document confirming tax domicile (for example, a tax domicile certificate issued by a competent authority of a foreign state). The competent authority is determined by the provisions of the DTT with the country of which you are a tax resident.</i></p> <p><i>The supporting document shall be apostilled and translated into Russian (the translation of the document and the apostille shall be notarized) in accordance with the current tax practice of the Russian Federation (see, for example, Letter of the Ministry of Finance of the Russian Federation No. BS-3-11/6303@ dd September 7, 2018).</i></p>	<p>Yes/No</p>	
<p>If you answered “Yes” to question 4:</p>		
<p>6. Please tick “I Confirm” if this Questionnaire is to be considered as your application for an investment tax deduction if you have held the Shares for more than 3 years.</p>	<p>I confirm / I do not confirm</p>	
<p>If you selected “I Confirm”, you need to attach the relevant supporting documents, see clause 1.5.1 “Investment tax deduction”.</p>		
<p>If you answered “No” to question 3:</p>		

² https://www.nalog.ru/rn77/about_fts/inttax/mpa/dn/.

³ We strongly recommend that you contact a tax advisor for clarifications on: determining the country of tax domicile (due to different interpretations of the domicile definition) and taxation of income from the sale of Shares

<p>7. Please tick “I Confirm” to confirm that this Questionnaire is your application to reduce your taxable income from the sale of Shares based on the Call for for expenses incurred in respect of these Shares and submit supporting documents.</p> <p><i>This criterion applies both to Shareholders, being individuals, who are residents of the Russian Federation, and to Shareholders, being individuals, who are non-residents of the Russian Federation.</i></p>	<p>I confirm / I do not confirm</p>	
<p><i>If you have chosen “I Confirm”, you need to attach the relevant supporting documents, see clause 1.3 of the Letter of Information (for Shareholders, being individuals, who are residents of the Russian Federation) and clause 2.3 of the Letter of Information (for Shareholders, being individuals, who are non-residents of the Russian Federation).</i></p>		

Full name of the Shareholder	Signature	Date

Please attach supporting documents to this Questionnaire, see clause 1.3 of the Letter of Information (for Shareholders, being individuals, who are residents of the Russian Federation) and clause 2.3 of the Letter of Information (for Shareholders, being individuals, who are non-residents of the Russian Federation).