

## Sistema and VTB to create a major pharmaceuticals holding

31 December 2018 | News | By Sonali Wankhade

### Sistema invested a total of RUB 1.83 billion in the acquisition of OBL Pharm



Sistema PJSFC (“Sistema”), a publicly traded diversified Russian holding company, announces it has acquired an equity interest in JSC Pharmaceutical Enterprise Obolenskoe (“OBL Pharm”), a leading Russian pharmaceutical company. The stake was acquired jointly with VTB Bank (“VTB”) and management of OBL Pharm from Alvansa Ltd, which is majority-owned by Gazprombank and UFG Private Equity.

Sistema invested a total of RUB 1.83 billion in the acquisition of OBL Pharm, giving Sistema an effective stake in OBL Pharm of 11.7%. The investment consortium – consisting of Sistema, VTB and members of the OBL Pharm management team – collectively acquired 95.14% of OBL Pharm for a total investment of RUB 15.5 billion.

The partners made their investments through a joint holding company, Ristango Holding Limited, and have signed a shareholder agreement securing rights of all of the investors to participate in the management of the business. Sistema and VTB have also signed an agreement whereby Sistema will acquire VTB’s stake in Ristango Holding Limited within three years of the initial transaction.

The Russian Direct Investment Fund (“RDIF”) and its co-investors have reached an agreement with Sistema to consider participating in the transaction in early 2019 following additional study of the transaction terms and approval of the transaction terms by an RDIF-led consortium of investors.

The transaction aims to create a leading Russian pharmaceuticals group following the merger of OBL Pharm with JSC Binnopharm (“Binnopharm”), a Sistema portfolio company. OBL Pharm and Binnopharm will be combined to create a unified company that is a top-10 Russian pharmaceutical company in the non-statesector with a diversified portfolio of over 200 products.

Products that are leaders in their segments include vein tonic Venarus, the probiotic Maxilac and the liver protectant Urdoxa. The combined company will operate four pharmaceutical production sites in Moscow and the Moscow region, and will be established in the first half of 2019.