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RUSTRANSCOM PLC

RUSTRANSCOM PLC ANNOUNCES POSTPONEMENT OF INITIAL PUBLIC OFFERING

23 April 2019

Rustranscom plc ("**RTC**" or the "**Company**"), a leader in specialised rail freight transportation in Russia and Kazakhstan, today announces the postponement of the Initial Public Offering ("**IPO**") of Global Depository Receipts in favour of a private equity transaction.

Earlier this month RTC published its Intention to Float as part of the preparation for the IPO of global depository receipts representing the Company's ordinary shares. The access to public capital markets was viewed by RTC's principal shareholders as one of the possible options to finance the Group's growth-oriented strategy.

However, during the period after the ITF publication, RTC's principal shareholders have received several proposals regarding private equity transactions, which are better aligned with the Group's development strategy.

Company Overview

Founded in 2008, RTC is the market leader (by 2018 volumes) in rail transportation of grain in Russia and Kazakhstan and of timber and mineral fertilisers (among non-captive operators) in Russia (with market shares of 44%, 22% and 18%, respectively), according to Company data and publicly available information. The Company's primary business is the provision of rail freight services and the leasing of rolling stock.

As at 31 December 2018, the total size of the fleet of rolling stock under the Company's management was 67,952 railcars, of which around 83.2% are specialised railcars. At the end of 2018, RTC's fleet of rolling stock in operation constituted the largest fleet of grain hopper cars and timber cars among all freight rail operators in Russia and the largest fleet of mineral hopper cars among non-captive operators, as well as being among the top-five operators of rolling stock in Russia by total fleet size.

RTC has broad geographical coverage in Russia and Kazakhstan and provides services to a wide range of customers, including large international and Russian corporates, such as Cargill, EuroChem, Evraz, Karjala Pulp, Louis Dreyfus, Phosagro, Severstal, Uralchem, and Uralkali.

RTC's freight rail turnover for the year ended 31 December 2018 stood at 97.7 billion tonne-kms, with 60.7 million tonnes of freight transported.

In 2018, RTC's Adjusted Revenue (as defined below) was RUB 51.5 billion, with Adjusted EBITDA (as defined below) of RUB 31.1 billion and an Adjusted EBITDA margin (as defined below) of 60.4%, which the Company believes compare favourably to publicly available data relating to other major Russian and global rail freight transportation service providers.

RTC's strategy includes three main elements:

- Further increase the Company's market share in core rail freight transportation segments, through both value-accretive M&A and the expansion and upgrade of its fleet;
- Enhance logistics and increase operational efficiency; and
- Provide comprehensive logistics solutions to become an integral part of customers' supply chain.

Contact Information

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(1) Adjusted Revenue is Consolidated Revenue (reported on the statement of profit or loss) less railway tariff (loaded) and expenses on rolling stock provided by external carriers.

(2) Adjusted EBITDA is defined as Profit for the year before Income tax (expense) / credit, finance income, finance expenses, depreciation of property, plant and equipment and amortisation of intangible assets, government grants amortization, gain on revaluation of share in joint-venture, loss on currency translation reserve recycled to profit or loss, net loss/(gain) on disposal of property, plant and equipment, share-based compensation and negative goodwill.

(3) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Adjusted Revenue (Pre-IFRS Conversion) (as defined in the Company's registration document dated 1 April 2019).

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