

PAO Severstal (SVST)

06-May-2019 / 14:10 MSK

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

Severstal announces sale of Mini-Mill Balakovo

May 6, 2019, Moscow - PAO Severstal (the "Company") one of the world's leading vertically integrated steel and steel-related mining companies, announces that it has entered into a definitive agreement with Abinsk Electric Steel Works LTD for the sale of Mini-Mill Balakovo. The consideration of the transaction will be \$215 million.

The transaction is expected to complete in first half of 2019 following the receipt of approvals and other standard conditions.

Alexander Shevelev, CEO of Severstal, commented:

"Following the sale of Mini-Mill Balakovo, we plan to focus on developing steel production at our main asset, the Cherepovets Steel Mill. We are confident that this will enable us to streamline our internal processes to execute our updated strategic priorities successfully. We are committed to providing our customers with integrated solutions and increasing our production of high value-added products. At the same time Severstal will continue to supply long products via our long product facilities at CherMK. Mini-Mill Balakovo was the first producer of long products in the Volga Federal District and has become known as a trusted supplier of high-quality products. We believe that the Mini-Mill still has a lot of potential and will benefit from the new shareholder's focus on long product production."

Vitaly Babenko, General Director of the Abinsk electrometallurgical plant, noted:

"Mini-Mill Balakovo is a new-generation facility, which produces demanded products for the construction industry. Modern facilities of the plant combine the production of high-grade steel and the production of long products on a high-speed rolling mill. The acquisition of the company is fully consistent with the strategy of our company and will allow us to strengthen our position in the market. We welcome the professional team of the plant and are confident that Mini-Mill Balakovo will continue its successful development within the structure of our company".

Mini-Mill Balakovo has an annual capacity of 1 million tonnes of profiled iron for building materials (reinforcement, angle, channel). It produces a range of 40 different products. The mill has produced over three and a half million tonnes of products since it was first launched.

Citigroup acted as financial advisor to PAO Severstal.

For further information, please contact:

Investor Relations

Evgeny Belov

T: +7 (495) 926-77-66

evgenii.belov@severstal.com

Public Relations

Anastasia Mishanina

T: +7 (495) 926-77-66

anastasia.mishanina@severstal.com

PAO Severstal is one of the world's leading vertically-integrated steel and steel related mining companies, with assets in Russia, Latvia and Poland. Severstal is listed on RTS and MICEX and the company's GDRs are traded on the LSE. Severstal reported revenue of \$8,580 million and EBITDA of \$3,142 million in 2018. Severstal's crude steel production in 2018 reached 12.0 million tonnes. www.severstal.com

ISIN: US8181503025

Category Code:UPD

TIDM: SVST

LEI Code: 213800OKDPTV6K4ONO53

Sequence No.: 8516

EQS News ID: 807435

End of AnnouncementEQS News Service