CCBLR General Assembly
May 29
EuroChem Group AG
Vertically integrated business with a growing global presence

- **3 Nitrogen plants** (2 in Russia, 1 in Belgium) - 3.0 MMT\(^1\) of ammonia and 8.9 MMT of total N fertilizer product capacity.
- **3 Phosphate plants** (2 in Russia and 1 in Lithuania) - 2.5 MMT of MAP/DAP – and JV in China. 5.1 MMT of total P fertilizer & feed product capacity
- Total **annual fertilizer/feed capacity of 14.0 MMT**, including 2.2 MMT of specialty products
- **Vertical integration**: own raw materials, port terminals, rail stock, construction/repair works, Europe/CIS/Americas distribution capacity
- **Apatite** (Russia) - \(P_2O_5\)-rich (37%-38%) and low-MER\(^2\) content (0.057) apatite ore (2.5 MMT per year) covers c.75% of own production needs for all phosphate plants and Antwerp, additional volumes from Kazakhstan project
- **Iron ore** as a co-product of apatite mining: up to 5.6 MMT of iron ore (Fe content 63.5%)
- **Logistics** assets include transshipment capacity of c.8.8 MMT in Russia and c.3.5 MMT in the EU, ~6,400 own rail stock/depot
- **Sales**: global platform anchored on EuroChem Agro and CIS position and expanding footprint in the Americas
- **Projects**
  - **Potash (K)**: 2 greenfield projects in Russia with targeted capacity of over 8.3 MMT of KCl per year. First ore 2017/18.
  - **Ammonia** – 1MMT facility in close proximity to Phosphorit (Russia/Baltic Sea), startup 2018
- Total employees: >23,400

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\(^1\)MMT: million metric tonnes; \(^2\)MER: minor element ratio.
It all started with fertilizer production

- 1964 - BASF announce the development of a site in Antwerp
- 1965 – Construction of the new Antwerp Verbund site is launched
- 1967 - Start of nitric acid, sulphuric acid, phosphoric acid and NPK-unit
- 1980 - Additional nitric acid and AN/CAN capacity is launched
- 1986 – Nitrophosphoric acid process is launched
- 1990-1991 – Ammonia plant and additional nitric acid and CAN plant are launched
- Mid 90’s : phosphoric acid unit is shutdown
- 1999 – Marketing and sales division of fertilizers is transferred / sold to K+S (becomes K+S Nitrogen)
- 2011 - BASF announces its intention to divest fertilizer assets
- 2012 - EuroChem acquires BASF’s Antwerp fertilizer assets (as well as K+S Nitrogen)
Main benefits from the acquisition:

- **Quality fertilizer assets** key to EuroChem’s Nitrogen segment growth strategy
- **Improve cost position** in the European market and access to premium European customer base through better logistics
- Benefit from **world-class workforce**; favor migration of best practices to Russian facilities
- Extract **synergies** from future inexpensive excess P and K raw materials and gain access to new product markets (AS, ASN)
- **Geographical diversification**

In 2012 EuroChem acquires BASF’s fertilizer assets in Antwerp

- Non-core activity of BASF is a **Core activity** for EuroChem ensuring **future growth**
- Remain a **strategic partner in the Antwerp “Verbund”**
- Neither social pressure build-up nor brain-drain
- **Investments** result in:
  - new production records
  - decrease of CO2-emissions (-55%)
  - new employment (+60 FTE)
• Production capacity: appr. 2.3 MMT fertilizers (original design capacity: 1.35 MMT)
  • NPK production: 1.25 MMT with ca. 30 different formulations
  • Ammonium Nitrate and CAN: 1.05 MMT
  • Biggest ammonia-consumer in Antwerp harbour (600 KMT for a total consumption of 1.5 MMT)

*Odda process - no sulfur needed, no gypsum generated
Integrated management system:
- ISO14001 (environment);
- ISO50001 (energy);
- ISO9001 (quality)

‘We continued to deploy Best Available Technologies (BAT), linked to EU environmental standards’ (EuroChem Annual Report 2016)
Integrated management system:
  • ISO14001 (environment);
  • ISO50001 (energy);
  • ISO9001 (quality)

EuroChem Antwerpen NV joined the energy policy agreement in December 2014

Effort based agreement:
  • Conduct an energy audit and make up an energy plan with profitable energy saving measures (IRR > 14%)
  • Yearly monitoring of energy use
  • Implement an energy management system (ISO 50001)

Reduction in energy use probably >10%