

Dentons advises EuroChem on project financing for Kingisepp ammonia and carbamide construction

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Moscow —Global law firm Dentons advised EuroChem Group, one of the world's leading mineral fertilizer producers, on project financing for the construction of an ammonia plant in Kingisepp, Leningrad Region. The total anticipated cost of the project is RUB 123.5 billion (approximately €1.4 billion).

A syndicate of lenders comprising VEB.RF, Sberbank, VTB Bank, Gazprombank and Otkritie FC Bank has provided a credit facility to OOO EuroChem Northwest 2 to finance up to 80% of the total project budget, with the remaining 20% to be financed by the EuroChem Group.

The credit facility benefits from a special regulatory framework for project financings administered by VEB.RF and may in addition include an optional tranche from VEB.RF to cover interest and a possible increase in expenditures for the project.

The production facility with an annual capacity of 1.1 million metric tons of ammonia and 1.4 million tons of carbamide is scheduled to begin operation in 2024. This is the second phase of the industrial site. The first phase involved an ammonia production facility in Kingisepp with a capacity of one million metric tons a year. The facility ships its products to more than ten countries.

Securing the credit for the development of EuroChem Northwest 2 has been the largest project financing deal in the EuroChem Group's history and is a landmark transaction in the Russian syndicated financing market.

Partner **Evgenia Laurson** led the Dentons team. The core team also included Counsel **Konstantin Nazarov**, Senior Associate **Anna Booth** and Associate **Gleb Tikhomirov**.

About EuroChem Group

EuroChem Group is one of the world's leading producers of nitrogen, phosphate, and potash fertilizers. The company's activities include mining, as well as production, logistics, and distribution of fertilizers. The company is completing strategic investment projects for the production of potash at the Usolskiy Potash plant (Perm Territory) and the EuroChem-VolgaKaliy enterprise (Volgograd Region). The company employs over 26,000 people worldwide. The Russian assets of EuroChem Group are managed by Mineral Chemical Company EuroChem, JSC.

About Dentons

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