

PROJECT DEVELOPMENT

*A SUCCESSFUL COLLABORATION MODEL FOR THE
FERTILIZERS INDUSTRY*

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Relevance for the Fertilizer industry

Project Development conceptually means a structured and complex process to bring a project idea/concept into realization. As a leading technology and EPC services provider, all fertilizer projects have undergone some form of project development.

Factors effecting success rate of fertilizer project development

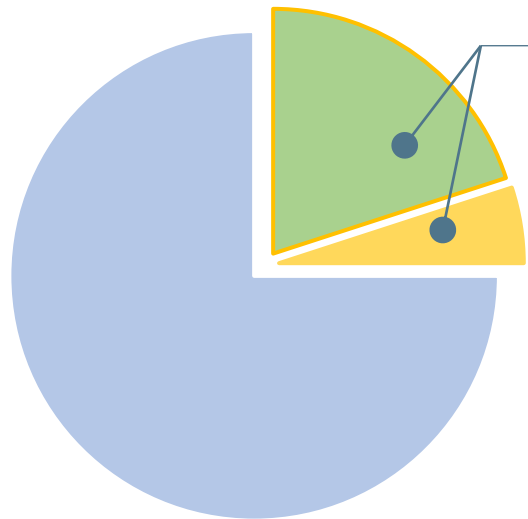
Non/Limited Controllable Factors	Controllable Factors
<ul style="list-style-type: none">▪ Geo-political developments▪ Macro-economic circumstances▪ Global/regional supply demand	<ul style="list-style-type: none">▪ Stakeholders/value-chain engagement▪ Multi-disciplinary competences integration▪ Project structuring capability▪ Efficient capital funding

Project Development requires a focused, agile and resilient approach complemented with a multi disciplinary (e.g. industrial, technical, financial and contractual) set of skills and capabilities.



Relevance for the Fertilizer industry

Most fertilizer project developers have these general skills and capabilities to enable successful project development. However, based on long-term empirical analysis performed by STAMICARBON, we learned that:



On average 20-25% of the successful projects were developed by “**new-entrants**” to fertilizer production

Main driver(s) of new entrants are following:

- Import substitution
- Food security
- Vertical integration
- Diversification
- Gas monetization

Most of these “new-entrants” do not necessarily have all the required skills and capabilities, so there is a need for a different approach going beyond the traditional offerings of technology and EPC services providers.



MET DEVELOPMENT SPA

The Project Development company of Maire Tecnimont Group (“MET”)

- Dedicated development team leveraging on the technical/industrial, commercial, financial and legal capabilities of Maire Tecnimont Group to develop and structure projects to reach Financial Close
- Mandate to pro-actively co-develop and participate as minority shareholder in key business areas of MET

TECHNICAL

- In-depth technological and technical understanding
- Solid track record in delivering projects on LSTK basis globally
- Proven expertise in mitigating technical & execution risks

INDUSTRIAL

- In-depth understanding value-chain dynamics, drivers and networks
- Significant expertise mitigating commercial/project risks

FINANCIAL

- Broad network in financing sector; commercial banks, ECAs and MLO's
- Robust experience in cost-economic/financial models
- Proven track-record in raising structuring and raising capital

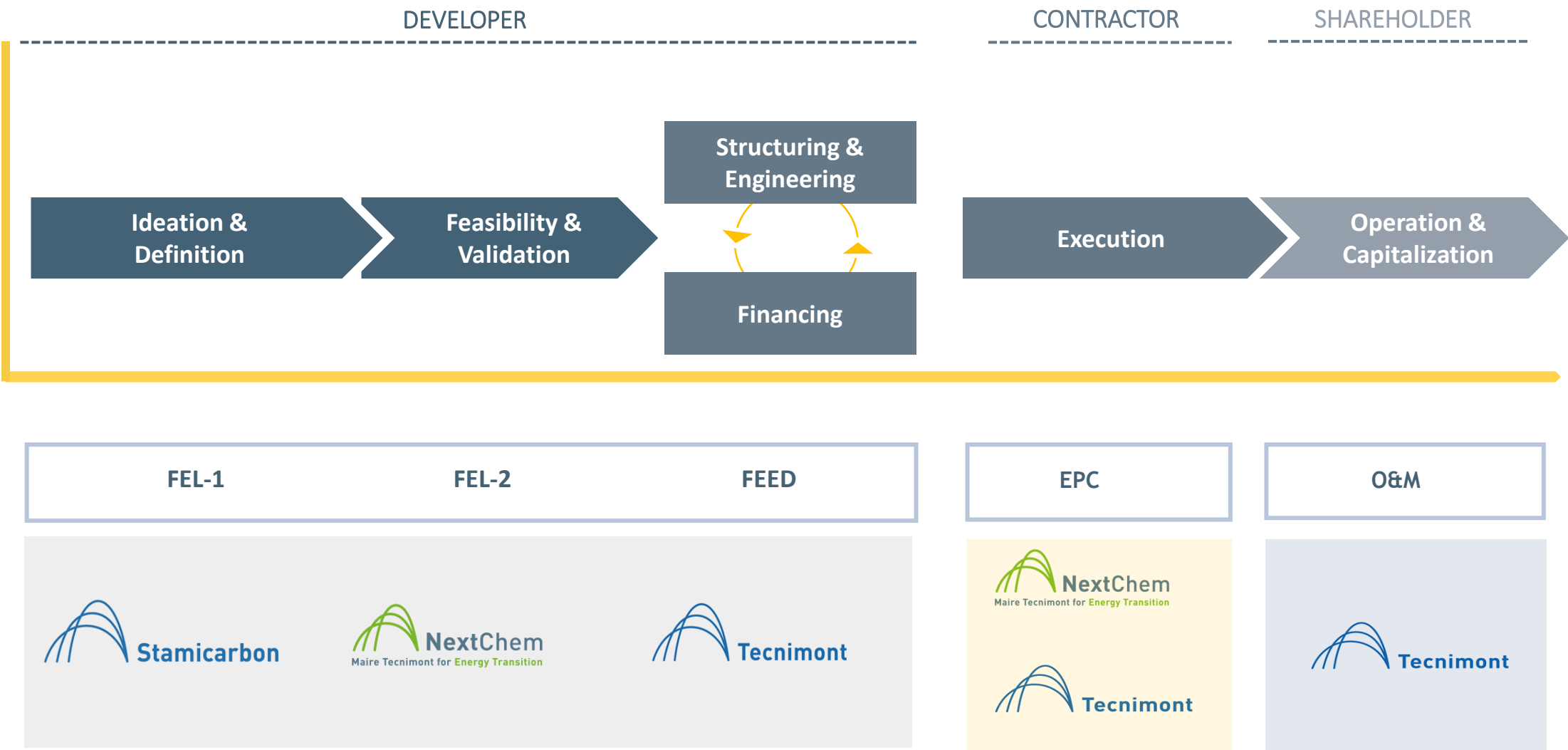
LEGAL

- Strong track-record structuring Project Finance transactions
- Proven expertise in setting Corporate Governance best practices



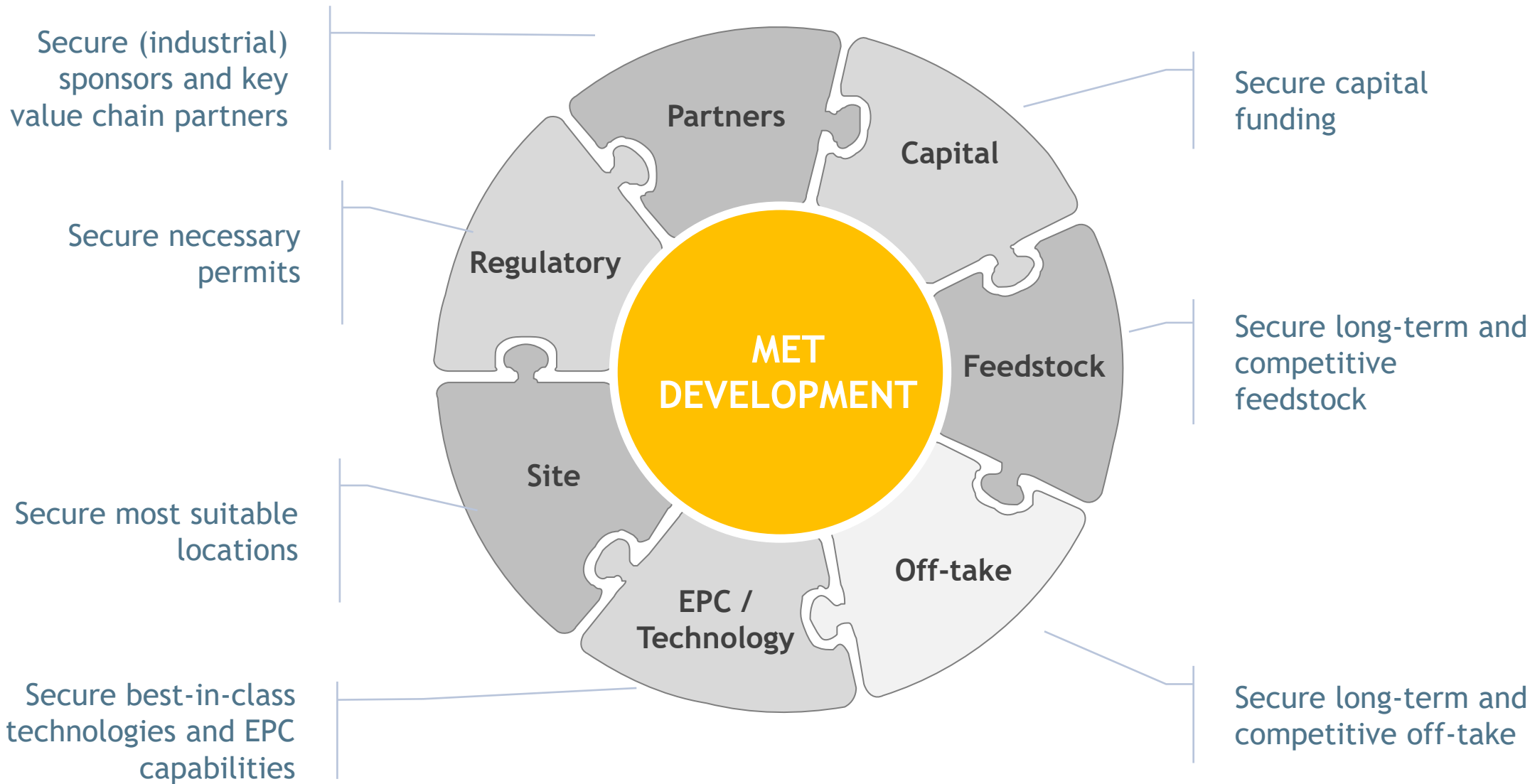
PROJECT DEVELOPMENT PROCESS

End-to-End value proposition





KEY PROJECT DEVELOPMENT FUNDAMENTALS





STRUCTURED FINANCE

Access to capital funding

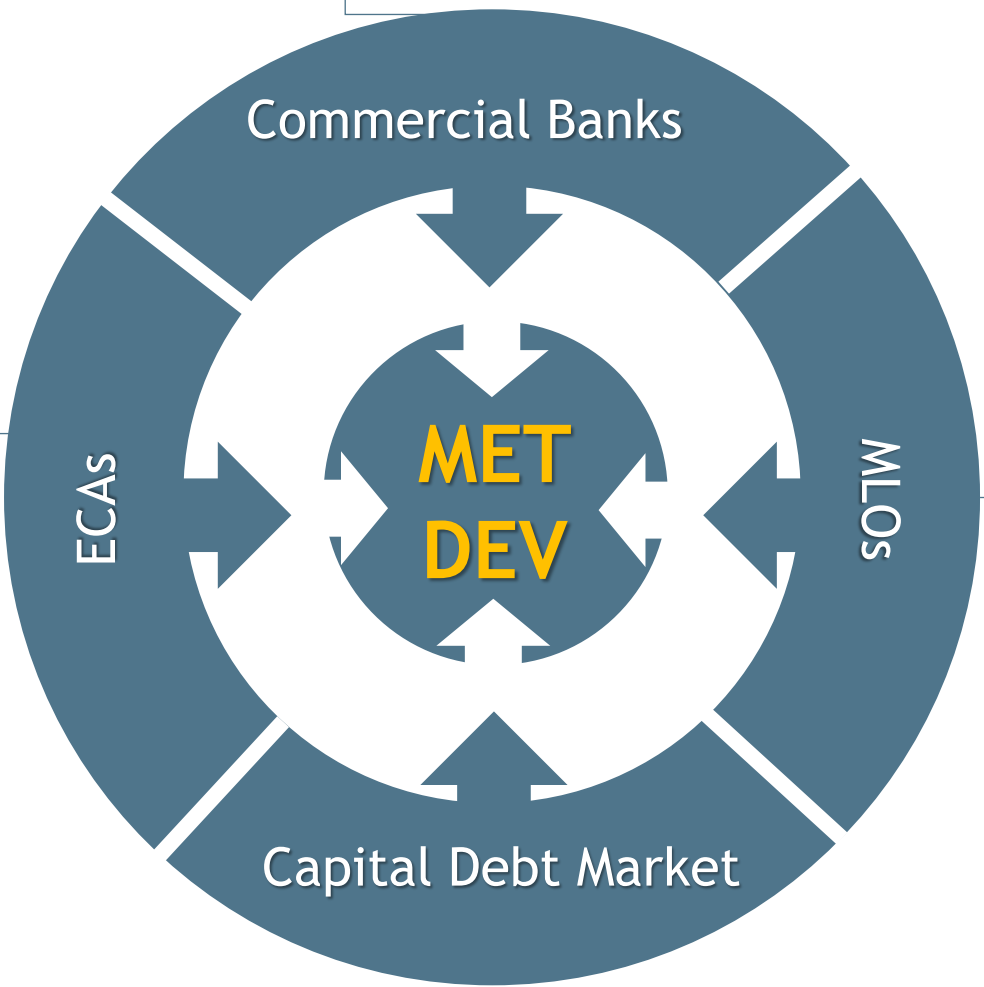
Extensive experience
with a.o.:



Export Credit Agencies
(ECAs) such as:



Multilateral Organizations
(MLOs) such as:



ECA FINANCED TRANSACTIONS - LAST 10 Y

PROJECT	LOCATION	CLIENT	CONTRACT VALUE	YEAR OF AWARD	FINANCING STRUCTURE
PE & Hexene Plant, XLPE, Utilities & Offsites	Abu Dhabi UAE	Abu Dhabi Polymers Company Ltd. (Borouge)	3,4bln USD	2021	Limited Recourse (arrangement ongoing)
Gas Chemical Complex	Amursky RUSSIA	Amur GCC (SIBUR)	1.2bln EUR	2020	Corporate Finance (arrangement ongoing)
Urea Plant	Gemlik TURKEY	Gemlik Gubre (Yildirim)	200mln EUR	2020	Corporate Finance
Urea Plant	Togliatti, RUSSIA	VOLGAFERT	200mln EUR	2018	Non Recourse
Gas Processing Plant	Amursky RUSSIA	NIPGAS GAZPROM	3.8bln EUR	2017	Limited Recourse
LIWA Plastics PE & PP	Sohar OMAN	ORPIC PLASTICS	895mln USD	2016	Non Recourse
PP HDPE	Pengerang MALAYSIA	PRPC Polymers PETRONAS	800mln USD	2015	Non Recourse
Ammonia Plant	Kingisepp RUSSIA	EUROCHEM	660mln EUR	2015	Non Recourse
Coal Fired Thermoelectric Power Plants	Punta Catalina DOM. REP.	CDEEE	900mln EUR	2013	Sovereign Guarantee
HP - LDPE	Al Jubail KSA	SADARA	350mln EUR	2012	Corporate Finance
LDPE & PP Revamping	Tomsk RUSSIA	TOMSKNEFTEKHIM (SIBUR)	90mln EUR	2011	Corporate Finance
PDH	Tobolsk RUSSIA	SIBUR	800mln EUR	2009	Corporate Finance



CASE #1 / VOLGAFERT LLC ^{1/2}

Urea Fertilizer Project / Financial Close in 2019

PARTNER



KuibyshevAzot

Leading Fertilizers and Polyamides producer

RATIONALE

- Accelerating corporate growth strategy
- Development collaboration with technology/EPC partner to accelerate and de-risk development process
- Access to non-recourse project financing

BUSINESS MODEL

- Tolling business model
- Tailor-fit to the industrial context
- Bankable in view of financing

COLLABORATION

- Integrated development team to fast-track development process to Financial Close
- Joint funding of development budget
- Fast decision-making regarding project structuring and non-recourse project financing



CASE #1 / VOLGAFERT LLC 2/2

Urea Fertilizer Project / Financial Close in 2019

PROJECT

Greenfield urea plant

Tolyatti, Russia Fed.



PLANT FEATURES:

1,500

metric tons
per day of Urea

€250 million

UREA 2000Plus®

Pool Reactor and granulation technologies by

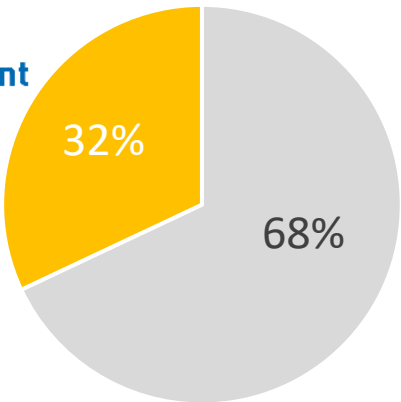


EPC LSTK



MET'S ENGAGEMENT

JV COMPOSED BY



Maire Tecnimont involved as

END-TO-END PARTNER:

Project Development, Debt Structuring,
Technology & EPC Services and O&M



CASE #2 / EGYPT HYDROCARBON CORPORATION ^{1/2}

Ammonia Fertilizer Project / Financial Close expected Q4 2022 / Q1 2023

PARTNER



Mining-Grade Ammonium
Nitrate producer

RATIONALE

- Vertical integration and diversification
- Development collaboration with technology/EPC partner to accelerate and de-risk development process
- Restructuring existing debt structure with ECA-structured non-recourse project financing

BUSINESS MODEL

- Market-exposed business model
- Leveraging on positive long-term dynamics of AN (both MGAN and FGAN) and (Green) Ammonia dynamics

COLLABORATION

- Joint development team to coordinate complex development process to Financial Close
- Fast decision-making regarding project structuring and project financing



CASE #2 / EGYPT HYDROCARBON CORPORATION ^{2/2}

Ammonia Fertilizer Project / Financial Close expected Q4 2022 / Q1 2023

PROJECT

Greenfield ammonia plant
Ain Sokhna, Egypt



PLANT FEATURES:


1,320
metric tons
per day of Ammonia

≈ €1.400 million

Ammonia technology

KBR

EPC LSTK



MET'S ENGAGEMENT



JV COMPOSED BY



Others



Maire Tecnimont
involved as

END-TO-END PARTNER:

Project Development, Debt Structuring and EPC Services



LOOKING AHEAD

- **Project Development approach** has proven to be:

- ✓ Appealing
- ✓ Successful
- ✓ Sustainable

for, amongst others, our clients in the **Fertilizer industry**.

- Project Development - as a collaboration model - has been successfully replicated in **other hydrocarbon-based industries** like **Petrochemicals and Oil&Gas**.
- Strong interest and need for the Project Development model in the **Energy transition and Green technologies** field. Approximately **70% of our current development pipeline** is focused on so-called “Green” projects.
- Together with our Group companies, we are strongly engaged in several **Green Ammonia and Green Fertilizer projects** around the world.



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