

CAPEEC JSC

June, 2018

Project description of CAPEC JSC



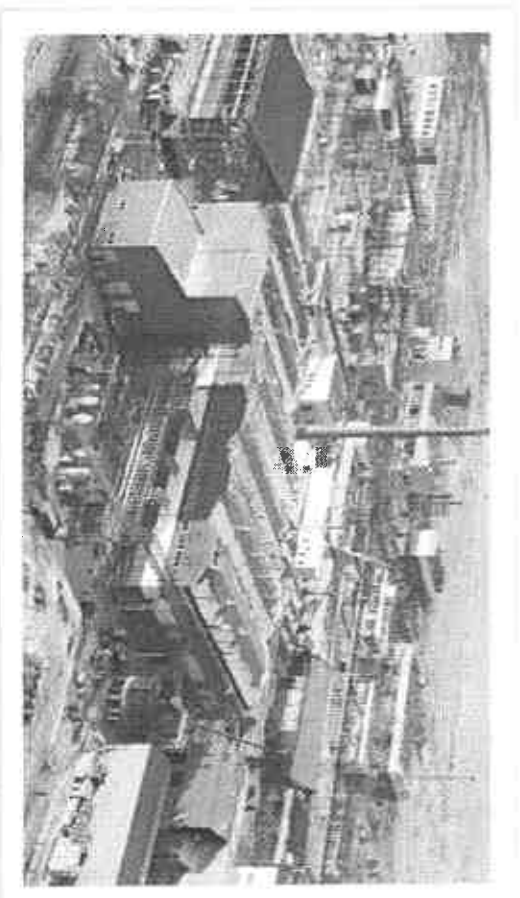
Project passport

Sales market

Participants:	NAC Kazatomprom JSC - 40%, CAPEC JSC - 60%
Realized share:	40-100% (as agreed with CAPEC JSC)
Project description:	<p>Plant for the production of chlorine and caustic soda by membrane method, with a capacity of 30 000 tonnes per year in Pavlodar. The plant uses equipment manufactured by Uhdenora (Milan, Italy) - a subsidiary of Uhde GmbH (Germany), belonging to the concern ThyssenKrupp AG (Germany). The designed capacity of the plant is:</p> <ul style="list-style-type: none"> • Caustic soda - 30 thousand tons / year. • Liquid chlorine - 26 250 tons / year. • Hydrochloric acid - 45 000 tons / year. • Sodium hypochlorite - 6600 tons / year <p>At present there are 520 employees at the plant.</p>
Start of production:	In 2011, with the full capacity being reached in 2014 with 20 years continuous production cycle of the plant



Main sales market is Kazakhstan where CAPEC JCS substitutes 100% import to major consumers such as mining companies like NAC Kazatomprom JSC, Aluminium of Kazakhstan JSC, NC KMG-PM JSC, UK-TMC, CNPC AMG (AktobemunayGas), Arcelor Mittal Temirtau, regional water utilities and Power Plants, the Omsk oil refinery, ILM, VSMPO-AVISMA Corporation, the oil and gas producing companies and other, neighboring countries.



Project advantages of CAPEC JSC



Infrastructure:

- Manufacturing is located on the former industrial site of the Pavlodar chemical plant in the special economic zone "Pavlodar".
- There are sufficient facilities of infrastructure, including: roads and railways at the site.
- Electricity (power supply 285 megawatts); water supply (reserve power over 2,200 m³ / hour).
- Production of own process air (supply capability of over 4,000 m³ / hour).
- Steam line from local electricity station CHP-3 (power reserve of more than 400 t/h).
- Availability of landfill of industrial solid waste and wastewater storage pond.

Raw material and energy security:

- Uninterrupted electricity supply (the main item of expenditure of the company) which is provided by direct current lead of Pavlodar CHP-3, located 1 kilometer from the production site of CAPEC JSC;
- Extraction of salt (the main process raw materials) is carried out by a subsidiary Solhimprom LLP;
- In the future, it is possible to increase capacity of existing production of caustic soda and chlorine to **60,000 tons per year**.

Transport:

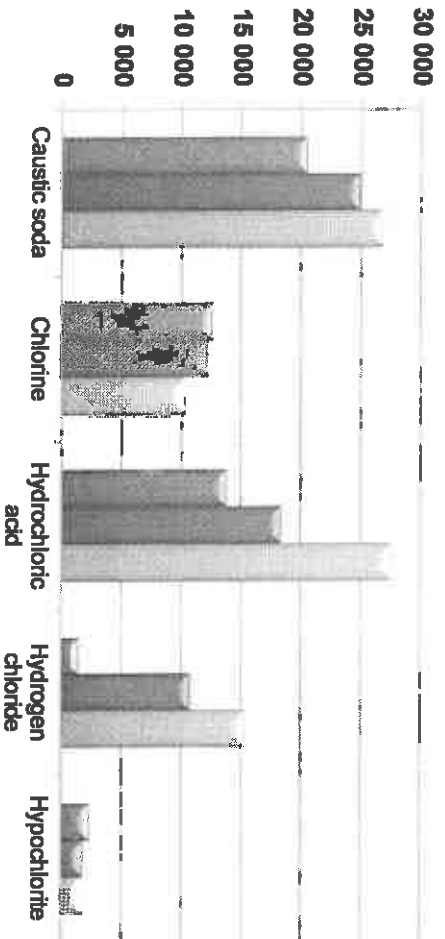
- There is a park of tanks for CAPEC JSC, which has over **200 specialized tanks**.
- There is access to railways and highways.
- Proximity to customers - a profitable enterprise location and proximity to major customers reduces transportation costs and ensures security of supply.



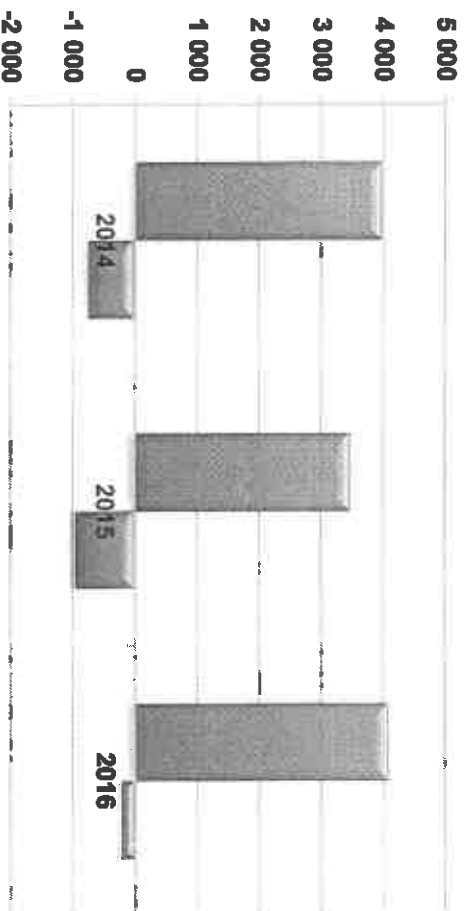
Project indicators of CAPEC JSC



Production indicators, tons



Financial indicators, Mln tenge



Leverage

Financial obligations as of 01.01.2017

Current information on loans:

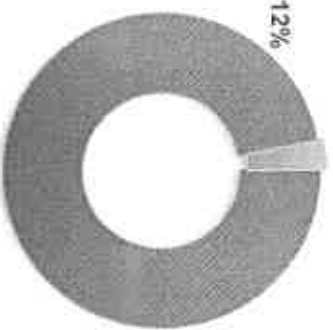
CAPEC JSC signed an additional agreement number 21/DBI 132-S/05-01 as of 30 September 2015 with the Development Bank of Kazakhstan JSC (hereinafter - the Bank) on currency conversion of loan principal with the "dollar" in "Kazakhstan tenge" on the following conditions:

- conversion of principal debt at the FX rate of **188.38 tenge / dollar**;
- the interest rate of **7% per annum** in tenge (instead of 9.07%);
- repayment period the loan until 2027 (instead of 2025).

There will be restructuring of the remaining part of the loan currency with the Development Bank of Kazakhstan.

Eximbank:
USD 0,58 Mln, 12%

Development Bank of
Kazakhstan :
USD 21,91Mln, 7%



Total credit: USD 23,12 Mln