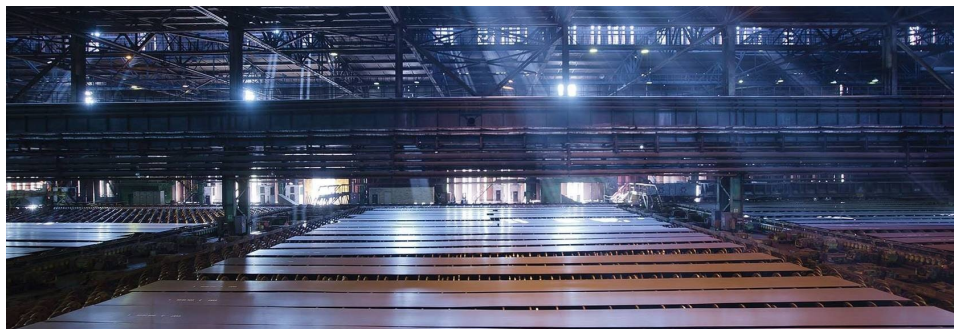


Metinvest attracts longest-ever ECA-covered financing

Metinvest, the international vertically integrated group of steel and mining companies (“Metinvest” or “the Group”), has attracted a buyer’s credit facility of EUR24.4 million for up to 11 years for its subsidiary Ilyich Steel, a steelmaking plant in Mariupol, Ukraine.



The facility is covered by an export guarantee of the Republic of France issued by Bpifrance Assurance Export (Bpifrance), which acted as the export credit agency (ECA). It was granted by Raiffeisen Bank International, which was the sole lender. The interest rate on the facility, which matures in July 2030, has been set at the six-month EURIBOR plus margin.

The funds will be used to finance the construction at Ilyich Steel of an air separation unit and vaporisation station. The equipment and engineering services will be procured from Air Liquide Global E&C Solutions France, a global leader in manufacturing and supplying gases, an agreement with which was signed in June 2019. Metinvest Engineering, which executes Metinvest’s investment projects from planning to implementation, is acting as the general contractor of the project.

Metinvest’s financing strategy envisages using ECA-covered facilities as one instrument to fund its Technological Strategy 2030. In 2018-19, the Group has successfully arranged three such facilities from leading financial institutions guaranteed by European export credit agencies totalling more than EUR100 million.

Commenting on the news, Yuriy Ryzhenkov, Chief Executive Officer of Metinvest, said:

“I would like to thank Bpifrance, Raiffeisen Bank International and Air Liquide for their help in making this project happen. The transaction represents Metinvest’s longest-ever financing and first-ever export guarantee secured from the Republic of France. It will allow the Group to fulfil a vital maintenance project to meet Ilyich Steel’s increasing oxygen needs, as we expand crude steel production capacity by pursuing our Technological Strategy 2030, despite the challenging outlook for 2020.”

Petra Rauscher, Head of Global Export Finance, Raiffeisen Bank International:

“We want to thank Metinvest, Bpifrance and Air Liquide for the excellent cooperation. This successful transaction once again underlines the strong partnership established between Raiffeisen Bank International and Metinvest in the area of long-term buyer’s credits, supported by European Export Credit Agencies.”

Project details

The project aims to replace the existing technologically obsolete oxygen units to ensure that Ilyich Steel’s future demand for air separation products continues to be met as steel production capacity is expanded as part of the Technological Strategy 2030. Total investment in the construction of the facility will amount to around US\$78 million.

The new air separation and vaporisation unit will have a production capacity of 25,000 normal cubic metres per hour of gaseous oxygen, 1,750 normal cubic metres per hour of liquid oxygen and 35,000 normal cubic metres per hour of gaseous nitrogen, as well as a liquid oxygen storage and gasification station.

In addition to eliminating the risk of a decrease in production by creating a stock of liquid oxygen and providing a

gasification system for it, the construction of a new air separation unit will provide staff at the facility with working conditions in accordance with the best European practices.

<https://metinvestholding.com/es/media/news/metinvest-attracts-longest-ever-eca-covered-financing>