

# RPFB PROJECT FINANCE LTD.

Introduction materials

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# Key Facts about RPFB (1)

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- RPFB Project Finance Ltd. (“RPFB”) is an independent investment banking firm focusing on projects in Russia, CIS and Eastern Europe
- RPFB is the successor of the advisory business of the Russian Project Finance Bank, established in 1992 by European Bank for Reconstruction and Development (EBRD)
- RPFB provides advice in the areas of corporate, structured and project finance, M&A, equity placement and asset management
- RPFB offers expertise in the development and implementation of efficient financial structures for investment projects
- RPFB possesses over 33 years of experience working with leading international financial institutions and has assisted Russian and international clients in raising over \$ 44 bln of debt and equity finance
- Reputation and quality of RPFB advice are confirmed by authoritative international rewards

# Key Facts about RPFB (2)

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- RPFB operates in the form of limited liability company since 1999
- Partners and directors of RPFB are experienced investment bankers who created and developed project finance market in Russia:
  - Ruslan Vazetdinov – Managing director
- Partners manage operations of RPFB and directly lead project teams working on advisory engagements
- Partners amassed a wide range of business contacts with leading banks and financial institutions, legal advisors and specialist consultants, which allows to efficiently facilitate preparation and approval of loan transactions
- CV of RPFB's Key Partner is presented in Annex 2

# International Recognition

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## *Yuzhno-Russkoye oil and gas field*

Financial Consultants – **Societe General and RPFB**



Europe Gas Deal of the Year 2011



European Upstream Oil and Gas Deal of the Year 2011

Energy Risk Deal of the Year 2012

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## *Nord Stream*

Financial Consultants – **RBS, Commerzbank, Societe General and RPFB**



Europe Gas Deal of the Year 2009

Best project finance deal in CEE 2009



Oil and Gas Deal of the Year 2010



Infrastructure Deal of the Year 2010

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## *Blue Stream*

Financial Consultant to Gazprom – **RPFB**

European Oil and Gas Deal of the Year 2000

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## *Yamal-Europe*

Financial consultant to Gazprom – **RPFB**

Eastern Europe deal of the Year 1997

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# Advantages of RPFB

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Project finance (PF) advisory is the key business area of RPFB:

- RPFB has extensive experience in financing projects with participation of ECAs, Russian and international commercial banks, IFIs, VEB.RF
- We are specialists in organizing multi-source financing and structuring of partners relationships in project SPVs/Joint Ventures, advising on M&A deals, including refinancing and credit portfolio restructuring transactions
- RPFB does not participate in lending, which allows to avoid conflict of interest and enables supporting client's interests at all stages of the deal
- We are flexible and prepared to operate as a sole advisor (under exclusive advisory mandate) or in consortium with international banks (under joint advisory mandate)
- RPFB team members possess **direct personal experience** in execution of the landmark transactions

RPFB is also instrumental in corporate/structured financing including debt refinancing and restructuring

# Benefits of project finance

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- Russian companies increasingly use PF to finance capital-intensive projects
- PF advantages are:
  - Conserving Sponsor's equity and using it for projects that are not project-financeable
  - Increase of free cash flow for operational activities on corporate level
  - PF debt is not consolidated on Sponsor's balance sheet and does not impact credit metrics Debt/Equity and Net Debt/EBITDA (if certain conditions are met)
  - Limited recourse on Sponsor's business: Sponsor's liability is limited by equity capital invested in the project
  - Improvement of the project quality due to Lenders' due
  - Sharing of project risks with partners and lenders
  - Improved economic feasibility due to financial leverage
- PF may be the best solution for the clients who are interested in limiting the impact of debt financing on balance sheet
- In the context of high interest rates on the ruble market and taking into consideration a trend to their decrease, RPFB offers a bridge-to-PF instrument (with funding in roubles and/or through the issue of foreign currency bonds) with refinancing in 1-2 years via long term project finance on more favorable terms when the rates decrease: (a) it allows not to fix high rates for a long term, (b) also it allows to launch a project earlier and use the time for high-quality structuring / achieving the best terms for the project finance, and (c) it provides significant economic effect
- RPFB provides clients with full-cycle, turn-key advisory services for raising multi-source PF (see Slide 8) from project's feasibility assessment and preparation of information memorandum to negotiation of loan documentation

# Overview of financing sources

Sources	Main features	RPFB experience
Export credit agencies (ECA)	<ul style="list-style-type: none"> <li>‣ Justified by import of goods and services</li> <li>‣ Long tenors (up to 16 years)</li> <li>‣ In-depth Environmental &amp; Social (E&amp;S) due diligence</li> </ul>	<ul style="list-style-type: none"> <li>‣ Nord Stream</li> <li>‣ CS «Portovaya»</li> <li>‣ Blue Stream</li> <li>‣ Yamal-Europe and other</li> </ul>
International commercial banks	<ul style="list-style-type: none"> <li>‣ Faster and more flexible financing process</li> <li>‣ Relatively short tenors</li> <li>‣ Country and corporate limits</li> <li>‣ Coverage of political risks (co-financing with official lenders)</li> </ul>	<ul style="list-style-type: none"> <li>‣ Yuzhno-Russkoe field</li> <li>‣ Nord Stream</li> <li>‣ Sakhalin-2 and other</li> </ul>
VEB.RF	<ul style="list-style-type: none"> <li>‣ Moderate equity requirements (20 : 80)</li> <li>‣ Possibility of including historical expenses into equity, possibility of property contribution</li> <li>‣ Segregation of project assets and revenues from requirements of parent company's creditors</li> <li>‣ No guarantees from parent company</li> <li>‣ Long tenors (up to 15 years), grace period with interest capitalization (up to 3 years)</li> </ul>	<ul style="list-style-type: none"> <li>‣ Adler PP</li> <li>‣ JSC «Mechel» - Elga coal mine</li> </ul>
Russian banks	<ul style="list-style-type: none"> <li>‣ Ruble liquidity</li> <li>‣ High appetite to Russian risks</li> <li>‣ Participation in international syndicates</li> </ul>	<ul style="list-style-type: none"> <li>‣ Yuzhno-Russkoe field</li> <li>‣ Bystrinsky GOK</li> </ul>
Debt capital markets	<ul style="list-style-type: none"> <li>‣ Project bonds (public and/or private placement)</li> <li>‣ Necessity to obtain rating</li> <li>‣ The most suitable for refinancing (after completion)</li> </ul>	<ul style="list-style-type: none"> <li>‣ Blue Stream, loan refinancing</li> <li>‣ Project bonds Sakhalin-2 (cancelled)</li> <li>‣ Nord Stream, refinancing of corporate loans via project bonds</li> </ul>
Equity	<ul style="list-style-type: none"> <li>‣ Potential partners: industrial investors, construction companies, product purchasers, financial investors and others.</li> <li>‣ Structuring of partnership / joint ventures</li> </ul>	<ul style="list-style-type: none"> <li>‣ Nord Stream</li> <li>‣ Yuzhno-Russkoe field</li> <li>‣ Sakhalin-2</li> </ul>



# Selected project finance experience of RPFB (1)

Project	PF loan amount	Tenor, years	Credit sources / transaction features / role of RPFB
<b>Project for the development of oil and gas condensate fields in Yamal-Nenets Autonomous District</b> <i>since 2024</i> <i>(the transaction is postponed)</i>	<i>RUB 230 bn</i>	16	<b>Lender – syndicate of Russian banks</b> <u>Role of RPFB</u> : financial model, financial options report, selection of the optimal business model, assistance in developing a marketing scheme and structuring sponsors' relations, debt deconsolidation structure
<b>Medium-tonnage LNG production plant in the Leningrad region</b> <i>2020 – 2023</i>	<i>RUB 160 bn</i>	16	<b>Lender – Russian bank</b> For the first time a long-term off balance sheet project finance has been attracted <u>Role of RPFB</u> : development of the business model and deal structure, calculation of economic indicators, preparation of the business plan, assistance in attracting other consultants and coordinating their activities
<b>PJSC «Gazprom» - «Achimov IV/V»</b> <i>2020 – until now</i>	<i>PF RUB 150 bn</i> <i>Bridge RUB 90 bn</i>	16	<b>Lender – syndicate of banks</b> Financing of upstream gas & condensate project <u>Role of RPFB</u> : structuring of the service contract project, financial options report, information memorandum, financial model – artificial economics (cost+ price formula)
<b>PJSC «Gazprom» - «Yuzhno-Russkoe» gas-condensate field (Stage 2 – Turon Project)</b> <i>2018 – 2020</i>	<i>RUB 40 bn</i>	8	<b>Lender – Russian commercial bank</b> Financing to support gas production (development of Cenomanian and Turonian fields), corporate loan (without pledge) based on the existing cash flows <u>Role of RPFB (sole advisor)</u> : financial options report, business plan, financial model, bank beauty contest

## Selected project finance experience of RPFB (2)

Project	PF loan amount	Tenor, years	Credit sources / transaction features / role of RPFB
<b>JSC «Norilsk Nickel» - polymetal ore field development in Chita region («Bystrinsky GOK»)</b> 2012 – 2016	\$0.8 bn	8	<b>Lender – Sberbank</b> <u>Role of RPFB (exclusive advisor):</u> business plan, financial model, product logistic scheme, pledge structuring, project expertise
<b>JSC «Mechel» - development of Elga coal mine</b> 2012 – 2013	\$2.5 bn	13.5	<b>Lender – VEB</b> <u>Role of RPFB (exclusive advisor):</u> business plan, financial model, logistic scheme, creation of APC by segregation of assets and license from existing company, pledge structuring, project expertise
<b>JSC «Gazprom» - Adler PP</b> power of 360 mW in Krasnodar Region 2009 – 2010	RUB 19.5 bn	15	<b>Creditor - VEB</b> <u>Role of RPFB:</u> business plan, financial model
<b>JSC «Gazprom» - «Yuzhno-Russkoe» gas-condensate field (Stage 1)</b> 2007 – 2011	€1.1 bn	8	<b>Creditors – syndicate of Russian and international banks</b> First project finance on the basis of Russian contractual structure, multicurrency loans, artificial economics: price formula – cost +
<b>JSC «Gazprom» - «Nord Stream»</b> 2007 – 2011	€6.4 bn	16	<b>Creditors – international ECAs, bank syndicate</b> Structure on the basis of gas transportation contract – “flat” tariff, phase financing, non-tied government financing (UFK Hermes)
<b>JSC «Gazprom» - «Sakhalin-2»</b> 2006 – 2014	\$6.7 bn	12	<b>Creditors – international ECAs, bank syndicate</b> Structure on the basis of Product Share Agreement, non-tied government financing (JBIC/NEXI)

# Contacts

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## RPFB's contact details:

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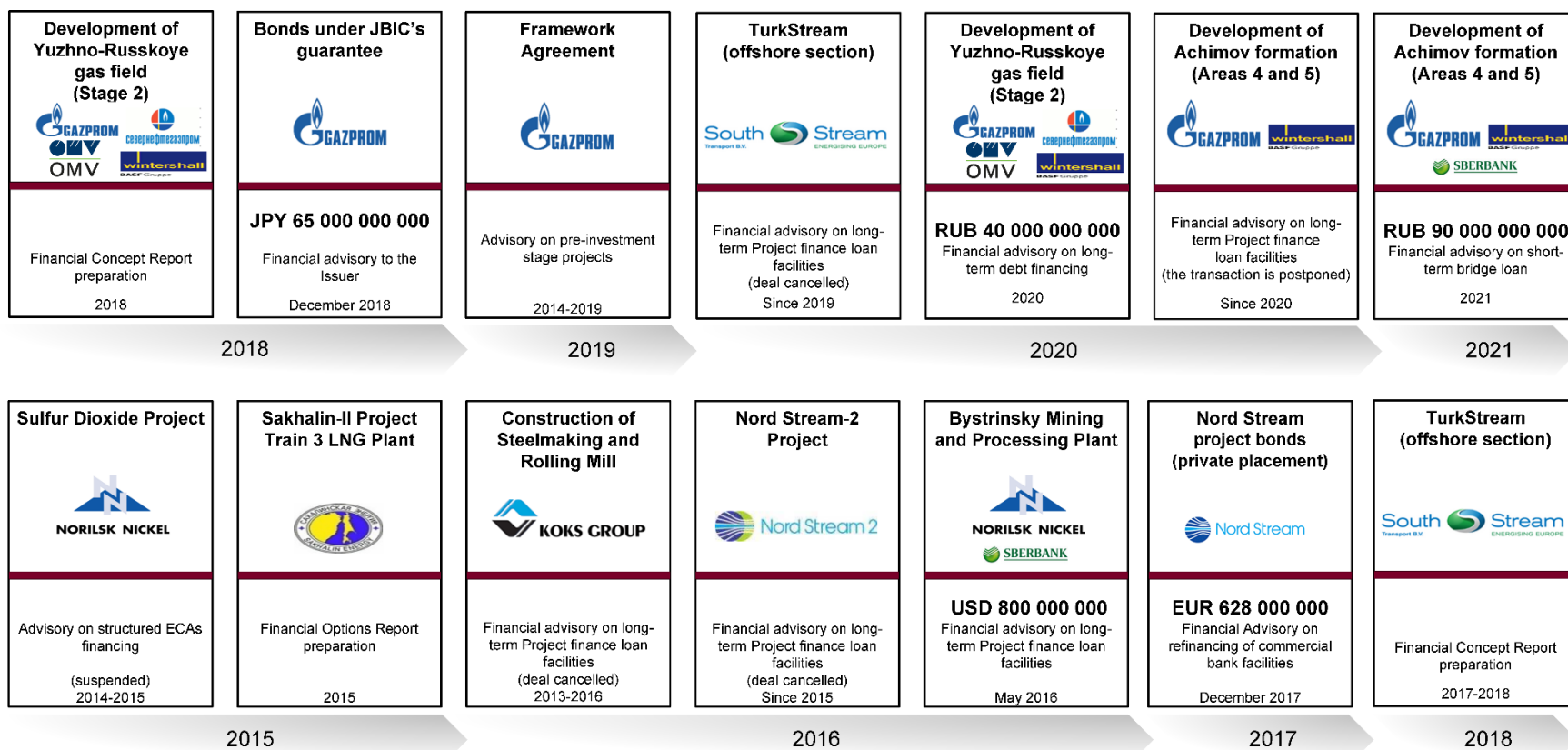
# Annex 1

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RPFB's Track record

(information transactions and mandates after 2021  
is confidential)





# RPFB's deals & mandates 2015-2021



# RPFB's closed deals 2006-2014



# RPFB's closed deals 2004-2006





















 <p><b>USD 970 000 000</b> Advisory on refinancing of the existing loans and portfolio optimization April 2005</p>	 <p><b>USD 1 868 500 000</b> Advisory on refinancing of project loans by the issue of guaranteed bonds July 2005</p>	 <p><b>USD 200 000 000</b> Financial advisory on unsecured corporate loan September 2005</p>	 <p><b>JSC OGK-1</b> Preparation of medium- and long-term investment program 2006</p>	 <p><b>Federal Service on Tariffs of the Russian Federation</b> Development of procedures for the calculation of the yield on invested capital in the power sector 2006</p>	 <p><b>National Reserve Corporation</b> Assessment of an investment opportunity in the power sector May 2006</p>	 <p><b>USD 763 000 000</b> Advisory on refinancing of the Gazprombank loan facility to EuRoPol Gaz S.A. (Poland) September 2006</p>
2005			2006			
 <p><b>USD 1 100 000 000</b> Advisory on refinancing of the existing loan facility with extension of the maturity May 2004</p>	 <p><b>Ukhtinskaya compressor station</b> <b>SEK 371 839 496</b> Financial advisory on export credit facility insured by EKN (Sweden) May 2004</p>	 <p><b>USD 1 100 000 000</b> Financial advisory on refinancing of the existing loan facilities and optimisation of the credit portfolio August 2004</p>	 <p><b>JSC Mosenergo (TGK-3)</b> Preparation of medium- and long-term investment program 2005</p>	 <p><b>JSC Permskaya TPP</b> Preparation of the feasibility study for the calculation of tariff applicable in 2006 for the construction of power-generating unit #4 2005</p>	 <p><b>JSC Kashirskaya TPP</b> Preparation of the feasibility study for the calculation of tariff applicable in 2006 for the reconstruction of power-generating unit #3 2005</p>	 <p>Advisory on the acquisition from E.ON Ruhrgas/Gaz de France of 16.3% share of "SPP", the gas distribution company (Slovakia) (Deal canceled) 2005</p>
2004			2005			
 <p><b>Construction of CCGT power plant (390 MW) in Schekino, Russia</b> Financial advisory (feasibility study, contractual structure, financing scheme) 2004</p>	 <p><b>Construction of HPP (750 MW) in El Cajon, Mexico</b> Advisory to equipment supplier (mitigation of risks, optimization of contractual structure) 2004</p>	 <p><b>Construction of Ivanovo TPP (650 MW)</b> Financial advisory (business plan) 2004</p>	 <p><b>Pskovskaya CHP assets disposal</b> Advisory to the seller (information memorandum, design and co-ordination of assets sales procedure) 2004</p>	 <p><b>Sakhalin Power Bridge Project</b> Financial advisory (feasibility study, contractual structure) 2004</p>	 <p>Advisory on OAO "Gazprom" bid for 51% share of "Distrigaz Sud S.A.", the gas distribution company (Romania) 2004</p>	 <p>OAO "Gazprom" bid for 51% share of "SNP Petrom S.A.", the integrated oil and gas company (Romania) 2004</p>
2004						

# RPFB's closed deals 1998-2003





# RPFB's closed deals 1994-1998

<b>Development of new oil field</b>  <b>USD 65 000 000</b> Financial advisory on long-term loan facility April 1997	<b>Construction of Yamal-Europe gas pipeline</b>  <b>DM 1 675 000 000</b> Financial advisory on long-term export finance facility May 1997	<b>Construction of gas distribution systems, Yamal-Europe Project</b>  <b>USD 160 000 000</b> Financial advisory on medium-term loan facility May 1997	<b>Construction of Yamal-Europe gas pipeline</b>  <b>USD 3 000 000 000</b> Financial advisory on short-term loan facility November 1997	<b>Construction of gas distribution system in Astrakhan region</b>  <b>USD 167 000 000</b> Financial advisory on medium-term loan facility December 1997	 <b>USD 230 000 000</b> Financial advisory on short-term loan facility May 1998	 <b>USD 50 000 000</b> Financial advisory on short-term export finance facility December 1998
1997				1998		
 <b>USD 160 000 000</b> Financial advisory on short-term loan facility December 1996	<b>Gold mines upgrading and expansion program</b>  <b>USD 10 000 000</b> Financial advisory on long-term loan facility December 1996	<b>Gold mines upgrading and expansion program</b>  <b>USD 15 000 000</b> Private placement of new Equity among institutional investors December 1996	<b>Construction of Polish section of Yamal-Europe gas pipeline</b>  <b>USD 1 002 779 800</b> Financial advisory on long-term loan facility January 1997	<b>Upgrade of Unified Gas Supply System</b>  <b>USD 225 000 000</b> Financial advisory on medium-term loan facility January 1997	<b>Construction of Yamal-Europe gas pipeline</b>  <b>USD 2 500 000 000</b> Financial advisory on medium-term loan facility January 1997	<b>Construction of gas meter and gas boiler manufacturing plant</b>  <b>DM 40 000 000</b> Financial advisory on medium-term loan facility February 1997
1996				1997		
<b>Equipment for petrochemical complex, Novy Urengoy</b>  <b>DM 935 546 431</b> Financial advisory on long-term export finance facility September 1994	<b>Re-vamping of Unified Gas Supply System</b>  <b>USD 1 615 000 000</b> Financial advisory on long-term export finance facility December 1994	<b>Oil well rehabilitation program</b>  <b>USD 43 767 488</b> Financial advisory on long-term loan facility October 1995	<b>Oil well rehabilitation program</b>  <b>USD 84 206 731</b> Financial advisory on long-term loan facility January 1996	<b>Construction of Yamal-Europe gas pipeline</b>  <b>DM 1 000 000 000</b> Financial advisory on long-term loan facility May 1996	<b>Construction of gas meter and gas boiler manufacturing plant</b>  <b>DM 33 500 000</b> Financial advisory on medium-term loan facility June 1996	
1994		1995		1996		

# Annex 2

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Key Partner's CV

## PARTNER'S CV

# Ruslan Vazetdinov, Managing Director

- Mr. Vazetdinov is a Partner of RPFB Project Finance since its inception in 1999. He also holds a position of Managing director. From 1999 to April 2018 held a position of Executive Director
- Ruslan Vazetdinov is responsible for maintaining relationships with key clients, promotion of company services, managing teams in the core projects. Specialization of Mr. Vazetdinov is raising financing in the energy sector. Mr. Vazetdinov has advised on over \$36 bn of transactions. Mr. Vazetdinov led the advisory teams that worked on numerous Gazprom international loan facilities and investment projects, including Yamal-Europe, Blue Stream, Gaztransit, Sakhalin-2, Nord Stream, Yuzhno Russkoye, Shtokman, South/Turk Stream. He participated in several landmark M&A, asset swap, joint venture transactions of Gazprom with its international partners such as General Electric, ENI, Enel, E.On, BASF, Shell, Total, Statoil, Petro-Canada, Mitsui and other
- Mr. Vazetdinov worked in Russian Project Finance Bank from 1992 to 1999 starting as a project officer and becoming Executive Director. Ruslan Vazetdinov was responsible for development of the advisory business in energy sector, which resulted in a number of mandates and closed financings. His client list includes Gazprom, RAO UES, Amoco, GE Power Systems, Dresser, Mitsui, Marubeni, ABB, European Gas Turbines
- Prior to working in finance held a position of research engineer and research officer in National Research Nuclear University MEPhI
- Mr. Vazetdinov has a degree in computer science from Moscow Engineering Physics Institute – MEPhI (1987), London Business School - Foundation Program Certificate in finance (1994), MBA in Business & Economics from California State University Hayward (1996), bachelor degree in Management from Institute of Business and Economics in Moscow (2005)

