

**14.03.2019****RUSNANO-SINTEZ Fund to invest up to 7 billion roubles in medium-scale chemistry**

*On December 2018 RUSNANO JSC and Sintez OKA launched a Fund to support projects in chemical and petrochemical sector of Russia. The first project of the Fund is production of alkylethanolamines, a compound widely used in the oil, gas and nitrogen industries.*

The RUSNANO-SINTEZ Fund is co-managed by RUSNANO Management Company and Sintez Capital. The Fund's size at the first closing is RUB 7 bln, committed equally by both entities. The partners plan to attract new investors, including foreign entities, for the second closing. The Fund will focus on the speciality chemicals projects, one of the high-margin segments in the chemical industry.

The Fund's first project is to launch up-to-date medium-scale facility for the production of alkylethanolamines-methyldiethanolamine (MDEA) and dimethylethanolamine (DMEA)—at Sintez OKA's industrial plant in Dzerzhinsk, Nizhny Novgorod Region.

The project aims to meet the growing demand for domestically-produced MDEA-based sorbents, which are used to remove acidic impurities from natural and technological gases. It will also provide Russian consumers with a source of DMEA, the main raw material used in the synthesis of cationic flocculants. A significant share of the output will be sold abroad. The project will also bring a social benefit by creating 100 new jobs.

**Dmitry Pimkin**, Senior Managing Director for Investments at RUSNANO Management Company:

“The Russian chemical sector is still suffering from a significant lack of investments, and we import substantial volume of high value-added chemical products. However, Russia possesses largest resources of oil&gas which makes it possible for us to successfully enter the global market of processed chemicals due to leadership on the cost curve, including low logistics expenses.

We expect that the existing pipeline of high-quality projects in combination with vast industry experience of the Fund's management will ensure solid returns to new investors. RUSNANO already has several successful exits from chemical projects, including NikoMag, KuibyshevAzot, Metakley etc. That experience, plus



our partners' expertise in this sector, justifies our confidence in the successful future of our Fund.”

**Sergey Lugovskoy**, General Director of Sintez OKA:

“We hope that establishing this Fund with RUSNANO will greatly promote the development of our existing business, and provide our clients with an access to the new-generation of domestically produced absorbents for purifying gases.”

***Sintez OKA LLC** is a modern production company and a member of the Sintez OKA Group. It is based in the eastern industrial district of Dzerzhinsk in Nizhny Novgorod Region. The core activity of Sintez OKA LLC is the production and sale of amines. Thanks to years of experience and due to development and implementation of chemical production technologies which are innovative for Russia, the company occupies the leading position in this market. Its products are used in various industrial sectors, including, among others, oil extraction and refining, gas refining, nitrogen production, and the manufacturing of household cleaning products, cosmetics, pharmaceuticals, cement and wood products. In Russia and in other CIS countries the company's products are successfully used for gas treatment in oil refineries and gas processing plants of Gazprom, NK Lukoil, NK Rosneft and Tatneft. They are also used by ammonia producers.*

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*The **Sintez Capital** team has wide-range experience of investments and M&A in the Russian chemical and petrochemical sectors. As an example, in 2018 it successfully launched a chemical production company, Aerozolex LLC, located in Nizhny Novgorod Region, and completed the acquisition of Netkanika LLC, one of the largest produce*

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***RUSNANO Joint-Stock Company** was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO's shares are state owned. Thanks to RUSNANO's investments, there are currently 97 factories and R&D Centers opened in 37 regions in Russia. JSC RUSNANO has profit for the last 4 years.*



Management of assets of RUSNANO JSC is carried out by Limited Liability Company established in December 2013, **RUSNANO Management Company**. **Anatoly Chubais** is the Chairman of its Executive Board.

Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO's **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.

Further details: [www.rusnano.com](http://www.rusnano.com)

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