

Haiger, January 2020

Contract with JSC Verkhnekamsk Potash Company (Acron Group, RU) for the supply of 4 shaft hoisting systems for 2 vertical shafts

In October 2019 the contract for the supply of shaft hoisting systems was signed in Moscow between JSC Verkhnekamsk Potash Company and SIEMAG TECBERG GmbH.

Verkhnekamsk Potash Company is implementing a strategic project of ACRON Group to create its own potassium raw material base by developing the Talitsky section of Verkhnekamsk potassium and magnesium deposit in the Perm region (Urals). Within the framework of this project, the company is constructing the Talitsky Mining and Processing Combine (Talitsky GOK) and is carrying out a significant amount of work on the sinking of skip and cage shafts, the construction of the mine and related infrastructure. The capacity of the new mining and processing combine will be 2 million tonnes of potassium chloride per year. Talizkij GOK is scheduled to come on stream in 2023 and reach design capacity in 2026.

This contract represents a logical continuation of the long-standing partnership between the companies, which began as early as 2014 with the award of the contract for the preparation of project documentation.

The current contract provides for the supply of the following equipment for Talizkij GOK by SIEMAG TECBERG GmbH:

For the skip shaft no. 1 (raw material sylvinit) with a depth of 413 m and a planned capacity of 2,400 t/h:

- Two double-drum skip shaft hoisting systems (No. 1 South and No. 2 North)
- A single-drum cage auxiliary drive system

For the shaft no. 2 with cage hoist for personnel and equipment with a depth of 362.5 m:

- A 4-rope surface Koepe shaft hoisting system with Ø 4,0 m

Further equipment

- Skip loading facilities
- Devices for rope laying and rope changing for the cage shaft 2
- Required spare parts and documentation

The equipment will be delivered to the customer's construction site within the next two years, followed by assembly and commissioning work, which is scheduled for completion in 2023.

Within the framework of order processing SIEMAG TECBERG has already placed orders with long lead times (motors, frequency inverters, shafts, etc.) and is currently completing the work to prepare the technical documentation..

In order to expand its service activities and local presence in Russia, SIEMAG TECBERG opened its own branch in Berezniki, Perm region on 01.10.2019. In addition to the already existing branch in Norilsk, SIEMAG TECBERG's main objective with this new base is to also efficiently support its customers in the Ural region - e.g. in the form of future operative deliveries of necessary spare parts from the Berezniki warehouse as well as personnel support in the maintenance of the supplied equipment by qualified SIEMAG TECBERG personnel.

The Company

The SIEMAG TECBERG group is the world's leading supplier of shaft hoisting technology. The group provides knowledge-based services for the supply of individual machines and plants for a total of six industrial applications: Shaft hoisting technology for raw material extraction as well as storage of contaminated raw materials, extraction and transport of heavy loads, ventilation and cooling of underground mines, technologies for the horizontal extraction of bulk materials including handling technology for raw materials, as well as technologies for the efficient application of energy in hoisting, ventilation and cooling.

The SIEMAG TECBERG Group focuses its technical activities on the development, design, manufacture, commissioning and technical service of shaft hoisting systems for vertical and inclined hoisting of raw materials. The SIEMAG TECBERG Group commands pronounced engineering expertise in mechanics, hydraulics, drive and automation technology. Worldwide unique reference projects attest to the SIEMAG TECBERG Group's overall system expertise and leading position.

The niche specialist's technology emerged from a forge founded in 1871 in Siegerland, which produced equipment for local ore mining and the iron and steel industry.

Following a management buy-out in 2007, SIEMAG TECBERG was founded by Jürgen Peschke, who to date has been CEO and Controlling Shareholder.

The SIEMAG TECBERG Group is represented on all continents by at least one subsidiary and works together with cooperation partners worldwide. In addition to the headquarters with the assembly plant in Haiger north of Frankfurt am Main, locations are situated in Rugby/UK, Katowice/Poland and Moscow/Russia, supplemented by further locations with their own assembly plants in Tianjin/China, Sydney and Mayfield East/Australia, Johannesburg/South Africa, and Milwaukee and Denver/USA.

The group employs about 400 people worldwide. The business volume amounts to approximately 120 million EUR p.a. (as of 12/2019).

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The Acron Group

Acron Group is a leading vertically integrated mineral fertiliser producer in Russia and globally, with chemical production facilities in Veliky Novgorod (Acron) and the Smolensk region (Dorogobuzh).

The Group owns and operates a phosphate mine in Murmansk region (North-Western Phosphorous Company, NWPC) and is implementing a potash development project in Perm Krai (Verkhnekamsk Potash Company, VPC). It owns transportation and logistics infrastructure, including three Baltic port terminals and distribution networks in Russia and China. Acron's subsidiary, North Atlantic Potash Inc. (NAP), holds mining licences for 11 parcels of the potassium salt deposit at Prairie Evaporite, Saskatchewan, Canada. Acron also holds a minority stake (19.8%) in Polish Grupa Azoty, one of the largest chemical producers in Europe.

In 2018, the Group sold 7.3 million tonnes of various products to 67 countries, with Russia, Brazil, Europe and the United States as key markets.

In 2018, the Group posted consolidated IFRS revenue of RUB 108,062 million (USD 1,723 million) and net profit of RUB 13,318 million (USD 212 million). Acron's shares are on the Level 1 quotation list of the Moscow Exchange and its global depositary receipts are traded at the London Stock Exchange (ticker AKRN). Acron employs approximately 11,000 people.

For more information about Acron Group, please visit www.acron.ru/en.