



# Avestra Chemical Group

AVESTRA is a supplier of petrochemical products to international markets. We provide a wide range of trade and logistics services from cargo to sea transportation and operate in different volumes: from several tons to tens of thousands of tons

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**Find out more on**

[www.avestragroup.com](http://www.avestragroup.com)

2022

# 25 years of experience

*The Company name consists of two words: 'avis', which stands for a bird, and 'tra', which stands for trading. Avestra means 'trading without borders and barriers'.*

Established by a group of experts, Avestra is a fast developing international player on the global market and one of the biggest suppliers of Russian petrochemical products.

We operate in key economical and geopolitical regions such as Russia, China, India, Brazil, Europe, CIS countries, Middle East, South-East Asia and we understand well local markets characteristics.

Our mission is to link demand and supply. We assist leading petrochemical producers in delivering their products to manufacturers of various industries and assist plants in obtaining high quality petrochemical products for B2B and B2C goods.

We employ experts of eight nationalities, speaking eight languages. Some of Avestra's team members are experts highly respected worldwide and are welcomed as speakers at international exhibitions and forums. Together we make a strong international team.



40

employees  
in 9 offices

-  Management and holding company
-  Trading offices
-  Service offices

# AVESTRA business model

## Avestra Chemical Group value chain



### Avestra at a glance

Avestra's business model is to simplify the complexities of global supply chains in the petrochemicals market.

For more than 25 years we have been helping customers from around the world to develop and grow their businesses by aligning them with best value suppliers, and by lowering the barriers of delivery.

Our commitment is to provide customers with a favorable end-to-end offer that clearly focuses on value, and exceptional service and performance

- Present on the international petrochemicals market for more than 25 years
- Global trading operation with offices in Russia, CIS, Turkey, India and Europe
- All our traders have more than 10 years experience in the industry, and have acquired a deep understanding of their specialist product markets
- Over 50 products in the portfolio
- Low and efficient cost of finance, through strong credit lines with leading European banks.
- Efficient management of operational and financial risks by using factoring, hedging and insurance
- More than 50 products in our portfolio, including petrochemicals, fertilizers, LPG and oil products
- We have contracts with more than 40 suppliers from Europe, China, USA, and Russia
- Our clients are world leading manufacturers, and oil and gas companies
- We have local offices across 10 different countries, and are a major shareholder in a LPG terminal on the Russia-China border
- We have a strong international team comprising 8 nationalities

# Risk management

## KEY RISKS



### MARKET AND PRICES

#### Mitigation



Our policy is to hedge all index price exposure related to physical transactions on a deal-by-deal basis.

All stocks is at all times either pre-sold or the index price is hedged. We also use back-to-back deltas to hedge our risks.

This year we started to work with OMT (Oleum Monere Trading AG) to hedge oil products (flat price hedging).

The majority of sales and purchases are denominated in US dollars. Exposure to other currencies is hedged.



### COMPLIANCE, INTERNAL CONTROL AND SANCTIONS

#### Mitigation



Our compliance activities meet sanction and trade restriction, including counterparty due diligence and financial market conduct.

We ensure that all obligations with regard to international sanctions are respected across all our business activities and that we fulfil the undertakings on sanctions being the part of our credit facilities.



### COUNTERPARTY, COUNTRY AND CREDIT

#### Mitigation



Historically we had an extremely low incidence of credit losses.

We reduces political risk in relation to countries below a certain risk rating as gauged by D&B by purchasing political risk insurance.

Our credit limits reflect our own appetite for risk and are based on a credit analysis of the client as well as on the size of the relevant transaction.

We pay particular attention to screening our list of prepayment agreements with producers from terms of credit risk.



### DIGITAL INFRA-STRUCTURE AND CYBER-SECURITY

#### Mitigation



We invest in IT infrastructure and processes against threat of fraud or other potential damage from cyber-attack.

In 2020 we also invested in the new ERP system which allows to plan thoroughly and analyse each deal deeply.

In 2021 we will improve it to the next level which will give us more instruments in logistics and inventory management.

# Products, routes and clients

## CORE PRODUCTS

### MONOMERS AND ACRYLATES

- Styrene (SM)
- Butyl Acrylate (BA)
- 2-Ethylhexyl Acrylate (2-EHA)
- Methyl Acrylate (MA)
- Acrylic & Glacial Acrylic Acid (GAA)
- Vinyl Acetate Monomer (VAM)
- Methyl Methacrylate (MMA)
- Benzene (BZ)

### ALCOHOLS

- Normal & Iso Butanols (NBA & IBA)
- 2-Ethylhexanol (2-EH)
- Synthetic & Bio Ethanols
- Isopropyl Alcohol (IPA)

### OTHER CHEMICALS

- Acetone
- Acetone Cyanohydrin (ACH)
- Acrylonitrile
- Alpha Methylstyrene (AMS)
- Cyclohexanone
- Phenol
- Phthalic Anhydride (PA)
- Para Tertiary Butylphenol (PTBP)
- Sulphur
- Chloroform
- Methylene Chloride



-  **Finland:** Wibax (former Baltic tank Oil) and Oil Tanking
-  **Turkey:** Solventas, Ak-Tas, Safiport
-  **China:** Manzhouli Far East Gas Co. Ltd.

# Investments - Transshipment terminal (LPG & Propylene)

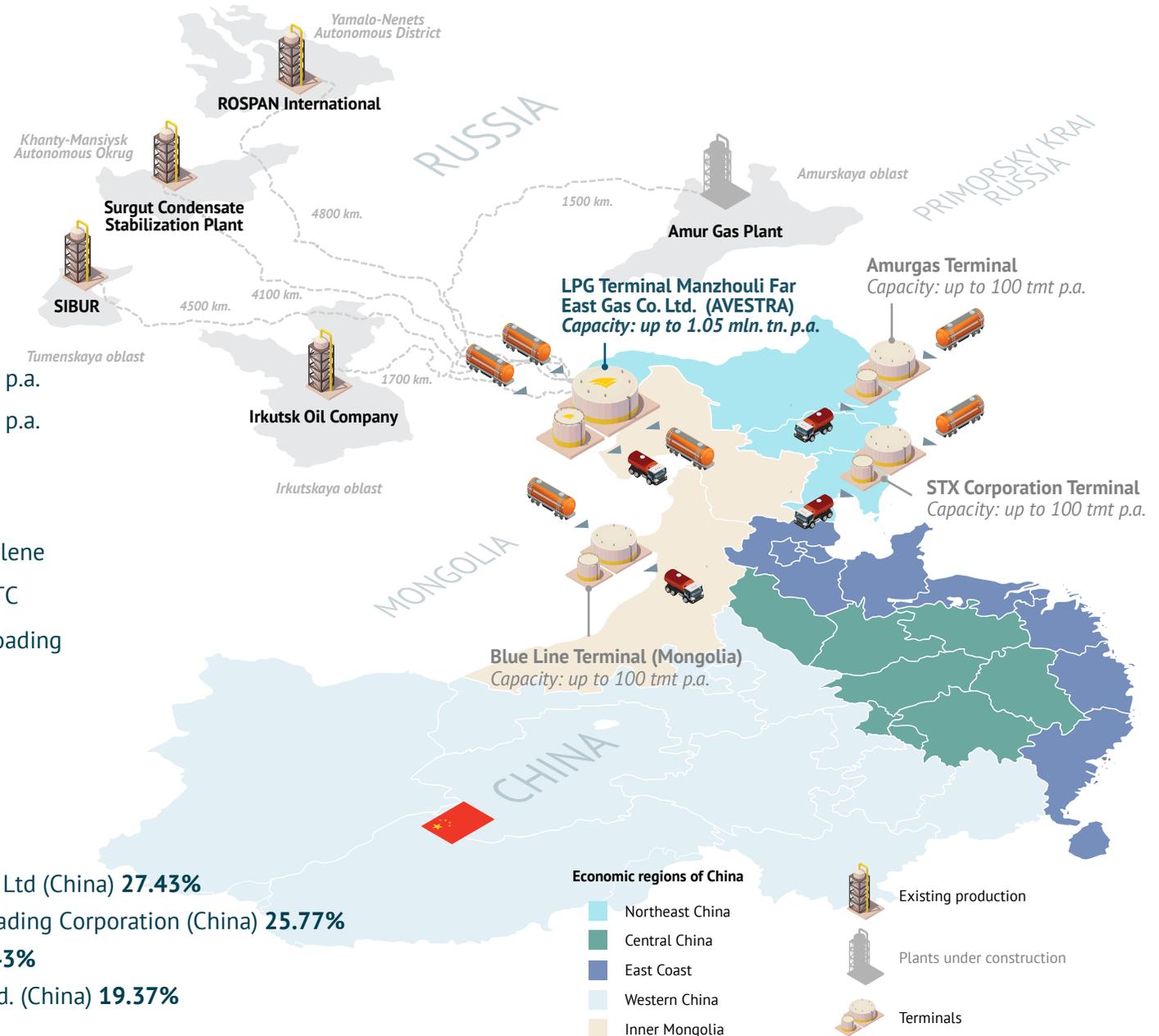
## The terminal in Manzhouli - Trade bridge between Russia and China

The terminal was constructed according to the strategic plan of Chinese economy development „One Belt, One Way” and it is the most important junction of delivery and transshipment of LPG between Russia and China. The first phase of the terminal was successfully launched in August 2019.

- Annual capacity of the 1 phase: up to 1.0 mln tons p.a.
- Annual capacity of the 2 phase: up to 1.5 mln tons p.a.
- 10 sphere tanks of 2000 m<sup>3</sup> each
- 2 railway lines (Chinese and Russian)
- Special ramp to load and discharge LPG and propylene
- 70 discharge stations and 47 loading stations for TC
- 30 stations of automatic system of tank-to-truck loading operations
- 2 fire-prevention water cisterns (5000 m<sup>3</sup> each)
- 1 emergency controlling cistern - 13 000 m<sup>3</sup>

### Shareholders:

- Avestra (Beijing) Chemical Commerce Trading Co., Ltd (China) **27.43%**
- Heilongjiang Harbin Railway Foreign Economic Trading Corporation (China) **25.77%**
- Heilongjiang Anruijia Group Company (China) **27.43%**
- Manzhouli Fareast Wanyang Petrochemical Co., Ltd. (China) **19.37%**



**AVESTRA CHEMICAL DMCC**

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