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Grupa Azoty Polyolefins and Financial Institutions agree on financing conditions for Polimery Police for another period

Following discussions and agreements with banks, Grupa Azoty Polyolefins signed an Amendment to the Stabilization Agreement dated December 15, 2023, regarding the financing of the Polimery Police project on March 28, 2024. The parties have agreed on the conditions under which the Financial Institutions will provide financing for the project in the next period of the Stabilization Agreement, i.e., until April 26, 2024. The amendment was signed with 15 financial institutions.

The agreement also specifies that the remaining amount of the supporting loan by the Primary Sponsors, namely Grupa Azoty S.A. and Grupa Azoty Zakłady Chemiczne "Police" S.A., will be provided to the Subsidiary by April 26, 2024, amounting to EUR 105 million.

According to information provided by the General Contractor, work on the Polimery Police project is proceeding according to the updated schedule. Currently, production tests are being conducted, preceding the 72-hour continuous Integrity Test, scheduled for the second quarter of this year. Upon successful completion of the Test, the General Contractor will proceed with the comprehensive handover of the installation to Grupa Azoty Polyolefins. This will also mark the phase of project completion and the commencement of full commercial operation of the factory, said Wojciech Blew, acting President of the Management Board of Grupa Azoty Polyolefins.

The General Contractor, under the EPC contract, is comprehensively responsible for the implementation of the Polimery Police project. The project's completion is linked to achieving and maintaining the Guaranteed Parameters specified in, among others, the licensing agreements for the propylene production installation (PDH) and the polypropylene production installation (PP). Achieving the Guaranteed Parameters is closely associated with conducting the Integrity Test of all subprojects.

The extension of the Polimery Police project due to delays by Hyundai Engineering Co., Ltd. is being thoroughly analyzed and verified by Grupa Azoty Polyolefins, particularly in light of the provisions of the comprehensive project implementation agreement. At this stage, Grupa Azoty Polyolefins preliminarily evaluates the submitted proposals skeptically.

The Amendment to the Stabilization Agreement was signed with the following financial institutions: Alior Bank S.A., Bank Gospodarstwa Krajowego, Bank Ochrony Środowiska S.A., Bank Polska Kasa Opieki S.A., BNP Paribas Bank Polska S.A., European Bank for Reconstruction and Development, Haitong Bank Polska S.A., ICBC Standard Bank PLC, Industrial and Commercial Bank of China (Europe) S.A. Branch in Poland, mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Powszechny Zakład Ubezpieczeń S.A., Powszechny Zakład Ubezpieczeń na

Życie S.A., PZU Closed-End Investment Fund of Non-Public Assets BIS 2, and Santander Bank Polska S.A.