



28.04.2023

Grupa Azoty Polyolefins contracts deliveries of key feedstocks for Polimery Police and tests main project facilities

April 28th saw the first delivery of 1,002 tonnes of propylene contracted for the purposes of the Polimery Police project. The raw material was delivered by Grupa Azoty ZAK in railway tanks adapted to carry such cargo. The propylene delivered to Police is necessary for testing the polypropylene production plant. In addition, on April 27th Grupa Azoty Polyolefins signed a contract to purchase propane from TOTSA Total Energies Trading SA. The events marked successive stages in the company's continued efforts to secure essential feedstocks needed to launch production from Polimery Police.

Delivery of propylene by Grupa Azoty ZAK

The delivery of propylene for Polimery Police by Grupa Azoty ZAK will allow the operator to prepare the PP plant for smooth transition to be sequentially fed with its own propylene output from the PDH plant. The use of propylene delivered from outside by railway will also make it possible to test propylene unloading systems. To carry out this task, Grupa Azoty Polyolefins intends to ultimately purchase up to 4 thousand tonnes of propylene. Once the entire volume has been collected, the next step will be a test run of the PP plant on the externally sourced propylene.

"With the ongoing deliveries of both of propane and propylene, we have secured key raw materials for the start-up of the polypropylene plant and further. We can say that we are already at the stage of final testing, after which one of the largest projects in the European chemical industry will be brought on-stream," **said Tomasz Hinc, President of the Management Board of Grupa Azoty S.A.**

Propane purchase contract

The contract signed on April 27th with TOTSA Total Energies Trading SA provides for the supplies of propane from April 2023 to the end of November 2024, according to the agreed schedule and commercial terms. Propane volumes delivered under the contract will be supplementary to other deliveries and in 2023 will cover approximately 46% of the subsidiary's total requirement for this key production feedstock. The value of the deliveries to be made under the contract is estimated at approximately about USD 90m.

It should be reminded that in December 2022 Grupa Azoty Polyolefins announced the execution of its first propane purchase contract, under which it secured deliveries covering more than 50% of the volume required in 2023–2024. The contract, with an estimated value of USD 250m, was signed with Trafigura Pte Ltd of Singapore.

Status of the project work

As at April 4th 2023, the overall stage of completion of the EPC Contract4 was 99.29%.The overall stage of completion is understood to encompass the process of obtaining the required permits, procurement and supply of equipment and materials, construction works, commissioning and start-up.

The purpose of Polimery Police, a project with a total budget of around USD 1.8bn, is to build an integrated chemical complex that will comprise a propylene dehydrogenation plant and a polypropylene production plant, with an annual capacity of up to 437 thousand tonnes. The two key plants have been designed using state-of-the-art technology for great production flexibility and ability to deliver a wide range of polypropylene types. The project also includes the construction of a gas terminal complete with handling and storage infrastructure for sourcing production feedstock by sea as well as numerous auxiliary systems.



