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New Management Board of Grupa Azoty updates information on estimated impact of non-cash events on financial results for 2023

On February 9, the previous Management Board of Grupa Azoty S.A. reported that the potential estimated non-cash impact of the impairment of Grupa Azoty Polyolefins' assets would reduce Grupa Azoty S.A.'s consolidated EBIT for 2023 by (minus) PLN 900 million. However, according to information obtained by the new Management Board of Grupa Azoty on March 28, the estimated non-cash impact of the described event will reduce Grupa Azoty S.A.'s consolidated EBIT for 2023 by approximately (minus) PLN 1,138 million, compared to the originally estimated value of (minus) PLN 900 million. This event will not affect the consolidated EBITDA of Grupa Azoty S.A.

*The current Management Board of Grupa Azoty prioritizes negotiations with financial institutions, with particular attention to the Polimery Police project. Therefore, data concerning the impairment of Grupa Azoty Polyolefins' assets were verified first. Considering the inclusion of an impairment write-down of PLN 1,138 million for formal reasons necessitates Grupa Azoty Polyolefins' request to the General Meeting to adopt a resolution on the company's continued existence, in accordance with the requirements of the Commercial Companies Code (KSH). We are consistently striving to rebuild Grupa Azoty's credibility, and transparency in presenting data is key in this aspect. The priority of the current Management Board of Grupa Azoty remains improving the Group's financial situation, including the earliest possible commencement of full commercial operations of Polimery Police, **said Andrzej Skolmowski, Vice President of the Management Board of Grupa Azoty S.A.***

The impairment write-down of Grupa Azoty Polyolefins' assets at the level of the annual consolidated financial statements for 2023 may necessitate Grupa Azoty S.A. to make a write-down on the value of Grupa Azoty Polyolefins' shares in the annual standalone financial statements for 2023 by approximately (minus) PLN 400 million, compared to the originally estimated value of (minus) PLN 300 million, which Grupa Azoty S.A. reported in Current Report No. 14/2024.

The potential estimated non-cash impact of the above-described event will reduce the gross result in the annual standalone financial statements of Grupa Azoty S.A. for 2023 by approximately (minus) PLN 400 million, compared to the originally estimated value of (minus) PLN 300 million. The share value write-down will be included in financial costs, and therefore will not reduce the standalone EBIT and EBITDA of the Company for 2023.

Grupa Azoty S.A.'s financial statements for 2023 are subject to verification and audit by a statutory auditor, therefore, the above amounts are estimates and may change.

The potential estimated non-cash impact of the write-down of part of Grupa Azoty Polyolefins' assets may affect

other elements of Grupa Azoty S.A.'s financial statements. Currently, Grupa Azoty S.A. is conducting an analysis of the impact on other elements of the financial statements.