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Grupa Azoty expressing interest in acquisition and integration of hydropower company ZEW Niedzica

Based on a due diligence and valuation of the business of Zespół Elektrowni Wodnych Niedzica S.A., the Management Board of Grupa Azoty S.A. expressed an interest in acquiring and integrating the company into the Grupa Azoty Group. At the same time, a decision was made to request the Polish State Treasury, as the sole shareholder in ZEW Niedzica, to initiate a process leading to its potential acquisition and merger into the Grupa Azoty Group.

The decision marks another step in implementing the Grupa Azoty Group's new strategy until 2030, which envisages its climate neutrality and energy transition towards renewable energy sources. It should be noted that in July 2022 Grupa Azoty also expressed an interest in joint development of the 'Brzezinka' solar PV farm project with a capacity of nearly 270 MWp.

"Grupa Azoty is consistently pursuing the key goals of its new strategy to structurally diversify the Group's own energy sources towards renewable and zero-carbon generation. We estimate that with new investments our annual savings on energy purchases will exceed PLN 200m by 2030. The potential acquisition and integration of Zespół Elektrowni Wodnych Niedzica S.A. into our Group, which, of course, remains at the discretion of its sole owner, the State Treasury of Poland – could play a vital role in our climate neutrality and energy transition. ZEW Niedzica S.A. could become an integrator of 'green' energy assets of the entire Grupa Azoty Group," **said Tomasz Hinc, President of the Management Board of Grupa Azoty S.A.**

The principal business of ZEW Niedzica is the generation of renewable energy from hydropower assets – the pumped-storage hydroelectric power station in Niedzica, and the hydroelectric power plants in Sromowce Wyżne on the Dunajec River, and in Łączany and Smolice on the Vistula River. Their annual electricity output is approximately 100 GWh.

Further steps in the potential transaction and its optimal structure will be subject to specific arrangements with the State Treasury.