19.12.2023

Grupa Azoty's statement in response to article published by Gazeta Wyborcza

Regarding the article titled "Miały być kryształy, jest klops" ("How crystals have turned into abject failure") published by the *Gazeta Wyborcza* daily on December 18th 2023, we would like to clarify and correct certain aspects that were falsely represented in the publication concerning a facility construction project executed for Grupa Azoty.

First of all, it is important to emphasise that Grupa Azoty is the aggrieved party in this case.

1. The alleged "expanded scope of the project work" mentioned in the article has been the subject of a long-standing court dispute between Grupa Azoty S.A. and Cenzin Sp. z o.o. The project in question was to be executed under a lump-sum turnkey contract between Grupa Azoty S.A. and Cenzin Sp. z o.o. **Biprokwas Sp. z o.o. was not a party to that contract.**
2. **Contrary to what the article claims, there is no documentation to prove that "shortly after the contract was signed, Grupa Azoty sought changes to its provisions regarding the scope of the construction work".** There is no documentation, either, to substantiate the claim that Grupa Azoty S.A. demanded the facility to be designed "so that a second process line could be installed at some point in the future". Hence we believe there is nothing to suggest that the initial scope of the project work was later "expanded". **Our position was affirmed by the first instance court's decision** dismissing the claim filed by Cenzin sp. z o.o.
3. It is crucial to note that **the construction of the desulfurisation unit was halted by the contractor, Cenzin (Biprokwas was its subcontractor).**After unsuccessful attempts lasting more than a month to negotiate the contractor's return to work, Grupa Azoty S.A., acting in accordance with the relevant contractual clauses, formally withdrew from the contract.
4. **The contractor's pretext for halting the work was a claim for additional payment over and above the contract sum.** The contractor claimed that such additional cost was due to the "expanded scope of the project work", which, as clarified earlier, was not demanded by Grupa Azoty S.A., as supported by the first instance court's ruling.
5. The article suggests that an amendment to the contract was to be signed, but in reality the contractor proposed an amendment when the contract was already at an advanced stage, **and the amendment was to concern past occurrences. For obvious reasons, Grupa Azoty S.A. did not agree to that proposal.**
6. It is important to highlight that a similar unit was being constructed by **Biprokwas Sp. z o.o. for another large chemical company in Poland. Based on publicly available information, the unit had significant defects hindering the boiler's operation** due to performance issues and the need to use specific feedstock with a very low sulfur content. The same defects were identified in the unit constructed for Grupa Azoty S.A. under the contract with Cenzin Sp. z o.o. by Biprokwas.

We further wish to state that **the article's claim regarding alleged infringement of copyrights, rights to**

7. **technology and know-how by Grupa Azoty S.A. is equally false.** Specifically, the use of magnesite instead of lime as a sorbent is a widely known and commonly used method which does not require any specific licences, as the patent protection of the magnesium-based wet desulfurisation process has already expired.

Grupa Azoty's decision to issue this statement has been prompted by the slanderous nature of *Gazeta Wyborcza's* publication.