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Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. partially shuts down nitrogen fertilizer production unit in consequence of record high gas prices

Due to record high prices for natural gas, the main production feedstock used by Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., on August 23rd 2022 the Company's Management Board decided to scale down the operation of the Fertilizer Production Unit to the minimum capacity of 43% as of August 24th 2022.

As a consequence of Russia's aggression against Ukraine, since February 24th 2022 natural gas prices on the European exchanges have been soaring to extraordinary, historically high levels. Over the past six months, gas prices surged from EUR 72/MWh on February 22nd 2022 to EUR 280.50/MWh on August 23rd 2022.

Although there are no problems with the availability of gas, the current situation in the gas market, which determines the profitability of production activities, is extraordinary and completely beyond the control of the Grupa Azoty Group, and could not have been predicted.

The Company constantly monitors the price level of all raw materials and commodities as well as the profitability of production processes, and will make further business decisions based on the results of the monitoring.