



Ladies and Gentlemen,

on behalf of the Management Boards of the Grupa Azoty Group companies I have the honour to present to you the consolidated full-year report on the Grupa Azoty Group's operations in 2020.

Despite the challenging market conditions and the need to quickly adapt to the new market reality brought by the coronavirus pandemic, the Grupa Azoty Group was able to deliver good financial performance. For 2020, the Group posted consolidated revenue of PLN 10.5bn, EBITDA of PLN 1.3bn and net profit of PLN 355m.

We maintained strong sales in the Fertilizers Segment, which accounted for 60% of the total revenue and 62% of the EBITDA margin. In the case of the Plastics Segment, which had already grappled with oversupply issues, the pandemic further aggravated the adverse market trends. The Chemicals Segment, the sphere of the Group's diversified manufacturing activities, significantly gained in importance in the year under analysis. For the first time since 2017, the Segment delivered a double-digit EBITDA margin.

2020 was marked with a series of vital events related to the implementation of Polimery Police, the Grupa Azoty Group's key investment project. The construction site was handed over to the general contractor, investment agreements and credit facility agreements with a syndicate of financing institutions were signed, and the last of the 22 building permits was obtained. On February 25th 2021, the debt financing was finally arranged, marking another successful milestone in the implementation of the Polimery Police project. The fulfilment of conditions precedent is evidence of the continuous progress being made on the construction site, as well as of the effectiveness and determination of all the parties involved in the project.

The last twelve months were also a period of consistent expansion of our portfolio in line with the European Green Deal objectives. At the Grupa Azoty Group, we are committed to innovation and understand its vital role both within the chemicals sector and the entire Polish economy. The Grupa Azoty Group is carrying out multiple R&D projects, resulting in implementations that confirm that its strategy was well chosen. We are deploying innovative technological solutions in such areas as green fertilizers, clean energy, reduction of greenhouse gas emissions and increasing energy efficiency. We see the immense growth potential for hydrogen technologies. Examples of our efforts in this area include the development of an alternative fuels laboratory in

Kędzierzyn-Koźle and adaptation of the ammonia unit in Police to receive the 'blue' hydrogen stream from the PDH unit. It should also be mentioned that Grupa Azoty S.A. and the Province of Kraków have signed an agreement on joint action as part of the project 'LIFE EKOMAŁOPOLSKA – Implementation of the Regional Action Plan for Climate and Energy'. In the agreement, Grupa Azoty S.A. has declared that it will strive to achieve climate neutrality in its production processes and activities carried out in the Province of Kraków by 2050.

We are working hard on the Grupa Azoty Group's 2021–2030 strategy and we can already say that it will encompass the most recent global trends related to climate challenges, green energy, efforts to reduce emissions and energy intensity, organisation of the circular economy, as well as pursuing the idea of precision farming and ensuring food security for Poland and Europe.

I take this opportunity to thank all Employees of the Grupa Azoty Group for their everyday work, determination and consistency in building shareholder value in the face of both the pandemic and the demanding and competitive market environment. Let me also thank the Management Boards of the Group companies for the good cooperation and pursuit of ambitious growth-oriented projects. I would also like to express my gratitude to members of the Supervisory Boards of the Grupa Azoty Group companies for their engagement in making key decisions and collaboration in pursuing the Group's ambitious growth objectives fit for the twenty first century.

President of Grupa Azoty S.A. Management Board

Tomasz Hinc