



**GRUPA  
azoty**

Powering Creation

***Grupa Azoty will takeover of the global specialty fertilizers leader***

*Press Conference*

*Warsaw, 10th of September, 2018*

## In Frankfurt on 6th of September, 2018, Grupa Azoty entered in to a conditional agreement with XIO Group to purchase 100% of shares in COMPO EXPERT Group



The subject of the transaction is 100% of shares in the target company, COMPO EXPERT which is being acquired by Grupa Azoty from the seller, XIO Group, a London-headquartered global alternative investments firm.



The purchase price for 100% of shares in the COMPO EXPERT Group will not be higher than EUR 235 million and will be financed entirely with credit lines available to Grupa Azoty.



The transaction will be finalised after obtaining the consent of the Extraordinary General Meeting of Grupa Azoty S.A. Shareholders and the consent of the competent merger control authorities required in certain countries of operation, which is expected to happen not earlier than in the fourth quarter 2018 and no later than in the first quarter of 2019.

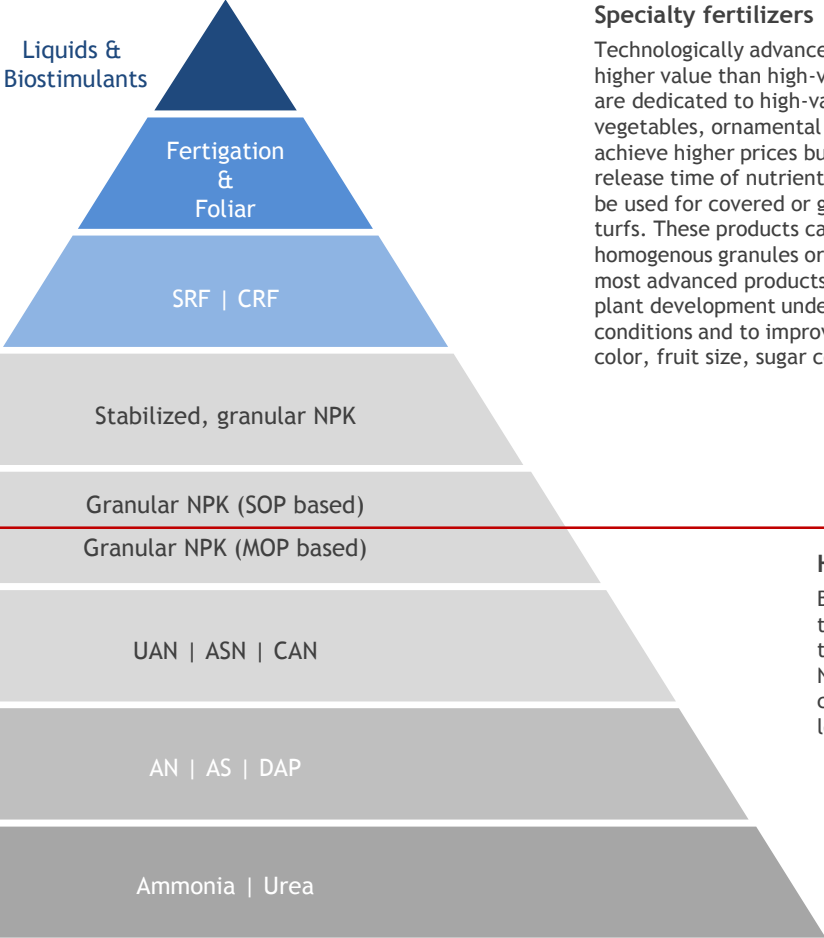


The transaction complements Grupa Azoty's strategy to strengthen its domestic and international position among the leading providers of agricultural solutions, by developing its specialty fertilizers offering and seeking acquisition opportunities in the region.

# Acquisition of COMPO EXPERT will allow Grupa Azoty to extend its own fertilizers portfolio with low-volume, high-margin specialty products

## Fertilizers value pyramid

Product portfolio of COMPO EXPERT



### Specialty fertilizers

Technologically advanced, agrochemical products with higher value than high-volume fertilizers. Those products are dedicated to high-value crops such as fruits, vegetables, ornamental plants. Specialty fertilizers achieve higher prices but offer for example extended release time of nutrients. Certain specialty products can be used for covered or greenhouse crops, as well as for turfs. These products can be applied in the form of homogenous granules or fertigation / foliar liquids. The most advanced products allow the user to support the plant development under the unfavorable growing conditions and to improve quality parameters such as color, fruit size, sugar content

### High-volume fertilizers

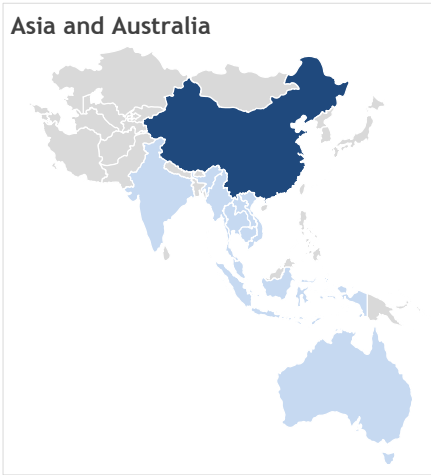
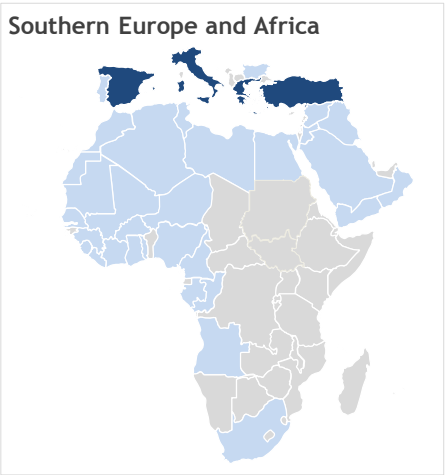
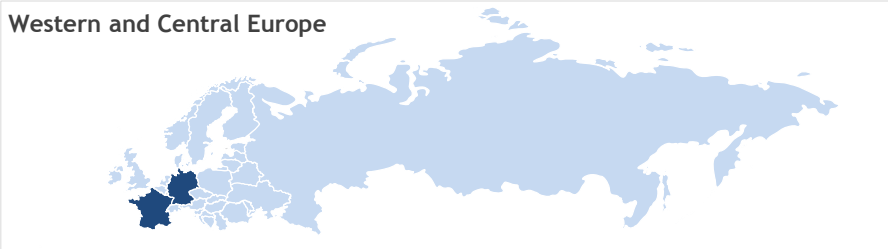
Basic fertilizers commonly used on the market usually containing one or two nutrients. In case of granular NPK, they are based on potassium chloride (MOP) and, thus, achieve lower price than specialty fertilizers

Product portfolio of Grupa Azoty



# COMPO EXPERT sells its products to customers in over 100 countries around the world employing more than 600 people

## COMPO EXPERT's target markets (2017)

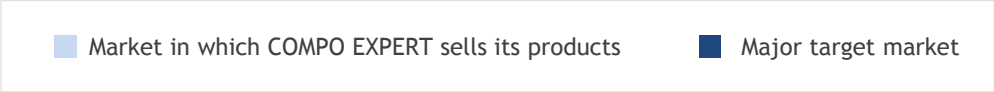


Revenues  
(FY17)

EUR  
ca. 333 m

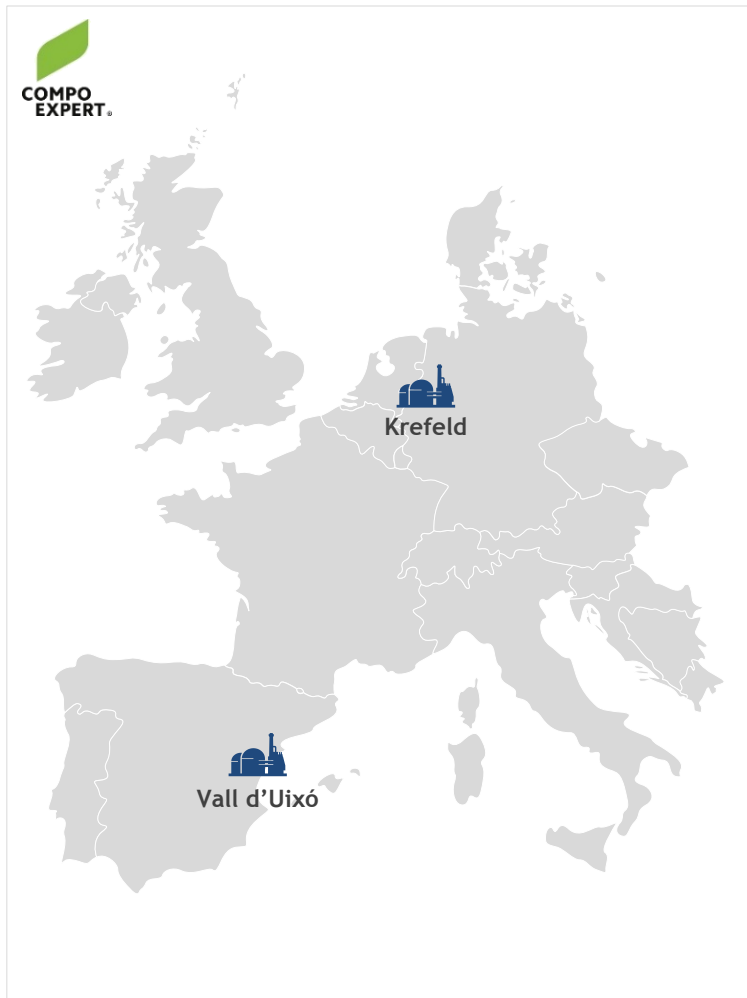
Adj. EBITDA  
(FY17)

EUR  
ca. 30 m



# COMPO EXPERT is one of the largest, global and independent manufacturers of high value-added specialty fertilizers for professional end-users. The company owns and operates two production sites in Germany and Spain

## Production sites of COMPO EXPERT, product portfolio



### Granular NPK



Homogenous NPK granule with high content of water soluble phosphate, low salinity due to SOP based potassium, free flowing, dust free and highest crushing strengths due to spherodiser granulation process

#### Application:

- High value crops
- Chloride sensitive crops

### Slow- (SRF) and controlled- (CRF) release fertilizers



NPK granules formulated with unique combination of IBDU and CDU or precisely coated with polymer what allows for extended and controlled release of nutrients

#### Application:

- Turf
- Nurseries
- Planting market

### Fertigation & Foliar (F&F)



Water soluble fertilizers made from purest raw materials virtually free of insoluble residues for foliar and fertigation applications under different pH conditions

#### Application:

- Fertigated crops under cover and in open field
- High value crops, fruits, ornamentals

### Liquid fertilizers & Biostimulants



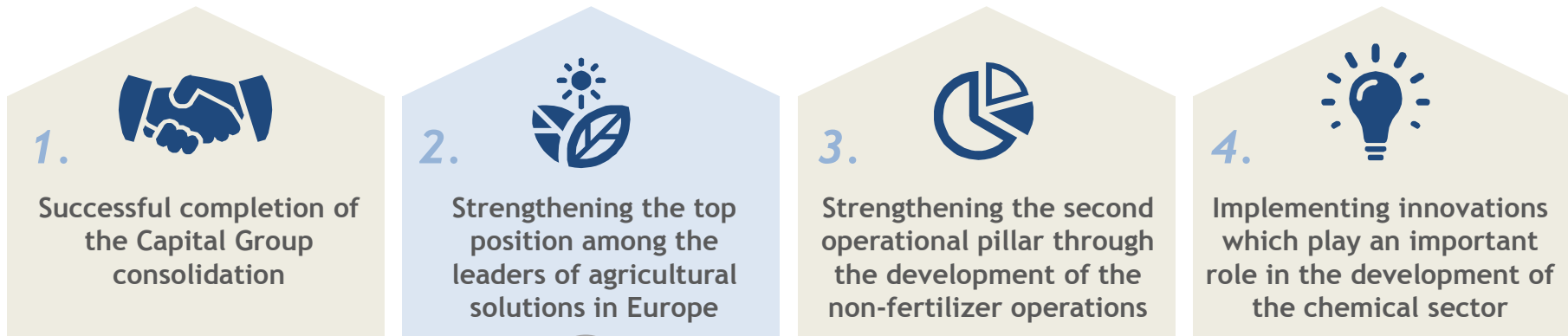
Products based on purest liquid multi-nutrient formulations and organic compounds both to support plant development under unfavorable growing conditions and to improve quality parameters

#### Application:

- Applied as foliar spray or via fertigation system
- All crops, in particular cash crops and crops with adverse growing conditions

# Higher engagement in the area of specialty fertilizers, including various acquisitions in the region, is consistent with the current Strategy of Grupa Azoty until 2020

## COMPO EXPERT's acquisition in the light of the Strategy of Grupa Azoty until 2020



### Product strategy in the Agro-fertilizers segment

- Focus on value chain extension towards specialized products, dedicated to the particular crops and customers
- Improvement of production effectiveness
- Extending the offer with specialized services in the area of precision farming
- Increase in control over national and foreign sales channels for agricultural products
- Consolidation of fertilizers trade processes
- Search for acquisition opportunities in the region

# The acquisition of COMPO EXPERT by Grupa Azoty will generate synergies in 5 areas of operations

## Areas of post-acquisition synergies





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***THANK YOU***

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