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Construction of Grupa Azoty's new plant approaching finish line. Polimery Police, one of the largest chemical projects in Europe, exceeds 99% completion.

At the end of January, the overall stage of completion of Grupa Azoty Group's flagship project in Police exceeded 99.01% and entered its final phase. The project is of strategic importance to the national economy and will boost growth of Poland's plastics segment. The complex will be the largest propylene and polypropylene plant in Central and Eastern Europe.

The new plastic products marketed under the Gryfilen[®] trademark will have a very low volatile substance content and will be free of phthalates and bisphenol A (BPA). They will also ensure a very low transmission of flavours and odours, which is vital in food industry applications.

The final phase of the project began with the first propane delivery received at the new gas terminal in Police at the end of December last year. Grupa Azoty Polyolefins S.A., the special-purpose vehicle responsible for implementing the project, has just completed the propane and propylene registration process in compliance with EU requirements of the European Chemicals Agency relating to the registration, evaluation, authorisation and restriction of chemicals. The registration of propane (January 20th 2023) and propylene (February 7th 2023) under REACH was finalised in recent days. The company is now permitted to use these substances in the process units of the Polimery Police project. The registration of propylene was necessary as the substance will be produced and used for polymer production. In the case of propane, the registration has enabled diversification of propane supplies across suppliers and sources around the world.

'The recent propane shipment as well as all administrative decisions and the completed registration procedures confirm production will soon start at our new polymer plant in Police. The overall progress of the construction work has already exceeded 99%, and we consider the propane unloaded into tanks at our new gas terminal as a milestone marking the final phase of the four-year construction of our new chemical complex in Western Pomerania,' said Tomasz Hinc, President of the Management Board of Grupa Azoty S.A.

Over the past few months, the project has received further administrative decisions, including an occupancy permit for the wharf with a reinforced underwater slope, and an integrated permit (IPPC) for the operation of a propylene plant using the propane dehydrogenation (PDH) method and the production of polypropylene using the gas phase propylene polymerisation method.

Last month, a pre-marketing project was launched on the Polypropylene Logistics Platform (PLP) subproject. A polypropylene delivery made as part of the pre-marketing project will help evaluate training results in practice

and will accelerate the start of the operational phase. In the ongoing trial and testing phase, first goods purchased from a third-party supplier for the purposes of the pre-marketing project were received into storage silos. All acceptance procedures for the construction and installation work performed in process and non-process systems of the auxiliary plant were completed at the end of January 2023.

The purpose of Polimery Police, a project with a total budget of around USD 1.8bn, is to build an integrated chemical complex that will comprise a propylene dehydrogenation plant and a polypropylene production plant, with an annual capacity of up to 437 thousand tonnes. The two key plants have been designed using state-of-the-art technology for great production flexibility and ability to deliver a wide range of polypropylene types. The project also includes the construction of a gas terminal complete with handling and storage infrastructure for sourcing production feedstock by sea as well as numerous auxiliary systems.

Due to its unique properties and a broad range of available options, the new Gryfilen® product will find applications in various industries, including packaging and consumer goods (food films, rigid packaging, food containers), household goods, construction (pipes, fibres), and the automotive and pharmaceutical industries.