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## The Board of Grupa Azoty Launches the AZOTY BUSINESS Program

**This initiative stems from ongoing efforts toward restructuring and transforming the Group into a cohesive, cost-effective entity with a strong position in the European fertilizers, plastics, and OXO product markets.**

AZOTY BUSINESS aims to establish an integrated, cost-efficient Capital Group with a strong European market position across its Fertilizers, Plastics, and OXO segments. The launch of this Program marks the completion of the initial phase of corrective actions, yielding approximately PLN 350 million in cost savings across the Capital Group from late March to the end of October, through optimized supervisory structures, organizational frameworks, compensation, sponsorships, public relations, and management costs.

The Program's name reflects one of the main objectives of the transformation process: building the Group's position around business segments and focusing exclusively on improving and developing business profitability. The transformation process and the new business model are essential for Grupa Azoty to regain financial stability and growth prospects in an increasingly demanding market.

The AZOTY BUSINESS Program is expected to start delivering financial benefits by the first half of 2025.

**AZOTY BUSINESS is a comprehensive transformation program encompassing all areas of Grupa Azoty's operations, including:**

- Creating a new, efficient management and organizational structure,
- Optimizing all cost categories across all Group companies,
- Consolidating and improving the efficiency of subsidiaries,
- Enhancing commercial efficiency,
- Strict control of investment expenditures,
- Divesting in areas not related to the Group's core activities.

*"The actions we have implemented since the end of March have led to significant cost optimizations and a substantial improvement in financial results. During this period, we undertook immediate, necessary restructuring measures that ensured the Group's financial liquidity. We improved relations with key suppliers and business partners, streamlined business operations, and developed a vision of how Grupa Azoty should look in the coming years. The key assumptions and goals we set for ourselves are encompassed in the AZOTY BUSINESS Program. The Program is a summary of the first phase of corrective actions and a ready action plan for the coming quarters. We aim to maximize synergies between the Group's various plants while building our position based on strong business segments. This is the only way to secure Grupa Azoty's standing as a significant player in the fertilizer and chemical industry in the coming years." **said Adam Leszkiewicz,***

**President of the Board of Grupa Azoty S.A.** *" Alongside the operationalization of AZOTY BUSINESS, we are working on updating the Group's strategy and implementing a Decarbonization Program, which we plan to launch by the end of Q1 2025" he added.*

### **Operationalization Phase of AZOTY BUSINESS**

The AZOTY BUSINESS Program is currently in the operationalization phase, during which priority improvement initiatives and essential infrastructure for Program implementation will be prepared. This phase will conclude with the formal adoption of the detailed AZOTY BUSINESS Transformation Plan by the Management Board. Concurrently, priority initiatives that are expected to rapidly enhance business profitability will be launched.

### **Full-Scale Implementation Phase of AZOTY BUSINESS**

Following the operationalization stage, the full-scale implementation phase of the Program will commence, during which the approved Transformation Plan will be executed to improve financial performance and reduce debt.

### **Investment Expenditure Control**

As part of the AZOTY BUSINESS Program, a CAPEX Control Tower (CCT) team will be established to review current CAPEX projects and oversee the investment project portfolio, including monitoring project execution. Eventually, the CCT team will transform into a central unit overseeing all investment projects, from initial concept and financing to benefit realization. This initiative aims to ensure rigorous control over investment expenditures and to establish a new process for preparing, evaluating, and managing investments.

### **Program Structure**

As part of the Program, the Steering Committee has been established, responsible for setting the project's development directions, approving work progression, and making key decisions. The organizational structure also includes, among others, leaders for specific pillars and initiatives. The structure has been designed to ensure an efficient division of tasks across business areas and within individual companies.