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## **Police Polymers. New licence agreement signed**

**On Thursday January 11th, at the headquarters of PDH Polska S.A., the following parties: PDH Polska S.A. and WR. Grace & Co, exchanged duly executed counterparts of an agreement on purchase of a polypropylene process technology licence and supply of polypropylene catalysts for the Polimery Police project. The agreement marks another important milestone in the implementation of Grupa Azoty's largest investment project to date.**

Police Polymers will be a manufacturing complex developed in the town of Police which is to comprise propylene and polypropylene units, a port with feedstock storage facilities, auxiliary facilities and logistics infrastructure. The company already holds technology licences key to the project: one for the Oleflex -UOP catalytic dehydrogenation technology and one for the Unipol - GRACE polypropylene process technology. In a parallel effort, PDH Polska is in the process of selecting a future general contractor under a lump-sum turn-key contract and of arranging financing for the project.

The construction work is scheduled to commence in late 2019 and end in late 2022. The total cost of the project is estimated at EUR 1.27bn, including CAPEX of close to EUR 1bn, with the balance comprising the cost of financing the project during construction, operating costs of the special purpose vehicle and reserve funds required under the selected project finance structure.

Grupa Azoty is Poland's largest chemical group and one of the leading players on the European fertilizer and chemical markets. It is the European Union's second largest manufacturer of nitrogen and compound fertilizers and the third largest manufacturer of PPA6. Its other products, including melamine, caprolactam, oxo alcohols and titanium white, enjoy an equally strong standing in the chemical sector, with a wide range of applications across various industries. In May 2017, the Group announced its updated strategy until 2020. The key development areas include finalising the Group's consolidation, reinforcing its leadership in agricultural solutions in Europe, strengthening the second operating pillar through expansion of the non-fertilizer business, and generating and implementing innovations to accelerate growth in the chemical sector.

