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PGNiG as strategic gas supplier to Grupa Azoty

Polskie Górnictwo Naftowe i Gazownictwo SA and Grupa Azoty SA and its subsidiaries have signed annexes to existing contracts for the sale of gas fuel, extending the term of the contracts until the end of September 2023.

The value of the annexes over the period of extension of Individual Contracts, covering deliveries from October 1st 2022 to September 30th 2023, is estimated at PLN 13.4bn. The applied pricing formula is based on gas market price indices.

'PGNiG will remain the leading supplier of natural gas to Grupa Azoty. The good cooperation between our companies is vital, particularly given the strong volatility in European markets we are witnessing these days. The present situation shows how important it is to diversify suppliers and sources of natural gas, which is one of the key feedstocks for Grupa Azoty's production plants,' said Iwona Waksmundzka-Olejniczak, PGNiG SA CEO. 'We are consistently implementing measures to secure natural gas supplies, including by stepping up imports of LNG cargoes via the terminals in Świnoujście and Klaipėda. Our diversification potential will significantly increase as new interconnectors, mainly Baltic Pipe, become operational later this year, enhancing Poland's energy security,' she stressed.

Behind us is a long negotiation process, which has resulted in additional collaboration mechanisms linked to gas market price indices. For Grupa Azoty, stable gas supplies are a key factor directly affecting the scale of production. PGNiG is a proven business partner, which is crucial given the challenges the gas market has been sending our way for more than a year now,' said Tomasz Hinc, President of the Management Board of Grupa Azoty SA.

As a result of signing the annexes, PGNiG will remain the key supplier of natural gas to five Azoty Group companies: Grupa Azoty SA of Tarnów, Grupa Azoty Zakłady Azotowe Puławy SA, Grupa Azoty Zakłady Chemiczne Police SA, Grupa Azoty Zakłady Azotowe Kędzierzyn SA, and Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki Siarkopol SA.