



Summary of the implementation of the 2019-2021 Strategy

Warsaw, March 29th, 2022

	2021 reported	2020 reported	Δ vs. 2021	Δ% vs. 2021	2019 reported	Δ vs. 2021	Δ% vs. 2021	2018 reported	Δ vs. 2021	Δ% vs. 2021
Revenues [PLNm]	3 460	2 976	+484	+16%	3 242	+218	+7%	3 347	+113	+3%
Reported EBITDA(N) [PLNm]	727	585	+142	+24%	639	+88	+14%	618	+109	+18%
EBITDA(N) excl. LTIP* [PLNm]	778	585	+193	+33%	639	+139	+22%	618	+160	+26%
EBITDA(N) margin excl. LTIP* [%]	22,5%	19,7%	+2,8pp	+14%	19,7%	+2,8pp	+14%	18,5%	+4,0pp	+22%
Fixed costs [PLNm]	738	665	+73	+11%	725	+13	2%	709	+29	+4%
Operating cash flow [PLNm]	1 279	767	512	67%	535	744	139%	454	825	182%
Net debt** [PLNm]	1 178	1 531	-353	-23%	1 443	-265	-18%	1 509	-331	-22%
Net debt/ EBITDA(N) LTM **	1,63x	2,45x	-0,82p	-33%	2,19x	-0,56p	-26%	2,37x	-0,74p	-31%

2019-2021 Strategy

Before the Strategy

* The achieved financial results (including EBITDA(N) and Net Debt) allow for the payment of the Long-Term Incentive Plan (LTIP) for the managerial staff, for which a provision of approx. PLN 51 million was created, as recognised in the financial statements for 2021. This amount will be paid to eligible individuals in three equal instalments in 2022-2024.

** As defined in loan agreements.

Note: The presented financial data refer to continued operations (excl. CIECH Resins).

Measurable growth vs. 2018

- **OCF:** increase by 182% (+PLN 825m)
- **Revenues:** increase by 3% (+PLN 113m)
- **EBITDA(N):** increase by 18% (+PLN 109m)
- **EBITDA(N) excl. LTIP:** increase by 26% (+PLN 160m)
- **EBITDA(N) margin excl. LTIP:** increase by 4 p.p.
- **Net profit:** increase by 111% (+PLN 121m)
- **Net debt:** decrease by 22% (-PLN 331m)

Building a modern business

- Evolution of corporate culture
- Performance management - performance rewarding
- Decentralised decision making - flexibility and efficiency
- Key process reengineering and stabilisation
- Digitisation, management based on quickly available and reliable data
- Improved security
- Ambitious ESG strategy

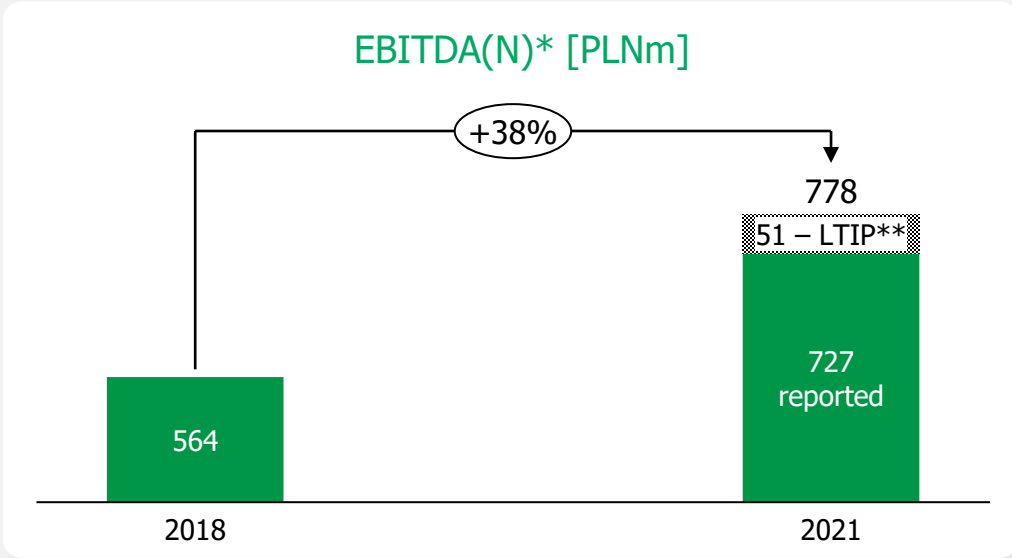
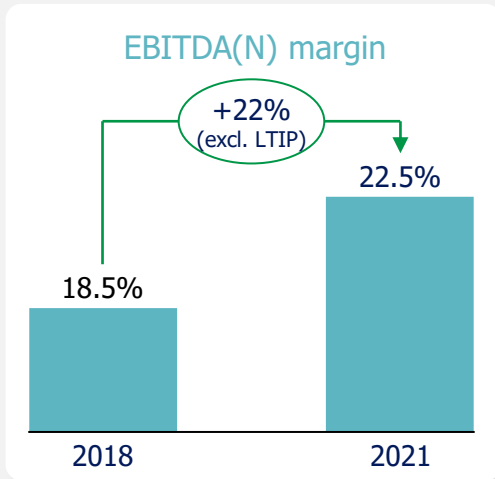
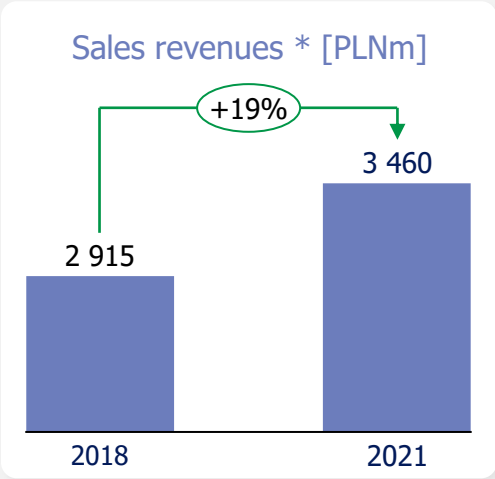
Completed breakthrough investments

- A new state-of-the-art evaporated salt plant in an attractive market
- The first of the new Agro products (Halvetic) has already hit the market
- Installation for the production of pharmaceutical-grade sodium bicarbonate - entering the high-margin high-quality medical market
- Our position strengthened by a new silicate furnace

Effective structure

- Adoption of a BU-centric structure to facilitate decentralised management
- Divestment - sale of the Resins BU for PLN 160 M (EV/EBITDA: 7.6x)
- Insourcing of overhaul services - cost and risk control
- Establishing an SSC - improved quality and efficiency of support processes

Diversified, restructured and effective business, based on robust organisational foundations and a corporate growth-supporting culture.



Sales

- Active pricing policy - we raised prices rapidly and defended our **margins which were under pressure from raw material costs** (Soda).
- A portfolio review – **we redirected our production capacity to the most promising products** (Agro, Silicates, Foams).

Efficiency

- We have built the operational planning (S&OP) processes from scratch** (S&OP) – improving both results and customer satisfaction.
- We have decentralised the Group and handed over operational competences to Business Units.
- We have reduced unnecessary fixed costs** – support functions help to develop our business, they are not a burden.

Specialised product share growth

- A mix of products and markets ensuring **predictable growth in any conditions.**

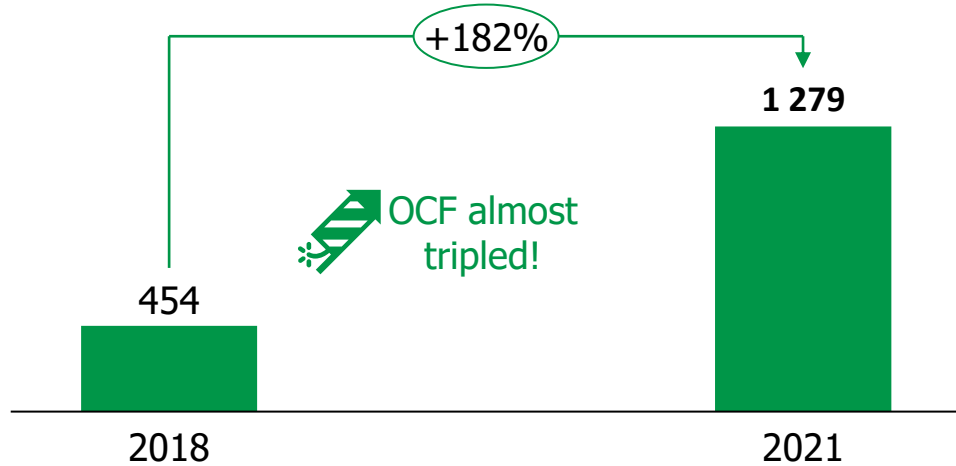
Year	Soda	Agro	Foams	Sil. & Pack.	Other
2018	84%	14%	8%	6%	16%
2021	72%	14%	8%	6%	16%

Share of segments in EBITDA(N)

We have restructured our business, unlocked growth potential and we are ready for further development.

* Excluding CIECH Soda Romania.
 ** The achieved financial results (including EBITDA(N) and Net Debt) allowed for the payment of the Long-Term Incentive Plan (LTIP) to the managerial staff, for which a provision of approx. PLN 51 million was created in Q4 2021. This amount will be paid to eligible individuals in three equal instalments in 2022-2024.

Operating cash flow [PLN M]



Cash conversion as the main goal



- A well-executed plan to increase cash efficiency - **we almost tripled our operating cash flow.**
- **We freed cash from working capital** due to more effective receivables/liabilities rotation and improved inventory management.

Secure liquidity management



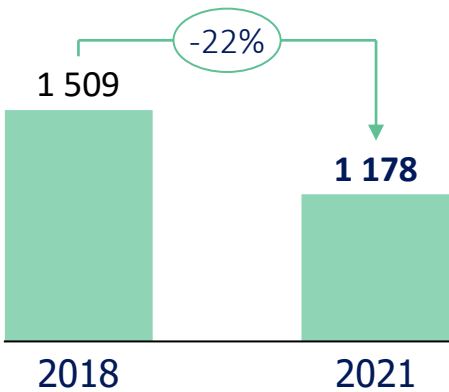
- **Over PLN 2 billion for refinancing obtained in Q1 2021.** Favourable parameters and permanently changed interest rates keep financial expenses low and reduce the cost of capital.
- **> PLN 300 million in reverse factoring shortened the cash cycle** and provided additional financing on very attractive terms.

Part of profits distributed to shareholders

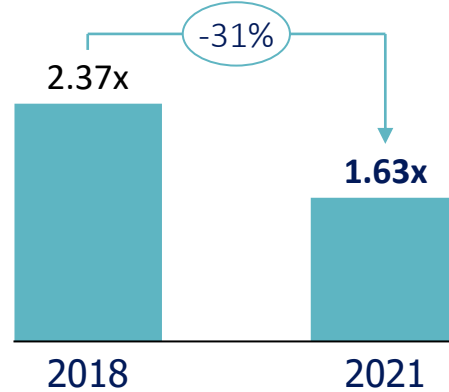


- **A secure balance sheet and good business prospects** allowed for the distribution of dividends even in the year affected by the pandemic.
- On 8 June 2021, we paid out PLN 158 million to our shareholders (PLN 3 per share, DY of approx. 7.4%**).

Net debt* [PLN M]



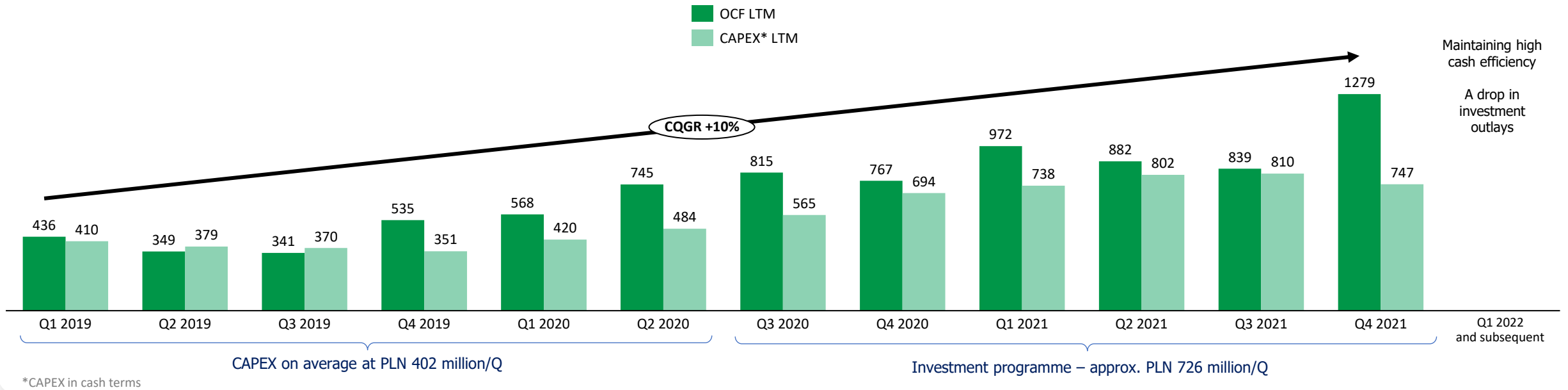
Net debt/EBITDA(N) LTM*



A lot of space on the balance sheet increases financial security in times of uncertainty and enables us to seize market opportunities as they arise.

* As defined in loan agreements
 ** Dividend Yield on the dividend record date

Operating cash flow LTM & CAPEX LTM* [PLNm]



Effects of strategy implementation

Cumulated OCF 2019-2021: PLN 2 582 million

Cumulated CAPEX 2019-2021: PLN 1 792 million



The nearest future

- We plan to maintain high efficiency of cash flows
- Improved results following a contribution from completed investment projects
- In the following quarters, CAPEX will drop to the level prior to the commencement of the investment programme: approx. PLN 400-450 million per annum

Development of the product portfolio of plant protection chemicals



- A breakthrough product with an innovative formula - Halvetic - successfully debuted on the global market
- Material R&D expenditure (several dozen million zlotys per annum) and significantly improved processes in this area
- Work on the development of the product portfolio - in line with market trends, supported by market digitisation

Evaporated salt plant



- One of the most modern and effective salt plants in Europe - manufacturing salt tablets, kitchen salt and pharmaceutical-grade salt (pending certification)
- Production capacity of the highest quality product at the level of 440 K tonnes per year
- The project took 11 months to complete despite the global complications caused by COVID-19
- A full ramp-up is scheduled for 2022

Production line for pharmaceutical-grade sodium bicarbonate



- With the new installation at the German plant, the production capacity of our sodium bicarbonate increased by 50 KT per annum
- The highest quality sodium bicarbonate, certified as a medicinal ingredient
- We strengthened our position on the promising high-margin pharmaceutical market, the basis for which is the supply of a high-quality product

Silicate furnace



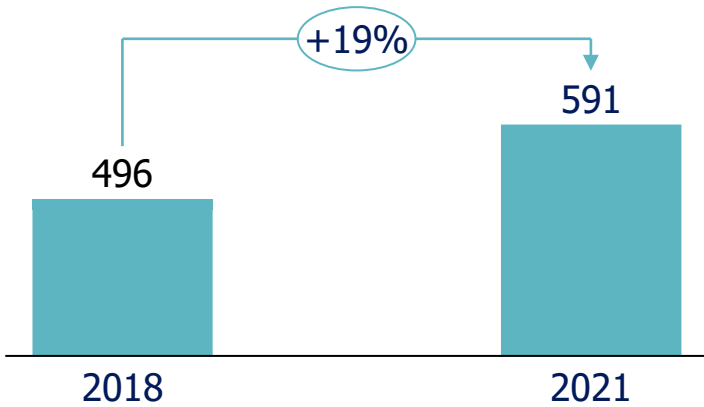
- Due to the construction of a modern, energy-efficient furnace, the production capacity of glassy sodium silicate increased by as much as 30%, up to 240 TT per year
- CO₂ emission per tonne of product lower by approx. 20% compared to existing installations
- We have confirmed our position of the largest silicate supplier in Europe

The largest investment programme in our history, fully financed from OCF, was completed despite unprecedented market conditions (COVID-19, energy crisis).

<h3>Sodium carbonate</h3> <p>Steadily growing market (3-4% annually) Global structural scarcity for at least the next 5 years</p> <p>PROSPECTS</p> <p>Robust cash flow, declining CAPEX</p>	<h3>Salt</h3> <p>The market is on the verge of a rebound after the pandemic High margin (especially in our specialised segments) The new state-of-the-art energy-efficient plant will ultimately produce 450 K tonnes per year</p> <p>PROSPECTS</p> <p>The new plant is conquering the market</p>	<h3>Agro</h3> <p>Growing global market, insensitive to economic fluctuations Successful restructuring unlocked growth potential New innovative products are conquering the market</p> <p>PROSPECTS</p> <p>R&D and new products waiting in line</p>	<h3>Packaging</h3> <p>Leading position in a stable market niche New product development potential</p> <p>PROSPECTS</p> <p>Stable cash flow</p>
<h3>Sodium bicarbonate (pharmaceutical-grade)</h3> <p>A steadily growing market (5% annually) Demand insensitive to market shocks Very high margin (over 2.5 times higher than for sodium carbonate) We doubled our production capacity</p> <p>PROSPECTS</p> <p>Growing margins (portfolio development)</p>	<h3>Silicates</h3> <p>Dynamically growing market (7% annually) High margin, insensitive to raw material prices Improvement of our capacity by 30% The increase in demand for silicates boosts the demand for soda!</p> <p>PROSPECTS</p> <p>Strengthening the position of the No. 1 supplier in Europe</p>	<h3>Foams</h3> <p>An attractive market A large surplus of demand over supply drives up margins We are one of the few manufacturers to have maintained a stable supply</p> <p>PROSPECTS</p> <p>Development of products based on bio- and re-polyols</p>	<h3>Our product portfolio:</h3> <ul style="list-style-type: none"> ▪ Diversified - Provides predictable results in any market conditions ▪ Growth - high exposure to attractive growing markets ▪ High margin - high share of specialised products (e.g. pharmaceutical) ▪ Decommodised - our competitive attributes go beyond the cost of production

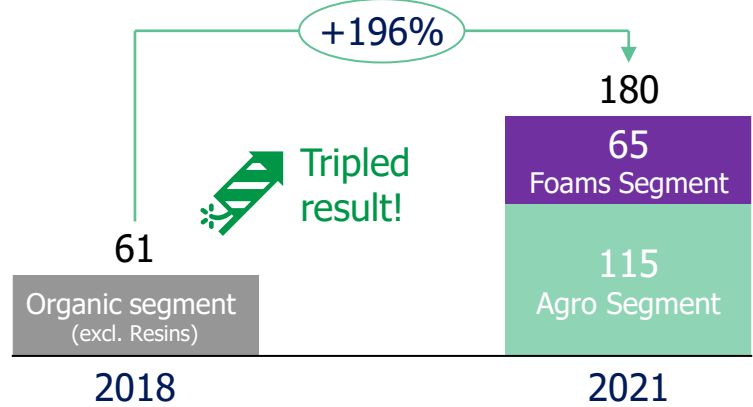
Vertical integration in the value chain. Full control over efficiency and margins.

Soda segment* – EBITDA(N)
[PLN million]



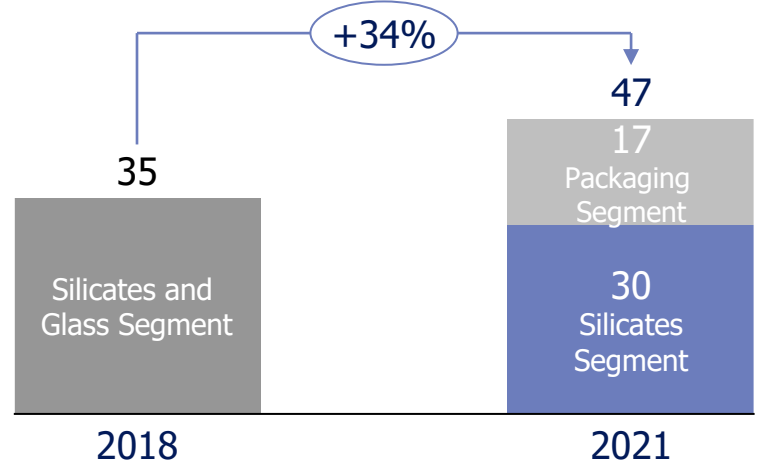
- A very favourable market situation
- Soda defended its high margins in an extremely tough environment
- Effective price management and cost discipline
- Development of sales of new high-margin products
- Postponed contribution from the new evaporated salt plant

Agro and Foams - EBITDA(N)
[PLN million]



- Successful Agro restructuring
- Successful integration of the acquired Proplan
- Introducing new products, the sale of which is only gaining its momentum
- Increase in the share of foreign revenues, from 20% to 40% - further potential for high growth
- The flexible Foams business took advantage of the market opportunities

Silicates and Packaging - EBITDA(N)
[PLN million]



- Increased production capacity in a very attractive segment of the silicate market
- Optimising the product portfolio - focusing on the most profitable ones
- Maintaining the leading market position in the Packaging Segment

The changes we have made permanently improve the efficiency of our business.

After restructuring and improving all processes, we are ready to take advantage of the growth potential of our markets.

* Figures for 2018 excl. CIECH Soda Romania and incl. the transport segment (as of 2021, included in the soda segment).

Safety



- Reorganisation of Safety & Health processes - approach to safety based on global standards of the chemical industry
- Updated Safety Policy applicable to both employees and subcontractors
- Number of accidents (injuries) reduced by 60% in 2021 vs. 2018
- LTIF * decreased by 63% in 2021 vs 2018
- The scrupulously followed safety policy during the COVID-19 pandemic ensured our business continuity

Operational Model



- Formal and legal restructuring - transformation of the management model into one based on Business Units
- Improved decision-making processes enabling flexible and quick response to environment changes
- Insourcing of maintenance services to provide better cost and risk control
- Establishing a shared service centre to maximise the efficiency of support processes
- Raising the standards and transparency of reporting supports decision-making and reduces the risk for all stakeholders

Digitisation



- Digitisation and automation of S&OP, sales and distribution processes ensure higher quality service and increase margins
- New Management Information System - consistency and availability of information based on reliable data
- The Advanced Process Control system was implemented in cooperation with Honeywell in the soda plants, improving the operational efficiency of the installation and enabling cost optimisation
- A simulator of plant processes in Inowroclaw developed together with Siemens, pilot tests of the use of AI

Corporate Culture



- Building processes in the organisation around defined Values and Competences
- Developing culture and leadership skills - a leadership competence development programme dedicated to all managers
- Creating an engaging work environment - performing employee opinion polls and "Pulse Check" surveys. Continuous communication with employees using various online and offline channels
- Implementation of unified and transparent remuneration systems
- Building an integrated Performance Management system

Sustainable Development



- The recognised and award-winning ESG Strategy - "Chemistry for a Better World" is in progress
- An ambitious decarbonisation plan with a 33% reduction in CO₂ emissions by 2026 and net zero emissions by 2040
- A series of initiatives carried out in different areas of the organisation, from purchasing to diversity and ethics

* The number of "recordable" accidents (injuries) standardised to 1 million hours worked.

Contact

Przemysław Wasilewski
Investor Relations & ESG Director

przemyslaw.wasilewski@ciechgroup.com
Tel: +48 509 485 232

Anna Zieja
Investor Relations & ESG Officer

anna.zieja@ciechgroup.com
Tel: +48 509 485 222



[CIECH na YouTube](#)



[CIECH na LinkedIn](#)



[CIECH na Twitter](#)

Legal Disclaimers

This elaboration has been prepared solely for information purposes; it contains only summary information and estimations is not intended does not purport to contain all of the information in scope falling within this document or to be exhaustive, nor is it intended to be the sole basis for any analysis or evaluation. CIECH S.A. does not make any assurances (express or implied) as to the information presented in this elaboration, and you should not rely on any information contained in this document, including the forecasts, estimates and opinions contained herein. The recipient agrees and acknowledges that this presentation is not intended to form the basis of any investment decision by the recipient and does not constitute financial investment, or any advice. CIECH S.A. does not accept any responsibility for any errors, omissions or irregularities contained herein. The sources of information used herein are considered by CIECH S.A. credible and accurate, however, there is no guarantee that they are comprehensive and fully reflect the facts and it must be assumed that the information contained in this presentation may be subject to change, material change not excluding. This elaboration does not constitute an advertisement, or any offer of securities in public trading. This elaboration may contain forward-looking statements that constitute an investment risk or a source of uncertainty and may significantly differ from the actual results. CIECH S.A. is not liable for the effects of any decision taken on the basis of this elaboration. Such responsibility lies solely with the user of this elaboration. This elaboration is subject to protection under the Copyright and Related Rights Act. It cannot be reproduced, published or disseminated unless with the written consent of CIECH S.A.