

Fertiglobe Reports Q3 2023 Revenues of \$525 Million; Announces Dividends of \$275 Million for H1 2023

- Q3 2023 revenues and adjusted EBITDA at \$525 million and \$199 million, respectively. Adjusted net profit and free cash flows during the quarter were \$41 million and \$126 million, respectively
- Third quarter own-produced sales volume up 8% Y-o-Y driven by 10% higher own-produced urea sales volumes
- 9M 2023 revenues and adjusted EBITDA at \$1.8 billion and \$715 million, respectively. Adjusted net profit and free cash flows during the quarter were \$261 million and \$458 million, respectively
- Announces dividends of \$275 million for H1 2023, demonstrating sustained commitment to generating attractive shareholder returns
- Cost optimization program is on track and expected to realize its targeted \$50 million run rate savings by the end of 2024
- Sustainability-focused projects are advancing, with Fertiglobe, alongside ADNOC, piloting the deployment of the world's first modular CycloneCC carbon capture unit at our UAE facilities, with potential for broader future deployment
- Market outlook remains positive with nitrogen prices bottoming in late Q2 2023/early Q3 2023; ammonia and urea prices are now up ~150% and ~35%, respectively, from their trough levels, supported by demand recovery and tightening supply. Fertiglobe's short-term outlook is further underpinned by a strong order book for ammonia and urea sales at higher prices for the remainder of the year

Abu Dhabi, UAE – November 07, 2023: Fertiglobe (ADX: FERTIGLB), the strategic partnership between ADNOC and OCI Global, the world's largest seaborne exporter of urea and ammonia combined, the largest nitrogen fertilizer producer in the Middle East and North Africa ("MENA") region, and an early mover in sustainable ammonia, today reported Q3 2023 revenues of \$525 million, adjusted EBITDA of \$199 million, adjusted net profit of \$41 million, and free cash flows of \$126 million. Own-produced sales volumes rose by 8% for the third quarter relative to the same period last year, driven by 10% higher own-produced urea sales volumes. For the nine-month period ended 30 September 2023, the Company reported revenues of \$1.8 billion, adjusted EBITDA of \$715 million, adjusted net profit of \$261 million, and free cash flows of \$458 million.

Fertiglobe's board of directors approved dividends of \$275 million for H1 2023, equivalent to 12 fils/share. The Company's healthy free cash flow conversion and strong balance sheet (net cash position of \$28 million or 0.0x net leverage / LTM adjusted EBITDA as of 30 September 2023) enable it to maintain dividend payments while investing in value accretive growth projects.

Ahmed El-Hoshy, CEO of Fertiglobe, commented:

"Despite the traditional summer lull for fertilizer sales, we saw nitrogen prices maintain their positive momentum in Q3, driven by tightening markets on planned and unplanned supply disruptions, restocking demand, as well as expectations of reduced exports from China. Nitrogen prices have increased significantly from their troughs in the second and third quarters, and we expect the benefits from these increases to materialize in the fourth quarter. The short-term outlook is further underpinned by a strong order book for ammonia and urea sales in Q4 2023. In the medium to longer term, the nitrogen outlook remains favourable, with limited incremental supply additions over the next several years, healthy farm economics, and elevated energy prices raising marginal cost floors, particularly going into the winter season.

We are pleased to note that our own-produced Q3 2023 sales volumes were up 8% year-on-year, primarily due to 10% higher own-produced urea sales volumes. The expected recovery in demand ahead of the spring application season in the Northern Hemisphere should continue to support prices going in Q4 2023, and Fertiglobe remains ideally positioned to serve key import markets from our strategically located facilities.

In the third quarter, nitrogen prices reflected tighter market balances due to record low inventory levels, healthy demand from key importing regions, restrictions on Chinese urea exports, and supply disruptions.

Alongside ADNOC, we recently announced the pilot deployment of the world's first modular CycloneCC carbon capture unit at our Fertil plant in the UAE, with the potential for broader deployment across our operations, if successful. Looking ahead, we are committed to leveraging our state-of-the-art ammonia facilities and global distribution infrastructure to expand our low-carbon ammonia capacity as part of our commitment to reducing the carbon footprint of our operations and meeting increasing demand for low-carbon hydrogen and ammonia."

Cost savings

Fertiglobe has recently launched initiatives to further optimize its cost structure and reinforce its top quartile cash cost positioning, targeting \$50 million in recurring annualized savings by the end of 2024. Key focus areas include enhancements to the operating model, improvements in logistical capabilities, and increased capex and opex efficiencies. Meanwhile, Fertiglobe's manufacturing improvement plan remains on track to deliver further operational and cost efficiencies between 2023 and 2025.

Dividends and capital structure

Following quarter-end, Fertiglobe has reached commercial agreement with a group of its core relationship banks on the terms of a new \$500 million term facility, which is expected to be executed shortly. Once the facility is executed, the proceeds will be used to refinance shorter term borrowings, further improving Fertiglobe's maturity profile and liquidity, in line with the company's commitment to an investment grade capital structure.

As of 30 September 2023, Fertiglobe reported a net cash position of \$28 million, compared to a net cash position of \$287 million as of 31 December 2022, allowing it to continue balancing the pursuit of future growth opportunities with an attractive dividend pay-out. Fertiglobe announced the board of director's approval of H1 2023 dividends at \$275 million, equivalent to 12 fils per share, payable in the next few weeks.

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About Fertiglobe:

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in sustainable ammonia. Fertiglobe's production capacity comprises of 6.6 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertiglobe employs more than 2,700 employees and was formed as a strategic partnership between OCI Global ("OCI") and the Abu Dhabi National Oil Company ("ADNOC"). Fertiglobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertiglobe.com.

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