

# **Fertiglobe**

## **Q2 2022 Investor Presentation**

**2 August 2022**



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# Fertiglobe at a Glance<sup>(1)</sup>

## Leading Nitrogen Fertilizer Exporter Globally and Unique Ammonia Platform<sup>(2)</sup>



**Fertiglobe**  
 An ADNOC and OCI Company

Headquartered  
 in Abu Dhabi

4 World-class Strategically Located Production Facilities	50% of Assets Younger than 10 years
Global In-House Distribution Capabilities, including ~1,000kt Storage Capacity	Early Mover in Clean Ammonia
6.7mt Sellable Volume Capacity <ul style="list-style-type: none"> <li>- 5.1mt Urea Production Capacity</li> <li>- 4.4mt Gross Ammonia Production Capacity</li> <li>- 0.5mt DEF Production Capacity<sup>(3)</sup></li> </ul>	
Logistics allowing for Excellent Freight and Transport Advantaged, Duty-free Delivery to East and West	Revenue <b>\$1,471m</b> (Q2 2022) <b>\$2,656m</b> (H1 2022)
Feedstock Advantaged \$4.6/mmbtu LTM (Jun-22) Avg. Gas Price <sup>(4)</sup>	Adj. EBITDA <sup>(5)</sup> <b>\$770m</b> (Q2 2022) <b>\$1,395m</b> (H1 2022)

Source: Company Information, CRU

Notes: (1) Capacity data as of year end 2021

(2) Based on 2021 ammonia and urea combined export production capacity in mtpa



(3) Maximum downstream capacities cannot be achieved at the same time. DEF production capacity not included in the 6.7mt sellable volume capacity

(4) Realized weighted average gas price in LTM (June 2022) based on respective gas price arrangements in Abu Dhabi, Algeria and Egypt. Gas price arrangements include cost escalation factors and in Egypt increments above certain product price levels

(5) EBITDA excluding foreign exchange and income from equity accounted investees, adjusted to exclude additional items and costs that management considers not reflective of core operations

# Fertiglobe is a Strategic Partnership With Strong Shareholder Support

## Partnership Geared Towards Growth and Value Creation, Supported by Shareholders with a Strong Track Record

OCI NV	50% <sup>(1)</sup>	36% <sup>(1)</sup>	Abu Dhabi National Oil Company
 <p><b>#3 global producer of nitrogen products<sup>(2)</sup></b> <b>#1 &amp; #2 methanol producer in EU &amp; US, respectively<sup>(2)</sup></b> <b>A leading bio-methanol producer</b></p> <hr/> <ul style="list-style-type: none"><li>• Remaining <b>OCI NV nitrogen business is predominantly nitrates focused</b> with in-land assets in US and Europe</li><li>• Synergistic relationship with Fertiglobe through <b>sharing of global market intelligence</b></li><li>• Numerous initiatives and <b>strategic partnerships to capture the energy transition potential</b></li><li>• Orascom Construction (spun off in 2015) has repeat <b>renewable power project partnerships in MENA</b></li><li>• Holds 4 seats at Fertiglobe's Board of Directors, including:<ul style="list-style-type: none"><li>• Nassef Sawiris (Executive Chair of OCI), Ahmed El-Hoshy (CEO of OCI), Hassan Badrawi (CFO of OCI), and Philippe Ryckaert (Group Vice President of Business Development &amp; Investments of OCI)</li></ul></li></ul>		 <p><b>Leading integrated O&amp;G company, entrusted to manage the world's 7<sup>th</sup> largest proven O&amp;G reserves</b></p> <hr/> <ul style="list-style-type: none"><li>• <b>Fully integrated energy company</b> across the entire value chain</li><li>• Key export partner of crude oil &amp; refined products to high-growth Asian markets</li><li>• <b>Industry leader for carbon capture</b> with plans to reach 5mtpa of CO<sub>2</sub> capture by 2030</li><li>• Focus on <b>downstream value creation and 2030 vision</b></li><li>• Strategy to become a <b>global leader in clean hydrogen</b></li><li>• Holds 4 seats at Fertiglobe's Board of Directors, including:<ul style="list-style-type: none"><li>• H.E. Dr. Sultan Al Jaber (Group CEO and Managing Director of ADNOC) and Khaled Salmeen (Executive Director of Downstream Industry, Marketing and Trading at ADNOC), and Mohamed Alaryani (Senior VP of Strategic Investments at ADNOC)</li></ul></li></ul>	
<b>Complimentary business to both OCI and ADNOC ecosystems, distinctively positioned to capture value</b>			

Source: Company Information, public filings / capacity data, International Trade Administration

Note: (1) OCI NV owns 50% and 1 share and consolidates Fertiglobe in its consolidated financial statements. Free Float following the IPO in Oct-21 is ~13.8%

(2) As of 2021



# Key Fertiglobe Investment Highlights

- 1** Leading nitrogen fertilizer exporter globally and unique ammonia platform
- 2** Strategically located asset base and global distribution capabilities driving structurally higher realized prices
- 3** High quality asset base at attractive cost curve position underpinned by long-term feedstock contracts
- 4** Structural shift into a demand-driven pricing environment provides a positive industry outlook, with significant incremental ammonia demand in the medium-term from new clean energy applications
- 5** Multi-pronged growth strategy including unique position to capitalize on energy transition towards clean hydrogen, where low-carbon ammonia is one of the preferred carriers
- 6** Attractive dividend capacity supported by strong FCF generation and robust capital structure across commodity cycles

# Fertiglobe Reports Strong Q2 2022 Results; H1 2-22 Dividend Supported by Solid Free Cash Flow Generation

- Q2 2022 revenues increased 105% YoY to \$1,471 million and adjusted EBITDA +155% YoY to \$770 million, driven by higher selling prices and higher own-produced sales volumes as some deliveries were rephased from Q1 2022 at better netbacks. Adjusted net profit was \$438 million in Q2 2022, +270% YoY
- Fertiglobe generated free cash flow (FCF) of \$789 million in Q2 2022, a 141% increase as compared to same period last year, and \$1,310 million in H1 2022 versus \$479 million in H1 2021. Net cash position of \$445 million as of 30 June 2022 is supportive of growth opportunities and attractive dividend pay-out
- Favourable farm economics and low global grain stocks, combined with high gas prices in Europe, provide support for nitrogen selling prices to remain above historical averages
- H1 2022 dividends announced at \$750 million (payable Oct-22), above guidance of at least \$700 million
- Our attractive dividend outlook is further backed by Fertiglobe's competitive position on the global cost curve and free cash flow conversion capacity. Fertiglobe remains committed to its policy of balancing distributions of all excess free cash flows after growth capex, while maintaining its investment grade parameters. More detailed guidance on the H2 2022 dividend will be provided with Q3 2022 results in November 2022
- In Jun-22, Fertiglobe was issued first time investment grade ratings by S&P, Moody's and Fitch (BBB-, Baa3 and BBB-, respectively), recognizing our strong FCF generation, conservative financial policy and robust outlook.



Fertiglobe's low leverage positions the company favorably to selectively pursue value accretive growth opportunities, capitalizing on the emerging demand for low-carbon ammonia as a solution to decarbonize industries that make up around 90% of current global greenhouse gas emissions.



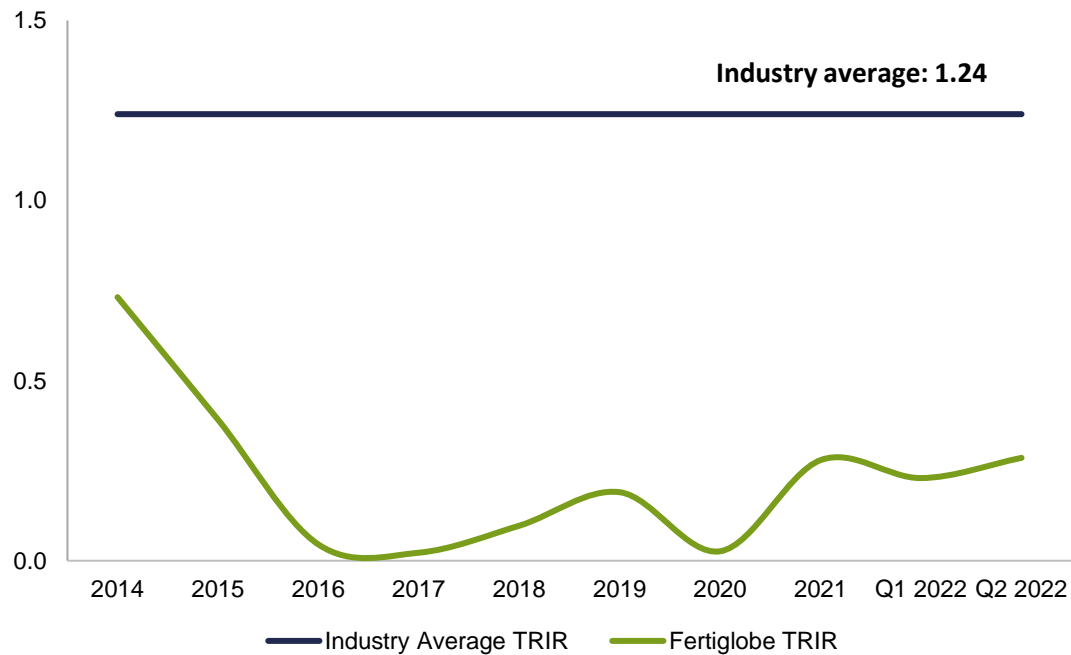
# Q2 2022 Financial Performance



# Fertiglobe is Committed to Maintaining the Highest Safety Standards

## 12-month rolling recordable incident rate to 30 June 2022 0.29 incidents per 200,000 manhours

### Total TRIR (Total Recordable Injury Rate)<sup>(1)</sup>



### Target Zero Injuries at All Facilities

- Achieve leadership in safety and occupational standards across the operations
- Fostering a culture of zero injuries at all production sites
- Improving health and safety monitoring, prevention, and reporting across plants
- Fertiglobe has consistently achieved some of the lowest TRIR numbers in the industry

### HSE Certifications

- OHSAS 18001 Occupational Health and Safety Management Systems
- RC 14001 Responsible Care Management Systems
- Assets are also REACH certified



Fertiglobe is committed to providing a safe and healthy workplace for all employees and stakeholders by implementing the highest international safety standards to avoid any potential risks to people, communities, assets or the environment





# Fertiglobe Reports Strong Q2 2022 Underpinned by Robust Markets

## Summary

Growth in Q2 2022 is driven by higher selling prices across our product portfolio and higher own-produced sales volumes

### Own-produced volumes in Q2 '22 vs. Q2 '21 up 7%

- 13% higher own-produced ammonia sales volumes
- 5% higher own-produced urea sales volumes

### Third party traded volumes sold -36% YoY in Q2 '22 vs. Q2 '21

## Summary of Q2 2022 performance

- Q2 2022 revenues increased 105% YoY to \$1,471 million and adjusted EBITDA +155% YoY to \$770 million.
- Adjusted net profit was \$438 million in Q2 2022, an increase of 270% compared to \$119 million in Q2 2021.
- FCF before growth capex \$789 million in Q2 2022 compared to \$328 million in Q2 2021.
- Total cash capital expenditures including growth capex were \$15 million in Q2 2022, compared to \$6 million in Q2 2021.
- Net cash position of \$445 million as of 30 June 2022 compared to net debt of \$487 million in Dec-21.

## Key Financials<sup>1</sup> and KPIs

\$ million unless otherwise stated	Q2 2022	Q2 2021	% Δ	H1 2022	H1 2021	% Δ
<b>Revenue</b>	1,471.3	716.6	105%	2,656.1	1,260.0	111%
Gross Profit	747.8	252.8	196%	1,335.6	442.0	202%
<i>Gross profit margin</i>	50.8%	35.3%		50.3%	35.1%	
<b>Adjusted EBITDA</b>	<b>770.0</b>	<b>301.4</b>	155%	<b>1,394.6</b>	<b>532.2</b>	162%
<i>Adjusted EBITDA margin</i>	52.3%	42.1%		52.5%	42.2%	
<b>EBITDA</b>	<b>770.0</b>	<b>302.5</b>	155%	<b>1,389.6</b>	<b>533.3</b>	161%
<i>EBITDA margin</i>	52.3%	42.2%		52.3%	42.3%	
<b>Adjusted net profit attributable to shareholders</b>	<b>438.2</b>	<b>118.5</b>	270%	<b>799.2</b>	<b>202.1</b>	295%
Reported net profit attributable to shareholders	429.4	113.3	279%	786.0	198.5	296%
<b>Earnings / (loss) per share (\$)</b>						
Basic earnings per share	0.052	0.014	279%	0.095	0.024	296%
Diluted earnings per share	0.052	0.014	279%	0.095	0.024	296%
Adjusted earnings per share	0.053	0.014	270%	0.096	0.024	295%
<b>Earnings / (loss) per share (AED)</b>						
Basic earnings per share	0.190	0.050	279%	0.348	0.088	296%
Diluted earnings per share	0.190	0.050	279%	0.348	0.088	296%
Adjusted earnings per share	0.194	0.052	270%	0.354	0.089	295%
<b>Free cash flow</b>						
Capital expenditure	788.7	327.6	141%	1,309.5	478.9	173%
<i>Of which: Maintenance Capital Expenditure</i>	14.6	5.7	156%	24.0	13.6	76%
	13.0	5.4	141%	19.8	12.9	53%
				<b>30-Jun-22</b>	<b>31 Dec 21</b>	<b>% Δ</b>
Total Assets				5,707.1	5,168.5	10%
Gross Interest-Bearing Debt				1,144.0	1,385.7	-17%
Net Debt / (cash)				(445.0)	486.6	n/m
<b>Sales volumes ('000 metric tons)</b>						
	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>% Δ</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>% Δ</b>
Fertiglobe Product Sold	1,540	1,438	7%	2,794	2,943	-5%
Third Party Traded	236	367	-36%	512	522	-2%
<b>Total Product Volumes</b>	<b>1,776</b>	<b>1,805</b>	-2%	<b>3,306</b>	<b>3,465</b>	-5%

1) Unaudited

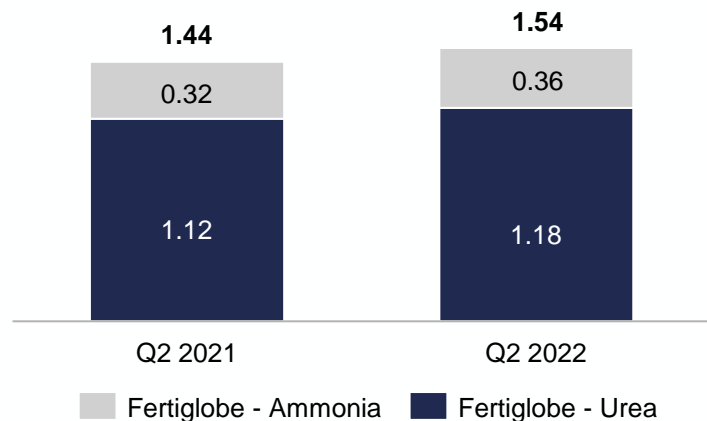
2) Fertiglobe uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. A detailed reconciliation between APM and the most directly comparable IFRS measure can be found in this report

3) Free cash flow is an APM that is calculated as cash from operations less maintenance capital expenditures less distributions to non-controlling interests plus dividends from equity accounted investees, and before growth capital expenditures and lease payments.

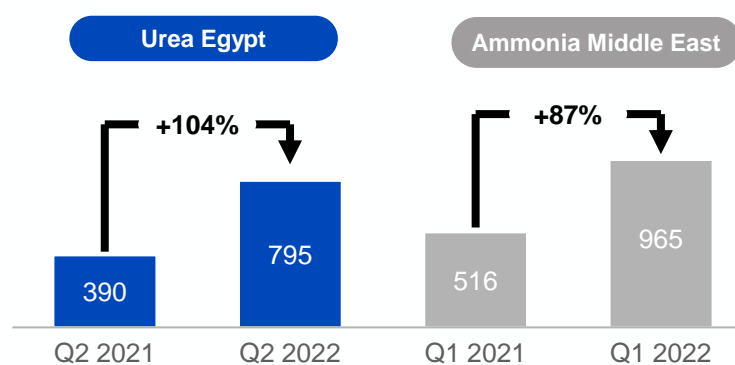


# Q2 2022 Results

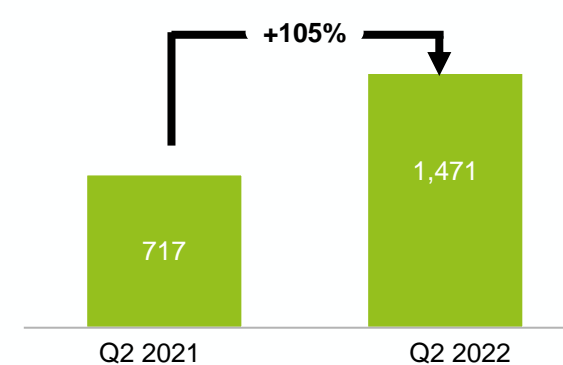
## Own-Produced Sales Volumes (Mt)



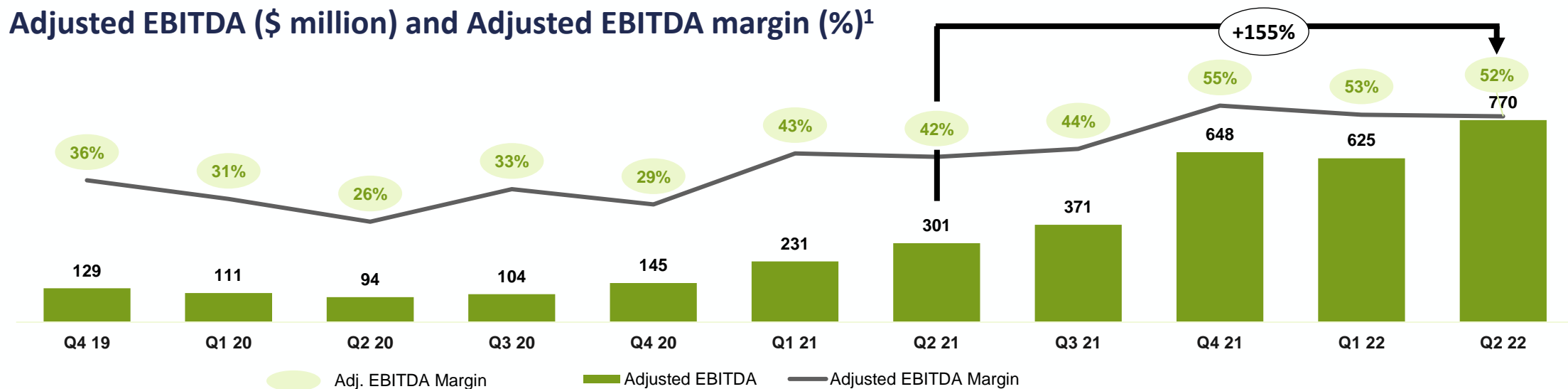
## Key Product Benchmark Prices, \$/t



## Revenue (\$m)



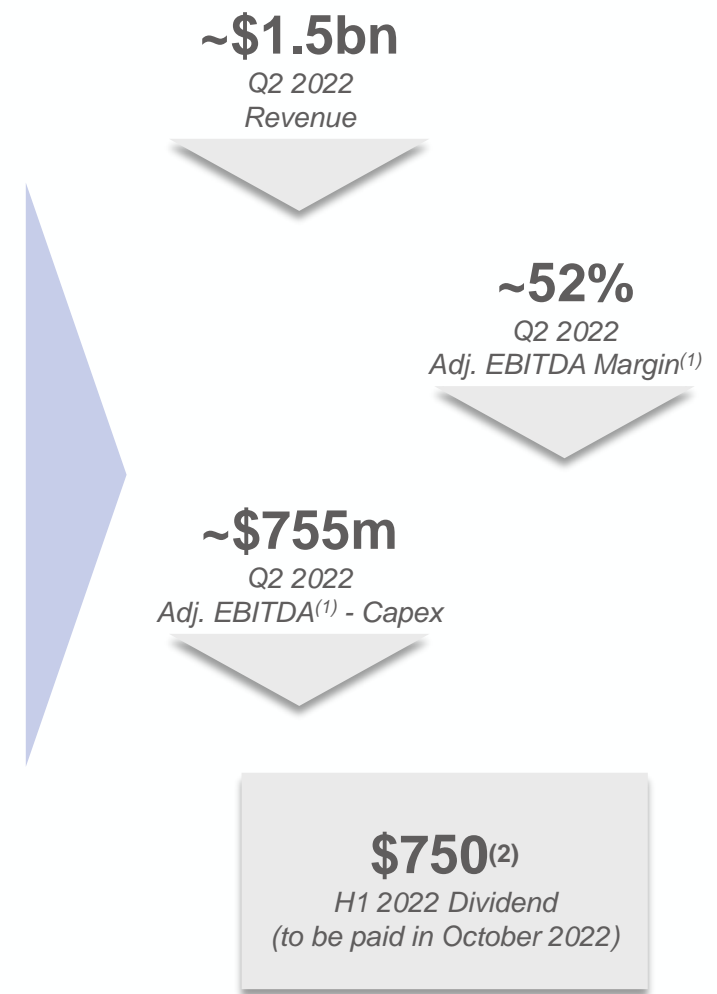
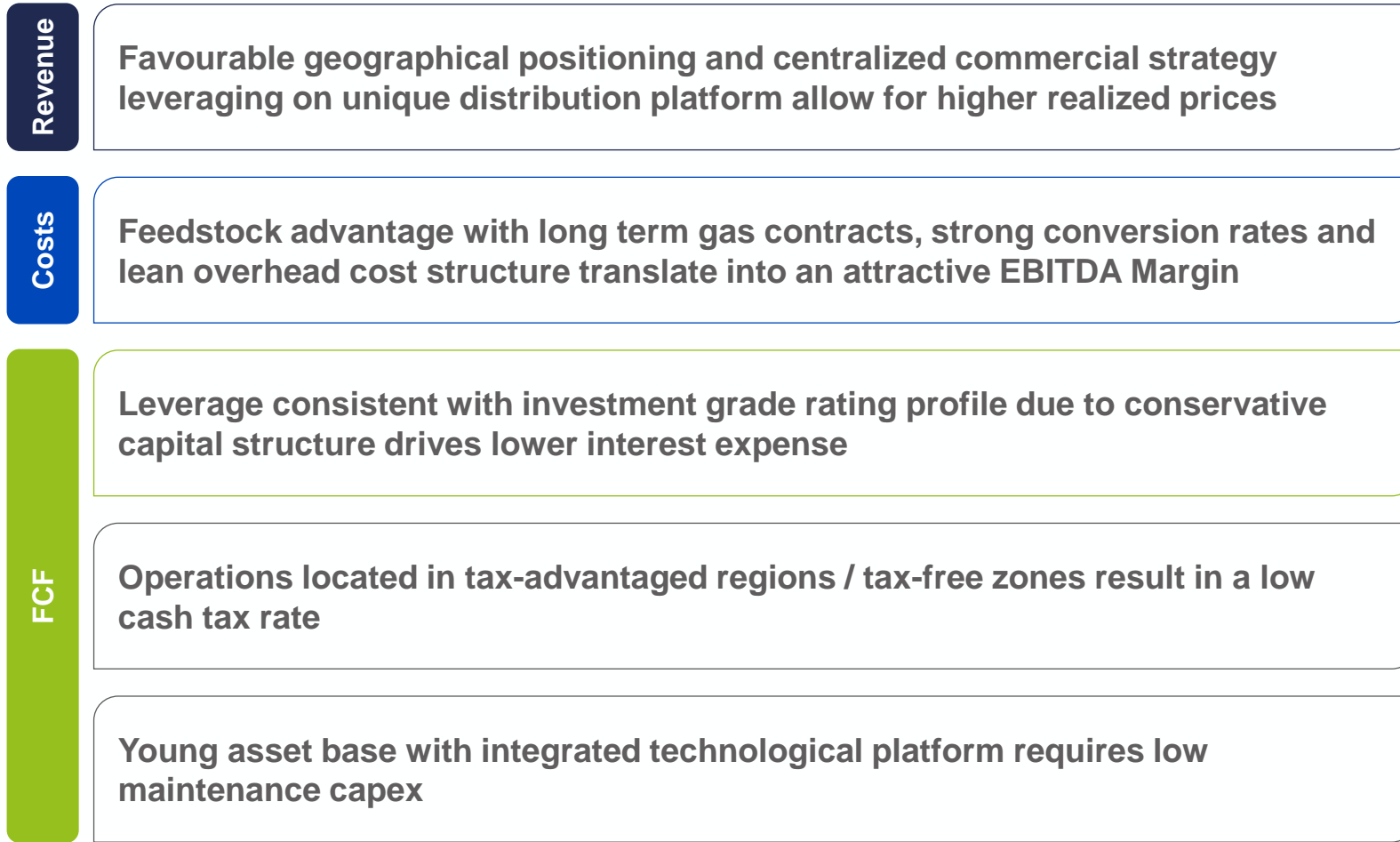
## Adjusted EBITDA (\$ million) and Adjusted EBITDA margin (%)<sup>1</sup>





# Strong Revenue Profile Translating Into Robust EBITDA and Cash Flow Generation Through Low Capex

## EBITDA Margin and FCF Conversion Advantages Result in Ample Dividend Capacity



Source: Company Information

Note: (1) EBITDA excluding foreign exchange and income from equity accounted investees, adjusted to exclude additional items and costs that management considers not reflective of core operations





(2) Compared to management guidance of at least \$700m

# Nitrogen Markets



# Nitrogen Outlook Supported by Attractive Supply-Demand Dynamics

## Supporting Strong Pricing Outlook For 2022 and Beyond as We Recover From a 5-year Downturn

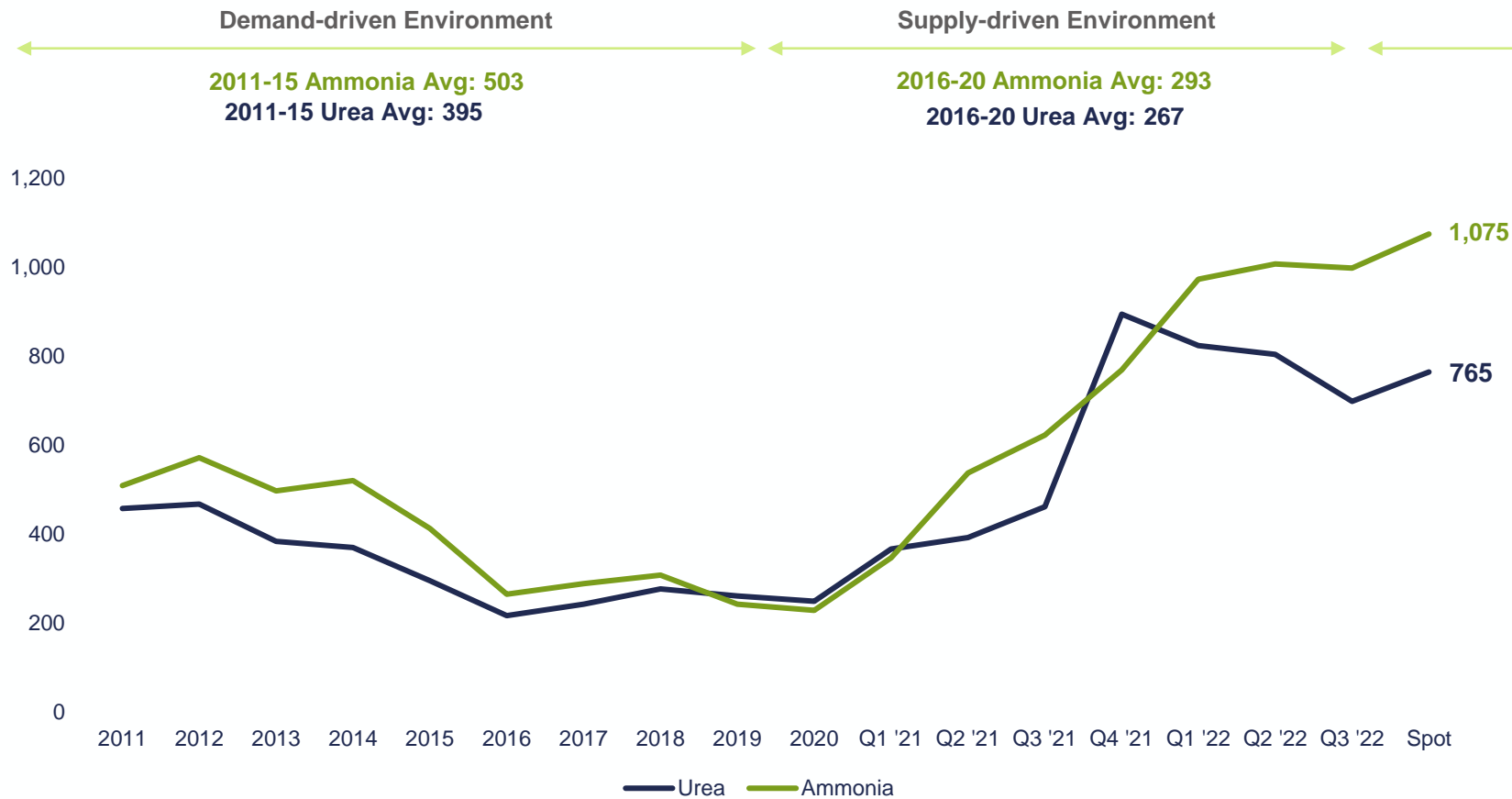
Bull Market Drivers Support Demand Driven Environment		Prior cycle (last 5-6 years)	Next cycle (starting in 2022) <sup>(2)</sup>
 <p><b>CROP PRICES DRIVING HEALTHY FARM ECONOMICS AND NITROGEN DEMAND</b></p> <p><i>Corn Futures &gt;\$5/bushel and Wheat Futures &gt;\$7/bushel supportive of affordability</i>  <i>Grain stocks to use ratios at decade lows requiring at least until 2024 to replenish</i></p>	<p><b>30%</b> corn stocks-to-use ratio</p> <p><b>\$3.7/bushel</b> average corn price over 2015 - 2019</p>	<p><b>26%</b> corn stocks-to-use ratio</p> <p><b>\$6.0/bushel</b> average corn price future 2022 - 2024</p>	
 <p><b>GAS AND COAL PRICES RESET AT HIGH LEVELS</b></p> <p><i>Low gas storage levels in Europe, limited Russian and LNG gas flows raising marginal production costs, <b>and therefore cost floors for ammonia and urea</b></i></p>	<p><b>~\$5/MMBtu</b></p> <p>TTF (Dutch natural gas hub)</p>	<p><b>~\$50/MMBtu</b></p> <p>TTF to the end of 2023<sup>(1)</sup></p>	
 <p><b>TIGHTENING NITROGEN MARKET BALANCES</b></p> <p><i>New urea capacity is limited, faces delays and accelerating Chinese closures</i>  <i>Structurally tighter merchant ammonia market with limited net capacity additions</i></p>	<p><b>23mt</b> new urea capacity vs.</p> <p><b>17mt</b> demand growth over 2015 - 2019</p>	<p><b>11mt</b> new urea capacity vs.</p> <p><b>16mt</b> demand growth over 2022 - 2026</p>	
 <p><b>ENVIRONMENTAL FOCUS DRIVES SHIFT FROM GREY TO GREEN</b></p> <p><i>Stricter mandates around environment regulations are barriers to enter this industry</i>  <i>Global push to move towards H<sub>2</sub> economy adds <b>incremental low-carbon ammonia demand</b></i></p>	<p>Wave of “grey” greenfield capacity additions in US, Europe, MENA</p>	<p>Limited new grey ammonia capacity from established producers and</p> <p><b>8mt</b> new ESG driven ammonia demand by 2025</p>	



# Nitrogen Fertilizer Pricing Supported by Demand-Driven Environment

Strong support for nitrogen prices to reset above mid-cycle levels, given low global crop inventories, strong farm economics, and higher marginal costs

Urea and Ammonia Prices (Monthly Averages, 2011 – Q3 2022<sup>1</sup>, \$/t)



### Sustained by:

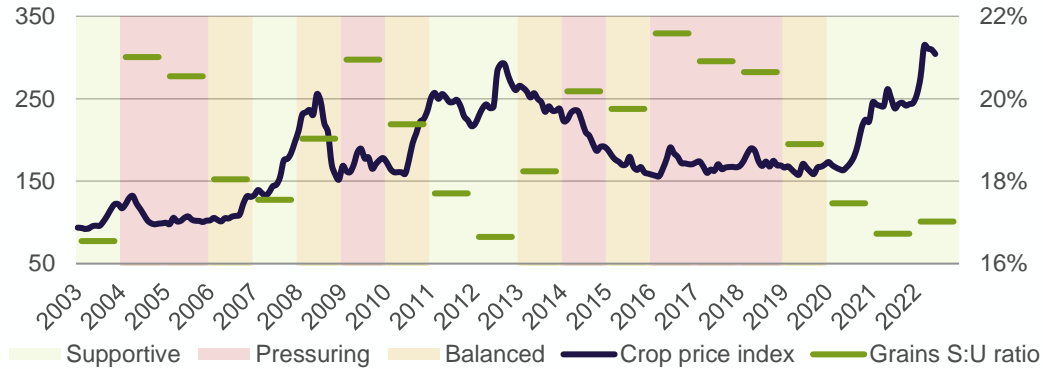
- 1 Stocks-to-use ratio at 10-year lows supportive of crop prices, higher planted acreage and demand at least until 2024
- 2 EU nitrogen production curtailments due to high gas prices and limited availability of feedstock supportive of pricing and higher differentials compared to the rest of the world
- 3 Delayed and lower level of new capacity along with accelerating capacity closures and lower exports from China tightening nitrogen market balances. Delays in Russian capacity and geopolitics also tightening fundamentals
- 4 Feedstock prices reset at high levels raising the marginal cost floors
- 5 Environmental focus limits new grey greenfield capacity and creates incremental demand for ammonia

Source: CRU. (1) Q3 2022 to 28 July 2022

# Agricultural Fundamentals Supports Robust Nitrogen Demand Until 2024

## Crop prices supported by stocks-to-use ratio at 10 year lows, requiring at least until 2024 to replenish

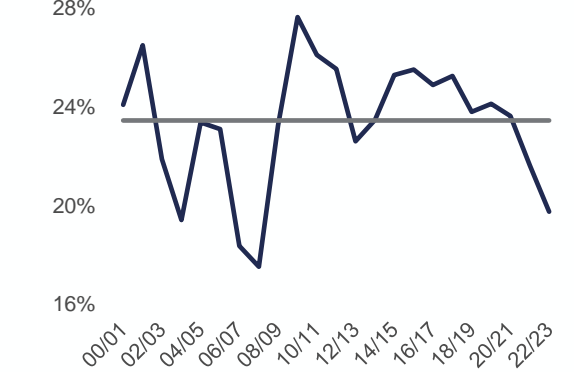
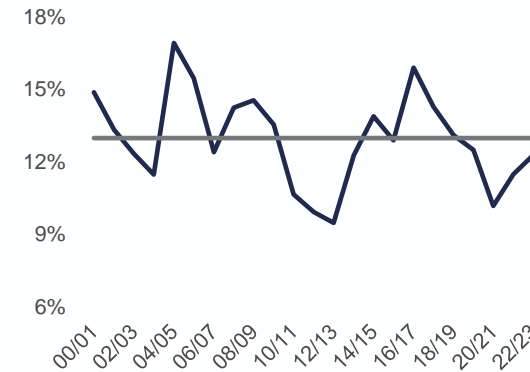
Crop price index, Jan 2006 = 100      Global grain and oilseed stocks:use ratio (ex-China), %



## Tight grain stocks for corn and wheat at further risk given dry weather in the Northern Hemisphere and protectionist measures

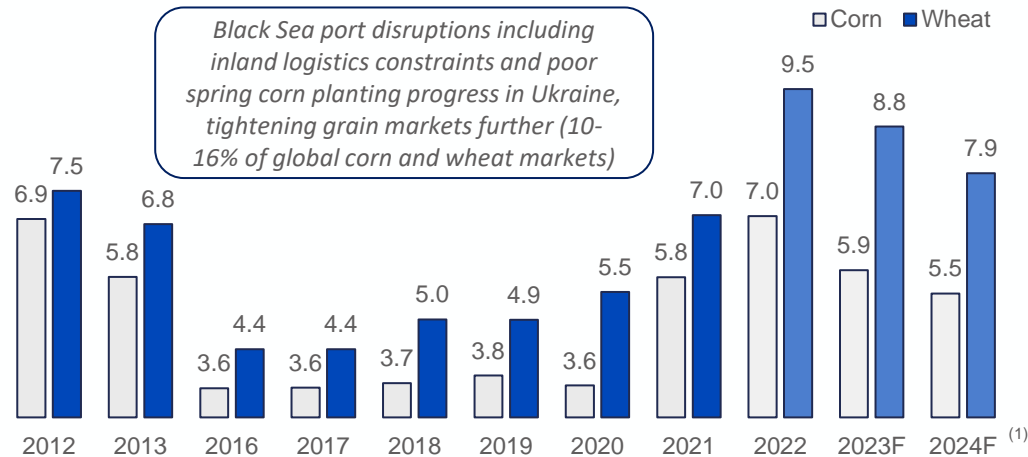
Global corn STU ex. China, %

Global wheat STU ex. China, %



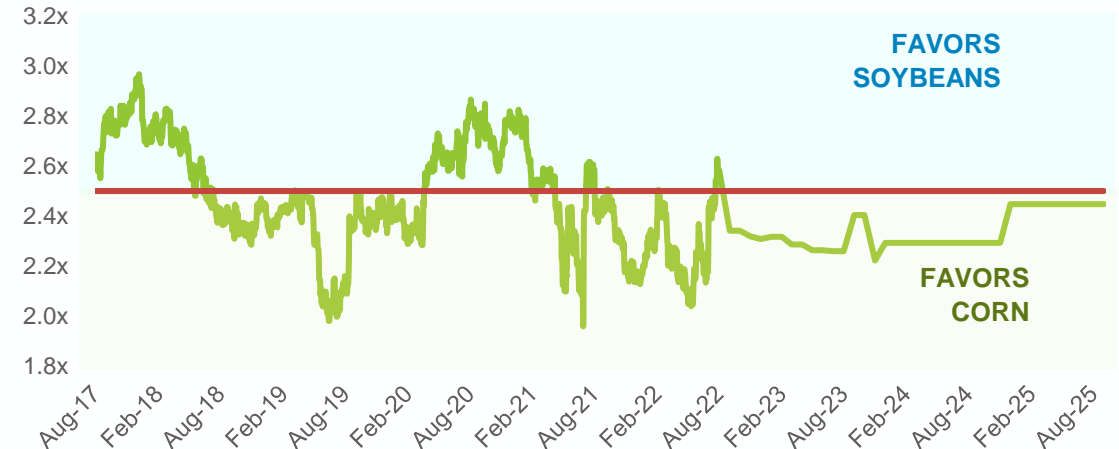
## Medium-term crop prices supported and incentive to plant corn

US Corn and wheat prices, \$ / bushel



## US farmers incentivised to plant corn over soybeans, \$/ha

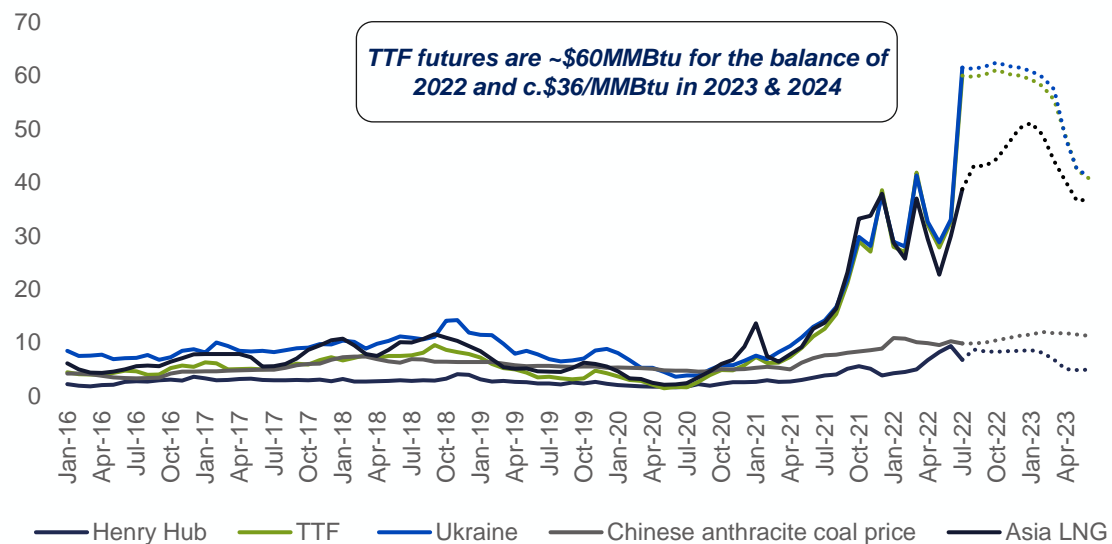
US CME Soybean to corn ratio



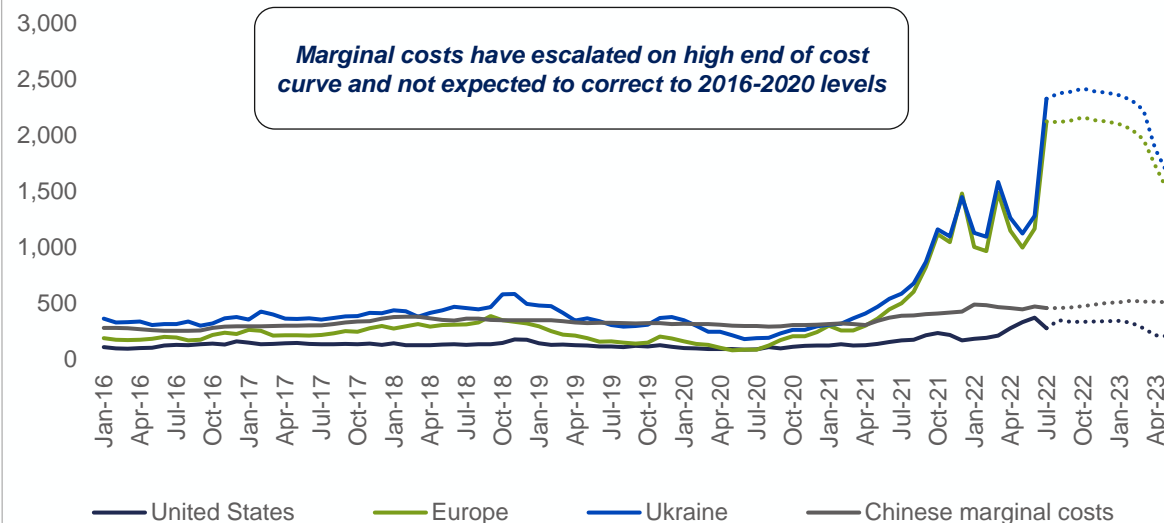


# Higher Costs for Marginal Producers Supportive of Nitrogen Prices

## Global Feedstock Prices 2017-2022F, \$/MMBtu



## Cash Costs per ton of Ammonia 2017-2022F, \$/t



- Surge in gas prices has been driven by limited Russian gas flows, lower than average storage levels in Europe and higher global demand for gas resulting in highly volatile gas markets
  - ✓ TTF futures point towards gas prices of c.\$60/MMBtu for the balance of 2022 and \$36/MMBtu in 2023/2024, compared to \$5/MMBtu in 2016 – 2020
  - ✓ Gas prices are expected to remain volatile and significant upwards pressure expected given risks around Russian gas and coal flows into Europe, reduced US LNG exports in the short-term and tight coal and power markets
  - ✓ Europe is now the marginal producer for nitrogen and at current forward gas prices, marginal variable ammonia costs excluding CO<sub>2</sub> are above \$2,000/t for the balance of 2022 and \$1,300/t for 2023/2024. 19 Mt of European ammonia capacity, 10 Mt of urea and 34 Mt of nitrates capacity at risk of being permanently shut if pricing remains below costs for a sustained period
- Higher marginal costs have steepened the global cost curves and provide support for nitrogen and methanol pricing into 2023 and beyond

Source: Bloomberg, CCTD, CRU, OCI, Gas futures as of 28 July 2022

(1) Cash costs includes feedstock costs, and variable costs such as labour, SG&A, power. It does not include debt servicing or maintenance capex.

(2) Average North American production assumed to be 37.2 MMBtu per ton of ammonia for feedstock; Average European production assumed at 37.8 MMBtu per ton of ammonia for feedstock; Average Ukrainian production assumed at 38 MMBtu per ton of ammonia for feedstock; Chinese production assumed to be 1.12 tons of coal for feedstock.



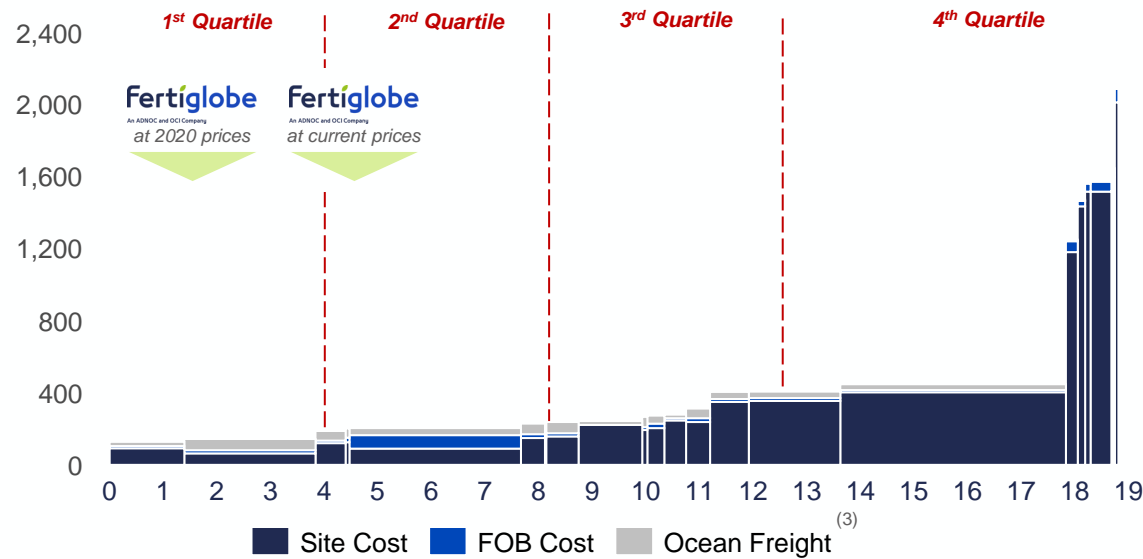
# Fertiglobe Attractively Positioned on Urea and Ammonia Cost Curves

## Benefit from attractively priced, long-term feedstock gas contracts and low conversion costs

- Long-term attractive gas supply agreements with EGPC in Egypt, Sonatrach in Algeria, and ADNOC in Abu Dhabi supporting advantageous cost position
- Young asset base with high gas efficiency and high reliability, resulting in lower costs per tonne
- Local currency denominated costs, allowing for lower overhead costs
- Freight and logistical advantage to most major markets allow Fertiglobe to capitalize on higher pricing in markets during peak demand periods
- Situated in the 1<sup>st</sup> - 2<sup>nd</sup> quartiles of the ammonia and urea cost curves for 2022
  - In Algeria and the UAE, gas prices are fixed
  - In Egypt, gas prices are linked to the weighted-average selling price of urea and ammonia as part of a revenue sharing mechanism

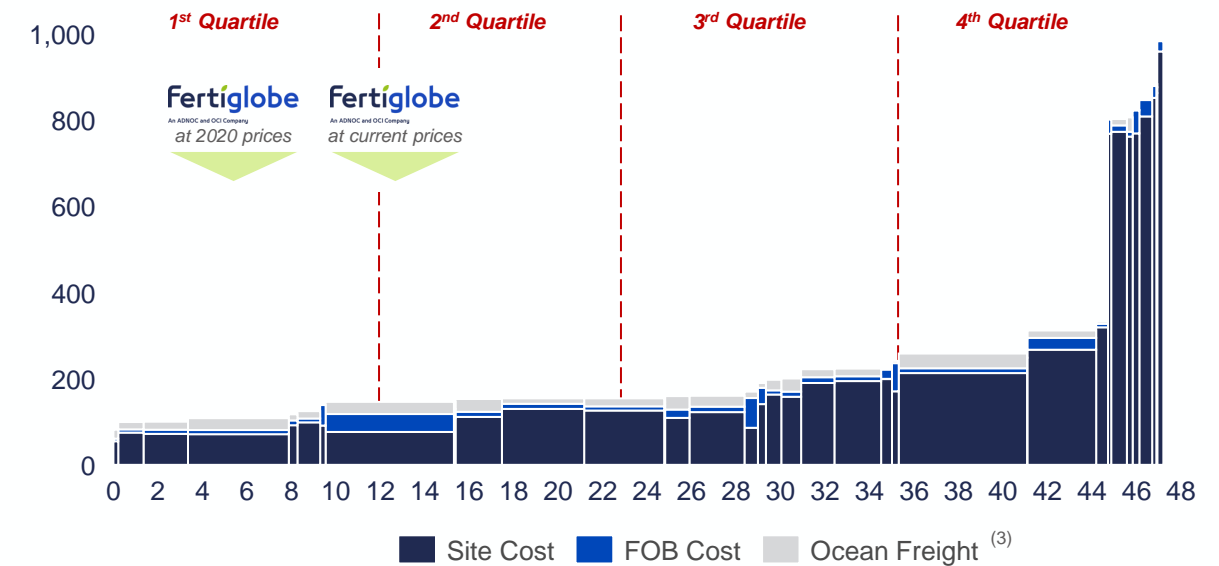
### 2022 Fertiglobe Situated in 1<sup>st</sup> - 2<sup>nd</sup> Quartiles of Ammonia Cost Curve (\$/t)

Y axis: Ammonia CFR delivered costs in 2022; X axis: Exports by Region, Million mt, Ammonia



### 2022 Fertiglobe Situated in 1<sup>st</sup> - 2<sup>nd</sup> Quartiles of Urea Cost Curve (\$/t)

Y axis: Urea CFR delivered costs in 2022; X axis: Exports by Region, Million mt, Urea

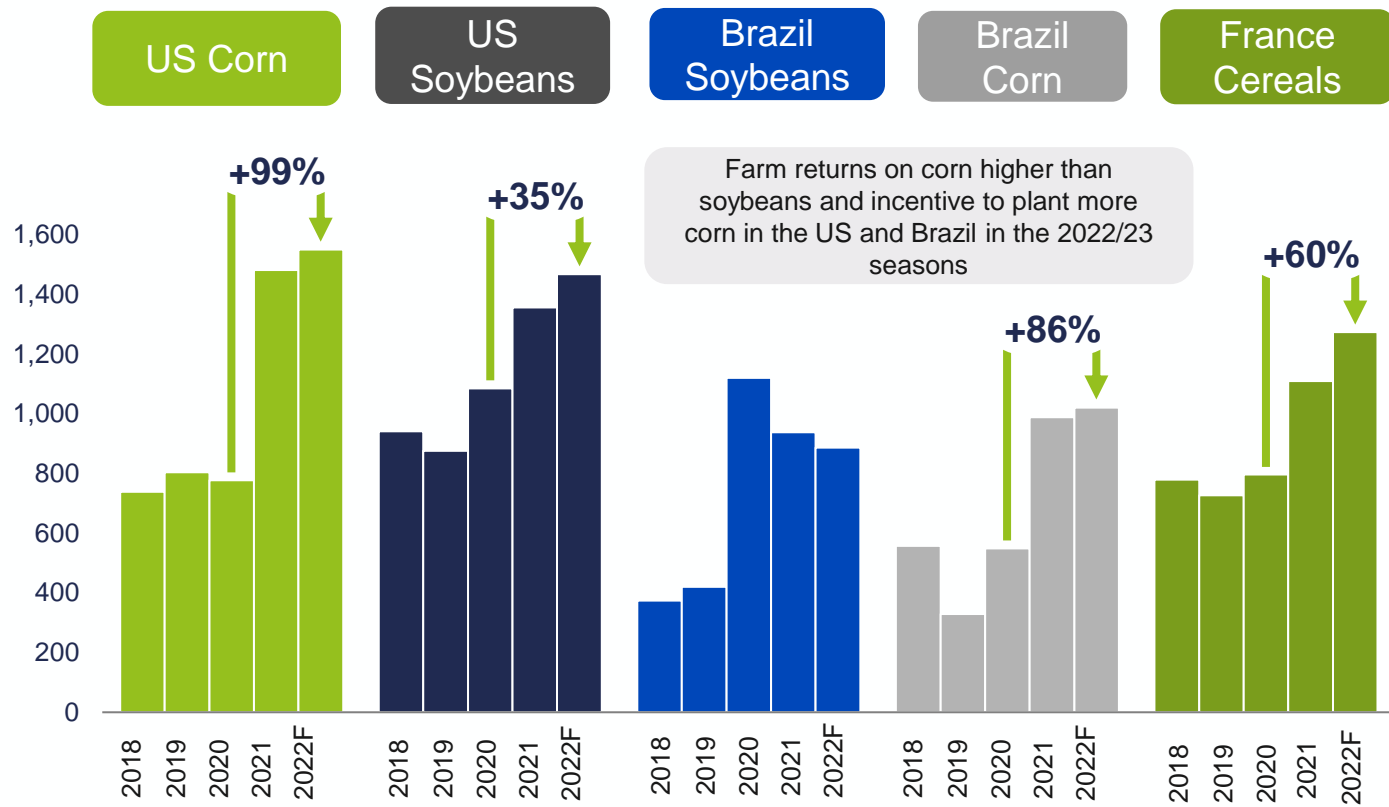


Profit sharing mechanism with gas suppliers ensures top quartile positioning through the cycle

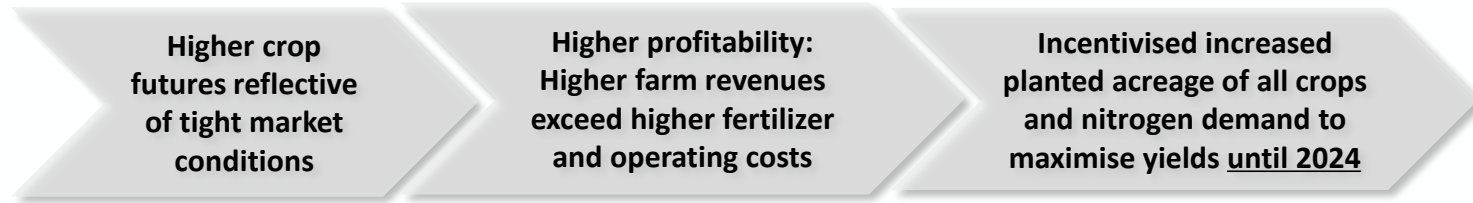


# High Farm Incomes Supportive Of Demand

Farm operating margins (revenue above operating costs), USD/ha



Farm returns on corn higher than soybeans and incentive to plant more corn in the US and Brazil in the 2022/23 seasons

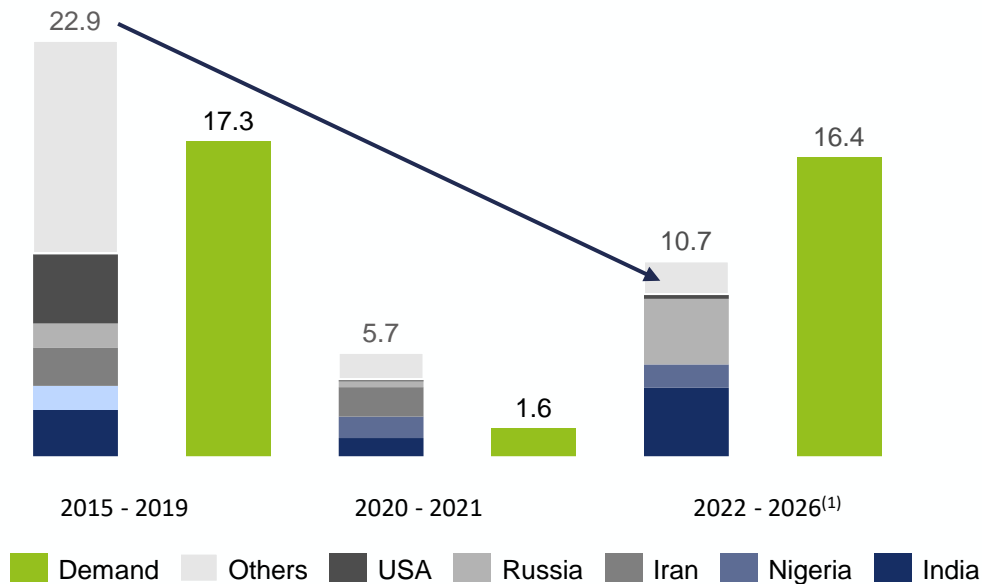


- Supportive farm incomes in 2022:**  
 Farm margins are attractive in grain exporting regions as input costs have been offset by higher crop prices, incentivising farmers to plant more acres across all crops. **High forward grain prices is supportive of sustaining farm incomes and strong demand until at least 2024.**
- Inelastic nitrogen demand:**  
 Demand for nitrogen is inelastic compared to other fertilizers. Farmers cannot cut nitrogen application by more than 10% without realising an immediate loss in yields as evidenced in the 21/22 season with limited demand destruction in grain exporting countries. Additional upside with switching to more nitrogen use in India
- Farmers locking in input costs:**  
 Farmers in US, Europe and Brazil are **hedging their operating margins, by selling forward their new crop at current high forward grain pricing. At the same time, they are incentivised to purchase nitrogen, secure input costs and lock in margins.** This is supportive of nitrogen demand and pricing

# Attractive Nitrogen Dynamics with Demand Expected to Exceed Capacity Additions

## Ex-China urea capacity additions slow relative to 2015-19

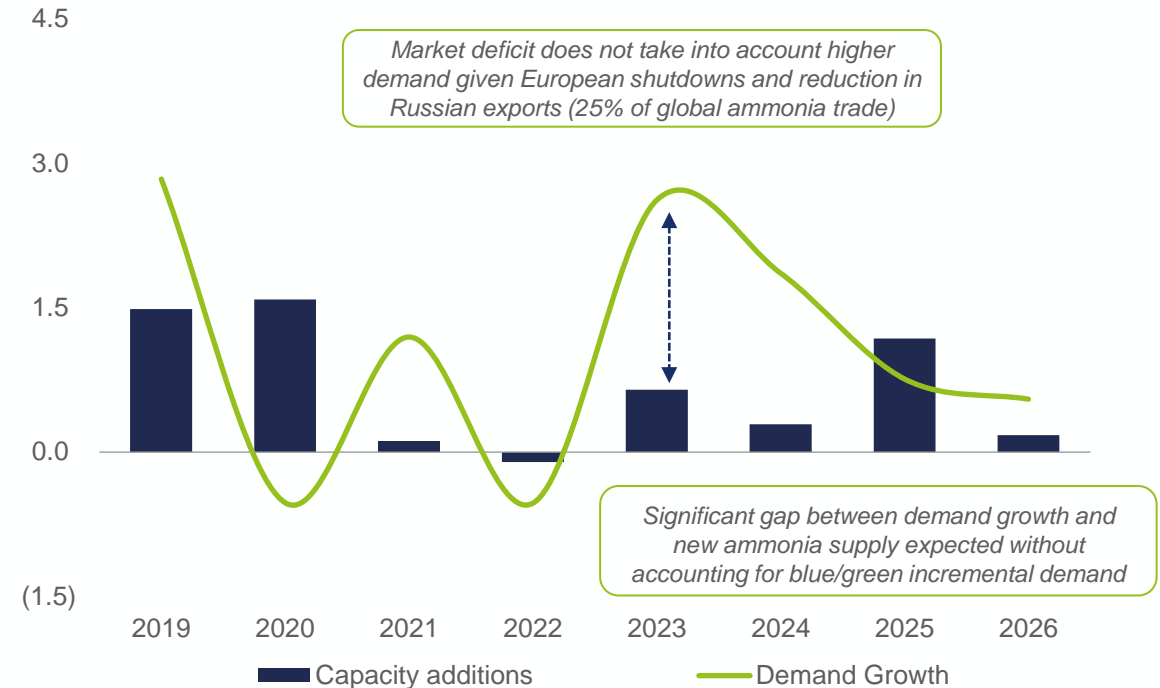
Mt



- ✓ Demand growth expected to exceed supply growth, new supply subject to delays and utilization rates expected to be slow to ramp up, limiting the impact on the traded market
- ✓ Significant reversal in market dynamics from over-supply in the last down cycle (2015 – 2019) of 5.6 million Mt to a surplus of c.6 million Mt
- ✓ 11 million Mt new urea capacity additions in 2022 – 2026 includes 3.6 million Mt in Russia (34%), which is at risk of delays
- ✓ Increased focus on the environment is a barrier to enter this industry, limiting “grey” capacity additions in the US, EU, China and elsewhere
- ✓ Good visibility on supply additions given 4-6 years lead time to build a new plant

## Merchant ammonia market structurally tightening

Global ammonia net capacity additions and demand growth, ex-China ex-urea, Mt



- ✓ Given high feedstock costs and gas supply availability concerns in Europe, 7Mt of ammonia capacity is currently shut, with more expected as gas in Europe is expected to remain tight, upside for ammonia imports in Europe and pricing
- ✓ Structural tightening in ammonia with limited net capacity additions more than offset by higher demand growth, resulting in a deficit of 4 million Mt compared to a net surplus of 7.5 million Mt in 2015 – 2019, providing a strong backdrop for forward ammonia pricing above high marginal cost floors
- ✓ Further upside for ammonia from the expected incremental demand for clean ammonia in new applications across a range of sectors including marine fuel and power, and as a hydrogen carrier



# Lower Chinese Exports And Higher Indian Imports Supportive Of Prices

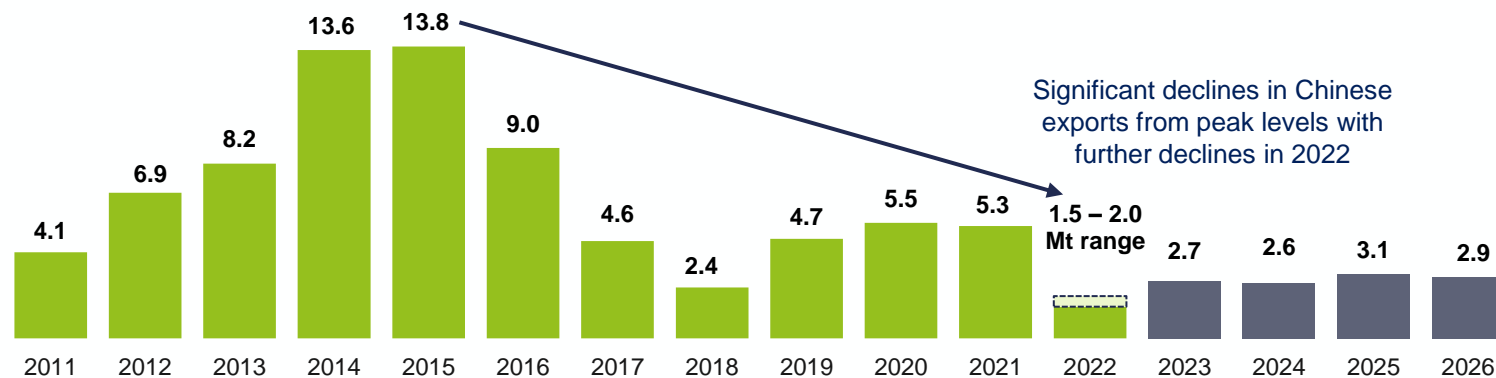
## Chinese market balances supported by:

- **Government measures to curb exports until at least H2 2023 and prioritise domestic supply** including mandatory stocking requirements. This is expected to cap 2022 exports to ~ 1.5 Mt
- **High domestic crop prices and government emphasizing food security** is supportive of crop expansion and robust demand in 2022 and 2023
- **Capacity closures** due to environmental regulations contributing to lower exports in 2022 and beyond
- **Medium-term** exports expected to fall to ~3 mt over the medium-term given environmental policy impacts and prioritization of energy for domestic use

- Despite the commissioning of three world-scale plants in India over 2017-2021, **domestic production has been relatively flat** and decreased c.600 kt in 2021
- **Capacity additions in India are subject to delays** and not expected to commission in line with published government timelines, supporting imports
- **India is expected to issue follow-up tenders to replenish inventories**, ahead of Rabi season starting in October. High wheat prices, demand for Indian wheat given Russia-Ukraine conflict and good monsoons, will be supportive of urea demand through H2 2022
- Further upside for Indian import demand in 2023 given growth in crop area and subsidies favoring urea expected to result in increased substitution from P&K

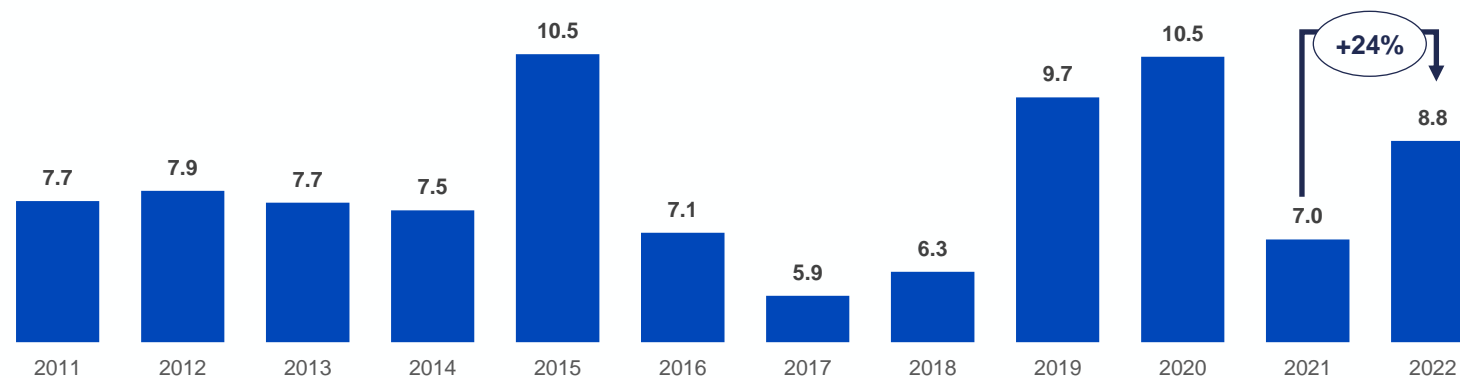
## Chinese Exports Curtailed on Domestic Demand and Closures

China urea exports, Mt



## Indian Supply Has Declined Despite New Capacity Commissioning, and Robust Demand Supportive of Imports

India imports, Mt

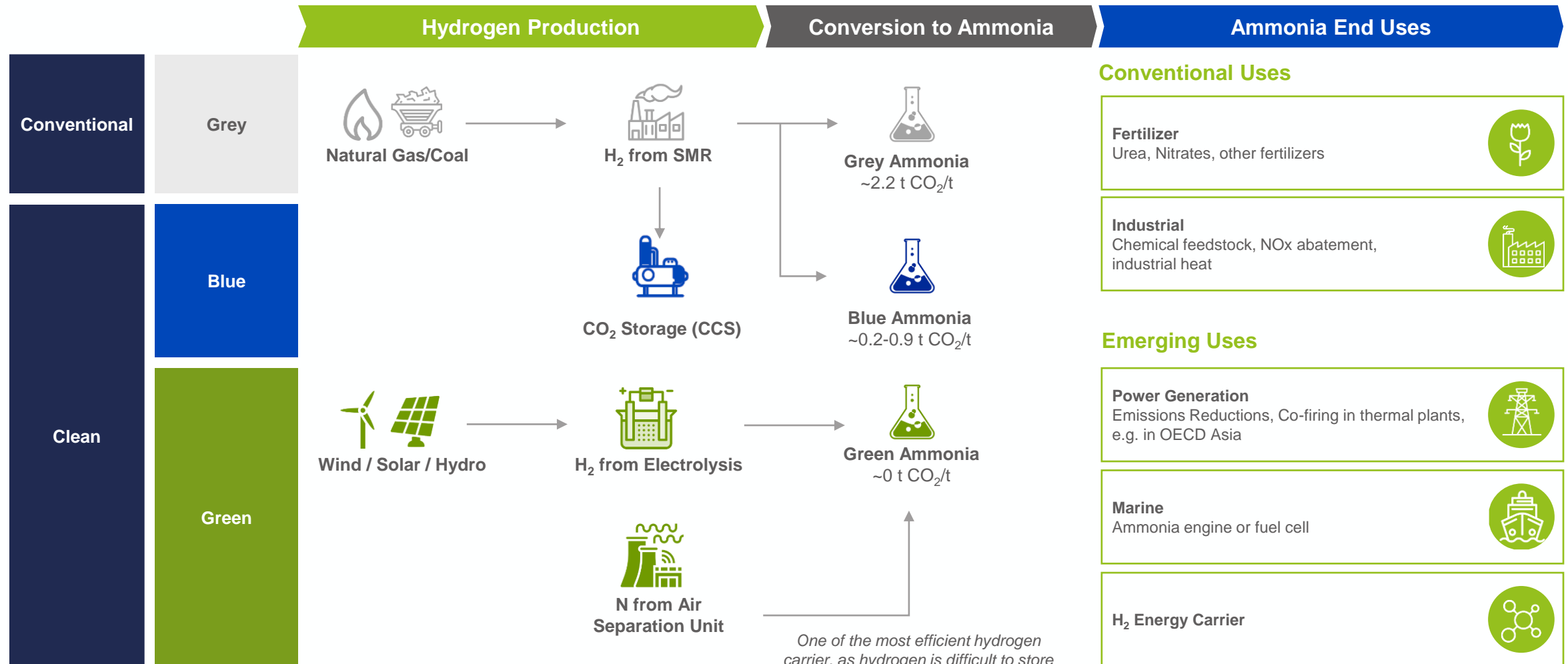


# Hydrogen and Clean Ammonia Potential



# Ammonia is Well Positioned to Capture the Hydrogen Opportunity

## With >40% of Grey Hydrogen Use Today, Ammonia is a Building Block in the Emerging H<sub>2</sub> Economy Acting As Its Best Carrier



One of the most efficient hydrogen carrier, as hydrogen is difficult to store and transport due to low boiling temperature (-252 C)



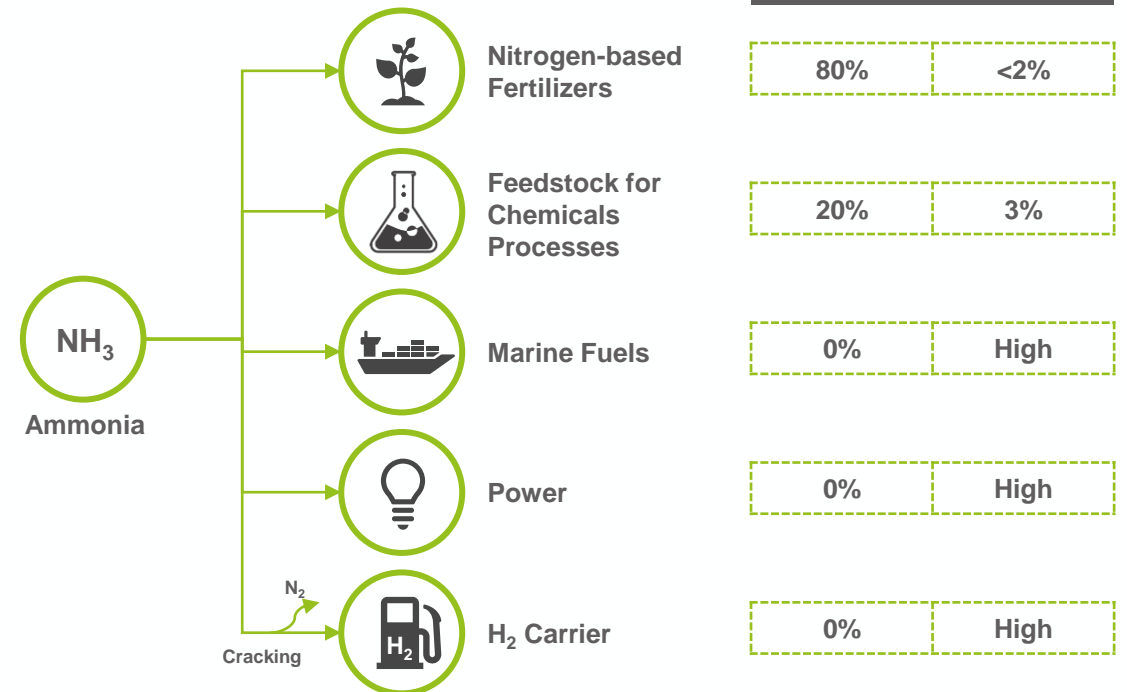
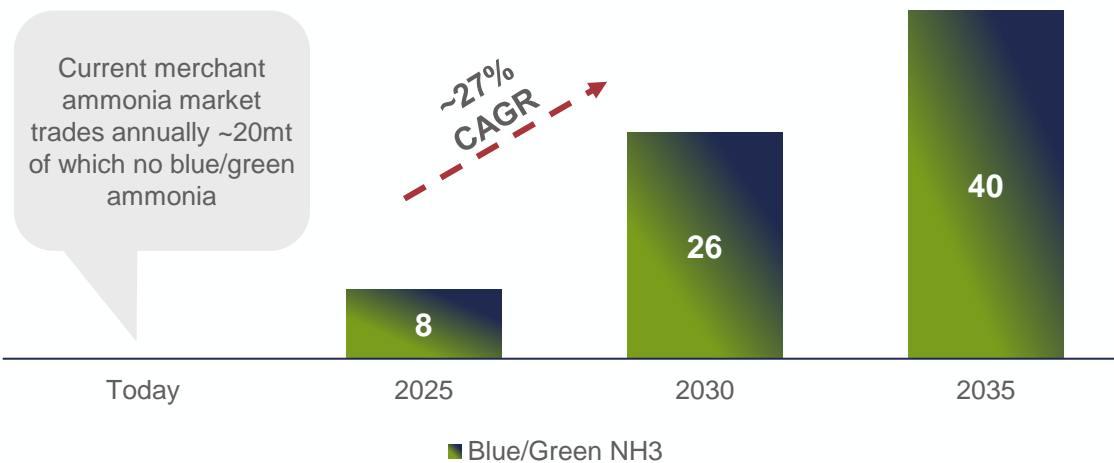
# Significant Incremental Ammonia Demand in the Medium-Term from New Clean Energy Applications

## Clean Hydrogen is Strongly Positioned to Lead the World's Energy Transition, and Ammonia is the Key Enabler for Such Clean Hydrogen Energy

- Clean hydrogen use in energy applications will be a major contributor to emission reduction across industries where abatement is difficult (e.g. steel, power, shipping, etc)
- Ammonia is one of the most efficient ways to transport and store clean hydrogen, as hydrogen is difficult to store and transport due to low boiling temperature (-252 C)
- On the back of this transition, several new applications are emerging which individually would create an end market multiple times as large as the current ammonia merchant
- Incremental demand for clean ammonia is expected to tighten the conventional market further as grey capacity is decarbonized to cater to the new clean ammonia demand

### Blue/Green Ammonia to Make Up ~50% of Merchant Market vs Zero Today

Mt



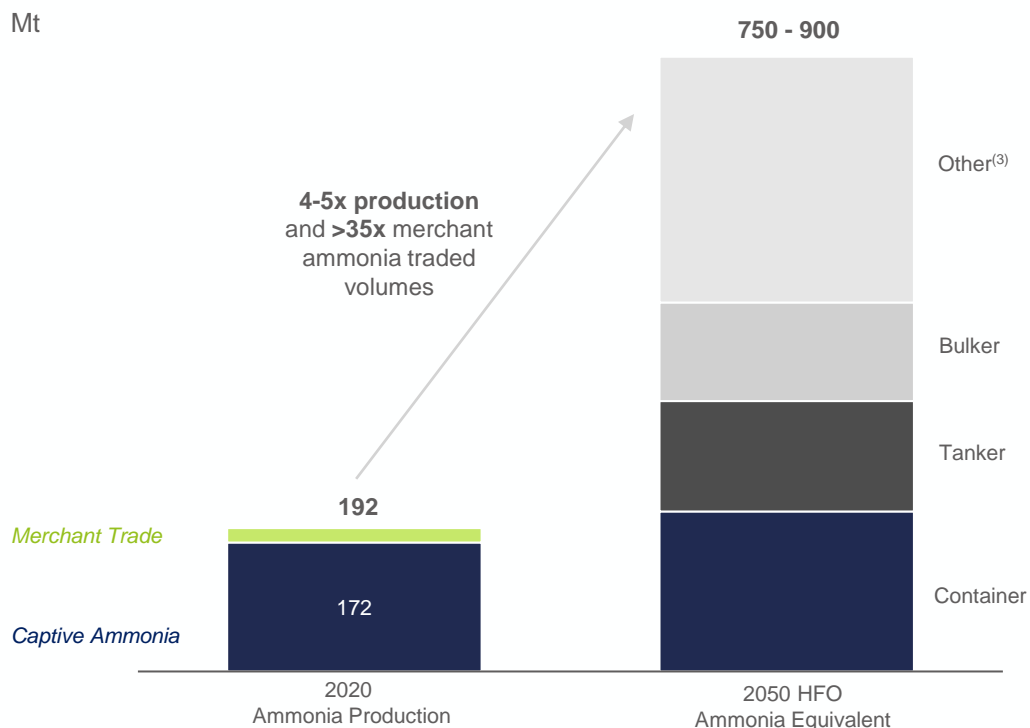


# Marine Fuel Represents a Substantial Market Opportunity for Fertiglobe

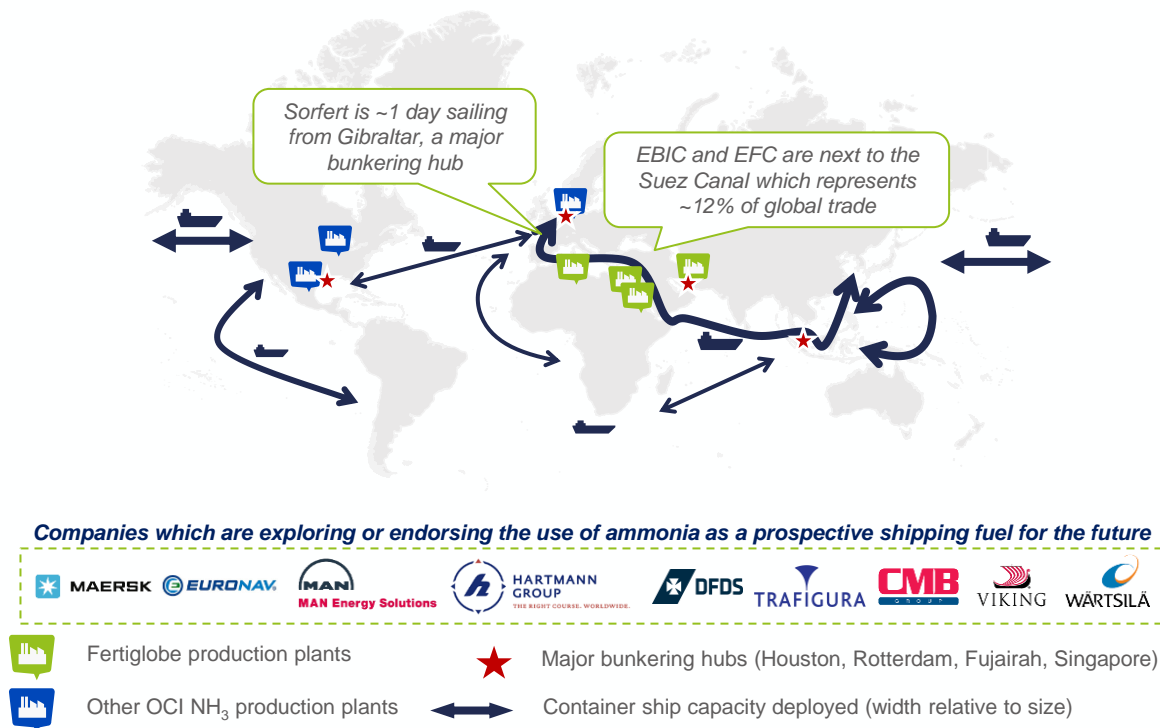
## Shipping Accounts for ~3% of GHG Emissions Worldwide

- Ammonia as a marine fuel is **one of the most practical alternatives to Heavy Fuel Oil (HFO)** - burns cleanest when used as an energy source vs. other fuels (>50% reduction in GHG when using blue ammonia)
- Major ship owners and engine manufacturers** are pursuing or exploring the use of ammonia as the shipping fuel of the future
- The existing footprint creates **strategic potential for bunkering stations stopovers, with limited investment** for ammonia fueled ship engines

### 2050 Outlook potential for Ammonia in the Marine Fuels Industry as a substitute for HFO<sup>(1,2)</sup>



### Fertiglobe's Network Located at Key Bunkering Hubs on Major Shipping Lanes

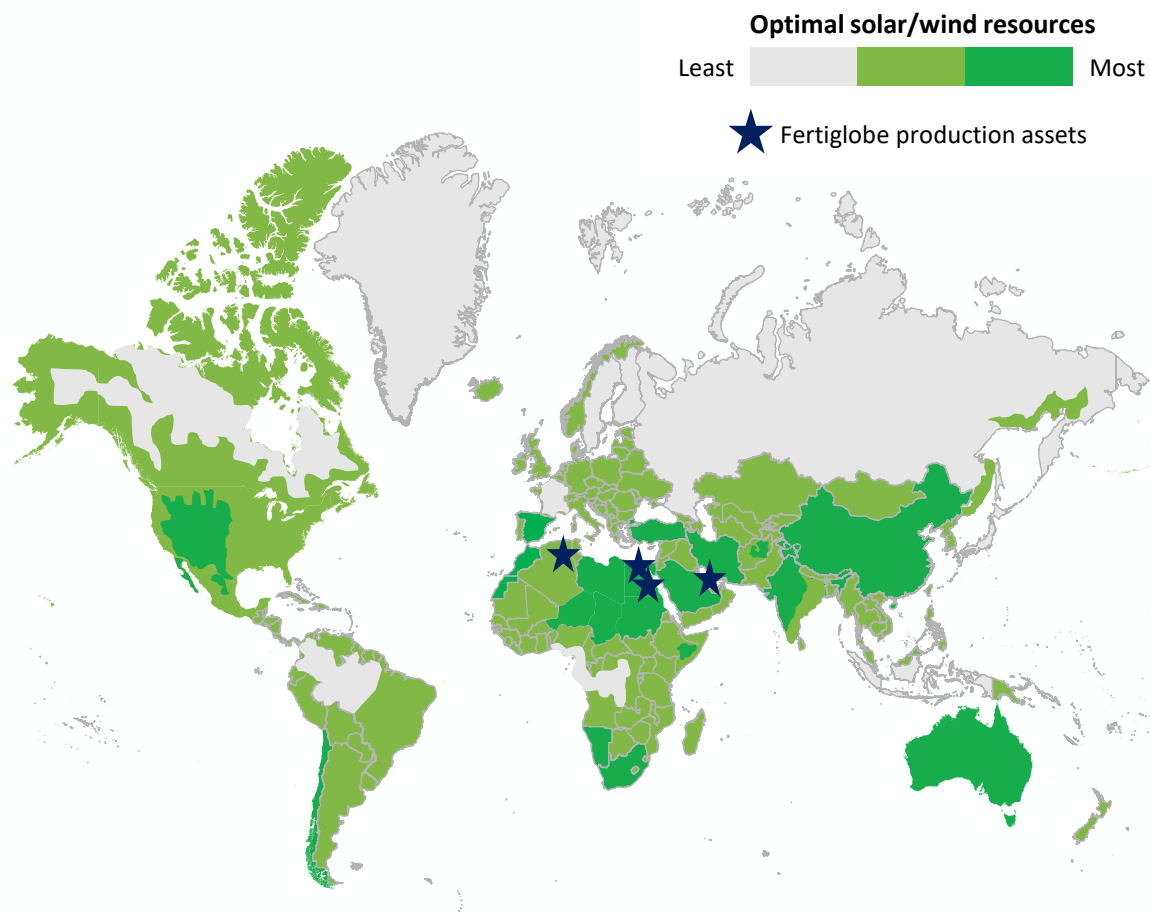






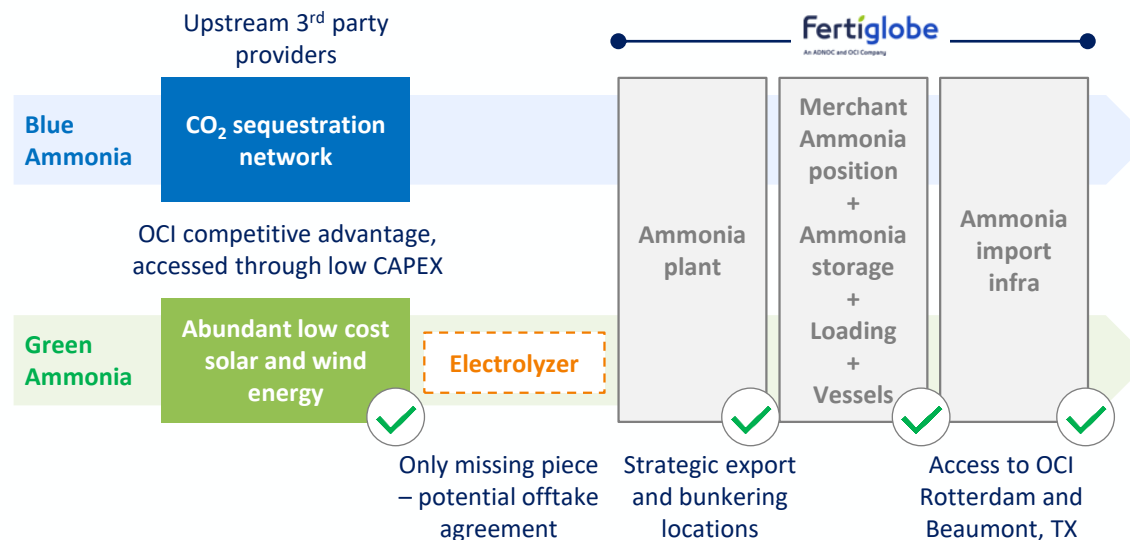
# Fertiglobe is Very Well Positioned to Capture the Hydrogen Potential

## Located in Proximity to Renewable Energy Sources and Shipping Hubs



**Plants with ample access to low cost solar and wind sources and located on the busiest shipping lanes in the world**

## Asset Base with Existing Access to the Entire Hydrogen Supply Chain



- Fertiglobe is a plug-and-play for low carbon ammonia, with significant competitive advantages in comparison to other greenfield projects
- Ready to benefit from blue and green ammonia opportunities with practically all critical necessary pieces in place
- Can use electrolyzers incrementally with variable output to ammonia synthesis in line with typical renewable feedstocks
- Fertiglobe is evaluating and developing a number of lower carbon projects across its global asset base

**Minimal capex required to add green/blue hydrogen capacity compared to greenfield projects**

Source: Derived from IEA hydrogen cost from hybrid solar PV and onshore wind systems in the long term.



# Fertiglobe Clean Ammonia Execution Roadmap<sup>(1)</sup>

## Early Mover in Low Carbon Ammonia – Allowing Access to Higher Product Premia at Minimal Capex



Clean ammonia projects offer volume growth and margin increase opportunities at limited capex

# Appendix

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*Q2 2022 Results*



# 30 June 2022 Net Debt

## H1 2022 Dividend Announced at \$750 million

\$ million	30-Jun-22	31-Dec-21
<b>Cash and bank balances</b>	<b>1,589.0</b>	<b>899.1</b>
Loans and borrowings - current	61.1	59.6
Loans and borrowings - non-current	1,082.9	1,326.1
<b>Total borrowings</b>	<b>1,144.0</b>	<b>1,385.7</b>
<b>Net debt (cash)</b>	<b>(445.0)</b>	<b>486.6</b>
Net debt / LTM Adj. EBITDA	(0.2x)	0.3x

### Key Highlights

- In October 2021, Fertiglobe closed a \$1.1 billion bridge facility to right-size its capital structure. As a result, Fertiglobe ended Q3 2021 with pro forma net debt of c.\$1.1 billion, implying net debt / adjusted EBITDA of c.1.1x (on a pro forma basis). As a result of strong earnings and cash conversion, net debt / EBITDA dropped to 0.3x as at 31-Dec-21, and Fertiglobe turned net debt free by the end of Q1 2022. Fertiglobe ended Q2 2022 with net cash of \$445 million, supporting future growth opportunities and attractive dividend pay-out.
- Fertiglobe announced H1 2022 dividends at \$750 million (payable in October 2022), above management guidance of at least \$700 million.
- Beyond H1 2022, Fertiglobe remains committed to its dividend policy of substantially distributing all excess free cash flows after providing for growth opportunities and maintaining its investment grade parameters. More detailed guidance on the H2 2022 dividend will be provided with Q3 2022 results in November 2022.
- In June 2022, Fertiglobe was issued first time investment grade ratings by S&P, Moody's and Fitch (BBB-, Baa3 and BBB-, respectively), recognizing its strong free cash flow generation, conservative financial policy and robust outlook.



# Reconciliation of Adjusted EBITDA and Adjusted Net Profit

## Reconciliation of reported operating profit to adjusted EBITDA

\$ million	Q2 2022	Q2 2021	H1 2022	H1 2021	Adjustment in P&L
Operating profit as reported	707.2	230.0	1,264.8	397.0	
Depreciation and amortization	62.8	72.5	124.8	136.3	
EBITDA	770.0	302.5	1,389.6	533.3	
<b>APM adjustments for:</b>					
Movement in provisions	-	(1.1)	5.0	(1.1)	Cost of sales
<b>Total APM adjustments</b>	<b>-</b>	<b>(1.1)</b>	<b>5.0</b>	<b>(1.1)</b>	
<b>Adjusted EBITDA</b>	<b>770.0</b>	<b>301.4</b>	<b>1,394.6</b>	<b>532.2</b>	

## Reconciliation of reported net profit to adjusted net profit

\$ million	Q2 2022	Q2 2021	H1 2022	H1 2021	Adjustment in P&L
Reported net profit attributable to shareholders	429.4	113.3	786.0	198.5	
<b>Adjustments for:</b>					
Adjustments at EBITDA level	-	(1.1)	5.0	(1.1)	
Accelerated depreciation	-	9.2	-	9.2	Depreciation
Forex gain on USD exposure	(18.4)	(2.0)	(33.0)	(6.3)	Finance income and expense
Other financial expense	9.7	-	9.7	-	Finance expenses
Non-controlling interest	17.5	1.3	31.5	4.0	Minorities
Tax effect of adjustments	-	(2.2)	-	(2.2)	Taxes
<b>Total APM adjustments at net profit level</b>	<b>8.8</b>	<b>5.2</b>	<b>13.2</b>	<b>3.6</b>	
<b>Adjusted net profit attributable to shareholders</b>	<b>438.2</b>	<b>118.5</b>	<b>799.2</b>	<b>202.1</b>	



# Reconciliation of EBITDA to Free Cash Flow and Change in Net Debt

## Reconciliation of EBITDA to Free Cash Flow and Change in Net Debt

\$ million	Q2 2022	Q2 2021	H1 2022	H1 2021
<b>EBITDA</b>	770.0	302.5	1,389.6	533.3
Working capital	93.0	54.4	13.6	(4.8)
Maintenance capital expenditure	(13.0)	(5.4)	(19.8)	(12.9)
Tax paid	(77.3)	(19.4)	(133.7)	(35.1)
Net interest paid	(11.3)	(9.8)	(23.0)	(18.6)
Lease payments	(5.7)	(4.4)	(7.0)	(5.7)
Dividends paid to non-controlling interests and withholding tax	(63.5)	(10.6)	(67.3)	(10.6)
Ecremage	96.5	20.3	157.1	33.3
<b>Free Cash Flow</b>	<b>788.7</b>	<b>327.6</b>	<b>1,309.5</b>	<b>478.9</b>
<b>Reconciliation to change in net debt:</b>				
Growth capital expenditure	(1.6)	(0.3)	(4.2)	(0.7)
Other non-operating items	(2.9)	(16.3)	(2.9)	(15.5)
Net effect of movement in exchange rates on net debt	0.5	(1.3)	(25.2)	(0.3)
Dividend to shareholders	(340.0)	(23.1)	(340.0)	(55.0)
Other non-cash items	(2.1)	(0.5)	(5.6)	(1.0)
<b>Net Cash Flow / Decrease in Net Debt</b>	<b>442.6</b>	<b>286.1</b>	<b>931.6</b>	<b>406.4</b>

# Appendix

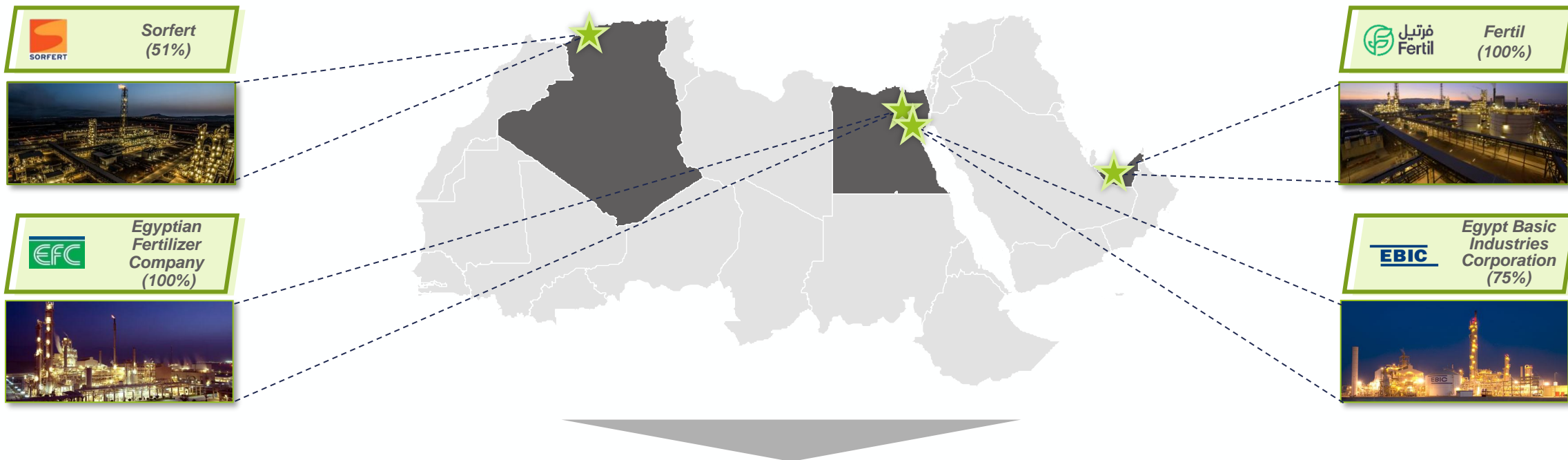
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*About Fertiglobe*



# Strategically Located Asset Base and Global Distribution Platform

## Diversified Production Footprint in Geographically Advantaged Positions



### Unique production platform in export-focused locations with global reach

Fully integrated assets located East and West of the Suez Canal

Multiple interchangeable supply points with ability to deliver ammonia and urea from any of three countries

Plug-and-play for low carbon ammonia with ability to add both blue and green ammonia without prohibitive greenfield capex spending with projects already underway





# 4 World-Scale Assets Leveraging a Global Centralised Commercial Platform

**Fertiglobe**<sup>(1)</sup>

An ADNOC and OCI Company

Total Fertiglobe Capacity (mtpa)			
Gross ammonia	4.4	Urea	5.1
Net ammonia	1.5	DEF	0.5 <sup>(3)</sup>

UAE	Egypt	Algeria																
<b>Fertil (100%)</b>	<b>Egyptian Fertilizer Company (100%)</b>	<b>Sorfert (51%)<sup>(2)</sup></b>																
<table border="1"> <thead> <tr> <th>Product</th> <th>mtpa</th> </tr> </thead> <tbody> <tr> <td>Urea</td> <td>2.1</td> </tr> <tr> <td>DEF</td> <td>0.1<sup>(3)</sup></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Commissioned 1983 (line I) and 2013 (line II)</li> <li>Fully integrated</li> <li>180kt on-site Urea storage capacity</li> <li>Has its own jetty for loading connected to the plant</li> </ul>	Product	mtpa	Urea	2.1	DEF	0.1 <sup>(3)</sup>	<table border="1"> <thead> <tr> <th>Product</th> <th>mtpa</th> </tr> </thead> <tbody> <tr> <td>Urea</td> <td>1.7</td> </tr> <tr> <td>DEF</td> <td>0.4<sup>(3)</sup></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Commissioned 2000 (line I) and 2006 (line II)</li> <li>Fully integrated</li> <li>Built by Orascom Construction</li> <li>Capable of exporting from Mediterranean and Red Sea</li> </ul>	Product	mtpa	Urea	1.7	DEF	0.4 <sup>(3)</sup>	<table border="1"> <thead> <tr> <th>Product</th> <th>mtpa</th> </tr> </thead> <tbody> <tr> <td>Ammonia</td> <td>0.7</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Commissioned 2009</li> <li>Minority Partners: Egyptian General Petroleum Corporation and private individuals</li> <li>Built by Orascom Construction</li> <li>Direct pipeline to EFC and 8km from Sokhna Port</li> </ul>	Product	mtpa	Ammonia	0.7
Product	mtpa																	
Urea	2.1																	
DEF	0.1 <sup>(3)</sup>																	
Product	mtpa																	
Urea	1.7																	
DEF	0.4 <sup>(3)</sup>																	
Product	mtpa																	
Ammonia	0.7																	
<p><b>Technology Provider</b></p> <p>HALDOR TOPSØE</p>	<p><b>Technology Provider</b></p>	<p><b>Technology Provider</b></p>																

**UAE**

**Fertiglobe Distribution**

**Distribution Business (100%)**

**Distribution and Trading**

- Own product and 3<sup>rd</sup> party urea and ammonia
- Urea distribution benefits from leased/owned distribution infrastructure as well as partnership agreements with key regional distributors
- Ammonia distribution benefits from 3 ammonia vessels currently chartered (2 long-term and 1 medium-term)

Source: Company Information

Notes: (1) Fertiglobe is headquartered in Abu Dhabi and was established as an ADGM company in 2019

(2) Fertiglobe increased its ownership in EBIC from 60% to 75% in Aug-21, by acquiring a 15% stake from a KBR-led consortium, which includes Mitsubishi, JGC and Itochu

(3) Maximum downstream capacities cannot be achieved at the same time. DEF production capacity not included in the 6.6mtpa sellable volume capacity

(4) N-7 is a 50/50 JV between OCI and Dakota Gasification Company (DGC) and distributes Fertiglobe's volumes in North America



# Global In-House Commercial Capabilities in Ammonia & Urea

## Strategy Focused on Selling Downstream to Customers and Limiting Role for Traders/Intermediaries, Leading to Structurally Higher Net-backs

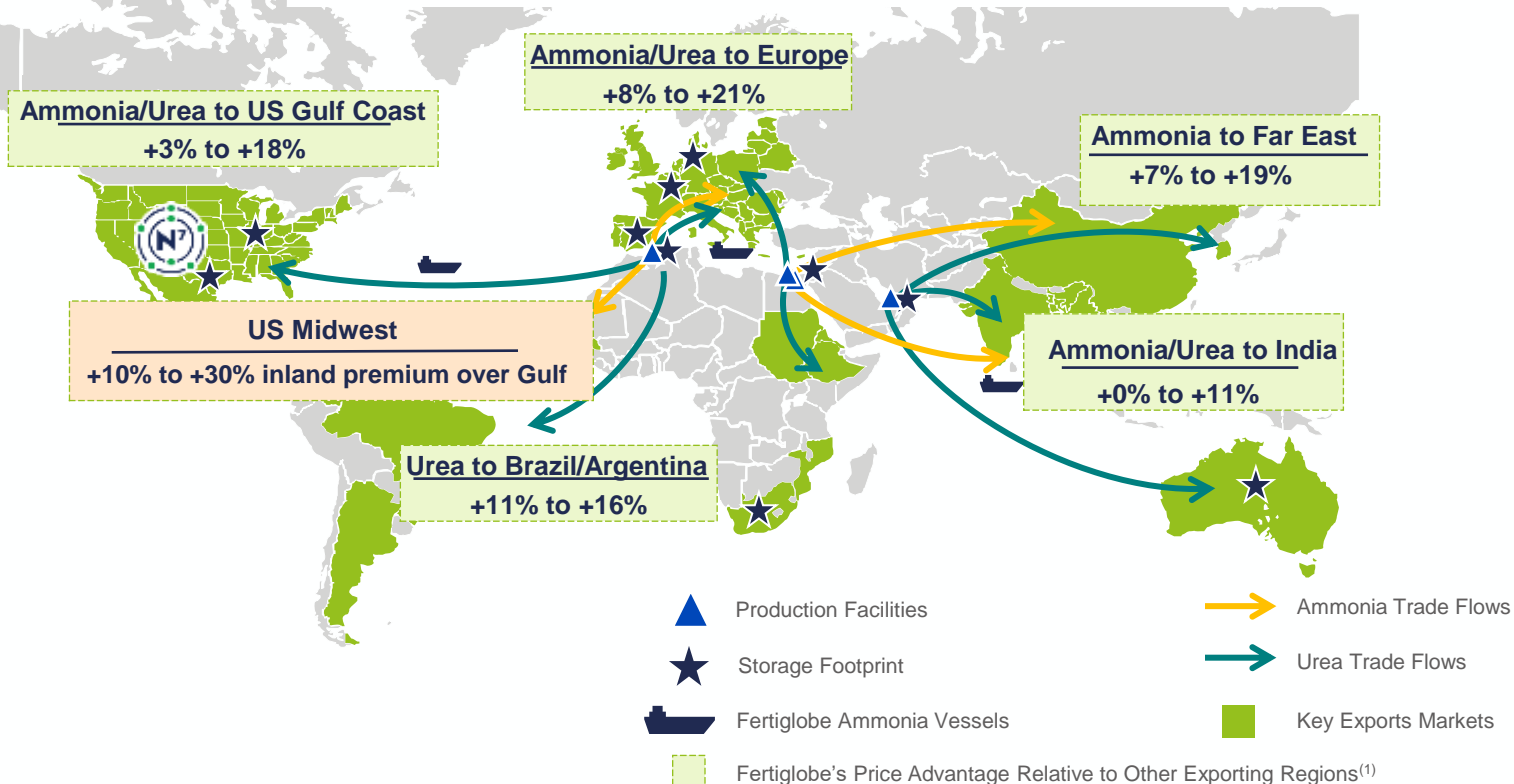
10% global market share of combined ammonia and urea

#1 net ammonia export production capacity in MENA and top 3 globally

### Structural advantage supplemented by strong in-house capabilities and trading platform

- Ability to generate strong trading margins and move third party product reducing trader market share who create volatility
- Fertiglobe as both the producer and the trader always targets value creation
- Low-freight costs, duty-free access to key importing markets and direct-to-customer strategy
- Flexible approach to allocate volumes to the highest netback markets
- Diversified customer base and footprint expansion in Latin America and Asia
- Extensive inland storage and distribution infrastructure in the US with N-7 JV and in Europe
- Fertiglobe benefits from structurally higher realized prices compared to peers - even in the event of a removal of duties into markets such as Europe - given freight, distribution advantage and flexible business model

	Fertiglobe <small>An ADNOC and OCI Company</small>	GCC Producer	Baltic Producer	Black Sea Producer
No import duties into Europe/South America	✓			
No Suez Canal charges to Europe/Americas	✓		✓	✓
No Suez Canal to India/Asia	✓	✓		
Inland distribution infrastructure in US and Europe	✓		✓	





# Fertiglobe Gas Contracts Overview

## Attractively Priced Fixed Gas Contracts Ensure Fertiglobe is Competitive Through the Nitrogen Cycle

	 فرتيل Fertil	 EFC <sup>(1)</sup>	 EBIC	 SORFERT
<b>Gas Supplier</b>	ADNOC	GASCO <sup>(2)</sup>	EGPC <sup>(2)</sup>	Sonatrach
<b>Contract Start Date</b>	2019	2005 - 2006	2008	2013
<b>Contract End Date</b>	2044	2030 - 2031	2028	2033
<b>Annual Contract Volume (m mmbtu)</b>	56.0	33.5	24.0	60.7
<b>Contract Pricing Mechanism (\$ / mmbtu)</b>	<p>Price determined in bi-lateral agreement:</p> <ul style="list-style-type: none"> <li>○ \$3.5 in 2022</li> <li>○ Escalation of +3% p.a.</li> </ul>	<p>Price determined in bi-lateral agreement:</p> <ul style="list-style-type: none"> <li>○ \$4 floor</li> <li>○ <i>Cost escalation factors above certain product benchmark price levels</i></li> </ul>	<p>Price is determined by national decree, with a contractual price stabilization until November 2023</p> <ul style="list-style-type: none"> <li>○ USD 1.25/MMBtu in 2021 and increases annually by 5%. With additional profits paid to Sonatrach under Ecremage</li> </ul> <p>Following the expiry of the pricing stabilization mechanism, the price of natural gas will be determined in accordance with applicable regulation. Regulation provides that the sale price of natural gas will be freely negotiated with Sonatrach</p>	
<b>Gas Supplier Participation in FG Equity</b>	 36% of FG	NA	 15% of EBIC	 49% of Sorfert



# Profit Sharing Mechanisms – Sensitivity to Product Prices

Fertiglobe Has Profit Sharing Mechanisms that Provide the Egyptian and Algerian Governments with Greater Income Participation as Product Pricing Increases<sup>(1)</sup>

Illustrative Impact of Product Prices on Reported EBITDA

	2021A	@ 2021A + Sensitized Pricing						
		+\$100/t	+\$200/t	+\$300/t	+\$400/t	+\$500/t	+\$600/t	+\$700/t
<b>12M Avg Urea Benchmark Price</b> (FOB Egypt, in \$ / t)	530	630	730	830	930	1,030	1,130	1,230
<b>12M Avg Ammonia Benchmark Price</b> (FOB Black Sea, in \$ / t)	555	655	755	855	955	1,055	1,155	1,255
<b>Gas Rates<sup>(2)</sup></b> (in \$ / mmbtu)	3.3	3.7	4.1	4.5	4.8	5.2	5.6	5.9
<b>EBITDA Sensitivity</b>  Revenue vs. Cost Increase (in \$mn)	530	1,060	1,590	2,120	2,650	3,179	3,709	
		(135)	(275)	(416)	(557)	(698)	(839)	(980)
		■ Additional revenue		■ Additional cost				
<b>Reported EBITDA Impact</b>	\$1,551 m (2021)	+\$395 m	+\$784 m	+\$1,173 m	+\$1,562 m	+\$1,951 m	+\$2,340 m	+\$2,729 m

For a \$100/t increase above 2021 urea/ammonia prices, everything else equal, Fertiglobe reported EBITDA increases by ~\$350-400m

Source: Company Information

Note: (1) **Egypt**: natural gas arrangements include cost escalation factors above certain product benchmark levels. Impact of higher gas pricing above \$4/mmbtu is significantly outweighed by the positive impact of higher revenue realized at such product pricing levels. **Algeria**: the partnership agreement with Sonatrach contains an incentive payment based on product prices driven formula, which is effectively a cost, compensating the Algerian state for Sorfert's competitive gas price.

(2) Does not include take-or-pay costs and fixed costs

**Thank you**

