

Fertiglobe Reports Strong Q3 2021 Performance Underpinned by Robust Market Conditions

Highlights:

- Revenues increased 175% to \$867 million and adjusted EBITDA increased 257% to \$371 million in Q3 2021 as compared to Q3 2020, driven by significantly higher selling prices and volume growth of 21%
- Adjusted net income was \$158 million in Q3 2021 compared to adjusted net income of \$6 million in Q3 2020
- Fertiglobe maintains a robust capital structure with trailing net debt / EBITDA of 1.1x at the time of listing. The Company continues to expect net leverage well below 1.0x by year-end 2021
- Strong performance underscores Fertiglobe's robust and competitive position
- Due to strong earnings momentum, Fertiglobe increases dividend guidance from at least \$200 million to at least \$240 million for H2 2021 payable in April 2022, with the final number to be determined in February 2022

Abu Dhabi, UAE – 8 November 2021: Fertiglobe (ADX: FERTIGLB), 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 by production capacity, and an early mover in clean ammonia, today reported that its Q3 2021 revenues increased 175% to \$867 million and adjusted EBITDA increased 257% to \$371 million in Q3 2021 as compared to Q3 2020. Due to strong earnings momentum, Fertiglobe announced that it has increased its dividend guidance from at least \$200 million to at least \$240 million for H2 2021, payable in April 2022, with the final number to be determined in February 2022.

Fertiglobe, a strategic partnership between ADNOC and OCI headquartered in Abu Dhabi, operates a diverse regional footprint of four world-class production facilities in three countries, Egypt, Algeria and the UAE. The company has significant non-GDP growth levers, benefiting from a unique combination of factors including strategic locations and a competitive low-cost position, which support strong free cash flows and attractive dividends. As a leader in merchant ammonia and an early mover in clean ammonia, Fertiglobe is well positioned to capitalize on the global transition to a hydrogen economy, with ammonia having emerged as one of the most promising products to enable the energy transition.

Ahmed El-Hoshy, Chief Executive Officer of Fertiglobe commented: "Fertiglobe's first quarterly results following the IPO were robust, reinforcing the company's great potential. We expect this strong earnings momentum to continue with significantly higher EBITDA in Q4 2021 compared to Q3, driven by increasing ammonia and urea prices, exemplifying the structural shift to a demand-driven market environment for nitrogen products over the medium term. Furthermore, as an early mover in clean ammonia projects, Fertiglobe is uniquely positioned to capitalize on new demand for low / no carbon ammonia as an efficient energy carrier and clean fuel as part of the energy transition. In the last few months, we made good progress by partnering with ADNOC to sell blue ammonia to Japan and reached a milestone through our partnership with Scatec and the Sovereign Fund of Egypt on a new project that could produce up to 90,000 metric tons of green ammonia in Egypt."

Strong earnings momentum underpinned by healthy market fundamentals

Fertiglobe's earnings momentum during the third quarter and positive outlook are underpinned by a strong market environment for ammonia and urea.

Demand is robust in Fertiglobe's key import markets with the US, Europe, Latin America and India competing for product ahead of the spring season in Q2 2022. The USDA highlights tighter global grains markets in 2022 versus 2021, with strong support for corn in the \$5/bushel range. Low grain inventory levels and stocks-to-use ratios globally, which need at least 2 years to replenish, amplify the need for nitrogen fertilizers application to ease food security concerns.

In addition, several key recent events support attractive supply and demand dynamics: ongoing high feedstock prices have significantly raised EU ammonia import demand due to capacity being shut-in; urea export bans from China are limiting the participation of the marginal exporter in future Indian tenders; Russia, one of the bigger nitrogen exporting countries in the world, also recently announced it will place export quotas on urea and nitrates, which would tighten global nitrogen balances further; and, projected new urea capacities are below the level seen over the past five years and start-ups are being delayed.

Fertiglobe's distribution capabilities allows the company to optimise benefits from rising prices such as in the recent India urea tender where Fertiglobe represented more than 70% of the total volumes at a price above \$890/mt FOB.

The ammonia market is also structurally tightening over the medium term with limited net merchant capacity additions and higher industrial demand. Ammonia markets are expected to generally remain tight even before the expected meaningful incremental demand for clean ammonia from new applications across a range of sectors including marine fuel, power and as a hydrogen carrier.

Globally, higher marginal costs are also providing support to markets, with feedstock prices resetting at higher levels from the low levels in 2020 and providing support for selling prices over the medium-term.

With a position on the low end of the global cost curves for urea and ammonia, these dynamics are benefitting Fertiglobe in particular, as the company's competitive position strengthens considering higher feedstock pricing in other regions.

ESG – decarbonization initiatives are accelerating

Fertiglobe has multiple initiatives to develop blue / green ammonia as a solution to decarbonize industries that make up around 80% of current global emissions, capitalizing on growth opportunities from emerging demand for clean ammonia.

Fertiglobe made good progress in its efforts to capture growth opportunities within clean ammonia and the emerging hydrogen economy. A 70,000 metric ton scale-up of blue ammonia capacity through a low-cost debottlenecking program in Abu Dhabi, and sales of blue ammonia from the UAE to customers in Japan in partnership with ADNOC were recently announced. In addition, Fertiglobe will join ADNOC and ADQ as a partner in a new world-scale 1 million metric tons per annum blue ammonia project at TA'ZIZ in Ruwais.

Fertiglobe reached another milestone as it entered into an agreement with Scatec ASA (OSE: SCATC) and the Sovereign Fund of Egypt (TSFE) to jointly develop an electrolyzer facility of up to 100MW to produce green hydrogen as feedstock for production of up to 90,000 metric tons of additional green ammonia.

Fertiglobe is highly advantaged in the switch from "grey" to "green" ammonia through the addition of a "plug-and-play" electrolyzer, as Fertiglobe has all other critical elements in the ammonia value chain in place, benefiting from our existing ammonia production and distribution infrastructure, and with abundant attractive wind and solar resources for renewable energy generation in place. Fertiglobe has the ability to scale up green capacity gradually by introducing a supplementary feedstock stream, without taking any major supply or technology risks compared to greenfield projects, which allows for incremental decarbonization while focusing on long-term competitiveness in the process.

Dividends and capital structure

As previously announced, Fertiglobe substantially distributes all of the Company's distributable free cash flow after providing for growth opportunities and while maintaining an investment grade credit profile.

Considering the strong trading environment for ammonia and urea and Fertiglobe's strong earnings momentum, Fertiglobe has increased its guidance for dividend payments from previously at least \$200 million to at least \$240 million for H2 2021, payable in April 2022. The final number will be determined in February 2022.

Fertiglobe's potential for attractive future dividends is underpinned by a robust capital structure, and an attractive financial profile with high cash conversion rates. In October, Fertiglobe closed a \$1.1 billion bridge facility to right-size its capital structure. As a result, as at the first day of trading on the ADX, Fertiglobe had a net debt of c.\$1.1 billion and net debt / EBITDA of c.1.1x. The Company continues to expect net leverage well below 1.0x by year-end 2021.

Pro forma net debt as at 30 September 2021

\$ million	30 Sep '21	Recapitalization	Pro forma 30 Sep '21
Cash and bank balances	627	(164)	463
Loans and borrowings - current	323	(86)	237
Loans and borrowings - non-current	248	1,091	1,339
Total borrowings	571	1,005	1,576
Net debt (cash)	(56)		1,113

Consolidated Financial Results at a Glance¹

Financial Highlights (\$ million unless otherwise stated)

\$ million unless otherwise stated	Q3 2021	Q3 2020	% Δ	9M 2021	9M 2020	% Δ
Revenue	866.7	314.8	175%	2,126.7	1,052.3	102%
Gross Profit	338.7	60.0	465%	780.7	170.7	357%
Gross profit margin	39.1%	19.1%		36.7%	16.2%	
Adjusted EBITDA	370.7	103.7	257%	902.9	308.4	193%
EBITDA	377.1	103.8	263%	910.4	304.8	199%
<i>EBITDA margin</i>	<i>43.5%</i>	<i>33.0%</i>		<i>42.8%</i>	<i>29.0%</i>	
Adjusted net Income (loss) attributable to shareholders	158.2	5.8	<i>nm</i>	360.3	22.5	<i>nm</i>
Reported net income (loss) attributable to shareholders	137.7	6.2	<i>nm</i>	336.2	29.2	<i>nm</i>
Weighted average number of ordinary shares (basic, million)	8,301.3	8,301.3		8,301.3	8,301.3	
Earnings / (loss) per share (\$)						
Basic earnings per share	0.017	0.001	<i>nm</i>	0.040	0.004	<i>nm</i>
Diluted earnings per share	0.017	0.001	<i>nm</i>	0.040	0.004	<i>nm</i>
Adjusted earnings per share	0.019	0.001	<i>nm</i>	0.043	0.003	<i>nm</i>
Earnings / (loss) per share (AED)						
Basic earnings per share	0.062	0.004	<i>nm</i>	0.147	0.015	<i>nm</i>
Diluted earnings per share	0.062	0.004	<i>nm</i>	0.147	0.015	<i>nm</i>
Adjusted earnings per share	0.070	0.004	<i>nm</i>	0.158	0.010	<i>nm</i>
	30-Sep-21	31 Dec 20	% Δ			
Total Assets	4,903.5	4,797.3	2%			
Gross Interest-Bearing Debt	571.2	670.5	(15%)			
Net Debt / (cash)	(56.2)	135.6	<i>nm</i>			
	Q3 2021	Q3 2020	% Δ	9M 2021	9M 2020	% Δ
Free cash flow	56.1	4.7	<i>nm</i>	535.0	296.4	81%
Capital expenditure	20.5	20.1	2%	34.1	46.1	(26%)
<i>Of which: Maintenance Capital Expenditure</i>	<i>16.0</i>	<i>19.1</i>	<i>(16%)</i>	<i>28.9</i>	<i>32.8</i>	<i>(12%)</i>
Sales volumes ('000 metric tons)						
Fertiglobe Product Sold	1,396	1,156	21%	4,338	3,882	12%
Third Party Traded	311	119	162%	833	440	89%
Total Product Volumes	1,706	1,274	34%	5,171	4,322	20%

1) Unaudited

The full third quarter financial statements can be found at <https://fertiglobe.com/investor-relations/>

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 30 September 2021 0.32 incidents per 200,000 manhours
- Fertiglobe achieved a healthy increase in its financial performance in Q3 2021 compared to Q3 2020 due to significantly higher selling prices year-on-year for all its products and higher volumes
- Fertiglobe's total own-produced volumes were up 21% at 1.4 million metric tons in Q3 2021 vs Q3 2020, driven by:
 - Higher ammonia own-produced sales volumes from 253kt to 310kt, and
 - an increase of 20% in urea own-produced sales volumes from 903kt to 1,086kt, despite a full turnaround at one of EFC's urea lines, which began in June and was completed in early August 2021
- Traded third party volumes also more than doubled during the quarter
- In the first nine months of 2021, Fertiglobe's total own-produced volumes increased by 12% from 3,882kt to 4,338kt
 - Ammonia own-produced sales volumes increased 40% from 748kt to 1,044kt
 - Urea volumes were up 5% YoY (3,295kt in 9M 2021 versus 3,134kt in 9M 2020)
- Selling prices for both ammonia and urea were significantly higher in Q3 2021 compared to Q3 2020, and also compared Q2 2021

Product Sales Volumes ('000 metric tons)

Sales volumes ('000 metric tons)	Q3 2021	Q3 2020	% Δ	9M 2021	9M 2020	% Δ
Own Product						
Ammonia ¹⁾	310	253	22%	1,044	748	40%
Urea ¹⁾	1,086	903	20%	3,295	3,134	5%
Total Own Product Sold	1,396	1,156	21%	4,338	3,882	12%
Third-Party Traded						
Ammonia	40	12	230%	104	63	64%
Urea	262	106	146%	720	377	91%
Total Traded Third-party Product	302	119	155%	824	440	87%
Total Own Product and Traded Third-party	1,698	1,274	33%	5,163	4,322	19%

Benchmark Prices

			Q3 '21	Q3 '20	% Δ	Q2 '21	% Δ
Ammonia	Black Sea, FOB	\$/mt	578	184	214%	464	25%
Ammonia	Middle East, FOB	\$/mt	599	230	160%	516	16%
Granular Urea	Egypt, FOB	\$/mt	484	259	87%	390	24%
Granular Urea	Middle East, FOB	\$/mt	480	260	85%	377	27%
Natural gas	TTF (Europe)	\$/ mmBtu	16.7	2.7	519%	9.2	82%
Natural gas	Henry Hub (US)	\$/ mmBtu	4.3	1.9	126%	3.0	43%

Operational Performance

Total own-produced sales volumes increased by 21% during the third quarter of 2021 compared to the same period last year, despite a full turnaround at one of EFC's urea lines, which began in June and was completed in early August 2021. Ammonia utilization rates increased year-on-year driven by improved performance in Algeria.

COVID-19 has not had a direct impact on Fertiglobe's operations, and all products have been deemed as essential to ensure uninterrupted supply of food and other essential products. However, industrial nitrogen markets were still subdued during Q3 2020 as a result of GDP/industrial activity slowdown due to the pandemic, which also resulted in higher inventories at the end of the third quarter last year.

Total own-produced volumes were slightly lower in the third quarter of 2021 versus 1.4 Mt in the second quarter of 2021 following the turnarounds in EFC during the quarter.

Selling prices for both ammonia and urea were significantly higher in Q3 2021 compared to Q3 2020, with urea Egypt benchmark prices up 87% and ammonia Black Sea benchmark +214% YoY. Compared Q2 2021, the urea Egypt benchmark price was up 24% and ammonia Black Sea benchmark +25%.

EBITDA was also boosted by significantly higher nitrogen pricing during the quarter. The adjusted EBITDA for Fertiglobe increased 257% from \$104 million in Q3 2020 to \$371 million in Q3 2021. As a result, Fertiglobe's adjusted EBITDA margin expanded from 33% in Q3 2020 to 43% in Q3 2021. The adjusted EBITDA also improved significantly compared to the second quarter of 2021.

Segment overview Q3 2021

\$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	705.9	160.8	0.0	866.7
Gross profit	338.8	(0.1)	0.0	338.7
Operating profit	316.6	(0.1)	(5.2)	311.3
Depreciation & amortization	(65.5)	0.0	(0.3)	(65.8)
EBITDA	382.1	(0.1)	(4.9)	377.1
Adjusted EBITDA	377.5	(0.1)	(6.7)	370.7

Segment overview Q3 2020

\$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	293.2	21.6	0.0	314.8
Gross profit	59.7	0.3	0.0	60.0
Operating profit	39.9	(0.6)	(2.7)	36.6
Depreciation & amortization	(67.1)	0.0	(0.1)	(67.2)
EBITDA	107.0	(0.6)	(2.6)	103.8
Adjusted EBITDA	108.0	(0.6)	(3.7)	103.7

Segment overview 9M 2021

\$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	1,760.7	366.0	0.0	2,126.7
Gross profit	772.5	7.1	1.1	780.7
Operating profit	712.3	7.1	(11.1)	708.3
Depreciation & amortization	(201.6)	0.0	(0.5)	(202.1)
EBITDA	913.9	7.1	(10.6)	910.4
Adjusted EBITDA	909.3	7.1	(13.5)	902.9

Segment overview 9M 2020

\$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	954.5	97.8	0.0	1,052.3
Gross profit	171.5	(0.8)	0.0	170.7
Operating profit	115.1	(0.8)	(10.3)	104.0
Depreciation & amortization	(200.8)	0.0	0.0	(200.8)
EBITDA	315.9	(0.8)	(10.3)	304.8
Adjusted EBITDA	319.3	(0.8)	(10.1)	308.4

Financial Highlights

Summary results

Consolidated revenue increased by 175% to \$867 million in the third quarter of 2021 compared to the same quarter in 2020, driven by higher volumes and prices for all Fertiglobe's products.

Adjusted EBITDA increased by 257% to \$371 million in Q3 2021 compared to \$104 million in Q3 2020. Fertiglobe benefited from significantly higher selling prices on average and higher sales volumes more than offsetting higher gas prices. The third party traded segment's adjusted EBITDA was higher in Q3 2021 compared to Q3 2020 due to an increase in production volumes and higher nitrogen prices.

The adjusted net income was \$158 million in Q3 2021 compared to an adjusted net income of \$6 million in Q3 2020. Reported net profit (after non-controlling interest) was \$138 million in Q3 2021 compared to a net profit of \$6 million in Q3 2020.

Consolidated Statement of Income*

\$ million	Q3 2021	Q3 2020	9M 2021	9M 2020
Net revenue	866.7	314.8	2,126.7	1,052.3
Cost of Sales	(528.0)	(254.8)	(1,346.0)	(881.6)
Gross profit	338.7	60.0	780.7	170.7
SG&A	(27.4)	(24.8)	(72.4)	(66.1)
Other Income	-	1.5	-	-
Other expense	-	-	-	(0.6)
Adjusted EBITDA	370.7	103.7	902.9	308.4
EBITDA	377.1	103.8	910.4	304.8
Depreciation & amortization	(65.8)	(67.1)	(202.1)	(200.8)
Operating profit	311.3	36.7	708.3	104.0
Interest income	0.2	0.6	0.7	1.9
Interest expense	(10.5)	(13.8)	(31.9)	(22.5)
Other finance income / (cost)	5.8	(1.8)	10.3	11.6
Net finance costs	(4.5)	(15.0)	(20.9)	(9.0)
Income from equity-accounted investees	-	-	-	0.5
Net income before tax	306.8	21.7	687.4	95.5
Income tax expense	(107.4)	(9.3)	(171.4)	(20.9)
Net profit / (loss)	199.4	12.4	516.0	74.6
Non-Controlling Interest	(61.7)	(6.2)	(179.8)	(45.4)
Net profit / (loss) attributable to shareholders	137.7	6.2	336.2	29.2

Reconciliation to Alternative Performance Measures

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of underlying performance of Fertiglobe's operations. The main APM adjustments in the third quarters of 2021 and 2020 relate to movement in provisions.

Reconciliation of reported operating income to adjusted EBITDA

\$ million	Q3 '21	Q3 '20	9M '21	9M '20	Adjustment in P&L
Operating profit as reported	311.3	36.7	708.3	104.0	
Depreciation and amortization	65.8	67.1	202.1	200.8	
EBITDA	377.1	103.8	910.4	304.8	
APM adjustments for:					
Movement in provisions	(6.4)	(0.1)	(7.5)	3.6	<i>Cost of sales</i>
Total APM adjustments	(6.4)	(0.1)	(7.5)	3.6	
Adjusted EBITDA	370.7	103.7	902.9	308.4	

Net income attributable to shareholders

At the net income level, the main APM adjustments relate to the impact of disputed reinvestment obligations in Algeria (\$31 million after minorities), accelerated depreciation, and non-cash foreign exchange gains or losses on US\$ exposure.

Reconciliation of reported net income to adjusted net income

\$ million	Q3 '21	Q3 '20	9M '21	9M '20	Adjustment in P&L
Reported net profit (loss) attributable to shareholders	137.7	6.2	336.2	29.2	
Adjustments for:					
Adjustments at EBITDA level	(6.4)	(0.1)	(7.5)	3.6	
Accelerated depreciation	-	-	9.2	-	<i>Depreciation</i>
Forex (gain)/loss on USD exposure	(5.5)	(0.2)	(11.8)	(19.0)	<i>Finance income and expense</i>
Non-controlling interest adjustment / Sorfert reinvestment case	32.4	(0.9)	36.4	6.2	<i>Uncertain tax positions / minorities</i>
Tax effect of adjustments	-	0.8	(2.2)	2.5	<i>Income tax</i>
Total APM adjustments at net income level	20.5	(0.4)	24.1	(6.7)	
Adjusted net income / (loss) attributable to shareholders	158.2	5.8	360.3	22.5	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to \$56 million during Q3 2021, compared to \$5 million during the same period last year, reflecting performance for the quarter, working capital outflows of \$119 million, taxes and dividends paid to non-controlling interests which amounted to \$183 million in Q3 2021 related to previous years mainly for Algeria.

Fertiglobe agreed with a KBR-led consortium to buy their combined 15% stake in EBIC for \$43 million in August 2021. This brought Fertiglobe's stake in EBIC to 75%, further streamlining the group's ownership structure.

Total cash capital expenditures including growth capex were \$21 million in Q3 2021 compared to \$20 million in Q3 2020, and \$34 million for the 9 months ended 30 September 2021 compared to \$46 million in the same period in 2020. Fertiglobe continues to expect cash capital expenditures of c.\$100-110mn for the full year 2021.

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

\$ million	Q3 '21	Q3 '20	9M '21	9M '20
EBITDA	377.1	103.8	910.4	304.8
Working capital	(119.0)	(64.5)	(123.7)	75.8
Maintenance capital expenditure	(16.0)	(19.1)	(28.9)	(32.8)
Tax paid	(28.8)	(5.0)	(63.9)	(8.7)
Interest paid	(7.9)	(11.2)	(26.6)	(49.8)
Lease payments	(4.1)	(0.1)	(9.8)	(8.8)
Dividends from equity accounted investees	-	-	-	0.5
Dividends paid to non-controlling interests ¹⁾	(182.8)	-	(193.4)	-
Other	37.6	1.1	70.9	15.4
Free Cash Flow	56.1	5.0	535.0	296.4
Reconciliation to change in net debt:				
Growth capital expenditure	(4.5)	(1.0)	(5.2)	(13.3)
Acquisition of NCI EBIC (15% share)	(43.0)	-	(43.0)	-
Other non-operating items	-	-	(16.6)	-
Net effect of movement in exchange rates on net debt	1.3	1.8	0.5	16.6
Debt redemption cost	(0.9)	-	(0.8)	-
Dividend to shareholders	(130.0)	(62.9)	(185.0)	(62.9)
Advanced dividend to shareholders	(93.6)	-	(93.6)	-
Net Cash Flow / Decrease (Increase) in Net Debt	(214.6)	(57.1)	191.8	236.8

¹⁾ Includes Sorfert dividends paid to Sorfert's minority shareholder in August 2021 (accumulated dividend covering 2018 to 2020)

Investor and Analyst Conference Call

On 8 November 2021 at 5:30 PM UAE (1:30 PM London, 8:30 AM New York), Fertiglobe will host a conference call for investors and analysts. To access the call please dial:

UAE: 8000 3570 3001

KSA: 800 850 0104

UK: +44 (0) 20 7192 8338 / Toll free: 0800 279 6619

United States: +1 646 741 3167 / Toll Free:+1 877 870 9135

Conference ID: 7689646

About Fertiglobe:

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertiglobe's production capacity comprises of 6.7 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 2,600 employees and was formed as a strategic partnership between OCI N.V. ("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