

Fertiglobe Reports \$552 Million Revenue in Q1 2024, With Growth in Own-Produced Sales Volumes

- Fertiglobe reported Q1 2024 revenues of \$552 million and adjusted EBITDA of \$223 million, with adjusted net profit of \$119 million.
- Q1 2024 own-produced sales volume increased 5% Y-o-Y, primarily driven by 22% higher own-produced ammonia sales volumes and 1% higher own-produced urea sales volumes.
- Manufacturing Improvement Plan (MIP) is expected to realize at least \$100 million in incremental annual adjusted EBITDA by the end of 2025 (vs. 2023), by enhancing Fertiglobe's production and energy efficiency.
- Fertiglobe has implemented \$29 million of run rate savings as at the end of Q1 2024 and is on track to realize its \$50 million cost optimization target by the end of 2024.
- Fertiglobe shareholders have approved H2 2023 dividends of \$200 million, equivalent to 9 fils per share (payable in May), taking total 2023 dividends to \$475 million.
- Fertiglobe is committed to harnessing cutting-edge technology and innovation, including Artificial Intelligence (AI), to enhance efficiencies, mitigate emissions, and bolster operational safety and reliability. By investing in AI integration and predictive analytics, Fertiglobe aims to enhance site safety and facilitate proactive interventions, advancing reliability across its operations.
- ADNOC's acquisition of OCI's majority 50% stake in Fertiglobe, is expected to be completed in 2024, subject to regulatory approvals. The transaction supports Fertiglobe's growth strategy by unlocking further potential in its core products of urea and ammonia, accelerating the pursuit of new market and product opportunities and expanding its focus on clean ammonia.
- Fertiglobe remains committed to creating shareholder value, leveraging active cost optimization and manufacturing improvement initiatives to bolster cash flow generation and maintain a robust balance sheet.
- Medium to long-term outlook for ammonia and nitrogen markets continues to be supported by improving demand from new and existing sources with limited supply additions over the medium-term.

Abu Dhabi, UAE – May 14, 2024: 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 region, and an early mover in sustainable ammonia, today reported Q1 2024 revenue of \$552 million, adjusted EBITDA of \$223 million, and adjusted net profit of \$119 million.

In Q1 2024, ammonia prices retreated from their levels in Q4 2024 on easing supply disruptions and lower gas prices compared to the previous quarter, while urea prices were impacted by mixed trends due to favorable weather incentivizing demand in North America coinciding with delayed planting in Europe, as well as lower-than-expected tender uptake in India, partially offset by healthy demand in other key regions including Brazil and Australia.

Ahmed El-Hoshy, CEO of Fertiglobe, commented:

"We are pleased to report a strong quarter, marked by a 5% year-on-year increase in our own-produced sales volumes, driven by higher production and lower ending inventories, which led to a 22% and 1% increase in ammonia and urea own-produced sales volumes, respectively. This demonstrates continued efforts by our manufacturing and commercial teams to prioritize our key strategic objectives, paving the way for further operational milestones over the course of the year, by capitalizing on our robust in-house capabilities and logistics footprint. It is worth noting that these results were delivered in an environment of market volatility and softer prices in Q1, on lower crop and energy prices as well as reduced imports from India and Europe, coupled with an improved supply situation with recent curtailments being reversed.

Fertiglobe has continued to make good progress on its cost optimization program, having achieved 60% of its \$50 million run rate target implemented by the end of March 2024, and remains on track to realize the full target by the end of 2024. In addition, there is potential to generate at least \$100 million in incremental annual EBITDA by the end of 2025 compared to 2023, driven by improved production and energy efficiency within its ongoing Manufacturing Improvement Plan (MIP). Together, these two initiatives have potential to generate ~\$150 million of incremental EBITDA by the end of 2025, representing an approximately 15% increase compared to 2023.¹

These initiatives bolster Fertiglobe's cash flow generation across cycles, supporting the company's already healthy free cash flow conversion and robust balance sheet, and enabling Fertiglobe to balance growth spending on value accretive projects and dividend payments.

In addition, Fertiglobe remains firmly focused on technology, innovation and digitalization, and is investing in the integration of Artificial Intelligence (AI) throughout its operations to unlock value, enhance efficiencies, and reduce emissions. The company is harnessing data integration and predictive analytics applications to support business objectives by improving the performance of equipment, processes, and facilities, while also implementing AI-powered analytics at its sites to enhance safety and reliability.

EI Hoshy concluded: "I would like to extend my sincere appreciation to our exceptional team, whose dedication has been instrumental in our achievements. Their unwavering commitment to safety and excellence has been pivotal in our transformation into a leading global enterprise, which is about to embark on an exciting new chapter of growth and value creation following ADNOC's acquisition of OCI's 50% equity stake, which will take ADNOC's ownership to a majority 86.2%. Together, we have immense confidence in Fertiglobe's ability to continue passing milestones and setting new standards for our industry."

Dividends and capital structure

As of 31 March 2024, Fertiglobe reported a net debt position of \$743.4 million, implying net debt / LTM adjusted EBITDA of 0.8x, which allows the company to balance future growth opportunities and dividend pay-out, supported by robust free cash generation and a healthy balance sheet.

In April 2024, Fertiglobe shareholders approved the H2 2023 dividend of \$200 million, equivalent to 9 fils per share, payable in May 2024. This brings total dividends for 2023 to \$475 million, including the H1 2023 dividend of \$275 million paid in Q4 2023.

Fertiglobe remains committed to creating shareholder value, leveraging active cost optimization and manufacturing improvement initiatives to bolster cash flow generation and maintain a robust balance sheet.

-Ends-

¹ Based on 2023 prices

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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