An ADNOC and OCI Company

Fertiglobe Reports Q2 2024 Results

Highlights:

- Fertiglobe reported Q2 2024 revenues of $496 million (-10% Y-o-Y) and adjusted EBITDA of $156 million (-29% Y-o-Y). H1 2024 revenues and adjusted EBITDA were $1,048 million (-16% Y-o-Y) and $378 million (-27%Y-o-Y), respectively.
- Fertiglobe's Q2 2024 own-produced sales volume fell only marginally by 2% Y-o-Y, despite recent gas supply disruptions in Egypt. Meanwhile, H1 2024 own-produced sales volumes were up 1% Y-o-Y to 2.8 million tons, supported by record production levels in Egypt and Algeria during the period.
- Manufacturing Improvement Plan (MIP) remains well on track to realize $100 million in additional annual EBITDA by the end of 2025. Excluding the impact of gas supply issues in Egypt and other external factors, own-produced sales volumes in Q2 2024 and H1 2024 would have been up 8.1% and 6.6% Y-o-Y on a controllable basis, respectively. Meanwhile, adjusted EBITDA would have been $186 million (-14% Y-o-Y) in Q2 2024 and $410 million (-20% Y-o-Y) in H1 2024.
- Fertiglobe has implemented $42 million or 84% of run rate savings as at the end of Q2 2024 and is on track to realize its $50 million cost optimization target by the end of 2024.
- Fertiglobe continues to focus on value accretive growth projects with double digit project IRR's, leveraging its existing platform and strategic network. Significant steps taken in Q2 2024 include:
    - Fertiglobe and partners have taken the Final Investment Decision (FID) on the TA'ZIZ 1 mtpa low carbon ammonia plant in the UAE (30%-owned by Fertiglobe), and announced that the construction contract was awarded to Tecnimont S.p.A. (MAIRE Group), with production expected to start in 2027.
    - Fertiglobe was chosen as the winning bidder in a first-of-its-kind H2Global auction for a contract value of up to €397 million, securing supply of renewable ammonia out of Egypt at a delivered price of €1,000 per ton until 2033.
    - H2Global award provides critical demand and pricing support to help Fertiglobe and the Egypt Green Hydrogen consortium reach a Final Investment Decision (FID) on the project in H1 2025, with planned production in 2027.
- **Market outlook:** The short-term outlook for ammonia and urea is favourable, driven by tight markets, while the medium to long-term outlook continues to be supported by improving demand from new and existing applications, coupled with limited supply additions.
- In line with Fertiglobe's commitment to creating and returning shareholder value, a proposal for H1 2024 dividends will be presented to the Board for approval in September 2024, with payment in October 2024.
- Regulatory approvals for ADNOC's acquisition of OCI's 50% stake in Fertiglobe are progressing well, and the transaction is on track to close in 2024.

Abu Dhabi, UAE – August 1, 2024: 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 region, and an early mover in sustainable ammonia, today reported Q2 2024 revenue of $496 million, with adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) of $156 million, and adjusted net profit attributable to shareholders of $15 million.

Ahmed El-Hoshy, CEO of Fertiglobe, commented:

“Over the past quarter, Fertiglobe has taken important steps towards achieving its strategic business objectives by maintaining the positive momentum surrounding some of its most significant operational projects and decarbonization initiatives. Firstly, Fertiglobe, in partnership with TA’ZIZ, GS Energy Corporation, and Mitsui & Co., Ltd., has taken the Final Investment Decision (FID) on the TA’ZIZ 1 mtpa low carbon ammonia project and has awarded the construction contract to Tecnimont S.p.A,, with production expected to start in 2027. I am also excited about our selection as the winning bidder in the first-of-its-kind H2Global auction. As the winning bidder, Fertiglobe will supply renewable ammonia out of Egypt into Europe, under a contract worth up to €397 million at a delivered price of €1,000 per ton until 2033. The agreement provides a framework for demand and pricing support, helping Fertiglobe and the consortium behind Egypt Green Hydrogen reach Final Investment Decision (FID) on the first integrated green hydrogen plant in Africa, and the first outside of Europe, by H1 2025. Finally, supported by ADNOC, we played a key role in delivering the world’s first ever certified bulk commercial shipment of low-carbon ammonia enabled by carbon capture and storage to Mitsui & Co., Ltd. for use in clean-power generation in Japan. The landmark low-carbon ammonia shipment was produced at Fertiglobe’s Abu Dhabi facilities and supported by ADNOC’s $23 billion allocation towards decarbonization and low-carbon solutions, further demonstrating the unique value proposition behind our partnership with ADNOC.

With regards to the active initiatives taken to bolster free cash flow across cycles, Fertiglobe has continued to successfully progress its cost optimization program with 84% of the $50 million run rate target already implemented as of June 2024, yielding $42 million in cost savings. In addition, we have continued to relentlessly focus on our Manufacturing Improvement Plan (MIP), with the potential to generate at least $100 million in incremental annual EBITDA by the end of 2025 compared to 2023, driven by a focus on improving energy efficiency and production. While our reported own-produced sales volumes were 2% lower Y-o-Y in Q2 2024 (+1% Y-o-Y in H1 2024), I am proud of the team’s efforts to minimize the impact of the widespread gas supply shortages faced in Egypt on our operations, and to alleviate these challenges by ensuring healthy operating rates across the rest of our platform. Excluding the impact of gas supply issues in Egypt and other external factors, Q2 2024 and H1 2024 own-produced sales volumes would have been up 8.1% and 6.6% Y-o-Y on a controllable basis, respectively. Additionally, the Company remains committed to innovating and unlocking more value by investing in the integration of Artificial Intelligence (AI) across the platform, including in operations, maintenance and sustainability.

Our balance sheet position and cash flow management allow us to pursue growth initiatives while also balancing shareholder returns. In light of this, a proposal for H1 2024 dividends will be presented to the Board for approval in September 2024, with payment in October 2024.

I would like to express my gratitude to the entire Fertiglobe team; their steadfast dedication to safety and excellence has been crucial in our evolution into a leading global enterprise and our achievements throughout the first half of this year.

ADNOC’s pending acquisition of OCI Global’s 50% equity stake in Fertiglobe continues to progress. Once completed, the transaction is expected to support ADNOC’s ambitious chemicals and low-carbon ammonia roadmap, and we are confident in Fertiglobe's ability to continue developing global low-carbon hydrogen and ammonia value chains and capturing value-accretive opportunities in the burgeoning hydrogen economy within ADNOC’s supportive ecosystem.”

Market Outlook

Despite the increase in natural gas costs and the steady level of grain prices in Q2 2024 compared to Q1 2024, nitrogen prices were lower on average in Q2 due to delayed demand, cautious buying behavior and reduced Indian urea imports. Encouragingly, markets have started to tighten, resulting in recent ammonia and urea price increases, whilst medium- to long-term fundamentals also remain supportive.

- **Ammonia**
  - We expect ammonia markets to remain firm in the short-term, and broadly balanced through year-end, notwithstanding anticipated new merchant supply from the US Gulf and a new Russian export terminal in Taman expected late-2024. Promisingly, several key ammonia markets have been showing signs of tightness and improved import demand in Q2 2024, reflecting strengthening economic conditions as well as growth in industrial uses for ammonia. More recently, the latest Tampa settlement for August of a +$60 / ton increase to $475 / ton has highlighted the tightening market conditions West of Suez where prolonged production outages at some export hubs have limited product availability; this indicator provides further support to an expectation of firmer CFR NW European prices, and an upward trend from current $520 / ton levels. Collectively, these dynamics are expected to support a period of relative price stability and a broader global trade recovery in ammonia following two years of prolonged contraction.
  - In the medium to longer term, we see accelerating incremental demand from new applications for low carbon ammonia such as a fuel for power generation, as a maritime bunker fuel and as a clean hydrogen carrier. Consultants forecast incremental demand from these new applications to reach ~22 million tons by 2030, more than doubling the quantity traded today.
  - Phase 2 of Europe's Carbon Border Adjustment Mechanism (CBAM) expected in 2026 is catalyzing growing interest in decarbonization opportunities within the existing fertilizers and chemicals value chain. Europe's position as global marginal producer suggests that European carbon costs could support an increase in global ammonia/fertilizer prices.
- **Urea**
  - Whilst Q2 2024 Urea Egypt FOB was reduced 14% compared to Q1 2024 and 4% lower Y-o-Y, pricing has recovered in recent weeks since reaching lows in May. This reflected weak sentiment early in the second quarter due to reduced demand for urea imports from India in April. However, sentiment improved as the quarter progressed, with demand from the tail end of the Northern Hemisphere Spring application season met with tight supply conditions, reflecting the continued absence of Chinese exports, production outages in Asia and gas curtailments in Egypt.
  - Chinese urea exports fell 87% in H1 2024 compared to the same period last year, reaching record lows. Exports are expected to remain at low levels below 2 million tons in 2024 compared to 4.3 million tons in 2023, due to strong domestic demand for both agricultural and industrial applications, combined with low urea inventories in the country.
  - Looking ahead, consultants expect a firmer urea market supported by renewed appetite for urea imports in the US, a degree of European price support given underlying cost pressures, the continued absence of China from the export market, and a slower pace of new urea capacity additions. These factors collectively suggest more balanced markets in the short-term with potential further upside from outstanding purchases from Brazil and ongoing gas curtailments in Egypt (which have been well documented).
  - Long-termer term, demand growth of 12 million tons is still expected to materially outstrip additional capacity growth of 9 million tons by 2028.

Dividends and capital structure

As of 30 June 2024, Fertiglobe reported a net debt position of $881 million, implying net debt / LTM adjusted EBITDA of 1.0x, which allows the company to balance future growth opportunities and dividend pay-out, supported by robust free cash generation and a healthy balance sheet.

A proposal for H1 2024 dividends will be presented to the Board for approval in September 2024, with payment in October 2024. 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.

In 2024, Fitch and S&P announced placing Fertiglobe on Ratings Watch Positive (RWP) and CreditWatch Positive, respectively, on the pending acquisition of OCI's 50% stake by ADNOC, with the expectation to raise Fertiglobe's credit rating by (at least) one notch following completion of the transaction, while Moody's upgraded its outlook to positive from stable. In 2022, Fertiglobe achieved investment grade credit ratings from the three rating agencies: S&P (BBB-), Moody's (Baa3) and Fitch (BBB-), supported by an attractive cash flow profile and a prudent financial policy.

Cost savings & Manufacturing Improvement Plan (MIP)

In 2023, Fertiglobe launched an initiative 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, of which 84% is implemented as at June 2024, realizing $42 million in cost savings. Key focus areas include enhancements to the operating model, improvements in logistical capabilities and optimized operational cost and spend, maximizing efficiencies. In addition, Fertiglobe's MIP remains on track to deliver operational and cost efficiencies, leading to incremental annual EBITDA of at least $100 million by the end of 2025, compared to 2023 levels.[1]

Project updates

TA'ZIZ 1mtpa low carbon ammonia project

- In May 2024, Fertiglobe issued notice to Tecnimont S.p.A. (MAIRE Group) to proceed with the construction of a 1 million ton per annum (mtpa) low-carbon ammonia facility in Al Ruwais Industrial City.
- A preliminary Life Cycle Assessment study estimates that Phase 1 of the plant will produce 50% lower-carbon intensity ammonia compared to conventional ammonia. In the second stage, this plant will further reduce its carbon intensity via capturing and sequestrating carbon dioxide emissions.
- Construction is set to begin in the third quarter of 2024, with operations scheduled to commence in 2027, with estimated double-digit IRR.
- Fertiglobe owns a 30% stake in the overall project, with the remaining ownership divided among TA'ZIZ and a consortium of local investors, GS Energy Corporation, and Mitsui & Co., Ltd.
- Fertiglobe's 30% equity share is estimated at $30-35 million and the company is entitled to a proportional offtake of the project's production.

Egypt Green Hydrogen

- In 2021, Fertiglobe, together with its partners agreed to develop, build, own and operate a 100 MW electrolyser facility to produce renewable hydrogen to be used as feedstock for the production of renewable ammonia at Fertiglobe's existing ammonia facilities in Ain Sokhna, Egypt.
- The project will be powered by about 270 MW of solar and wind power capacity and deliver approximately 13,000 tonnes of renewable hydrogen and up to 74,000 tonnes of renewable ammonia annually.

[1] Based on 2023 prices.

- In July 2024, Fertiglobe was chosen as the winning bidder in first-of-its-kind H2Global auction for up to €397 million, securing supply of renewable ammonia out of Egypt at a delivered price of €1,000 per ton until 2033. Fertiglobe looks to maximize its netback supported by freight and logistics cost optimization.
- H2Global award provides critical demand and pricing support to help Fertiglobe and the Egypt Green Hydrogen consortium reach a Final Investment Decision (FID) on the project in H1 2025, with planned production in 2027.
- Limited capex given Fertiglobe is utilizing its existing back-end ammonia infrastructure, leading to double digit project IRR's.
- The electrolyzer project is jointly owned by Scatec (45%), Fertiglobe (19.5%), Orascom Construction (19.4%), The Sovereign Fund of Egypt (13.6%) and the Egyptian Electricity Transmission Company (2.5%).

Consolidated Financial Results at a Glance[1]

Financial Highlights

$ million unless otherwise stated	Q2 2024	Q2 2023	% Δ	H1 2024	H1 2023	% Δ
Revenue	**495.7**	**551.5**	(10%)	**1,047.6**	**1,245.2**	(16%)
Gross profit	119.2	174.4	(32%)	296.7	443.5	(33%)
Gross profit margin	*24.0%*	*31.6%*		*28.3%*	*35.6%*	
Adjusted EBITDA	**155.5**	**218.2**	(29%)	**378.0**	**515.5**	(27%)
Adjusted EBITDA margin	*31.4%*	*39.6%*		*36.1%*	*41.4%*	
EBITDA	**154.3**	**217.3**	(29%)	**369.5**	**512.5**	(28%)
EBITDA margin	*31.1%*	*39.4%*		*35.3%*	*41.2%*	
Adjusted net profit attributable to shareholders	**15.2**	**83.9**	(82%)	**134.4**	**219.3**	(39%)
Reported net profit attributable to shareholders	14.3	79.2	(82%)	130.6	214.9	(39%)
Earnings per share ($)						
Basic earnings per share	0.002	0.010	(82%)	0.016	0.026	(39%)
Diluted earnings per share	0.002	0.010	(82%)	0.016	0.026	(39%)
Adjusted earnings per share	0.002	0.010	(80%)	0.016	0.026	(38%)
Earnings per share (AED)						
Basic earnings per share	0.006	0.035	(82%)	0.058	0.095	(39%)
Diluted earnings per share	0.006	0.035	(82%)	0.058	0.095	(39%)
Adjusted earnings per share	0.007	0.035	(80%)	0.059	0.095	(38%)
Free cash flow	**69.5**	**59.9**	16%	**225.4**	**331.3**	(32%)
Capital expenditure	23.4	34.5	(32%)	44.2	47.2	(6%)
Of which: Maintenance Capital Expenditure	16.2	30.7	(47%)	34.8	41.7	(17%)

	30 Jun 24	31 Dec 23	% Δ
Total Assets	4,477.1	4,625.8	(3%)
Gross Interest-Bearing Debt	1,606.8	1,665.1	(4%)
Net Debt	880.6	905.3	(3%)

	Q2 2024	Q2 2023	% Δ	H1 2024	H1 2023	% Δ
Sales volumes (‘000 metric tons)						
Fertiglobe Product Sold	1,389	1,414	(2%)	2,818	2,777	1%
Third Party Traded	108	148	(27%)	217	313	(31%)
Total Product Volumes	**1,497**	**1,562**	(4%)	**3,035**	**3,090**	(2%)

[1] Unaudited

Operational Highlights

Operational Performance Highlights:

- 12-month rolling recordable incident rate to 30 June 2024 of 0.05 incidents per 200,000 manhours.
- Fertiglobe's total own-produced sales volumes were down 2% to 1,389kt in Q2 2024 vs Q2 2023, driven by:
  - 12% higher ammonia own-produced sales volumes of 324kt in Q2 2024 compared to 290 kt in Q2 2023, offset by
  - A 5% Y-o-Y decline in urea own-produced sales volumes to 1,065kt in Q2 2024 compared to 1,117kt in Q2 2023.
- Third party traded volumes decreased 27% Y-o-Y to 108kt in Q2 2024, compared to 148kt in Q2 2023.
- Total own-produced and traded third party volumes of 1,497kt were down 4% in Q2 2024 compared to Q2 2023.
- Fertiglobe's total own-produced sales volumes were up 1% to 2,818 t in H1 2024 vs H1 2023, driven by:
  - 17% higher ammonia own-produced sales volumes of 613kt in H1 2024 compared to 526kt in H1 2023, offset by
  - A 2%% Y-o-Y decline in urea own-produced sales volumes to 2,204kt in H1 2024 compared to H1 2023.
- Third party traded volumes decreased 31% Y-o-Y to 217kt in H1 2024 compared H1 2023.
- Total own-produced and traded third party volumes of 3,035kt were down 2% in H1 2024 compared to H1 2023.
- Excluding the impact of gas supply issues in Egypt and other external factors, own-produced sales volumes in Q2 2024 and H1 2024 would have been up 8.1% and 6.6% Y-o-Y on a controllable basis, respectively.

Product sales volumes

Sales volumes ('000 metric tons)	Q2 2024	Q2 2023	% Δ	H1 2024	H1 2023	% Δ
Own Product						
Ammonia	324	290	*12%*	613	526	*17%*
Urea	1,065	1,117	*(5%)*	2,204	2,244	*(2%)*
DEF	-	7	*n/m*	1	7	*n/m*
Total Own Product Sold	**1,389**	**1,414**	***(2%)***	**2,818**	**2,777**	***1%***
Third-Party Traded						
Ammonia	44	78	*(43%)*	84	109	*(23%)*
Urea	64	70	*(9%)*	133	204	*(35%)*
Total Traded Third-party Product	**108**	**148**	***(27%)***	**217**	**313**	***(31%)***
Total Own Product and Traded Third-party	**1,497**	**1,562**	***(4%)***	**3,035**	**3,090**	***(2%)***

Benchmark prices[1]

			Q2 '24	Q2 '23	% Δ	H1 2024	H1 2023	% Δ	Q1 '24	% Δ
Ammonia	NW Europe, CFR	$/mt	**459**	**386**	19%	**475**	**537**	(12%)	**491**	(7%)
Ammonia	Middle East, FOB	$/mt	**307**	**256**	20%	**323**	**436**	(26%)	**339**	(9%)
Granular Urea	Egypt, FOB	$/mt	**321**	**335**	(4%)	**347**	**372**	(7%)	**373**	(14%)
Granular Urea	Middle East, FOB	$/mt	**305**	**302**	1%	**331**	**330**	0%	**356**	(14%)
Natural gas	TTF (Europe)	$ / mmBtu	**10.0**	**11.4**	(12%)	**9.4**	**14.1**	(33%)	**8.7**	15%
Natural gas	Henry Hub (US)	$ / mmBtu	**2.3**	**2.3**	0%	**2.2**	**2.6**	(15%)	**2.1**	10%

1 Source: CRU, MMSA, ICIS, Bloomberg

In Q2 2024, the ammonia Middle East benchmark price was up 20% Y-o-Y, while the urea Egypt benchmark price was down 4%. Compared to Q1 2024, the ammonia Middle East benchmark was down 9%, while the urea Egypt benchmark price was down by 14%.

Segment overview Q2 2024

$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	454.8	40.9	-	495.7
Gross profit	117.6	1.6	-	119.2
Operating profit	97.6	1.6	(14.3)	84.9
Depreciation & amortization	(68.5)	-	(0.9)	(69.4)
EBITDA	**166.1**	**1.6**	**(13.4)**	**154.3**
Adjusted EBITDA	**166.7**	**1.6**	**(12.8)**	**155.5**

Segment overview Q2 2023

$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	502.9	48.6	-	551.5
Gross profit	175.6	(1.2)	-	174.4
Operating profit	161.8	(2.9)	(10.5)	148.4
Depreciation & amortization	(66.8)	(1.2)	(0.9)	(68.9)
EBITDA	**228.6**	**(1.7)**	**(9.6)**	**217.3**
Adjusted EBITDA	**228.6**	**(1.7)**	**(8.7)**	**218.2**

Segment overview H1 2024

$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	963.1	84.5	-	1,047.6
Gross profit	295.3	1.4	-	296.7
Operating profit	255.6	1.4	(25.8)	231.2
Depreciation & amortization	(136.7)	-	(1.6)	(138.3)
EBITDA	**392.3**	**1.4**	**(24.2)**	**369.5**
Adjusted EBITDA	**399.7**	**1.4**	**(23.1)**	**378.0**

Segment overview H1 2023

$ million	Production and marketing of own produced volumes	Third party trading	Other	Total
Total revenues	1,112.8	132.4	-	1,245.2
Gross profit	441.5	2.0	-	443.5
Operating profit	403.8	0.3	(27.9)	376.2
Depreciation & amortization	(132.4)	(1.7)	(2.2)	(136.3)
EBITDA	**536.2**	**2.0**	**(25.7)**	**512.5**
Adjusted EBITDA	**538.3**	**2.0**	**(24.8)**	**515.5**

Financial Highlights

Summary results

In Q2 2024, consolidated revenue decreased by 10% to $496 million compared to Q2 2023, mainly driven by lower selling prices. Meanwhile, adjusted EBITDA declined by 29% Y-o-Y to $156 million in Q2 2024 compared to $218 million in Q2 2023. Q2 2024 adjusted net profit attributable to shareholders was $15 million compared to an adjusted net profit attributable to shareholders of $84 million in Q2 2023. Reported net profit attributable to shareholders was $14 million in Q2 2024 compared to a net profit attributable to shareholders of $79 million in Q2 2023.

In H1 2024, consolidated revenue decreased by 16% to $1,048 million compared to H1 2023. Meanwhile, adjusted EBITDA declined by 27% Y-o-Y to $378 million in H1 2024 compared to H1 2023. H1 2024 adjusted net profit attributable to shareholders was $134 million compared to an adjusted net profit attributable to shareholders of $219 million in H1 2023. Reported net profit attributable to shareholders was $131 million in H1 2024 compared to reported net profit attributable to shareholders of $215 million in H1 2023.

Consolidated statement of income

$ million	Q2 2024	Q2 2023	H1 2024	H1 2023
Net revenue	**495.7**	**551.5**	**1,047.6**	**1,245.2**
Cost of sales	(376.5)	(377.1)	(750.9)	(801.7)
Gross profit	**119.2**	**174.4**	**296.7**	**443.5**
Other income	-	1.6	-	1.6
SG&A	(34.3)	(27.6)	(65.5)	(68.8)
Other expense	-	-	-	(0.1)
Adjusted EBITDA	**155.5**	**218.2**	**378.0**	**515.5**
EBITDA	**154.3**	**217.3**	**369.5**	**512.5**
Depreciation & amortization	(69.4)	(68.9)	(138.3)	(136.3)
Operating profit	**84.9**	**148.4**	**231.2**	**376.2**
Finance income	4.9	3.4	8.2	5.7
Finance expense	(34.0)	(31.2)	(68.8)	(52.7)
Net foreign exchange gain / (loss)	4.6	4.4	(2.6)	(17.2)
Net finance costs	**(24.5)**	**(23.4)**	**(63.2)**	**(64.2)**
Net profit before tax	**60.4**	**125.0**	**168.0**	**312.0**
Income tax	(17.8)	(16.6)	29.0	(14.8)
Net profit	**42.6**	**108.4**	**197.0**	**297.2**
Non-Controlling Interest	(28.3)	(29.2)	(66.4)	(82.3)
Net profit attributable to shareholders	**14.3**	**79.2**	**130.6**	**214.9**
Adjusted net profit attributable to shareholders	**15.2**	**83.9**	**134.4**	**219.3**

Reconciliation to Alternative Performance Measures

Adjusted EBITDA

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 at the EBITDA level relate to the movement in provisions, cost optimization program, pre-operating expenditures related to projects during the period.

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q2 2024	Q2 2023	H1 2024	H1 2023	Adjustment in P&L
Operating profit as reported	**84.9**	**148.4**	**231.2**	**376.2**	
Depreciation and amortization	69.4	68.9	138.3	136.3	
EBITDA	154.3	217.3	369.5	512.5	
APM adjustments for:					
Movement in provisions	-	-	1.4	2.1	*Cost of sales*
Cost optimization program	0.8	-	6.6	-	*Cost of sales and SG&A expense*
Pre-operating expenditures related to projects	0.4	0.9	0.5	0.9	*SG&A expense*
Total APM adjustments	**1.2**	**0.9**	**8.5**	**3.0**	
Adjusted EBITDA	**155.5**	**218.2**	**378.0**	**515.5**	

Adjusted net profit attributable to shareholders

At the net profit level, the main APM adjustments relate to the impact on non-cash foreign exchange gains and losses on USD exposure, other financial expense, as well as related impacts on non-controlling interest and tax.

Reconciliation of reported net profit to adjusted net profit

$ million	Q2 2024	Q2 2023	H1 2024	H1 2023	Adjustment in P&L
Reported net profit attributable to shareholders	**14.3**	**79.2**	**130.6**	**214.9**	
Adjustments for:					
Adjustments at EBITDA level	1.2	0.9	8.5	3.0	
Forex loss/(gain) on USD exposure	(0.4)	10.6	(0.9)	11.3	*Net finance costs*
Other financial expense	-	-	1.7	-	*Finance expense*
NCI adjustment / uncertain tax positions	0.3	(6.8)	(4.0)	(9.9)	*Uncertain tax positions / minorities*
Tax effect of adjustments	(0.2)	-	(1.5)	-	*Taxes*
Total APM adjustments at net profit level	**0.9**	**4.7**	**3.8**	**4.4**	
Adjusted net profit attributable to shareholders	**15.2**	**83.9**	**134.4**	**219.3**	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to $70 million in Q2 2024, compared to $60 million in Q2 2023, reflecting performance for the quarter, lower working capital inflows, lower maintenance capital expenditures, an increase in net interest, taxes paid and lease payments.

Total cash capital expenditures including growth capex were $23 million in Q2 2024 compared to $35 million in Q2 2023, of which $16 million was related to maintenance capital expenditures, compared to $31 million in the same period last year.

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

$ million	Q2 2024	Q2 2023	H1 2024	H1 2023
EBITDA	**154.3**	**217.3**	**369.5**	**512.5**
Working capital	2.2	(16.7)	3.1	(6.8)
Maintenance capital expenditure	(16.2)	(30.7)	(34.8)	(41.7)
Tax paid	(12.6)	(11.1)	(28.4)	(32.8)
Net interest paid	(26.3)	(18.2)	(55.9)	(26.8)
Lease payments	(5.7)	(4.9)	(11.7)	(10.9)
Dividends paid to non-controlling interests and withholding tax	(34.1)	(83.1)	(34.1)	(83.1)
Ecremage	7.9	7.3	17.7	20.9
Free Cash Flow	**69.5**	**59.9**	**225.4**	**331.3**
Reconciliation to change in net debt:				
Growth capital expenditure	(7.2)	(3.8)	(9.4)	(5.5)
Other non-operating items	1.4	(1.1)	10.9	13.1
Net effect of movement in exchange rates on net debt	0.1	15.3	(0.3)	9.4
Dividend to shareholders	(200.0)	(700.0)	(200.0)	(700.0)
Other non-cash items	(1.0)	(0.8)	(1.9)	(1.4)
Net Cash Flow in Net Debt	**(137.2)**	**(630.5)**	**24.7**	**(353.1)**

Investor and Analyst Conference Call

On 1 August 2024 at 3:00 PM UAE (12:00 PM London, 7:00 AM New York), Fertiglobe will host a conference call for investors and analysts. To access the call please dial:

International:	+44 20 3481 4247
UAE:	+9718 0003 111 285
UK:	+44 20 3481 4247 / Toll free: +44 800 260 6466
United States:	+1 (646) 307 1963 / Toll Free: +1 (800) 715 9871

Passcode: 2681825

Participants may also join via the webcast. Please pre-register and join here.

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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