

Fertiglobe Reports H1 2024 Revenues of \$1,048 Million and Adjusted EBITDA of \$378 Million

- Fertiglobe reported Q2 2024 revenues of \$496 million and adjusted EBITDA of \$156 million.
- 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 IRRs, 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.
- 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.
- The short-term outlook for ammonia and urea is favorable, 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.

Abu Dhabi, UAE – August 1, 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 H1 2024 revenues of \$1,048 million, with adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) of \$378 million, adjusted net profit of \$134 million, and free cash flows of \$225 million. The Company reported Q2 2024 revenues of \$496 million, adjusted EBITDA of \$156 million, and adjusted net profit attributable to shareholders of \$15 million.

Despite the increase in natural gas costs and the steady level of grain prices in Q2 2024 compared to Q1 2024, nitrogen prices have been impacted by delayed demand, cautious buying behavior and reduced urea imports from India, partially offset by some supply disruptions towards the end of the quarter.

Fertiglobe's strong balance sheet position and effective cash flow management continue to enable the Company to pursue growth initiatives, whilst 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.

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 and 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.”

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, the Company continues to prioritize its Manufacturing Improvement Plan (MIP), which aims 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. Fertiglobe also remains committed to unlocking more value by investing in the integration of Artificial Intelligence (AI) across its production platforms, including in operations, maintenance and sustainability.

Fertiglobe’s own-produced sales volumes fell by 2% Y-o-Y in Q2 2024. Own-produced sales volumes were driven down by 5% lower own-produced urea volumes, which offset the impact of a 12% increase in ammonia sales volumes. When excluding the impact of the gas supply shortages in Egypt, Q2 2024 and H1 2024 own-produced sales volumes would have been up 8.1% and 6.6% Y-o-Y, respectively.

El-Hoshy concluded: “I would like to express my gratitude to the entire Fertiglobe team; their steadfast efforts in minimizing the impact of the widespread gas supply shortages faced in Egypt have been critical in ensuring healthy operating rates across the rest of our platform.

“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.”

Dividends and capital structure

As of 30 June 2024, Fertiglobe reported a net debt position of \$880.6 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.

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About Fertiglobe:

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

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