

Fertiglobe Reports Q4 2023 Results With Significantly Improved Quarterly Performance; Board Recommends \$200 million H2 Dividends

- Fertiglobe reported Q4 2023 revenues of \$646 million (up 23% Q-o-Q) and adjusted EBITDA of \$289 million (up 45% Q-o-Q), with adjusted net profit of \$103 million (up 149% Q-o-Q).
- 2023 revenues and adjusted EBITDA were \$2,416 million and \$1,004 million, respectively. Adjusted net profit after minorities was \$363 million in 2023.
- Q4 2023 own-produced sales volume grew 15% Y-o-Y (flat Q-o-Q), with FY 2023 own-produced sales volumes up 5%.
- Fertiglobe will pay dividends of \$200 million for H2 2023, subject to shareholder approval. Total dividends paid for 2023 will reach \$475 million, including \$275 million already paid in Q4 2023.
- Fertiglobe has implemented \$25 million of run rate savings as at the end of 2023, and is on track to realize its \$50 million target by the end of 2024.
- In December 2023, it was announced that ADNOC would acquire OCI Global's majority stake in Fertiglobe, to take total ownership to 86.2%, subject to legal and regulatory approvals expected to be received in 2024.
- The ADNOC-OCI transaction supports Fertiglobe's growth plans, enabling it to accelerate the pursuit of new market and product opportunities, and expand its focus on clean ammonia as an emerging fuel and hydrogen carrier.
- The medium to long-term outlook for nitrogen markets continues to be supported by limited incremental capacity additions and healthy demand growth.

Abu Dhabi, UAE – February 14, 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 ("MENA") region, and an early mover in sustainable ammonia, today reported Q4 2023 revenue of \$646 million, adjusted EBITDA of \$289 million, and adjusted net profit of \$103 million. Fertiglobe's full-year 2023 revenues and adjusted EBITDA were \$2,416 million and \$1,004 million, respectively, with adjusted net profit of \$363 million.

Fertiglobe achieved 23% growth in revenues and a 45% quarter-on-quarter (Q-o-Q) increase in Q4 2023 adjusted EBITDA. This growth reflects a strong order book, higher sales volumes and increased ammonia prices driven by a higher gas price and tight markets due to supply disruptions. Adjusted net profit improved by 151% compared to Q3.

In Q4 2023, ammonia prices increased due to widespread supply disruptions, while urea prices were impacted by demand deferrals into early 2024, resulting in reduced imports from key regions. Demand is expected to recover ahead of the spring application season in the Northern Hemisphere, with healthy demand in other regions, incl. Brazil and Australia. Further price support in the coming months is expected to be driven by low inventories in key importing regions, ongoing restrictions on Chinese exports, and supply chain disruption in the Red Sea, to which Fertiglobe has limited exposure.

Ahmed El-Hoshy, CEO of Fertiglobe, commented:

"We are pleased to have closed 2023 with robust performance, and in particular to have achieved a 5% year-on-year increase in our own-produced sales volumes, along with a 15% increase in Q4 2023 compared to Q4 2022. This is a testament to the efforts of our operational and commercial teams, who have further cemented our focus on operational excellence and capitalizing on our strong commercial capabilities.

“We are excited about Fertiglobe’s next chapter, in light of the recently announced sale of OCI’s 50% shareholding in Fertiglobe to ADNOC for \$3.62 billion. The transaction, which will see ADNOC become majority shareholder in Fertiglobe with total ownership of 86.2%, is expected to close in 2024, subject to the completion of all necessary legal and regulatory conditions, including anti-trust approvals. The deal supports our future growth plans and makes us a key component of ADNOC’s ambitious roadmap and will enable Fertiglobe to further leverage ADNOC’s resources, expertise, and network to pursue new growth opportunities, especially in the emerging markets of clean ammonia and blue hydrogen. Our priorities will be to continue to unlock potential in our core products of urea and ammonia, accelerate the pursuit of new market and product opportunities, and expand our focus on sustainable ammonia, with a continued focus on delivering growth and maximizing shareholder value.”

“By prioritizing the ongoing Manufacturing Improvement Plan (MIP), Fertiglobe’s management sees potential to generate at least \$100 million in incremental annual EBITDA by 2025 compared to 2023, driven by improved production and energy efficiency. In addition to the MIP, Fertiglobe is proactively optimizing costs to bolster free cash generation across market cycles, having achieved 51% of its \$50 million run rate target around six months after introducing the program. As such, the Company is on track to realize the full target by the end of 2024, with a key focus on operating model transformation, logistical capability advancement, and Capex and Opex optimization.

“Fertiglobe remains committed to reducing the carbon footprint of its operations and value chain while meeting the growing demand for low-carbon hydrogen and ammonia. In 2023, the Company demonstrated its commitment by shipping the first internationally certified renewable ammonia from its facilities in Egypt to Tuticorin Alkali Chemicals and Fertilisers Limited (TFL) in India, for the production of near-zero emissions synthetic soda ash – a key ingredient in laundry powder – for Unilever. In Q4 2023, Fertiglobe also announced, together with ADNOC, the pilot deployment of the world’s first modular CycloneCC carbon capture unit at its Fertil plant in the UAE, with potential for future deployment across operations. Having made significant progress in low-carbon ammonia initiatives throughout 2023, Fertiglobe looks forward to the progression of the TA’ZIZ 1mtpa low-carbon ammonia project in the UAE, subject to the right regulatory frameworks being in place.

“Fertiglobe’s Board of Directors has endorsed H2 2023 dividends of \$200 million, equivalent to 9 fils/share, subject to shareholder approval at the AGM in April 2024, implying full year dividends of \$475 million, and one of the highest dividend yields in the Company’s industry and market. Looking ahead, the Company’s strategy is to continue balancing dividend payments with selective investment in value accretive growth projects, supported by healthy free cash flow conversion and a robust balance sheet. Fertiglobe’s conservative leverage ratio stood at 0.9x net debt / LTM adjusted EBITDA at year-end 2023. S&P and Fitch’s recent placement of Fertiglobe on a positive credit watch, pending completion of the ownership transfer to ADNOC, further reinforces our investment grade positioning, and supports our balanced approach towards growth.

EI-Hoshy concluded: “I would like to express my gratitude to our best-in-class team, the driving force behind Fertiglobe’s success. I am deeply grateful for their commitment to safety and excellence as Fertiglobe has evolved into a world-class business in just four years since its inception. I am confident that we are well-positioned to deliver exciting achievements and milestones in the years to come.”

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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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