



GrupoFertiberia

Issuer Global Agrajes, S.L.U.

Parent company's quarterly
unaudited interim
consolidated financial
statements

FERTIBERIA, S.A.R.L.

Grupo**Fertiberia**

Consolidated Interim Report Q3

September 2022

Fertiberia, S.A.R.L. (Parent), means Fertiberia SARL, a company incorporated under the laws of Luxembourg with company registration number B235262, which is the direct owner of 100.00 per cent. of the shares in the Issuer.

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01 | Management comments

Fertiberia's Vision

Fertiberia's vision is leading the development of green hydrogen & green ammonia in Europe to decarbonize agriculture and other "hard-to-abate" sectors, as well as to continue to lead the development of sustainable and high value-added crop nutrition solutions.

Fertiberia is well-positioned as a key player in green hydrogen and green ammonia. Its main operations are in Iberia, an attractive market that combines low-cost renewable power and a robust energy and logistics infrastructure with a growing, high value-added agricultural sector.

Additionally, Fertiberia benefits from a unique position driven by its strategically located distribution infrastructure and its know-how across the whole value chain, with significant deep-water access into Europe.

Fertiberia is an advantaged *first-mover* in the green hydrogen and green ammonia transition, underpinned by its green ammonia facility in Puertollano – the World's first at industrial scale – as well as by a strong pipeline of further projects. Fertiberia is a key enabler for the green hydrogen transition thanks to its strong strategic position as key off-taker.

Business

Grupo Fertiberia ("Fertiberia") is a European leader in sustainable specialty crop nutrition solutions and mission-critical industrial and environmental solutions. Fertiberia is establishing itself as a key player in green hydrogen and green ammonia, enabling the energy transition.

The company, headquartered in Madrid, employed a total of 1,612 professionals as of December 2021.

Fertiberia develops, produces and sells:

- Essential and specialty crop nutrition solutions for all types of crops, including the world-first green ammonia-based specialty solutions
- Mission-critical industrial and environmental solutions to primarily abate greenhouse gas emissions, especially in the industrial and transportation sectors.



Fertiberia operates a network of production and blending facilities comprising 15 units located across Spain, Portugal, and France, with a unique strategic asset infrastructure in Iberia. Furthermore, it has 17 warehouses and 11 sales offices located across Spain, Portugal, and France.

The company has a strategically-located production and distribution structure and high brand recognition, as well as a solid market presence in Southern Europe, UK & Ireland and the broader European Atlantic Coast.

Fertiberia has a large and diverse group of approximately 1,000 customers across c.80 countries. These range from large wholesale groups to cooperatives and farmers, as well as broader industrial clients purchasing Fertiberia's mission-critical industrial and environmental solutions.

The company's broad portfolio is comprised of more than 520 different products and solutions.

Crop nutrition solutions are necessary for the stability and growth of global food production and food security. The continued growth of the World's population, coupled with increasing demand for protein and vegetable-rich diets, is resulting in an ever-greater need for efficient crop nutrition solutions that support food production growth, especially against the current backdrop of decreasing crop acreage and need to increase yield of existing arable land.

Fertiberia's mission-critical industrial and environmental solutions help abate harmful emissions from different industries and businesses by turning them into vapor and water, thus contributing towards global sustainability goals.

The need for decarbonization across all economic sectors requires actions by all stakeholders. Fertiberia's leading position in green hydrogen and green ammonia makes the company a key enabler for the energy transition in Europe and globally.

Fertiberia's vision is underpinned by its three key strategic pillars:

- **European leader in sustainable, high value-add crop nutrition solutions)**

Fertiberia is focused on offering a complete portfolio of sustainable, value-added crop nutrition programmes and solutions to the agricultural sector. These solutions are generally attractive from a margin and earnings stability standpoint.

Fertiberia's R&D programmes are focused on further expanding its portfolio in sustainable, specialty solutions such as biostimulants, micronutrients and foliar products.

This is combined with the strengthening of its direct sales force to support growth in specialty solutions, expanding its geographical reach and increasing its services to customers through the use of smart farming and digital tools focused on increasing yields and efficiency.

As part of this strategy, Fertiberia completed the acquisition of Trichodex in July 2022, a specialty biological solutions business headquartered in Seville.

Trichodex has a strong R&D team and highly advanced products that are marketed across a dozen countries in Europe and Latin America.

Its products are based on patented bioprocesses, through the selection of microorganisms that are optimal for producing bioactive components that improve crop protection and yield.

This acquisition enhances the company's crop nutrition offering in terms of biologicals and biostimulants, and it broadens its portfolio with microorganism-based advanced biocontrol solutions.

- **A sustainable low carbon producer based on strategic, high-performing assets**

Fertiberia is executing an ambitious operational excellence programme based on an exhaustive list of identified and validated initiatives to optimise its

business towards more efficient and sustainable operations. The company has delivered €59m in operational improvements to-date and has identified and committed to achieve €64m more by 2023.

Fertiberia has already reduced its emissions by c.63% since 2010 and is committed to continue on this journey. It Moreover, Fertiberia is the first major company in the crop nutrition sector to commit to achieving net-zero emissions by 2035.

- **Leading player in green hydrogen and green ammonia for the decarbonization of agriculture, energy, transportation and other hard-to-abate sectors)**

Fertiberia's strategy seeks to significantly invest and grow in green hydrogen and green ammonia, thereby supporting the decarbonisation of several sectors and positively contributing to the energy transition. Green hydrogen and green ammonia are expected to be utilized not only in the agricultural markets, but also in industries such as transportation, energy, metallurgy, and chemicals.

Fertiberia aims to leverage its strategic position in Iberia and its industrial and commercial expertise to lead the development of the green hydrogen market.

Fertiberia started producing green ammonia on an industrial scale at its Puertollano plant in May 2022, becoming the first company worldwide to achieve this.



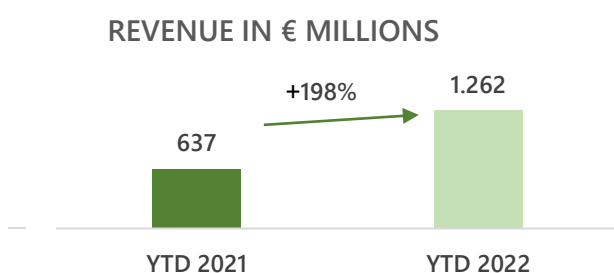
Fertiberia has announced the market launch of its new range of products called Impact Zero, the world's first line of net-zero crop nutrition solutions produced with green ammonia, a clear step towards its goal of promoting the decarbonisation of the agricultural sector.



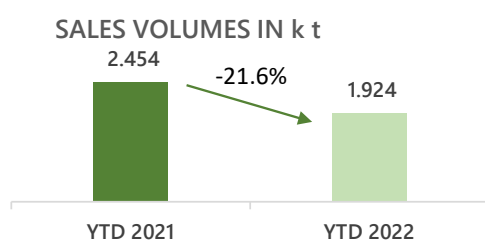
Q3 in brief

Fertiberia has continued to perform well during Q3 2022, despite high volatility resulting from the ongoing war in Ukraine.

In terms of revenue, net sales rose in YTD September 198% to €1,262m vs. €637m in YTD 2021, mainly on the back of improved average net selling prices, which ticked up by c.2.5x due to higher prices across all product categories.



Although sales volumes saw a 22% decrease mainly as a result of lower demand due to high prices, margins improved due to supply chain tensions, with higher end sales prices more than offsetting increased feedstock costs.

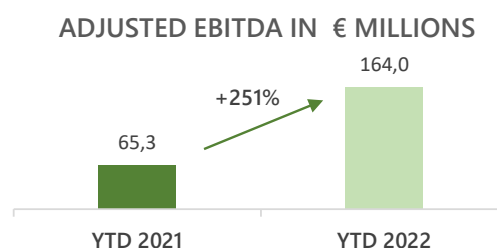


Fertiberia's dependency on Russian sourcing is limited, as some of its raw materials, such as natural gas, are supplied to the Spanish gas system by North Africa (Medgaz-NG pipeline) and by LNG vessels. We have observed that natural gas prices in Spain are amongst the most competitive in Europe.

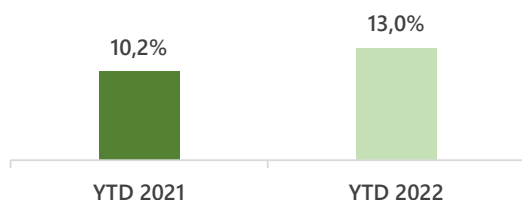
Fertiberia continues to move forward as planned with its growth strategy and its goal to become a fully sustainable European leader in crop nutrition solutions and green ammonia via decarbonised high-performance assets. Progress made in YTD September 2022 included:

- The development of its transformational diversification agenda towards increasingly differentiated green products that are highly efficient both in agronomic and environmental terms and that also generate higher margins with lower earnings volatility. Sales volumes of Specialty solutions accounted for 57% of total sales in YTD Sep 2022 (vs. 53% in YTD Sep 2021).
- Fertiberia's operational excellence programme delivered recurring savings of €34.4m in YTD September 2022.
- Further advances in its decarbonisation and green hydrogen economy efforts, with the operation of the world's first industrial-scale Green Ammonia plant in Puertollano, and the coming to market of the Impact Zero new range of emissions-free crop nutrition solutions produced with green hydrogen.

Fertiberia's YTD 2022 consolidated Adjusted EBITDA amounted to €164.0m, compared to an Adjusted EBITDA of €65.3m in YTD 2021.



ADJUSTED EBITDA MARGIN



This satisfactory performance was the result of the savings delivered by the operational excellence programme, diversification towards higher value products offering higher margins, effective price increases that offset the rising cost of raw materials as well as measures taken by Fertiberia to retain its operational flexibility.

Fertiberia's consolidated Adjusted¹ Net Profit amounted to €+81.6m in YTD 2022 (€+80.2m after non-recurring operational items) compared to an Adjusted Net Profit of €12.9m in YTD 2021 (€+8.3m after non-recurring operational items).

YTD September 2022 additions in Property, Plant and Equipment amounted to €37.6m, above YTD 2021 figure of €33.3m. Capital expenditure continues to be mainly focused on transformational investments in diversification toward increasingly differentiated green products, operational excellence, and decarbonisation.

Fertiberia's cash from operating activities in YTD 2022 was €83.1m vs. €39.5m in YTD 2021. Increase in EBITDA more than offset build up in working capital. The increase in working capital was mainly driven by higher inventories and receivables due to higher raw material costs and finished product prices.

Net Debt² during YTD 2022 decreased by €21.5m (September 2022 €65.5m versus €87.0m in December 2021), driven by cash generated from operating activities. The Leverage Ratio³ as per September 2022 stands at 0.31x.

¹Adjusted net profit excludes non-recurring operational items in the amount of €1.9m (net of taxes €1.4m).

²Net Debt definition as per bond documentation. Includes "Long-term bank borrowings", "Short-term bank borrowings", and "Discounted bills of exchange", excluding "Accrued Interests".

³Calculated following EBITDA and Incurrence Test definitions as per bond documentation. Last Twelve Months Adjusted EBITDA amounted to €202.8m, €195.2m excluding IFRS 16 adjustment.

All figures are unaudited and hence potentially subject to change. Figures are shown on a consolidated basis at Fertiberia, S.A.R.L. level and presented following IFRS criteria.



02

Interim unaudited consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income

(in €'000)	1 January to 30 September 2022 (unaudited)	1 January to 30 September 2021 (unaudited)
Net sales	1,261,909	637,119
COGS	(800,854)	(371,577)
Purchases and other supplies	(835,530)	(366,569)
Change in inventories of goods purchased for resale and other supplies	34,676	(5,008)
Other operating income	56,248	5,500
Personnel expenses	(76,202)	(66,168)
Other operating costs	(266,985)	(148,784)
Gain/(Loss) on non-current investments	3	1,079
Other gains and losses	(12,028)	1,991
Depreciation & amortisation	(22,732)	(21,336)
OPERATING PROFIT (EBIT)	139,359	37,824
Financial income	517	303
Financial expenses	(28,585)	(25,248)
Gains/(losses) on exchange	137	(90)
Impairment of financial assets	-	-
Income from companies carried by the equity method	-	-
PROFIT/(LOSS) BEFORE TAXES	111,428	12,789
CIT expense	(31,193)	(4,504)
Net profit	80,235	8,285
EBIT	139,359	37,824
EBITDA	162,091	59,160
NON-RECURRING ITEMS	1,860	6,105
ADJUSTED EBITDA	163,951	65,265



03

Interim unaudited consolidated balance sheet

Condensed consolidated balance sheet

(in €'000)	30 September 2022 (unaudited)	31 December 2021 (audited)
Total non-current assets	508,273	484,091
Goodwill	39,262	39,262
Intangible assets	81,299	86,734
Tangible assets	321,856	301,273
Long-term investments in Group companies	-	-
Investments accounted for using the equity method	1,834	834
Long-term receivables from Group companies	-	-
Long-term financial assets	24,163	14,745
Deferred tax assets	37,482	40,778
Other non-current assets	2,377	465
Total current assets	687,376	461,536
Inventories	358,975	227,023
Short-term investments in Group companies	-	-
Group trade receivables	-	-
Short-term receivables from Group companies	4	-
Trade and other receivables	184,451	139,772
Trade receivables	160,389	124,809
Public administrations	22,172	12,750
Personnel	191	132
Other trade receivables	1,699	2,081
Current financial assets	712	673
Other current assets	3,388	2,993
Cash and cash equivalents	139,846	91,075
Total Assets	1,195,649	945,627

(in €'000)	30 September 2022 (unaudited)	31 December 2021 (audited)
Total Equity	180,432	77,642
Equity	153,501	73,266
Share capital	58,626	58,626
Reserves	14,640	(437)
Cumulative result for the year	80,235	24,997
Prior-year losses	-	(9,920)
Minority interest	226	295
Measurement adjustments	-	-
Grants, donations and bequests received	26,705	4,081
Total non-current liabilities	555,735	535,993
Long-term provisions	50,814	50,926
Long-term bank borrowings	174,170	173,978
Long-term bank borrowings – accrued interest	196	-
Long-term finance lease liabilities	15,739	18,324
Long-term financial liabilities	20,277	21,484
Shareholder loan	255,565	241,009
Deferred tax liabilities	38,974	30,272
Total current liabilities	459,482	331,992
Short-term provisions	56,903	38,499
Discounted bill of exchange risk	959	4,118
Short-term bank borrowings	30,507	276
Short-term finance lease liabilities	5,155	7,901
Other short-term financial liabilities	4,956	5,215
Short-term trade payables to Group companies	-	-
Short-term payables to Group companies	-	-
Trade and other payables	333,831	266,411
Trade payables	279,138	243,597
Public administrations	38,085	9,070
Personnel	16,608	13,744
Other trade payables	-	-
Other current liabilities	27,171	9,572
Total Liabilities	1,195,649	945,627



04

Interim unaudited consolidated cash flow statement

Condensed consolidated cash flow statement

(in €'000)	1 January to 30 September 2022 (unaudited)	1 January to 30 September 2021 (unaudited)
EBITDA (normalised)	163,951	65,265
Normalisations (effective cash flow)	(1,860)	(6,105)
Adjustment IFRS	-	-
EBITDA (reported for cash flow)	162,091	59,160
Change in inventories	(87,890)	(22,351)
Change in trade receivables	(42,507)	(34,853)
Change in prepayments to suppliers	-	-
Change in trade payables	47,128	48,229
Change in prepayments received from customers	-	-
Change in other trade working capital	20,254	(568)
Change in TWC	(63,015)	(9,543)
Change in other WC (assets)	126	-
Change in other WC (liabilities)	-	-
Change in NWC	(62,889)	(9,543)
Interest paid	(12,338)	(9,541)
Interest received	496	317
Taxes	(4,270)	(910)
Cash flows from operating activities	83,090	39,483
Capex	(43,284)	(29,350)
<i>Additions in Property, Plant and Equipment</i>	<i>(37,630)</i>	<i>(33,256)</i>
<i>Variation of Capex suppliers</i>	<i>(5,654)</i>	<i>3,906</i>
Financial assets	(11,658)	-
Other cash from investing activities	-	-

(in €'000)	1 January to 30 September 2022 (unaudited)	1 January to 30 September 2021 (unaudited)
Cash flows from investing activities	(54,942)	(29,350)
Borrowings/(payments) under revolving facility	(3,117)	879
Long-term debt (net)	23,602	47,688
Capital lease	-	-
Shareholder loan	-	(25,000)
Capital increase	-	-
Dividends paid	-	-
Net cash used in financing activities	20,485	23,567
FX diff	137	(90)
Other, net	-	-
Net increase/decrease in cash and cash equivalents	48,770	33,610

Safe Harbour Statement

Disclaimer regarding forward-looking statements in the interim report

This interim report includes “Forward-looking Statements” that reflect Fertiberia’s current views with respect to future events and financial and operational performance.

These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements are, as a general matter, statements other than statements as to historic facts or present facts and circumstances. They include statements regarding Fertiberia’s intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group’s future business development, financial performance, and the industry in which the Group operates.

Prospective investors in Fertiberia are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group’s actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the Forward-looking Statements contained in this report. Fertiberia cannot guarantee that the intentions, beliefs, or current expectations upon which its Forward-looking Statements are based, will occur.

By their nature, Forward-looking Statements involve, and are subject to, known and unknown risks, uncertainties, and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. These Forward-looking Statements speak only as at the date on which they are made. Fertiberia undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral Forward-looking Statements attributable to Fertiberia or to persons acting on Fertiberia’s behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

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