



**GrupoFertiberia**

**Issuer Fertiberia  
Corporate, S.L.U.**

Parent company's quarterly  
unaudited interim  
consolidated financial  
statements

FERTIBERIA, S.A.R.L.

**GrupoFertiberia**

# **Consolidated Interim Report Q4**

**December 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.

# Contents

1. Management comments .....	4
1.1 Fertiberia's Vision and Business .....	5
1.2 Year 2022 in brief .....	8
2. Interim unaudited consolidated statement of comprehensive income .....	10
3. Interim unaudited consolidated balance sheet.....	13
4. Interim unaudited consolidated cash flow statement ..	16



# 01 | Management comments

# Fertiberia's Vision

Fertiberia's vision is to lead the development of green hydrogen and green ammonia in Europe to decarbonise agriculture and other "hard-to-abate" sectors, and to continue spearheading 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 located 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.

Fertiberia also benefits from a unique position thanks to its strategically-located distribution infrastructure, its expert know-how across the whole value chain and its significant deep-water access into Europe.

Fertiberia boasts a first-mover advantage in the green hydrogen and green ammonia transition, underpinned by its green ammonia facility in Puertollano – the world's first on an industrial scale – as well as by a compelling pipeline of additional projects. Fertiberia is a key enabler for the green hydrogen transition thanks to its strong strategic position as a key off-taker.



Fertiberia operates a network of 14 production and blending facilities located across Spain, Portugal and France, and also benefits from a unique strategic asset infrastructure in Iberia. The Company has a further 17 warehouses and 11 sales offices spread across Spain, Portugal and France.

The Company has achieved both high brand recognition and a solid market presence in Southern Europe, the UK & Ireland and the broader European Atlantic Coast thanks to its strategically-located production and distribution structure.

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 who purchase Fertiberia's mission-critical industrial and environmental solutions.

The Company's broad portfolio comprises 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 the need to increase the 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

# Business

Grupo Fertiberia ("Fertiberia") is a European leader in sustainable specialty crop nutrition solutions and mission-critical industrial and environmental solutions.

The Company is a key player in green hydrogen and green ammonia and has become a prime enabler for the energy transition.

The company, headquartered in Madrid, employed a total of 1,679 professionals as of December 2022.

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.

contributing towards global sustainability goals.

The need for decarbonisation across all economic sectors requires action from all stakeholders. Fertiberia's leading position in green hydrogen and green ammonia makes the Company a key enabler for the energy transition both at the European and the global level.

**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 in terms of the margins and earnings stability that they offer.

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.

The creation of a subsidiary in Greece in November, Fertiberia Hellas, is also part of this strategy to become a global company through the development of high added value products with a minimal environmental footprint. Fertiberia Hellas has the goal of becoming a leading brand for

farmers in Greek and Balkan markets, taking advantage of the unique and innovative solutions for Mediterranean crops developed by Grupo Fertiberia which have a great potential to optimize the agricultural yield and the environmental performance of the crops in these markets.

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

Fertiberia is rolling out an ambitious operational excellence programme based on an exhaustive list of identified and validated initiatives designed to optimise its business in order to achieve more efficient and sustainable operations.

The company has delivered €43.3m in operational improvements during 2022 and has identified and committed to achieve €55m by 2023.

Fertiberia has already reduced its emissions by c.63% since 2010 and is committed to continuing on this journey. 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 invest and grow in green hydrogen and green ammonia, supporting the decarbonisation of several sectors and positively contributing to the energy transition. Green hydrogen and green ammonia are not only expected to be used 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.

Fertiberia has made public in January 2023 that, together with the food and beverage multinational company Heineken, will produce malting barley from this new range of products Impact Zero. Heineken Spain will thus become the first company to make beer from malting barley with a very low carbon footprint.

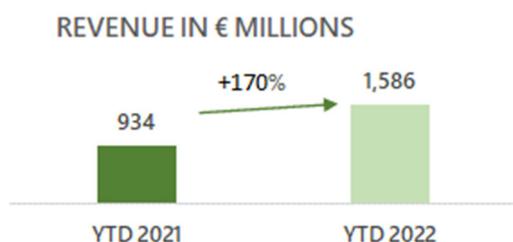


# Year 2022 in brief

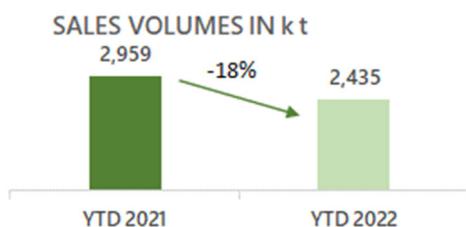
Despite the war in Ukraine, Fertiberia had a satisfactory performance in 2022.

The last quarter of the year saw demand slow as a result of a decrease in urea and natural gas prices, which has had a knock-on effect on nitrate prices. Clients have therefore delayed their purchases for spring application.

In terms of revenue, net sales rose in YTD December 170% to €1,586m vs. €934m in YTD 2021, mainly on the back of improved average net selling prices, which ticked up by c.1.8x due to higher prices across all product categories.



Although sales volumes saw a 18% decrease, margins stayed at constant levels due to Fertiberia's high operational flexibility, 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 December 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 56% of total sales in YTD Dec 2022 (vs. 53% in YTD Dec 2021).
- Fertiberia's operational excellence programme delivered recurring savings of €43.3m in YTD December 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 €167.6m, compared to an Adjusted EBITDA of €109.1m in YTD 2021. Reported EBITDA YTD 2022 was €149.5m vs. YTD 2021 of €99.9m.

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 Adjusted<sup>1</sup> Net Profit amounted to €+76.3m in YTD 2022 (€+62.8m after non-recurring operational items) compared to an Adjusted Net Profit of €31.9m in YTD 2021 (€+25.0m after non-recurring operational items).

YTD December 2022 CAPEX (additions in Property, Plant and Equipment and variations of CAPEX suppliers) amounted to €61.3m, compared to YTD 2021 figure of €46.9m. Capital expenditure continues to be mainly focused on transformational investments in diversification toward increasingly differentiated green products, operational excellence, and decarbonisation.

Net Debt<sup>2</sup> during YTD 2022 increased by €49.6m (December 2022 €136.6m versus €87.0m in December 2021). The Leverage Ratio<sup>3</sup> as per December 2022 stands at 0.86x.

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<sup>1</sup>Adjusted net profit excludes non-recurring operational items in the amount of €18.1m (net of taxes €13.6m).

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

<sup>3</sup>Calculated following EBITDA and Incurrence Test definitions as per bond documentation. Last Twelve Months Adjusted EBITDA amounted to €167.6m, €159m 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 31 March 2022 (unaudited) (restated <sup>1</sup> )	1 January to 30 June 2022 (unaudited) (restated <sup>1</sup> )	1 January to 30 September 2022 (unaudited) (restated <sup>1</sup> )	1 January to 31 December 2022 (unaudited)	1 January to 31 December 2021 (audited)
Net sales	372,343	810,913	1,261,909	1,586,239	934,145
COGS	(234,223)	(525,895)	(824,254)	(1,054,907)	(541,265)
Purchases and other supplies	(299,477)	(601,275)	(835,530)	(1,139,616)	(615,670)
Change in inventories of goods purchased for resale and other supplies	65,254	75,380	11,276	84,708	74,405
Other operating income	22,043	45,604	56,248	79,069	46,606
Personnel expenses	(23,882)	(49,100)	(76,202)	(101,126)	(92,507)
Other operating costs	(92,624)	(186,009)	(266,985)	(332,594)	(245,217)
Gain/(Loss) on non-current investments	5	2	3	2	267
Other gains and losses	(2,944)	(10,365)	(20,947)	(27,173)	(2,081)
Depreciation & amortisation	(7,377)	(15,102)	(22,732)	(31,064)	(27,939)
<b>OPERATING PROFIT (EBIT)</b>	<b>33,341</b>	<b>70,048</b>	<b>107,040</b>	<b>118,446</b>	<b>72,009</b>
Financial income	9	515	517	37	26
Financial expenses	(9,232)	(18,457)	(28,585)	(38,792)	(41,960)
Gains/(losses) on exchange	(13)	(122)	137	4,387	471
Impairment of financial assets	-	-	-	1	(630)
Income from companies carried by the equity method	-	-	-	(11)	993

(1) Restatements refer to:

- The final phase of the administrative authorisation process to restore the phosphogypsum ponds in Huelva is very close to completion at 31 December 2022, with works expected to begin during 2023. In order to adapt the cost of the initial project to the latest technical requirements raised during the authorisation process, the Fertiberia Group recognised an environmental provision of €11.9 million in December.
- An inventory provision of €27.4 million was recognised in December based on a conservative working capital management policy.

The effect of both provisions is presented in equal parts in each quarter of 2022, so as to ensure a true and fair view.

(in €'000)	1 January to 31 March 2022 (unaudited) (restated <sup>1</sup> )	1 January to 30 June 2022 (unaudited) (restated <sup>1</sup> )	1 January to 30 September 2022 (unaudited) (restated <sup>1</sup> )	1 January to 31 December 2022 (unaudited)	1 January to 31 December 2021 (audited)
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>24,105</b>	<b>51,984</b>	<b>79,109</b>	<b>84,068</b>	<b>30,909</b>
CIT expense	(5,378)	(13,199)	(23,114)	(21,309)	(5,912)
<b>Net profit</b>	<b>18,727</b>	<b>38,785</b>	<b>55,995</b>	<b>62,759</b>	<b>24,997</b>
EBIT	33,341	70,048	107,040	118,446	72,009
EBITDA	40,718	85,150	129,772	149,510	99,948
NON-RECURRING ITEMS	3,562	8,805	10,779	18,093	9,200
<b>ADJUSTED EBITDA</b>	<b>44,280</b>	<b>93,955</b>	<b>140,551</b>	<b>167,603</b>	<b>109,148</b>

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The effect of both provisions is presented in equal parts in each quarter 2022, so as to ensure a true and fair view.



# 03

## Interim unaudited consolidated balance sheet

# Condensed consolidated balance sheet

(in €'000)	31 December 2022 (unaudited)	31 December 2021 (audited)
<b>Total non-current assets</b>	<b>529,338</b>	<b>484,091</b>
Goodwill	40,790	39,262
Intangible assets	89,884	86,734
Tangible assets	342,127	301,273
Long-term investments in Group companies	-	-
Investments accounted for using the equity method	1,630	834
Long-term receivables from Group companies	-	-
Long-term financial assets	13,285	14,745
Deferred tax assets	39,620	40,778
Other non-current assets	2,002	465
<b>Total current assets</b>	<b>579,294</b>	<b>461,536</b>
Inventories	395,093	227,023
Short-term investments in Group companies	-	-
Group trade receivables	-	-
Short-term receivables from Group companies	-	-
Trade and other receivables	119,257	139,772
Trade receivables	100,004	124,809
Public administrations	15,591	12,750
Personnel	169	132
Other trade receivables	3,493	2,081
Current financial assets	1,100	673
Other current assets	3,668	2,993
Cash and cash equivalents	60,176	91,075
<b>Total Assets</b>	<b>1,108,632</b>	<b>945,627</b>

(in €'000)	31 December 2022 (unaudited)	31 December 2021 (audited)
<b>Total Equity</b>	<b>150,493</b>	<b>77,642</b>
Equity	136,025	73,266
Share capital	58,626	58,626
Reserves	14,640	(437)
Cumulative result for the year	62,759	24,997
Prior-year losses	-	(9,920)
Minority interest	547	295
Measurement adjustments	-	-
Grants, donations and bequests received	13,921	4,081
<b>Total non-current liabilities</b>	<b>561,233</b>	<b>535,993</b>
Long-term provisions	58,253	50,926
Long-term bank borrowings	174,235	173,978
Long-term bank borrowings – accrued interest	272	-
Long-term finance lease liabilities	16,412	18,324
Long-term financial liabilities	15,828	21,484
Shareholder loan	260,535	241,009
Deferred tax liabilities	35,698	30,272
<b>Total current liabilities</b>	<b>396,906</b>	<b>331,992</b>
Short-term provisions	74,142	38,499
Discounted bill of exchange risk	2,553	4,118
Short-term bank borrowings	20,333	276
Short-term finance lease liabilities	7,901	7,901
Other short-term financial liabilities	4,523	5,215
Short-term trade payables to Group companies	-	-
Short-term payables to Group companies	-	-
Trade and other payables	277,299	266,411
Trade payables	240,098	243,597
Public administrations	23,361	9,070
Personnel	13,840	13,744
Other trade payables	-	-
Other current liabilities	10,155	9,572
<b>Total Liabilities</b>	<b>1,108,632</b>	<b>945,627</b>



# 04

## Interim unaudited consolidated cash flow statement

# Condensed consolidated cash flow statement

(in €'000)	1 January to 31 December 2022 (unaudited)	1 January to 31 December 2021 (audited)
<b>EBITDA (normalised)</b>	<b>167,603</b>	<b>109,148</b>
Normalisations (effective cash flow)	(18,093)	(9,200)
Adjustment IFRS	-	-
<b>EBITDA (reported for cash flow)</b>	<b>149,510</b>	<b>99,948</b>
Change in inventories	(143,829)	(79,620)
Change in trade receivables	11,327	(51,669)
Change in prepayments to suppliers	-	-
Change in trade payables	10,852	103,210
Change in prepayments received from customers	-	-
Change in other trade working capital	38,832	3,203
<b>Change in TWC</b>	<b>(82,818)</b>	<b>(24,876)</b>
Change in other WC (assets)	-	-
Change in other WC (liabilities)	-	-
<b>Change in NWC</b>	<b>(82,818)</b>	<b>(24,876)</b>
Interest paid	(17,327)	(18,815)
Interest received	549	314
Taxes	(12,367)	(378)
<b>Cash flows from operating activities</b>	<b>37,547</b>	<b>56,193</b>
Capex	(61,261)	(46,914)
<i>Additions in Property, Plant and Equipment</i>	<i>(55,328)</i>	<i>(59,917)</i>
<i>Variation of Capex suppliers</i>	<i>(5,933)</i>	<i>13,003</i>
Financial assets	(11,734)	-
Other cash from investing activities	-	2,061

(in €'000)	1 January to 31 December 2022 (unaudited)	1 January to 31 December 2021 (audited)
<b>Cash flows from investing activities</b>	<b>(72,995)</b>	<b>(44,853)</b>
Borrowings/(payments) under revolving facility	(16,163)	(96,344)
Long-term debt (net)	20,967	173,751
Capital lease	-	-
Shareholder loan	-	(25,000)
Capital increase	-	-
Dividends paid	-	-
<b>Net cash used in financing activities</b>	<b>4,804</b>	<b>52,407</b>
FX diff	(255)	471
Other, net	-	-
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(30,899)</b>	<b>64,218</b>

# 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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