



GrupoFertiberia

Issuer Fertiberia Corporate, S.L.U.

Parent company's quarterly
unaudited interim
consolidated financial
statements

FERTIBERIA, S.A.R.L.

Grupo**Fertiberia**

Consolidated Interim Report Q1

March 2023

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 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 during Q1 the integration of Trichodex, a specialty biological solutions business headquartered in Seville, which it acquired in July 2022. Trichodex has a strong R&D team and advanced products marketed in Europe and Latin America.

Its products are based on patented bioprocesses that select microorganisms optimal for producing bioactive components that improve crop protection and yield.

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

In pursuit of its ambition to become a global company through the development of high added value products with a minimal environmental footprint, Fertiberia commenced its operations in Greek and Balkan markets during Q1 with its subsidiary, Fertiberia Hellas. The goal is for Fertiberia Hellas to become a leading brand for farmers in Greek and Balkan markets by taking advantage of the unique and innovative solutions for Mediterranean crops developed by Grupo Fertiberia. These solutions have great potential to optimize the agricultural yield and 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.

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 unveiled a new line of products called Impact Zero, which are the world's first net-zero crop nutrition solutions made with green ammonia. Following the product's launch, Fertiberia has observed a significant level of interest from beverage and food companies as these net zero products represent a way to facilitate the decarbonization of the food supply chain.

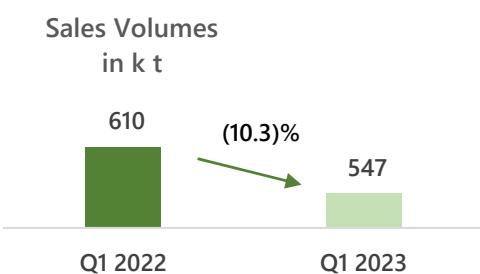


Q1-2023 in brief

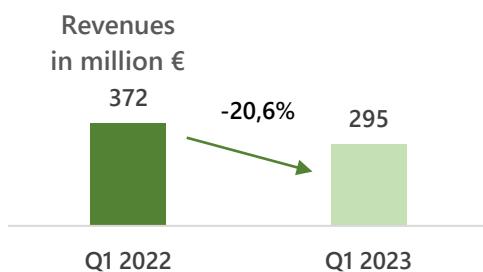
Market trend that began in the last quarter of 2022 with a slow demand due to a notable drop in urea and natural gas prices has continued into the first quarter of 2023, with customers postponing their purchases amid the falling price trend and having a ripple effect on nitrate prices.

As a result, most companies in the sector are reporting weaker results with lower sales and margins, compared to the extraordinary robust Q1 2022.

Fertiberia's overall deliveries decreased by 10.3%, which was attributed to customers delaying their orders due to the downward price trend. Additionally, production was impacted by curtailments in some plants.



In terms of revenue, net sales decreased -20.6% in Q1 2023 to €295 vs. €372m in Q1 2022, mainly on the back of lower deliveries and lower prices .



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 Q1 2023 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 Q1 2023 (vs. 55% in Q1 2022).
- Fertiberia's operational excellence programme delivered recurring savings of €38.9m in LTM March 2023.
- Further advances in its decarbonisation and green hydrogen economy efforts, with the operation since May 2022 of the world's first industrial-scale Green Ammonia plant in Puertollano, manufacturing the Impact Zero new range of emissions-free crop nutrition solutions produced with green hydrogen.

Fertiberia's Q1 2023 consolidated Adjusted EBITDA¹ amounted to €27.3m, compared to an Adjusted EBITDA of €44.3m in Q1 2022. Reported EBITDA¹ Q1 2023 was €26.9m vs. Q1 2022 of €40.7m.

The company's focus has remained on developing its operational excellence program, diversifying towards higher value products that provide increased margins, managing inventory, and implementing measures that rely on its flexible asset footprint to preserve operational flexibility.

¹Inventories provision included

Fertiberia's consolidated Adjusted¹ Net Profit amounted to 5.6m in Q1-2023 (€+5.2m after non-recurring operational items) compared to an Adjusted Net Profit of €+21.4m in Q1-2022 (€+18.7m after non-recurring operational items).

Q1-2023 CAPEX (additions in Property, Plant and Equipment and variations of CAPEX suppliers) amounted to €15.4m, in line with Q1-2022 figure of €16.5m. Capital expenditure continues to be mainly focused on transformational investments in diversification toward increasingly differentiated

green products, operational excellence, and decarbonisation.

Net Debt² during Q1-2023 increased by €50.7m (March 2023 €187.3m versus €136.6m in December 2022). The Leverage Ratio³ as per March 2023 stands at 1.34x.

¹Adjusted net profit excludes non-recurring operational items in the amount of €0.5m (net of taxes €0.3m).

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 €148.7m, €140.1m 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.



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Interim unaudited
consolidated statement of
comprehensive income

Condensed consolidated statement of comprehensive income

(in €'000)	1 January to 31 March 2023 (unaudited)	1 January to 31 March 2022 (unaudited) (restated ¹)
Net sales	295,058	372,343
COGS	(213,670)	(234,223)
Purchases and other supplies	(232,476)	(300,991)
Change in inventories of goods purchased for resale and other supplies	18,806	66,768
Other operating income	40,882	22,043
Personnel expenses	(26,802)	(23,882)
Other operating costs	(68,697)	(92,624)
Gain/(Loss) on non-current investments	(26)	5
Other gains and losses	116	(2,944)
Depreciation & amortisation	(8,170)	(7,377)
OPERATING PROFIT (EBIT)	18,691	33,341
Financial income	9	9
Financial expenses	(11,444)	(9,232)
Gains/(losses) on exchange	(118)	(13)
Impairment of financial assets	-	-
Income from companies carried by the equity method	-	-
PROFIT/(LOSS) BEFORE TAXES	7.138	24.105
CIT expense	(1.898)	(5,378)
Net profit	5.240	18,727
EBIT	18.691	33,341
EBITDA	26.861	40,718
NON-RECURRING ITEMS	462	3,562
ADJUSTED EBITDA	27.323	44,280

⁽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 €11.9m in December.

- An inventory provision of €31.2m was recognised in December based on a conservative working capital management policy.



03

Interim unaudited
consolidated balance
sheet

Condensed consolidated balance sheet

	31 March 2023 (unaudited)	31 December 2022 (audited)
(in €'000)		
Total non-current assets	533,072	529,338
Goodwill	41,205	40,790
Intangible assets	88,010	89,884
Tangible assets	350,590	342,127
Long-term investments in Group companies	-	-
Investments accounted for using the equity method	1,630	1,630
Long-term receivables from Group companies	-	-
Long-term financial assets	13,295	13,286
Deferred tax assets	36,845	39,620
Other non-current assets	1,497	2,001
Total current assets	637,356	580,689
Inventories	447,083	402,129
Short-term investments in Group companies	-	-
Group trade receivables	-	-
Short-term receivables from Group companies	-	-
Trade and other receivables	126,416	113,616
Trade receivables	106,509	101,235
Public administrations	8,772	8,717
Personnel	141	170
Other trade receivables	10,994	3,494
Current financial assets	1,100	1,100
Other current assets	4,240	3,668
Cash and cash equivalents	58,517	60,176
Total Assets	1,170,428	1,110,027

	31 March 2023 (unaudited)	31 December 2022 (audited)
Total Equity	187,078	150,501
Equity	141,184	136,033
Share capital	58,626	58,626
Reserves	77,318	14,646
Cumulative result for the year	5,240	62,761
Prior-year losses	-	-
Minority interest	547	547
Measurement adjustments	-	-
Grants, donations and bequests received	45,347	13,921
Total non-current liabilities	640,883	560,916
Long-term provisions	58,156	58,253
Long-term bank borrowings	240,060	174,235
Long-term bank borrowings – accrued interest	471	-
Long-term finance lease liabilities	15,040	16,412
Long-term financial liabilities	15,432	15,783
Shareholder loan	265,603	260,535
Deferred tax liabilities	46,121	35,698
Total current liabilities	342,467	398,610
Short-term provisions	94,101	81,178
Discounted bill of exchange risk	2,564	2,553
Short-term bank borrowings	3,653	20,710
Short-term finance lease liabilities	7,701	7,901
Other short-term financial liabilities	4,818	4,568
Short-term trade payables to Group companies	-	-
Short-term payables to Group companies	-	-
Trade and other payables	218,187	270,425
Trade payables	185,732	240,100
Public administrations	15,845	16,487
Personnel	16,610	13,838
Other trade payables	-	-
Other current liabilities	11,443	11,275
Total Liabilities	1,170,428	1,110,027



04

Interim unaudited
consolidated cash flow
statement

Condensed consolidated cash flow statement

	1 January to 31 March 2023 (unaudited)	1 January to 31 March 2022 (unaudited)
(in €'000)		
EBITDA (normalised)	27,323	44,280
Normalisations (effective cash flow)	(462)	(3,562)
Adjustment IFRS	-	-
EBITDA (reported for cash flow)	26,861	40,718
Change in inventories	25,703	(71,991)
Change in trade receivables	(12,798)	(47,847)
Change in prepayments to suppliers	-	-
Change in trade payables	(51,272)	64,349
Change in prepayments received from customers	-	-
Change in other trade working capital	(15,655)	10,993
Change in TWC	(54,022)	(44,496)
Change in other WC (assets)	-	2
Change in other WC (liabilities)	-	-
Change in NWC	(54,022)	(44,494)
Interest paid	(5,483)	(4,007)
Interest received	-	8
Taxes	(4)	467
Cash flows from operating activities	(32,648)	(7,308)
Capex	(15,425)	(16,495)
<i>Additions in Property, Plant and Equipment</i>	(15,012)	(15,978)
<i>Variation of Capex suppliers</i>	(413)	(517)
Financial assets	-	-
Other cash from investing activities	504	-

(in €'000)	1 January to 31 March 2023 (unaudited)	1 January to 31 March 2022 (unaudited)
Cash flows from investing activities	(14,921)	(16,495)
Borrowings/(payments) under revolving facility	(17,252)	(1,163)
Long-term debt (net)	63,279	(2,841)
Capital lease	-	-
Shareholder loan	-	-
Capital increase	-	-
Dividends paid	-	-
Net cash used in financing activities	46,027	(4,004)
FX diff	(117)	(13)
Other, net	-	-
Net increase/decrease in cash and cash equivalents	(1,659)	(27,820)

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.

GrupoFertiberia

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