



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 Q2

June 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

Business

Grupo Fertiberia (“Fertiberia”) is one of the main crop nutrition and environmental solutions providers in the European Union and one of the leading companies in Spain and Portugal.

The company, headquartered in Madrid, employed a total of 1,612 professionals as of December 2021 and its business is focused on the production and sale of:

- Standard and specialty crop nutrition solutions for all types of crops.
- Environmental solutions to primarily help in the reduction of greenhouse gases, especially in the industrial and transportation sectors.

Fertiberia operates a production network comprising 13 units located across Spain, Portugal and France, with a total production capacity of intermediate and finished products of 9 million tonnes.

It also benefits from a well-established distribution structure and brand, as well as a solid market presence in Southern Europe and the European Atlantic Coast. Furthermore, it has 10 warehouses offering a total storage capacity of 290,000 tonnes and 10 sales offices located across Spain, Portugal and France.

Fertiberia has a large and diverse group of approximately 1,000 customers across c.80 countries. These range from large wholesale groups to cooperatives, industrial clients (especially from the chemical industry), as well as farmers.

Its product portfolio offers more than 520 different products focused on the agricultural and gardening markets, as well as on environmental solutions such as Ad-Blue for the reduction of NOx emissions in the transportation sector.

Crop nutrition solutions are key to 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.

The European crop nutrition sector represents € 10.2bn, producing 18.1 million tonnes and directly employing 75,800 people.

Fertiberia’s ambition is to be a European leader in sustainable crop nutrition solutions and Green Ammonia in support of the ongoing energy transition:

• European leader in sustainable crop nutrition solutions

Fertiberia is focused on offering a complete portfolio of sustainable, green value-added crop nutrition programmes and solutions to the agricultural sector. The aim of this strategy is to increase margins and reduce earnings volatility.

Fertiberia is developing significant R&D programmes with a focus on advanced Specialty solutions such as biostimulants, micronutrients and foliar products.

In addition, Fertiberia is strengthening its salesforce 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.

In a move that forms part of this strategy, Fertiberia has completed the acquisition of Trichodex in the month of July, a tech-based company headquartered in Seville.

Trichodex has an R&D team that converts its laboratory research into high-tech 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 plant nutrition offering in terms of biofertilizers and bio stimulants and broadens its portfolio with microorganism-based advanced biocontrol solutions.

- **Carbon-neutral footprint with highly efficient assets**

Fertiberia is executing an ambitious operational excellence programme based on a long list of identified and validated initiatives to optimise and redirect its footprint towards more efficient and sustainable operations.

Fertiberia seeks to continue its path to GHG emissions reductions (63% reduction since 2010) and is the first major company in the crop nutrition sector to commit to achieving zero emissions by 2035.



- **Key player in Green Ammonia in support of the energy transition**

Fertiberia's strategy seeks to significantly invest and grow in Green Ammonia, thereby supporting the decarbonisation of various value chains and becoming a key player in the ongoing energy transition. Green Ammonia is expected to attract significant demand not only from the agricultural markets, but also from industries such as transportation, energy, and chemicals.

Fertiberia aims to leverage its strategic position in Spain and Portugal and its industrial and commercial expertise to lead the development of the Green Ammonia market.

Fertiberia started producing Green Ammonia on an industrial scale at its Puertollano plant in mid May 2022, becoming the first company to achieve this.

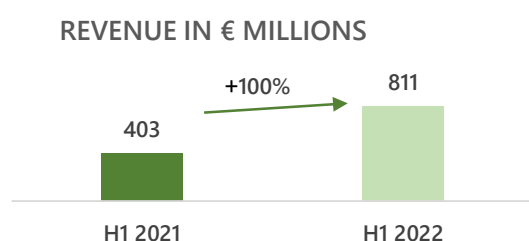
Fertiberia has announced the market launch of its new range of products called Impact Zero, the world's first line of emissions-free crop nutrition solutions produced with green hydrogen, a clear step towards its goal of advancing the decarbonisation of the agricultural sector.



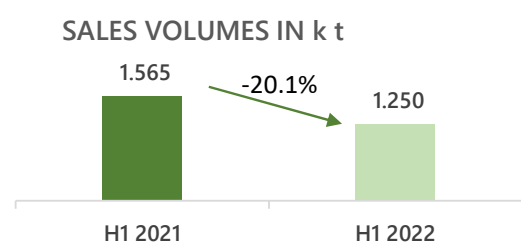
Q2 in brief

Fertiberia performed well during H1 2022, despite strong volatility resulting from the ongoing war in Ukraine that started on 24 February.

In terms of revenue, net sales rose 100% to €811m vs. €403m in H1 2021, mainly on the back of improved average net selling prices, which ticked up by c.2.6x due to higher prices across all product categories.



Although sales volumes saw a 20% 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.

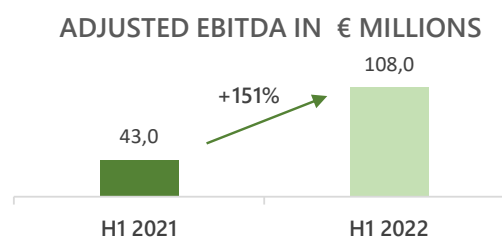


Although the war in Ukraine is impacting the food and crop nutrition solutions industries, given that Russia and Ukraine both play a significant role in the European food value chain, Fertiberia's dependency on Russian sourcing is very limited, as its main raw materials, such as natural gas, are supplied to the Spanish gas system by North Africa (Medgaz-NG pipeline) and by North American and Qatari LNG vessels.

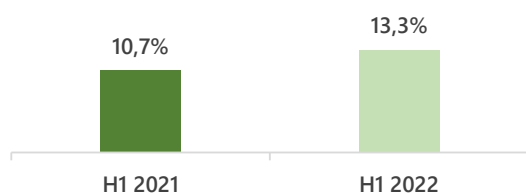
Fertiberia continues to move forward as planned with its growth strategy and its goal to become a fully sustainable European leader in crop nutrition solutions and green ammonia via decarbonised high-performance assets. Progress made in H1 2022 included:

- 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 H1 2022 (vs. 52% in H1 2021).
- Fertiberia's operational excellence programme delivered recurring savings of €21.4m in H1 2022.
- Further advances in its decarbonisation 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 H1 2022 consolidated Adjusted EBITDA amounted to €108.0m, compared to an Adjusted EBITDA of €43.0m in H1 2021.



ADJUSTED EBITDA MARGIN



This strong 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 €+55.9m in H1 2022 (€+54.9m after non-recurring operational items) compared to an Adjusted Net Profit of €8.8m in H1 2021 (€+5.5m after non-recurring operational items).

H1 2022 additions in Property, Plant and Equipment amounted to €19.9m, in line with H1 2021 (€20.2m). Capital expenditure is mainly focused on transformational investments in diversification toward increasingly differentiated green products, operational excellence and decarbonisation.

Fertiberia's cash from operating activities in H1 2022 was €34.7m lower than a year earlier. Higher EBITDA was more than offset by an increase 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 H1 2022 increased by €77.3m (June 2022 €164.3m versus €87.0m in December 2021), driven by the increase in working capital. The Leverage Ratio³ as per June 2022 stands at 0.99x.

¹ Adjusted net profit excludes non-recurring operational items in the amount of €1.3m (net of taxes €0.9m).

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

³ Calculated following EBITDA and Incurrence Test definitions as per bond documentation. Last Twelve Months Adjusted EBITDA amounted to €174.1m, €166.2m 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.



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Interim unaudited consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income

(in €'000)	1 January to 30 June 2022 (unaudited)	1 January to 30 June 2021 (unaudited)
Net sales	810,913	402,585
COGS	(510,295)	(226,063)
Purchases and other supplies	(601,275)	(227,934)
Change in inventories of goods purchased for resale and other supplies	90,980	1,871
Other operating income	45,604	3,500
Personnel expenses	(49,100)	(43,366)
Other operating costs	(186,009)	(97,197)
Gain/(Loss) on non-current investments	2	-
Other gains and losses	(4,419)	(790)
Depreciation & amortisation	(15,102)	(14,337)
OPERATING PROFIT (EBIT)	91,594	24,332
Financial income	515	299
Financial expenses	(18,457)	(16,773)
Gains/(losses) on exchange	(122)	(156)
Impairment of financial assets	-	-
Income from companies carried by the equity method	-	-
PROFIT/(LOSS) BEFORE TAXES	73,530	7,702
CIT expense	(18,585)	(2,152)
Net profit	54,945	5,550
EBIT	91,594	24,332
EBITDA	106,696	38,669
NON-RECURRING ITEMS	1,283	4,358
ADJUSTED EBITDA	107,979	43,027



03

Interim unaudited consolidated balance sheet

Condensed consolidated balance sheet

(in €'000)	30 June 2022 (unaudited)	31 December 2021 (audited)
Total non-current assets	487,989	484,091
Goodwill	39,262	39,262
Intangible assets	83,185	86,734
Tangible assets	309,837	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	14,129	14,745
Deferred tax assets	38,306	40,778
Other non-current assets	1,436	465
Total current assets	636,979	461,536
Inventories	380,364	227,023
Short-term investments in Group companies	-	-
Group trade receivables	-	-
Short-term receivables from Group companies	4	-
Trade and other receivables	196,545	139,772
Trade receivables	168,468	124,809
Public administrations	25,888	12,750
Personnel	162	132
Other trade receivables	2,027	2,081
Current financial assets	706	673
Other current assets	1,969	2,993
Cash and cash equivalents	57,391	91,075
Total Assets	1,124,968	945,627

(in €'000)	30 June 2022 (unaudited)	31 December 2021 (audited)
Total Equity	162,426	77,642
Equity	128,212	73,266
Share capital	58,626	58,626
Reserves	14,640	(437)
Cumulative result for the year	54,946	24,997
Prior-year losses	-	(9,920)
Minority interest	226	295
Measurement adjustments	-	-
Grants, donations and bequests received	33,988	4,081
Total non-current liabilities	598,811	535,993
Long-term provisions	50,860	50,926
Long-term bank borrowings	219,105	173,978
Long-term bank borrowings – accrued interest	92	-
Long-term finance lease liabilities	16,356	18,324
Long-term financial liabilities	20,488	21,484
Shareholder loan	250,604	241,009
Deferred tax liabilities	41,306	30,272
Total current liabilities	363,731	331,992
Short-term provisions	46,891	38,499
Discounted bill of exchange risk	2,570	4,118
Short-term bank borrowings	383	276
Short-term finance lease liabilities	6,400	7,901
Other short-term financial liabilities	4,817	5,215
Short-term trade payables to Group companies	-	-
Short-term payables to Group companies	-	-
Trade and other payables	286,308	266,411
Trade payables	249,303	243,597
Public administrations	26,215	9,070
Personnel	10,790	13,744
Other trade payables	-	-
Other current liabilities	16,362	9,572
Total Liabilities	1,124,968	945,627



04

Interim unaudited consolidated cash flow statement

Condensed consolidated cash flow statement

(in €'000)	1 January to 30 June 2022 (unaudited)	1 January to 30 June 2021 (unaudited)
EBITDA (normalised)	107,979	43,027
Normalisations (effective cash flow)	(1,283)	(4,358)
Adjustment IFRS	-	-
EBITDA (reported for cash flow)	106,696	38,669
Change in inventories	(108,248)	(15,720)
Change in trade receivables	(54,599)	(33,341)
Change in prepayments to suppliers	-	-
Change in trade payables	13,486	9,673
Change in prepayments received from customers	-	-
Change in other trade working capital	10,272	(607)
Change in TWC	(139,089)	(39,996)
Change in other WC (assets)	4	-
Change in other WC (liabilities)	-	-
Change in NWC	(139,085)	(39,996)
Interest paid	(7,803)	(6,300)
Interest received	515	300
Taxes	(3,320)	(911)
Cash flows from operating activities	(42,997)	(8,238)
Capex	(28,437)	(17,569)
<i>Additions in Property, Plant and Equipment</i>	<i>(19,869)</i>	<i>(20,248)</i>
<i>Variation of Capex suppliers</i>	<i>(8,568)</i>	<i>2,679</i>
Disposal of assets / subsidiaries	(717)	-
Other cash from investing activities	-	-

(in €'000)	1 January to 30 June 2022 (unaudited)	1 January to 30 June 2021 (unaudited)
Cash flows from investing activities	(29,154)	(17,569)
Borrowings/(payments) under revolving facility	(1,758)	2,894
Long-term debt (net)	40,346	54,046
Capital lease	-	-
Shareholder loan	-	(25,000)
Capital increase	-	-
Dividends paid	-	-
Net cash used in financing activities	38,588	31,941
FX diff	(122)	(156)
Other, net	-	-
Net increase/decrease in cash and cash equivalents	(33,685)	5,978

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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