FERTIBERIA S.à r.l. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR FINANCIAL YEAR 2020

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To the Shareholders of
Fertiberia S.à r.l.
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fertiberia S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated report including the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

T.V.A. LU 27351518
R.C.S. Luxembourg B 149133

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers and Those Charged with Governance for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

— Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 22 April 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Stephan Lego-Deiber

FERTIBERIA S.à r.l. AND SUBSIDIARIES

Consolidated Financial Statements and Management Report for financial year ended 31 December 2020

CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2020:

- Consolidated Statement of Financial Position as 31 December 2020
- Consolidated Income Statement for financial year ended 31 December 2020
- Consolidated Statement of Comprehensive Income for financial year ended 31 December 2020
- Consolidated Statement of Changes in Equity for financial year ended 31 December 2020
- Consolidated Statement of Cash Flows for financial year ended 31 December 2020
- Notes to consolidated financial statements for year ended 31 December 2020

CONSOLIDATED MANAGEMENT REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

FERTIBERIA S.à r.l. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

FERTIBERIA S.à r.l. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020
(Stated in euro thousand)

ASSETS	Notes to the Report	31 December 2020
NON-CURRENT ASSETS		**445,512**
Intangible assets		**130,277**
Goodwill	**Note 5 & 7**	39,562
Other intangible assets	**Note 8**	90,715
Property, plant and equipment	**Note 9**	**258,217**
Investments accounted for using the equity method	**Note 11**	**679**
Non-current financial assets	**Note 12**	**16,788**
Deferred tax assets	**Note 24**	**39,551**
CURRENT ASSETS		**262,038**
Inventories	**Note 13**	**143,973**
Trade and other receivables	**Note 14**	**80,331**
Current tax assets	**Note 24**	**8,565**
Current financial assets at amortised cost	**Note 15**	**616**
Other current assets	**Note 16**	**1,696**
Cash and cash equivalents	**Note 17**	**26,857**
TOTAL ASSETS		**707,550**

The Notes form an integral part of these consolidated financial statements.

FERTIBERIA S.à r.l. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020
(Stated in euro thousand)

EQUITY AND LIABILITIES	Notes to the Report	31 December 2020
EQUITY		**49,114**
SHAREHOLDER EQUITY		**48,819**
Share Capital	**Note 18.1**	**12**
Subscribed capital		12
Reserves	**Note 18.3**	**113**
Profit/Loss attributable to the Parent Company		**(9,920)**
Other shareholder contributions	**Note 18.2**	**58,614**
NON-CONTROLLING INTERESTS	**Note 18.5**	**295**
EQUITY ATTRIBUTED TO THE PARENT COMPANY		**48,819**
NON-CURRENT LIABILITIES		**458,728**
Grants	**Note 22**	**4,433**
Non-current provisions	**Notes 19.1 & 29**	**45,981**
Non-current financial liabilities		**130,109**
Debt with credit institutions	**Note 20**	85,234
Financial lease creditors	**Note 10.2**	18,184
Other non-current financial liabilities	**Note 21**	26,691
Related party debt	**Note 26**	**247,789**
Deferred tax liabilities	**Note 24**	**30,416**
CURRENT LIABILITIES		**199,708**
Current provisions	**Notes 19.2 & 29**	**27,116**
Current financial liabilities		**29,275**
Debt with credit institutions	**Note 20**	4,641
Financial lease creditors	**Note 10.2**	10,073
Other financial liabilities	**Note 21**	14,561
Trade and other payables	**Note 23**	**137,295**
Current tax liabilities	**Note 24**	**4,126**
Other current liabilities		**1,896**
TOTAL EQUITY AND LIABILITIES		**707,550**

The Notes form an integral part of these consolidated financial statements.

FERTIBERIA S.à r.l. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR 2020
(Stated in euro thousand)

INCOME STATEMENT	Notes to the Report	2020
Net sales	**Note 25.1**	**672,902**
Supplies	**Note 25.2**	**(355,718)**
Other operating income	**Note 25.3**	**26,036**
Personnel expenses	**Note 25.4**	**(84,920)**
Other operating expenses		**(200,545)**
Fixed asset depreciation and amortisation	**Note 25.5**	**(28,769)**
Impairment and gains or losses on disposal of fixed assets	**Note 25.6**	**(311)**
Other results	**Note 25.10**	**470**
OPERATING PROFIT/(LOSS)		**29,145**
Financial income	**Note 25.7**	**5,287**
Financial expenses	**Note 25.8**	**(42,801)**
Translation differences	**Note 25.9**	**(259)**
Financial instrument impairment and disposal		**(241)**
FINANCIAL PROFIT/(LOSS)		**(38,014)**
Share of profits (losses) in equity accounted companies	**Note 11**	**590**
PROFIT/(LOSS) BEFORE TAX		**(8,279)**
Corporate income tax	**Note 24**	**(1,641)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(9,920)**
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS		**(9,920)**
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**(9,920)**
Profit/(Loss) attributed to the Parent Company		(9,920)
Profit/(Loss) attributed to non-controlling interests		-

The Notes form an integral part of these consolidated financial statements

FERTIBERIA S.à r.l. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL YEAR 2020

(Stated in euro thousand)

	2020
CONSOLIDATED INCOME STATEMENT RESULT	**(9,920)**
Income and expenses attributed directly to equity	
From cash flow hedges	-
Tax effect	-
TOTAL INCOME AND EXPENSES ATTRIBUTED DIRECTLY TO EQUITY	**-**
Reclassifications to profit and loss	
From cash flow hedges	393
Tax effect	(111)
TOTAL RECLASSIFICATIONS TO PROFIT AND LOSS	**282**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(9,638)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR 2020

(Stated in euro thousand)

	Shareholder equity				Adjustments for value changes			
	Share Capital	Reserves and previous years' results	Result for the year attributable to the Parent Company	Other shareholder contributions	Conversion differences	Hedge operations	Non-controlling interests	Total Equity
Balances at 1 January (parent company equity prior to the business combination)	**12**	**-**	**(33)**	**-**	**-**	**-**	**-**	**(21)**
Business combinations (Note 5)	-	-	-	-	-	(282)	295	**13**
Total recognised income / (expenses)	-	-	**(9,920)**	-	-	**282**	-	**(9,638)**
Transactions with shareholders or owners	**-**	**-**	**-**	**58,614**	**-**	**-**	**-**	**58,614**
Other transactions with shareholders or owners (Note 18)	-	-	-	58,614	-	-	-	58,614
Other variations in equity	**-**	**113**	**33**	**-**	**-**	**-**	**-**	**146**
Distribution of the previous year's result	-	(33)	33	-	-	-	-	-
Other variations	-	146	-	-	-	-	-	146
Closing balance at 31 December 2020	**12**	**113**	**(9,920)**	**58,614**	**-**	**-**	**295**	**49,114**

The Notes form an integral part of these consolidated financial statements.

FERTIBERIA S.à r.l. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR 2020
(Stated in euro thousand)

	Notes to the Report	31 December 2020
CASH FLOWS USED IN OPERATING ACTIVITIES		**(2,774)**
Profit/(Loss) for the period		**(8,279)**
Adjustments:		**54,705**
Depreciation and amortisation of fixed assets and working capital provisions	Note 8 and 9	28,769
Gains from property, plant and equipment retirements and disposals	Note 25.6	311
Gains from financial instruments and disposals		241
Financial income	Note 25	(5,287)
Financial expenses	Note 25	42,801
Translation differences		259
Share of profit of equity-accounted investees	Note 11	(590)
Other income and expenses		(11,329)
Other results		(470)
Changes in current capital		**(18,572)**
Inventories		27,187
Trade and other receivables		(2,642)
Other current financial assets		(847)
Trade and other payables		(36,738)
Other current financial liabilities		(370)
Other non-current financial assets		(5,162)
Cash generated used in operating activities:		**(30,628)**
Interest paid		(22,772)
Dividends received		279
Interest collected		53
Income tax paid/collected		(8,565)
Other proceeds (payments)		377
CASH FLOWS USED IN INVESTING ACTIVITIES		**(84,825)**
Payments for investments:		**(84,992)**
Property, plant and equipment		(23,335)
Other financial assets		(980)
Business combinations	Note 5	(60,677)
Proceeds from divestments:		**167**
Intangible assets		167
CASH FLOWS FROM FINANCING ACTIVITIES		**114,715**
Proceeds (payments) for equity instruments		**59,191**
Issue of share capital	Note 18.2	58.614
Hedge transactions		282
Other variations		295
Proceeds (payments) for financial liability instruments:		**55,524**
Acquisitions:		
Debt with credit institutions		11,603
Related party debt	Note 26.1	231,075
Proceeds/ (Payments):		
Debt with credit institutions		(178,094)
Other collections (payments) used in financing activities		(9,060)
EFFECT OF EXCHANGE RATE VARIATIONS		**(259)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**26,857**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		**--**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**26,857**

The Notes form an integral part of these consolidated financial statements.

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FERTIBERIA S.à r.l. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2020

NOTE 1. BUSINESS ACTIVITY AND GENERAL INFORMATION

a) Incorporation and registered office.

Triton V Luxco 21, S.à r.l. (hereinafter "Fertiberia S.à r.l." or "the Parent Company") was incorporated for an unlimited period of time in Luxembourg as a *société à responsabilité limitée* on 13 June 2019, subject to Luxembourg law and was registered with the Trade and Companies Register of Luxembourg on 20 June 2019 with the number B235363.

On 17 March 2020, the Parent Company changed its corporate name to Trifuchsia Bidco, S.à r.l. Subsequently, on 17 April 2020, the Company changed its name to the current one: Fertiberia S.à r.l.

The Parent Company has its registered office and tax residence at 2, Rue Edward Steichen, L-2540, Luxembourg, and the Parent Company files its consolidated and individual financial statements at the Trade and Companies Register of Luxembourg.

At 31 December 2020, Fertiberia S.à r.l. is the Parent Company of a Group formed by the subsidiaries listed in Note 2.

For the purposes of preparing the consolidated financial statements, a Group is understood to exist when the parent has one or more subsidiaries over which it has control, either directly or indirectly. The principles applied in the preparation of the consolidated financial statements of the Group, as well as the scope of consolidation, are detailed in Note 2.

The Group's financial year is the period from 1 January through 31 December, although this is the first year since the incorporation of the Group following the takeover on 1 January 2020. In the remaining Notes to the Report, where reference is made to financial year ended 31 December 2020, this has been simplified to "financial year 2020".

For the presentation of the consolidated financial statements, the acquisition date of the subsidiaries in accordance with current legal provisions is the date on which the Group secured control thereof or, alternatively, the date on which the subsidiaries became Group companies.

b) Business activity

The purpose of the Company is the acquisition, holding and disposal of interests in Luxembourg and/or in foreign companies and undertakings, as well as the administration, development and management of such interests.

The Company may provide loans and financing of any other kind, as well as provide guarantees or sureties of any kind to the companies and undertakings that form part of the group of which the Company is a member.

The Company may also invest in real estate, in intellectual property rights or in any other kind of tangible or intangible asset.

The Company may borrow and issue bonds, notes or any other debt instruments as well as warrants and other share subscription rights.

The Company may carry out any commercial, industrial or financial operation deemed beneficial with regard to the fulfilment of its purpose.

Fertiberia S.à r.l. and its subsidiaries (hereinafter, "the Group" or "Fertiberia S.à r.l. Group") carry out the following activities at national and international level:

Centre	Business activity	Holding Company	Location
Avilés	Downstream operations	Fertiberia, S.A.	Asturias
Puertollano	Upstream and downstream operations	Fertiberia, S.A.	Ciudad Real
Sagunto	Downstream operations	Fertiberia, S.A.	Valencia
Palos	Upstream and downstream operations	Fertiberia, S.A.	Huelva
Huelva	Downstream operations	Fertiberia, S.A.	Huelva
Motilla del Palancar	Sales, marketing and warehousing	Fertiberia La Mancha, S.L.	Cuenca
Madrid	Sales and marketing	Intergal Española, S.A.	Madrid
Madrid	Headquarter, sales and marketing	Fertiberia, S.A.	Madrid
Pancorbo	Warehousing and distribution	Fertiberia, S.A.	Burgos
Punta el Verde	Warehousing and distribution	Fertiberia, S.A.	Seville
Villalar de los Comuneros	Warehousing, distribution and downstream operations	Fertiberia, S.A.	Valladolid
Cabañas de Ebro	Warehousing and distribution	Fertiberia, S.A.	Zaragoza
Cartagena	Downstream operations, sales and marketing	Química del Estroncio, S.A.	Murcia
Altorricón	Downstream operations, sales and marketing	Agralia Fertilizantes, S.L.	Huesca
Málaga	Sales and marketing, warehousing and distribution	Fercampo, S.A.	Málaga
Tordesillas	Sales and Marketing	Fertiberia Castilla -León, S.A.	Valladolid
Utrera	Warehousing	Fercampo, S.A.	Seville
Villafranca de Córdoba	Warehousing	Fercampo, S.A.	Córdoba
Mengibar	Downstream operations	Fercampo, S.A.	Jaén
Alcolea de Córdoba	Warehousing and distribution	Fercampo, S.A.	Córdoba
Alverca	Downstream operations, sales and marketing	ADP Fertilizantes, S.A.	Lisbon
Setúbal	Downstream	SOPAC, S.A.	Lisbon
Vila Franca de Xira	Midstream operations	ADP Fertilizantes, S.A.	Lisbon
Paris	Sales and Marketing	Fertiberia France, S.A.S.	Paris
Ille et Vilaine	Sales and marketing, warehousing, distribution and downstream operations	2F Ouest, S.A.S.	Ille et Vilaine

Fertiberia S.à r.l. Group is one of the main providers of crop nutrition and environmental solutions in the European Union, with a leading position in the Iberian Peninsula. Its activity focuses on the production and sale of:

- Standard and specialty crop nutrition solutions for all types of crops.
- Environmental solutions mainly for the abatement of greenhouse gases, especially in the industrial and transportation sectors.

The Group operates a production network comprised of 13 units: 9 in Spain, 3 in Portugal and 1 in France. Total annual production capacity of intermediate and finished products amounts to approximately 9 million tonnes.

It has a well-established distribution structure and strong brand recognition, with solid market shares in Southern Europe and the European Atlantic Coast. Fertiberia S.à r.l. Group operates 10 warehouses with a storage capacity of 290,000 tonnes and it sells its products through a network of 10 commercial offices across Spain, Portugal and France.

Fertiberia S.à r.l. Group has approximately 1,000 clients in 80 countries. The types of clients range from large wholesalers, cooperatives and farmers to industrial clients such as chemical companies.

The product portfolio comprises over 520 different products, focused on a broad variety of crop nutrition solutions for the agricultural and gardening markets, as well as on environmental solutions such as Ad-Blue for the abatement of NOx emissions in the transportation sector.

Crop nutrition solutions are essential for the development of the food industry. With a growing world population with increasing dietary demands, the application of these solutions guarantees the production of food in a context of continuously shrinking crop acreage. This implies a growing need for high agricultural yields.

The sector is undergoing changes such as an increased focus on efficiency and ESG initiatives that represent a great opportunity for Fertiberia S.à r.l. Group, insofar as its strategy is focused towards the development of highly efficient and environmentally-friendly crop nutrition and environmental solutions.

Fertiberia S.à r.l. Group is clearly committed to decarbonising its production processes, to which end it is begun a number of innovative projects for the development and production of green ammonia as well as a high number of initiatives aimed at reducing its overall CO2 footprint and environmental impact.

The Group´s current strategic priorities are as follows:

- Clear focus and investment in ESG, EHS and compliance.

- Increased investment and R&D activity focused on:

  - The development of value-added products that deliver high agronomic and environmental efficiency;
  - Operational and energy efficiency improvements in manufacturing assets;
  - Operational excellence and cost savings;
  - Strengthening of commercial networks for high value-added products.

NOTE 2. GROUP COMPANIES

Below is a list of the companies included in the consolidation scope at 31 December 2020, along with the Parent Company's percentage holding in each:

Investee Company	Business activity	Holding Company	% Direct Holding	% Indirect Holding	Net carrying amount in the holding Company at 31/12/20 (Euro thousand)	Country	Consolidation Method Applied	Auditors
Tri-Fertiberia, Unipessoal, Lda	Manufacture, sales and marketing of crop nutrition solutions	Fertiberia S.à r.l.	100%	-	- (*)	Portugal	Full	-
ADP Fertilizantes, S.A.	Manufacture, sales and marketing of crop nutrition solutions	Tri-Fertiberia, Unipessoal, Lda	-	100%	48,234	Portugal	Full	KPMG
Sociedade Produtora de Adubos Compostos, S.A. ("SOPAC")	Manufacture of crop nutrition solutions	ADP Fertilizantes, S.A.	-	100%	4,210	Portugal	Full	KPMG
Intergal Española, S.A.	Sales and Marketing of crop nutrition solutions	ADP Fertilizantes, S.A.	-	100%	2,253	Spain	Full	KPMG
Global Agrajes, S.L.	Company shareholdings	Fertiberia S.à r.l.	100%	-	82,759	Spain	Full	KPMG
Fertiberia, S.A.	Manufacture, sales and marketing of crop nutrition solutions	Global Agrajes, S.L.	-	99.83%	87,000	Spain	Full	KPMG
Química del Estroncio, S.A.	Manufacture, sales and marketing of crop nutrition solutions and chemical products	Fertiberia, S.A.	-	100%	18,044	Spain	Full	KPMG
Agralia Fertilizantes, S.L.	Manufacture, sales and marketing of crop nutrition solutions	Fertiberia, S.A.	-	100%	7,677	Spain	Full	KPMG
Fertiberia La Mancha, S.L.	Sales and Marketing of crop nutrition solutions	Fertiberia, S.A.	-	100%	1,377	Spain	Full	KPMG
Agrokem, S.A. (1)	Sales and Marketing of crop nutrition solutions	Fertiberia, S.A.	-	100%	45	Spain	Full	-
Agronomía Espacio, S.A. (1)	Mineral deposits research	Fertiberia, S.A.	-	100%	60	Spain	Full	-
Fertiberia Castilla León, S.A.	Sales and marketing, warehousing and distribution	Fertiberia, S.A.	-	100%	1,530	Spain	Full	KPMG
Incro, S.A.	Engineering	Fertiberia, S.A.	-	50%	2	Spain	Equity method	Caudisa Mgc Cía. de auditores
Fercampo, S.A.	Manufacture, sales and marketing of crop nutrition solutions	Fertiberia, S.A.	-	100%	11,915	Spain	Full	KPMG
Fertiberia France, S.A.S.	Sales and Marketing of crop nutrition solutions	Fertiberia, S.A.	-	100%	6,071	France	Full	KPMG

(1) Inactive since the initial capital contribution on incorporation.
(*) The carrying value of the Fertiberia S.à r.l. holding in Tri-Fertiberia Unipessoal, Lda is 1 euro.

The subsidiaries listed in the above table are considered as such pursuant to the provisions of International Financial Reporting Standard (IFRS) 10 on the preparation of consolidated financial statements, insofar as Fertiberia S.à r.l. has control over those companies, as well as over the associate companies listed in the table.

The financial year of the subsidiaries begins on 1 January and ends on 31 December.

Changes in the scope of consolidation

On 13 November 2020, a takeover was approved involving the Group companies Global Galaor, S.L.U. and Fertiberia, S.A., effective 1 January 2020 for accounting purposes. As a result of this, the dissolution of the absorbed company (Global Galaor, S.L.U.) and the transfer of all its assets was made to the absorbing company (Fertiberia, S.A.), with the latter having acquired the rights and obligations of the absorbed company by universal succession. This acquisition was entered in the Commercial Registry of Madrid on 14 January 2021, with the subsequent extinction of the absorbed company (Global Galaor, S.L.U.). This takeover has no effect at a consolidation level.

Group companies excluded from the scope of consolidation

At 31 December 2020, the Group owned a 100% interest in 2F Ouest, SAS, directly or indirectly, valued at €2.4 million. In light of its relatively minor importance, it has not been consolidated as it does not substantially affect the global equity situation.

NOTE 3. BASIS OF PRESENTATION AND CONSOLIDATION POLICIES OF THE FINANCIAL STATEMENTS

a) Basis of presentation

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter, "IFRS"), as adopted by the European Union in accordance with Regulation (EC) No.1606/2002 of the European Parliament and Council, taking into consideration all the accounting principles and standards and the mandatory valuation criteria that have a material effect, as well as the alternatives permitted by the regulations in this respect.

Note 4 contains a summary of the most significant accounting principles and valuation criteria applied in the preparation of these consolidated financial statements.

a.1) Standards and interpretations in force in the current financial year

New accounting standards came into force during financial year 2020 which have been taken into account in the preparation of these consolidated financial statements:

New standards, amendments and interpretations		**Obligatory application to financial years starting:**
New regulations		
Amendment to IFRS 3 Definition of business (published October 2018)	Clarifications to the definition of business.	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of "materiality" (published October 2018)	Amendments to IAS 1 and IAS 8 to align the definition of "materiality" with that contained in the conceptual framework.	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform	Amendments to IFRS 9, IAS 39 and IFRS 7 regarding the reform underway of the benchmark interest rates	1 January 2020
Amendment to IFRS 16 Leases - Reductions in rent with regard to COVID-19 (published 28 May 2020) (*)	Variations in rent concessions to lessees - COVID-19	1 June 2020

(*) No transactions have been identified within the scope of these amendments to IFRS 16.

These standards were applied in the preparation of these consolidated financial statements and have not had any significant impact on them or on the consolidated financial situation of the Group.

a.2) New standards and interpretations effective in future years

At the date of presentation of these Consolidated Financial Statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because their effective date is later than the date of the consolidated financial statements, or because they have not yet been adopted by the European Union:

Not approved for use in the European Union		**Mandatory application to financial years starting:**
Amendments to IFRS 4	IFRS 9 deferral	1 January 2021
Amendments to IFRS 3	Amendments to References to the Conceptual Framework for Financial Reporting	1 January 2022
Amendments to IAS 16	Sales of products from assets under construction during the trial period	1 January 2022
Amendments to IAS 37	Onerous contracts: Cost of fulfilling a contract	1 January 2022
Annual Improvements to IFRS standards 2018-2020		1 January 2022
IFRS 17 Insurance Contracts (published in May 2017)	It replaces IFRS 4. It includes the recording, valuation, presentation and breakdown principles of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that contracts have in the financial statements.	1 January 2021(*)
Amendment to IAS 1 Classification of liabilities as current or non-current (published in January 2020)	Clarifications with respect to the presentation of liabilities as current or non-current	1 January 2023 (**)

(*) The IASB has postponed it to 1 January 2022 (Draft amendment to IFRS 7 published on 26 June 2019).
(**) The IASB has deferred it to 1 January 2023 (Draft amendment published on 3 June 2020).

The Group is evaluating the impact that the application of all these standards may have on its consolidated financial statements or consolidated financial situation, without having identified any significant effects to date.

b) True and fair view

The Consolidated Financial Statements corresponding to financial year ended 31 December 2020 for Fertiberia S.à r.l. and subsidiaries have been prepared by the Parent Company's Managers in accordance with what is established in International Financial Reporting Standards, as adopted by the European Union under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council and subsequent amendments.

These Consolidated Financial Statements and Consolidated Annual Report give a true and fair view of the consolidated financial situation of the Fertiberia S.à r.l. Group at 31 December 2020 and of the consolidated results of its operations, changes in equity and cash flows of the Group in financial year ended on that date.

The Consolidated Financial Statements have been prepared in accordance with Luxembourg's legal and regulatory framework and the going concern principle. Furthermore, and except for the preparation of the consolidated statement of cash flows, the Consolidated Financial Statements have been prepared according to the accrual accounting principle.

The Consolidated Financial Statements and the Consolidated Annual Report for the Fertiberia S.à r.l. Group have been prepared from the accounting records held by the Parent Company and by the remaining companies forming part of the Group.

The Parent Company Managers expect that the 2020 Consolidated Financial Statements, authorise for issue on 30 March 2021, will be approved by the General Shareholders' Meeting without reservation or qualification.

c) Functional and presentation currency

In accordance with current legal regulations on accounting matters, the Consolidated Financial Statements are stated in euro thousand (unless stated otherwise), being the Group's functional and presentation currency.

d) Comparative Information

As detailed in Note 1, the Group was formed on 1 January 2020, its financial year therefore beginning on 1 January 2020 and ending on 31 December 2020. Since this is the Group's first year of activity, no comparative balances have been included in the Consolidated Financial Statements.

e) Consolidation policies

Subsidiaries:

The Subsidiaries over which the Group has control are fully consolidated, with inclusion in the Consolidated Financial Statements of all of their assets, liabilities, revenues, expenses and cash flows after having made the corresponding adjustments and eliminations for intra-group operations.

The Group considers a subsidiary to be any company that meets all of the following criteria:

- It has power over the investee, understood to mean holding rights that allow it to direct the relevant activities with a significant effect on its returns.
- It is exposed or entitled to the variable returns stemming from its involvement in the subsidiary.
- It is able to use its power to influence the amount of returns generated by the subsidiary.

The consolidation of the transactions of the Parent Company and of the consolidated

Subsidiaries has been carried out in accordance with the following basic principles:

1. On their date of acquisition or contribution, the subsidiaries' assets, liabilities and contingent liabilities are measured at market value. Should there be a positive difference between the costs of acquisition or contribution value of the subsidiary and the market value of its assets and liabilities corresponding to the parent company's holding, this difference is assigned to the extent possible to intangible assets or else to goodwill. Should the difference be negative, it shall be recognised in the consolidated income statement.

2. Intangible assets with a defined useful life arising from business combinations are amortised on the basis of their useful life and any goodwill arising from business combinations is not amortised; nevertheless, these are subject to annual review for determination of any adjustments that might be necessary.

3. The value of non-controlling interests in the equity and in the results of fully consolidated Subsidiaries is presented, respectively, under the headings "Equity – Non-controlling interests" in the Consolidated Statement of Financial Position and "Profit for the year – Profit attributable to non-controlling interests" in the Consolidated Income Statement.

4. All balances and transactions between fully consolidated entities have been eliminated in the consolidation process along with any possible margins incorporated therein.

5. The dividends received by companies consolidated under the full and equity methods are eliminated insofar as they are considered to be reserves of the receiving company. In the event of non-controlling interests in companies consolidated under the full integration method, the amount of the dividend that corresponds to non-controlling interests reduces the value of "Non-controlling interests" in Consolidated Equity.

Subsidiaries are consolidated on the date on which they are acquired, i.e. when the Group obtains control thereof. Once the Group holds the control of the acquired companies, any modifications subsequent to the sale or acquisition of additional holdings that do not modify the status of control such as sale and purchase operations with non-controlling interests, are recognised as a change in the Parent Company's equity, this being the difference between the sale and purchase price and the value of the non-controlling interests' equity acquired or sold.

Business combinations:

Operations involving the purchase of companies where the real economic goal is the acquisition of a particular asset which, in itself, constitutes the sole significant net worth of the acquired company, and where the acquired company does not perform any activity, are treated for accounting purposes as asset purchases.

When, on the contrary, the acquisition involves an operating company whose equity consists of assets and liabilities pertaining to at least one business activity, this is treated from an accounting perspective as a business combination in accordance with IFRS 3: Business Combinations.

At the date of acquisition of a business combination through a merger or demerger or the acquisition of all or part of the net assets of an entity, the Group records all of the assets acquired, and liabilities assumed, as well as, if applicable, the difference in value between these assets and liabilities and the cost of the business combination.

The date of acquisition is that on which the acquiring company takes control of the acquired business or businesses.

The cost of a business combination is the sum of:

a) The fair values, at the acquisition date, of the assets handed over, the liabilities incurred or assumed, and the equity instruments issued in exchange for the businesses acquired. However, if the fair value of the acquired business is more reliable, the latter is used for estimating the fair value of the consideration provided.

b) The fair value of any additional consideration dependent on future events or compliance with certain conditions, unless that consideration were to give rise to the recognition of a contingent asset in turn leading to the recognition of revenue in the consolidated income statement, in which case said asset is to be valued by deducting the negative difference, as initially calculated, from the fair value amount. If the amount of this negative difference were to be higher than the total value of the intangible asset, this asset is not recognised.

Expenses related to the issue of equity instruments or financial liabilities delivered in exchange for assets acquired do not form part of the cost of a business combination.

The fees paid to legal advisers or to other professionals involved in the operation are accounted for as an expense in the Consolidated Income Statement.

The fair value of the additional consideration that is dependent on future events or on certain conditions being met is adjusted when, as a consequence of the circumstances arising, it is appropriate to modify the estimates for these amounts, the likelihood of occurrence of the consideration is altered or when it becomes possible to make a reliable estimate of the fair value, if not having been previously possible.

At the date of acquisition, the identifiable assets acquired, and the liabilities assumed are recognised, as a general rule, at their fair value provided that this fair value can be measured in a sufficiently reliable manner.

The excess of the cost of the business combination at the acquisition date over the corresponding value of the acquired identifiable assets less that of the assumed liabilities is recognised as goodwill.

When the value of identifiable assets acquired less that of the assumed liabilities turns out to be higher than the cost of the business combination, the excess is accounted for as revenue in the Consolidated Income Statement.

<u>Investments accounted for using the equity method</u>

Associate entities are considered to be those entities over which the Group has a significant influence, this being understood to be the power to intervene in decisions related to financial policy as well as in the operations of the investee company, without having control or joint control. These holdings in associate companies are accounted for using the equity method.

The investment is recognised initially at cost and is subsequently adjusted to the value of the investee company's net assets that correspond to the Group. The goodwill attributed to associate entities is included in the carrying value of the investment. In the event of transactions with an associate company, the corresponding profits or losses are eliminated in line with the Group's percentage holding in its capital. The net result obtained from these companies in each financial year is reflected in the Consolidated Income Statement as "Results from entities valued using the equity method".

Losses in associate companies attributable to the Group that exceed the latter's interests in those companies are not recognised unless the Group is under the obligation to cover such losses.

f) Responsibility for the information and estimates made

The preparation of the consolidated financial statements requires the application of judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and related assumptions are based on historical experience and other various factors that are understood to be reasonable in accordance with the circumstances. The estimates and respective assumptions are reviewed on an ongoing basis; revisions to estimates are recognised prospectively.

In addition to systematic estimates and regular review thereof, judgements on valuation are made, notably those relating to the valuation of the potential impairment of assets and of provisions and contingent liabilities.

The information contained in these consolidated financial statements is the responsibility of the Parent Company's Managers. Estimates made by these Managers have been used in these consolidated financial statements in order to value some of the assets, liabilities, revenue, expenses and commitments that recognised therein. Basically, these estimates refer to the evaluation of the impairment losses for certain assets and the useful life of property, plant and equipment and intangible assets.

The estimates with the most significant effects on the Consolidated Financial Statements refer to:

- The fair value of the assets acquired and liabilities assumed in the business combinations and assignment of the Purchase Price Allocation (hereinafter, "PPA") in third-party acquisitions (see Note 5).

- The determination of the recoverable amount of a CGU (cash-generating unit) to which goodwill has been assigned (see Note 4.a).

- The valuation of assets used to determine the existence of impairment losses (see notes 4.b and 4.d).

- Environmental provisions, liabilities and contingencies (see Notes 4.k and 19).
- The recoverability of deferred tax assets. (see Notes 4.g and 24)
- Other contingent liabilities arising from the Group's activity (see Notes 4.k and 19).

Despite these estimates having been made on the basis of the best information available at the date of preparation of these consolidated financial statements for the aspects analysed, it is possible that future events might make it necessary to modify these (upwards or downwards) in coming years, which will be done in a prospective manner, recognising the effects of the change in the estimates in the corresponding future consolidated financial statements.

g) Effects of COVID-19

Year 2020 was inevitably impacted by the COVID-19 health crisis and by the social and economic consequences generated by it, and all international bodies believe that its devastating effects on the economy will be far-reaching and long-term, with a slow recovery period.

Throughout 2020 the Group's activity has maintained positive results and has not been affected to a great extent, since the agricultural and food-related activities are declared essential by Royal Decree 463/2020 in Spain, as well as by the European Commission in its Communication of 23 March 2020. Furthermore, specific measures were implemented for the agricultural sector, which have facilitated its proper operation.

Group Management implemented a set of extraordinary measures which have been applied since the beginning of the crisis to protect the health and safety of all employees and collaborators, strictly following the recommendations of the health authorities and incorporating all best-known practices. The most exacting specific prevention and action protocols have been implemented in all centres, in coordination with the workers' representatives, the prevention services and the pertaining authorities.

During financial year 2020, operations have been maintained in all centres of the Group.

COVID-19 related extraordinary expenses amounted to approximately €2.2 million .

NOTE 4. ACCOUNTING AND VALUATION POLICIES

The main valuation policies used by the Group in preparing its consolidated financial statements, in accordance with those established by the IFRS, are as follows:

a) Intangible Assets

Goodwill

Goodwill in consolidation represents the excess of the cost of acquisition over the Group's holding in the fair value of a subsidiary's identifiable assets and liabilities at the date of acquisition.

Goodwill is only recorded when it has been acquired for consideration and represents, therefore, advance payments made by the acquiring entity for the future economic benefits derived from the assets of the acquired entity that are not individually and separately identifiable and recognisable.

On the acquisition date, the Group assigns goodwill to each one of the cash-generating units (CGU) or groups of cash-generating units expected to profit from the synergies of the business combination in which that goodwill arose.

Goodwill continues to be measured at its cost of acquisition. At each financial year-end an estimate is made as to whether there has been any impairment that reduces its recoverable amount to an amount that is below its net recorded cost and, if this is the case, the appropriate adjustment is made, with the counter entry made under the heading for "Net impairment losses" in the Consolidated Income Statement. In accordance with IAS 36 "Impairment of assets", a loss recognised as a result of the impairment of the value of Goodwill is not reversed in subsequent years. Goodwill impairment losses are not subject to reversal in subsequent years.

Brand

This heading includes the value assigned to the "Fertiberia" brand following the business combination (Note 5). An indefinite useful life was determined.

Computer software

Included under this heading are the expenses derived from the acquisition or development of computer software, including its installation. Computer software is amortised on a straight-line basis over a period of 5 years.

Maintenance costs for computer software are charged to results for the year in which they are incurred.

Other Intangible Assets

The Group reviews the residual value, useful life and amortisation method of the intangible assets at the close of each year. Any variations to the criteria initially established are recognised as a change in accounting estimates.

The Group evaluates and determines value adjustments for impairment and reversals of impairment losses of the intangible assets in accordance with the criteria of section (b) below.

b) Property, plant and equipment

The Group applies the cost method for recording the property, plant and equipment assets for its own use. Property, plant and equipment for own use are measured initially at costs of acquisition or production and are measured, subsequently, at cost of acquisition or production less accumulated depreciation and, as applicable, the accumulated provision for value impairment. However, assets acquired as a consequence of the business combination will be valued as detailed in that regulation.

Upkeep and maintenance costs that do not constitute an improvement to items of property, plant and equipment or extend their useful life are expensed in the year in which they are incurred.

The equivalent amount of the estimated costs of major repairs is depreciated differently to that for the remaining corresponding items over the period up until the major repair. At the time the major repair is carried out, its cost is recognised in the carrying value of the property, plant and equipment as a replacement, while any amount associated with the previously recorded repair which could remain in the carrying value of the mentioned asset is written-off.

The future costs that the Group will have to meet in respect of the closure of its facilities are included in the assets' measurement at present value, including the corresponding provisions except for those corresponding to property, plant and equipment intended for the production of inventory, which are charged as expenses for the year.

Work in progress is transferred to operating property, plant and equipment once the trial period has been completed, with depreciation being charged as of that time.

The costs of expansion, modernisation or improvements that represent an increase in productivity, capacity or efficiency or an extension to the useful life of the assets are capitalised as higher costs of the corresponding assets.

Replacements or renewals of complete components that increase the useful life of the asset or its economic capacity are recorded as higher value of property, plant and equipment, with the consequent write-off of the components that are replaced or renewed.

Recurring maintenance, upkeep and repair costs are charged to results as they arise.

The carrying value of a property, plant and equipment element is written off when sold or otherwise disposed; or when profits or future economic returns are not expected from its use, sale or disposal by any other means.

Depreciation of property, plant and equipment is calculated on a straight-line basis, with the exception of land that is not depreciated, based on the estimated useful lives of the assets, which are the following:

	Years of useful life
Buildings and constructions	25-50
Technical installations and machinery	12-17
Other installations	4-20
Spare parts for property, plant and equipment	15
Transport elements	4-25
Computer equipment	3-5
Major repairs	4-10
Other property, plant and equipment	4-25

Environment

Expenses arising from actions aimed at the protection and improvement of the environment are recognised as an expense in the year in which they are incurred. Any items incorporated into property, plant and equipment for the purpose of minimising environmental impact and for the protection and improvement of the environment, are accounted for as the higher value of the property, plant and equipment.

Value impairment of property, plant and equipment, goodwill and other intangible assets

Should impairment of assets be suspected at the date of each financial year-end of the consolidated financial statements, the Group carries out a review of the carrying amounts of such assets to determine, on the basis of estimates of future results and cash flows, whether such value impairment losses have occurred.

In order to review whether assets have suffered an impairment loss or suspected impairment, a comparison is made between their carrying value and their recoverable amount at the closing date of the consolidated statement of financial position.

The recoverable amount is the higher of the fair value less cost to sale and the value in use, this being understood to be the current value of the estimated future cash flows. In order to calculate the value in use, the assumptions used in these estimates include the discount rates, growth rates and expected changes in the sales prices and direct costs. The discount rates reflect the value of money over time and the risks associated with the cash-generating unit. The growth rates and variations in direct prices and costs are based on sector forecasts and experience and future expectations, respectively.

If the asset does not generate cash flows that are independent from other assets, the Group calculates the recoverable amount for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the consolidated income statement under heading "Impairment and results on disposal of fixed assets".

The reversal of an impairment loss is recorded as a credit to the consolidated income statement, increasing the carrying value of the asset up to the limit of the carrying value that the asset would have had, net of depreciation, if the impairment had not been recorded. Impairment losses recognised on goodwill are not subsequently reversed.

Once the value adjustment for impairment or its reversal has been recognised, the amortisation for the following years will be adjusted in line with the new carrying value.

Notwithstanding the foregoing, if the specific circumstances of the assets show a loss of an irreversible nature, this will be recognised directly in losses from fixed assets in the consolidated income statement.

c) Leases and other similar operations

IFRS 16 establishes the principles for the recognition, measurement, presentation and breakdown of leases.

The right of use asset is initially recorded at its cost, which includes:

- The initial valuation of lease liabilities;
- Any lease payment made on or prior to the date of its commencement, less any incentives received;
- Initial direct costs incurred for the lease;
- and an estimate of the costs to be incurred by the lessee for asset dismantling and restoration.

Following initial recognition, the right of use asset is recorded at cost less accrued depreciation and impairment losses. The depreciation of the right of use asset is recorded under “Depreciation and amortisation of fixed assets” of the Consolidated Income Statement during the useful life of the underlying asset or term of the lease, if less. If ownership is transferred to the lessee or it is practically certain that the lessee will exercise the purchase option, it will be depreciated during the useful life of the asset.

The initial valuation of lease liabilities is calculated as the value of future lease payments deducted, in general, at the incremental rate. Lease payments include:

- The fixed or substantially fixed lease payments specified in the agreement less any incentive to the lessee;
- Variable payments that depend on an index or rate;
- Amounts that the lessee expects to pay for guarantees on the residual value of the underlying asset;
- The purchase option exercise price if its exercise by the lessee is reasonably certain;
- and any payments for cancellation of the lease if the lease term includes early cancellation.

Contingent rent subject to the occurrence of a specific event and the variable payments that depend on the revenue or use of the underlying asset are recorded when incurred under “Other operating expenses” of the Consolidated Income Statement instead of forming part of the lease liabilities.

Subsequently, lease liabilities are increased to reflect the financial expense and decreased by the amount of payments made. The financial adjustment is recorded under "Financial expenses" in the Consolidated Income Statement. Lease liabilities are restated when a change occurs to the indexes or rates; to the estimate of the amounts payable as residual value guarantees; in those cases in which the exercise of extension options is reasonably certain; or when it is reasonably certain that the cancellation options will not be exercised.

The recognised leases in which the Group acts as lessee correspond mainly to the rental of the Group's means of transportation of goods, offices where they are located, the concessions granted to the Group, as well as vehicle rentals.

The lessee may choose not to apply the general criteria in IFRS 16 to short-term leases and leases whose underlying asset is considered of low value (assets with a value of $5,000 or less when new or assets and liabilities for leases with a lease term of 12 months or less).

d) Financial instruments

(i) Recognition and classification of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

For measurement purposes, the Group classifies financial instruments in the following categories of financial assets and financial liabilities according to the business model and the characteristics of the contractual cash flows.

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in the income statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement. This category includes the loans, trade and other receivables and security deposits.

  In line with generalised business practice, part of the sales made by the Group is paid via commercial paper accepted by national customers and through remittances and documentary credits provided by financial institutions in the case of foreign customers. In the accompanying consolidated statement of financial situation, customer balances include discounted commercial paper pending maturity at 31 December 2020, the counter-entry for the same amount appearing under the heading for "Short-term liabilities – Amounts owing to credit institutions".

  In addition, the Group withdraws from its consolidated statement of financial position, the customer balances of credit for the amount of those assignments of credit in which the factor assumes the risk of insolvency ("non-recourse factoring").

(Note 14).

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the consolidated income statement.

- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the income statement and presented net within other gains/(losses) in the period in which it arises. This category includes the factoring.

The Group initially designates a financial liability at FVPL if doing so eliminates or significantly reduces an inconsistency in the measurement or recognition that would otherwise arise, if measurement of the assets of liabilities or recognition of the results thereof were made on different bases, or if a group of financial liabilities or financial assets and financial liabilities is managed, and their return is evaluated, based on fair value, in accordance with an investment strategy or documented risk management strategy , and information on this group is provided internally on the same basis to 's key management personnel.

The Group classifies the remaining financial liabilities, except financial guarantee contracts, commitments to extend below-market rate loans and financial liabilities resulting from a transfer of financial assets that do not qualify for derecognition or are recognised using the continued involvement approach, as financial liabilities at amortised cost.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

(iii) Impairment

The Group recognises an impairment loss for expected credit losses on financial assets at amortised cost, FVOCI, lease finance receivables, contractual assets, loan commitments and financial guarantees.

For trade receivables, the Group applies the simplified approach permitted under IFRS 9 that requires that expected lifetime losses be recognised since the initial recognition of the receivable.

(iv) Derecognition, modification and extinguishment of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(v) Derecognition and modifications of financial liabilities

The Group derecognises all or part of a financial liability when it either discharges the liability by paying the creditor or is legally released from primary responsibility for the liability either by process of law or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, providing the instruments have substantially different terms.

The Group considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the original financial liability, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange is not accounted for as an extinguishment, the modified flows are discounted at the original effective interest rate, and any difference in the previous carrying amount is recognised in the income statement. Any costs or fees incurred adjust the carrying amount of the financial liabilities and are amortised using the amortised cost method over the remaining term of the modified liability.

The Group has contracted reverse factoring facilities with various financial institutions to manage payments to suppliers. The Group applies the above criteria to determine whether it should derecognise the original trade payable and recognise a new liability with the financial institutions. Trade payables settled under the management of financial institutions are recognised under trade and other payables only if the Group has transferred management of the payment to the financial institutions but retains primary responsibility for settling the debt with the trade creditors.

(vi) Deposits provided and received

For deposits provided and received in respect of leases and the provision of services, the difference between their fair value and the amount paid is recorded as an advance payment or collection for the lease or service provision. In the case of short-term deposits provided and received, these are measured at the amount paid.

(vii) Long and short-term reclassifications of financial instruments

Financial instruments are classified between current and non-current according to their compliance with the criteria described in Note 4.j.

Investments in the equity of other non-consolidated group companies.

Financial investments held in non-consolidated Group companies correspond to holdings in related companies over which there is common control.

These are measured initially at cost, which is equivalent to the fair value of the consideration paid plus the transaction costs directly attributable to them.

They are subsequently measured at cost less, as applicable, the accumulated amount of the value adjustments for impairment.

At financial year-end and if there is objective evidence that the carrying value of an investment will not be recovered, the necessary valuation adjustments are made.

The amount of the valuation adjustment is determined as the difference between the carrying value and the recoverable amount, unless there is better evidence of the recoverable amount of the investments; in estimating the impairment of this class of assets what is taken into consideration is the proportional part of the equity in the entity in which there is a holding, as corrected by the latent gains in existence at the valuation date that correspond to identifiable items in the balance sheet of that entity.

e) Inventories

This heading in the consolidated financial statement contains the assets that the consolidated entities:

1. Held for sale in the ordinary course of their business (finished products).

2. Have in the process of production, construction or development with this activity (products in process).

3. Plan to consume in the production process or in the provision of services (raw materials and spare parts).

Inventories are measured at the lower of their cost and net realisable value, which is their estimated sales price in the ordinary course of business, less the estimated costs for completing production and those necessary for their sale. Cost is determined as acquisition cost, which comprises the purchase price plus non-recoverable taxes, as well as any other cost directly attributable to the acquisition of materials, works and services and any other costs incurred for placing the inventories in their current condition and location.

The acquisition cost also includes the interest on loans requested for the acquisition or construction of the inventories. Trade discounts, rebates obtained, and other similar items are deducted when determining the acquisition price.

The amount of any adjustment to inventory valuation (such as damage, obsolescence, reduction in sales price) to realisable value, as well as other losses, are recognised as expenses for the year in which the impairment or loss is incurred. Subsequent value recoveries are recognised as income for the year in which these arise.

The carrying value for inventories is recorded as an expense under the "Supplies" heading in the consolidated income statement in the period in which the revenue from their sale is recognised.

Inventories are measured at the lower of acquisition cost and market value. In general, the cost of each type of inventory is determined as follows:

- Raw materials, spare parts and other materials for consumption and replacement: the lower of the weighted average acquisition cost or net realisable value.

- Finished products and products in process or semi-finished: at the lower of cost of production (which includes incorporated materials, labour and direct and indirect manufacturing expenses), or net realisable value in the market.

Net realisable value represents the estimated sales price less all of the estimated sales and distribution costs

The value of obsolete, defective or slow-moving products has been reduced to their possible realisable value.

Greenhouse gas emission allowances

Greenhouse gas emission allowances assigned by the National Allocation Plan (EUAs), which are valued and charged to results.

The emission allowances are initially recognized at their acquisition price. In the case of allowances acquired without consideration or for an amount substantially lower than their market value, revenue is directly attributed to equity and is recognized at the beginning of the year to which they correspond, which is subject to transfer to the consolidated income statement as the allocation is made to expenses for the emissions associated with the allowances received without consideration.

Emission allowances are not amortised. They are however subject to those valuation adjustments for impairment that might be necessary.

These assets are written off from the consolidated statement of financial position on the occasion of their transmission to third parties, delivery or expiration.

The emission of greenhouse gases gives rise to the recognition of an expense in the consolidated income statement for the year and to the corresponding provision, given that this is an expense for the year that is clearly specified as regards its nature but for which, at the closing date, the exact amount is not determined. This provision is maintained up until the moment at which the Group has to cancel the obligation with the delivery of the corresponding rights.

The amount of these expenses and the correlative provision is determined on the basis that the obligation will be cancelled:

a) Firstly, through the emission allowances received under an allocation covered by the emissions regime applicable to the Group or its installations, which should be allocated to the emissions made in proportion to the total emissions forecast for the complete period for which these have been allocated. The expense corresponding to this part of the obligation is to be quantified based on the carrying value of the emission allowances transferred.

b) Next, through the remaining emission allowances that appear in the Group's consolidated statement of financial position. The expense corresponding to this part of the obligation is to be quantified, as a general rule, in accordance with the average price or weighted average price of these emission allowances.

c) Should the emission of gases bring about the need for the Group to acquire or generate emission allowances, because the emissions made exceed those that can be cancelled, either through the assigned allowances that may be attributable to these emissions, or through the remaining allowances, acquired or generated, held by the Group, this is considered to be additional to the expense corresponding to the allowances deficit. This expense is quantified in line with the best possible estimate for the amount necessary for covering the allowances deficit.

The gas emission expenses appear under the heading for "Other operating expenses" in the consolidated income statement, with the associated provisions appearing under the heading for "Short-term provisions" in Current Liabilities.

The cancellation of the provision and the write-off occur in the following year, when the cancellation of the allowances is notified to the corresponding administrative record.

The greenhouse gas emission allowances acquired for resale are accounted for in accordance with the criteria established in the standard on the recording and measurement of inventories of the General Accounting Plan.

When the future use of the allowances is not determined at the time of their incorporation into the Group's equity they are classified as inventory. The initial classification is modified whenever the function of the allowances in the Group is changed.

The contracts held for the purpose of receiving or delivering emission allowances are accounted for by applying the criteria set out in the standard on the recording and measurement of financial instruments.

The greenhouse gas emission allowances that have been allocated and consumed correspond to the factories that the Group owns in Portugal and Spain.

f) Foreign currency balances, transactions, and cash flows:

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are considered to be denominated in "foreign currency" and are accounted for at their equivalent value in euros using the spot exchange rates in application on the dates on which these are carried out.

Transactions in foreign currency are recorded at the time of their initial recognition applying the exchange rate between the functional currency and the foreign currency in force at the date of the transaction.

Subsequently, at each consolidated statement of financial position date monetary assets and liabilities in foreign currencies are converted at the rates in force on that date. Non-monetary assets and liabilities in foreign currencies, measured at historical cost, are converted at the exchange rate in force at the date of the transaction. The adjustments to goodwill and fair value generated in the acquisition of an entity with a functional currency other than the euro are considered to be assets and liabilities of that entity and are converted at the closing rate.

Translation differences on monetary items that arise both on their settlement and on their conversion at the closing exchange rate are recognised in the results for the year except for those that result from the investment in a foreign business, which are recognised directly in equity, net of tax, until the time of its disposal.

Revenue and expense items are converted at the average exchange rates for the period. The translation differences that arise are classified as equity, as applicable. These translation differences are recognised as revenue or expenses in the period in which the investment is made or disposed of.

g) Corporate income tax

Corporate Income Tax is recorded in the consolidated income statement or in the equity accounts in the consolidated statement of financial position depending on where the profits or losses giving rise to the tax originated. The differences between the carrying value of the assets and liabilities and their tax base generate the balances for deferred tax assets or liabilities, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realised.

The current corporate income tax expense accrued by the Group companies taken individually results from the application of the tax rate to the tax base for the year, which is calculated from the accounting result before tax, increased or decreased, as applicable, by the permanent differences arising from the application of tax rules and with the elimination, as applicable, of the tax consolidation adjustments and taking the rebates and deductions from the tax charge into account.

The consolidated corporate income tax expense is calculated by aggregating the expense recorded by each company within the scope of consolidation, increased or decreased, as applicable, by the elimination of the accounting consolidation adjustments.

Deferred tax assets and liabilities are those taxes that are expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their corresponding tax values, used in calculating tax gains, and are quantified by applying the temporary difference or credit corresponding to the tax rates at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all tax temporary differences. Deferred tax assets are only recognised if it is considered probable that the consolidated entities will have sufficient tax profits against which they can be applied.

Likewise, the Group records as a deferred tax asset the tax effect corresponding to tax losses to the extent that it is probable that it will have future tax profits that will allow it to apply this asset.

At each accounting closing date, a review is made of the recorded deferred tax amounts (both assets and liabilities) in order to ascertain whether they still exist, and appropriate adjustments are made in accordance with the results of the analyses performed.

Offsetting and classification

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, regardless of the expected date of realisation or settlement.

The Group only offsets tax assets or liabilities if a legal right to their offset exists with the tax authorities, and if it intends to settle the resulting quantities at their net amount or realise the assets and settle the liabilities simultaneously.

h) Revenue and expenses

The revenue and expenses are assigned on an accrual basis.

Ordinary revenue is recognised when there is a gross entry of economic profits originating in the course of the Group's ordinary activities during the year, provided that this entry of profits leads to an increase in equity that is not related with the contributions of the owners of this equity and the profits can be reliably measured. Ordinary revenue is measured at the fair value of the consideration received or receivable derived therefrom.

Revenue from the sale of goods and from the supply of services are measured at the fair value of the consideration, received or receivable, derived from these which, barring evidence to the contrary, is the price agreed for these goods and services, after deducting any discount, price reduction or other similar amounts that the Group might grant, as well as the interest incorporated into the nominal value of the loans.

For the recognition of income, the Group takes into account the 5 steps established in the revenue model of IFRS 15:

a) Identify the agreement with a customer
b) Identify the performance obligations
c) Determine the transaction price
d) Assign the transaction price to the performance obligations
e) Recognise the income when/as the performance obligations are fulfilled.

The majority of the Group's revenue is derived from selling products with revenue recognized at a point in time when control of the products is transferred to the customer. This is generally when the products are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the products in question. If the Group proceeds to maintain the inventory in its warehouses, ownership will be considered as transferred upon the execution and signature of the order by the customer.

The Group recognizes revenue when it transfers control over a good or service to a customer. All of the Group's revenues are recognized at a specific time; there are no revenues recognized over time.

The Group acts as the principal in all sales transactions. Additionally, the Group has determined that its contracts with customers do not contain a significant financing component and, Group sales have no variable component.

In relation to the revenue recognition of sales, the Group considers that under IFRS 15, the main sales of the Group's products have only one performance obligation. Furthermore, the products are not dependent on or connected to other products or services. Consequently, as there are no delayed performance obligations, the revenue is recognized fully after passing of control to the customer.

Interest revenue is accrued on a temporary financial criterion based on the principal pending payment and the applicable effective interest rate.

Expenses are recognised in the consolidated income statement when there is a reduction in future economic benefits related with the reduction of an asset or an increase in a liability and which can be measured in a reliable manner. This means that the recording of an expense takes place simultaneously with the recording of the increase in the liability or reduction of the asset.

An expense is recognised immediately when a disbursement does not generate future economic profits or if it does not comply with the requirements necessary for it to be recorded as an asset.

i) Segment Financial Reporting

An operating segment is a Group component that engages in business activities from which it may obtain ordinary revenue and incur in expenses, whose operating results are reviewed regularly by the chief operating decision maker, to decide on the resources to be allocated to the segment and assess their performance and in relation to which differentiated financial reporting is available.

j) Current Assets and Liabilities

The classification between short and long-term takes into account the expected date for the Group's obligations and rights to fall due, be disposed of or be cancelled. Long-term is considered to be more than twelve months as from financial year-end date.

k) Provisions and contingencies

The Group differentiates between:

- Provisions: current obligations, legal, contractual or implicit, or assumed by Group companies, arising as a consequence of a past event for which an outflow of resources is expected to settle the liability and for which the amount and timing are uncertain.

- Contingent liabilities: possible liabilities arising as a result of past events, which confirmation is subject to the occurrence or not of events that are outside of the Group's control, or current obligations arising as a consequence of a past event for which the amount cannot be reliably estimated or for which it is not certain if its settlement will imply an outflow of resources.

The consolidated financial statements contain all of the provisions for which the probability of having to meet the obligation is higher than the contrary. Contingent liabilities are not recognised in the financial statements, but information is disclosed for these in accordance with the requirements of IAS 37 (see Note 19).

Provisions are classified as current or non-current depending on the period of time estimated for meeting the obligations they cover. Provisions are created when the responsibility or liability determining the compensation or payment arises and when its amount can be reliably estimated. Adjustments arising from the updating of the provision are recorded as financial expenses as they accrue. In the case of provisions with a due date that is less than or equal to one year no type of discount is made, provided that the financial effect is not significant.

Included under this heading are the obligations assumed for pension commitments and similar obligations; provisions for risks and expenses such as those of an environmental nature, those arising from litigation in progress and for outstanding indemnities or obligations; sureties or other similar guarantees borne by Group companies; future expenses for workforce restructuring or provisions for medium and long-term incentives for personnel.

Provisions for litigation

At financial year-end 2020 there were various legal proceedings and claims in progress against Group companies that have their origin in their ordinary course of business. Both the Group's legal advisers and its Managers are of the understanding that the conclusion of these proceedings and claims will not have a significant effect on the consolidated financial statements for financial years in which they end, except as already included.

Provision for Pensions

Various Group companies have defined benefit plans with their employees under which the Group undertakes to pay benefits in the case of disability, retirement, etc. instrumented through the maintenance of an internal fund.

The measurement of the costs and obligations is carried out separately for each of the plans using the projected unit credit method.

The Group has adopted the policy of recognising actuarial profits and losses in the year in which they occur, recognising them in the consolidated income statement both for all defined benefits plans and for all of their actuarial profits and losses.

Environmental Provisions

In general, the Group estimates environmental provisions by a case by case analysis and observing the relevant legal provisions. The best possible estimate is made on the basis of the available information and a provision is made whenever this information suggests that the loss or expense is probable in nature and can be estimated in a sufficiently reliable manner.

Other Provisions

These correspond mainly to the provisions recorded as consideration for the intangible assets generated by the capitalisation of the gas emission allowances.

l) Grants

Capital grants

These are those grants related with assets and correspond basically to non-refundable grants that are measured at the amount granted or the fair value of the assets handed over if these have been transferred free of charge and are recorded as deferred income at the time when it is certain that they are going to be received. These grants are carried to profit/(loss) on a straight-line basis based on the useful life of the asset for which the costs are being financed. The amounts for the asset and the grants obtained are presented independently as assets and liabilities in the consolidated statement of financial position.

Operating grants

These are those grants that are demanded by Group companies by virtue of past expenses or losses and are recorded as revenue in financial year in which they may be demanded.

m) Consolidated Statement of Cash Flows

The expressions used in the consolidated statement of cash flows have the following meanings:

Cash or Cash Equivalents: Cash includes both cash in hand and bank deposits at sight. Cash equivalents are financial instruments that form part of the Group's normal treasury management, are convertible into cash, have initial due dates at no more than three months and are subject to very insignificant risks of changes to their value.

Cash flows: inflows and outflows of cash or other equivalent resources, these being understood to be investments for a period of less than three months with high liquidity and low risk of alterations to their value.

Operating activities: these are activities that constitute the main source of the Group's ordinary revenues as well as other activities than can be classified as investment or financing.

Investment activities: those that comprise the acquisition, sale or disposal by other means of long-term assets and other investments not included under cash or cash equivalents.

Financing activities: activities that produce changes in the size and composition of equity and in liabilities of a financial nature.

NOTE 5. BUSINESS COMBINATIONS

As indicated in Note 1, in February 2020 the sale was formalised of all shares of the Fertiberia S.à r.l. Group to the Triton Partners, which became the new controlling shareholder of the Group, via Trifuchsia Midco S.à r.l.

The details of the cost of the business combination, the fair value of the net assets acquired and goodwill are as follows:

	Euro thousand
Cash paid at agreement execution	86,152
Outstanding balances with the Grupo Villar Mir, S.A.U.	89,777
Business combination cost	**175,929**
Fair value of the net assets acquired	136,961
Non-controlling interests	(295)
Goodwill	**39,263**

In application of IFRS 3, paragraph 32, the combination difference was recorded as goodwill in an amount of €39,263 thousand (Note 7).

The fair value and carrying value of the assets and liabilities acquired at the acquisition date came to:

Amounts recognised at the acquisition date	**Carrying value (Adjusted)**	**Adjustments to Fair Value**	**Fair Value**
Goodwill (Note 7)	3,334	(3,334)	-
Brand (Note 8)	-	60,723	60,723
Right of use (Note 8)	35,741	3,595	39,336
Rest of intangible assets (Note 8)	3,520	(3,208)	312
Property, plant and equipment (Note 9)	220,004	33,399	253,403
Investments accounted for unsing the equity method	368	-	368
Non-current financial assets	102,983	-	102,983
Deferred tax assets (Note 24)	26,339	2,031	28,370
Inventories	173,311	-	173,311
Trade and other receivables	77,367	-	77,367
Current financial assets at amortised cost	23,959	-	23,959
Other current assets	823	-	823
Cash and cash equivalents	25,475	-	25,475
Total assets:	**693,224**	**93,206**	**786,430**
Grants	4,539	-	4,539
Non-current provisions	43,957	-	43,957
Non-current debt with credit institutions	214	-	214
Non-current financial lease creditors (Note 10)	26,346	2,221	28,567
Other non-current financial liabilities	41,832	-	41,832
Deferred tax liabilities (Note 24)	7,068	23,628	30,696
Current provisions	29,277	-	29,277
Current debt with credit institutions (Note 20)	245,882	5,911	251,793
Current financial lease creditors (Note 10)	10,857	(9)	10,848
Other current financial liabilities	10,422	-	10,422
Trade and other payables	190,471	-	190,471
Other current liabilities	6,853	-	6,853
Total liabilities and contingent liabilities:	**617,718**	**31,751**	**649,469**
Acquired net assets	**75,506**	**61,455**	**136,961**

Net sales and net losses allocated to the consolidated income statement for financial year 2020 were €673 million and €9.9 million , respectively.

The expenses related to the business combination in financial year ended 31 December 2020 were €9.8 million.

The revaluation of property, plant and equipment was performed on the basis of appraisals by an independent expert. The Group performed an internal review and deemed the estimated fair value of the business combination as valid and in force, performed by an independent expert, since neither hypotheses nor the market conditions changed significantly. The recording of this combination, including the consolidated financial statements at 31 December 2020 are considered final.

NOTE 6. SEGMENT INFORMATION

a) Segmentation criteria

As established by IFRS 8, the Group defines an operating segment as a component that engages in business activities from which it may earn revenue and incur in expenses, the operating results of which are reviewed regularly by the entity's chief operating decision maker (Board of Managers) to make decisions about resources to be allocated to the segment and assess its performance, and for which differentiated financial reporting is available.

Based on this definition and on what is established in IFRS 8, the Group considers that there is only one operating segment, namely the production, sales and marketing of crop nutrition and environmental solutions. The component identified with the company Química del Estroncio, S.A., which has as its activity the manufacture, sale and marketing of chemical components related with Strontium Nitrate, does meet the definition in the above paragraph but has not been considered as an independent operating segment as the amounts involved are not material.

Information on products and services

Although there is a single operating segment, Parent Company's Managers consider appropriate to show the sales and gross trade margin contributed to the Group's consolidation by the main types of products, as this information is regularly monitored by the entity's chief operating decision maker. The detail is shown below in euro thousand during 2020:

	Net Turnover	Trade margin by product type
Crop Nutrition and Environmental Solutions:		
Crop Nutrition Solutions	528,617	68,628
Environmental Solutions	132,454	30,224
Strontium	8,332	812
Gardening	3,269	518
Others	230	64
Total trade margin, ongoing operations	**672,902**	**100,246**
Total trade margin, discontinued operations	**-**	**-**

Information is given in Note 25.1 on geographical markets.

b) Non-current assets by geographical areas

The following is the detail, in euro thousand, for non-current assets except for financial investments and deferred taxes:

	2020
Spain	337,454
Outside of Spain (*)	51,040
Total	**388,494**

(*) Corresponds almost entirely to Portugal.

NOTE 7. GOODWILL

Changes in goodwill were as follows, in euro thousand:

	1 January 2020	**Acquisitions through business combination (Note 5)**	**Additions**	**Withdrawals**	**Transfers**	**31 December 2020**
Cost	-	39,263	299	-	-	39,562
Accumulated Impairment losses	-	-	-	-	-	-
Net Total	**-**	**39,263**	**299**	**-**	**-**	**39,562**

The addition of the 2020 financial year corresponds to the business combination between Fertiberia France, SAS and 2F, SAS, whose shares were purchased in their entirety during that year.

At year-end and based on the study performed by an independent third party, within the context of the assignment of the Price Purchase Allocation (PPA) at the consolidated level of the business combination, no signs were identified of possible impairment of the cash-generating unit composed of the assets/liabilities acquired by means of the business combination carried out during the year (Note 5).

NOTE 8. OTHER INTANGIBLE ASSETS

The breakdown and movement in the various accounts under this heading during 2020 and their corresponding accumulated amortisation and impairment was as follows:

	1 January 2020	Acquisitions by business combination (Note 5)	Additions	Withdrawals	Transfers	31 December 2020
Cost:						
Brand	-	60,723	-	-	-	60,723
Industrial property	-	35	-	-	-	35
Computer software	-	154	12	-	-	166
Right of use (Note 10.1)	-	39,337	725	(110)	-	39,952
Other intangible assets	-	122	6	-	155	283
	-	**100,371**	**743**	**(110)**	**155**	**101,159**
Accumulated amortisation:						
Computer software	-	-	(38)	-	-	(38)
Right of use (Note 10.1)	-	-	(10,479)	110	-	(10,369)
Other intangible assets	-	-	(37)	-	-	(37)
Total	**-**	**-**	**(10,554)**	**110**	**-**	**(10,444)**
Net Intangible Assets	**-**	**100,371**	**(9,811)**	**-**	**155**	**90,715**

The heading “Rights of use” includes the amounts recorded as a result of the application of IFRS 16 (Note 10). The section on additions includes variations caused by the addition of new lease agreements and by those contractual amendments that do not include agreement termination.

The breakdown by heading of the assets that at 31 December 2020 were fully amortised and in use is shown below with an indication of their cost value in euro thousand:

	2020
Computer software	13
Other intangible assets	99
	112

At 31 December 2020, there are no impairment provisions or reversals under this heading.

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

The detail and changes in property, plant and equipment during financial year 2020 were as follows, in euro thousand:

	1 January 2020	Acquisitions through Business Combination (Note 5)	Additions	Withdrawals or reductions	Transfers	31 December 2020
Cost:						
Land and buildings	-	130,942	448	(323)	1,025	132,092
Technical installations and machinery	-	78,671	1,119	(1,522)	5,964	84,232
Other installations, tools and furniture	-	33,679	55	(177)	3,329	36,886
Other fixed assets	-	2,350	309	(121)	174	2,712
Advances and property, plant and equipment in progress	-	7,761	21,403	(4)	(10,642)	18,518
	-	**253,403**	**23,334**	**(2,147)**	**(150)**	**274,440**
Accumulated depreciation						
Accumulated depreciation	-	-	(18,215)	1,991	1	(16,223)
Total	**-**	**-**	**(18,215)**	**1,991**	**1**	**(16,223)**
Net property, plant and equipment	**-**	**253,403**	**5,119**	**(156)**	**(149)**	**258,217**

The main variations in financial year 2020 were as follows:

- The additions for financial year 2020 correspond mainly to investments made in production facilities of the factories in Huelva for the amount of €1.3 million, in Avilés for the amount of €0.8 million, in Palos for the amount of €4.2 million, in Puertollano for the amount of €5.2 million, in Sagunto for the amount of €2.3 million, in Setúbal for the amount of €3.4 million, and in Alverca and Lavradio for the amount of €2.9 million.

- Recognition of increased value of land, in accordance with its fair value, as a result of the business combination as explained in Note 5..

Other information

At 31 December 2020 there are no firm commitments for the purchase or sale of property, plant or equipment.

At 31 December 2020 the net carrying value assimilated with large repairs and included under the Technical Installations and Machinery headings amounts to €6,9 million and is depreciated over periods of between 4 and 10 years.

At 31 December 2020, there are mortgage guarantees and the Avilés, Puertollano and Palos factories appear as collateral for bank debts (Note 20). The mortgage guarantees on the Villalar and Pancorbo warehouses were established for a limited period of 5 years from their issue and at financial year-end date have expired and are pending the clearing of all charges by the Ministry for the Environment.

Fertiberia S.à r.l. and the subsidiaries have insurance policies formalized to cover the possible risks to which the various elements of fixed assets are subject, it being understood that those policies sufficiently cover the risks to which they are subject.

The Group has reviewed the carrying amounts of its property, plant and equipment and has determined that there are no indications that those assets have suffered an impairment loss in addition to those recorded at 31 December 2020.

Write-offs during the year have entailed losses in the amount of c.€311,000 (Note 25.6).

The breakdown by heading of the assets that at 31 December 2020 were fully depreciated and in use is shown below with an indication of their cost value in euro thousand:

	2020
Buildings	483
Technical installations and machinery	2,416
Other installations, tools and furniture	1,465
Computer processing equipment	77
Transport elements	50
Other fixed assets	14
	4,505

In financial year 2020, the Group has not capitalized financial expenses as property, plant and equipment.

The breakdown of property, plant and equipment elements located abroad (France and Portugal) at 31 December 2020 is as follows, in euro thousand:

	Cost	**Accumulated depreciation and impairments**	**Net**
Land and buildings	24,393	(759)	23,634
Technical installations and machinery	9,135	(191)	8,944
Other installations, tools and furniture	145	(26)	119
Other fixed assets	1,545	(69)	1,476
Advances and property, plant and equipment in progress	9,401	-	9,401
Total	**44,619**	**(1,045)**	**43,574**

NOTE 10. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

This heading corresponds mainly to the valuation of the right of use for the asset underlying the lease contracts during the term thereof, for those contracts in which the Group is a lessee:

10.1) Right of use assets of leases

The breakdown of the rights of use on the occasion of the entry into force of IFRS 16 at 31 December 2020 is as follows:

	1 January 2020	**Acquisitions by business combination (Note 5)**	**Changes during the year**	**31 December 2020**
Cost	-	39,337	615	39,952
Accumulated depreciation	-	-	(10,369)	(10,369)
Right of use, net	**-**	**39,337**	**(9,754)**	**29,583**

The recognized leases in which the Group acts as lessee correspond mainly to the rental of the Group's means of transportation of goods, offices where the Group's companies are located, the concessions granted to the Group as well as the vehicle renting.

10.2) Lease liabilities

At 31 December 2020, the breakdown of financial leases, including IFRS 16, is as follows:

	31 December 2020		
	Current	**Non-current**	**Total**
Financial lease liabilities	10,073	18,184	28,257
	10,073	**18,184**	**28,257**

The detail by due date is the following:

	2022	2023	2024	2025	Rest	Total
Financial lease liabilities	5,123	3,386	1,749	1,037	6,889	18,184
Total	**5,123**	**3,386**	**1,749**	**1,037**	**6,889**	**18,184**

The recognition of interest on the lease obligation comes to €1.8 million shown under "Financial expenses".

In addition, the Group upsated the liabilities for financial leases by using a discount rate of approximately 6%, equivalent to the cost of the debt, with a negative impact under "Financial income" of €2,4 million.

10.3) Other information regarding leases

Lease income is not significant since the course of Group company operations is that of lessee and not lessor, and this does not constitute its business activity.

Leased assets with short-term or limited value leases exist that do not apply IFRS 16 "Leases" in an amount of c.€24,000.

NOTE 11. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

At 31 December 2020 the following were the investments accounted for using the equity method, in euro thousand:

Company	% Direct Holding	% Indirect Holding	31 December 2020
Incro, S.A.	50%	-	679
Total			**679**

Incro, S.A. is a Spanish company consider as an associate of the Group and the percentage of voting rights is according to the holding direct percentage.

During financial year 2020, the Group received dividends from Incro, S.A. for an amount of c.€279,000 , which have reduced the value of the equity holding and, on the other hand, there has been an increase as a result of the year's result obtained by Incro, S.A. in 2020 for an amount of c.€590,000 .

The following is the summarised financial reporting on Incro, S.A.:

	2020
Cash and cash equivalents	1,473
Current assets	1,387
Non-current assets	570
Current liabilities	(2,761)
Non-current liabilities	(78)
Net Sales	3,179
Fixed assets depreciation and amortisation	(7)
Operating profit/(Loss)	739
Financial income	5
Financial expenses	(8)
Corporate income tax	(146)
Profit/(Loss) for the year from continuing operations	590
Profit/(Loss) for the year from discontinued operations	-
Profit/(Loss) for the period	590

* Corresponds to the 50% holding that the Group has in Incro, S.A.

NOTE 12. NON-CURRENT FINANCIAL ASSETS

The following is the detail of non-current financial assets at 31 December 2020, in euro thousand:

	31 December 2020
Investments in the equity of non-consolidated group companies (Note 12.1)	2,392
Instruments by financial institutions (Note 12.2)	362
Financial assets at amortised cost (Note 12.3)	14,034
Non-current financial assets	**16,788**

12.1) Investments in the equity of non-consolidated group companies

This heading contains the interest held by the Group in 2F Ouest SAS.

12.2) Instruments by financial institutions

This heading contains the equity instruments issued by financial institutions, such as rural credit banks, which are classified as shares in the capital of the issuer. The Group has recorded these financial assets at their cost instead of their fair value, since it was not possible to reliably determine the fair value. It is the intention of the company to hold these investments for the long term.

12.3) Financial assets at amortised cost

Type	31 December 2020
Receivables for the disposal of fixed assets (a)	12,064
Long-term loans	1,042
Long-term loans to personnel	366
Receivables for non-trade operations	**13,742**
Sureties and deposits	560
Others	2
Total	**14,034**

At 31 December 2020, the Group has not recorded any value adjustments for impairment of long-term loans.

(a) <u>Receivables for the disposal of fixed assets</u>

This corresponds to the collection right with Serbia Montenegro for the sale of an ammonia plant in 1978 by a consortium in which the Parent Company had an 80% holding, the plan being for this to be collected in two annual collections up until financial year 2034. Of the original collection rights 95% were insured by CESCE (the Spanish Export Credit Agency).

As a consequence of the non-payment of the debt by the Federal Republic of Yugoslavia, CESCE paid 95% of the insured balances, applying an exchange rate of 2.523 USD/EUR.

In 2002, CESCE signed an agreement for the refinancing of the debt, which was past due and unpaid, with the Federal Republic of Yugoslavia, and promised to pay the 5% of the outstanding unsecured debt with the same schedule as that agreed in the refinancing.

Due date	USD thousand
Years 2002 to 2020 (a)	1,055
Years 2021 to 2034	1,853
	2,908

(a) 100% collected at 31 December 2020.

In 2020, the Company updated the amounts to be received at a discount rate of 3.10%, resulting in financial revenue in an amount of c.€253,000 . (Note 25.7). Following IFRS standards, this discount rate has been calculated considering the country risk of Serbia.

As regards the 95% already collected, CESCE has to pay over the translation differences arising between the 2.523 USD/EUR and the exchange rate in force on the dates of effective collection in accordance with the refinancing agreement.

Due date	USD thousand
Years 2002 to 2020 (a)	6,696
Years 2021 to 2034	17,129
	23,825

(a)100% collected at 31 December 2020.

There was a positive impact in an amount of c. €16,000 in financial year 2020 (Note 25.7).

In 2020, the Company updated the amounts to be received at a discount rate of 3.10%, resulting in financial revenue in an amount of €2.6 million (Note 25.7). This discount rate has been calculated considering the country risk of Serbia.

At 31 December 2020, €11.6 million are pending collection for capital gains on translation differences, of which €11 million are recorded in the long-term and €0.6 million in the short-term. At 31 December 2020, €1.1 million were pending collection as principal corresponding to the uninsured 5% of which €1.1 million are recorded as long-term and c.€54,000 as short-term.

The following is the detail of these financial assets by class and category:

Classes Categories	Equity instruments 31 December 2020	Loans, derivatives and others 31 December 2020
Assets at fair value through other comprehensive income	362	-
Assets at amortised cost	-	14,034
Investments in the equity of non-consolidated group companies	2,392	-
Total	**2,754**	**14,034**

Classification by maturity

The breakdown by maturity at 31 December 2020 is as follows:

	Maturity years				
	2022	**2023**	**2024**	**More than 5 years**	**Total**
Assets at amortised cost	**821**	**819**	**838**	**11,556**	**14,034**
Credits to third parties	821	819	838	10,994	13,472
Other financial assets	-	-	-	562	562
Total	**821**	**819**	**838**	**11,556**	**14,034**

NOTE 13. INVENTORIES

The following is the breakdown of this heading at 31 December 2020 in euro thousand:

	31 December 2020
Commercial stocks	35,675
Raw materials and supplies	48,736
Products in progress and semi-finished products	4,641
Finished products	28,035
CO_2 Emission allowances	26,953
Adjustment for impairment	(67)
Total	**143,973**

The movement of value adjustments for impairment of inventory was as follows:

	2020
Opening balance	**-**
Allocation for financial year	(67)
Financial year reversal	-
Closing balance	**(67)**

The criteria followed to determine the need for value adjustments for impairment of inventory, as well as for the reversal of these, are detailed in Note 4.e.

The Group companies have insurance policies contracted to sufficiently cover the costs and expenses derived from eventual claims related to inventories.

Greenhouse gas emission allowances (Spain)

During financial year 2020, the Group has received free-of-charge greenhouse gas emission allowances amounting to 880,075 tonnes, according to the following detail:

Factory	Mt allocated in 2020	Mt emitted in 2020
Avilés	48,528	41,099
Palos	478,897	650,057
Puertollano	274,149	452,471
Sagunto	78,501	44,346
Total	**880,075**	**1,187,973**

The charge to the results of financial year 2020 derived from emissions of greenhouse gases amounted to €27.1 million. Likewise, during financial year 2020, the credit to the Company's results for the allocation of grants of gas emission allowances, which were assigned to them free of charge, amounted to €21.3 million.

At 31 December 2020, the provision for "greenhouse gas emission allowances" amounted to €27.1 million(see Note 29), of which €5.8 million came from the shortfall in the gas emission allowances that were acquired from third parties.

During financial year 2020, there are no losses recorded due to impairment of greenhouse gas emission allowances.

NOTE 14. TRADE AND OTHER RECEIVABLES

The breakdown of this heading at 31 December 2020, in euro thousand, is as follows:

	31 December 2020
Customers for sales and services	**73,753**
Customers for sales and services	52,714
Customers, bills of exchange receivable	12,656
Customers, discounted bills pending maturity	4,639
Customers of doubtful collection	3,744
Customer impairment	**(1,893)**
Other debtors	**3,492**
Personnel	113
Others	3,379
Total	**75,352**

No differences exist between the carrying value and fair value of the financial assets.
Amounts shown above exclude trade receivables with Public Administrations (Note 24).
The "customers" balance mainly corresponds to debtor balances for the sale of finished products and for the provision of services. As a general rule these accounts receivable do not

accrue any interest and their due date is established at a period of between 45 and 60 days being mostly insured with credit and surety policies.

As discussed in Note 4.d of the accounting and valuation policies, the Group withdraws from the consolidated statement of financial position the customer balances in the amount of the credit transfers where the Factor assumes the risk of insolvency (“non-recourse factoring”). At 31 December 2020, the overall amount in the consolidated statement of financial situation as a result of these “non-recourse factoring” transactions amounted to €31.1 million.

At 31 December 2020, the provision for customers’ bad debt recorded by the Group amounted to €1.9 million. This provision provides reasonable cover for the losses that might arise from total or partial non-recovery of debts, as estimated on the basis of the individual analysis of each of the outstanding balances at that date.

The following is the breakdown of these financial assets by class and category:

Classes Categories	Loans and other 31 December 2020
Assets at amortised cost	**75,352**
Total	**75,352**

NOTE 15. CURRENT FINANCIAL ASSETS

Below is the breakdown of current financial assets at 31 December 2020, in euro thousand:

	31 December 2020
Sureties, deposits and other	3
Receivables from disposal of fixed assets (Note 12.2.a)	613
Current financial assets	**616**

15.1) Classification for the purposes of valuation

Below is the breakdown of these financial assets by class and category:

Classes Categories	Loans and other 31 December
Financial assets measured at amortised cost	**616**
Total	**616**

No differences exist between the carrying value and fair value of the financial assets.

NOTE 16. OTHER CURRENT ASSETS

The breakdown of these assets at 31 December 2020 is as follows, in euro thousand:

	31 December 2020
Prepayments and accruals	1,496
Other assets	200
	1,696

NOTE 17. CASH AND CASH EQUIVALENTS

The detail of these assets at 31 December 2020 is as follows, in euro thousand:

	31 December 2020
Cash and banks	26,617
Liquid assets and equivalents	240
	26,857

The return on these assets is based on variable daily or short-term interest rates. The high liquidity of the fair value of these assets means it coincides with their carrying value.

NOTE 18. EQUITY

18.1) Share Capital

The Parent Company's share capital at 31 December 2020 amounted to c.€12,000 and was represented by 1,200,000 shares each of €0.01 nominal value, fully subscribed and paid-up. All of the shares hold the same voting and economic rights.

The following was the breakdown of shareholders at 31 December 2020:

	No. of Shares	% Holding
Trifuchsia MidCo, S.à r.l.	1,200,000	100
	1,200,000	**100**

18.2) Other shareholder contributions

In 2020, the Sole Shareholder of the Parent Company made a contribution in the amount of €58.6 million, cancelling the loan between the parties.

18.3) Reserves

Legal Reserves

In accordance with legislation applicable to the Parent Company, Fertiberia S.à r.l. is obliged to allocate 5% of the profits each year to a legal reserve fund until this reaches at least 10% of the share capital. This reserve may not be distributed to shareholders and may only be used to cover the debtor balance on the income statements if there are no other reserves available.

At 31 December 2020, the Parent Company's legal reserve was not fully endowed.

18.4) Dividends

During financial year 2020, no dividend payment was made.

18.5) Non-controlling interests

Non-controlling interests correspond to minority shareholders that maintain a holding of 0.17%.

At 31 December 2020, the equity attributed to these minority shareholders amounted to c.€295,000.

NOTE 19. PROVISIONS, CONTINGENCIES, SURETIES AND GUARANTEES

19.1) Non-current provisions

The breakdown and changes in non-current provisions in financial year 2020 were as follows, in euro thousand:

	1 January 2020	Acquisitions through business combination (Note 5)	Financial update	Charges to results	Application	31 December 2020
Pensions	-	2,570	-	(359)	(5)	2,206
Environmental (pools) (Note 30)	-	41,387	2,508	-	(120)	43,775
Total	**-**	**43,957**	**2,508**	**(359)**	**(125)**	**45,981**

Provisions for pensions

ADP Fertilizantes, S.A., Sociedade Produtora de Adubos Compostos, S.A., Fercampo, S.A.U and Intergal Española, S.A.U. have commitments to their employees to pay retirement and disability pensions. At 31 December 2020, actuarial studies were obtained that quantify the amount of pension commitments. The study has been prepared by the company Ageas – Sociedade Gestora de Fundos de Pensões, S.A. and it has been obtained through the projected unit credit method.

With the publication of Spanish Decree-Law 167-E/2013 and Ordinance 378-G/2013, the statutory age of retirement changed and it now depends on the evolution of an average life expectancy at 65 years of age. On the basis of an OECD report, the average life expectancy is expected to increase one year per decade, whereby it is estimated that the normal age of retirement for the purposes of this actuarial study will be 67 years of age.

The following were the main variables used in the study:

	2020
Discount rate	0.75%
Salary growth rate	2.00%
Pensions growth rate	0.00%
Salary growth rate for Social Security	2.00%
Salary revaluation for Social Security	1.00%
Mortality rate	TV 88/90
Disability rate	EKV 80
Staff turnover	N/A
Retirees' replacements	N/A
Number of annual payments	13
Retirement age	67 years
Difference in ages	3 years

Phosphogypsum pools concession of Huelva

On 27 November 2003, the Ministry for the Environment declared the termination of an administrative concession granted to Fertiberia S.A. in the municipality of Huelva as a result of the breach of certain conditions. The administrative authorities understood that, among other issues, Fertiberia S.A. exceeded the maximum permitted height for gypsum stacks.

This decision was confirmed in a ruling of the National High Court of 27 June 2007 and in cassation by the Supreme Court in its ruling of 10 February 2011 (cassation appeal 4596/07); Fertiberia, S.A. was therefore ordered to comply with the obligation to regenerate the land containing the phosphogypsum pools.

On 14 July 2011, for the purpose of guaranteeing its regeneration obligations (based on the estimated amount of the initial project), Fertiberia S.A. provided the National High Court with a surety bond of €15.7 million and two mortgage guarantees on the Villalar and Pancorbo warehouses, appraised overall at €6.2 million (jointly, the "Initial Guarantee").

The Initial Guarantee was issued for 5 years to secure the financing for the initial regeneration project, assessed at that time to be of €21.9 million. Once the term of the mortgage guarantees on the Villalar and Pancorbo warehouses expires, they will mature pending liens removed by the Ministry of the Environment.

On the one hand, and as a result of the various legal and administrative decisions arising from the ruling, in 2010 Fertiberia S.A. ceased production of phosphoric acid and sulphuric acid, eventually leading to the cease of operations at the production plants.

During 2012 basic projects were prepared designed to replant the pools, in accordance with the provisions of the Ruling.

The tasks to empty the pools continued throughout 2013, as a preliminary and necessary phase for the commencement of the actual replanting.

In parallel, and with regard to the basic engineering project, progress was made jointly with the corresponding Administrations for the recovery of the land as efficiently, quickly and sustainably as possible, by preparing an engineering project carried out by the global leader in phosphate gypsum stacking - US firm ARDAMAN - for an overall amount of €65.9 million. This project was accepted by the Ministry for the Environment, and therefore recognised as such by the National High Court.

At the request of WWF-ADENA, pursuant to the court order of 21 July 2015, Fertiberia S.A. was ordered to provide, prior to 1 December 2015, a bank guarantee or a surety bond to cover the revaluation of the regeneration project for an amount of €65.9 million and for a term that would conclude upon full completion of the regeneration works.

In 2020, and following several discussions on the type of guarantee to provide, Fertiberia S.A. provided the National High Court with the following guarantees, issued for a term of 5 years and for the total amount of €65.9 million:

- Bank guarantees provided by Caixabank, Bankia, Santander, Sabadell, Bankinter and Barclays, for a total amount of €62.3 million; and

- A surety bond issued by Iberian Insurance Group for an amount of €3.6 million, submitted to the National High Court on 29 October 2020.

The National High Court declared the appropriateness of the bank guarantees and, while it has not expressed an opinion on the surety bond, it is expected that it will be accepted and that no additional guarantees will be requested.

The regeneration project received the mandatory favourable Environmental Impact Statement from the Ministry for Ecological Transition on 23 September 2020. This represented an important step towards fulfilling one of its main strategic objectives – the restoration of this Huelva marshland - and has made it possible to continue processing the remaining outstanding authorizations with the various Public Administrations (mainly the Andalusian Regional Government and the City of Huelva).

Total cost of the project will be shared with the North American multinational company FMC Foret which was also involved in the pools. The agreement entered into establishes that FMC will defray the 14.8% of the total expenses arising from the project.

When estimating the provision, the Group has considered the potential timeline of approval by the competent authorities, as well as the estimated timeline for execution of the works, calculating the present value of the total expected future payments (excluding the portion to be defrayed by FMC Foret) at a discount rate of 6.19% equivalent to the cost of the Group's debt. This has had a negative impact of €2.5 million (Note 25.8).

19.2) Current provisions

The breakdown and changes in current provisions in financial year 2020 were as follows, in euro thousand:

	1 January 2020	Acquisitions by business combination (Note 5)	Posted to results	Application	31 December 2020
Greenhouse gas emission allowances (Note 30)	-	29,259	27,099	(29,259)	27,099
Other provisions	-	18	-	(1)	17
Total	**-**	**29,277**	**27,099**	**(29,260)**	**27,116**

Greenhouse gas emission allowances (Portugal)

In order to comply with the commitments assumed within the framework of the Kyoto Protocol, the European Union created a mechanism to comply with the reduction of greenhouse gas (“GHG”) emissions, along with other measures. This mechanism is known as the European Union Emissions Trading System (“EU ETS”), which came into force in January 2005.

In this respect and pursuant to the European Union Shared Responsibility Agreement, Portugal assumed various commitments in the area of climate change, incorporated into the Resolution of the Council of Ministers No. 119/2004 of 15 June approving the National Programme on Climate Change (PNAC). Following this process, Decree-Law No. 233/2004 of 14 December issued by the Ministry for the Environment and Town and Country Planning defined the regime for allocating the greenhouse gas emission licences, establishing the National Plan for the Allocation of Emission Licences (“PNALE”).

The allocation of free emission licences to Portuguese industry for the third phase, from 2013 to 2021, is regulated by the PNALE III in accordance with Regulation (EU) No. 601/2012 of the European Commission dated 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC, in accordance with Directive 2009/29/EC of the European Parliament and of the Council of 23 April and guidelines and procedures from the APA relating to the Title for the Emission of Greenhouse Gases (TEGEI). In addition to combustion installations with a thermal power of more than 20 MW, consideration is also given to other gases with potential greenhouse effects, meaning that the nitric acid plants at Alverca and Lavradio are included in the new data monitoring and communication plan because of the emission of the nitrous gas N_2O.

The evolution in the number of licences assigned and utilised by the Group between 2016 and financial year 2020 is shown in the following table:

	Quantity (tonnes) PNALE III				
CO2 emission licences	**2020**	**2019**	**2018**	**2017**	**2016**
Opening balance	26,544	13,215	13,549	52,102	8,311
Assigned in the year	64,480	65,836	67,189	68,526	69,849
Acquired in the year	-	-	-	-	-
Sold in the year	(35,000)	(13,000)	(20,000)	(70,000)	-
Consumed in the year	(37,216)*	(39,507)	(47,523)	(37,079)	(26,058)
Closing balance	**18,808**	**26,544**	**13,215**	**13,549**	**52,102**

**Estimated value*

The following is the valuation of the emission licences for the Group in Portugal at 31 December 2020:

CO2 emission licences	**Quantity (t)**	**Value (euro thousand)**
Opening balance	26,544	662
Closing balance	18,808	639

19.3) Commitments and guarantees with third parties

At 31 December 2020 the Group had arranged bank guarantees with various credit institutions to guarantee supplies of raw materials from certain suppliers for an amount of €13.1 million , as well as the guarantee submitted to the National High Court of €65.9 million related to the Huelva restoration project (Note 9).

At 31 December 2020, a number of Group Companies had provided guarantees for an overall amount of €85.2 million to guarantee their operations vis-á-vis banks and Kartesia debt fund.

19.4) Contingencies

On 10 September 2019, the Spanish National Commission on Markets and Competition (CNMC) carried out a series of dawn raids in certain companies in the sector. At the date of presentation of these consolidated financial statements, no formal case has been opened by CNMC.

Fertiberia S.à r.l. Group has carried out an internal competition audit with the help of external advisors, whose main recommendations were staff training and the drafting of an antitrust manual for employees.

In this regard, the board of Managers has appointed a compliance officer, the management has made a written commitment to comply with antitrust regulations, an antitrust policy has been approved for the Group, a draft manual has been prepared, staff training has started and legal advisors have been consulted to ensure that the Group´s sales campaigns and policies are in line with competition law.

NOTE 20. LONG AND SHORT-TERM DEBT WITH CREDIT INSTITUTIONS

The breakdown of debt with credit institutions at 31 December 2020 is as follows, in euro thousand:

	Limit	Non-current drawn down	Current draw-down	Total drawn down 31/12/2020
Loan for financing investments	85,234	85,234	-	85,234
Credit facilities	36,000	-	-	-
Discounted bills	17,165	-	4,639	4,639
Interest payable not yet due	-	-	2	2
Total	**138,399**	**85,234**	**4,641**	**89,875**

The classification of debt with credit institutions at 31 December 2020 is as follows, by currency:

	Limit	Non-current drawn down	Current draw-down	Total drawn down 31/12/2020
Financing in euros	138,399	85,234	4,641	89,875
Total	**138,399**	**85,234**	**4,641**	**89,875**

The breakdown of non-current debt with credit institutions at 31 December 2020 according to maturities, is as follows:

	2022	2023	2024	2025	Rest	Total
Loan for financing investments	-	7,497	77,737	-	-	85,234
Total	**-**	**7,497**	**77,737**	**-**	**-**	**85,234**

In 2020, the average rate of interest applied to debts with credit institutions was 7.86%.

Loans for the financing of long-term investments

The heading “Loans for the financing of long-term investments” includes the long-term maturities of debt with credit institutions with personal guarantees or with guarantees in rem related to financial investments in fixed assets, at 31 December 2020, as listed in the following table:

	Initial Amount	Reference interest rate	Due date	Current	Non-current	Total
Kartesia	76,100	Fixed	20 July 2024	-	73,400	**73,400**
Revolving Credit Facility	69,400	Euribor	12 August 2023	-	7,497	**7,497**
Accrued interest	-	-	-	-	4,337	**4,337**
	145,500			**-**	**85,234**	**85,234**

Financing Structure:

In February 2020, the Group entered into certain agreements with financial institutions, namely:

- The long-term financing with the Kartesia debt fund (agreed with the Kartesia Securities, S.A. and Kartesia Securities IV, S.A. funds) is maintained, reducing the amount of principal to €73.4 million. An addendum to the financing agreement was signed to include new guarantees. The amount valued at “amortised cost” at 31 December 2020 was €73.4 million.

- A new long-term revolving financing agreement was signed with several banks (Banco Santander, Bankia, Bankinter, Banco Sabadell and Caixabank) for an amount of up to €69.4 million, maturing on 12 August 2023. This financing agreement includes new guarantee clauses, as well as compliance with certain financial ratios adapted to the new situation. The balance drawn at 31 December 2020 is of €7,497 thousand.

  In addition, at 31 December 2020 the financial ratios established in the financing agreements were fulfilled.

The other main characteristics of the long-term financing structure are as follows:

- Interest: in the case of the Revolving Credit, the interest rate is linked to Euribor plus a spread that varies according to a given financial ratio. The Kartesia Financing Agreement accrues a fixed interest rate based on meeting a series of milestones.

- The subsidiaries Agralia Fertilizantes, S.L.U., Fertiberia Castilla-León, S.A.U., Fertiberia la Mancha, S.L.U., Química del Estroncio, S.A.U., Fercampo, S.A.U. and Fertiberia France (France), Global Agrajes, S.L.U., and Global Galaor, S.L.U, act as guarantors of Fertiberia, S.A. in the financing agreement.

- The loans include the standard clauses for agreements of this kind (representations and warranties, undertakings to do and to refrain from doing, grounds for early maturity, etc.).

- Notwithstanding the repayments established in the repayment schedule, the credit agreements include various situations for mandatory partial or total early repayment in the event of breaching any of the financial or non-financial obligations that the Group is obliged to meet, including compliance with certain financial ratios both at the end of financial year 2020 and for the duration of the loan.

In addition, and as a result of the purchase of the Group by Triton Partners, the increase in value of the liabilities associated with the Kartesia loan was revealed on the basis of the calculation of the fair value deriving from the Price Purchase Allocation (PPA). The impact on the loan was an increase in value of €5.9 million at 1 January 2020, the date of the business combination for accounting purposes (Note 5). At 31 December 2020, within the context of the PPA, the fair value of the Kartesia loan had been restated to c.€314,000 , with the understanding that it would be cancelled in advance in January 2021.

Global Agrajes, S.L.U., a company fully-owned by the parent company Fertiberia S.à r.l., made a capital market transaction in December 2020 by issuing a bond of €125,0 million (Note 32). The bond has a 5-year maturity (22 December 2025) and will reduce run-rate interest burden providing a long-term financing structure to the Group. In December 2020 the bond amount was deposited in an escrow account until compliance with the conditions precedent set forth in the clauses of the bond agreement.

The amount was eventually paid to Global Agrajes, S.L.U. on 20 January 2021, following the fulfilment of all conditions precedent. The amount was used towards:

1) Full repayment of the debt and interest that Fertiberia, S.A. held with the Kartesia fund, i.e. €77.9 million;

2) partial repayment in the amount of €25.0 million of the subordinated loan that the Group has with Trifuchsia MidCo, S.à r.l.;

3) the increase of the Group's cash position by €18.9 million.

The breakdown of the debt with credit institutions according to their class and category is as follows:

Classes	Debt with credit institutions 31 December 2020		
Categories	Current	Non-current	Total
Financial liabilities at amortised cost	**4,641**	**85,234**	**89,875**
Total	**4,641**	**85,234**	**89,875**

NOTE 21. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

The breakdown of this heading at 31 December 2020, except for balances with related parties (Note 27.1), is as follows, in euro thousand:

	31 December 2020		
	Non-current	**Current**	**Total**
Suppliers of fixed assets	-	8,437	8,437
Centre for the Development of Industrial Technology (CDTI)	2,022	429	2,451
Ministry of Industry, Tourism and Trade	850	170	1,020
Ministry of Industry, Energy and Tourism	18,339	3,735	22,074
Ministry of Science and Innovation	262	90	352
Institute for the Diversification and Saving of Energy (IDAE)	1,214	1,017	2,231
Participative loans	3,964	-	3,964
Other debt	-	683	683
Deposits	40	-	40
Total	**26,691**	**14,561**	**41,252**

Given the nature of the financial liabilities included in this category, the Group considers that their carrying value constitutes an acceptable approximation to fair value.

In general, the previous loans are referenced to different fixed interest rate depending on the loan. Additionally, the Group has several loans at zero interest rate granted by the Public Administration, which are accounted for at their nominal value given that the benefit corresponding to the difference with their corresponding fair values is estimated as not representative.

During 2020, collections from several CDTI loans were received amounting to €254 thousand.

Participative Loans:

The Participative Loans of €4.0 million reflect the carrying amount of the debt with creditors that arose as part of the insolvency process of one of Fertiberia's predecessor companies (Fesa Fertilizantes) in 1992. As part of Triton's acquisition of the Group in February 2020, it was agreed that the Participative Loans would be covered by the Group instead of by the seller (Grupo Villar Mir). Note that the repayment schedule of the Participative Loans is based on annual repayment of 4.85% of the Net Profit of Fertiberia S.A.

The maturity of the other non-current financial liabilities is as follows at 31 December 2020:

	2022	2023	2024	2025	Rest	Total
CDTI	341	390	359	280	652	2,022
Ministry of Industry, Tourism and Trade	170	170	170	170	170	850
Ministry of Industry, Energy and Tourism	3,735	3,735	3,735	3,735	3,399	18,339
Ministry of Science and Innovation	90	83	60	29	-	262
I.D.A.E.	576	386	252	-	-	1,214
Participative loans	-	-	-	-	3,964	3,964
Deposits	-	-	-	-	40	40
Total	**4,912**	**4,764**	**4,576**	**4,214**	**8,225**	**26,691**

The breakdown of the balances in this note based on their class and category is as follows, in euro thousand:

Classes Categories	Other 31 December 2020
Other financial liabilities at amortised cost	**41,252**
Total	**41,252**

NOTE 22. GRANTS

The following is the breakdown of the balance of this heading at 31 December 2020, in euro thousand:

	31 December 2020
Official grants	4,433
Total	**4,433**

The Group's main grants correspond to the financing provided by the competent bodies for the purpose of providing financial viability for the construction of the different concessions and guaranteeing the profitability of the projects.

NOTE 23. TRADE AND OTHER PAYABLES

The breakdown of this heading at 31 December 2020, in euro thousand, is as follows:

	31 December 2020
Suppliers	95,523
Creditors	30,920
Customer prepayments	233
Outstanding remuneration	6,014
Total	**132,690**

Amounts shown above exclude trade receivables with Public Administrations (Note 24).

At 31 December 2020, the heading "Creditors" includes an amount of c.€758,000 that pertains to payment management/confirming with bank institutions.

Below is the breakdown by class and category, in euro thousand:

Classes **Categories**	**Derivatives and other** **31 December 2020**
Other financial liabilities at amortised cost	**132,690**
Total	**132,690**

NOTE 24. TAX POSITION

The breakdown of balances with Public Administrations at 31 December 2020 is as follows, in euro thousand:

	31 December 2020	
	Debtors	**Creditors**
Non-current:		
Deferred tax	39,551	30,416
	39,551	**30,416**
Current:		
Current tax assets and liabilities (Corporate income tax)	8,565	4,126
	8,565	**4,126**
Current:		
VAT	4,896	1,602
Social Security	38	1,774
Capital yields	45	-
IRPF (Personal Income Tax)	-	1,161
Other taxes	-	68
	4,979	**4,605**

As established by current legislation in each one of the countries in which the Group operates, taxes cannot be considered definitively settled until the filed returns have been inspected by the tax authorities, or the statute of limitations has elapsed in each one of the countries.

Consequently, due to eventual inspections, liabilities may arise additional to those registered by the Group. However, the Parent Company's Board of Managers considers that such liabilities, if they occur, would not have a significant impact on the consolidated financial statements taken as a whole.

Income tax

In 2020, the Companies comprising the Group filed individual corporate income tax returns.

a) Expenses from corporate income tax

The corporate income tax charge for financial year 2020, in euro thousand, is as follows:

	2020
Profit for the year before tax	**(8,279)**
Permanent differences (1)	**1,889**
Temporary differences	**33,782**
Previous tax base	**27,392**
Offset of previous year tax bases	**(12,443)**
Tax Base (result for tax purposes)	**14,949**
Tax charge	7,884
Deductions	(3,408)
Total current tax expense/ (income) (tax payable)	**4,476**
Total expense/ (income) for Exit from the Tax Group	**(3,908)**
Total expense/ (income) for previous years' tax	**3,352**
Total deferred tax expense/ (income)	**(2,279)**
Total Corporate Income Tax expense/ (income)	**1,641**

The tax rate by country was as follows:

	2020
Spain	25
France	25
Portugal	25
Luxembourg	25

In 2020 the effective Group rate was 30%.

(1) They correspond mainly to:

- Exempt dividends received from subsidiaries for a negative amount of 279 thousand euros.

b) Deferred tax assets

The change in deferred tax assets generated and paid in financial year 2020 is detailed below, in euro thousand:

	1 January 2020	Acquisitions by business combination (Note 5)	Exit from the Tax Group	Charge/credit to equity	Charge/credit to results	Reclassification and others	31 December 2020
Pension plans	-	627	-	-	(94)	-	533
Environmental provisions		6,306	-	-	(32)	-	6,274
Impairment provisions		5,929	(5,197)	-	57	-	789
Derivatives		111	-	(111)	-	-	-
Tax credits	-	2,297	20,365	-	(3,104)	(6,574)	12,984
Amortisation and depreciation differences	-	623	(19)	-	(424)	30	210
Financial expense limitation	-	7,671	(5,338)	-	3,291	5,151	10,775
Deductions	-	-	(26)	-	(2,439)	6,753	4,288
Others	-	4,806	-	-	(1,094)	(14)	3,698
Total	**-**	**28,370**	**9,785**	**(111)**	**(3,839)**	**5,346**	**39,551**

c) Deferred tax liabilities

The change in deferred tax liabilities generated and paid in financial year 2020 is detailed below, in euro thousand:

	31 December 2020	Acquisitions by business combination (Note 5)	Exit from the Tax Group	Debit/credit to equity	Debit/credit to results	Reclassification /others	31 December 2020
Amortisation and depreciation differences	-	941	-	-	(75)	-	866
Market value	-	24,876	-	-	-	-	24,876
Goodwill	-	3,711	-	-	-	-	3,711
Others	-	1,166	5,877	-	(6,043)	(37)	963
Total	**-**	**30,694**	**5,877**	**-**	**(6,118)**	**(37)**	**30,416**

The majority of deferred tax assets and liabilities has a planned realisation period greater (or less) than 12 months.

d) Tax losses pending offset

The individual companies comprising the Group have tax losses pending offset in future years, without considering tax losses generated during 2020, as detailed below:

- At 31 December 2020:

SPAIN			**PORTUGAL**		
Year of origin	**Final year for offset**	**Euro thousand**	**Year of origin**	**Final year for offset**	**Euro thousand**
1998	No limit	179	2016	2028	2,462
1999	No limit	105	2019	2024	444
2000	No limit	9,425			
2001	No limit	6,169			**2,906**
2002	No limit	4,960			
2003	No limit	5,963			
2004	No limit	7,551			
2005	No limit	7,862			
2006	No limit	9,500		**FRANCE**	
2008	No limit	2,018	**Year of origin**	**Final year for offset**	**Thousands of euro**
2009	No limit	47,702			
2010	No limit	703			
2011	No limit	2,067			
2012	No limit	529	2014	No limit	776
2015	No limit	1,616	2015	No limit	1,266
2016	No limit	1,282	2016	No limit	2,780
2017	No limit	1,358	2017	No limit	867
2018	No limit	9,878	2018	No limit	1,000
2019	No limit	541	2019	No limit	391
		119,408			**7,080**

The total tax losses from previous years at 31 December 2020 recognized amount to €51.9 million.

NOTE 25. INCOME AND EXPENSES

25.1) Net sales

The Group's net sales by product type, in euro thousand, is included in Note 6.

The following was the Group's net sales by geographical area, in thousands of euro:

Geographical area	2020 Thousands of euro	%
Spain	427,186	63%
European Union	200,348	30%
Rest of the World	45,368	7%
Total	**672,902**	**100%**

At 31 December 2020, no external customer of the Group represents a percentage greater than 10% of the net sales of the consolidated income statement.

25.2) Supplies

The net amount under "Supplies" for the Group in 2020 is as follows, in euro thousand:

Geographical area	2020
National	116,882
Intracommunity acquisitions	67,395
Imports	140,750
Subtotal:	**325,027**
Variation of inventory of raw materials and other consumables	17,931
Variation of inventory of finished products and those in progress	12,827
Impairment of merchandise, raw materials and other supplies	(67)
Total	**355,718**

25.3) Other operating income

This item includes mainly the income from bills issued as a consequence of secondary activities, leases, the charging of expenses to other companies and the application of grants related to greenhouse gas emission allowances (Note 19).

25.4) Personnel expenses and average workforce

This heading in the accompanying consolidated income statement is made up of the following, in euro thousand:

	2020
Wages and salaries	68,187
Social Security	16,733
Personnel expenses	**84,920**

The average number of persons employed during financial year 2020 and at the 2020 financial year-end was as follows, distributed by categories:

	Average workforce 2020	Workforce at 31/12/2020
Management and senior technicians	368	369
Technicians	339	344
Administrative staff	171	168
Workers and other non-qualified staff	666	665
Total	**1,544**	**1,546**

The average number of people employed during financial year 2020 and at 2020 financial year-end was as follows, distributed by geographical areas:

	Average workforce 2020	Workforce at 31/12/2020
Personnel in Spain	1,127	1,125
Personnel in the European Union	410	414
Personnel in the rest of the world	7	7
Total	**1,544**	**1,546**

The average number of people employed during financial year 2020, as well as at 2020 financial year-end, by gender, was as follows:

	Average workforce 2020	Workforce at 31/12/2020
Men	1,235	1,230
Women	309	316
Total	**1,544**	**1,546**

The average number of people employed during financial year 2020, broken down by gender and category with a disability greater than or equal to 33%, is as follows:

	2020		
	Men	**Women**	**Average total number**
Senior technicians	3	2	5
Unqualified Technicians	1	1	2
Administrative staff	1	-	1
Workers	10	-	10
	15	**3**	**18**

25.5) <u>Fixed assets and depreciation and amortisation</u>

The following is the breakdown for the heading of "Depreciation, amortisation and provisions" for financial year 2020, in euro thousand.

	2020
Amortisation of intangible assets (Note 8)	10,554
Depreciation of property, plant and equipment (Note 9)	18,215
Total	**28,769**

25.6) <u>Impairment and gains or losses on disposals of fixed assets</u>

The following is the breakdown for the heading of "Impairment and results on disposals of fixed assets" for financial year 2020, in euro thousand:

	2020
Profit from disposal of fixed assets	311
Total	**311**

The profit from the disposal of fixed assets in financial year 2020 correspond mainly to the derecognition of property, plant and equipment indicated in Note 9.

25.7) <u>Financial income</u>

The following is the detail for the heading "Financial revenue" for financial year 2020, in euro thousand:

	2020
Serbia Plant's receivable update (Note 12.3.a)	2,842
IFRS 16 updates (Note 10.1)	2,391
Other	54
Total	**5,287**

25.8) Financial expenses

The breakdown of "Financial expenses" for financial year 2020 is as follows, in euro thousand:

	2020
Interest on loans and credits	17,252
Interest on discounted bills	1,958
Financial expenses - other related parties (Note 27.2)	16,715
Interest on debt with other companies	1,552
IFRS 16 adjustments (Note 10.1)	1,772
Provision updates (Note 19.1)	2,508
Other	1,044
Total	**42,801**

25.9) Translation differences

The transactions carried out in foreign currency during the year and the global amount of the asset and liability items denominated in foreign currency at 31 December 2020 are detailed below:

		2020
	Currency	**Euro thousand**
Transactions		
Purchases	USD	151,117
Sales	USD	18,274
Asset		
Long-term financial investments	USD	12,064
Debtors	USD	5,737
Cash and cash equivalents	USD	3,917
Liabilities		
Creditors	USD	39,927

The total translation differences recorded in the consolidated income statement for financial year 2020 are caused by financial assets and liabilities corresponding to the categories of "financial assets at amortised cost" and "financial liabilities at amortised cost" and "cash and cash equivalents".

25.10) Other results

The breakdown of other profit and loss in financial year 2020 is as follows in euro thousand:

	2020
Debt collection Serbia (Note 12.2.a)	16
Other	454
	470

NOTE 26. RELATED PARTY TRANSACTIONS

The Group performs related party transactions under arm's length conditions. The transactions performed with group and associate companies form part of the Group's normal course of business in terms of its purpose and conditions.

For the purposes of this information, the following are considered related parties:

- Fertiberia S.à r.l. parent company, as in the case of Trifuchsia MidCo, S.à r.l.
- Individuals, companies or entities of the Group: this includes transactions with subsidiaries and related Fertiberia S.à r.l. Group companies.
- Managers and executives: understood as members of the Board of Managers.

26.1) Balances with related parties

The following were the balances with related parties at 31 December 2020, in euro thousand:

	Debit balance	Credit balance
NON-CURRENT	**-**	**-**
Non-trade	**-**	**-**
Group and associate companies		
Trifuchsia Midco S.à r.l.	-	247,436
Triton Fund V	-	353
	-	**247,789**

The credit balance with Trifuchsia Midco, S.à r.l. corresponds to a long-term loan that matures in 10 years granted for non-trade transactions to Fertiberia S.à r.l. on 10 February 2020, for €230.7 million, whose accrued interest in 2020 amounted to €16.7 million.

26.2) Related party transactions

The related party transactions held during financial year 2020 are as follows, in euro thousand:

	Sales	Other operating revenue	Financial revenue	Supplies	Other operating expenses	Financial expenses
Trifuchsia Midco, S.à r.l.	-	-	-	-	-	16,715
Total	**-**	**-**	**-**	**-**	**-**	**16,715**

NOTE 27. BOARD OF MANAGERS' REMUNERATION AND OTHER BENEFITS

27.1) Managers' remuneration:

During financial year 2020 the Parent Company did not pay any remuneration to members of the Board of Managers of the Group.

The Parent Company has no staff with Senior Management status, although this role is instead assumed by the members of the Board of Managers of Fertiberia, S.A.

During financial year 2020 the remuneration of salaries and wages to members of the Board of Managers of Fertiberia, S.A. is €2.5 million.

There were no loans granted to members of the Parent Company's Board of Managers and neither are there any commitments in respect of pensions or life assurance contracted with these.

During financial year 2020, a premium of c.€127,000 was paid for the Civil Liability insurance policy for all Managers.

NOTE 28. AUDITORS' FEES

Fees for services rendered by KPMG Luxembourg, Société coopérative and other member firms of the KPMG network to the Company and its subsidiaries during the financial period are as follows in euro thousand:

	2020
Audit fees	265
Audit related fees	17
Other fees	-
	282

NOTE 29. ENVIRONMENTAL INFORMATION

The property, plant and equipment include various technical installations for the protection and improvement of the environment, the cost value of which amounts to c.€564,000 at 31 December 2020.

Ordinary expenses incurred in financial year 2020 for the protection and improvement of the environment, such as waste treatment, control and treatment of atmospheric polluting emissions and treatment of liquid effluents, have been recorded in the Consolidated Income Statement according to the nature of each at €5.1 million.

Within the "Provisions and Contingencies" heading, various provisions for environmental actions are recorded, as described in Notes 9 and 19.

NOTE 30. EVALUATION OF THE GROUP'S CAPITAL MANAGEMENT GOALS, POLICIES AND PROCESSES

The Group's capital structure includes debt that, in turn, is made up of the loans and credit facilities detailed in Note 20, cash and cash equivalents and equity, which includes share capital, reserves and undistributed profits.

The Group manages its capital to ensure that Group companies will be able to continue as profitable businesses as well as maximising returns to shareholders by maintaining an optimal balance between debt and equity.

The cost of capital, as well as the risks associated with each class of capital, is considered by the Group Management.

The Group is exposed to certain risks, defined in Note 31, which are managed through the application of systems used for identification, measurement, limitation of concentration and supervision.

The basic principles defined by the Group in establishing its management policy for the most significant risks are as follows:

1. Compliance with the entire regulatory system pertaining to the Group.

2. The business and corporate areas establish their predisposition to risk for each market in which they operate in a manner consistent with the defined strategy.

3. Business and corporate areas establish necessary risk management controls to ensure that market transactions are carried out in accordance with the Group's policies, rules and procedures.

NOTE 31. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS. RISK EXPOSURE AND MANAGEMENT

The Fertiberia S.à r.l. Group distinguishes between the following types of financial risks:

Market risk:

Fertiberia S.à.rl. Group operates within a sector that is volatile and cyclical by nature. The evolution of global or regional supply and demand determine the price levels of crop nutrition products, which experience rapid changes (up and down) with direct impact on the Group's activity.

Demand for Fertiberia S.à r.l. Group's products, in addition to general economic conditions, is sensitive to different factors, including the price of crops in the end markets, specific climate conditions (in particular level of rainfall and temperatures in main agricultural areas), level of subsidies to growers and its distribution among crops (such as Common Agricultural Policy payments to European farmers). These factors influence the demand and sales volumes of the Group on a regular basis, and in most cases are difficult to predict. Severe droughts or floats affecting agricultural areas can have a very significant impact in sales figures.

Fertiberia S.à r.l. Group sales to non-agricultural sectors are also dependent on the conditions and evolution of the specific sectors, which can impact sales volumes, product profitability and final earnings of Fertiberia Group.

Fertiberia S.à r.l. Group´s strategy is focused on sales increase of specialty products, which present lower volatility as these products are less influenced by fluctuations and volatility.

With regard to raw materials, natural gas is one of the key inputs in the production of crop nutrition solutions, and therefore pricing and availability of natural gas is a strategic element for Fertiberia S.à r.l. Group with significant impact on financial performance.

Fertiberia S.à r.l. Group also purchases other raw materials from third parties, e.g. ammonia, phosphoric acid and potash from different regions like Algeria and Morocco. In addition to the country risk of the origin of the raw materials, termination, material change or failure of delivery in these supply contracts can have a negative impact in the financial performance of the Group.

Fertiberia S.à r.l. Group mitigates raw materials supply risk by diversifying supply sources with different alternative suppliers in several geographical regions.

Credit risk:

The Group's main financial assets are cash and cash equivalents, trade and other receivables and investments, which represent the Company's maximum exposure to credit risks with regard to financial assets.

The Fertiberia S.à r.l. Group does not have a significant credit risk, as the customer collections are covered by credit risk insurance policies with world class insurance companies. At 31 December 2020, the provision for customers' bad debt recorded by the Group amounted to €1.9

million.

Liquidity risk:

This refers to the risk of the Group's eventual inability to make agreed payments and/or to meet commitments arising from new investments.

Liquidity risk is common to any commercial activity and not specific to the Group, arising from the differences that could arise between the applications of funds for investment and the need for working capital and the origins of funds obtained by the activities of the Group and other divestments.

The Group determines the need for cash over a 12-month period with monthly breakdowns, drawn from the budget.

The Group determines its cash requirements in terms of amount and time, and new financing requirements are planned accordingly.

The financing needs generated by investment operations are structured and designed according to the life thereof.

In the event that new debt arrangements and/or capital expenditure financings not being accessible or only available at unattractive commercial terms only, the Group could adopt alternative strategies that may include actions such as selling assets, restructuring or refinancing its debt, seeking additional equity capital or reducing capital expenditures.

The liquidity position for 2020 is based on the following:

— Cash and cash equivalents €26.9 million at 31 December 2020.

— €110.4 million available in undrawn credit facilities at 31 December 2020,

— Cash flows from operating activities in 2020 amounted to negative €2.8million .

Systematic forecasts are prepared for cash generation and requirements, allowing the Group to determine and monitor its liquidity position on an ongoing basis.

Interest rate risk

The Fertiberia S.à r.l. Group is exposed to interest rate risk due to its monetary assets and liabilities.

The exposure of financial liabilities (excluding other payables) at 31 December 2020 is as follows:

	2020

Total Financial Liabilities (fixed rate)	105,865
Total Financial Liabilities (floating rate)	12,138
	118,003

Variations in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows from assets and liabilities referenced at a variable interest rate.

The risk produced by the variation in the price of money is managed by the constant monitoring and analysis of the market situation, including contracting potential derivative financial instruments to hedge the Group against such risks.

The Group has no interest rate derivatives at 31 December 2020.

Exchange rate risk

The Fertiberia S.à r.l. Group is subject to the exchange rate risk as a result of purchase transactions made on the basis of firm or highly probably commitments conducted in non-functional currency, especially USD.

The Group purchases a substantial share of raw materials in US Dollars, while it reports its financial results in Euros. As a result, period-to-period changes in the average exchange rate of the Euro against other currencies can affect the revenues and operating profit of the Group in Euros.

In this regard, the Group contracts non-speculative exchange rate derivative hedging ("plain vanilla") to ensure an exchange rate in the purchase of goods from the date of the order through to the purchase maturity date, thereby eliminating most of the impact that exchange rate fluctuations may have on the consolidated financial statements.

The following provides a breakdown of exposure to currency risk, with details on the carrying amounts of the financial instruments denominated in a foreign currency:

		2020
	Currency	**Euro thousand**
Assets		
Long-term financial investments	USD	12,064
Debtors	USD	5,737
Cash and cash equivalents	USD	3,917
Liabilities		
Creditors	USD	39,927

NOTE 32. POST BALANCE SHEET EVENTS

Global Agrajes, S.L.U., a company fully owned by the Parent Company Fertiberia S.à r.l., performed a capital market transaction in December 2020 by issuing a bond amounting to €125.0 million. The bond has a 5-year maturity (22 December 2025) and the amount was deposited in an escrow account until certain conditions precedent set forth in the clauses of the bond agreement. These conditions were fully fulfilled on 20 January 2021, and therefore the amount was finally received by Global Agrajes, S.L.U. on that date. The bond was used for:

1) the total repayment of the debt and accrued interest that Fertiberia, S.A. owed to Kartesia fund amounting to €77.9 million;

2) A partial repayment of €25.0 million of the subordinated loan that the Group has with Trifucshia MidCo, S.à r.l.;

3) An increase of the Group's cash position by €18.9 million.

FERTIBERIA S.À R.L. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

Fertiberia S.à r.l. Group is one of the main crop nutrition and environmental solutions providers in the European Union, with a leading position in the Iberian Peninsula. Its activity is focused on the production and sale of:

- Standard and specialty crop nutrition solutions for all types of crops.
- Environmental solutions mainly for the abatement of greenhouse gases, especially in the industrial and transportation sectors.

The Group operates a production network comprised of 13 units: 9 in Spain, 3 in Portugal and 1 in France. Total annual production capacity of intermediate and finished products amounts to approximately 9 million tonnes.

It has a well-established distribution structure and strong brand recognition, with solid market shares in Southern Europe and the European Atlantic Coast. Fertiberia S.à r.l. operates 10 warehouses with a storage capacity of 290,000 tonnes and it sells its products through a network of 10 commercial offices across Spain, Portugal and France.

Fertiberia S.à r.l. Group has approximately 1,000 clients in 80 countries. The types of clients range from large wholesalers, cooperatives and farmers to industrial clients such as chemical companies.

The product portfolio comprises more than 520 different products, focused on a wide variety of crop nutrition solutions for the agricultural and gardening markets, as well as on environmental solutions such as Ad-Blue for the abatement of NOx emissions in the transportation sector.

Crop nutrition solutions are essential for the development of the food industry. With a growing world population with increasing dietary demands, the application of these solutions guarantees the production of food in a context of continuously shrinking crop acreage. This implies a growing need for high agricultural yields.

The sector is undergoing changes such as an increased focus on efficiency and ESG initiatives that represent a great opportunity for Fertiberia S.à r.l. Group insofar as its strategy is focused towards the development of highly efficient and environmentally-friendly crop nutrition and environmental solutions.

Fertiberia S.à r.l. Group is clearly committed to decarbonising its production processes, for which it has a number of innovative projects under way for the development and production of green ammonia as well as a high number of initiatives aimed at reducing its overall CO2 footprint and environmental impact.

The Group´s current strategic priorities are as follows:

- Clear focus and investment in ESG, EHS and compliance.

- Increased investments and R&D activity focused on:

  - The development of high value-added products that deliver significant agronomic and environmental efficiency.
  - Operational and energy efficiency improvements in manufacturing assets.
  - Operational excellence and cost savings.

- Strengthening of commercial networks for high value-added products.

Financial year 2020 is the first year in which the Group is filing consolidated financial statements with Fertiberia S.à r.l. as Parent Company. However, it has been included in this management report for information and comparative purposes figures for financial year 2019, year in which the legal entities belonged to the previous shareholder.

RESULTS

Financial year 2020 was characterised by the outbreak of the COVID-19 pandemic. Group Management implemented a set of extraordinary measures which have been applied since the beginning of the crisis to protect the health and safety of all employees and collaborators, strictly following the recommendations of the health authorities, and incorporating all the best-known practices. The most exacting specific prevention and action protocols have been implemented in all centres, in coordination with the workers' representatives, the prevention services and, naturally, with the competent authorities.

The health and safety of everyone is the Group's number one priority, and everything humanly possible is being done in the face of an unprecedented and rapidly evolving situation.

At an operational level and since the start of the pandemic, government authorities recognised the Group as a critical operator and provider of essential services. Therefore, the Fertiberia S.à r.l. Group benefits from the protection and support of the Public Administration to adopt all necessary measures in order to maintain production activity and distribution to customers, thus contributing to food security, as well as to the supply of other critical products for certain industries to maintain their activity or reduce their emissions.

During financial year 2020, operations have been maintained in all centres of the Group.

the purchase of the Fertiberia S.à r.l. Group by Triton Partners during financial year 2020 implied a significant capital injection into the Group and the ensuing reduction of debt.

Within the global crisis context generated by COVID-19, the Group's results may be viewed as highly positive, reflecting the value generated by the initiatives and actions undertaken in previous years, as well as a high degree of resilience to the pandemic.

From an operational viewpoint, as mentioned in previous sections of this Management Report, progress has been made in improving agronomic efficiency and differentiation of the product range, with emphasis on development of products with low nitrogen content, with nitrification inhibitors and advancements in the Fertiberia Tech specialty crop nutrition solutions. Record figures were achieved in the production of other intermediate and downstream products.

The Group has therefore continued to develop its transformational diversification agenda toward increasingly differentiated products, with high agronomic and environmental efficiency, which also generate higher margins. At the same time, it has maintained its market share and managed the evolution of working capital with great discipline.

In financial year 2020 the Group's results had an outstanding impact caused by extraordinary expenses relating to the purchase transaction by Triton Partners, explained in Note 5 to these consolidated financial statements.

The results obtained by the Group in terms of the main financial parameters are as follows:

- EBITDA was €57.8 million, compared to the €53.1 million achieved in 2019. It is important to mention that this EBITDA is affected by a series of extraordinary expenses regarding the purchase of the Company by Triton Partners, for €9.8 million. On the other hand, the Group has incurred extraordinary expenses regarding COVID-19 of €2.2 million, in addition to expenses for bank guarantees to secure the replanting of the Huelva pools amounting to €1.9 million. If we should disregard these extraordinary expenses, the EBITDA figure would be of €71.7 million.

  (*) EBITDA = EBIT (Operating result) less other results, impairment and earnings from disposal of fixed assets and amortisation.

- The EBIT was €28.9 million, compared to €27.4 million in 2019. If we disregard the extraordinary expenses mentioned in the previous paragraph, the EBIT figure would be of €42,8 million.

- The net result for financial year 2020 was a loss of €9.9 million, which includes extraordinary items essentially related to the change in the Group's shareholding structure:

  - Triton Partners' expenses of €9.8 million regarding the business combination in financial year 2020.
  - Operating expenses related to COVID-19 of €1.7 million.
  - Extraordinary expenses for the establishment of bank guarantees for the Huelva pools replanting project of €1.4 million.
  - Extraordinary financial result resulting from:
    - "Carve-outs" that were not subject to the Fertiberia S.à r.l. Group purchase transaction by Triton Partners, of €230 thousand.
    - Financial expenses generated by the cancellation of loans in force through the change in ownership and for the implementation of a new financing structure of €8 million.
    - Lower financial expenses for the fair value of the Kartesia loan of €4.2 million.
  - Tax income as a result of the exclusion from the tax scope of consolidation of the previous shareholder to which Fertiberia, S.A. and the Spanish subsidiaries belonged prior to the change in shareholder, worth €561 thousand.

If the abovementioned extraordinary expenses are disregarded, the net result for financial year 2020 equals a profit of €6.4 million.

- The group's total net bank debt (debt with credit institutions + financial lease creditors - cash and cash equivalent) at financial year-end 2020, amounts to €86.8 million, which is clearly very low, and a result of the significant capital injection made by the new Group shareholder.

MARKET

International context

The year 2020 was inevitably impacted by the COVID-19 health crisis and by the social and economic consequences of the pandemic.

In its most recent projection carried out in October, the IMF estimated a decline in the worldwide economy of 4.4% in 2020, and a recovery of 5.2% for 2021. For the Euro zone, this institution estimates that the GDP decline could be up to twice the world average, while the recovery attained in 2021 may only be 50% of the world average.

It is also worth mentioning the drop in the energy price level, which bottomed out in April and May. Since then, prices have undergone a significant recovery, and it is estimated that in 2021 they will exceed those recorded in the last two years.

With regard to the agricultural sector in all major economic areas, including the European Union, all manner of support and stimulus measures have been adopted, both in the agricultural and crop nutrition sectors - declared as strategic- which helped to ensure the continuity of their activity at virtually normal levels.

The FAO predicts that the worldwide production of cereals in the 20/21 season will attain unprecedented levels, with a volume of 2.7 billion tonnes, while consumption arising to a similar figure, at the close of the season, would place inventory at 1% below its opening levels, thus decreasing the cereal inventory-to-utilisation ratio by one point, to 31% in 2020/21.

The evolution of cereal prices has been positive, with the 2020 FAO Cereal Price Index standing at 103 points on average, representing an increase of 7% with respect to the average level obtained in 2019, and also 7% compared to the average prices recorded over the past five years. While it is true that in recent years the market has been moving at modest levels, it is necessary to go back to 2014 to see higher price quotations.

The prices of the main crop nutrition products on international markets have sustained significant decreases with respect to the average reached in 2019, with the cases of ammonia, DAP and potash being very significant, while the drop in the price of urea was not as sharp. In spite of this, the evolution of the price of the main raw materials and energy has made it possible to reach acceptable margins.

Worldwide consumption

The International Fertilizer Association (IFA) estimates that the global consumption of nutrients during the 2019/20 agricultural season will be 190 million tonnes, which is an increase of 2% over that of the previous season.

Provisional figures indicate that nitrogen consumption has increased by 3%, to a volume of 107 million tonnes; phosphoric anhydride stands at 47 million tonnes, 2% greater than last season, with consumption of 36 million tonnes of potassium oxide, a 3% decrease with respect to the figures recorded in the 2018/2019 season.

New increases are expected for the 2020/21 season, reaching a consumption of 194 million tonnes of nutrients, which would represent a 2% increase with respect to the 2019/20 season. The greatest increase planned would take place in the case of phosphorus, which would foreseeably be 3%. This increase would reach 2% in the case of nitrogen, while potassium would increase by one point.

For the medium term, in the 2024/25 season, a volume of 197 million tonnes of nutrients is estimated, which would represent a 4% increase with respect to the 2019/2020 season. These predictions indicate that the global consumption of nitrogen will increase by 3%, and 4% in the case of phosphorus and potassium.

By geographical area, the greatest growth rate should take place in EECA (EU-Eastern and Central Asia), followed by Africa, South Asia and Latin America. Stable consumption with a slight downward trend is estimated in Western and Central Europe and in East Asia. In the rest of the major regions of the world it is estimated that demand will remain stable, with slight increases.

Evolution of the market in the Iberian Peninsula

Evolution of the Spanish market

COVID-19 has not affected the agricultural and crop nutrition products activity to any great extent, since they were declared essential activities by Royal Decree 463/2020 in Spain, as well as by the European Commission in its Communication of 23 March 2020. Furthermore, specific measures were dictated for the agricultural sector, which has facilitated its proper operation.

The use of crop nutrients in Spain has been mainly conditioned by the following factors:

- Sowing and crop nutrients application in 2019 autumn and winter crops took place under normal conditions, with some irregularities due to weather conditions, but ultimately without relevant consequences.

- Spring rainfall was abundant and allowed proper crop development and, together with the top-dressing covers applied, enabled a highly positive evolution of the cereals.

- The surface area for sowing spring cereals was 2% lower than the surface area recorded in 2019, a year in which this crop grew significantly.

- Last autumn's rainfall was in line with the historical average, although the increase in prices enabled good sowing in general. It should be noted, however, that scarce rainfall in southern Spain led to sowing without basal dressing, in some cases, in this area.

- Within this context, very preliminary ANFFE estimates indicate that the consumption of crop nutrients has increased slightly in 2020 compared to 2019, recording a 2% increase on the worldwide market (5.1 million tonnes).

- The simple nitrogen products market grew by 2% in 2020. Nitrate consumption experienced a decline, whereas the rest of the nitrogen products increased, with emphasis on the urea market, whose imports were highly significant.

- The consumption of simple phosphates fell by 6%, with a volume of 176,000 tonnes.

- The consumption of potassium products increased notably, up to 28% with a market of 353,000 tonnes.

- Complex crop nutrition products market recorded a slight worldwide decrease of 1%, mainly as a result of the 11% decrease in the consumption of ammonium phosphates, although this market had increased significantly in 2019. The NPK complex products, on the other hand, increased by 2% in spite of the decline recorded in imported product.

- Regarding the three main nutrients, nitrogen consumption stood at 1,035,000 tonnes, 2% more than in 2019, and the same increase occurred in the case of phosphoric anhydride, with a volume of 488,000 tonnes, while the consumption of potassium oxide increased by 4% with a volume of 405,000 tonnes.

- The initial estimates of the Ministry of Agriculture and Food (MAPA) indicate that Agricultural Income, which in current terms was €29 billion, has experienced an increase of 4.3% with respect to the previous year. The increase was 12.5% in real terms per Annual Work Unit.

- Vegetable Production recorded an increase of 3.2% in value, due to the combined effect of a 1.2% increase in production and a 2% price increase.

- Favourable weather conditions brought about important increases in the production of key crops: cereals increased by 31%; forage crops by 14%; crops for industrial use by 23%, and 9% in the wine market. By contrast, the production of olive oil decreased significantly, up to 39%, and the production of potatoes decreased by 5%, with a slight 1% drop in fruits and vegetables.

- With respect to the prices of agricultural products, increases were recorded only in the fruit (13%) and vegetables (1%) sector, with a 22% decrease in the price of potatoes, olive oil (11%), wine (8%), and cereals (1%).

- Spending on crop nutrients decreased by 5%, with a volume increase of 1%, while prices decreases by 6%.

Evolution of the market in Portugal

- The Portuguese market was logically conditioned by the same contextual and price factors that have influenced the evolution of the market in Spain and internationally, as indicated above.

- From a weather viewpoint, the year was marked by a first quarter with low rainfall and high temperatures that had a significant effect on the top-dressing cover of autumn and winter cereals. The end of March and the month of April were marked by significant rainfall, which had a negative effect on the spring sowing and plantings, causing important delays in the development of these crops. The irrigation has been developed without significant problems of shortages of water.

- Year 2020 market is estimated to have reached a volume of 423,000 tonnes, meaning an increase of 5% with respect to 2019.

- The increase of the simple nitrogen products market was 2% and 7% in the complex crop nutrition products market.

- In terms of nutrients, consumption of the three main nutrients increased, albeit moderately: nitrogen consumption stood at 77,000 tonnes, 2% higher than what was recorded in 2019; phosphoric anhydride at 31,000 tonnes, representing a 3% increase, while the consumption of potassium oxide is estimated to have risen by 9%, reaching 29,000 tonnes.

- The estimates of the Portuguese National Statistics Institute (*Contas Económicas da Agricultura 2020 - 1ª estimativa - 10 de dezembro de 2020*) calculate that Agricultural Income has decreased by 8% with respect to 2019, standing at €1.7 billion in current terms. In constant terms per Annual Work Unit, there has been a decrease of 3.3% compared to the previous year.

- Vegetable Production shows a negative evolution of 4.4% with respect to 2019, the result of a 5.9% decrease in volume that is partially offset by a slight price increase of 1.6%. Cereal production fell by 3% and forage plants increased by 11%. Worthy of note are the decreases in production recorded in other crops such as vegetables, tomatoes and fruits, 4%, 15% and 11%, respectively. Decreases in the production of wine, of 5%, and oil, of 10% are also estimated.

- Intermediate Consumption has experienced a slight increase of 0.4% with respect to the previous year.

- Spending on crop nutrients increased by 3%, as a consequence of the increase in the quantities used, which was 8%, and a 5% decrease in prices.

SALES

Global market

The Fertiberia S.à r.l. Group achieved a turnover of €672.9 million, compared to the €714.0 million of 2019. The volume of products sold was 3.1 million tonnes, 5% greater than the tonnage sold the year before.

Following the evolution of prices on international markets, the average prices used by the Group were 10% less than the year before, while it should be noted that trade margins increased slightly.

Of the total amount sold by the Group, crop nutrition solutions represented 78% of the turnover, environmental solutions 20% and the remainder (strontium, gardening and others), 2%.

By product family, standard crop nutrition solutions and standard environmental solutions accounted for 47% of sales turnover, specialty and Tech crop nutrition and environmental solutions, 52%, and the remaining 1% in other products.

Sales in the Iberian Peninsula market amounted to €515.0 million, while €158.0 million euros in products were sold outside this geographical market.

Effort and support for R+D and product development resulted in a significant increase in product portfolio breath, both in the crop nutrition as well as in the environmental solutions segments.

The Fertiberia S.à r.l. Group is making significant efforts to supply high quality crop nutrition solutions, to ensure that these adapt to a wide range of crop types with the highest possible environmental efficiency. This is in compliance with the guidelines of the CAP and the Green Deal and. The Fertiberia S.à r.l. Group is fully committed to ESG and more specifically to the fight against climate change and support of the circular economy.

This important task is supplemented with the broadening of a commercial network that is becoming increasingly technical, capable of reaching all markets in which the Group operates and with an enormous capacity to disseminate and share the best fertilization techniques with the best products.

Crop Nutrition Solutions

Volumes amounted to 2.4 million tonnes, a 6% increase over 2019, while prices were 11% lower than last year. The decline in prices more than offset volume growth, hence reducing sales to total €528.6 million, compared to €556.2 million in 2019.

The 75% turnover in crop nutrition solutions was obtained in the Spanish and Portuguese markets, while 25% correspond to sales abroad.

During the year progress has been made on the sale of high added value, specialty and Tech crop nutrition solutions, with a volume of 1.2 million tonnes, accounting for 53% of the turnover

Environmental Solutions

Sales of environmental solutions were similar to the previous year in terms of the volume placed on the market, which was 684,000 tonnes, one point less than in 2019. The turnover was €133.0 million, 8% lower than the year before, a decrease caused mainly by the drop in sale prices, also of 8%.

In spite of the drop in prices, lower raw material and energy costs have made it possible to obtain gross margins above those of the previous year.

Sales outside the Iberian Peninsula already account for 14% of this division's business.

OPERATIONS

Throughout 2020, Fertiberia S.à r.l. Group's operational activity has maintained the levels achieved in 2019. Despite having been a year characterised by the COVID-19 health crisis, the Group has achieved a total production of 5.3 million tonnes.

Production, in thousand tonnes, of the main products is as follows:

Products	Real (2019)	Real (2020)
Ammonia	**534,092**	**507,734**
Urea Liquor	**408,939**	**369,296**
Nitric acid	**888,109**	**908,194**
Nitrates	**1,248,916**	**1,280,328**
NAC / NAC+S	861,471	878,464
NSA	222,430	241,743
NA	122,240	114,663
NiCa	42,775	45,458
Urea prill	**342,184**	**314,006**
NPK	**491,894**	**507,993**
Nitrogen Solutions	**439,150**	**447,871**
UAN / N-Green	113,139	111,868
NiCa / MgN sol.	65,659	73,331
Nitrate Liquor sol.	41,009	44,401
Other Nitrogen Sol.	37,628	38,016
AdBlue Solution	106,410	111,788
Ammonia solution	60,187	53,961
Ammonium Nitrate Liquor hot sol.	15,117	14,505

Progress has been made in the improvement of agronomic efficiency and product range differentiation, with emphasis placed on the development of crop nutrition solutions with low nitrogen content, nitrification inhibitors, and the specialty Fertiberia Tech range.

Among other aspects, these positive results are backed by a record annual production of nitric acid in all Group plants overall, the increased production of ammonia over amounts scheduled, as well as the sound performance of all ammonium nitrate plants and the ammonium nitro-sulphate plant, within an agricultural context favourable for nitrogen products.

The continuing increase in the sale of agricultural and industrial nitrogen solutions has also contributed to these results. For this reason, two new solution production facilities have been launched: one in Sagunto, where a new UAN solution production line has been put into operation, and another for the AdBlue solution in Lavradio. These facilities were commissioned during the second half of the year, adding two strategic locations to the Group's production and distribution centres.

On the other hand, production of NPK complex solutions has continued its recovery this year, exceeding the volume produced last year by 3%.

INVESTMENTS

In terms of investments, during 2020 investments amounting to €21.4 million were made in all the Fertiberia S.à r.l. Group factories.

These were allocated mainly towards asset improvement and optimisation, promoting efficiency and sustainability, cost reduction, differentiation and the improvement of quality standards, safety and respect for the environment.

The main outlays during the year were made in investments for growth and maintenance of ammonia production units. To this end, investments were made that will be executed during the general shut-down of Puertollano in 2021. Furthermore, the main catalysts of the ammonia plant in the Palos factory were replaced this year, which will improve its energy efficiency.

A project is under way in the Alverca factory for a new Calcium Nitrate (NiCa) liquor line that will make it possible to double production. This project has a total budget of some €6.0 million, and will be operational by 2021.

In 2020 a project was initiated in the Avilés factory for the construction of a new nitro-sulphate liquor (NSA) production line with a total amount of close to €10.0 million. This new line will be operational by the beginning of 2022, thereby doubling NSA production.

Investments by type:

	Euro thousand
Growth and Efficiency	3,295
HSE and Regulation	4,412
Maintenance	11,995
Others	1,701
TOTAL	**21,403**

ENVIRONMENTAL MATTERS

The Fertiberia S.à r.l. Group is committed to Sustainability and the Environment, this being its main policy in all areas of work, not only through its Environment Department, but also as an interdepartmental policy.

The Group has solid and mature environmental management systems that ensure adequate risk identification, assessment and management. The application of the principle of ongoing improvement allows for the development of annual action plans to reduce the impact of significant environmental aspects.

Circular economy and waste prevention and management

The Fertiberia S.à r.l. Group promotes the consumption of raw materials in a circular economy, particularly the production of complex NPK solutions.

All Group centres have specific procedures and instructions that indicate how to identify, classify, store, manage and dispatch the waste generated at the facilities. The Group works with waste managers for recycling, reuse, recovery and/or disposal.

Sustainable use of resources

The Group work centres have control and monitoring procedures and production indicators that allow provide information at all times on the specific consumption of raw materials, thus enabling optimisation of consumption, as well as correction of potential deviations. The Fertiberia S.à r.l. Group's production units, aware of the importance of reducing water consumption, have condensate recovery units, in addition to recovery in the ammonia plants to minimise consumption.

Climate change

The Fertiberia S.à r.l. Group has seven facilities (Avilés, Palos, Puertollano and Sagunto in Spain, in addition to Alverca and Setúbal in Portugal) subject to the European Union's emissions trading system. As this is one of the key aspects of the organisation's environmental management and impact plan, a series of initiatives have been implemented to reduce GHG emissions:

- Installation of NO catalysts and low N_2O catalytic networks in all the nitric acid plants, which has enabled emissions to be reduced by around 95%.
- Reduction of natural gas consumption as an energy source for steam generation by redesigning the processes for reusing waste heat in the ammonia, urea and nitrate plants.
- Installation of tertiary N_2O abatement treatments in nitric acid plants to reduce emissions by around another 80% (initiative under evaluation).
- Launch of the green hydrogen project at the Puertollano factory for decarbonisation and ammonia production, making it the largest green hydrogen plant for industrial use in Europe. The plant will start generating green hydrogen in December 2021.

Biodiversity protection

The Fertiberia S.à r.l. Group develops, manufactures and promotes the use of new environmentally-friendly crop nutrition and environmental solutions that contribute to the protection of biodiversity.

The Fertiberia S.à r.l. Group, through the Restore 20/30 project, will restore the 720 hectares affected by the phosphogypsums in Huelva. This initiative has received a favourable Environmental Impact Statement from the Ministry for Ecological Transition and the Demographic Challenge.

The objective is the environmental restoration and recovery of biodiversity in the areas of Huelva occupied by the phosphogypsum stacks "applying the best practices" for the closure of the stacks. This initiative consists of two phases: an estimated period of ten years for encapsulation, followed by another 30 years of monitoring and control.

AGRICULTURAL INNOVATION

The evolution that is taking place in Spain and the countries around us toward a more modern and technology-driven agriculture, in which sustainability and productivity are essential requirements for the successful development of the agricultural sector, opens the door to a wide range of innovation opportunities. The Fertiberia S.à r.l. Group has accepted this challenge and firmly supports innovation as the way to contribute towards improving the company's competitiveness and growth.

Proof of this momentum is the consolidation of the agreement with the University of Seville to establish a joint work centre: The "Agro-Environmental Technology Centre - Fertiberia S.à r.l. Group CTA" (*Centro de Tecnologías Agroambientales*), which centralises the research and innovation activities of the Group in a first-rate technological and academic environment, promoting the development of joint research projects. In addition to this important agreement, the Fertiberia S.à r.l. Group currently has several collaboration agreements in place with more than 15 universities and research centres, which facilitates the development of large-scale projects of excellence.

The development and launch of new products should also go hand-in-hand with intense training for technicians and farmers, to support the appropriate use thereof and consolidate confidence in the company and its products. For this reason, a special effort was undertaken in 2020, a very peculiar and different year because of the pandemic, to maintain an ongoing and reliable support service. This has required the preparation of abundant educational material and the establishment of an online training plan that has allowed 115 meetings to be held with over 3,500 participants.

The research activity is based on three fundamental pillars:

I)To encourage the circular economy and resource efficiency. A clear exponent is the European B-FERST, Bio-based crop nutrition products as the best practice for agricultural management sustainability, coordinated by the Group (H2020-BBI-JTI-2018 n 837583). This proposal seeks to build an innovative concept for the crop nutrition sector: the strengthening of European competitiveness and the increase of "bio-economy" potential in Europe, through the development of a new value chain based on processes for the recovery of nutrients from waste for the manufacture of mineral nutrients.

II)The conservation and improved quality of soil and the environment. Worthy of mention are projects like Q-Soil Advanced to improve soil quality for high added value crops (CDTI IDI-20190155), INNVIRONMENT Improvements to the nitrogen cycle (CDTI IDI-20190156), MICROFOS Development of new biological NPK products (CDTI IDI-20190013).

III)Improved product competitiveness, with exclusive, innovative and more effective products. To this regard, 2020 has seen the design of new products for launch during the 2020-2021 period, including:

- DUO-PRO Technology. The pollution of ground or surface water with nutrients of agricultural origin is a reality that may be minimised by establishing good agricultural practices, include the use of products with protected nutrients. DUO-PRO Technology was thus developed to provide products with a two-fold action to protect the leaching of ammonia nitric nitrogen and all other nutrients, leading to increased productivity and greater environmental efficiency. The sale and marketing of this technology will commence in 2021 through FERTIBERIA TECH.

- SDCD. Along the same lines for the prevention of water pollution by nitrates is the SDCD technology based on a new chemical inhibitor of nitrification, that is safer and more sustainable than its predecessors, for which Fertiberia, S.A. has exclusive use in the Iberian Peninsula. The sale and marketing of this technology will commence in 2021 as part of the FERTIBERIA CLASSIC PLUS EDITION line.

- Nutrifluid Impulse. A growing trend is underway for the use of irrigation as a tool to increase productivity and, therefore, the recourse to fertigation and products of increased agronomic efficiency. Nutrifluid Impulse, introduced on the market by FERTIBERIA TECH at the beginning of the year, stands apart from the rest because of its Energy Booster that improves crop response to nutrients application, increasing production per each litre of water consumed. A contribution toward improving the efficient use of irrigation water.

- Farmers, motivated by market demand, increasingly require more ecological and biotechnological products. In this sense the first steps have been taken with the Fertiberia NATURA line, a liquid NPK, low in chlorine content, for application on the surface as well as through irrigation, while FERTIBERIA TECH has recently included organic nutrients in its catalogue, in pellet form, approved for ecological agriculture, and is developing a project for internal production in the Sopac factory of ecological minerals with UNE standard certification.

- A significant wager is being made for the integration of biotechnology in crop nutrition products. The NEOFORCE brand was created for this purpose, based on products with beneficial micro-organisms, enzymes, and a bio-control line characterised as having zero waste, fungicide and bactericide activity, and preventive and curative action.

- Following the launch on the market of granulated products with antiOx effects, new foliar solutions are being developed, likewise with antiOx effects, to address climate change and the biotic stresses caused.

HUMAN RESOURCES

During financial year 2020, the work normality of previous years has been maintained in all work centres of the Group.

Organised training actions, aimed at continuously improving the training of our staff, have made it possible to provide 44,000 hours of training despite the restrictions imposed due to COVID-19. In addition to job training, the Group encourages the personal development of its employees by way of scholarships for professional training, university studies and master's degrees.

At 31 December 2020, the Group workforce was composed of 1,546 individuals, 316 women and 1,230 men. The total workforce includes 71 individuals in partial retirement. An increase of 1.7% occurred with respect to the previous year. The average workforce age is 43.

Workforce staff distribution, by professional group, is as follows:

Professional group	**Percentage**	**Workers**
Management staff and qualified technical personnel	33.2%	512
Operational staff	43.1%	665
Administrative staff	10.6%	167
Unqualified Technicians	13.1%	202
TOTAL		**1,546**

This year the most important challenge in the labour area was the management of the COVID-19 pandemic. In March, the COVID Central Committee was created, formed by representatives from the Group and from the trade union signatories to the collective bargaining agreement. This Committee meets periodically to monitor cases and analyse the preventive measures that are being implemented.

The Group developed an internal protocol for action in cases of COVID, always establishing the best practices in terms of prevention, following the recommendations of the health authorities, in order to offer the greatest protection to the people who work in the work centres. This protocol is reviewed periodically, adapting it to the information received on prevention of the illness. In the course of this year, 18 protocol reviews took place to keep it updated at all times. Weekly prevention audits are carried out at all our work centres to check that the action protocol is being applied correctly.

In addition to all the preventive measures implemented, antigen testing and PCR testing are available in all our work centres to prevent the spread of the disease in the workplace.

POST BALANCE SHEET EVENTS

Global Agrajes, S.L.U., a company fully owned by the Parent Company Fertiberia S.à r.l., performed a capital market transaction in december 2020 by issuing a bond of €125.0 million euros. The bond has a 5-year maturity (22 December 2025), and the amount was deposited in an escrow account until certain conditions precedent set forth in the clauses of the bond agreement.

These conditions were fully fulfilled on 20 January 2021, and therefore the amount was finally received by Global Agrajes, S.L.U. on that date. Uses of the bond were the following:

1) total repayment of the debt and interest that the Group held with the Kartesia fund amounting to €77.9 million;

2) partial repayment of €25.0 million of the subordinated loan that the Group has with Trifucshia MidCo, S.à r.l.;

3) the increase of the Group's cash position by €18.9 million.

OUTLOOK FOR 2021

The Fertiberia S.à r.l. Group faces 2021 with a positive market outlook, while still faced with the uncertainty affecting the world economy generated by the COVID-19 pandemic. Within this context, the sector in which the Group operates benefits from a privileged position as a critical and vital area that is also the first link in the food chain.

From a weather viewpoint, the rainfall during the final months of 2020 and the start of 2021 will support the consumption of crop nutrition products.

At the international level, there is widespread confidence in the positive evolution of the sector, supported by multiple indicators such as:

- The gradual reduction in the installed nitrogen capacity globally, with increases in demand, which will exceed the production capacity in the long term.

- The increase in demand in countries such as India and Brazil, large consumers of crop nutrition products, together with the reduction in urea exports from China.

- Global agricultural inventory levels continue to show a declining trend, which, together with forecasts of growth in demand, must translate into a strengthening of the prices of agricultural products, a determining factor in encouraging the consumption of crop nutrients.

On the side of production costs, the ultimate evolution of energy costs will play an essential role, particularly with regard to natural gas, the main raw material for the manufacture of crop nutrients.

Regarding medium and long-term prospects, it is important to consider that the entry of Triton Partners as a shareholder of the Group will constitute an important boost to its growth plan.

In conclusion, the Fertiberia S.à r.l. Group enters 2021 as a solid Group, with a market leadership position, increasingly innovative products and with assets that in 2020 have continued to generate historically high production and a very high degree of energy efficiency.

At the date of preparation of these consolidated financial statements, the Group's factories are operating at full capacity, meeting the demand of our customers for crop nutrition and environmental solutions , which are the first link in the food chain.

OBJECTIVES AND POLICIES FOR GROUP RISK MANAGEMENT AND EXPOSURE

The Fertiberia S.à r.l. Group distinguishes between the following types of financial risks:

Market risk:

Fertiberia S.à r.l. Group operates within a sector that is volatile and cyclical by nature. The evolution of global or regional supply and demand determine the price levels of crop nutrition products, which experience rapid changes (up and down) with direct impact on the Group's activity.

Demand for Fertiberia S.à r.l. Group's products, in addition to general economic conditions, is sensitive to different factors, including the price of crops in the end markets, specific climate conditions (in particular level of rainfall and temperatures in main agricultural areas), level of subsidies to growers and its distribution among crops (such as Common Agricultural Policy payments to European farmers). These factors influence the demand and sales volumes of the Group on a regular basis, and in most cases are difficult to predict. Severe droughts or floats affecting agricultural areas can have a very significant impact in sales figures.

Fertiberia S.à r.l. Group sales to non-agricultural sectors are also dependent on the conditions and evolution of the specific sectors, which can impact sales volumes, product profitability and final earnings of Fertiberia S.à r.l. Group.

Fertiberia S.à r.l. Group´s strategy is focused on sales increase of specialty products, which present lower volatility as these products are less influenced by fluctuations and volatility.

With regard to raw materials, natural gas is one of the key inputs in the production of crop nutrition products, and therefore pricing and availability of natural gas is a strategic element for Fertiberia S.à r.l. Group with significant impact on the financial performance.

The Group also purchases other raw materials from third parties, e.g. ammonia, phosphoric acid, and potash from different geographies like Algeria and Morocco. In addition to the country risk of the origin of the raw materials, termination, material change or failure of delivery in these supply contracts can have a negative impact in the financial performance of the Group.

Fertiberia S.à r.l. Group mitigates raw materials supply risk by diversifying supply sources with different alternative suppliers in several geographies.

Credit risk:

The Group's main financial assets are cash and cash equivalent balances, trade and other receivables, and investments, which represent the Company's maximum exposure to credit risks with regard to financial assets.

The Fertiberia S.à r.l. Group does not have a significant credit risk, as the customer collections are covered by credit risk insurance policies with world class insurance companies. At 31 December 2020, the provision for customers' bad debt recorded by the Group amounted to €1.9 million.

Liquidity risk:

This refers to the risk of the Group's eventual inability to make agreed payments and/or to meet commitments arising from new investments.

Liquidity risk is common to any commercial activity and not specific to the Group, derived from the differences that could arise between the applications of funds for investment and the need of working capital and the origins of funds obtained by the activities of the Group and other divestments.

The Group determines the need for cash over a 12-month period with monthly breakdowns, drawn from the budget.

The Group determines its cash requirements in terms of amount and time, and new financing requirements are planned accordingly.

The financing needs generated by investment operations are structured and designed according to the life thereof.

In the event of new debt arrangements and/or capital expenditure financings not being accessible or available at unattractive commercial terms only, the Group could adopt alternative strategies that may include actions such as selling assets, restructuring or refinancing its debt, seeking additional equity capital or reducing capital expenditures.

The liquidity position for 2020 is based on the following:

— Cash and cash equivalents €26.8 million at 31 December 2020.

— €110.4 million available in undrawn credit facilities at 31 December 2020,

— Cash flows from operating activities in 2020 amounted to negative €2.8 million.

Systematic forecasts are prepared for cash generation and requirements, allowing the Group to determine and monitor its liquidity position on an ongoing basis.

Interest rate risk

The Fertiberia S.à r.l. Group is exposed to interest rate risk due to its monetary assets and liabilities.

The exposure of financial liabilities (excluding other payables) at 31 December 2020 is as follows:

	2020
Total Financial Liabilities (fixed rate)	105,865
Total Financial Liabilities (floating rate)	12,138
	118,003

Variations in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows from assets and liabilities referenced at a variable interest rate.

The risk produced by the variation in the price of money is managed by the constant monitoring and analysis of market situation, including contracting potential derivative financial instruments to hedge the Group against such risks.

The Group has no interest rate derivatives at 31 December 2020.

Exchange rate risk

The Fertiberia S.à r.l. Group is subject to the exchange rate risk as a result of purchase transactions made on the basis of firm or highly probably commitments conducted in non-functional currency, especially the USD.

As a result, the changes from one period to another in the average exchange rate of the euro against other currencies may affect the income and operating profit of the Group in euros.

The Group purchases a substantial part of raw materials in US Dollars, while it reports its financial results in Euros. As a result, period-to-period changes in the average exchange rate of the Euro against other currencies can affect the revenues and operating profit of the Group in Euros.

In this regard, the Group contracts non-speculative exchange rate derivative hedging ("plain

vanilla") to ensure an exchange rate in the purchase of goods from the date of the order through the purchase maturity date, thereby eliminating most of the impact that exchange rate fluctuations may have on the consolidated financial statements.
The following provides details of exposure to currency risk, with details on the carrying amounts of the financial instruments denominated in a foreign currency:

	Currency	2020 Euro thousand
Assets		
Long-term financial investments	USD	12,064
Debtors	USD	5,737
Cash and cash equivalents	USD	3,917
Liabilities		
Creditors	USD	39,927

TREASURY STOCK TRANSACTIONS

None have occurred.

NON-FINANCIAL INFORMATION STATEMENT

In accordance with non-financial reporting and diversity, the Group presents a non-financial information statement that includes, among other topics: the information necessary to comprehend the performance, results and situation of the Group, and the impact of its activity with regard to environmental and social issues, respect for human rights and anti-corruption and bribery, as well as those relative to its staff.

This non-financial information statement may be found in the following Group website: https//: www.grupofertiberia.com/.

By: Pierre-Alexandre Lechantre
Title: Manager

By: Joakim Lindström-Formicola
Title: Manager