Market Update

27 February, 2025

Opening Remarks – Successfully Navigating Recent Challenges

The Company has faced challenging macroeconomic conditions and the introduction of punitive CO2 Taxes, but sees significant market improvement in the medium-term driven by normalising gas prices, increasing Fertiliser affordability for customers and improving company margins

1. The **introduction of punitive CO2 Taxes** by the Hungarian government **is affecting the competitiveness** of the Company…

2. …as the business **awaits the preliminary judgments** of its ongoing CO2 Tax litigation from the CJEU.

3. Despite **challenging macroeconomic conditions and volatile gas prices**, acutely affecting the fertilizer industry…

4. … an **experienced Management team has delivered robust FY24 results** reflecting the strength of the Company…

5. … which is **expected to benefit from an industry wide market recovery** driven by easing gas prices and recovering fertilizer demand.

SITUATION OVERVIEW - COMPANY HIGHLIGHTS

THE COMPANY IS THE MARKET LEADING FERTILIZER BUSINESS IN HUNGARY

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Credit Highlights	Observations
1 Domestic Leader with Unique Positions	• Unmatched brands and distribution • Sole domestic producer, with high market share and consistently sold out volumes • Europe CAN leader with superior quality and warehousing • Integrated, proprietary/affiliated distribution network and logistics infrastructure enabling customer lock-in and savings
2 Operating in Protected, Landlocked Markets…	• Isolated and less efficient pricing dynamics • Strategically located in close proximity to key customers and farmers, with cost advantaged logistics in infrastructure poor region • Landlocked markets more insulated from Russia and ex-EU imports
3 …with Significant Barriers to Entry	• Overwhelming importance of brand, quality and customer proximity • Prohibitive greenfield plant economics and long lead times • Stringent regulatory environment
4 Benefiting from Broad and Premium Portfolio…	• Focused on premium and higher margin CAN and UAN • One of the broadest regional product portfolios • Focused on higher margin granular grades
5 …and Modernised, Highly Efficient Manufacturing Base	• One of lowest cost European producers (~35GJ/t NH3), well below EU and esp. CEE averages • Well invested (>€300m capex), recently modernized plant, with limited maintenance capex needs going forward • Close proximity to HAG gas pipeline and advantaged transport costs and ex-Hungary optionally
6 Favourable Market Backdrop and Fertiliser Cycle Timing	• Imposition of EU sanctions on Russian/Belarus fertilizer imports • Normalising gas pricing and improving farming activity / affordability • Tightening European and global nitrogen supply / demand • Catch-up driven growth to CEE to W. European fertilizer usage ratios
7 Demonstrated Performance Track Record	• Proven experienced and committed management team • Clear track record of EBITDA outperformance vs Tier 1 European Nitrogen Peers

Source: Company Information

Situation Overview - FY24 Financial Performance

Despite a difficult Fertilizer market, the Company's financial performance has remained robust as net Leverage reduced to 5.8x driven by significant EBITDA improvement as volumes delivered rebounded above 1,000k tonnes for the first time since FY21

Volume Delivered

1,057k Tn

(+33% versus FY23)

Total Revenue[1]

€351m

(+8% versus FY23)

EBITDA[1,2]

€31m

(+€25m versus FY23)

Liquidity[1]

€53m

(-€6m versus FY23)

Net Leverage[1,2]

5.8x

(29.7x in FY23)

CO2 Taxes[1]

€29m

(+€5m versus FY23)

Source: Company Information

Notes: (1) FY24 results are per management accounts and are preliminary unaudited figures, prepared on an unconsolidated basis and exchange rate 1 HUF : 0.0024 EUR
(2) Excludes CO2 Tax Impact

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Situation Overview - CO2 Tax Litigation

The Company expects to receive a preliminary ruling from the CJEU in early 2026

- If CJEUs ruling is in favour of the Company, the Hungarian government will likely be requested to repeal / amend the taxes, however, a challenge may follow
- Additionally, the Company may seek compensation for the past effects of the taxes over and above the rebate of taxes incurred

Stage 1

Court: Hungarian Constitution Court
Date: Jan-24

- The Company launched proceedings in Hungary
- Required as initial first step to begin their challenges in the EU
- Argument dismissed by the court Oct-24

Stage 2

Court: Court of Justice, EU ("CJEU")
Date: Jul-24

- Matter has been referred for preliminary ruling by the CJEU
- CJEU is evaluating whether the taxes breach the fundamental freedoms of the internal market
- Expecting preliminary ruling in early 2026

Other Ongoing Litigation

Court: European Commission
Date: Mar-24

- EU Law Complaint
- EU Pilot Mechanism initiated to resolve issue informally
- Awaiting CJEU Ruling

Court: European Commission
Date: Mar-24

- State Aid Complaint
- Complaint communicated with Hungary
- EU strives to conclude investigation within 18 months

Court: European Court of Human Rights
Date: Nov-23

- Principle of non-discrimination
- Proceedings take approximately 3 years to resolve

Source: Company Information

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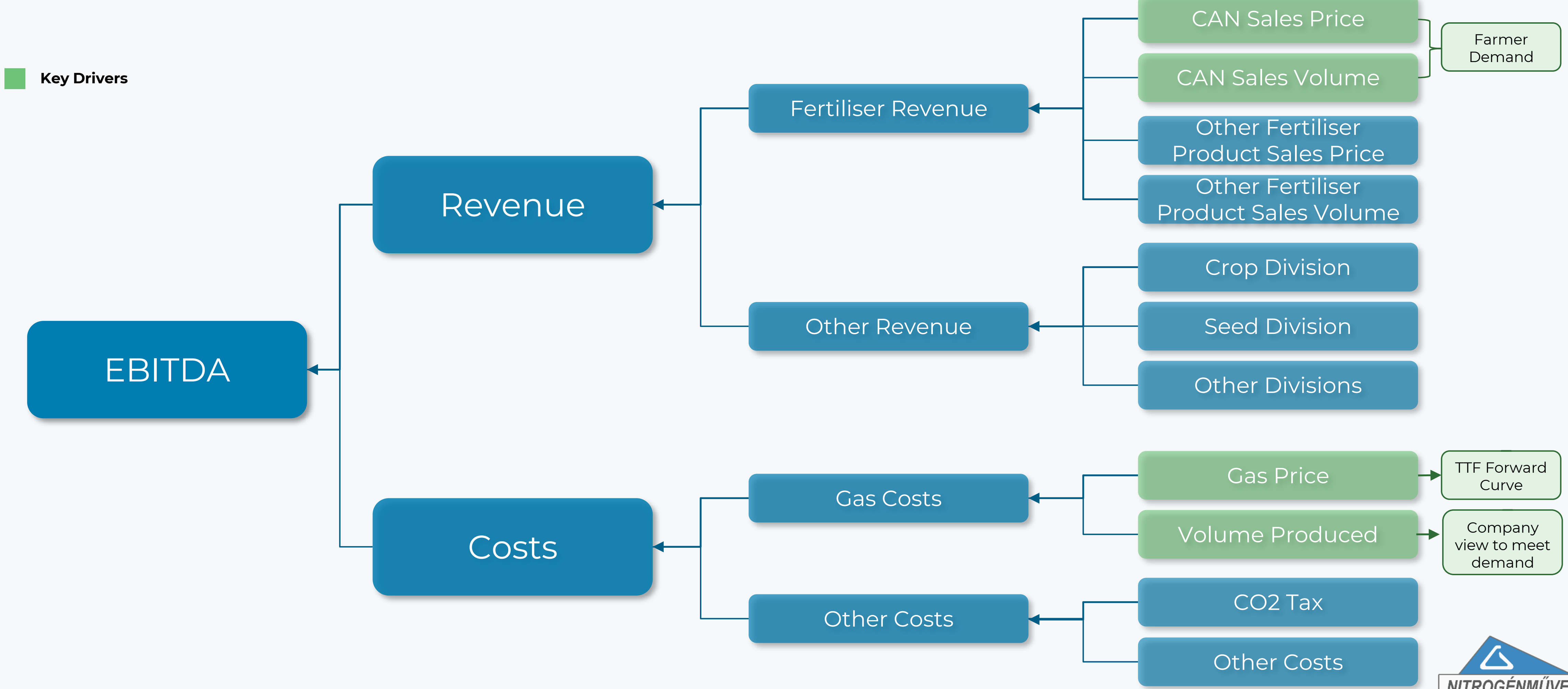
Business Plan – Key Model Drivers

We outline below the main drivers of the business plan, which is primarily driven by returning farmer demand and gas prices



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Business Plan – Forecast Key Financials

The Company's business plan expects to benefit from prevailing market sentiment driven by reducing gas and fertilizer prices driving farmer demand who are replenishing depleted inventory stocks

Financial Performance FY24-FY28

	Preliminary	Forecast			
€m	**FY24[1]**	**FY25**	**FY26**	**FY27**	**FY28**
Fertilizer Revenue	280	375	362	347	341
Other Income (excl. EUA Allowance)	71	66	76	79	82
Total Revenue	**351**	**441**	**438**	**425**	**423**
YoY		*26%*	*(1%)*	*(3%)*	*(1%)*
Gas Costs	(150)	(189)	(179)	(149)	(128)
1 CO2 Tax	(29)	(26)	(32)	(33)	(34)
MSZKSZ Fee	(12)	(10)	(13)	(13)	(14)
Other Costs[2] (incl. EUA Allowance)	(157)	(175)	(169)	(166)	(174)
EBITDA *(Incl. CO2 Tax)*	**2**	**41**	**45**	**63**	**73**
EBITDA Margin	*1%*	*9%*	*10%*	*15%*	*17%*
(+) CO2 Tax	29	26	32	33	5 34
EBITDA *(Excl. CO2 Tax)*	**31**	**67**	**77**	**96**	**107**
EBITDA Margin	*9%*	*15%*	*18%*	*23%*	*25%*
Fertiliser Volumes Sold (kT)	1,057	4 1,058	1,279	1,323	1,353
YoY Volume		*0%*	*21%*	*3%*	*2%*
Fertilizer Price (EUR/t)	3 €265	€354	€283	€262	€252
Sales By Region:					
Export	52%	53%	53%	53%	53%
Domestic	48%	47%	47%	47%	47%
Fertiliser Volumes Produced (kT)	1,063	1,051	1,279	1,323	1,353
Gas Price (EUR/t)	2 €141	€180	€140	€113	€95

Sources: Company Business Plan & Company Actuals

Notes: HUF 417 : €1 to FY24, from FY25 HUF 400 : €1. (1) FY24 results are per management accounts and are preliminary unaudited figures, prepared on an unconsolidated basis.
(2) Other costs largely consist of cost of goods for the Crop, Seed and Pesticide Division, ammonia costs and electricity costs

1. CO2 Tax expected to be paid throughout the forecast period
2. Near-term gas prices are expected to spike in FY25 per latest forward curve estimates
3. In FY25 concurrent rise in fertilizer price is expected, before normalizing in the outer years
4. As gas prices ease, lower fertilizer costs drives demand as customers replenish inventory
5. Outer year financial performance returns to FY22 EBITDA levels (excluding CO2 Tax)

The forecast does not account for potential upside from imposition of EU duties on Russia / Belarus and recent events affecting forward gas prices

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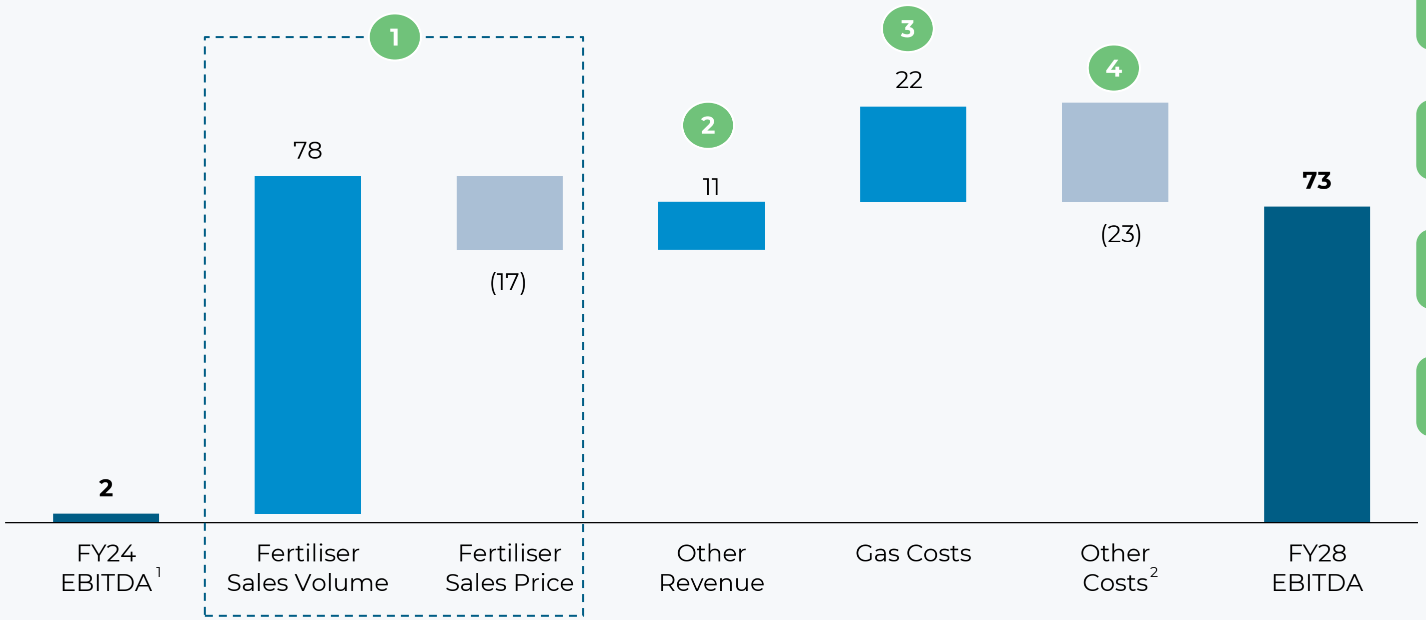
Business Plan – EBITDA Bridge

During the business plan period, the Company forecasts a normalisation of demand, pricing and energy costs (natural gas and electricity). The Company is expected to benefit from access to cheaper natural gas than its competitors, with forecast cost per unit expected to fall from €180 €/Tonne in FY25 to €95 €/Tonne in FY28

EBITDA Incl. CO2 Tax Bridge FY24 – FY28



1. Lower fertilizer costs and requirement to replenish stock drives sales demand
2. Other product segments benefit from complimentary demand drivers
3. Primary input cost of the Company's product is expected to normalise and stabilize
4. Increased production activity and higher emission costs offset gains from new volumes

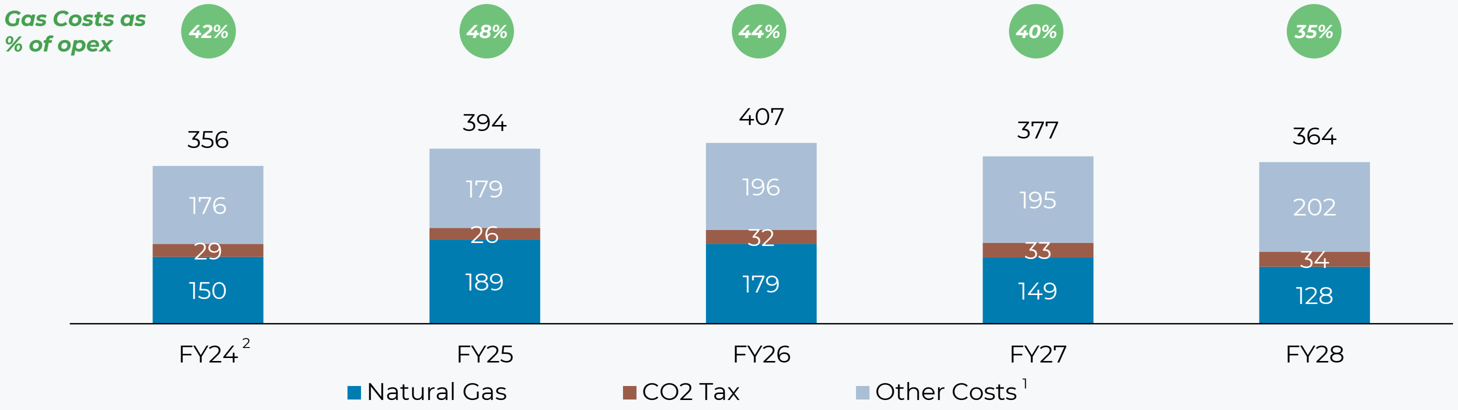
Sources: Company Business Plan & Company Actuals

Notes: HUF 417 : €1 to FY24, from FY25 HUF 400 : €1. (1) FY24 results are per management accounts and are preliminary unaudited figures, prepared on an unconsolidated basis.
(2) includes EUA Allowances, CO2 Taxes and MSZKSZ Fee

Business Plan - Cost Base Evaluation

Gas costs begin to decrease post FY26, reducing the Company's production cost per fertilizer tonne produced, whilst annual Co2 Tax costs are expected to remain broadly in line with historical values

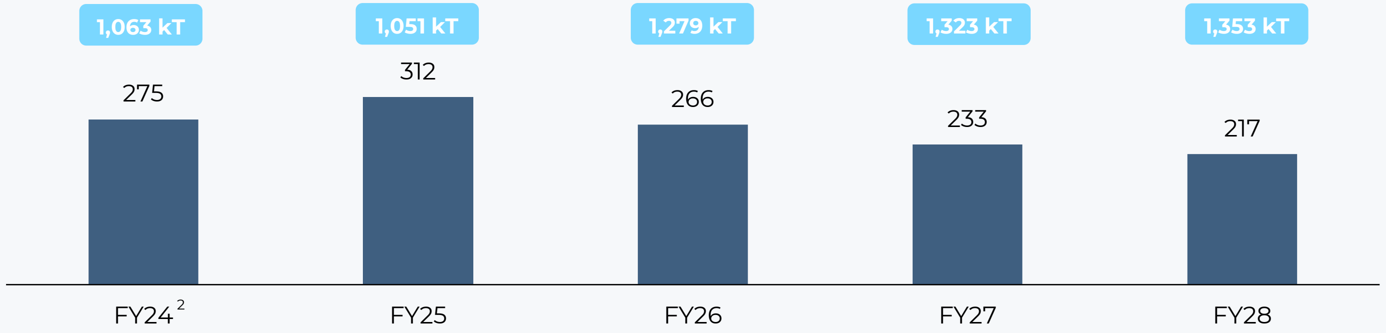
Operating Expenses (€m)[1]



Key Commentary

- Gas prices remain the Company's largest operating expense but are expected to decrease from FY26 as increased global natural gas liquid capacity expands
- CO2 Taxes are expected to remain largely at current levels, increasing with production volumes
- Other Costs largely consist of cost of goods for the Crop, Seed and Pesticide Division, ammonia and electricity costs

Fertiliser Operating Costs per Tonne Produced (€/t)[1,3] & Volumes Produced (kT)



Key Commentary

- The increase in costs per tonne in FY24 to FY25 is driven by sustained higher gas prices, and higher amounts of ammonia required to be purchased in order to meet demand
- Fertiliser cost per tonne decrease from FY26 onwards largely due to the drop in gas prices expected and falling energy prices

Sources: Company Business Plan & Company Actuals

Notes: HUF 417 : €1 to FY24, from FY25 HUF 400 : €1. (1) Other Material Expenses includes EUA Allowances & depreciation, excludes Changes in Self-Manufactured Inventories and Capitalised Value of Self-Manufactured Assets that are in the Statement of Profit or Loss (2) FY24 results are per management accounts and are preliminary unaudited figures, prepared on an unconsolidated basis. (3) Based on Unconsolidated

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Business Plan – Forecast Cash Flows

Despite material performance improvement driven by lower gas costs and gross leverage significantly reducing, it is unlikely the SUNs become refinanceable until the CO2 Tax Litigation is concluded

Financial Performance FY24-FY28

		Preliminary	Forecast			
	€m	**FY24[1]**	**FY25**	**FY26**	**FY27**	**FY28**
	EBITDA (Incl. CO2 Tax)	**2**	**41**	**45**	**63**	**73**
1	Δ Working Capital	21	15	1	2	(1)
2	Capex	(4)	(5)	(5)	(5)	(5)
3	Corporate and Local Taxes	(3)	(9)	(7)	(9)	(8)
	Non-Cash Adj. & Δ Other Assets & Liabilities[2]	(4)	--	--	--	--
	CFADS	**13**	**42**	**34**	**51**	**59**
4	Interest Paid	(16)	(11)	(16)	(16)	(16)
5	SUNs Consent Fees	--	(2)	--	--	--
	Loan Amortisation / Maturities	6	(10)	(7)	(3)	--
	Levered FCF	**4**	**20**	**11**	**33**	**43**
	Memo : EBITDA Excl. CO2 Tax	*31*	*67*	*77*	*96*	*107*
	EBITDA Margin Excl. CO2 Tax	*9%*	*15%*	*18%*	*23%*	*25%*
	Closing Liquidity (incl. CO2 Tax)	53	66	77	109	152
	Gross Debt	235	235	232	233	238
	Gross Leverage (Incl. CO2 Tax)	117.3x	5.8x	5.1x	3.7x	3.3x
	Gross Leverage (Excl. CO2 Tax)	7.6x	3.5x	3.0x	2.4x	2.2x
	Interest Coverage Ratio (Incl. CO2 Tax)	0.1x	3.8x	2.9x	4.0x	4.5x
	Interest Coverage Ratio (Excl. CO2 Tax)	2.0x	6.2x	4.9x	6.1x	6.6x

1. DIO days normalise back to FY21, releasing working capital in FY25
2. Limited maintenance capex required due to recent plant renovations
3. Hungarian corporate tax expected to remain at 9% plus local taxes[3]
4. Current cash interest coupon assumed to continue for all facilities
5. Per the Transaction proposal, SUNs to receive 100bpts

Cashflows assume CO2 Taxes are paid throughout and no settlement of the ongoing litigation

Sources: Company Business Plan & Company Actuals

Notes: HUF 417 : €1 to FY24, from FY25 HUF 400 : €1. (1) FY24 results are per management accounts and are preliminary unaudited figures, prepared on an unconsolidated basis. (2) Other Assets & Liabilities include Change in Provisions, Emissions Allowances, Other Assets & Other Liabilities (3) Assumed at ~0.55% of sales excluding other income

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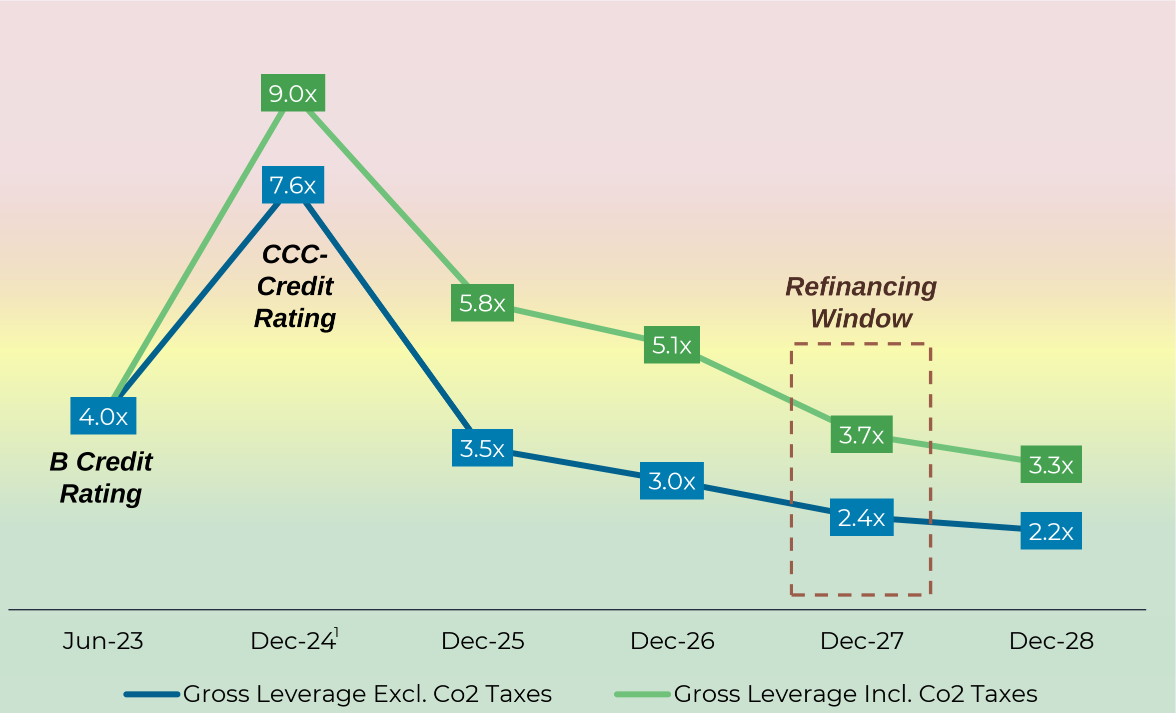
View From The Credit Rating Agencies

The Credit Rating Agencies will likely view the extension of the SUNs at par as a credit positive event, removing the near-term refinancing risk

- **The Company forecast material deleveraging through the forecast period, strengthening its liquidity position and returning its credit metrics to Single B territory becoming a refinanceable structure a year ahead of the SUNs new maturity date**

S&P Gross Debt / EBITDA



Key Commentary

- The Company as recently as June-23 was a single B credit rating, with a gross leverage of ~4.0x
- Immediately after the introduction of the CO2 tax, the Company's Credit Rating decreased to CCC+ due to the likelihood of increased leverage
- The two most recent downgrades have been due to heightened refinancing risk, which post transaction will be removed
- We expect the Credit Rating agencies to view the Transaction positively, which should see the Credit Rating improve in the near term
- The business plan forecasts the Company returns to single B gross leverage by Dec-27 including Co2 Tax
- An improved macroeconomic backdrop, lower gas prices and resurgent demand will strengthen the underlying position of the SUNs, pulling the price back to par as the Company's Credit Rating improves substantially across the medium term, increasing the ability of the Company to refinance the SUNs ahead of its new maturity date

Sources: S&P, Company Business Plan & Company Actuals

Notes: HUF 417 : €1 to FY24, from FY25 HUF 400 : €1. (1) FY24 is S&P estimate

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THE TRANSACTION

THE COMPANY PROPOSES TO EXTEND THE MATURITY OF ITS SUNS AT PAR TO 31 DECEMBER 2028, CREATING SUFFICIENT RUNWAY TO BENEFIT FROM THE IMPROVING MACROECONOMIC BACKDROP AND CONCLUDE THE ONGOING CO2 TAX LITIGATION

- **The Company requests the support of its Bondholders in extending the SUNs to consensually implement a comprehensive and value-preserving maturity extension**

Key Transaction Benefits

✓ **Provide the Company with sufficient runway to execute its business plan**

✓ **Ensure value accretion by improving macroeconomic backdrop and fertilizer demand cycle**

✓ **Allow for a sufficient time to provide clarity on the outcome of ongoing Co2 Tax litigation**

✓ **Enable the Company to refinance or repay the SUNs in full at the extended maturity date**

The Transaction will deliver material economic benefits for the SUNs and provide the Company with the stable operating platform it requires to benefit from the macroeconomic tailwinds and to conclude the CO2 tax litigation

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Summary Term Sheet

The Transaction will provide the Company with sufficient maturity runway to (i) Continue its challenge of the CO2 Tax through the Hungarian and European Courts and (ii) Allow the Company to benefit from the macroeconomic tailwinds of falling Gas Prices and recovering fertilizer demand

<table>
<tr><td rowspan="7">Amend & Extend</td><td>Principal</td><td>• €200m, plus capitalised interest (see below)</td></tr>
<tr><td>Maturity</td><td>• 31 December 2028</td></tr>
<tr><td>DSRA Security</td><td>• Establish a Debt Service Reserve Account (“DSRA”) to hold €7m, equivalent to 6 months of interest
• Amount to be charged in favour of the Bondholders, subject to required lender waivers and mutual agreement that no regulatory approvals are required</td></tr>
<tr><td>Coupon</td><td>• If DSRA conditions above met, interest to 14 May 2025 to be Paid in Kind (“PIK”)
o If DSRA conditions are not met, coupon paid in cash
• After 14 May 2025, 7.00% cash interest plus 2.00% PIK, payable 30 June and 31 December
o Short coupon period to be paid 30 June 2025</td></tr>
<tr><td>Documentation</td><td>• Eliminate Restricted Payments capacity and tighten covenants generally</td></tr>
<tr><td>Cash Sweep Mechanism</td><td>• Up to €25m per annum, paid from excess cash above €75m less cash for debt service obligations plus the tax refund (tested quarterly)
• Triggered after the conclusion of the EU CO2 Tax Litigation, and receipt of tax refund
• Excess cash used to redeem the SUNs at par</td></tr>
<tr><td>Information Provision</td><td>• Company to publish: (i) annual and half-year consolidated financial statements and (ii) quarterly unconsolidated statements of financial position and profit and loss
o Including; excess cash amounts, status of material legal proceedings and consolidated cash position</td></tr>
<tr><td colspan="2">Fees</td><td>• Early Bird fee: 100 bpts fee paid in cash to each consenting holder, if consent provided by early bird deadline (expected to be 2 weeks after Transaction launch)</td></tr>
</table>

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Transaction Timeline

We set out below a timeline to implement the Transaction, which requires a Consent Solicitation to be open for 21 days. We anticipate the transaction to close by the end of Mar-25

Process Overview

- To effectuate the amendment to the Trust Deed, the Company requires the support of greater than 75% of its SUNs
- The Company expects to launch the process formally on 5 March 2025 and complete the Transaction by the end of March 2025
- Holders consenting ahead of 19 March will receive a 100bpts early bird fee paid in cash

		February	**March**			
	Week Commencing	***24-Feb***	***3-Mar***	***10-Mar***	***17-Mar***	***24-Mar***
The Transaction	Bondholder presentation held by the Company					
	Detailed Business Plan shared with Bondholders					
	Launch Consent Solicitation *(5 March)*					
	Early Bird Deadline *(19 March)*					
	Voting Deadline *(25 March)*					
	SUNs Trustee Meeting & Transaction Close *(28 March)*					

Remains open for 21 days ahead of results received

Contact Details

Should you have any further questions, please contact the following

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- **Email: dlllnitrum@linklaters.com**

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- **Email: nrt@nitrogen.hu**

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