Annual report 2021

Fertiglobe

An ADNOC and OCI Company

1

About Fertiglobe

Fertiglobe at a glance

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, the largest producer of nitrogen fertilizers by production capacity in the MENA region, and an early mover in clean ammonia.

With plants in the UAE, Egypt and Algeria, Fertiglobe's production capacity comprises of 5.1 million metric tons of urea and 1.6 million metric tons of merchant ammonia annually, distributed by a centralized global sales and marketing organization through a robust storage and distribution infrastructure, with direct access to key ports on the Mediterranean, Red Sea and Arabian Gulf.

Fertiglobe employs 2,680 employees and was formed as a strategic partnership between OCI and ADNOC in September 2019. Headquartered in Abu Dhabi, Fertiglobe is incorporated in Abu Dhabi Global Market (ADGM) and listed on the Abu Dhabi Securities Exchange (ADX) in October 2021.

Our Purpose

We aim to responsibly drive sustainable agriculture and clean fuel and feedstock by producing and distributing essential products to customers around the world.

Our Values

We are Performance Driven

We have a strong track record of operational excellence. We always strive to serve our stakeholders reliably, efficiently and cost-effectively and to deliver outstanding quality.

We are Responsible

We believe in accountability. We uphold the highest standards of ethics and have an unwavering commitment to the health and safety of our employees, local communities and the environment.

We are Collaborative

We value the benefits of combining our collective experience and resources to deliver mutual success. Above all, we value our employees, are committed to their development, and foster a respectful and inclusive culture in which they can thrive.

2021 performance highlights

Financial

$3,311m
Revenue
2020: $1,551m

$1,551m
Adj. EBITDA
2020: $453m

$976m
Net profit
2020: $127m

$1,182m
Free cash flow
2020: $451m

$340m
First post-IPO dividend

6.6mt
Total sales volumes
2020: 6.2mt

ESG

3.14
GHG intensity
MT CO2e/ton produced
2020: 3.23

39.54
Energy intensity
GJ/ton of ammonia produced
2020: 40.64

3.27
Water intensity
M m3 consumed/ton produced
2020: 2.73

1.6%
Employee turnover rate
2020: 1.7%

0.19
Lost time injury rate
2020: 0.03

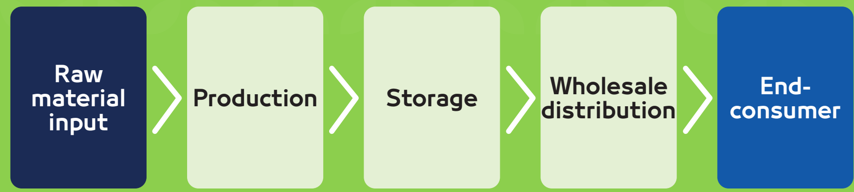
0.28
Total recordable injury rate
2020: 0.03

2021 performance highlights continued

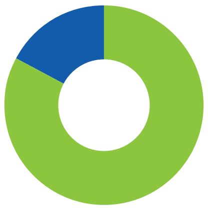
Our business

Our production facilities are located in the United Arab Emirates, Egypt, and Algeria. We are able to produce and distribute approximately 6.7 million metric tons per year of merchant ammonia and granular urea, with the capacity to produce approximately 0.5 million metric tons of diesel exhaust fluid. Our products are distributed to agricultural and industrial customers in 39 countries globally by a centralized global sales and marketing organization through a robust storage and distribution infrastructure, with direct access to key ports on the Mediterranean, Red Sea and Arabian Gulf.

Our position in the value chain



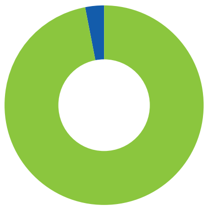
Revenue by segment



- Own Products **83%**
- Third party trading **17%**

$3,311m
2021

Adjusted EBITDA by segment



- Own Products **97%**
- Third party trading **3%**

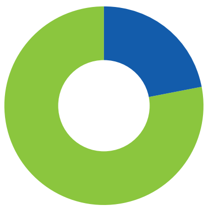
$1,551m
2021

Our employees

- Egypt **43%**
- Algeria **30%**
- UAE **27%**

2,680
2021

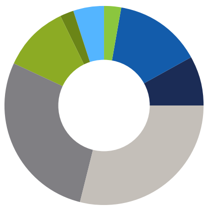
Sales volume



- Ammonia **22%**
- Urea **78%**

6.6mt
sold in 2021

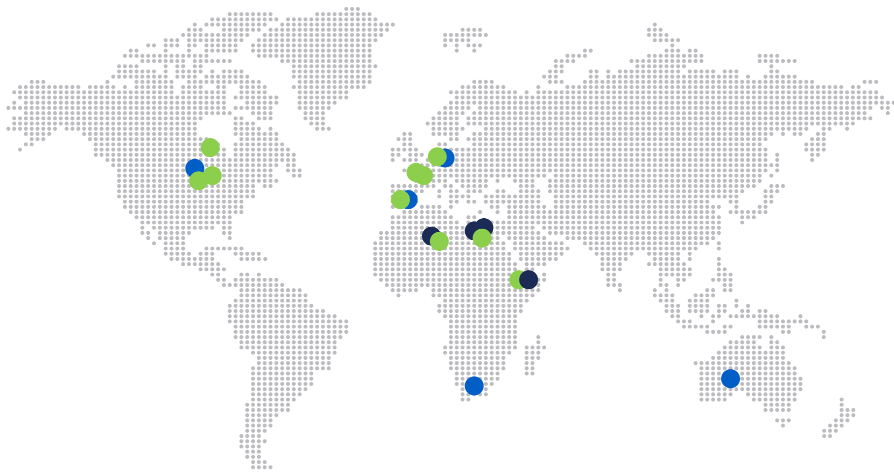
Our customers by region



- North Africa **3%**
- South America **14%**
- Oceania **8%**
- Europe **29%**
- Asia **28%**
- North America **11%**
- Middle East **2%**
- Africa **5%**

2021

Our global reach



- **Production**
- **Warehouses**
- **Distribution partners**

Chairperson's letter to shareholders

Fertiglobe is an excellent example of the progress Abu Dhabi is making towards growing its downstream and industry base, while delivering on its vision of a diversified and sustainable future.

We established Fertiglobe in 2019 through a strategic partnership between ADNOC and OCI N.V. This brought together – in Abu Dhabi – a set of world-class Middle East and North African assets and capabilities, creating the world's largest nitrogen fertilizer and ammonia exporter with a strategically located production and distribution network, and strong potential to become a leader in green ammonia.

Fertiglobe is an excellent example of the progress Abu Dhabi is making towards growing its downstream and industry base, while delivering on its vision of a diversified and sustainable future. In turn, Abu Dhabi is the ideal home for Fertiglobe's green ammonia ambitions, as the UAE aims to play a crucial role in the global energy transition and Abu Dhabi is an ideal location to produce green hydrogen given the country's commitment to a low carbon future, its significant gas resources, its unique renewables profile and its strategic geographic location.

H.E. Dr. Sultan Ahmed Al Jaber
Chairperson

Chairperson's letter to shareholders continued

Over the last two years, Fertiglobe has achieved several commercial, operational, organizational, and strategic milestones, culminating in its landmark IPO in October, which was 22x oversubscribed, highlighting the robustness of the Fertiglobe story and outlook. Fertiglobe was the first listing of a free zone company on an onshore stock exchange in the UAE and the third largest ever IPO on the Abu Dhabi Securities Exchange. This successful listing once again underscored ADNOC's prominent role in driving the growth and diversification of the UAE's economy, supporting the further development of the UAE's private sector and strengthening Abu Dhabi's increasingly vibrant capital market.

In addition to growing depth and development of the UAE's equity capital markets, in line with the guidance of our nation's leadership, Fertiglobe offers domestic and international investors access to exciting growth opportunities in clean ammonia and the emerging hydrogen economy. Our majority shareholders, ADNOC and OCI, share a vision for sustainable growth and value creation and will continue to partner with Fertiglobe on emerging opportunities, including the development of a new state-of-the-art world-scale blue ammonia project at TA'ZIZ in Ruwais, Abu Dhabi.

The recent announcement of Fertiglobe's collaboration with Masdar and ENGIE to study the co-development of a globally cost-competitive green hydrogen facility of up to 200 megawatts in the UAE represents a great opportunity for the company and the UAE to play a crucial role in the global energy transition.

In 2021, supported by its leading position in production cost-competitiveness, Fertiglobe delivered robust operational and financial performance with $3.3 billion of revenues and some of the highest profit margins in the industry, leading to adjusted full year profits of $737 million. Building on these solid results, a robust capital structure with low leverage of 0.3x net debt/EBITDA and healthy cash conversion metrics, Fertiglobe announced its first post-IPO dividend for H2 2021 at $340 million (AED 0.15/share), significantly exceeding the minimum guidance of $240 million.

I would like to thank Fertiglobe's employees for an excellent year and for their strong commitment to improving and growing our business, despite the challenges presented by COVID-19. A lot of hard work has gone into bringing us to this point and I am excited about what our dynamic team and state-of-the art asset base can accomplish with this balance sheet and market backdrop.

Going forward, Fertiglobe will continue to leverage ADNOC's energy leadership and deep experience in carbon capture and underground storage, and synergies with OCI's global network as we focus on downstream value creation.

In addition, ADNOC's long-standing customer relationships support Fertiglobe favorably in the developing market for low-carbon ammonia. In fact, collectively we were able to produce and sell several pilot shipments of blue ammonia to customers in Japan and South Korea in 2021 to cultivate market appetite.

This partnership demonstrates Fertiglobe's unique competitive advantage to unlock new opportunities for low-carbon ammonia in fertilizer production and new emerging applications.

As one of the world's largest nitrogen fertilizer producers, Fertiglobe will also strive to ensure the availability of our products in an effort to maintain global food security. We are geographically and logistically well positioned to navigate this difficult environment and ease food security concerns by delivering essential products to agricultural markets across the globe.

I have confidence in Fertiglobe's future growth potential, supported by a world-class team, best-in-class production assets, unique distribution and commercial capabilities and a pivotal role in the emerging low-carbon economy. As such, with our vast range of projects in Abu Dhabi and Egypt through which we want to move fast in delivering on low or no-carbon ammonia production, we aim to demonstrate our country's vision for a sustainable future.

H.E. Dr. Sultan Ahmed Al Jaber
Chairperson

CEO's letter to shareholders

We delivered a solid set of results in 2021, further underpinning our exciting growth potential.

I am delighted to introduce Fertiglobe's first annual report as a listed company on the Abu Dhabi Stock Exchange (ADX). We have achieved significant milestones since our formation in 2019 as a strategic partnership between our major shareholders, OCI N.V. and the Abu Dhabi National Oil Company (ADNOC) and are committed to continuing to deliver exceptional value to all our stakeholders as one of the world's leading nitrogen fertilizer and clean ammonia players.

Driven by an unmatched global position, and supportive industry dynamics, we delivered a solid set of results in 2021, further underpinning our exciting growth potential. Considering healthy free cash generation in H2 2021 and our commitment to create shareholder value, we are pleased to announce our first post-IPO dividend of $340 million, exceeding our previous guidance.

I would like to thank the entire Fertiglobe team for delivering best-in-class performance, and their dedication to improving and growing our operations, all the while continuing the delivery of essential nitrogen products to the agricultural markets and supporting global food security. The combination of our people, world class assets, balance sheet, logistics and distribution network, as well as a favourable positioning for the green hydrogen economy, all reinforce my confidence in Fertiglobe's future growth potential.

Ahmed El-Hoshy
Chief Executive Officer

CEO's letter to shareholders continued

With green hydrogen seen as essential to support the decarbonization of industry, food, transport and energy, there is a huge opportunity for clean ammonia to deliver green hydrogen all over the world.

Continuing to deliver in 2022

Looking ahead into 2022, we are highly concerned and saddened by the humanitarian crisis currently unfolding from the Russia – Ukraine conflict. As a leading producer and distributor of essential nitrogen fertilizer products, our global team is working to run our world-scale assets and utilize global supply chain to the fullest to ensure the availability of our nitrogen fertilizers to support crop yields and help address critical grain shortfalls.

We are not today directly impacted by the conflict or related sanctions yet future effects are uncertain and we are closely monitoring the extreme volatility, uncertainty and indirect impacts as they arise. Our low-cost global platform, world- scale young assets and strong logistics can help address these grain shortfalls by delivering essential nitrogen products to the agricultural markets. We have already proven our capabilities to achieve this during the recent natural gas price increases in Europe earlier this year, where we were able to supply the market in partnership with OCI. We continue to strengthen our world-leading ammonia production, logistics and trading platform and capitalize on our majority shareholder's owned ammonia terminal at the Port of Rotterdam. This allows us to optimize our ammonia netbacks by directing more product to Europe, reflecting the benefits of our global platform and the focus of the team on commercial excellence.

Driving the energy transition to support global decarbonization

As a leader in merchant ammonia and an early mover in clean ammonia, thanks to our strategically located asset base and access to abundant low-cost renewable energy sources, Fertiglobe is well positioned to capitalize on the global transition to a hydrogen economy, with ammonia having emerged as one of the most promising products to enable the energy transition due to its property as the dominant energy carrier for hydrogen. With green hydrogen seen as essential to support the decarbonization of industry, food, transport and energy, there is a huge opportunity for clean ammonia to deliver green hydrogen all over the world.

Fertiglobe continues to make good progress in its efforts to capture value accretive opportunities from emerging demand for clean ammonia. Fertiglobe has multiple initiatives to develop blue / green ammonia as a solution to decarbonize industries that make up around 80% of current global greenhouse gas emissions, capitalizing on growth opportunities from emerging demand for clean ammonia. Fertiglobe continues to reaffirm its unique positioning in the emerging hydrogen economy to capitalize on this new demand, including the recently announced collaboration with Masdar and ENGIE to study the co-development of a globally cost-competitive green hydrogen facility of up to 200 megawatts in the UAE. This represents a great opportunity for the company and the UAE to play a crucial role in the global energy transition. Abu Dhabi is an ideal location to produce green hydrogen given the country's commitment to a low carbon future, its unique renewables profile and its strategic geographic location.

Focused on operational excellence and ESG

In addition to developing our clean ammonia platform to help achieve the world's decarbonization targets, we are committed to reducing our scope 1 and 2 greenhouse gas emissions by implementing our operational excellence program across our production platform. By improving asset reliability, energy efficiency, and shifting to renewable energy over the medium term, we will both maximize our production rates and reduce our carbon footprint. We are proud that the majority of our water intake is from seawater, meaning we do not consume a vital resource in our countries of operation. We will continue to reduce our use of surface water in Egypt wherever possible.

We are also evaluating ways to reduce the scope 3 emissions from using urea as a nitrogen fertilizer, including introducing unease and urease and nitrification inhibitors as well as other controlled release coatings to our urea, which have the potential to reduce scope 3 N_2O emissions by at least 24%. Our other urea-based product, Diesel Exhaust Fluid (DEF), is also key to reducing NO_x emissions from vehicles, and we believe this is the only viable option to achieve emissions abatement for trucks and trains in the foreseeable future.

CEO's letter to shareholders continued

Health and Safety first

We are committed to a zero-incident culture and take every safety incident seriously. While we are proud that our safety performance continued to be best-in-class despite the prevalence and challenges of COVID-19, we regretfully suffered the first fatality in our history due to a contractor fall at a jetty. We are deeply saddened by this loss, which is a very significant example of the importance of preventive maintenance and of constant vigilance from all employees, and a full investigation was launched with learnings implemented across our sites.

While we are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by 76% since 2014, we do not take a decline in safety performance lightly.

Accordingly, we maintain an awareness program and refresher sessions for all employees and contractors as part of our training program. We also reinforce our HSE standards among contractors, which have historically consistently suffered more incidents than our employees. We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors.

Dividends and capital structure

As previously announced, Fertiglobe substantially distributes all of the Company's distributable free cash flow after providing for growth opportunities, while maintaining an investment grade credit profile. Fertiglobe announced H2 dividends at $340 million, above the guidance of at least $240 million communicated in November 2021.

Fertiglobe's potential for attractive future dividends is supported by its cash flow performance and competitive position on the global cost curve. In October 2021, Fertiglobe closed a $1.1 billion bridge facility to right-size its capital structure. As a result, in Q3 2021, Fertiglobe had pro forma net debt of c.$1.1 billion and net debt / EBITDA of c.1.1x. Strong earnings and cash generation during the quarter resulted in a drop in net debt to $487 million as at 31 December 2021, and net debt / EBITDA to 0.3x, in line with management's previous guidance of below 1.0x by YE 2021. By the end of Q1 2022, Fertiglobe is expected to be approximately net debt free, supporting growth opportunities and allowing for attractive dividends.

In line with our dividend policy, we are committed to substantially distributing all of the company's excess free cash flow after providing for growth opportunities, while maintaining an investment grade credit profile. We will communicate our updated guidance to the market along with Q1 2022 results in May 2022.

We look forward to continuing to deliver outstanding performance, leveraging our competitive and young global platform all the while continuing to execute on our hydrogen strategy, with a consistent and relentless focus on shareholder value.

Ahmed El-Hoshy
Chief Executive Officer

Our business

Who we are

We are the world's largest seaborne exporter of urea and ammonia combined, the largest producer of nitrogen fertilizers by production capacity in the MENA region, and an early mover in clean ammonia.

As a leading producer and distributor of urea and ammonia, we are committed to responsibly driving sustainable agriculture and clean fuel and feedstocks by producing and distributing essential products to customers around the world.

With plants located in the UAE, Egypt and Algeria, our production capacity comprises of 5.1 million metric tons of urea and 1.6 million metric tons of merchant ammonia annually, making us the MENA region's largest producer of nitrogen fertilizers. We also have the largest net ammonia export production capacity in the MENA region and top three globally.

Headquartered in Abu Dhabi, we employ approximately 2,680 people globally.

Becoming Fertiglobe

Fertiglobe was formed in September 2019 as a strategic partnership between OCI N.V. (58%) and ADNOC (42%). The company's history is built on OCI and ADNOC's leading MENA fertilizer businesses. At IPO, Fertiglobe's shareholding was: OCI 50.0%, ADNOC 36.2%, and free float 13.8%.

1983

Fertil-1 begins production

2000

EFC-1 begins production

2005

OCI acquires a 30% stake in EBIC and begins construction of the facility

2006

EFC-2 begins production and OCI acquires 100% of EFC the following year

2009

EBIC begins production, and OCI acquires an additional 30% stake

2013

Sorfert and Fertil-2 begin production

2019

Fertiglobe is formed as a strategic partnership between OCI and ADNOC

Fertiglobe

An ADNOC and OCI Company

2021

Fertiglobe acquires an additional 15% in EBIC and successfully lists on the ADX

Our products

We produce and distribute ammonia, granular urea, and diesel exhaust fluid (DEF)

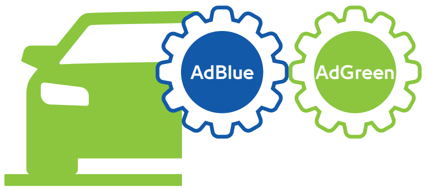
Ammonia

Ammonia is a colorless gas that is a building block for industrial chemicals and nitrogen fertilizers and can be applied as a direct fertilizer. Ammonia is the highest energy density non-hydrocarbon product. The principal raw material used in the production of ammonia is natural gas, which we purchase through long term supply contracts. Ammonia and urea represent 57% of a crop's annual nutrient requirements.

In addition, ammonia has emerged as one of the most promising products to drive the hydrogen economy and enable the energy transition. As a leader in merchant ammonia and early mover in clean ammonia projects, Fertiglobe is also uniquely positioned to capitalize on new demand for low-carbon ammonia as an efficient energy carrier or clean fuel as part of the energy transition. Clean ammonia will allow a broad range of decarbonization opportunities, including reductions in emissions from marine fuel, power generation, transportation, construction and agriculture, sectors that currently account for c.80% of global greenhouse gas emissions.

Granular urea

Granular urea is a white crystalline solid fertilizer with a nitrogen content of approximately 46% and is produced by reacting ammonia with carbon dioxide. Its high nitrogen content and straightforward handling and transportation make it the most traded nitrogen fertilizer in the world by volume.



Diesel Exhaust Fluid (DEF)

DEF, which is also known as AdBlue in Europe and marketed as AdGreen by Fertil, is a non-hazardous aqueous urea solution consisting of approximately 67.5% deionized water and approximately 32.5% urea. DEF is used in Selective Catalytic Reduction (SCR) systems to lower harmful vehicle exhaust emissions from diesel engines. DEF breaks down nitrogen oxides emissions into nitrogen gas and water vapor, thereby eliminating environmentally harmful emissions from cars, trucks, buses and other heavy-duty vehicles. Both EFC and Fertil have installed proven DEF production technologies. Fertil produces a small amount of DEF to serve local demand, and both facilities can quickly ramp up production as the DEF market develops.

Our production facilities

Fertiglobe operates across a diverse regional footprint with four world-class production facilities in three countries, comprised of Fertil in the UAE, Egyptian Fertilizers Company (EFC) and Egypt Basic Industries Corporation (EBIC) in Egypt, and Sorfert in Algeria.

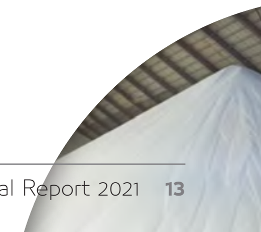
Our facilities have an annual production capacity of 6.7 million tons of sellable urea and merchant ammonia, making us the largest nitrogen producer in the MENA region and the largest seaborne exporter of nitrogen fertilizers globally. We also have the largest ammonia export production capacity in the MENA region and top three globally.

Fertiglobe's decision making is centralized through a strong leadership team headquartered in Abu Dhabi, which allows us to optimize operational and commercial processes to deliver efficiencies across the board. We are committed to operational and commercial excellence, with a detailed efficiency enhancement strategy focused on safety, plant reliability and integrity, and cash flow optimization.

Our geographically advantageous production facilities benefit from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arabian Gulf. This strategic positioning allows us to easily access the major end-markets and high-demand regions for our products (Europe, South Asia, Australia, East Africa and Latin America).

Plant (ktpa)	Country	Ammonia gross	Ammonia net	Urea	DEF	Total*
EFC	Egypt	876	–	1,714	350	**1,714**
EBIC	Egypt	748	748	–	–	**748**
Sorfert	Algeria	1,629	826	1,259	–	**2,086**
Fertil	UAE	1,205	–	2,117	100	**2,117**
Total MPC		**4,458**	**1,575**	**5,090**	**450**	**6,665**

*Excluding DEF



Our production facilities continued

Egyptian Fertilizers Company (EFC)

World-class production complex

EFC consists of two identical production lines capable of producing a combined 876 thousand metric tons per year of captive ammonia and 1.71 million metric tons per year of granular urea.

EFC Line I was constructed and commissioned by OCI S.A.E. in 2000 and Line II was constructed and commissioned by OCI S.A.E. in 2006 in collaboration with Uhde, which supplied the state-of-the-art proven process technology.

In 2017, EFC also successfully launched a pilot program to produce DEF, which confirmed the facility's ability to develop this product line in the future.

Strategic location with strong distribution and logistics

EFC is located near the port of Ain Al Sokhna, Egypt's deepest port, approximately 55 kilometers south of the Suez Canal at the heart of the global East-West trade route. The facility has access to the ports of Adabeya and Damietta, Egypt. This gives EFC a freight cost advantage over other Middle Eastern and Asian urea producers as exports from EFC do not pass through the Suez Canal, which charges a toll for passage. EFC's bulk loading unit has a design capacity of 250 tons per hour. EFC's warehousing capacity includes a 70 thousand metric ton urea warehouse on-site, and exclusive access to 125 thousand tons of urea warehousing capacity at the Adabeya and Damietta ports.

EFC is also located across the street from Egypt Basic Industries Corporation (EBIC) on the grounds of Suez Industrial Development Company's (SIDC) industrial park in Ain Sokhna, allowing both facilities to benefit from significant synergies.

The plants benefit from several tie-ins for raw materials and utilities, including water, nitrogen, wastewater and CO_2. The plants also share workshop facilities and spare parts. Additional tie-in initiatives are assessed and implemented wherever possible. This generates savings in capital expenditure and allows each plant to depend on the other for backup if required.

Our production facilities continued

Egypt Basic Industries Corporation (EBIC)

World-class production complex

EBIC consists of one ammonia line capable of producing 748 thousand metric tons per year. EBIC was constructed and commissioned by OCI S.A.E. and uses KBR's latest and commercially proven KBR advanced ammonia process technology. The plant was established in partnership with KBR, the Egyptian General Petroleum Corporation (EGPC), and a number of private investors. OCI completed construction of the plant in 2009 and increased its stake to 60% from 30% by buying out several minority investors. Fertiglobe acquired KBR's 15% stake in 2021, bringing Fertiglobe's ownership to 75%.

Strategic location with strong distribution and logistics

Located near Sokhna Port, EBIC's geographic location and logistics infrastructure provide a unique advantage as a cost-effective exporter able to ship volumes both east and west of the Suez Canal.

In addition to 30 thousand metric tons of refrigerated ammonia storage capacity on-site, EBIC is connected by pipeline to two 40 thousand metric ton refrigerated ammonia storage tanks next to the loading jetty at Sokhna Port. EBIC also owns and operates a dedicated 1,600 metric ton per hour loading arm.

The plant and port facilities are connected through an eight-kilometer pipeline that continuously transports EBIC's ammonia to both storage tanks located on the jetty, which can accommodate vessels with maximum draft of 24 meters.

EBIC is also located across the street from EFC on the grounds of Suez Industrial Development Company's (SIDC) industrial park in Ain Sokhna, allowing both facilities to benefit from significant synergies.

Both EFC and EBIC enjoy tax exemptions from European and Argentinean import duties.

Our production facilities continued

Sorfert

World-class production complex

Sorfert is one of the largest integrated nitrogen fertilizer producers in North Africa, capable of producing 1.26 million metric tons of granular urea and 1.6 million metric tons of gross anhydrous ammonia per year. The ammonia capacity is split between two lines, one dedicated to urea production and the other producing merchant capacity.

OCI S.A.E. constructed and commissioned the plant in 2013 in partnership with Uhde, which supplied the state-of-the-art proven process technology.

Strategic location with strong distribution and logistics

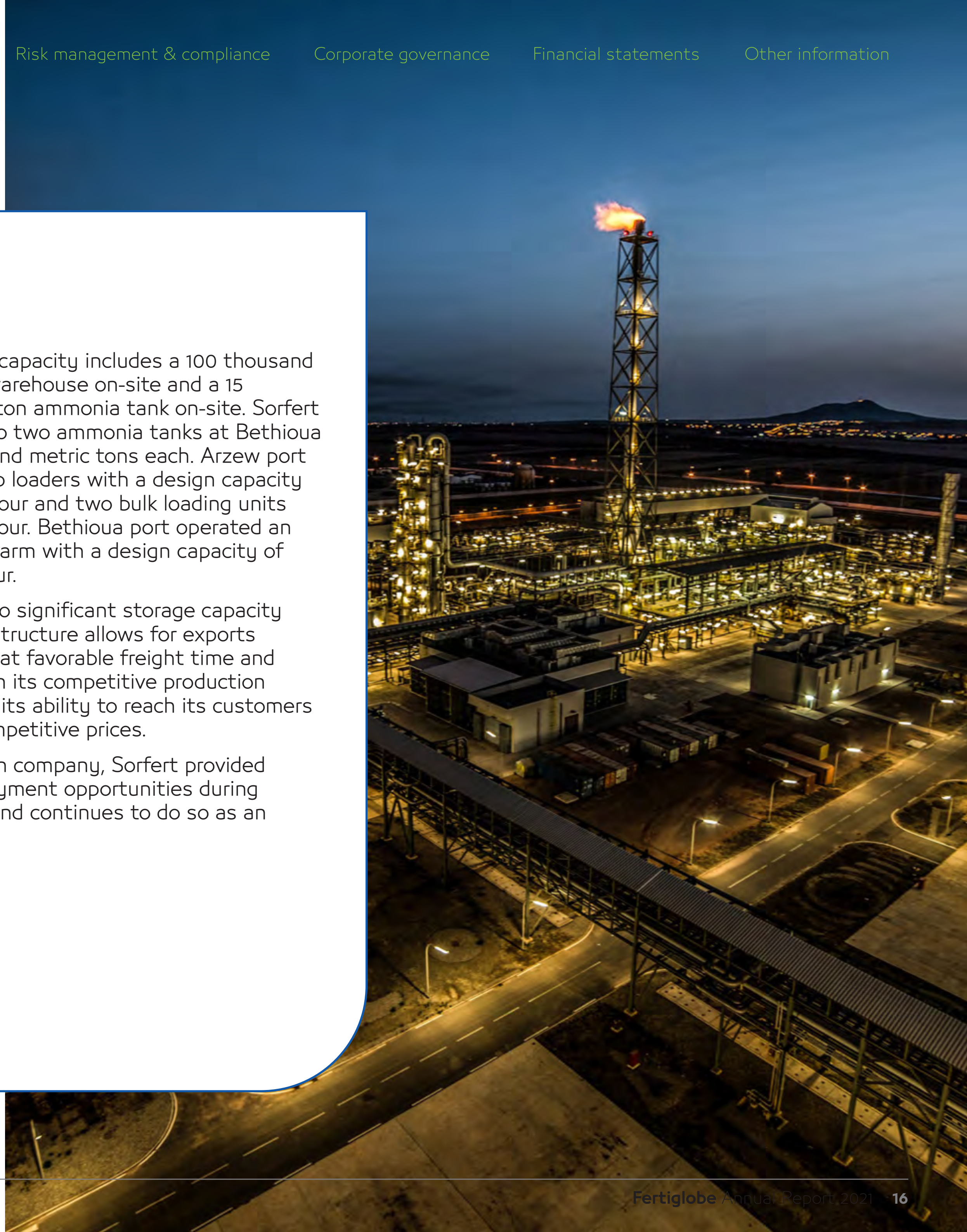
The plant is strategically located in the Arzew industrial complex in northwest Algeria 35 kilometers east of Oran, near three Algerian ports.

Sorfert enjoys access to two export jetties at Arzew Port and Bethioua Port with a direct ammonia pipeline to the port, and exclusive access to urea export logistics. Sorfert's low position on the global cost curve for fertilizer producers is aided by Sorfert's exemption from Algerian corporate tax and its exemption from European import duties.

Sorfert's storage capacity includes a 100 thousand metric ton urea warehouse on-site and a 15 thousand metric ton ammonia tank on-site. Sorfert also has access to two ammonia tanks at Bethioua port of 30 thousand metric tons each. Arzew port operates two ship loaders with a design capacity of 500 tons per hour and two bulk loading units of 200 tons per hour. Bethioua port operated an ammonia loading arm with a design capacity of 1,000 tons per hour.

Sorfert's access to significant storage capacity and flexible infrastructure allows for exports around the world at favorable freight time and cost, coupled with its competitive production costs, maximizes its ability to reach its customers effectively at competitive prices.

As a local Algerian company, Sorfert provided significant employment opportunities during its construction and continues to do so as an operational plant



Our production facilities continued

Fertil

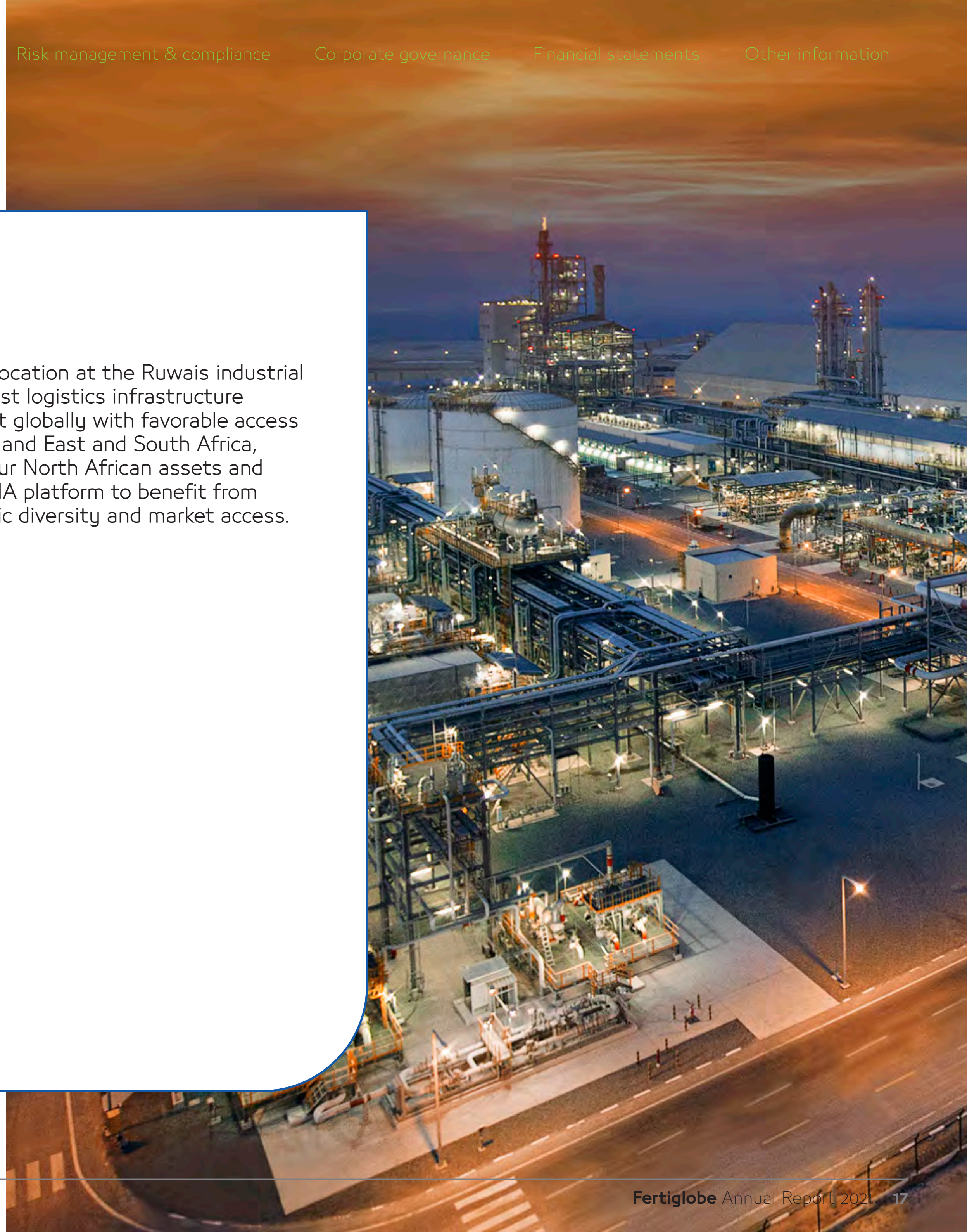
World-class production complex

Fertil consists of two ammonia and granular urea plants in ADNOC's integrated downstream complex in Ruwais, Abu Dhabi. The plants have a combined annual capacity of 1.2 million tons of gross ammonia and 2.1 million tons of urea. The first plant, Fertil-1, which utilizes Haldor Topsoe ammonia and Casale urea technology, began production of ammonia and urea in 1983, and the second plant, Fertil-2, which utilizes Uhde technology, began production of ammonia and urea in 2013.

Strategic location with strong distribution and logistics

Fertil is strategically located in Ruwais, Abu Dhabi, directly on the Arabian Gulf, with access to two dedicated state of the art urea ship loaders located directly on the export jetty, which is operated by Fertil. Fertil is also capable of exporting excess ammonia via LPG vessels through a 400–500 metric ton per hour loading arm. Fertil's storage capacity includes two urea warehouses of 45 thousand metric tons each at Fertil-1, one 100 thousand metric ton urea warehouse at Fertil-2, and two ammonia storage tanks of 20 thousand metric tons at each plant.

Fertil's strategic location at the Ruwais industrial complex and robust logistics infrastructure allows it to export globally with favorable access to Asia, Australia and East and South Africa, complementing our North African assets and allowing the MENA platform to benefit from greater geographic diversity and market access.



Our global distribution reach

Centrally coordinated out of Abu Dhabi, our strategically developed global distribution network includes branches, agents, and strategic partnerships across Europe, Australia, Africa, Asia, and the Americas, which allows us to effectively reach a diverse customer base across 34 countries in 2021 and provides us with deep market insights given our extensive reach.

Our distribution partnerships and alliances with nitrogen and other fertilizer producers, and domestic importers have enabled us to capture incremental supply chain margins by deepening our reach further into each market and bringing us closer to the end user.

We have developed a strong logistical and distribution advantage as a result of the strategic locations of all our production facilities, with access to key distribution infrastructure at six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and Arab Gulf. This strategic positioning allows us to easily access the major end-markets for our products (Europe, South Asia, Australia, East Africa and Latin America), and to improve volumes routing East and West of the Suez Canal, creating significant freight improvements and synergy potential. The platform also has a significant competitive advantage given it can export from North Africa into Europe and Argentina on a duty-free basis compared to other competitors such as Russian producers.

Our commercial activities are supported by robust inland storage and distribution infrastructure, including over 550 thousand metric tons of owned or leased warehousing capacity for urea, and 225 thousand metric tons of owned or leased warehousing capacity for ammonia, across our locations, and efficient multi-modal on-site loading and logistics operations. This provides us with significant flexibility to direct products to fulfil customer demand from the most profitable location in our network.

Our global distribution network also benefits from a dedicated in-house chartering and logistics operations team, who centrally coordinate our 600 thousand metric ton annual freight capacity for liquid ammonia. The team operates our four leased vessels with the capacity to add more vessels to meet business needs, in addition to managing freight movements and storage and distribution modality for 4.7 million tons of urea in dry bulk vessels, with structure and capacity to grow.

In addition to our on-site and at-port owned and leased storage capacity, we can leverage nearly 210 thousand metric tons of leased urea warehousing capacity at key destinations through direct leases or through strategic partnerships across Europe, Australia, Africa, Asia and the Americas. This allows us to quickly adapt our deliveries and volume allocations in response to changes in market dynamics.

Global sales

Access to strategic exports hubs through 6 ports on the Red Sea, Medierranean and Arab Gulf.

Multi-modal distribution

Efficient multi-modal on-site loading and logistics operations.

Storage

Over 750 thousand metric tons of owned and leased warehousing capacity.

Our investment highlights

1. **Largest seaborne exporter** of urea and ammonia combined globally with unique ammonia platform

2. **Attractive position** in the 1st quartile of urea and ammonia global cost curves

3. **State-of-the-art**, young asset base

4. **Strategically located** asset base combined with global storage and distribution capabilities, with extensive reach to all global markets from advantageous freight locations

5. **Early mover advantage** in blue and green ammonia contributes to the energy transition towards clean hydrogen

6. **Attractive financial profile** with low maintenance capex requirements and strong cash generation

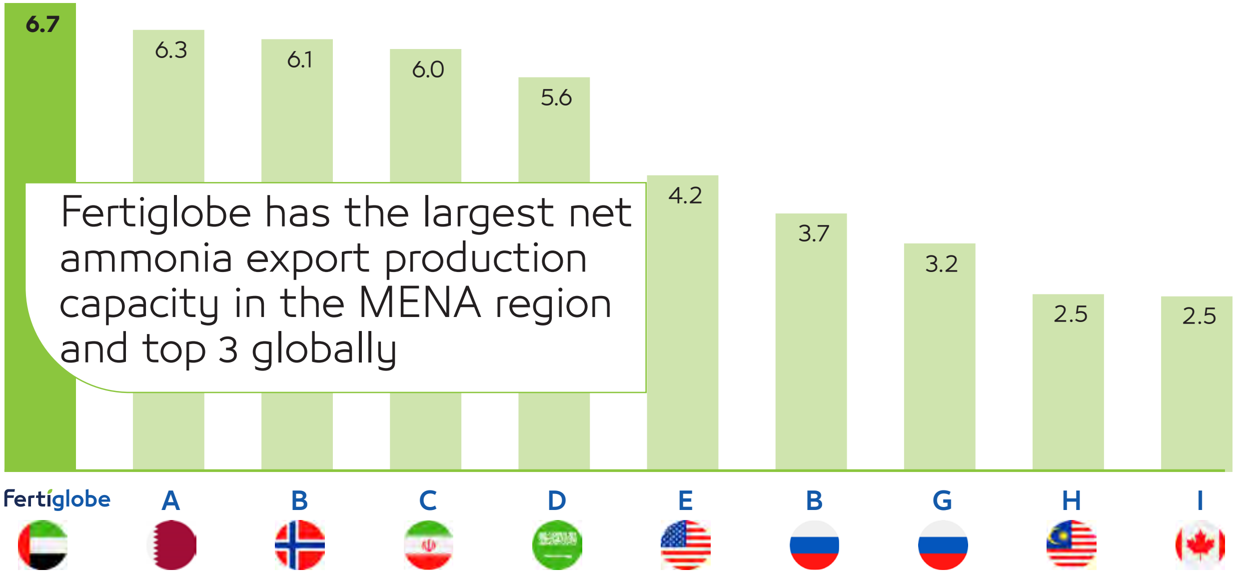
7. **A multi-pronged growth strategy** capitalizes on significant non-GDP growth levers

Our investment highlights continued

1 **Largest seaborne** exporter of urea and ammonia combined globally with unique ammonia platform

~10% of combined global ammonia and urea seaborne exports

2021 ammonia and urea combined export production capacity[1]
mtpa



- World's largest seaborne exporter of urea and ammonia combined.
- Largest nitrogen fertilizer producer in MENA by production capacity.
- Largest net ammonia export production capacity in the MENA region and top three globally.
- Early mover in clean ammonia, benefitting from geographic diversity and broad market access.

Significant scale advantages

1
Large scale strategically located platform with ability to **direct volumes to highest netback markets**

2
Global distribution with **access to all key markets** from advantageous freight locations

3
Strongly positioned to attract and grow third party traded volumes, further increasing distribution scale and market penetration

4
Enhanced economic returns through ability to reliably service large orders, negotiate better commercial terms and lower transportation costs

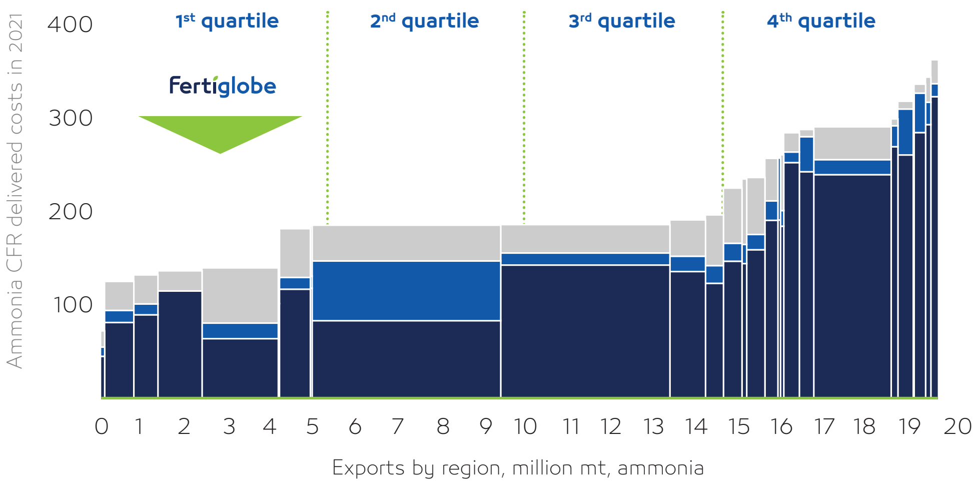
5
Leadership in merchant ammonia and **advantage in expected transition to clean hydrogen economy**

Our investment highlights continued

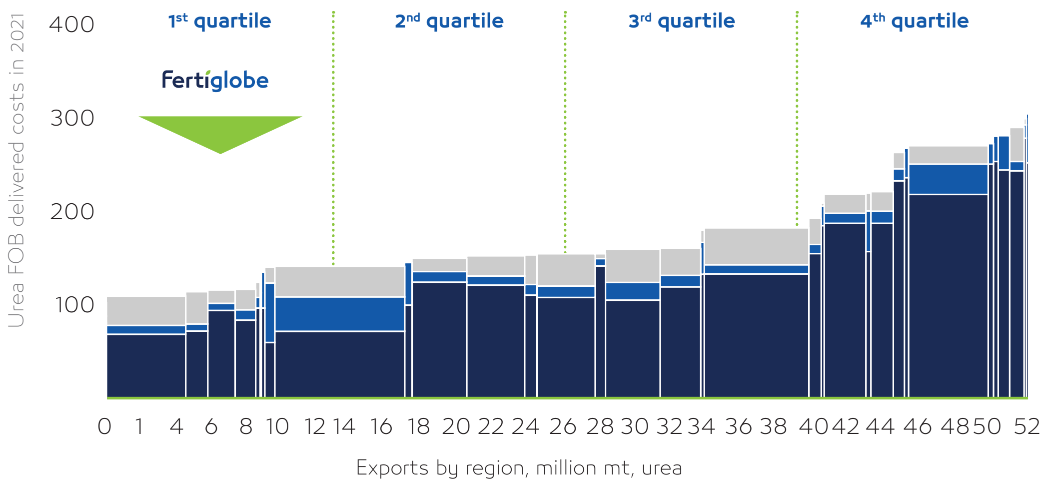
2 Attractive position in the 1st quartile of urea and ammonia global cost curves

- Strategically located production footprint across the MENA region in the UAE, Egypt and Algeria positions us in the first quartile on the global exporter cost curve in both ammonia and urea.
- Benefit from secure long-term competitive natural gas supply contracts, comparatively low conversion rates thanks to production efficiencies, proximity to key infrastructure, low cost North African operations, and strategic freight locations resulting in some of the lowest cash costs and delivered costs to key export destinations in the industry.

Fertiglobe positioned in 1st quartile of ammonia cost curve
$/t, 2021



Fertiglobe positioned in 1st quartile of urea cost curve
$/t, 2021



● Site cost ● FOB cost ● Ocean freight

Source: Company information, market reports

Our investment highlights continued

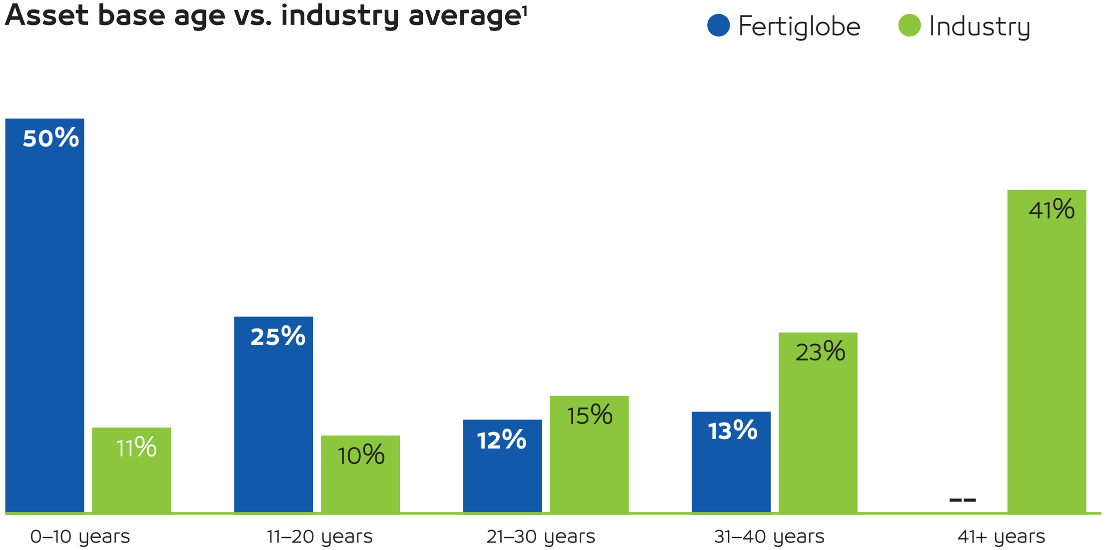
3 State-of-the-art, young asset base

- Well-maintained asset base with 50% of capacity younger than 10 years, resulting in low maintenance costs and high reliability, while allowing for much better environmental footprint vs. coal and older gas based plants.
- By comparison, ~80% of ammonia plants globally are >20 years.
- Fertiglobe plants have overlapping technologies, allowing for cost-efficient and synergistic maintenance.
- Large, dedicated in-house maintenance team with world-class experience, sharing best practices across assets.

Technology providers

Ammonia	Urea
Uhde ThyssenKrupp, KBR, Haldor Topsøe	Uhde ThyssenKrupp, Stamicarbon

Asset base age vs. industry average[1]

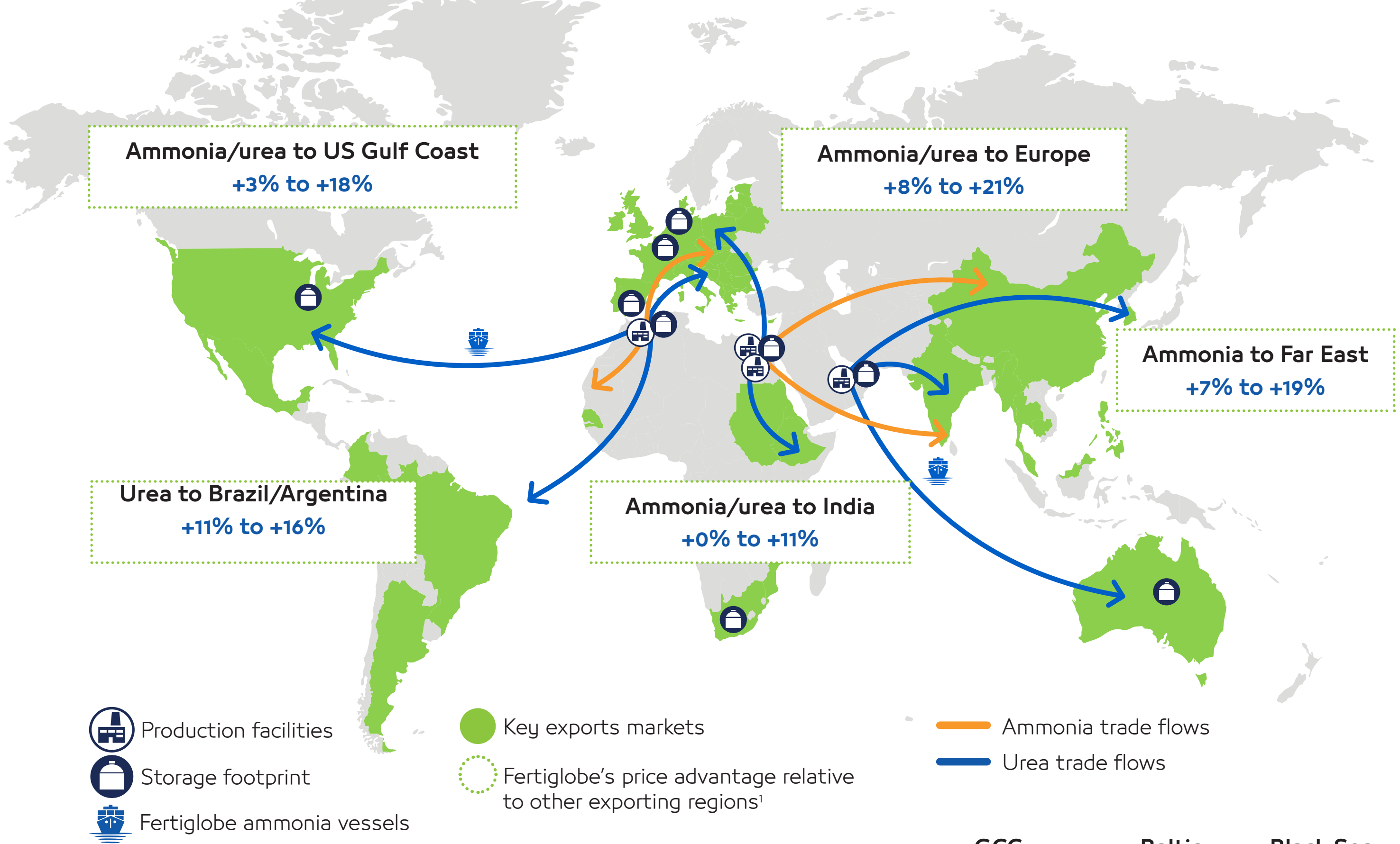


Young assets allow for:	EBITDA	FCF	GHG emissions
Higher reliability and onstream time	✔	✔	✔
Better gas conversion	✔	✔	✔
Lower maintenance capex		✔	

Notes: [1] Includes ammonia plants only

Our investment highlights continued

4 Strategically located asset base combined with global storage and distribution capabilities, with extensive reach to all global markets from advantageous freight locations



Low-freight costs, duty-free access to key importing markets and direct-to-customer strategy enables structural netback advantages.

- Export-focused production facilities benefit from direct access to six key ports and distribution hubs by the Mediterranean Sea, Red Sea, and the Arabian Gulf.
- Strategic positioning allows Fertiglobe to easily access all major end markets and to optimize volumes routing East and West of the Suez Canal, creating significant freight optimization and synergies.
- Duty-free access to key importing markets and direct-to-customer strategy drive structural netback advantages compared to typical exporters from the Arabian Gulf, Russia, and China.
- Able to respond to market demand and price evolution to tap the highest netback price markets, at competitive freight charges, while benefiting from a low fixed cost base.

	Fertiglobe	GCC Producer	Baltic producer	Black Sea producer
No import duties into Europe/South America	✔			
No Suez Canal charges to Europe/Americas	✔		✔	✔
No Suez Canal to India/Asia	✔	✔		

Notes: [1] Fertiglobe illustrative realized price differential vs. peers in key exports markets (including Duties, Freight rates, Suez Canal fees and trader margin): Illustrative netback premiums compared to typical Russian and Middle East producers for all markets with the exception of India and Far East compared to typical North African and Russian producers. Premium ranging from second closest exporters to widest gap.

Our investment highlights continued

5 Early mover advantage in blue and green ammonia contributes to the energy transition towards clean hydrogen

- Ammonia has emerged as one of the most promising products to drive the hydrogen economy and enable this energy transition as it represents more than 40% of global hydrogen use today.
- Clean ammonia and hydrogen will allow a broad range of decarbonization opportunities, including reductions in the emission from marine fuel, power generation, transportation, construction, and agriculture, sectors that currently account for around 80% of global GHG emissions.
- Blue/Green ammonia demand is expected to grow from zero now to ~40mt in 2035 with growth across numerous sectors spanning fuel, food and feedstock among others.

Fertiglobe is ideally positioned to capitalize on the hydrogen opportunity

Established exporter globally of seaborne merchant ammonia with ability to leverage existing OCI and ADNOC platforms.

Strategically located East and West of the Suez Canal with direct access to European and Asian markets.

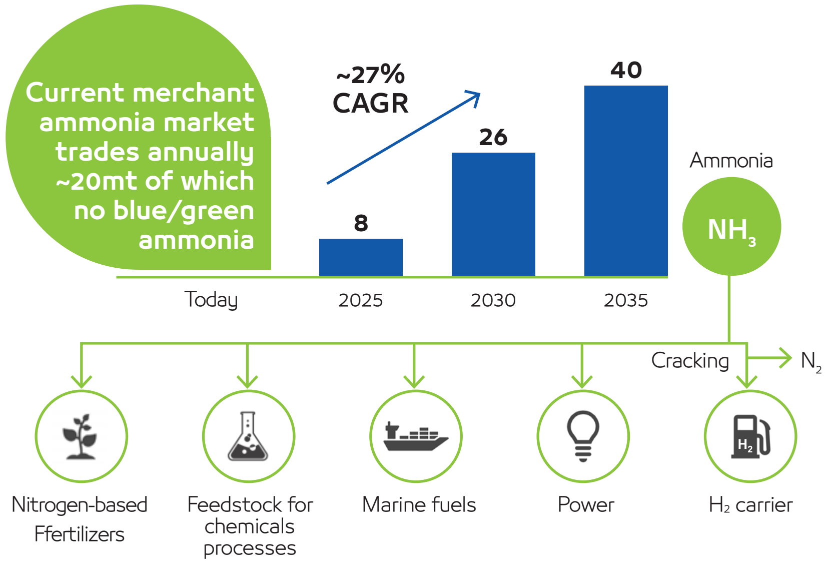
Ample access to low cost solar and wind resources in MENA.

ADNOC's experience in carbon capture and underground storage and global commercial platform.

Strategic locations on the busiest shipping lanes in the world.

Relationships with governments and relevant renewable players.

Blue/Green Ammonia to Make Up ~50% of Merchant Market vs Zero Today
mt



- Ammonia is one of the most efficient ways to transport and store clean hydrogen, as hydrogen is difficult to store and transport.
- On the back of this transition, several new applications are emerging which individually would create an end market multiple times as large as the current ammonia merchant.
- Incremental demand for clean ammonia is expected to tighten the conventional market further as grey capacity decarbonized to cater to the new clean ammonia demand.

Our investment highlights continued

6 Attractive financial profile with low maintenance capex requirements and strong cash generation

- Strong operational and commercial position generally allows us to generate cash in most pricing environments and points across the commodities cycle.
- We benefit from low effective tax rates in countries where we operate; we have delivered healthy organic EBITDA growth; and we exercise a high level of capital discipline.

Revenue	**Favourable geographic positioning and centralized commercial strategy leveraging on unique distribution platform allow for higher realized prices.**
EBITDA	**Feedstock advantage with long-term gas supply contracts and lean overhead cost structure translate to attractive EBITDA margins.**
FCF	**Leverage consistent with investment grade rating profile due to conservative capital structure drives lower interest expenses.** **Operations located in tax-advantaged regions / tax-free zones result in low tax rates.** **Young asset base with integrated technological platform requires low maintenance capex.**

$3.3bn
Revenue

46.8%
Adj. EBITDA margin

$1.2bn
FCF

$340m
First post-IPO dividend

Our investment highlights continued

7 A multi-pronged growth strategy capitalizes on significant non-GDP growth levers

Excellence program focuses on improving existing operations

- Operational excellence program to yield an increase in volumes and further optimize production costs per ton.
  - $50m+ additional run-rate EBITDA in the short-to-medium term.
- Expansion of commercial capabilities to achieve netbacks optimization.
- Direct-to-customer sale strategy to capture a higher share of downstream value chain.

Fertiglobe can leverage its development expertise, unique geographical position and shareholders' relationship to capture value from low carbon ammonia projects

Supportive shareholders with proven entrepreneurial track record and longstanding government relationships.

In-house talents that have built current platform and accomplished debottlenecks.

Access to ample low cost solar and wind resources in MENA with abundant land and proximity to key low carbon import markets (i.e. EU and Asia).

Leading global exporter of seaborne merchant ammonia offering plug-and-play capabilities in the low carbon ammonia transition.

Capital discipline and financial firepower to support growth opportunities.

2

Business & financial performance

Our strategy

Responsibly driving sustainable agriculture and clean fuel and feedstocks by producing and distributing essential products to existing and new customers around the world

As a global nitrogen powerhouse, we are committed to responsibly driving sustainable agriculture and the development of clean fuel and feedstocks. We are a critical enabler of global food security and are well positioned to capture value from the energy transition to hydrogen through the low-carbon ammonia value chain.

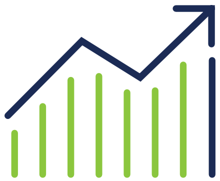
Our strategy centers on the following key growth drivers:

1 Operational excellence

We are committed to excellence in every aspect of our organization and launched an operational excellence program in 2021 to maximize our production efficiencies, minimize our emissions and waste, and maintain our industry leading health and safety records.

The program leverages existing expertise across our platform to share best practices, provide in-house technical support, and cooperate on committees to implement preventative and predictive programs including assessment of the end of life for equipment and associated systems.

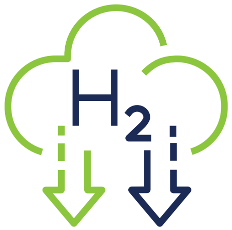
We believe operational excellence does not stop at the gates of our plants and we hold all suppliers and business partners to the standards set out in our Business Partner Code of Conduct.



2 Commercial growth strategy

We are committed to our global commercial expansion by driving commercial excellence and reach to maximize netback prices and further capture downstream value.

We work diligently to increase our physical presence in key markets, leverage logistical advantages to increase our traded volumes through our global distribution network, and cultivate customer relationships to deliver strong netback prices.



3 Low carbon ammonia strategy

We are committed to being an environmental steward and will drive the hydrogen economy by leveraging our established ammonia platform to capitalize on the potential global shift to blue and green ammonia. With ammonia's end-markets covering food, fuel, and feedstock, we believe that blue and green ammonia represent an opportunity to decarbonize a significant portion of today's global greenhouse gas emissions across agriculture, industry and transportation.

We intend to pursue value accretive projects targeting high impact initiatives while maintaining strong capital discipline.

Our strategy in action continued

1 Operational excellence: Implementing continuous improvement across all our plants

Our operational excellence program is founded on three key pillars: (i) process safety and asset reliability, (ii) energy efficiency, and (iii) costs optimization. The process safety and asset reliability pillar encompasses site led improvement programs reflecting site-specific process safety and reliability priorities, the global reliability program focusing on the identification and elimination of repeat issues and structured readiness reviews to improve completion times, competitiveness and predictability. The energy efficiency pillar encompasses energy efficient designs, an immediate focus on operational excellence supported by industry leading monitoring tools, and the identification and pursuit of further efficiencies through select value accretive investments. The costs optimization pillar encompasses capital deployment optimization (i.e. optimizing capital expenditure, and strictly reviewing controllable costs), a central procurement strategy and sharing best practices.

The program leverages existing expertise across our platform to share best practices, provide in-house technical support, and cooperate on committees to implement preventative and predictive programs including assessment of the end of life for equipment and associated systems. The program was launched at the end of 2020 and is targeted to achieve consistently higher utilization rates, reduce energy consumption, and in turn reduce GHG emissions over the medium-term consistent with our emissions reduction target. The program will also seek to optimize outside resourcing and maintenance costs by interchanging resources and expertise between our assets, challenging capital expenditure plans including turnarounds to improve efficiencies and to maintain low maintenance capital expenditure levels.

Process safety & reliability

- **Site-led improvement programs** reflecting site-specific process safety and reliability priorities
- **Global reliability program** focused on the identification and elimination of repeat issues
- **Structured readiness reviews for major turnarounds** to improve completion times, competitiveness and predictability

Energy efficiency

- **Energy-efficient designs** featured by Fertiglobe's young asset base
- **Immediate focus on operational excellence**, supported by industry leading monitoring tools
- **Identify and pursue further efficiency through select value accretive investments**

Costs optimization

- **Capital deployment optimization** and centralized capex review framework
- **Central procurement strategy** and global framework agreements
- **Best practice sharing** and interchange of resources and expertise between OpCos

Improvement of utilization rates towards MPC[1] and reduction in energy consumption resulting in $50m+[2] incremental EBITDA

Notes: [1] Maximum Proven Capacity (MPC) is calculated by annualizing the proven production of a production unit's best achieved 30-day continuous rate.
[2] The $50 million estimated additional EBITDA was based on selling price levels of early 2021, and would be substantially higher when applying March 2022 prices

Our strategy in action continued

2 **Commercial growth:** Building the leading global marketing platform in nitrogen fertilizers

Our state of the art and geographically advantageous footprint facilitates a global approach for our commercial strategy, which allows us to align our sales and marketing activities to leverage logistical advantages through our global distribution network and cultivate customer relationships to deliver strong netback prices. Our coordinated global sales and marketing organization is supported by strong distribution and logistics capabilities, thereby allowing us to reach customers around the world while seeking to maximize returns. We intend to accelerate our global commercial expansion by increasing our sales and marketing platform's physical presence by establishing new strategically positioned offices and distribution partnerships, increasing our physical presence from seven markets today to 16 by 2025. We are concentrating our expansion on higher growth / emerging countries both east and west of the Suez Canal, a global approach that is enabled by our asset and production footprint in the Middle East and North Africa and differentiates us from competitors either focused on Asia or the Americas only. We also intend to grow our third-party traded volumes by leveraging our existing distribution businesses to better place merchant ammonia and urea volumes globally and achieve higher netbacks.

We also see significant demand growth potential for non-fertilizer applications for ammonia and urea, such as DEF and the use of ammonia as a shipping fuel in the future. With our strategic locations near major shipping routes, we are well positioned to capture additional demand from these growing application fields for both products.

Furthermore, we are actively exploring opportunities to optimize our distribution and production capabilities. When evaluating opportunities to optimize our presence in our key markets or gain entrance into strategically attractive markets or adjust our capabilities, we consider acquisitions, partnerships, joint ventures, business combination transactions or other major transactions that are in line with our strategic goals and financial return expectations. We have a clear financial policy in place and evaluate any potential transactions against our strict financial policies and return requirements.

Further maximizing net-backs through greater market penetration

- **Accelerate global commercial expansion in high-growth markets**
  - Grow physical presence in key markets (e.g.: Latin America, Asia, Africa)
  - Enter into strategic profit-sharing partnerships
- **Increases flexibility** over the timing and location of the product sale allowing **net-back optimization**
- Allows Fertiglobe to **capture a greater share of the downstream value**

Increase volume traded through in-house distribution business

- **Significant potential** exists to target volume currently being sold to traders and incremental new capacity expected to come online
- Grow 3rd party traded Ammonia and Urea volumes, **strengthening Fertiglobe's market leadership**
- **Increase share of direct to customer sales**

Significant incremental EBITDA potential

Product expansion offering long term growth potential

- **Capability to produce** high margin Diesel Exhaust Fluid (DEF)
  - Global DEF demand is expected to grow by **c.11% p.a.** over the medium term
  - Fertiglobe's potential target markets include **Middle East, India and European Mediterranean**
  - DEF is typically **priced at a premium to urea**
- Low-carbon / slow-release fertilizers

Available DEF capacity of 450ktpa

Our strategy in action continued

3 **Low carbon ammonia:** Advantaged position to ramp-up blue ammonia production as demand develops while pursuing green ammonia production projects

We intend to leverage our established ammonia platform to capitalize on the potential global shift to blue and green ammonia. As part of the accelerated global shift to clean energy, hydrogen is expected to play a vital role in achieving the world's decarbonization ambitions and thus hydrogen demand is expected to grow significantly over the next decade. We believe we are well positioned to capitalize on the global transition to a hydrogen economy because ammonia has emerged as one of the most promising products to drive the hydrogen economy and enable the energy transition.

Although most countries are working towards developing a hydrogen economy, it is not feasible to produce sufficient hydrogen to meet expected demand given limitations on renewable energy sources in many regions, including Europe. This means that hydrogen will need to be transported over long distances. This is not straightforward as hydrogen needs to be cooled down to minus 253 degrees Celsius, which results in a large loss of energy. Ammonia is an ideal energy carrier for several reasons: (i) its energy density is 70% higher than hydrogen's and is a liquid already at minus 33 degrees Celsius; (ii) it is a widely used product globally; and (iii) it is easier to store with extensive global distribution and storage infrastructure already in place. As such, clean ammonia and hydrogen will allow a broad range of decarbonization opportunities, including, among others, reductions in the emission from marine fuel, power generation, transportation, construction, and agriculture, sectors that currently account for around 80% of global greenhouse gas emissions.

Notes: [1] Subject to supportive regulatory environment, subsidies, technology advancements and national environmental targets.

Our strategy in action continued

3 Low carbon ammonia: Advantaged position to ramp-up blue ammonia production as demand develops while pursuing green ammonia production projects

Ammonia is well positioned to capture the hydrogen opportunity

With >40% of grey hydrogen use today, ammonia is a building block in the emerging hydrogen economy

H_2 demand supported by drop in production costs and regulatory push to address climate change

NextGenerationEU (EU's €808bn post-COVID recovery fund) aims to make EU economy greener and more resilient.

EU has committed €37bn of funding to promote Green H_2 in Southern Mediterranean (including Egypt and Algeria) between 2021-2027.

US passed $1.2tn Infrastructure Bill which includes incentives for hydrogen and CCS projects, and is considering the **Build Back Better Bill**, which includes additional GHG reduction and hydrogen incentives (e.g., $3/kg green hydrogen tax credit).

Japan aims to build a 'hydrogen society' by 2030 and **achieve carbon neutrality by 2050.**

India's government is considering to require **refiners and fertilizers to use green hydrogen from 2023, paving the way for a major acceleration in the nation's hydrogen economy.**

Several governments announced hydrogen subsidies and grant programs, such as **Germany's H_2Global** initiative for green hydrogen imports, consisting in a €2bn strategy to support electrolyzer projects abroad.

Hydrogen use as feedstock

H_2

Conventional feedstock:

- **Grey H_2** produced via conventional fossil fuels.

Low carbon feedstock:

- **Blue H_2** from fossil fuels with CO_2 captured and stored.
- **Biogas** from waste sources.
- **Green H_2** from electrolysis via renewable sources (solar and wind).

Blue/Green ammonia use as H_2 carrier, as clean fuel and as battery to store H_2

Blue/Green ammonia can be used as H_2 carrier and clean fuel

Ammonia used in batteries to store H_2

Broad range of decarbonisation possibilities

Marine | Power generation

Transportation | Agriculture

Construction | Fuel cell vehicle

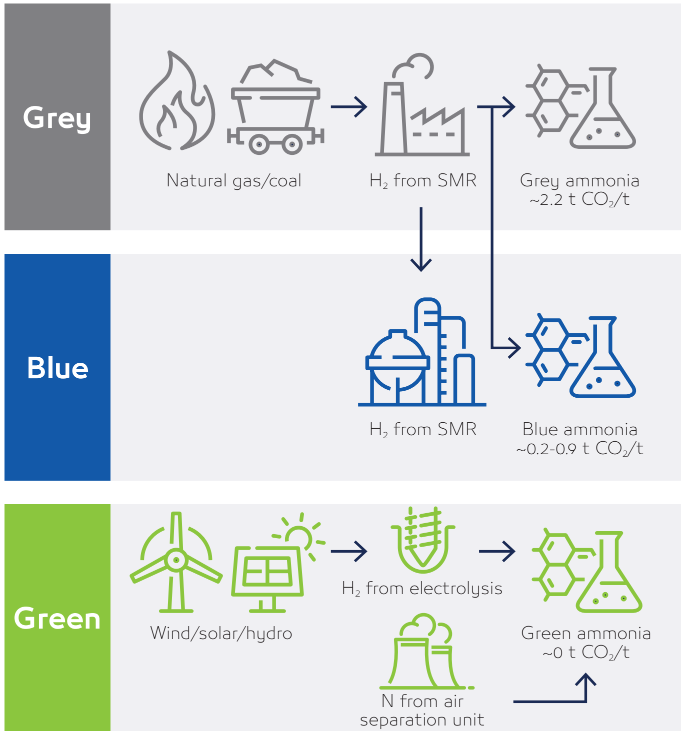
Industry | Textiles

Our strategy in action continued

3 **Low carbon ammonia:** Advantaged position to ramp-up blue ammonia production as demand develops while pursuing green ammonia production projects

We are well-situated to develop our blue and green ammonia production capacities through plug-and-play projects. We have strong shareholder support, benefitting from ADNOC's experience in carbon capture and OCI's global downstream ammonia infrastructure, as well as access to attractively priced abundant low cost solar and wind energy in all three countries we operate in and can leverage our existing ammonia infrastructure. This means that unlike greenfield projects, we can access this market with potentially limited upfront capex. These advantages allow for the relatively straightforward conversion of feedstock to green and/or blue hydrogen.

Clean ammonia can be produced in the form of blue ammonia through CCS[1] or green ammonia through electrolysis



Conventional uses

Fertilizer
Urea, nitrates, other fertilizers

Industrial
Explosives, chemical feedstock, NOx abatement, industrial heat

Emerging uses

Power generation
Emissions Reductions, Co-firing in thermal plants

Marine
Ammonia engine or fuel cell

H_2 energy carrier

Fertiglobe is ideally positioned to capitalize on the hydrogen opportunity

Established exporter globally of seaborne merchant ammonia with trading expertise and infrastructure and the ability to leverage existing OCI platform.

4.4mtpa
gross ammonia

Global
trading, distribution & logistics platform

Strategically located East and West of the Suez Canal with direct access to Europe and Asia to capture the huge potential demand for ammonia for use in power generation and as an energy carrier.

5mt
2025 H_2 demand out of EU and Asia (ex-China) strategically positioned to access this demand

Ample access to low cost solar and wind resources in MENA to produce green ammonia.

19.3GW
of existing and planned renewable energy in Egypt (6.8GW) and UAE (12.5GW)

UAE footprint benefits from ADNOC's energy leadership and deep experience in carbon capture and underground storage, enabling blue ammonia.

800ktpa
current CCUS capabilities

5mtpa
CCUS facilities by 2030

Positioned to capture huge potential demand for ammonia as a marine fuel with strategic locations on the world's busiest shipping lanes.

3 of 4
Nearby 3 of the top 4 global bunkering hubs

~12%
of world trade volume via Suez Canal

Relationships with governments and relevant renewable players to accelerate implementation.

United Arab Emirates Ministry of Energy & Industry
DFDS
ORASCOM Construction
ENGIE

Notes: [1] Carbon capture and storage

Our strategy in action continued

3 **Low carbon ammonia:** Fertiglobe clean ammonia execution roadmap

2021 | 2022 | 2023 | 2024 | 2025

Q2 2021
Announcement of Fertiglobe participation world-scale **blue ammonia** Project in Abu Dhabi

Q3 2021
Signed an agreement with Scatec and the Sovereign Fund of Egypt to develop a 50-100 MW electrolysis plant in Egypt to produce up to **90 ktpa** of **Green Ammonia**

Q3 2021
Production of first **pilot batch** of **blue ammonia** out of Fertil

Q1 2022
Announcement of a collaboration with Masdar and ENGIE to study the co-development of a 200MW **green hydrogen facility** in the UAE to support the production of **green ammonia**

FID blue ammonia Project in Abu Dhabi in partnership with ADNOC/ADQ

Start of commissioning of up to **90 ktpa** of **green ammonia** in Egypt

Targeted operation start of **green ammonia** out of FERTIL

Abu Dhabi **blue ammonia** plant start-up with a production capacity of **1,000 ktpa**

Fertiglobe is also exploring other solutions to reduce its carbon footprint such as switching to renewable electricity

Business performance

Operational excellence

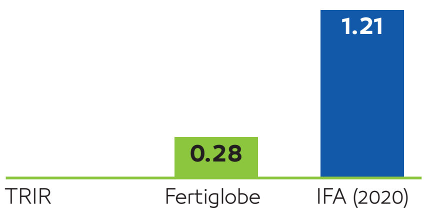
Completed planned turnarounds at EFC, Fertil and Sorfert earlier in the year, following which we achieved high and steady utilization rates.

Focus on enhancing asset reliability and energy efficiency through our global operational excellence program, achieving c. 5.3% and 2.8% average improvement year-on-year, respectively.

- With all the initiatives taken in 2021, including changes in the leadership and the recruitment of senior specialists for our manufacturing team, management is confident that significant improvements will be achieved in the next 2 years.

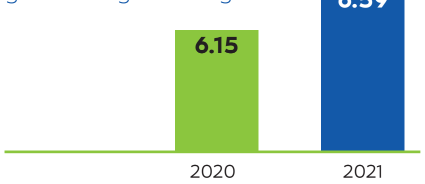
Strengthened our HSE leadership team and hired a Vice President of Manufacturing.

Industry leading safety performance



Total sales volumes

Total sales volumes grew 7% year-on-year



Commercial excellence

Total own-produced sales volumes increased 2% to 5,573kt in 2021 compared to 5,461 kt in 2020.

- Ammonia own-produced sales volumes increased 44% YoY (1,287kt vs. 896kt in 2020).
- Urea own-produced sales volumes were down 6% YoY (4,286kt vs. 4,565kt in 2020).

Traded third party volumes increased 47% to 1,017kt in 2021 compared to 693kt in 2020.

Benefited from elevated ammonia and urea selling prices in 2021 well above prices seen in 2020, with urea Egypt benchmark prices up 113% and ammonia Black Sea benchmark up 172% YoY.

Continued to increase our downstream market engagement to enhance supply chain value capture through:

- Initiatives to improve customer experience and increase our product offering, such as investigating urease and nitrification inhibitors through multiple partnerships and studies
- Grew our platform's physical presence by establishing new strategically positioned offices and distribution partnerships in Latin America, Africa and Asia, and continued to grow our third-party trading capabilities in key markets.

Further strengthened our commercial organization to help ensure progress on commercial excellence with the appointment of key regional positions to optimize product sales and coordination.

Business performance continued

ESG – decarbonization initiatives are accelerating

Announced multiple initiatives as described on page 34 to develop blue/green ammonia as a solution to decarbonize industries that make up around 80% of current global emissions, capitalizing on growth opportunities from emerging demand for clean ammonia.

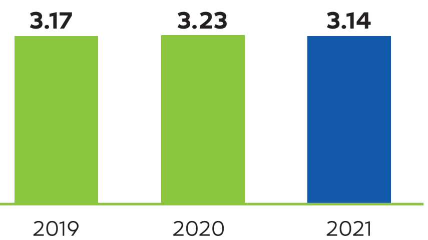
- Most recently, announced a collaboration with Masdar and Engie to study the co-development of a globally cost-competitive green hydrogen facility targeted to be operational by 2025 with capacity of up to 200 megawatts to supply our ammonia production plants at Ruwais, UAE.

Highly advantaged in the switch from "grey" to "green" ammonia through the addition of a "plug-and-play" electrolyzer, as we have all other critical elements in the ammonia value chain in place, benefiting from our existing ammonia production and distribution infrastructure, and with abundant attractive wind and solar resources for renewable energy generation in place.

- We can scale up green capacity gradually by introducing a supplementary feedstock stream, without taking any major supply or technology risks compared to greenfield projects, which allows for incremental decarbonization while focusing on long-term competitiveness in the process.

GHG intensity

2.6% reduction in GHG intensity year-on-year



Dividends and capital structure

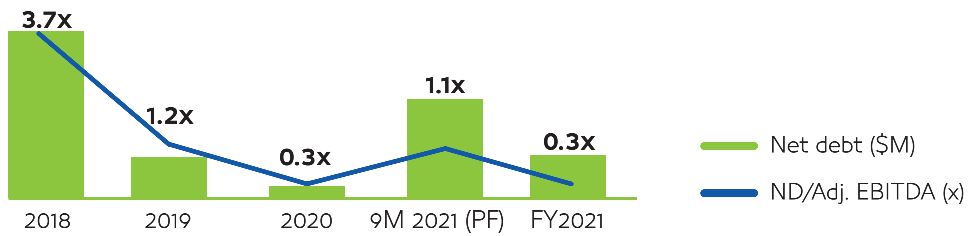
Fertiglobe substantially distributes all its distributable free cash flow after providing for growth opportunities, while maintaining an investment grade credit profile.

Announced first post-IPO dividends of $340 million for H2 2021, well above the previous guidance of at least $240 million.

Potential for attractive future dividends is underpinned by a robust capital structure, and an attractive financial profile with high cash conversion rates.

- In October 2021, Fertiglobe closed a $1.1 billion bridge facility to right-size its capital structure. As a result, as at the first day of trading on the ADX, Fertiglobe had a net debt of c.$1.1 billion and net debt/EBITDA of c.1.1x.
- Robust earnings and cash generation thereafter resulted in a drop in net debt to $487 million, and net debt/EBITDA to 0.3x, in line with management's guidance of well below 1.0x by YE 2021.

Strong credit profile



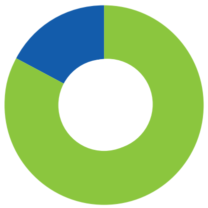
Management discussion and analysis

$ million	2021	2020	% Δ
Net revenue	3,310.7	1,550.8	113%
Adjusted EBITDA	1,550.5	453.3	242%
Operating profit	1,304.6	181.6	618%
Net finance costs	(33.1)	(13.5)	145%
Net profit attributable to shareholders	702.7	74.3	846%
Adjusted net profit attributable to shareholders	736.6	66.1	1,014%

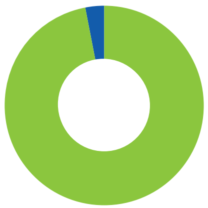
Sales volumes ('000 metric tons)	2021	2020	% Δ
Own product			
Ammonia	1,287	896	44%
Urea	4,286	4,565	-6%
Total own product sold	**5,573**	**5,461**	**2%**
Third-party traded			
Ammonia	144	130	10%
Urea	873	563	55%
Total third-party traded product	**1,017**	**693**	**47%**
Total own product and traded third-party	**6,590**	**6,154**	**7%**

$ million	2021 performance drivers
Revenue	• **Sales volumes:** 7% YoY increase in total sales volumes reaching a 6.6 million metric tons, due to a 2% YoY increase in own product sold as well as a 47% YoY increase in traded volumes sold. • **Selling prices:** Nitrogen fertilizer prices were significantly above levels seen in 2020, driven by healthy demand from key import markets, tight supply, and an upward shift in the global cost curve.
Adjusted EBITDA[1]	• **Adjusted EBITDA** increased by 242% YoY to $1,551 million, primarily driven by 113% YoY revenue growth. • **Adjusted EBITDA margin** improved significantly to 46.8% from 29.2% in 2020 due to a strong pricing environment and relatively contained costs.
Operating profit	• **Operating profit grew** 618% YoY to $1,305 million in 2021 as compared to 2020, primarily as a result of: • **Gross profit** increased 417% YoY to $1,407 million due to a 113% YoY rise in revenues to $3,311 million, more than offsetting the 49% YoY increase in cost of goods sold.
Net finance costs	• Interest cost increased by 12% to $53 million, driven by higher gross debt after the company raised a $1.1 billion bridge facility, and net foreign exchange gains decreased by 33% to $15 million related to external financing offset.
Net profit attributable to shareholders	• **Net profit attributable to shareholders** was $703 million, an improvement of $629 million compared to $74m in 2020, primarily driven by significantly higher selling prices and sales volumes. • **Adjusted net profit attributable to shareholders**[1] was $737 million in 2021, compared to $66 million in 2020.

Revenue by segment



Adjusted EBITDA by segment



Notes: [1] Fertiglobe uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures.

Management discussion and analysis continued

Condensed consolidated statement of cash flows for the years ended 31 December

$ million	2021	2020
Cash and cash equivalents at 1 January	**534.9**	**424.6**
Cash flows from operating activities	1,434.4	520.8
Cash flows from/(used in) investing activities	(85.4)	(66.6)
Cash flows from/(used in) financing activities	(962.5)	(312.4)
Net cash flows	386.5	141.8
Currency translation adjustments	(22.3)	(31.5)
Cash and cash equivalents at 31 December	**899.1**	**534.9**

Net debt as at 31 December

$ million	2021	2020
Long-term interest-bearing debt	1,326.1	544.7
Short-term interest-bearing debt	59.6	125.8
Gross interest-bearing debt	**1,385.7**	**670.5**
Cash and cash equivalents	(899.1)	(534.9)
Net debt	**486.6**	**135.6**

$ million	2021 performance drivers
Cash flows from operating activities	• **Cash flows from operations** were $1,434.4 million, an improvement compared to $520.8 million in 2020, reflecting Fertiglobe's profitability and the change in working capital in 2021 compared to 2020. • Net profit increased to $975.9 million in 2021 compared to $127.1 million in 2020, an improvement of $848.8 million.
Cash flows from investing activities	• **Cash flows used in investing activities** were $18.8 million higher in 2021 compared to 2020, as some turnarounds were delayed in 2020 due to COVID-19. • Total capital expenditures were $85.4 million in 2021, compared to $67.1 million in 2020, of which $77.5 million were related to maintenance capital expenditures in 2021 and $53.5 million in 2020.
Cash flows from financing activities	• As part of a capital structure reset, prior to the IPO, Fertiglobe closed a $1.1 billion bridge financing of which was used to refinance existing debt, and pay $850 million pre-IPO special dividends. The new bridge facility carries an interest rate starting at LIBOR + 1.05%, with a 0.25% increase per quarter from year 2, and has a tenor of 30 months. • In addition, a new 5-year $300 million RCF was put in place, which carries an interest rate of LIBOR + 1.75%, providing ample liquidity. The RCF was still undrawn as at 31 December 2021. • Total cash dividends paid to shareholders during 2021 amounted to $1,443.6 million, including the $850.0 million pre-IPO special dividend to OCI and ADNOC. Dividends paid to non-controlling interests (NCI) were $193.4 million, including Sorfert dividends paid to Sorfert's minority shareholder in August 2021 (accumulated dividend covering 2018 to 2020).
Free cash flow[1]	• Free cash flow before growth capital expenditure amounted to $1,181.8 million in 2021, compared to $450.6 million in 2020. The increase of $731.2 million compared to the previous year is mainly driven by the increased EBITDA during 2021 offset by working capital outflows.
Gross debt	• Gross interest-bearing debt increased to $1,385.7 million in 2021 compared to $670.5 million in 2020, mainly due to a $1.1 billion bridge loan facility raised in Q4 2021.
Cash & cash equivalents	• As a result of a robust free cash flow generation during the year, cash and cash equivalents increased to $899.1 million in 2021 from $534.9 million in 2020.
Net debt	• Net debt stood at $486.6 million as at 31 December 2021, from $135.6 million as at 31 December 2020, due to the increase in gross interest-bearing debt, offset by the increase in cash.

Notes: [1] Fertiglobe uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures.

How we create value

As a global producer and distributor of ammonia and urea, we aim to create sustainable value for all stakeholders and are committed to delivering sustainable solutions to our customers. We take a holistic approach to our business model to optimize all resources available to us, thereby maximizing our positive financial, social and environmental impacts for a greener future.

Input

Financials

$5.2bn
Assets

$2.5bn
Equity

Operations

164TJ
Energy consumed

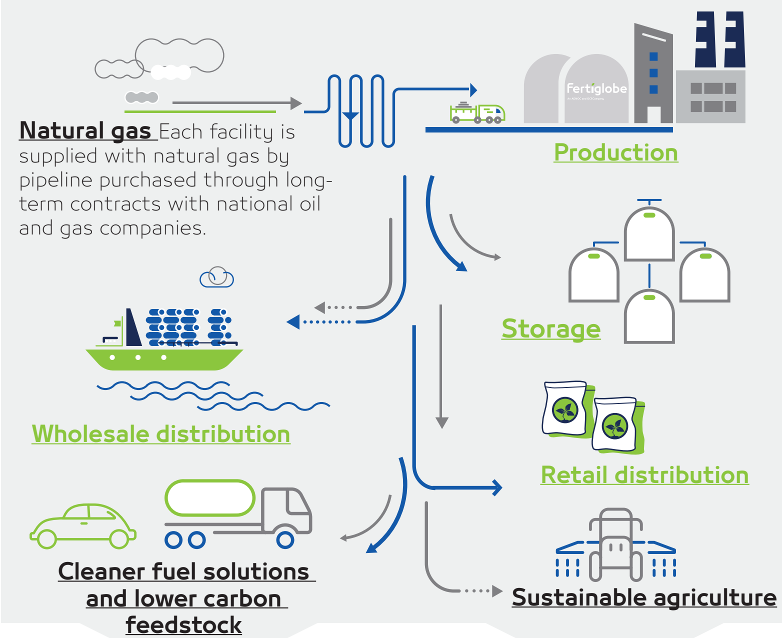
63.3m m³
Water withdrawn

People

2,680
Employees

$0.5m
Employee training

Sustainable business model



4
production sites

6.7mt
production capacity

4
ammonia vessels

988kt
storage capacity

39
countries reached

Providing blue/green ammonia to drive the energy transition

Providing Nitrogen, the key nutrient for optimized yields to meet the world's food production needs

Legend

Our position in the value chain

Our suppliers: Natural gas is our primary raw material, costing a total of $565 million in 2021. In addition to natural gas providers, our supply chain includes (but is not limited to) providers of transportation and logistics services, utilities, other production materials, maintenance and engineering services, advisory and professional services, facilities management, contracting, information technology including hardware and software services, and other needs as the business requires. The number of suppliers fluctuates depending on the projects and business activities throughout the year but exceeds 1,400 suppliers each year.

Output

$3.3bn
Revenue

$1.6bn
Adj. EBITDA

3.14 GHG
Intensity

3.2mt CO_2e
Recycled

33.8m m³
Water discharged

0.19 LTIR

0.28 TRIR

7.8% women at Fertiglobe

1.6% turnover rate

Impact

For our communities:

CSR programs specifically tailored to meet each community's needs (p 64-65)

For our customers:

Essential nitrogen products optimizing agricultural productivity (p 54)

Blue and green ammonia providing cleaner fuels and feedstock (p 54)

For our employees:

Top quartile compensation in all of our locations, with average annual compensation of more than $73 thousand per employee

Improving diversity with a 5.5% increase in female employees year-on-year

For our investors:

Competitive returns and a proven track record of value creation

For the world:

Helping optimize crop yields to feed the world (p 58)

Improving energy efficiency and reducing GHG intensity through operational excellence programs, and the development of blue and green ammonia production capacity (p 53-57)

3

Sustainability & CSR

Fertiglobe 2021 ESG at a glance

We are committed to environmental, social, and governance (ESG) principles, with environmental, social and governance matters fully integrated into our strategic objectives with direct supervision by our Board of Directors. We believe our products are essential to achieving sustainable agriculture and clean fuel and feedstocks, have integrated sustainability and ESG principles into our policies and operations, and encourage sustainable practices in our supply chain and communities wherever possible.

Environmental

- Uniquely positioned to enable the hydrogen economy through our blue and green ammonia platform to help decarbonize transport, feedstock, and industrial applications.
- Committed to reducing our environmental footprint wherever possible through our Operational Excellence program.

73% Seawater intake

2.6% GHG intensity reduction YoY

Social

- Fostering an inclusive culture, where diversity is recognized and valued, and local talent is developed.
- Launched a groupwide D&I program to improve recruitment processes, conduct de-biasing training, provide sponsorship and mentorship of minority employees, and develop employee networks.
- Serving local communities through tailored CSR programs at each of our locations.

17% Female representation in senior leadership

5.5% Increase in female employees

Governance

- Robust governance structure with ESG oversight at the Board level.
- All employees are trained on our compliance policies, Code of Conduct, and D&I Policy.
- All suppliers are required to adhere to our Business Partner Code of Conduct.
- Other ethics policies include Human Rights Policy, Anti-Bribery and Corruption Policy, Sanctions Policy, Insider Trading Code, Whistleblower Policy.

100% Employees enrolled in compliance training

C-Suite Responsible for compliance

Our approach to sustainability reporting

Our sustainability reporting is designed to provide transparency on our ESG practices, policies, and performance, along with an assessment of the material trends, topics, and interactions influencing our ESG strategy.

How we report on ESG

Our ESG reporting takes the following into account:

Review of the key global and industry trends, challenges, and risks

We conduct a comprehensive review of the key risks, challenges, and megatrends impacting both the industries in which we operate and the world. These elements inform our strategic objectives, our risk management strategy, and allow us to identify opportunities to develop our business.

Stakeholder engagement and identification of material topics

We engage with stakeholders on a regular basis both directly and through industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries. Our stakeholder interactions provide us with insights into their key topics of interest and areas of concern, which is incorporated into our identification and monitoring of material topics.

In addition to engaging with stakeholders, we determine material topics and boundaries by benchmarking against industry peers and considering disclosure requirements and guidelines issued by various institutions and regulatory bodies.

Implementation of reporting frameworks

Our ESG reporting aims to comply with global best practices and recommendations from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD), as well as local requirements in the United Arab Emirates. We also strive to report on how our businesses contribute to the United Nations Sustainable Development Goals (SDGs). Relevant disclosures are marked throughout this report, and the corresponding index pages beginning on page 158.

Report boundaries

This report covers the fiscal year ended 31 December 2021, focusing on the material topics for Fertiglobe and its subsidiaries as listed in note 27 of our financial statements (unless otherwise noted).

Stakeholder engagement

We engage with stakeholders on a regular basis through customer and investor meetings and calls, industry and investor conferences, customer service, employee meetings, surveys, portals and hotlines, community outreach programs, and governmental or regulatory interactions.

Our leadership team engages with key stakeholders on ESG and sustainability topics, reflecting our commitment at all levels of the organization.

In addition to our direct stakeholder interactions, we are an active member of several industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries.

During the year, key topics and questions raised by stakeholders included:

Stakeholders	Topics	Addressed through
Employees	Compensation and benefits, impact of IPO on business and employment, training and development, HSE, COVID-19 safety.	Internal communication channels including townhalls and written messages from group and local leadership, employee training programs, COVID-19 HSE protocols.
Customers	Relationship management, impact of IPO on product deliveries, product information and distribution, supply chain, general feedback.	Customer letters, direct communication by commercial leadership team, participation in industry events, proactive supply chain management, product information and safety sheets published on our website.
Investors	Strategy post-IPO, market trends, operational excellence, business performance, ESG, COVID-19 impact on operations.	IPO roadshow, investor meetings and conferences, quarterly conference calls, press releases, upcoming Annual General Meeting.
Communities	Community safety, local development programs, job opportunities.	Engagement with local community groups, non-profits, sponsorship and donations, local recruitment.

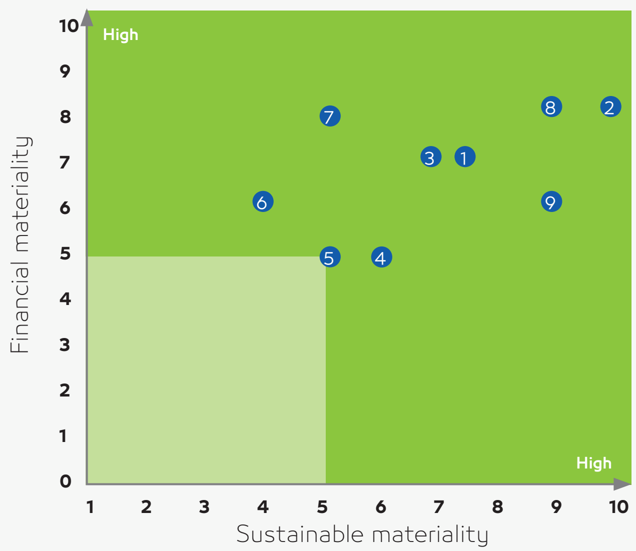
Our material topics

We define our material topics by assessing the topics raised by our various interactions with stakeholders, considering both financial and sustainability materiality in line with 'double materiality' considerations as recommended by international reporting guidelines. We also consider the global megatrends, challenges, and industry-specific risks that affect us, peer and industry reports, and recommendations made by global reporting frameworks.

We annually evaluate the impact these material topics have on our global value chain, our local operations and our stakeholders to report a holistic view of how we strive to sustainably manage our business. Our assessment criteria also considered the GRI's materiality principles of sustainability context, materiality, completeness, and stakeholder inclusiveness, as well as SASB's criteria for materiality.

After assessing a significant number of topics of interest, we have identified the below topics as being most material to our stakeholders and Fertiglobe.

- **Stakeholder engagement with:**
  - Investors
  - Customers
  - Employees
  - Communities
- **Global megatrends**
- **Industry challenges**
- **Internal risk management**
- **Research reports**
- **Peer reports**



Number	Material topic
1	Occupational health and safety
2	Environmental impact and climate
3	Energy efficiency
4	Local economic development
5	Food security
6	Human capital and D&I
7	Ethics and integrity
8	Water stewardship and waste management
9	Sustainable technology

Contributing to the US SDGs

	What we do	Quantifying our contribution		SDGs
Feeding the world and providing world-class employment opportunities in our communities	• Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality, resulting in improved food availability and improved diets. • Providing direct and indirect employment opportunities with commitment to maximize local employment and developing their skills; we consistently rank in the top quartile of annual compensation across our locations. • Good workplace practices as described in our Code of Conduct and other policies promotes a safe and encouraging workplace, diversity, and equal opportunity.	**100%** Top quartile compensation at all locations **6.6mt** Product sold	**2,680** Employees **0.28** TRIR performance is 77% better than peers as reported by IFA	5 Gender Equality 1 No Poverty 2 Zero Hunger 8 Decent Work and Economic Growth
Producing blue/ green ammonia to drive the energy transition	• Strong midstream and downstream contribution to decarbonization through promoting the use of green/blue ammonia as a hydrogen carrier, clean fuel, and decarbonized input for downstream industrial processes.	**3** Shipments of blue ammonia sold	**1.2mt** Blue/green ammonia under development or evaluation	7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 13 Climate Action
Minimizing environmental impact through continuously investing in best-in-class technologies and operational excellence	• Maintain safe, environmentally responsible production sites that aim to protect local environments and communities. • Maintaining state-of-the-art production facilities, coupled with the positive impact of our blue/green ammonia portfolio and our efforts to decarbonize our urea capacity, allows us to minimize our emissions and consequently reduce our impact on climate change. • Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water.	**3.14** GHG intensity	**3.27** Water consumption intensity	6 Clean Water and Sanitation 12 Responsible Consumption and Production

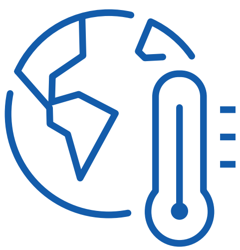
3

Sustainability & CSR

Environment

Global industry megatrends

We monitor key global megatrends that impact our business along with their associated risks, challenges and opportunities in order to inform our strategy, better serve our customers, and develop the tools, products, and services that promote sustainable farm and fuel practices to holistically improve our global environmental and social impact.

Key megatrends	Key risks and challenges	Key opportunities
Food security 	• Risk of current agricultural systems not producing enough food by 2050, while minimizing potential of deforestation and protecting ecosystems. • Finite availability of arable land coupled with soil degradation increases risk of deforestation and biodiversity loss. • Global shifts in dietary preferences may result in changes to crop production and agricultural patterns.	• As a leading producer of ammonia and urea and the world's largest exporter of ammonia and urea combined, we are well positioned to promote the efficient use of nitrogen fertilizers and best practices. • This ensures soil health, high yields, re-forestation, and proper irrigation to minimize water stress, maximize Nutrient Use Efficiency, and minimize nutrient losses to the environment (air, groundwater, surface water).
Climate change 	• Impact of changing weather patterns, and extreme weather events on supply chain and farming seasons. • Global push to decarbonize to mitigate climate change. • Water stress both as a result of climate change and demand growth from human and industrial consumption.	• We are focused on growing our blue and green ammonia capacity as a key driver of the energy transition, as well as a sustainable solution for our non-agricultural customers. • We are developing more efficient ammonia and urea for agricultural use, e.g.: low-carbon variants, inhibitors, and de-nitrification solutions. • We also have the capability to produce nearly 0.5 million metric tons per year of DEF, which eliminates harmful vehicle exhaust emissions • We are also increasing our renewable energy use to reduce our dependence on carbon-emitting fossil fuels in our production processes.

Climate change risks and opportunities

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
RT-CH-530a.1

Climate change presents us with physical and transitional risks. Our Enterprise Risk Management (ERM) framework equips us with the policies and procedures to facilitate the evaluation and management of risks across our organization. We assess and monitor the physical and transitional risks presented by climate change as one of our primary risks, and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change. We also consider SASB Chemicals Sustainability Accounting Standards along with TCFD recommendations when assessing our climate-related risks. Please refer to pages 75-85 for a detailed explanation of our ERM framework, executive and board responsibilities, and descriptions of our other primary risks and mitigation strategies.

Physical risks

Extreme weather events | **Water stress** | **Changing weather patterns** | **Rising global temperatures** | **Rising sea levels** | **Regulatory changes** | **Cost to transition to lower emissions technology** | **Dietary shifts**

Physical risks caused by rising global temperatures include extreme weather events (droughts, floods), changing weather patterns, increased water stress, and rising sea levels. These events and changes can impact our supply chain, disrupt planting cycles and growing conditions, and impede farmers' ability to apply crop nutrients.

Transitional risks associated with transitioning to a lower-carbon economy are primarily related to (i) changes in carbon-linked regulations and policies, such as the proposed European carbon border adjustment mechanism, and other potential carbon taxation mechanisms, (ii) costs associated with transitioning to lower emissions technology and resource efficiency, and (iii) dietary shifts to more plant-based nutrition.

Potential impact

- Rising insurance costs and lower pay-outs
- Unplanned downtime
- Interruption to supply chain

- Changing weather patterns impacting factors such as water supply and farming patterns
- Commodity price volatility

- Higher capital expenditure and technology development risk to transition to lower emissions technologies
- Higher or new taxation measures on carbon-related products

- Changes to crop demand to accommodate dietary shifts to more plant-based nutrition
- Risk of strategic projects not receiving adequate regulatory support or not capturing anticipated benefits

Fertiglobe's resilience: mitigants and opportunities

- **Decarbonization pathway:** we are pursuing a decarbonization strategy as described on pages 49-57.
- **Blue and Green ammonia:** we are developing our blue and green ammonia capacity to accelerate our path to decarbonization, as described on pages 54-57.

- **Water efficiency:** we are focused on continuously improving our water efficiency and use of seawater, as described on pages 59-62.
- **Low carbon urea:** we are developing lower-carbon urea to help reduce farming emissions while continuing to provide a key nutrient to maximize soil health and feed the crops that are favoured by global dietary shifts, described on pages 54.

Our approach to climate change

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
TCFD Metrics & Targets (a)

As a producer of ammonia and urea, we generate greenhouse gases along our value chain. However, our products are essential to meet the global challenges of food security, decarbonized industrial processes, and cleaner fuel solutions by playing a key role to achieving climate neutral food, fuel, and feedstock for production processes. Our products are essential to achieving the crop yields necessary to meet global food demand. Ammonia is also one of the the most promising products to enable the energy transition.

Accordingly, through their respective cycles, our products contribute positively to the fight against climate change by aiding the sequestration of carbon in farming, land reclamation, and the elimination of transport emissions. We are unequivocal in our goal to reduce our environmental impact wherever possible and we have invested heavily in achieving this by both minimizing our environmental footprint through continuous investment in state-of-the-art technologies to maintain one of the world's youngest and most efficient asset fleets and maximizing our development of greener products through our blue/green ammonia platform and our DEF production capabilities.

We are committed to reducing our carbon footprint and are focused on reducing our scope 1 and 2 greenhouse gas emissions intensity in line with our majority shareholder's targets. This highlights our commitment to reduce our climate impact throughout our value chain such as further improving our production processes and feedstock sources, supply chain efficiencies, and product innovations. We aim to achieve these improvements through a comprehensive climate strategy that includes investing in cleaner technologies and projects, recycling and reusing resources, and cooperating with all our stakeholders, industry peers, governments, and other institutions in the fight against climate change.

Hydrogen is critical to achieve carbon neutrality

Governments have set targets for the 1.5-2°C pathway, requiring a significant reduction in global CO_2 emissions. Clean ammonia and hydrogen will allow a broad range of decarbonisation opportunities, including, among others, reductions in the emission from marine fuel, power generation, transportation, construction, and agriculture.

Contribution by segment

Fertiglobe can help facilitate GHG reductions in industries that make up 80% of current emissions.

Our approach to climate change continued

Ammonia is well positioned to capture the hydrogen opportunity

With >40% of grey hydrogen use today, ammonia is a building block in the emerging hydrogen economy

Hydrogen Council expects significant growth in the green hydrogen economy

H_2 demand supported by drop in production costs and regulatory push to address climate change.

NextGenerationEU (EU's €808bn post-COVID recovery fund) aims to make EU economy greener and more resilient.

EU has committed €37bn of funding to promote Green H_2 in Southern Mediterranean (including Egypt and Algeria) between 2021-2027.

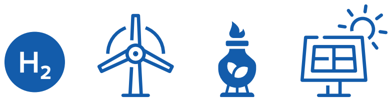
US passed $1.2tn Infrastructure Bill which includes incentives for hydrogen and CCS projects.

Japan aims to build a 'hydrogen society' by 2030 and **achieve carbon neutrality by 2050.**

India's government is considering to **require refiners and fertilizers to use green hydrogen from 2023, paving the way for a major acceleration in the nation's hydrogen economy.**

Several governments announced hydrogen subsidies and grant programs, such as **Germany's H2Global initiative for green hydrogen imports,** consisting of a €2bn strategy to support electrolyzer projects abroad.

Hydrogen use as feedstock



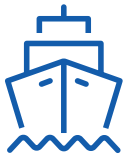
Conventional feedstock:

- **Grey H_2** produced via conventional fossil fuels.

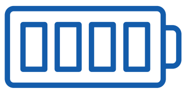
Low carbon feedstock:

- **Blue H_2** from fossil fuels with CO_2 captured and stored.
- **Biogas** from waste sources.
- **Green H_2** from electrolysis via renewable sources (solar and wind).

Blue/Green ammonia use as H2 carrier, as clean fuel and as battery to store H_2



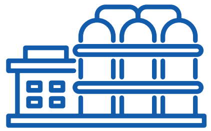
Blue/Green ammonia can be used as H_2 carrier and clean fuel



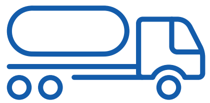
Ammonia used in batteries to store H_2

Broad range of decarbonisation possibilities

Marine



Power generation



Transportation

Agriculture

Construction

Fuel cell vehicle

Industry

Textiles

Our sustainability strategy

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
TCFD Metrics & Targets (b) (c)
RT-CH-110a.1
RT-CH-110a.2

Our GHG intensity reduction strategy

We are subject to our majority shareholder – OCI's – long-term GHG intensity reduction target **to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 20% by 2030 and aim to achieve carbon neutrality by 2050**, which is a significant step towards aligning to the 2˚C pathway and the Science Based Target Initiative's (SBTi) recommendations. We have spent considerable time developing a roadmap to achieve these targets, consisting of both short-to-medium term and long-term value-enhancing initiatives offering sustained environmental and operational benefits.

2019 was chosen as the base year in line with the Science Based Target Initiative's (SBTi) recommendations, and includes a full year of emissions from Fertil despite consolidating Fertil in the fourth quarter of 2019. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

Emissions reduction through operational excellence.

Our operational excellence program includes a strong focus on reliability, energy efficiency and capital performance, which will be achieved through short-to-medium term quick wins at no or low capital expenditure requirements while simultaneously generating incremental production upside.

Emissions reduction through new strategic lower carbon initiatives at attractive capital costs.

We also aim to achieve emissions reduction through new strategic, lower carbon initiatives that follow the transition pathway of grey to blue to green, capitalizing on both new and established technologies such as waste gasification, CCS, purchased blue and green hydrogen, and switching our facilities to renewable energy sources (RES).

How we calculate GHG intensity

Emissions boundaries

Gross Scope 1 and 2 greenhouse gas emissions, stated in carbon dioxide equivalent terms, calculated using the EU ETS methodology. This means that the CO_2 used in the production of urea and other downstream processes, which is defined as Scope 3 as per the GHG Protocol is included. By including the CO_2 that goes into downstream processes, we eliminate the fluctuations that may occur when we make any changes or experience downtime in our downstream product mix and present a transparent view of the CO_2 produced when making ammonia. This also better aligns us to the SBTi's methodology.

Production boundaries

Gross ammonia production on a nutrient-ton basis. We believe this most accurately reflects the nitrogen content of our production portfolio, eliminates the possibility of double counting urea production and normalizes for annual fluctuations in our product mix.

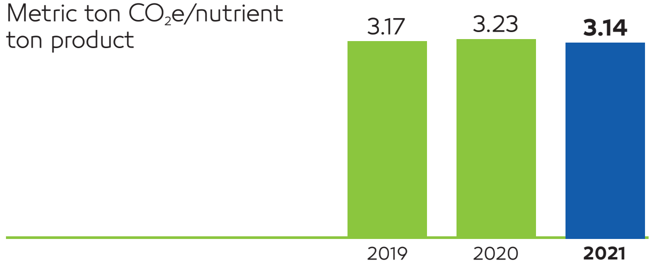
Our sustainability strategy continued

2021 energy and air emissions scorecard

GHG Emissions and Energy Use	Unit	2019	2020	2021
Energy (Ammonia)				
Energy consumption	TJ	149,870	**145,845**	**147,252**
Energy intensity	GJ / metric ton gross production	40.34	**40.64**	**39.54**
Energy (Consolidated)				
Energy consumption	TJ	164,745	**161,787**	**164,379**
Energy intensity	GJ / ton gross product	20.28	**19.79**	**20.52**
Emissions to air				
GHG emissions (Scope 1)	million tons of CO_2e	5.87	**5.49**	**6.09**
GHG emissions (Scope 1 – CO_2 to Downstream)	million tons of CO_2e	3.44	**3.66**	**3.20**
GHG emissions (Scope 2)	million tons of CO_2e	0.39	**0.39**	**0.35**
Total GHG emissions (Scope 1 + 2 EU ETS)	**million tons of CO_2e**	**9.69**	9.53	9.64
GHG intensity (Scope 1 and 2)	ton CO_2e / N-ton	3.17	**3.23**	**3.14**
NOx	metric tons	1,764	**2,364**	**2,098**
N_2O	metric tons	0	**0**	**0**
SO_2	metric tons	128	**131**	**108**
VOCs	metric tons	34	**32**	**22**

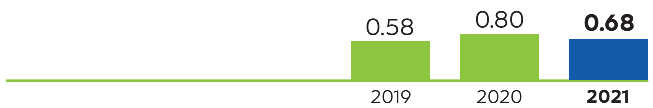
Greenhouse gas intensity

Metric ton CO_2e/nutrient ton product



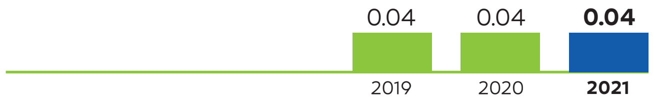
NOx intensity

Metric ton NOx/thousand nutrient ton product



SO_2 intensity

Metric ton SO_2/thousand nutrient ton product



Contribution to SDGs

Our sustainability strategy continued

Operational excellence

We are committed to excellence in every aspect of our organization. Our groupwide Operational Excellence program is founded on three key pillars:

Process safety & reliability

Energy efficiency

Costs optimization

Through this program, we continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and maintain our industry leading health and safety records. Operational excellence is integral to optimizing energy efficiency, which in turn is necessary to minimizing our scope 1 GHG emissions as the bulk of our scope 1 GHG emissions are emitted when we consume natural gas to produce ammonia. Our assets hold global certifications recognizing the quality of our environmental management processes, such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and RC 14001 Responsible Care Management System, on which employees are also trained. We are compliant with the applicable environmental regulations at each of our locations.

Continuous reliability and process improvements

We continuously assess and make improvements to our plant processes, turnarounds and maintenance stops. This both helps maximize asset reliability and reduce planned and unplanned downtime, which can result in higher GHG emissions than normal during plant start-ups.

Waste heat capture and recovery

The waste heat and steam systems in all our plants are highly integrated and we endeavor to use all heat within our processes to make use of energy in the most efficient way possible.

Renewable energy

The primary feedstock and fuel at all our production facilities is natural gas, which represents approximately 95% of our total energy use, and is predominantly used to produce ammonia. We are reviewing our energy and feedstock purchases with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks. We believe we are well positioned to capitalize on global low and no-carbon hydrogen opportunities given our unique geographic positioning, which we believe will allow us to significantly decarbonize our production processes in the future.

CO_2 capture and recycling

Our production facilities emit greenhouse gases directly from the conversion of natural gas into our products, and indirectly through the generation of purchased electricity and steam. We diligently work to minimize our CO_2 emissions by investing in reduction technologies and recycling CO_2 within our downstream processes. We are also exploring carbon capture and storage (CCS) opportunities. In 2021 we captured 3.2 million metric tons of CO_2 by using it in our production processes.

Our sustainability strategy continued

Product innovation

We are committed to developing products and initiatives to provide cleaner and more sustainable solutions to our customers. We aim to grow the share of low carbon products in our portfolio, which include blue and green ammonia, lower-carbon urea, and diesel exhaust fluid.

Blue and Green ammonia

If global ammonia production switches to green feedstocks, green ammonia could reduce global GHG emissions by more than 1%, and would provide significant further decarbonization opportunities for multiple industries. Green ammonia has multiple carbon-free uses, including as fertilizer, fuel, chemical feedstock or source of energy storage. Please refer to page 34 for more information on our various blue and green ammonia initiatives.

Diesel Exhaust Fluid (DEF)

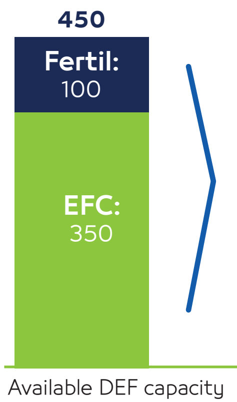
We have the capacity to produce 450 thousand metric tons per year of DEF, which we believe is a highly attractive growth market globally. DEF is a urea-based solution that is added to Selective Catalytic Reduction (SCR) engines to eliminate NOx and particulate emissions created in diesel exhaust, with the added advantage of improving vehicle fuel economy by approximately 5% and using diesel fuel more efficiently. DEF is typically priced at a premium to urea.

Regulations in the US, EU and China are driving demand growth by requiring the replacement of older vehicles, particularly heavy-duty trucks, coupled with higher dosing rates in newer generation diesel engines. We see this as being the only viable option for emissions abatement for truck and rail in the foreseeable future as the switch to electric vehicles has proven to be unsuccessful to date for heavy duty trucks or farm vehicles due to poor power-to-weight ratios. Our potential target markets include the Middle East, India and European Mediterranean.

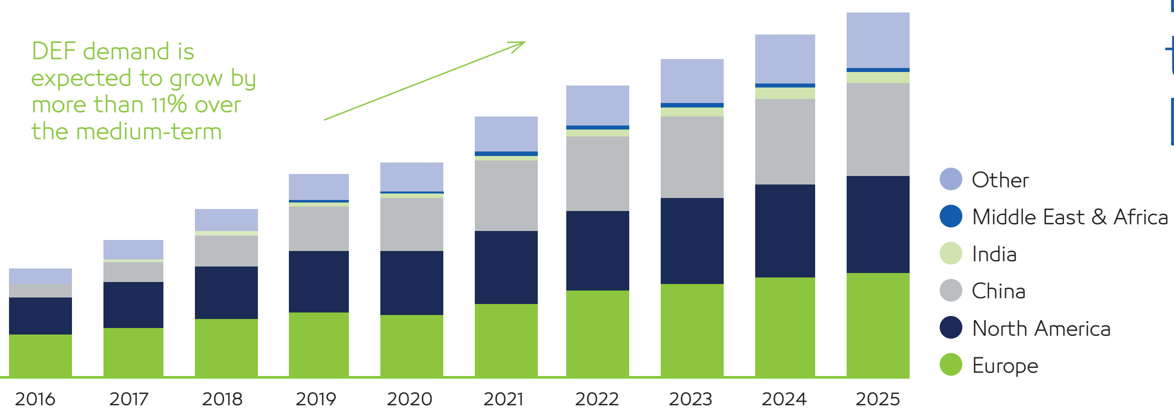
Inhibitors and Controlled Release Fertilizers

Farming activities account for over 50% of GHG emissions in the nitrogen fertilizer value chain. We are evaluating the introduction of urease and nitrification inhibitors as well as other controlled release coatings to our urea, which have the potential to reduce scope 3 N_2O emissions by at least 24%.

Available DEF capacity
Million metric tons



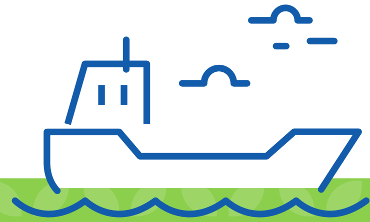
Historic and forecast global DEF consumption,
Million metric tons



Fertiglobe has DEF capabilities to serve growing DEF demand

Our sustainability strategy continued

Case study



Reducing emissions in the ammonia value chain

Shipping currently accounts for approximately 3% of global CO_2 emissions but is one of the hardest sectors to decarbonize due to the current economic cost effectiveness of heavy fuel oil (HFO).

The International Maritime Organization (IMO) has set emissions targets that can only be achieved through the adoption of low-carbon fuels on new and existing vessels, and the EU is pushing to include shipping in the emissions trading system (EU ETS) with binding requirements to reduce CO_2 by more than 40% by 2030. This push to decarbonize shipping is driven throughout the industry's value chain, with major consumer facing companies, including Amazon, Ikea, Inditex and Unilever, pledging to decarbonize their freight by moving cargo on ships using zero-carbon fuels by 2040.

Of the various alternative low carbon fuels available, ammonia is one of the only practical alternatives for long-distance shipping. Green ammonia is particularly promising as it can be produced from solar and wind resources without emitting any carbon. The ammonia engine on the vessels emits zero CO_2, zero sulphur oxides (SOx) and the traces of NOx present in the flue gas can be neutralized to water and dinitrogen by up to 99%. This makes a green ammonia fueled ship a zero-emission ship. Without carbon priced in, the grey and blue ammonia pathways are very close to cost parity compared to HFO. Using blue ammonia in a ship would start the decarbonization pathway with an improvement potential of more than 50% GHG reduction.

Most importantly, with global infrastructure in place, these products can bridge the transition from 'grey' to 'green' until the industry has fully scaled up to products based solely on renewable energy sources. The maritime fuel market in HFO is expected to grow to approximately 430 million metric tons by 2050, translating in ammonia equivalents of 650 - 900 million metric tons. This is 4-5x current global production and >35x merchant ammonia traded volumes, representing a significant growth opportunity for Fertiglobe.

Contribution to SDGs

7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Source: 2021 Hydrogen Council report (adjusted for OCI analysis), MMSA, Fertilizer Week, IEA, Argus.

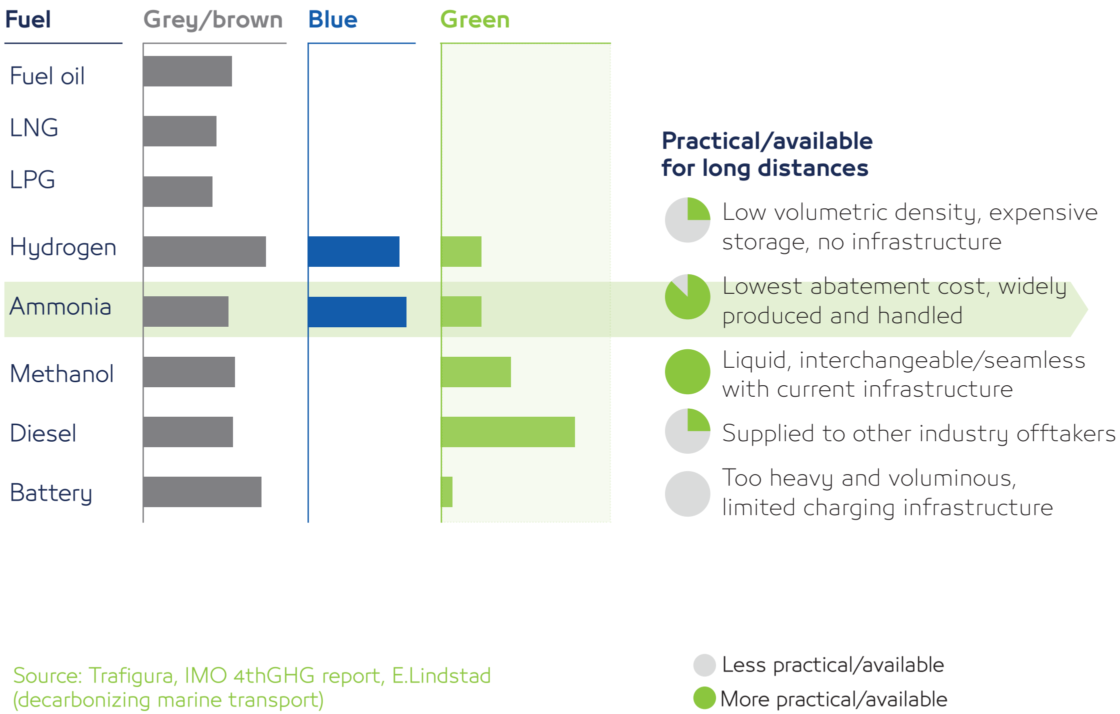
Our sustainability strategy continued

Case study

Reducing emissions in the ammonia value chain continued

Ammonia is one of the most viable fuels to decarbonize the maritime sector

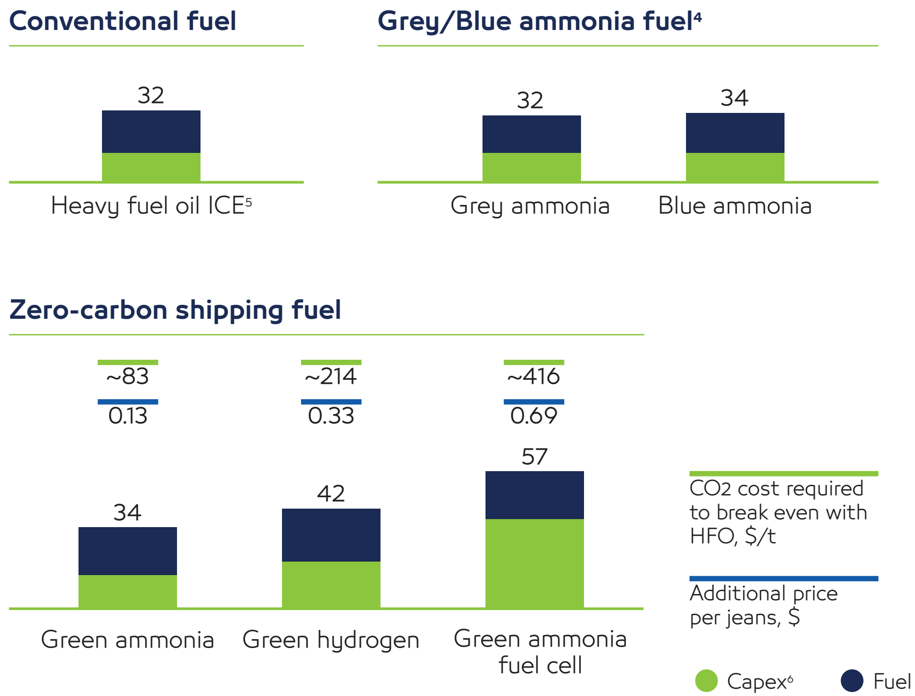
Emissions, CO_2 / MJ (indicative)



Source: Trafigura, IMO 4thGHG report, E.Lindstad (decarbonizing marine transport)

Ammonia expected to be the cheapest zero-carbon fuel for container ships in 2030[1]

$m p.a. for Container Ship[2,3] and Bunkering Location in the Middle East, 2030



Source: Trafigura, IMO 4thGHG report, E.Lindstad (decarbonizing marine transport)

Notes: [1] All figures converted from EUR to USD at spot FX as at September 2021 of US$1.188/EUR. [2] 67 MW ship, TEU = 13,000-15,000, sailing distance of 84,200 nautical miles/year. [3] Price assumptions: HFO: 740 $/t, Grey ammonia: 350 $/t; Blue ammonia: 370 $/t; Green ammonia: 385 $/t; Green hydrogen: 2,800 $/t. [4] Compared to HFO. [5] ICE refers to Internal Combustion Engine, fuel price average between IEA (850 $/t and hydrogen council report at 630 $/t). [6] Including opportunity costs from increased space requirements compared to HFO ICE engine as well as larger tank sizes due to low volumetric density of hydrogen and ammonia.

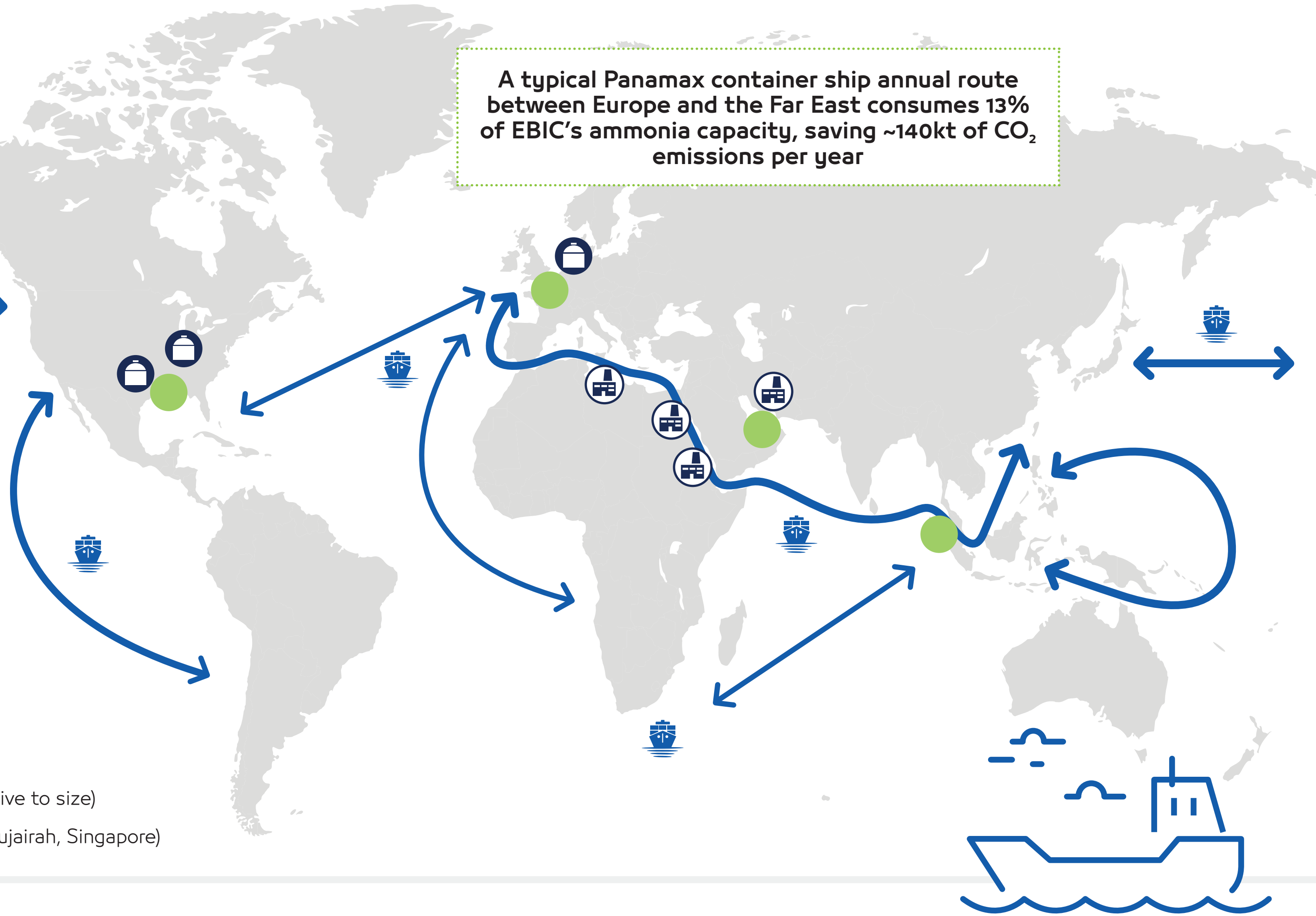
Our sustainability strategy continued

Case study

Reducing emissions in the ammonia value chain continued

Fertiglobe's Network Located at Key Bunkering Hubs on Major Shipping Lanes

- The existing footprint creates strategic potential for bunkering stations stopovers, with limited investment for ammonia fueled ship engines
- Leverages Fertiglobe's and OCI's position amongst global leaders in the production and trading of ammonia and ADNOC's global presence in the fuel / energy sector



Fertiglobe production plants

OCI NH_3 storage terminals

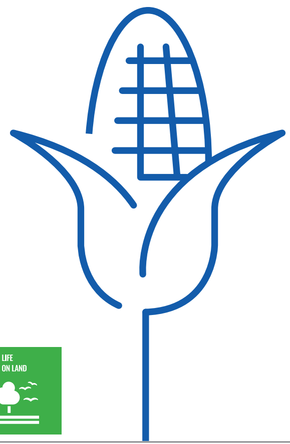
Container ship capacity deployed (width relative to size)

Major bunkering hubs (Houston, Rotterdam, Fujairah, Singapore)

Source: Hydrogen Council, MMSA, CRU, IEA, Argus, Strategy Consultant

Feed the world

We are committed to working towards global food security. Through various programs, we work with our customers around the world to maximize yields, strengthen crops, prevent soil degradation, promote sustainable agricultural practices, and accelerate growth to meet the world's rising food demands. We also work to ensure our products are used in a way which safeguards health, occupational and public safety and security, biodiversity, and the environment.



Contribution to SDGs

The world continues to face a significant challenge in ensuring a sustainable supply of food for our burgeoning global population, which is expected to reach nearly 10 billion people by 2050. This is expected to require a doubling of food production levels, all while arable land per capita is projected to decline by 55% by 2050. With growing populations and declining resources, crop yield optimization is imperative to meet our global food needs, while also minimizing the environmental impact of agriculture and fertilizer use.

Fertilizer use is essential to maximize yields, minimize soil degradation, and sequester carbon dioxide

Nitrogen fertilizers are the key nutrient for crop growth and development. High quality soil maximizes farm yields and ensures healthy crops, which in turn naturally sequester carbon dioxide to help fight climate change. Efficient farming through correct fertilizer application helps farmers maximize the use of existing farmland and reduces land sequestration. Fertiglobe's products help achieve sustainable agriculture by providing an effective and environmentally sound source of nitrogen. By using nitrogen fertilizers effectively, farmers can:

- grow more food on their land,
- reduce soil nutrient loss and improve soil quality, and
- reduce the need for new farmland to be sequestered, which therefore reduces GHG emissions by limiting deforestation.

Without annual application of nitrogen fertilizers to replenish soil nutrients, soil health is eroded resulting in lower yields and biodiversity loss amongst many issues.

Other environmental impacts

Biodiversity

None of our production facilities are located near protected areas or areas of high biodiversity, and we are not required to maintain a biodiversity management plan for any of our sites. We comply with all relevant regulatory requirements and environmental policies when assessing new projects, which would include environmental and biodiversity impact assessments wherever relevant.

Nitrogen fertilizer use helps improve agricultural efficiency, which protects biodiversity by maximizing yields of existing farmland thereby reducing the need to sequester new land for farming.

Other emissions to air

We have installed the necessary equipment at our facilities in line with our policy to minimize our environmental impact. Accordingly, we emit no nitrous oxide (N_2O) or nitrogen oxides (NOx), and minimal amounts of sulfur oxides (SOx), particulates, and volatile organic compounds (VOCs), as reported on page 52.

Water and waste: our approach

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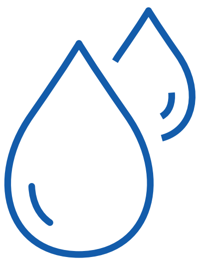
Water Management approach

As water is an essential but finite resource, we work diligently to maximize our water efficiency and are focused on reducing our water use wherever possible at all our sites. We primarily use water in our production processes for cooling, steam generation, or in our downstream aqueous products.

Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water. Most of our water consumption is recycled several times in closed loop systems to reduce our intake of freshwater wherever possible and use non-potable water sources such as treated water from industrial sources and seawater to reduce our impact. We have made significant investments to reduce our use of freshwater wherever possible, and we have installed desalination units to use seawater instead of freshwater at all our sites. As a result, our assets in Egypt source approximately 58% their water intake by using reverse osmosis units to desalinate non-potable water and our production facilities in Algeria and the UAE source 100% of their water intake from the sea.



Contribution to SDGs

Our goal is to become fully self-reliant on sustainable water sources and reduce our reliance on fresh water sources at all our MENA assets. Actions being taken to address water sustainability in Egypt include:

- Increasing our access to sustainable groundwater wells through local investments
- Investing in increasing capacity and efficiency of our on-site reverse osmosis units, treating and upgrading groundwater
- Investing in wastewater plants to re-use/re-cycle more water from the production process
- Continuing to make use of any water discharge to grow our land reclamation project

Withdrawal and discharge

We closely monitor our water withdrawals and discharges at every facility and ensure any discharged water is treated to meet applicable environmental requirements and safely discharged. We have invested in on-site pools to safely evaporate discharged water, or treat the collected water for irrigation, resulting in zero effluent discharge at EFC and Fertil. EFC is the only plant in Egypt to do this, with three ponds capable of holding a total of 15,000 cubic meters of water. Fertil has two ponds capable of holding a total of 24,800 cubic meters of water.

Our Egyptian facilities also benefit from interconnections allowing them to safely recycle water for use in production processes. Both EFC and EBIC have also implemented a wastewater treatment and re-use closed loop system for cooling water that reduces water intake by approximately 5%.

We meet or exceed all water quality regulations and permits through our water management and treatment processes to ensure we do not impact local water sources. Water management – including water quality – is a key element of our overall HSE and resource use management systems and is monitored by the Board of Directors.

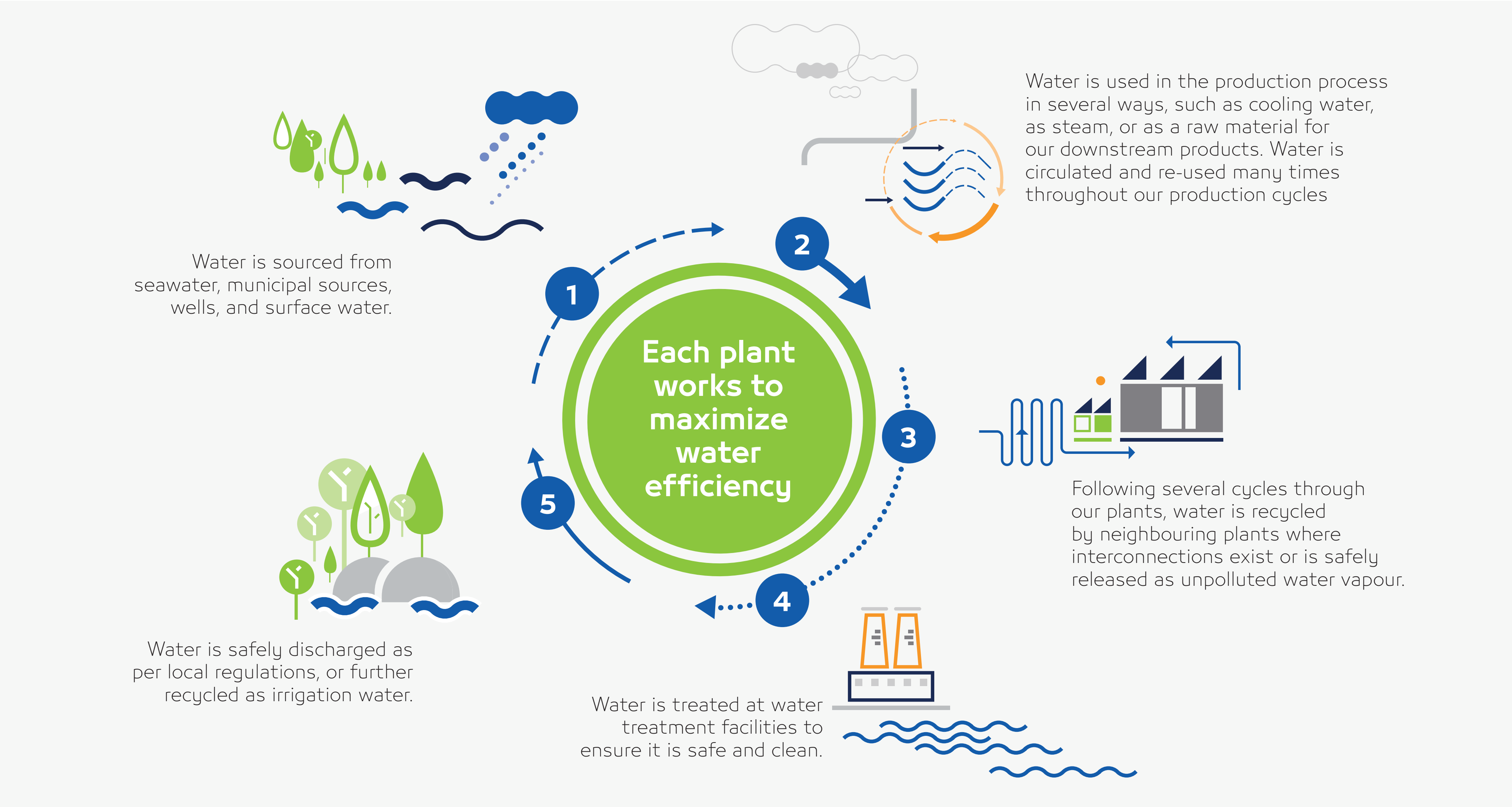
We continuously review our water management processes, our water use, and evaluate ways in which we can improve our water stewardship at every facility.

Waste, effluents, and spills

Our production processes produce limited by-products and are not waste intensive. Our distribution processes are primarily bulk shipments with minimal packaging required. Almost all the waste we produce is non-hazardous and primarily result from maintenance activities. Each facility monitors and minimizes its hazardous and non-hazardous waste through active waste management programs. The primary source of hazardous waste is spent catalyst, which is disposed of safely as per local regulations. We minimize potential waste leakage, effluents, or spills through primary and secondary containment systems that are regularly inspected. All processes undergo regular reviews by our HSE teams to identify and implement waste reduction opportunities where possible.

In 2021, our facilities reported 0 environmental incidents (EI), representing an environmental incident rate (EIR) of 0.ß.

Water and waste: our approach continued



Water and waste: our approach continued

Fertiglobe's goal is to become fully self-reliant on sustainable water sources and reduce its reliance on fresh water.

- Ongoing investments in reverse osmosis and seawater desalination units at all sites to increase their efficiency and capacity.
- Investing in wastewater plants to re-use/re-cycle more water from the production process.

Fertil and EFC have constructed irrigation and evaporation ponds with a capacity of 24,800 m³ and 15,000 m³, respectively, to reach zero effluent discharge of byproducts resulting from the urea manufacturing process.

73% of Fertiglobe's total water intake is from seawater.

58% of water intake for Fertiglobe's assets in Egypt is non-potable water sourced through reverse osmosis units.

100% of water intake of Fertiglobe's assets in Algeria and UAE is sourced from the sea.

5% reduction in water intake at each of EFC and EBIC, resulting from the implementation of a wastewater treatment and re-use closed loop system for cooling water.

39 mtpa of carbon dioxide sequestrated through 50 acres of forestry planted by EFC near the Egyptian desert.

50 acres of forestry, planted by EFC, are irrigated through EFC's irrigation ponds contributing to essential land reclamation in the Egyptian desert.

Water and waste: our approach continued

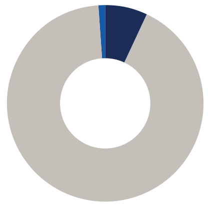
2021 water and waste scorecard

	Unit	2019	2020	2021
Effluents and waste				
Hazardous waste reused, recycled or recovered	Thousand metric tons	0.41	0.14	0.17
Hazardous waste treated or disposed of	Thousand metric tons	0.58	0.90	1.08
Non-hazardous waste reused, recycled or recovered	Thousand metric tons	0.65	0.30	0.62
Non-hazardous waste treated or disposed of	Thousand metric tons	1.75	2.75	0.60
Water*				
Total intake by source	Million cubic meters	**66.21**	**65.29**	**63.33**
Groundwater	Million cubic meters	9.83	9.94	9.86
Seawater	Million cubic meters	49.43	48.00	46.21
Surface water	Million cubic meters	6.95	7.35	7.26
Third party water	Million cubic meters	0.00	0.00	0.00
Total water discharge by destination	Million cubic meters	**44.03**	**40.72**	**33.77**
Groundwater	Million cubic meters	2.49	2.45	2.35
Seawater	Million cubic meters	41.17	37.88	31.05
Surface water	Million cubic meters	0.00	0.00	0.00
Third party water	Million cubic meters	0.37	0.39	0.37
Water Stress				
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	100%	100%	100%
Water consumed in regions with High or Extremely High Baseline Water Stress	%	100%	100%	100%
Environmental incidents				
Environmental incidents	#	0	0	0
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0	0	0

Contribution to SDGs

2021 water intake by source

2021 water discharge by destination



47%
Water consumed, reused, or recycled

3.34
Million cubic meters of total water re-used or recycled

73%
Water intake from seawater

-1%
YoY reduction in water intake per ton

* Excludes seawater used for cooling at FERTIL in a 'once-through' system, where seawater intake volumes flow through heat exchangers and are safely discharged uncontaminated back to the sea.

3

Sustainability & CSR
Social

How we create value for our communities

Our operations directly and indirectly create significant economic opportunities for our communities in both developed and developing countries through payments for goods and services, job creation, improved farmer productivity, taxes, research and development, and donations to develop the communities in which we operate.

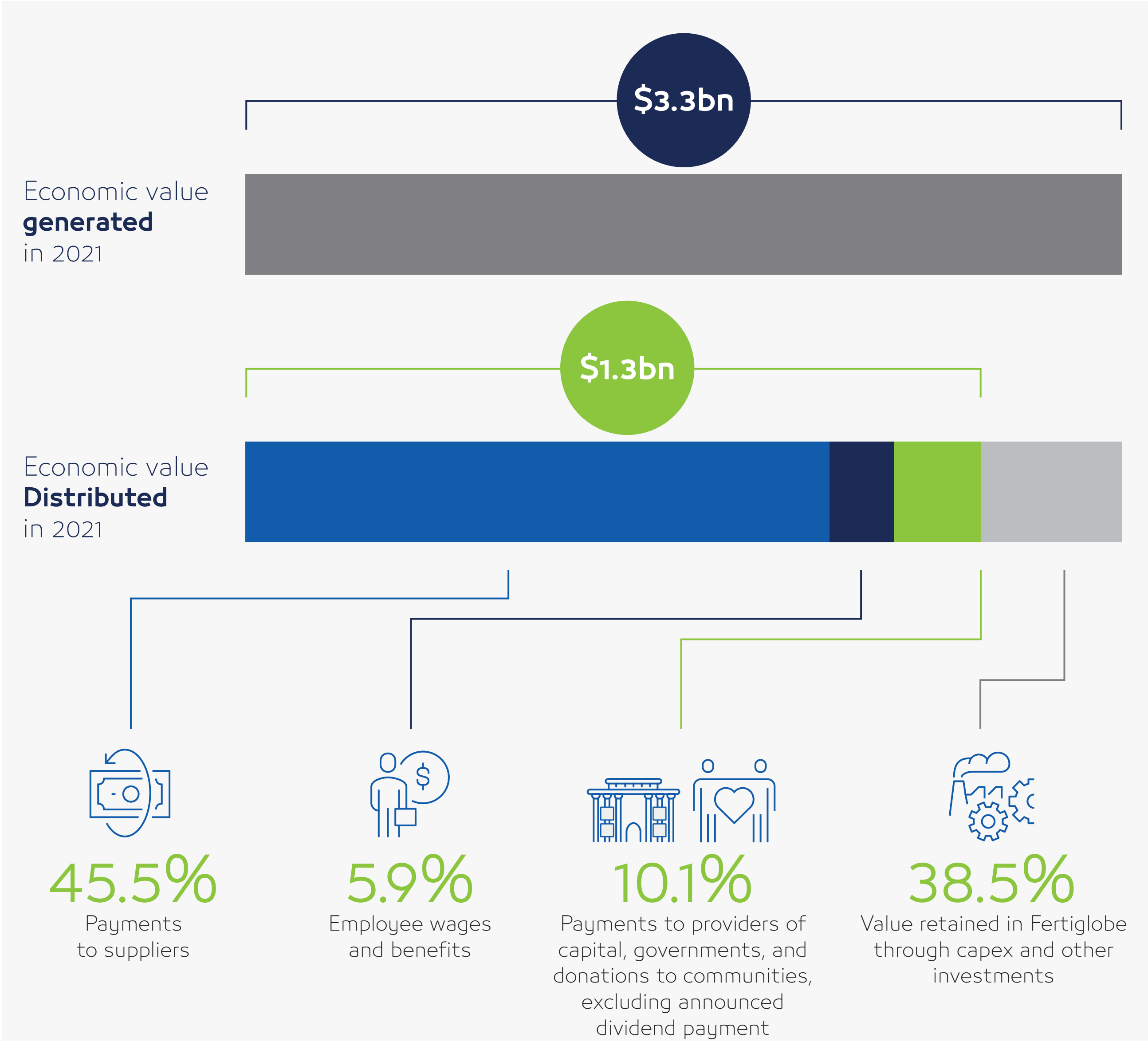
In 2021, we created $3.3 billion in value, of which 61.5% was redistributed. The balance was reinvested in Fertiglobe, primarily as capex, and will be distributed in the form of an interim dividend of AED 0.15 per share, or c. $340 million for H2 2021.

A tailored CSR approach to each community

As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally. Accordingly, we have cultivated local social development programs tailored to the specific needs of each of our communities to maximize the impact of our donations. In addition to our sponsorships and financial contributions to various causes, our employees personally invest their time in our local communities by participating in fundraisers and volunteering at events.

We endow time and resources into the entire education value chain with a focus on Science, Technology, Engineering and Mathematics (STEM), by donating school supplies to children in need, participating in school visits and science fairs, and providing on-site training opportunities. We have dedicated programs at each of our locations to encourage young local talent by providing on-site and virtual training and internship opportunities in various technical and non-technical functions.

Contribution to SDGs



A tailored CSR approach

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Encouraging young local talent

Sorfert promotes STEM education through various programs, including participating in school visits and science fairs, funding local scholarships, and providing training and internships opportunities.

During the year, 108 university students trained on-site for two to four weeks, and 40 trainees were enrolled into a 30- month apprenticeship program that provides comprehensive training and development in various technical and non-technical departments.

Encouraging young local talent

Fertil's College Students Internship Program serves the community by providing experiential learning opportunity for college students through practical applications and skills development.

Despite limitations imposed by COVID-19, during the year 23 university and college students participated in a virtual 6-12 week program with an assigned Fertil employee coaching them for the duration of their internship. Students interned various functions, including operations, electrical, HSE, IT, finance, communications, and HR.

Empowering Egyptian farmers

In partnership with the Sawiris Foundation for Social Development (SFSD), we work to ensure beneficiaries become self-sufficient and are able to earn a sustainable income through an education program focused on sustainable farming practices, with the aim of enhancing environmental protection, growing production, and increasing farmer profitability. The partnership's outreach program complements an SFSD program that was launched specifically for agricultural development in Egypt.

Contribution to SDGs

1 NO POVERTY
2 ZERO HUNGER
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Our employees

Our approach

Our people are fundamental to our success. We strive to create a safe and encouraging workplace where there is mutual trust and respect towards and amongst employees. We promote excellence in every aspect of our operations by investing in our people to foster their development and encourage their passion to excel.

A local employer, globally

We are proud to have cultivated a strong community focused identity as a local employer with 2,680 employees around the world. We have a commitment to maximize the use of local resources whenever possible by drawing local people into our company and developing their skills, and by choosing local partners where possible to supply materials and other services.

Living wage

We are mindful of the importance of ensuring that all employees are compensated and have crafted our local compensation frameworks using each country's living wage as the baseline. We believe that when an employee can afford their family's needs including discretionary income, they are more motivated to succeed. We consistently rank amongst the top quartile of employers by annual compensation in each of our communities.

In addition to top quartile compensation, we offer all employees, including part-time employees, a range of benefits, including but not limited to health insurance, retirement plans, parental leave, and other non-financial benefits in line with local employment laws.

Contribution to SDGs

1 NO POVERTY | 2 ZERO HUNGER | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

Diversity and inclusion

Our employment strategy has resulted in a diverse workforce encompassing 21 nationalities, with multiple ethnicities, religious beliefs, cultures, ages, and other traits working together respectfully and with a shared sense of purpose.

Our Code of Conduct requires all employees to act with honesty and integrity to foster a business environment that protects the rights and interests of all stakeholders. Our Code of Conduct also highlights our zero-tolerance policy for any form of harassment or bullying. Employees are required to treat all individuals with respect, tolerance, dignity, and without prejudice to create a mutually respectful, collaborative, and positive working environment. We do our utmost to provide employees with a safe environment to address any issue directly with management, and through our Whistleblowing Policy we also provide a confidential procedure to raise any concerns, instances of discrimination, and other breaches to our Code of Conduct.

We are committed to fostering an inclusive culture and have launched a groupwide D&I program, which aims to ensure fairness, equality, and diversity in recruiting, compensating, motivating, retaining, and promoting employees. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization. We have set internal benchmarks and targets to improve our recruitment processes, conduct de-biasing training, provide sponsorship and mentorship of minority employees, and develop employee networks that help them succeed. Despite limitations on hiring during the COVID-19 pandemic, female employees increased by 5.5% during 2021. We focused on increasing female representation in technical roles, which improved by 24% year-on-year. Approximately 17% of leadership positions across the organization were held by women, and female representation on our Board of Directors is 9%. We will continue to work towards increasing gender diversity while continuing to hire or promote based on merit.

Talent development, succession planning, and retention

We are committed to fostering an environment that encourages individuals to seek opportunities for professional growth and enrichment. We recognize the importance of training and development of new employees, improving the performance of experienced employees, and building future leaders. We invest in our employees through training and development programs focused on professional growth and enrichment. Opportunities are tailored to the needs of each employee, and can include on-the-job practical training programs, sponsoring higher education, mentorships and leadership programs for succession planning, and online courses.

We have a succession planning process in place for critical roles across the organization. This is key to talent retention and development, and to mitigating potential human capital risks by building internal bench strength across our organization. We continuously monitor and stimulate the development of our employees with the aim of building a robust leadership pipeline and aim to fill a meaningful percentage of key vacancies with internal candidates wherever possible.

Our employees continued

Unions and Works Councils

Our employees can join a union, works council, employee association, trade union, or similar labour organizations in line with local regulations. As such, approximately 30% of our total workforce is covered by collective bargaining or unions. We strive to maintain productive relationships with the labour organizations representing our employees and engage with them regularly.

Human rights and working conditions

We are committed to respecting and promoting human rights and safe working conditions.

We conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. This expectation extends to our suppliers and business partners, who are required to conduct their business according to the principles included in our Business Partner Code of Conduct.

These principles are based on global human rights standards, including the International Bill of Human Rights, the International Labour Organization's declaration on Fundamental Principles and Rights at Work, and the United Nations International Children's Emergency Fund (UNICEF). Accordingly, our suppliers cannot use forced or child labor, or engage in slavery or human trafficking.

These principles also form part of our Human Rights Policy, which falls within our Compliance Framework and aims to ensure that salient human rights issues potentially arising through our supply chain are tackled effectively. We perform customary due diligence to ensure our suppliers and business partners are compliant and have an anonymous reporting hotline where employees can report suspected violations throughout our supply chain.

Contribution to SDGs

1 NO POVERTY | 2 ZERO HUNGER | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

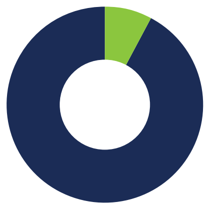
Our employee engagement priorities

- Diversity: increase gender diversity and inclusion across the group.
- Development: increase training and development opportunities for all employees.
- Dedication: maintain our low voluntary turnover rates at under 3%.
- Drive: provide employees with the resources they need to feel engaged, empowered, and driven to deliver.

Our human rights policy principles

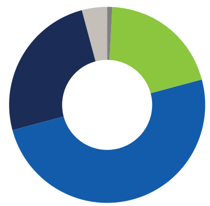
- No forced or child labor.
- No harassment or discrimination.
- Safe and healthy workplace.
- Fair compensation and living wage.
- Equal employment.
- Freedom of association and collective bargaining in line with local laws.

Gender

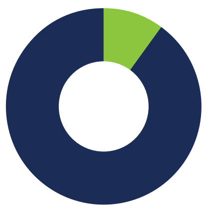


Location

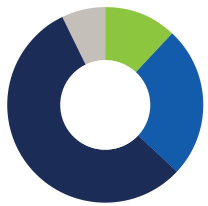
Age profile



New hires



Years of service



Contract type

Our employees continued

Working at Fertiglobe	Unit	2019	2020	2021
Employees*				
Total employees	#	**2,582**	**2,561**	**2,680**
Full-time	#	2,582	2,560	2,679
Part-time	#	0	1	1
Engagement and development				
Voluntary turnover rate	%	NPR	1.7%	1.6%
Employee absenteeism	%	2.3%	1.7%	1.5%
Employees covered by Collective Bargaining or Unions	%	30.2%	31.2%	30.0%
Average spending on training and development	$/employee	1,912	62	185
Compliance & Governance				
Incident notifications	#	NPR	NPR	10
Incidents investigated	#	NPR	NPR	10
Substantial cases	#	NPR	NPR	0
Anonymous notifications via hotline	#	NPR	NPR	2
Gender				
Women	%	7.8%	7.8%	7.8%
Women in technical roles	%	1.2%	1.4%	1.7%
Women non-technical roles	%	6.6%	6.3%	6.1%
Women on the Board of Directors	%	NPR	NPR	9.1%
Women in leadership positions	%	13.6%	16.8%	17.0%
Age profile				
under 25	%	1.4%	0.7%	1.0%
25-34	%	25.7%	16.3%	19.9%
35-44	%	48.4%	51.0%	50.3%
45-54	%	21.3%	26.8%	24.9%
55-64	%	2.9%	5.0%	3.6%
65+	%	0.3%	0.3%	0.4%
Years of service				
0-5 years	%	15.7%	11.6%	11.8%
6-10 years	%	36.1%	24.4%	24.9%
11-20 years	%	43.6%	57.8%	56.0%
21+ years	%	4.6%	6.2%	7.3%

NPR: not previously reported

2,680
Direct employees in 2021

5.5%
Increase in female employees in 2021

24%
Increase in female employees in technical roles

30%
Employees covered by collective bargaining or unions

1.6%
Voluntary turnover rates

21
Nationalities in our global workforce

$73k
Average employee annual compensation

17%
Percentage of women in leadership positions

Contribution to SDGs

Health and Safety

RT-CH-320a.2

Our approach focuses on the following HSE priorities:

1. **Commitment to zero injuries**
2. **Focus on operational excellence**
3. **Continuous improvement of our processes**
4. **Health and wellness of all employees**
5. **Product stewardship & chemical safety**

We believe that the health and safety of our employees is essential to the successful conduct and future growth of our business and are in the best interests of our stakeholders.

HSE governance, policies and standards

Our HSE Policy is approved by the Board, which is also responsible for supervising the group's overall HSE performance. The HSE Policy provides our sites, employees, and contractors with a set of standards and procedures based on industry standards and global best practices. Our HSE policies and standards apply to all employees and contractors, regardless of employment type.

Each facility additionally implements tailored initiatives and supplemental procedures to enhance their HSE standards depending on their specific needs and technologies, which are reviewed and approved by the Group HSE team.

HSE performance monitoring

The Group HSE team reviews and monitors all facilities' site-specific programs and performance metrics, which are implemented, maintained, and reported by each facility's management team in compliance with the HSE Policy. The Group HSE team also assists the sites in implementing the Fertiglobe HSE policy when required and reports each site's performance to the Executive Committee on a quarterly basis, which sets site specific targets annually. Fertiglobe's leadership team reviews each site's monthly HSE performance and trends with local site leadership during the monthly business review. In addition, HSE audits at each site periodically assess the implementation of Fertiglobe's HSE policy.

1. Commitment to zero injuries

Safety is a core focus in every aspect of our operations. Our goal is to achieve leadership in safety and occupational health standards across our operations by fostering a culture of zero injuries at all our production facilities, and continuously improving health, safety and environmental monitoring, prevention and reporting across our plants.

We have integrated this goal into our corporate values, and into the programs and policies of each of our production facilities. Safety is considered an integral part of plant operation, quality control, cost reduction and efficiency, and we are committed to providing resources to enable this.

Occupational safety

After a strong safety performance in 2020, we experienced more incidents year-on-year in 2021 resulting in a lost-time injury rate (LTIR) of 0.19 and a total recordable injury rate (TRIR) of 0.28. We take every incident seriously and have conducted full investigations and incident reports for each, sharing learning and best practices across the group after each incident in an effort to avoid repetition. We tragically suffered our first-ever fatality in April when a contractor at Fertil fell from a high platform. We are deeply saddened by this loss, which is a very significant example of the importance of preventive maintenance and of constant vigilance from all employees, and a full investigation was launched with learnings implemented across our sites.

While we are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by 76% since 2014, we do not take a decline in safety performance lightly. Accordingly, we maintain an awareness program and refresher sessions for all employees and contractors as part of our training program. We also reinforce our HSE standards among contractors, which have historically consistently suffered more incidents than our employees. We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors.

Health and Safety continued

RT-CH-320a.1
RT-CH-320a.2

Emergency preparedness

Every facility has emergency preparedness plans in place with emergency response teams on-site. The emergency preparedness plans and response teams are tested and trained regularly. All sites also align closely with local police, fire, and other emergency response providers to ensure the best possible response protocols are implemented. Facilities located on shared industrial sites also coordinate closely with the industrial site facilities management teams.

During the year, each site conducted Emergency Response drills and tabletop exercises as required by their local regulatory agencies.

2. Focus on operational excellence

We promote excellence in every aspect of our operations to ensure a safe and healthy work environment, protect our communities, and optimize operational costs. We continuously train all employees to implement the best sustainable practices and maintain our focus on operational excellence.

Process safety

We implement a process safety management (PSM) framework across our sites, which was developed based on international industry best practices and standards including the U.S. OSHA Process Safety Management regulations and AIChE Technology Alliance – Center for Chemical Process Safety (CCPS) information. Our PSM is further enhanced by case studies on industry incidents and lessons learned.

We track process safety incidents (PSI's) in three categories of severity and take all incidents very seriously. We achieved a PSI rate (PSIR) of 0.33 in 2021, below our internal target for the year but above last year's rate. None of the incidents were categorized as major and most incidents were related to minor leaks or releases of substances as a result of an equipment failure or operator error, all of which were immediately contained with no further impact. We continue to work diligently to reduce the number of PSI's at all our sites every year.

Global management and quality assurance standards

Our assets hold global certifications recognizing the quality of our products and management processes, including ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and OHSAS 18001 Occupational Health and Safety Management Systems. Other certifications include REACH.

3. Continuous improvement of our processes

We regularly assess our HSE management systems to ensure our processes enable operational excellence. We do so through internal and external HSE audits, insurance reviews, performance reviews, incident analysis, and groupwide knowledge sharing. We reward HSE excellence, encourage best practice sharing across our sites, and provide additional support wherever needed to ensure all sites meet or exceed our standards.

Groupwide knowledge sharing

We have set up several avenues to enhance and facilitate communication and knowledge sharing across our groupwide HSE community. Examples include:

- Weekly publication of a one-page HSE awareness article called the Gazette addressing various HSE subjects on a general level.
- Monthly groupwide safety calls to share learnings of occupational and process safety incidents and to initiative companywide improvement initiatives.
- All sites generate one-page flyers of incidents and near misses that are shared, and lessons learned with fellow colleagues during the monthly Process Safety Sharing Incident Teleconferences.
- Annual internal Process Safety conference, where various safety and risk assessment topics are discussed by our process safety experts from across our sites. The main topics in 2021 were leak prevention rules, best practices sharing from the sites' Process Safety Management program, and learning from sites' key safety incidents.

Health and Safety continued

RT-CH-320a.1
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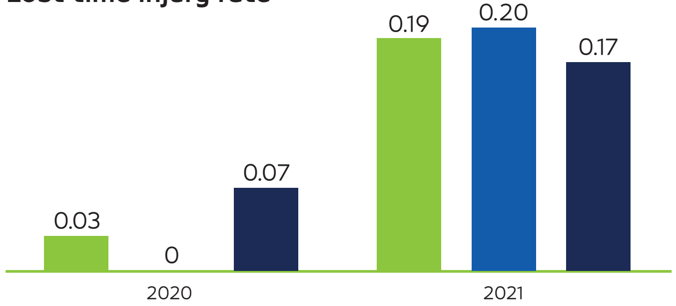
Plant certifications

Plant	ISO 9001	ISO 14001	ISO 45001	REACH	Others
EFC	✔	✔	✔	✔	• DEF added to ISO 9001
EBIC	✔	✔	✔	✔	
Fertil	✔	✔	✔		• ISO 50001 – Energy Management System • RC 14001 – Responsible Care Management System
Sorfert				✔	

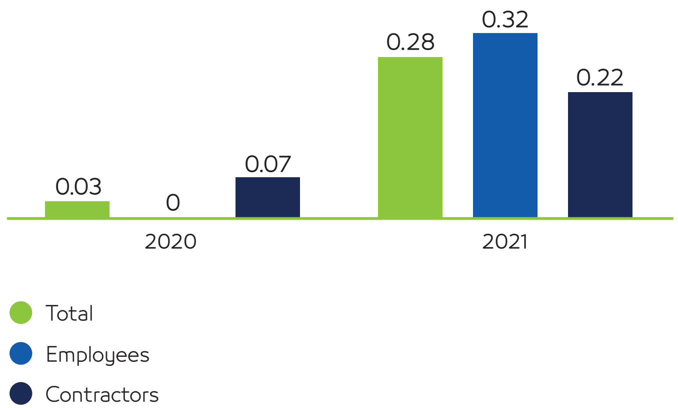
2021 safety scorecard

	Unit	2019	2020	2021
Safety				
Lost Time Injury Rate - total	Per 200,000 hours worked	**0.1**	**0.03**	**0.19**
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.08	0	0.20
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.12	0.07	0.17
Total Recordable Injury Rate - total	Per 200,000 hours worked	**0.19**	**0.03**	**0.28**
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.16	0	0.32
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.24	0.07	0.22
Fatalities	#	0	0	1
Process Safety Incidents	#	**3**	**7**	**14**
Process Safety Total Incident Rate	Per 200,000 hours worked	**0.07**	**0.19**	**0.33**
Significant process safety incidents	count	3	7	14
Major process safety incidents	count	0	0	0
Transport incidents	#	0	0	0

Lost time injury rate



Total recordable injury rate



Health and Safety continued

RT-CH-320a.2
RT-CH-410b.2
RT-CH-530a.1

4. Health and wellness of all employees

Occupational health and general well-being is part of our overall HSE management, and we implement wellness programs across the organization to ensure that everyone working at Fertiglobe remains healthy. A Fitness for Duty Process is set up to ensure that each employee can safely perform the essential physical and mental requirements of the job. A Health Risk Assessment Process is in place to estimate the nature and probability of adverse health effects to people by identifying the adverse health effects that can be caused by any exposure to any hazardous agent or the work environment.

5. Product stewardship & chemical safety

Product stewardship ensures that our products and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed, and used in a way which safeguards health, occupational and public safety, the environment, and which ensures security.

Approach

Product stewardship and chemical safety is supervised by the Board and subject experts from each facility contribute to risks assessments and internal audits of the HSE impact of our product portfolio.

We use the best available technologies to minimize our carbon footprint and implement the Product Stewardship guidelines developed by International Fertilizer Association (IFA) throughout our production processes to monitor and minimize our environmental, health and safety impact from feedstock to farmer. We comply with international standards as members of IFA, the Arab Fertilizer Association, and other associations.

We are committed to our obligations regarding any environmental and health regulatory aspects of the chemicals we handle, and we closely monitor regulatory and safety developments for all our chemicals. Our products do not include ozone depleting substances, persistent organic pollutants (POPs), polyaromatic hydrocarbons (PAHs), or polychlorinated biphenyls (PCBs) and do not contain any chemical classified by REACH, or equivalent regulation, as substances of very high concern (SVHC). We strive to substitute any identified SVHC as raw material or intermediate where possible and if a product cannot be substituted, we comprehensively assess the risk potential of the substance by weighing the degree of HSE risk and regulatory restrictions or classification, technical and financial feasibility of developing a substitute, and stakeholder concerns, amongst other considerations. We fulfil our obligations by enforcing strict process and occupational safety and product handling measures to minimize risks of exposure to health and to the environment. We carefully monitor and manage any chemicals of concern in our production processes in line with regulatory processes and our HSE, product stewardship, and chemical compliance policies and procedures. We are also assessing alternative substances and regulatory actions for these chemicals.

Safe product handling

We publish Safety Data Sheets (SDS) on our website for all our products and substances. We monitor and evaluate the environmental, health and safety data continuously and update the information published in the SDS section of our website regularly. SDSs provide safe handling, storage, disposal, and personal protection equipment (PPE) information and disclosure on potential health and safety effects due to exposure or mishandling. All SDSs and product labels comply with applicable laws and regulations, including but not limited to REACH, US EPA, CEPA, and CLP.

Stem cell technology, nanotechnology, genetic engineering, and other emerging technologies

We do not make use of stem cell technology, nanotechnology, genetic engineering, or any other emerging technologies.

Genetically Modified Organisms (GMOs) and neonicotinoids

We do not produce GMOs or neonicotinoids (pesticides), nor do we make use of the technology.

Animal testing

We do not conduct animal testing.

Health and Safety continued

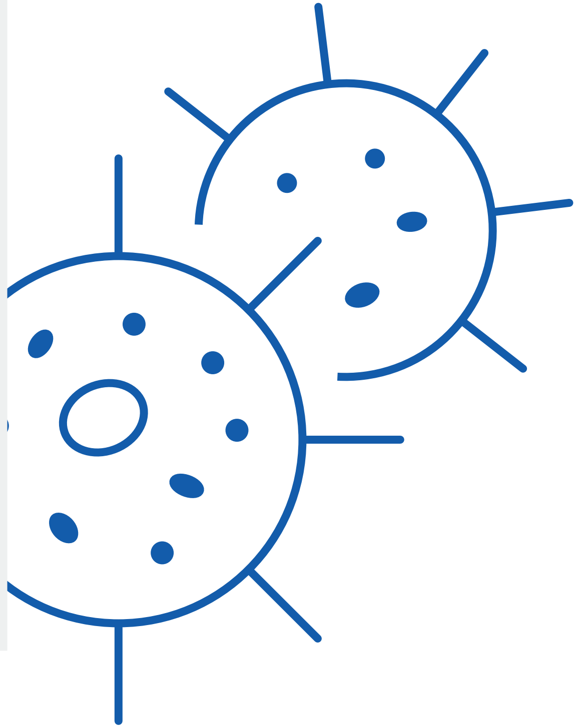
Case study

Our response to the COVID-19 pandemic

In March 2020, we implemented our emergency response protocol to ensure the safety of our employees and business continuity. We closely monitor developments and coordinate efforts across Fertiglobe to align plans and policies to appropriate response measures, ensure contingency plans are in place, conduct ongoing risk assessment and planning, provide corporate support, and keep employees updated with facts and company actions.

Since the onset of the pandemic, our business operations have continued without interruption, as our industries and our products have been designated as critical infrastructure by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. We have applied strict protective measures, including sanitation, personal protection equipment, social distancing and thermal testing prior to accessing any group locations. As our plants are heavily automated, essential on-site operating and logistics personnel can be limited and administrative and operational support personnel have worked remotely in order to maintain social distancing following governmental guidelines.

Although the long-term effects of COVID-19 are still unclear, our current outlook is that our financial and operating performance remains solid. We have operated our business in a remote working environment and could continue to do so for an extended period of time, if necessary. Developments in each jurisdiction are being closely monitored and protocols are flexible to allow for rapid adjustments as needed. The impressive resilience of our staff throughout the period gives all local management teams confidence to revert to a work-from-home policy again if needed, without interruptions to our operations and supply chain.



3

Sustainability & CSR **Governance**

Our approach to Sustainability Governance

TCFD Governance (a) (b)
TCFD Risk Management

Our corporate governance structure is designed in compliance with the requirements of the Securities and Commodities Authority (SCA), the Abu Dhabi Companies Regulations 2020, our articles of association, by-laws, and other applicable securities laws. All governance policies and procedures are published on our website. A full description of our corporate governance framework, Board composition, oversight and responsibilities, shareholders' rights, executive compensation and other governance topics can be found on in the Corporate Governance section beginning on page 89. Our Enterprise Risk Management (ERM) framework is described on page 77 and our approach to climate risk is described on page 48. Our Compliance framework, including our ethics and anti-corruption processes, is described on page 86.

ESG and Sustainability Governance

ESG and sustainability are imbedded into all aspects of our organization, including our strategic objectives, risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making.

Dedicated Board oversight

The Board of Directors has overall responsibility for Fertiglobe's strategy, business objectives, and risk management, including ESG and sustainability. This includes overseeing our approach to managing the risks and opportunities related to sustainability, climate change, and our environmental impact, and our reporting on these topics in the annual report and sustainability report.

Management of ESG

The Board has tasked Fertiglobe's leadership team with the management of ESG and sustainability, including the development and implementation of our ESG targets and strategy, supported by the Fertiglobe Sustainability Director.

Each production facility's leadership team is responsible for identifying and evaluating sustainability projects and opportunities, and report on their progress to the leadership team during the site's monthly business review. The Capex Committee reviews and approves sustainability-related capex with a view to balance our sustainability goals with our other commitments and investment returns thresholds.

The Investor Relations Director is responsible for internal and external communications, including reporting of our ESG and sustainability performance, strategy, and targets. This is closely aligned with financial and non-financial functions including our internal audit and risk functions, legal and public affairs, business planning, and operations.

Risk Management of Sustainability

We perform a comprehensive assessment of our climate change, environmental and sustainability risks and opportunities both at the operating company level and at the corporate level, assessing relevance at each level according to extent and likelihood of impact. We incorporate sustainability considerations into our assessment and management of all other risks relevant to the topic, such as operations, finance, and regulatory risks.

4

Risk management & compliance

Enterprise Risk Management (ERM) & internal controls

TCFD risk management

Risk management is a company-wide activity with roles and responsibilities allocated across all levels to secure our in-control position. Equipped with updated insights from the market, industry and geopolitics, we follow a bottom-up approach that aims to identify, manage and report all relevant business risks in a timely and comprehensive manner.

The Board has the overall responsibility of maintaining a sound and effective risk management and internal control program. The Audit Committee supports the Board in monitoring our risk exposure, including the design and effectiveness of our internal control program. The internal audit and internal control teams assist the Audit Committee, Company management and local management by facilitating the identification of risks and the promotion of risk awareness and ownership across our organization. The internal control team is integrated across operating companies and is centrally managed at the Group level to ensure our ERM and internal controls are properly institutionalized and applied, that we have effective and up-to-date internal control systems in place, and that we are aligned with our external auditors.

Each quarter, Company management monitors and assesses the consolidated Group risk profile comprising of strategic, operational, financial and compliance risks with the involvement of key stakeholders. Our internal control framework aligns with the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is designed to provide reasonable assurance that the risks we face are properly evaluated and mitigated, and that management is provided with all information necessary to make informed decisions.

Enterprise Risk Management (ERM) & internal controls continued

Entity	Operating companies	Corporate Management	Internal audit	Board oversight
Key responsibilities	• First line of defense responsibility to establish an effective control environment based on corporate directives and policies. • Operational management reporting, risk assessment and mitigation. • Internal controls implementation and self-assessment.	• Risk reporting, assessment, and mitigation. • Steering and supervision of the Compliance Framework. • Identification of and capitalization on key opportunities. • Assessment of key market, financial, regulatory, and technological developments against strategy execution.	• Independent and objective assurance about the effectiveness of governance, risk management, compliance, and internal controls. • Substantiation of management's in-control position. • Initiating, coordinating and executing special assignments and investigations as required.	• Defines risk appetite and oversees risk management strategies and activities. • Delegates responsibility to senior leadership and provides resources to achieve the objectives of the organization • Oversees an independent internal audit function.
Review and reporting processes	• Detailed monthly review of performance, financials, operating issues, and key risks. • Semi-annual risk self-assessments and quarterly updates. • Local Internal Control Officer supports local management on the effective implementation of internal controls and the compliance framework. • Detailed annual budgeting with monthly updates allowing management to make real-time assessments. • Local management signs the Non-Financial Letter of Representation to annually certify the in-control position in relation to the Code of Conduct, Corporate policies, and other non-financial requirements. • Operational, health, safety, environmental, quality, security and emergency preparedness systems are in place at each subsidiary.	• Consolidated budget and forecasts are used by management to evaluate KPIs, investment strategy, and operations. • Each quarter, Corporate management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial, sustainability, and compliance risks with the involvement of key executives and corporate function heads. • The Risk Management function maintains a central repository to monitor mitigating actions and trends in relation to each risk, and reports to the Board on the results from the OpCo and Group risk assessments. • Internal Control facilitates and supervises the risk management process, compliance with Fertiglobe's policies and controls, and proactively advises on further optimization of the internal control system. • Quarterly reporting by the Internal Control department to the Audit Committee of the results from internal control testing. • Additional control leadership from other corporate functions including Corporate Technical and HSE, Compliance, Legal, Tax, Strategic Planning, and Group Controller.	• Quarterly reporting by Internal Audit to the Audit Committee of the results from internal audits, status of outstanding risks and issues, and highlighting effectiveness of risk remediation action plans. • Periodic independent internal audits of operating and holding companies. Management is consulted on performance developments and gaps and remediation plans. • Provides assurance on the effectiveness of the Risk Management function. • Monitors the Ethics Hotline and assists the compliance function in carrying out investigations on Ethics violations as deemed necessary.	• Board of Directors is given a full financial and operational update by senior leadership at each Board meeting. • Audit Committee (on behalf of the Board) monitors and reviews the internal control and risk management system and provides guidance or investigates specific topics as needed. • The Board oversees the performance of both the internal and external auditor, and receives regular updates and reports from both functions.

Enterprise Risk Management (ERM) & internal controls continued

Our risks are classified in four main categories that tie into our strategic priorities and aim to support our ability to mitigate against risks and protect our ability to create long-term value.

Strategic

Description
Risks that may impede our ability to achieve strategic objectives that we believe are critical to our performance and growth. These are risks that are considered strategic matters and may impact the company as a whole.

Risk appetite

As a leading player in our markets, we can take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our stakeholders. We take a measured approach to strategic risk management with clear thresholds set by our Board for required investment returns, market risk appetite, growth capital expenditures, and corporate actions.

Operational

Description
Risks that may impede our ability to achieve operational objectives and performance. These risks can be internal or external, and are typically directly managed and monitored by the local management teams of each operating company and supervised by our leadership team.

Risk appetite

We aim to minimize operational risks while maximizing our ability to capitalize on our leadership positions in our markets. We strive to maximize operational excellence at all facilities while fostering a 'safety first' culture across the organization with a zero-tolerance approach to HSE risks.

Financial

Description
Risks related to financial, accounting, and reporting controls and processes that may impede our ability to meet financial commitments, obligations, and daily operating needs.

Risk appetite

We implement a financial strategy to maintain an efficient balance sheet whilst securing good access to financing.

Regulatory

Description
Risks related to non-compliance with or changes in laws and regulations that may require changes in the way we do business.

Risk appetite

We comply with applicable laws and regulations everywhere we do business. All employees are bound by our Compliance Framework, which we are continuously embedding throughout our organization. It is in our core values to act with honesty, integrity and fairness to foster a business climate that maintains such standards.

Strategic risks

TCFD risk management

Risk	Risk rating	Description	Risk management approach
Political and geopolitical risk, risk of unilateral sovereign actions, and macroeconomic changes	Risk stable	Our asset are in emerging markets, which means that we are exposed to some countries where there is a risk of political or socioeconomic instability, including the risk of adverse sovereign actions. Accordingly, developments in any of the countries in which we operate can create an uncertain environment for investment and business activity and may adversely impact our business. In addition, as our products and key inputs are global commodities, we are exposed to the impacts of global geopolitical instability, such as the macroeconomic and geopolitical volatility caused by the recent Russian military action in Ukraine and resulting economic and political responses by multiple governments. Our businesses may also be affected by potential unilateral actions by governments to control socioeconomic impacts.	We actively monitor economic, political, and regulatory developments and maintain positive relationships with various governmental bodies in the countries where we operate as part of our effort to be a 'local' player in each of our markets and have strategically partnered with sovereign-backed entities. Our legal team also works diligently to monitor and review our practices and any changes in laws or regulations in the countries where we operate to provide reasonable assurances that we remain in line with all relevant laws. Management has also drafted contingency plans for various unforeseen events and adverse scenarios.
Risks related to climate change, adverse weather conditions, and natural disasters	Risk increasing	Climate change and adverse weather conditions can negatively impact field work and fertilizer application seasons, which may affect the demand for our products. Climate change also poses a global transition risk which may result in changes to market dynamics, legislation, and technology. Please refer to page 48 for a description of the risks and opportunities presented by climate change. Adverse weather conditions and natural disasters such as flash floods, health epidemics or pandemics (including the current COVID-19 outbreak), and other extraordinary events could result in property damage, loss of life, production interruptions, and supply chain disruptions.	We have a diversified geographic split, both in terms of customer base and location of our production assets. Our global customer reach extended across 39 countries in 2021, meaning we can mitigate against regional seasonal cycles, supply/demand drivers, customers, competitors, and other factors that might affect prices and demand patterns. Our production capacity is evenly distributed across three countries, reducing the risk of local or regional weather events. In terms of natural disasters and pandemics, we have comprehensive emergency preparedness systems in place that allow us to quickly react to extraordinary events, and our assets have business interruption insurance policies in place that cover natural disasters.

Risk decreasing Risk stable Risk increasing

Operational risks

TCFD risk management

Risk	Risk rating	Description	Risk management approach
Changes to conditions affecting our markets and commodities	Risk stable	Our products are global commodities with little or no product differentiation, and supply-demand dynamics can be affected by global trends such as dietary patterns and population growth affecting demand for food, swings in crop and agricultural prices, global production capacity for our products, and the availability and pricing of the raw materials required to produce our products – particularly natural gas.	As the largest global seaborne exporter of urea and ammonia combined, the largest producer in the MENA region, and a top three global exporter of ammonia globally, we benefit from significant market reach, freight advantages, and economies of scale. This allows us to service large-sized orders and sell our products at higher netback prices compared to competitors, while benefiting from first quartile cost curve positioning as a result of our favorable gas price contracts, lower conversion costs and strategic freight locations. We have policies in place to respond to competitive factors and maintain mutually beneficial relationships with our key customers to effectively compete and achieve our business plans. We have a centralized sales, marketing, distribution, and logistics team that works diligently to expand our sales channels, develop new and repeat customer relationships, negotiate favorable contracts, and create market contacts by attending various industry and trade conferences. Our production and manufacturing teams also work diligently to ensure our plants operate efficiently to produce high quality products that meet or exceed international standards. Our products and processes are certified by global quality control institutions. We continuously identify, implement, and sustain cost improvement plans, including our outsourcing projects and those related to general overhead and workforce rationalization.

Risk decreasing | Risk stable | Risk increasing

Operational risks continued

TCFD risk management

Risk	Risk rating	Description	Risk management approach
Business interruption and production	Risk decreasing	Our production facilities may experience unplanned shutdowns or utilization rate reductions, which may result in lost volumes and unplanned costs.	We have a state-of-the-art asset base. Our facilities use the best available global technology and we have continuously invested in constructing, improving and maintaining our facilities at state-of-the-art levels. Approximately 50% of our combined urea and ammonia production capacity is under 10 years old, which supports above average utilization rates and low maintenance costs. We have a defined turnaround schedule for all plants, which have been completed as per schedule historically. We have a large dedicated in-house maintenance team with world class experience, bringing together expertise across all sites to share knowledge and best practices, and our plants use overlapping technologies, allowing cost-efficient and synergistic maintenance. Our plants also have business interruption insurance for large and extended shutdowns.
Human capital	Risk stable	We may face risks to our ability to employ, develop, and retain talented employees is essential to maintain our high-quality operations and management.	We have been able to attract, motivate and retain knowledgeable and experienced employees thanks to our reputation and market position, our in-house training and talent development programs, our compensation packages, as well as our strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies. We are instituting employee succession programs for key positions across the group to ensure effective knowledge transfer in support of the continuity of our business operations.

Risk decreasing   Risk stable   Risk increasing

Financial risks

Risk	Risk rating	Description	Risk management approach
Capital structure, allocation, and currency fluctuations	Risk decreasing	Our ability to deploy and raise capital effectively can impact our ability to achieve our strategic priorities or capitalize on business opportunities. Although we strive to ensure that adequate levels of working capital and liquidity are maintained, unfavorable financial market conditions may adversely affect our financing costs, hinder our ability to achieve additional financing, and/or hinder our ability to refinance existing debt. This could therefore have an adverse impact on our business prospects, earnings and/or our financial position. In addition, a substantial portion of our consolidated revenue, operating expenses and long-term debt is denominated in foreign currencies. Significant changes in the exchange rates of certain operational currencies, such as the US Dollar, the UAE Dirham, and the Algerian Dinar, can have a material effect on our financial performance.	We have a robust capital allocation strategy that aligns to our strategic priorities, with the governance and decision-making measures in place to balance opportunities and risks. We strive to maintain a strong financial position and creditworthiness with our creditors. We closely monitor our cash position and credit lines to ensure our financial flexibility. We have also diversified our funding sources to avoid dependence on a single market, staggered our debt maturity profile to reduce repayment burdens and have implemented other working capital improvement programs. We also have robust in-house financing expertise and a proven track record in both refinancing debt and accessing new funding. We hedge our foreign exchange cash flow risk on a consolidated basis by matching our foreign currency- denominated liabilities with continuing sources of foreign currencies.

Risk decreasing | Risk stable | Risk increasing

Financial risks continued

TCFD risk management

Risk	Risk rating	Description	Risk management approach
Cybersecurity	Risk stable	Despite our IT security measures, our information technology and infrastructure may be vulnerable to cyber-attacks or breaches. Any such breach could result in business disruption or compromise our systems and result in downtime or leak of personal and/or business sensitive data adversely affecting our reputation.	We continuously assess and update security controls and defense strategies to strengthen our security posture and minimize our vulnerabilities to cyber-attacks. We believe these measures and procedures are appropriate. Our IT team is focused on the monitoring and enhancement of our IT security capabilities across the group for both our IT infrastructures and plant process control systems. In addition, we invest in internal resources and engage with external security experts to support the implementation of various action plans that are part of our comprehensive cyber security management system. Throughout the year, we run several internal and external security assessments across the group to ensure that our risk levels are appropriate. Additionally, we regularly run IT audits and security assessments to ensure the continuous effectiveness of our security measures.

Risk decreasing   Risk stable   Risk increasing

Regulatory risks

TCFD risk management

Risk	Risk rating	Description	Risk management approach
Changes in regulatory conditions in the markets in which we operate	Risk increasing (red)	Changes in laws, regulations and the related interpretations may alter the environment in which we do business. This includes changes in governance, health and safety, competition and product-related laws and regulations, as well as changes in accounting standards and taxation requirements. This also includes the impact of proposed climate change related regulations at both the international and national levels. Failure to comply with these laws may result in substantial fines, penalties, or other sanctions such as the obligation to invest in newer equipment, permit revocations or facility shutdowns. Consequently, we may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations. In addition, global geopolitics have created uncertainty around tariff implementation in key markets (such as the EU and China), which may affect product or feedstock pricing. Our ability to manage regulatory, tax and legal matters and to resolve pending matters within current estimates may impact our results.	We actively monitor regulatory developments to ensure we comply with the laws and regulations of the countries where we operate, including climate. We continue to monitor closely and maintain flexibility to change trade flows and accommodate tariffs and continue to monitor regulatory developments and develop targeted action plans as part of our Group Compliance Framework. We also perform internal gap assessments supported by external consultants to ensure our processes and practices are compliant with relevant laws and regulations.
Ability to maintain our health, safety and environment (HSE) standards	Risk decreasing (green)	HSE is a vital aspect across the group. We have a deep commitment to maintaining our strong HSE track record. Despite the nature of our businesses, we aim to prevent every accident through stringent HSE rules, standards, and training programs.	We implement strict HSE training and operating discipline at every plant to minimize HSE risks, and we closely monitor our plants through regular management site visits and HSE audits, in addition to comprehensive knowledge sharing across the group. Our safety and emissions records meet or exceed international standards, underscoring our commitment to providing our employees with a safe, secure, and environmentally conscious workplace. In addition, the Board supervises our HSE activities supported by Internal Audit's assurance over the established HSE Management System.

Risk decreasing Risk stable Risk increasing

Compliance

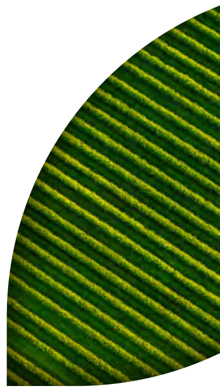
We strive to conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards stakeholders. In doing so, we promote a culture of performance, collaboration, and responsibility. These values underpin everything we do and form the compliance framework, which defines the day-to-day attitudes and behaviors of our employees.

The Compliance Framework comprises of policies and principles that outline in specific terms what we stand for as a company and the conduct required in the workplace, in how we deal with business partners, serve our customers, and the broader responsibilities we have to the communities in which we work and live. The Compliance Framework also sets out rules on important topics such as the prohibition of bribery, dealing with confidential information and conflicts of interest, competition law, third-party due diligence, the importance of accurate record keeping and reporting, and explains the possibility of disciplinary measures when in breach of the framework. The Company's HR and compliance teams work closely with each operating company to ensure our compliance framework and core values are communicated to all employees and reflected in any local policies that may be tailored to reflect local regulations and customs.

All employees are trained on the key principles and applications of the Compliance Framework through a group-wide e-learning platform and can raise any concerns and breaches through a safe and confidential whistleblowing and incident reporting procedure. An anonymous reporting procedure is also available, through which employees can report to a whistleblower hotline hosted by a third-party hotline provider. All reports are handled with the utmost care and confidentiality, regardless of if reported internally or via the anonymous reporting hotline.

In addition, we hold our business partners to the same level of accountability, transparency, and respectability as we do ourselves to ensure our entire value chain secures the salient rights of every individual, as codified in our Business Partner Code of Conduct. We provide a clear reporting mechanism for suspected Business Partner misconduct through our whistleblowing platform, which includes an anonymous reporting procedure via a hotline hosted by a third-party hotline provider.

Compliance & governance	Unit	2020	2021
Incident notifications	#	NPR	10
Incidents investigated	#	NPR	10
Substantial cases	#	NPR	0
Anonymous notifications via hotline	#	NPR	2

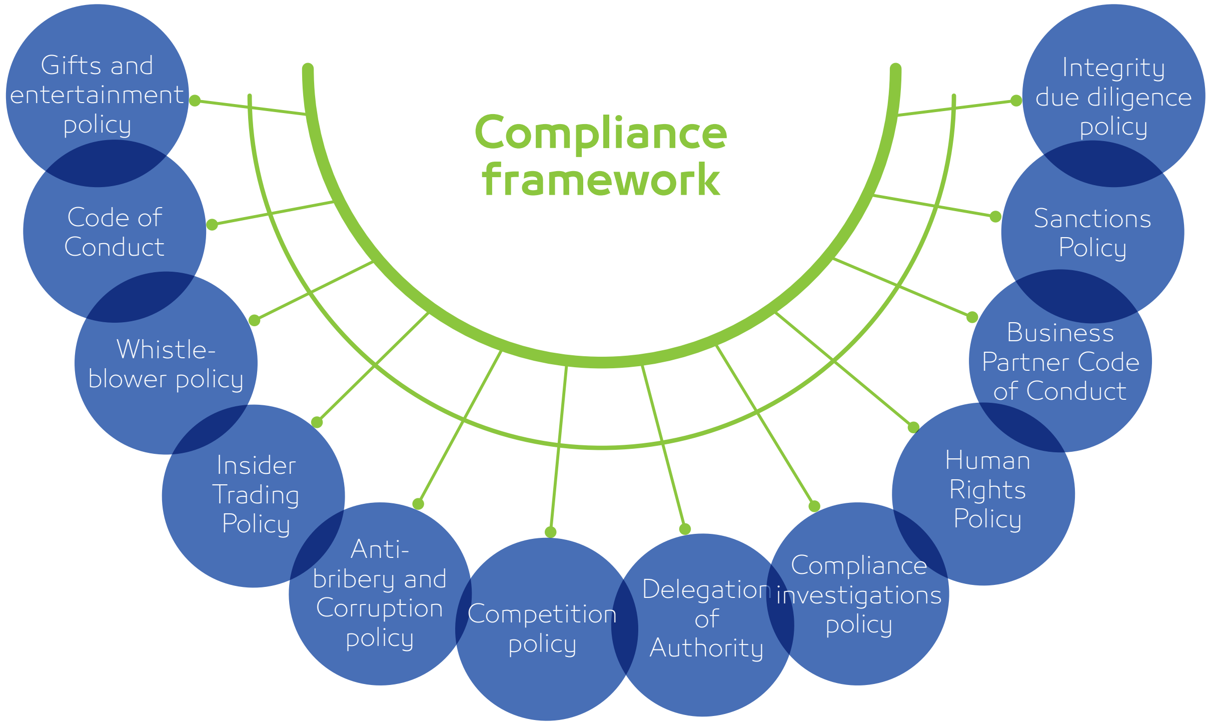

Compliance continued

Governance of compliance

The Board of Directors is responsible for supervising ethics and compliance. The Fertiglobe Compliance Officer, in close collaboration the Board of Directors, implements our group Compliance Program and ensures that our Compliance Framework remains in line with applicable regulations and is properly applied.

Management of Operating Companies and staff departments are responsible and accountable for raising compliance awareness within their respective businesses and departments and are supported by a Local Compliance Officer who reports on alleged breaches and compliance incidents to both operating company management and to corporate leadership. Additionally, the Audit Committee receives a Quarterly Compliance Report.

At the start of every year the Fertiglobe Compliance Officer, in collaboration with operating company management, sets the annual compliance agenda. The agenda consists of continuous and new compliance activities and requirements, to ensure growth in maturity of the Compliance Program. These activities and requirements are concrete and measurable, and are reported internally on a quarterly basis, and can be tested on their effectiveness. Through this annual agenda, compliance controls are continuously developed and enhanced for effectiveness.



Compliance continued

Our Code of Conduct extends across our supply chain

We promote sustainable agriculture and nutrient stewardship through our supply chain, which begins with sourcing natural gas and ends at our agricultural and industrial customers. We work diligently to ensure every aspect of our business operates optimally and promote best practices through our Business Partner Code of Conduct.

Our governance and compliance policies and expectations of ethical business practices extend beyond our operations throughout our supply chain through our Business Partner Code of Conduct.

We seek to award business to suppliers and business partners with whom Fertiglobe has a supplier relationship (collectively, Business Partners) who are committed to act fairly and with integrity towards their stakeholders, who have adopted and promote the implementation of strong business principles, and who observe the applicable laws of the country in which they operate.

We hold every Business Partner to the same level of accountability, transparency, and respectability as we do ourselves to ensure our entire value chain secures the salient rights of every individual.

Business Partner Code of Conduct

Our Business Partner Code of Conduct summarizes the values and expectations we require all Business Partners to adhere to and aligns to international laws and standards on ethics, labor, and human rights such as those set out by the International Labor Organization (ILO) and the United Nations International Children's Emergency Fund (UNICEF), the United Nations Guiding Principles on Business and Human Rights, and others.

Screening and due diligence

Based on the company's Sanctions Policy, all prospective third-party Business Partners are screened prior to engagement. Via a compliance software tool, we conduct customary due diligence including a screening of the Business Partner against sanction lists and compliance databases, on environmental performance, labour practices, and human rights performance. We also check if any adverse media coverage in relation to the Business Partner exists, including if the future Business Partner has been involved in other unethical or illegal conduct. In addition, all existing Business Partners are continuously monitored via this software tool. It is the Business Partner's responsibility to maintain and enforce compliance within its supply chain. Key Business Partners undergo more in-depth screening as part of our due diligence process.

The effectiveness of our Business Partner screening processes is evaluated by the compliance team and the local internal control officer of each site as part of their regular compliance and audit cycles, which also includes Business Partner audits as part of contractual arrangements.

Reporting Business Partner misconduct

We provide a clear reporting mechanism for suspected Business Partner misconduct through our whistleblowing platform, which includes an anonymous reporting procedure via a hotline hosted by a third-party hotline provider. More information is available in the Business Partner Code of Conduct and on our website.

100%

of Business Partners are required to adhere to Business Partner Code of Conduct

>1,500

Business Partners across our business partner chain

REGULAR

Business Partner audits conducted as part of contractual arrangements

5 Corporate governance

Board profile

Our Board of Directors provides strategic leadership, determines the fundamental management policies of the Company, and oversees the performance of the business. The Board consists of 11 Directors of which there are two Executive Directors and nine Non-Executive Directors, six of whom are independent Directors. Please visit our **website** for their full biographies.




	H.E. Dr. Sultan Ahmed Al Jaber Chairperson - Independent	**Mr. Nassef Sawiris** Executive Vice-Chairperson	**Mr. Ahmed El-Hoshy** Chief Executive Officer and Director	**Mr. Hassan Badrawi** Director
Appointment date	30 September 2019, reappointed at IPO	30 September 2019, reappointed at IPO	30 June 2020, reappointed at IPO	30 September 2019, reappointed at IPO
Committee membership	–	–	–	AC, NRC
Current external appointments	• Group Chief Executive Officer and Managing Director of ADNOC since February 2016 • Member of the UAE Federal Cabinet, Minister of Industry and Advanced Technology, and the UAE's special envoy for climate change • Chairman of Emirates Development Bank • Board member to the Abu Dhabi Supreme Council for Financial and Economic Affairs	• Executive Chair of OCI since 2020 • Chairman and CEO of Avanti Acquisition Corp. • Executive chairman of Aston Villa FC • Supervisory director of Adidas AG • Member of the J.P. Morgan International Council • Member of the Cleveland Clinic's International Leadership Board Executive Committee • Member of the University of Chicago's Board of Trustees	• Chief Executive Officer of Fertiglobe (since listing in October 2021), and OCI (since August 2020) • Executive Director on the Board of OCI N.V.	• Chief Financial Officer of OCI. • Executive Director on the Board of OCI N.V.

AC: Audit Committee, NRC: Nomination and Remuneration Committee, EC: Executive Committee

Board profile continued




	Mr. Jeffrey Ubben Director - Independent	**Mr. Charles David Welch** Director - Independent	**Mr. Khaled Salmeen** Director - Independent	**Mr. Mohamed Saif Ali Abed Alaryani** Director - Independent
Appointment date	28 October 2021	30 June 2020, reappointed at IPO	1 March 2021, reappointed at IPO	30 September 2019, reappointed at IPO
Committee membership	–	AC	NRC	-
Current external appointments	• Founder, Managing Partner, and the Portfolio Manager of Inclusive Capital Partners • Director of AppHarvest, Enviva Inc., and Exxon Mobil Corporation	• Non-Executive Independent Director on the Board of OCI N.V. • Currently serves on several non-profit boards	• Executive Director of Downstream Industry, Marketing and Trading at ADNOC • Member of the board of directors of ADNOC Logistics and Services, ADNOC Refining, ADNOC Gas Processing, ADNOC LNG, Borouge ADP, ADNOC Global Trading and ADNOC Distribution PJSC • Chairman of Borouge PTE, ADNOC Trading, TA'ZIZ, Abu Dhabi Gas Distribution and NGSCO Board of Directors	• Senior Vice President, Strategic Investments at ADNOC • Board member at ADNOC Drilling and EDGE, ADNOC Oil and Gas Pipeline Companies

AC: Audit Committee, NRC: Nomination and Remuneration Committee, EC: Executive Committee

Board profile continued

	Mrs. Wafa Ibrahim Ali Mohamed Alhammadi Director - Independent	**Mr. Philippe Ryckaert** Director	**Mr. Rainer Seele** Director - Independent
Appointment date	30 September 2019, reappointed at IPO	23 December 2018, reappointed at IPO	10 January 2022
Committee membership	AC	EC	NRC
Current external appointments	• Chief Financial Officer of ADNOC Gas	• Group Vice President of Business Development & Investments at OCI N.V.	• President of the German-Russian Chamber of Commerce and Vice President of the International Business Congress

AC: Audit Committee, NRC: Nomination and Remuneration Committee, EC: Executive Committee

Executive management

Our executive management team is responsible for the day-to-day management of our operations. Please visit our website for their full biographies.



	Mr. Ahmed El-Hoshy Chief Executive Officer	**Mr. Haroon Rahmathulla** Chief Operating Officer	**Mr. Andrew Tait** Chief Financial Officer
Appointment date	2021	2019	2019
Biography	• Chief Executive Officer of Fertiglobe (since listing in October 2021), and OCI (since August 2020) • Previously Chief Operating Officer of OCI and since joining OCI in 2009 has held various other positions including CEO of OCI Americas and CEO of OCI Partners LP • Prior to joining OCI, was a member of the Goldman Sachs investment banking and special situations groups	• Formerly Managing Director at Barclays in the Chemicals team and headed the European Chemicals Investment Banking team of Jefferies Financial • He has a wide range of experience across commodity and specialty businesses in the chemicals sector, and significant experience in the fertilizers and agriculture sectors across nitrogen, potash, phosphates and crop chemicals	• Formerly Head of Finance for PDO (Oman's State Oil and Gas Company) and CFO for Basrah Gas Company (creating Iraq's largest public / private venture) • He has close to 30 years' experience in finance, including six years at Ernst & Young and 22 years with Shell and two years with ADNOC

Board report

1. Corporate governance framework

Introduction

Fertiglobe Holding plc (Fertiglobe or the Company) is a public company limited by shares incorporated in the Abu Dhabi Global Market (ADGM) and subject to the Abu Dhabi Global Market Companies Regulations 2020 (as amended) ("Companies Regulations") and other applicable laws and regulations in the ADGM. The Company was established on 23 December 2018 pursuant to ADGM Company Regulations of 2015 and was listed on Abu Dhabi Securities Exchange (ADX) on 27 October 2021.

Fertiglobe is committed to the principles of good corporate governance. The Board believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value creation of the Company for all stakeholders.

This report gives an overview of Fertiglobe's corporate governance framework for the year ended 31 December 2021.

2. Corporate governance structure

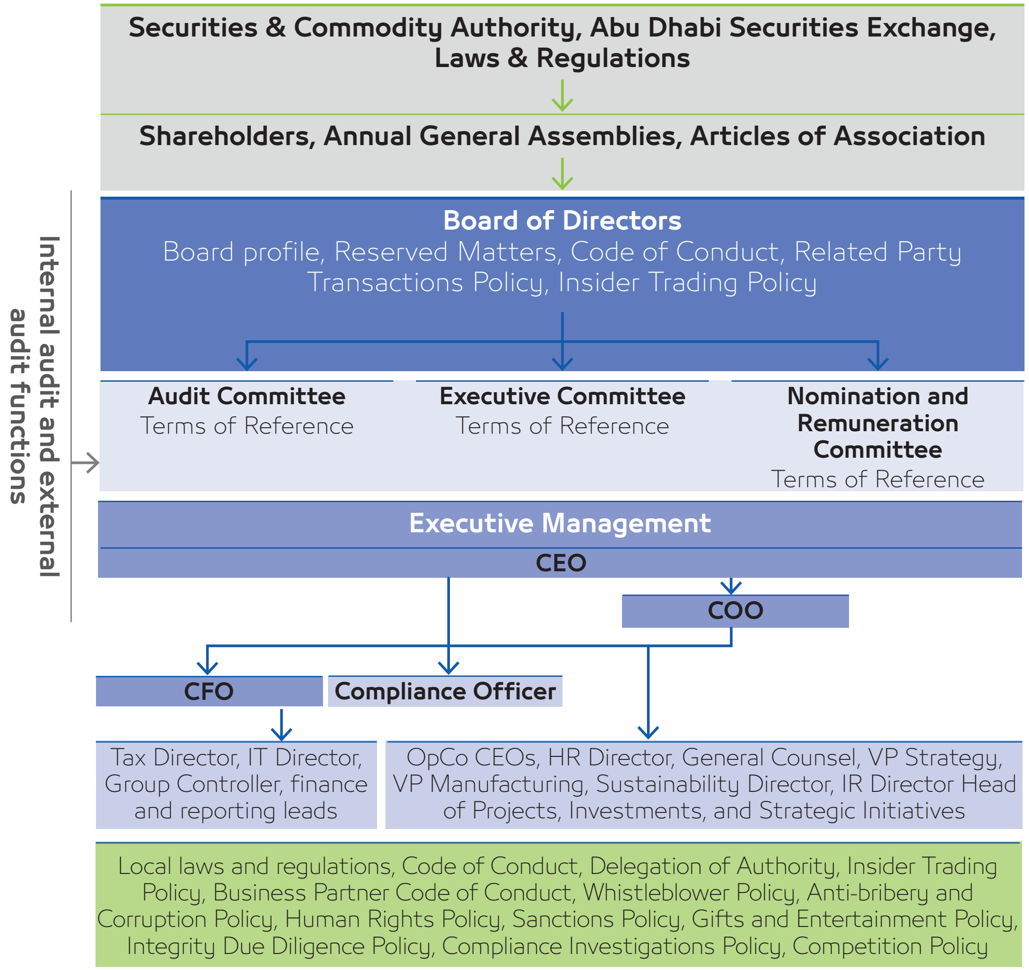
Fertiglobe designed its corporate governance structure in compliance with its articles of association, the ADX listing rules, the requirements of the Securities & Commodity Authority's (SCA) Governance Guide as modified or exempted for UAE free zone companies, the Companies Regulations, and other applicable laws, rules and regulations of the ADX and international best practices. The corporate governance framework identifies the responsibilities of the Board, individual Directors, Committees, Executive Management, and the organization's support and control functions. Fertiglobe's governance framework, governance policies, and several of Fertiglobe's compliance policies and procedures are available on our website under Corporate Governance.

Organizational and corporate structure

Fertiglobe is organized by its two primary functional and financial segments, own-produced and third party traded products. The Board sets the strategic mandate with operational, financial, and sustainability goals relayed to management.

The Executive Management team manage the achievement of these goals and the day-to-day operations. In executing the goals, the Executive Management team are supported by several corporate functions and local management and their teams. Each principal subsidiary is led by a general manager and a finance director who report to the Executive Management team.

Fertiglobe's simplified organizational structure is as follows, illustrating our governance framework's application:



Board report continued

Governance, internal controls and risk management

The Board of Directors bears the responsibility of the internal control system comprising of Risk Management, Internal Control, Compliance and Internal audit, and oversees its implementation and effectiveness through the Audit Committee. The Internal Audit function assists the Audit Committee by providing independent and objective assurance on the effectiveness and efficiency of risk management, internal controls, and operations. The Internal Audit function is led by Samir Ezzine, Internal Audit Director who reports independently to the Audit Committee of the Board. Mr. Ezzine is a certified Auditor in The Netherlands (RE) and is an active member of the NOREA in the Netherlands. He also holds CISA and CRISC certifications and active membership from ISACA. He is a member of the Institute of Internal Auditors (IIA), member of the Chief Audit Executives (CAE) forum in the Netherlands and member of the Global Oil Companies (GOC) Internal Audit (IA) Forum founded by ADNOC. An engineer by training, Mr. Ezzine holds multiple degrees, including an MBA from the Amsterdam Business School and two Master's degrees. The Internal Controls function, as a subset of corporate finance, assists the Company management and local management by facilitating the implementation of the risk management and internal control frameworks and the promotion of risk awareness and ownership across our organization thereby improving the control environments in the organization and its' components. The internal control team is integrated across operating companies and is centrally managed at the Group level, to ensure our Enterprise Risk Management (ERM) and internal controls frameworks are properly institutionalized and applied, and we are aligned with our external auditors. The Chief Financial Officer is a member of the Executive Management team ultimately responsible for the Internal Control function.

Our internal control framework aligns with the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is designed using a three lines of defense approach to provide reasonable assurance that the risks we face are properly evaluated and mitigated, and that management is provided with all information necessary to make informed decisions.

During 2021, Internal Audit delivered 26 audits including special reviews and 4 quarterly internal audit reports to the Audit Committee summarizing the findings from the audits conducted during each quarter, status of risk mitigation action plans and follow-up of previously reported matters that require attention of the committee. The Internal Audit's quarterly audit report was discussed during all meetings of the Audit Committee in 2021. There were no serious problems or major control failures reported in 2021.

The following graphic summarizes our ERM framework and implementation of our three lines of defense. For more information, please refer to the Enterprise Risk Management and Compliance section of our 2021 Annual Report.

Board of Directors				
Audit Committee				
Line of defense	**First**	**Second**	**Third**	External audit
	Business units, corporate functions	Group ERM, Internal Controls, and compliance functions	Internal audit	
Responsibility	Own and manage risks	Oversight and support	Assurance	

3. The Board of Directors

Fertiglobe's governance framework is supervised by the Board of Directors consisting of 11 Directors, of which there are two Executive Directors and nine Non-Executive Directors, six of whom are independent Directors.

The Board is collectively responsible for Fertiglobe's management and strategy. The Board promotes a culture of openness and accountability within the Board and throughout the entire organization. The tasks, responsibilities and procedures of the Board are set out in our Articles of Association.

The Board has delegated the operational management of the business to the Executive Management, apart from certain reserved matters as set out in the appropriate documentation and resolutions and is authorized to represent Fertiglobe.

Board report continued

Composition

The composition of the Board strives to arm Fertiglobe with leadership that is diverse in skills, experience, gender and background, thereby maximizing the Board's ability to independently and critically act without emphasis on particular interests. The composition of the Board of Directors and its terms of reference comply with the requirements of the ADGM Companies Regulations 2020 (as amended), Resolution No. (3/R.M.) of the SCA (Governance Guide) and our articles of association. Best practices and standards related to the functioning of the Board are also applied to the extent possible to increase its effectiveness.

We adhere to the terms of reference set out by the Board of Directors in relation to its composition, operating procedures and responsibilities as follows. The independent Board members confirmed their independent status during the year 2021 and the Company verified that the legal requirements regarding the minimum number of independent Board members are satisfied.

Female board representation

Fertiglobe acknowledges the importance of diversity within its Board and the organization generally, and in line with the United Arab Emirates' (UAE) approach to empower women, has worked diligently to increase female representation throughout the organization, including on the Board. On 30 September 2019, Mrs. Wafa Ibrahim Ali Mohamed Alhammadi was appointed as an independent director.

Appointment, retirement and re-election

Under the Articles of Association, the members of the Board of Directors as at the date of listing, 27 October 2021, shall serve from the date of Listing until the third annual general meeting. Jeffrey Ubben and Rainer Seele were appointed as directors on 28 October 2021 and 10 January 2022 respectively, for the remainder of the board appointment period for the directors they replaced. Mr. Seele was appointed as the free float director representing public shareholders on the board, such shareholders individually holding less than 5% of the total issued shares.

- The Board Nomination and Remuneration Committee evaluates the composition of the Board annually to review the skills required for board membership and considering the required capabilities and qualifications for board membership, including the time required by a member to carry out his/her duties as a board member;
- In accordance with Fertiglobe's Articles of Association, any shareholder holding at least five percent (5%) of the total number of issued shares (or members together holding at least such number of shares) shall be entitled to nominate one or more candidates for election as directors. Any existing director may also nominate any one or more candidates (including themselves) for election.

The entire Board of Directors shall be elected at every third annual general meeting. Notwithstanding the preceding sentence, in relation to the board holding office as at the date of listing, 27 October 2021, the first board appointment period shall expire on the date of the third annual general meeting following 27 October 2021.

Induction, orientation, and training

Upon appointment, new board members receive an induction tailored to their respective needs, duties, and responsibilities.

Board report continued

Board summary of skills and experience

	H.E. Dr. S. Al Jaber	N. Sawiris	A. El-Hoshy	H. Badrawi	J. Ubben	K. Salmeen	M. Alaryani	R. Seele	W. Alhammadi	P. Ryckaert	D. Welch
Independent	•				•	•	•	•	•		•
International business experience	•	•	•	•	•	•	•	•	•	•	•
Commercial/marketing		•	•			•		•	•		
HSE	•	•	•			•		•	•		•
Strategic management	•	•	•	•	•	•	•	•	•	•	•
Financial expertise: banking		•	•	•	•	•	•	•	•	•	
Nitrogen experience	•	•	•	•					•	•	
Emerging markets experience	•	•	•	•		•	•	•	•	•	•
Tax/legal/compliance				•	•				•	•	
HR & executive compensation	•	•	•		•						
Risk management/internal control & audit			•	•	•	•	•	•	•		•
Government/regulatory knowledge	•		•	•		•		•		•	•
Sustainability	•	•	•	•	•			•		•	•
Change management/business	•	•	•	•	•	•	•	•	•	•	•
Technology/IT			•	•				•	•		

Board report continued

The committees

The Board maintains three committees as part of its supervisory role: the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee (collectively, the Committees).

All terms of reference of the Committees are approved either by the Board of Directors or by the concerned committee and these terms of reference are all consistent with the requirements of the Governance Guide, as is the composition of each committee's membership. The terms of reference of the Board committees include, but are not limited to, the role and responsibilities of the committee, its authority, the requirements for its composition and constitution, and its operating procedures. Members of the Board Committees acknowledge their responsibility for the committees' systems in Fertiglobe, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Remuneration Committee also acknowledges his responsibility for the committee's system, review of its work mechanism and ensuring its effectiveness.

The following table summarizes how the duties of the Board and the Committees were carried out during 2021, including the focus topics that were reviewed, discussed and advised on.

	Board	Audit Committee	Nomination and Remuneration Committee	Executive Committee
Tasks, responsibilities and procedures	Set out in the Articles of Association	Set out in the Terms of Reference of the Audit Committee	Set out in the Terms of Reference of the Nomination and Remuneration Committee	Set out in the Terms of Reference of the Executive Committee
Members	11 Directors	Mr. Charles David Welch - Chairperson Mrs. Wafa Alhammadi Mr. Hassan Badrawi Mr. Khalfan Al Dahmani Mr. Robertus Swarts	Mr. Khaled Salmeen - Chairperson Mr. Hassan Badrawi Mrs. Maud de Vries Mrs. Ayesha Al Hammadi Mr. Rainer Seele Mr. Guy Moeyens stood down as a member of the Committee with effect from 10 January 2022	Mr. Philippe Ryckaert - Chairperson Mr. Bart Voet Mr. Hesham Abdelsamie Mr. Guy Moeyens Mr. Ahmed Abdulla
Number of Meetings held	Seven with 100% attendance	Four meetings on 18 March, 15 June, 16 September, and 3 November, all with 100% attendance	None	None
Focus topics	• Medium and long term strategy • COVID-19 • HSE • ESG and sustainability • Fertiglobe IPO • Projects strategy and execution • Financing strategy • Dividend strategy • Commercial strategy, sales and inventories strategy / market developments • Operational performance and cost optimization • Internal controls and key internal audit findings	• Evaluation Risk Management including the key risks facing the Group • IT and IT (cyber) security • Monitoring the group internal control framework • HSE performance and assessments • Tax review • Dividend strategy • Financing • Evaluation Group's Compliance Framework and effectiveness • Monitoring of material claims and litigation • Assessment of the functioning of the external auditor, its appointment, including scope, risk assessment and materiality • Internal Audit Plan and Internal Audit findings	• The committee's principal role is to assist the Board in setting and overseeing the nomination, remuneration and diversity & inclusion policies of the Company	• The committee's principal role is reviewing and, if requested by the Board in relation to a specific matter, endorsing to the Board (prior to the Board taking a formal decision) matters relating to the HSE, commercial, financial and operational performance, function and planning of the Group, reviewing (and, where considered appropriate, approving) Specified Related Party Transactions, and receiving, providing, and/or reviewing information and reports.

Board report continued

The following table details the attendance of the Board members in person per meeting in 2021:

Meeting	H.E. Dr. S. Al Jaber	N. Sawiris	A. El-Hoshy	H. Badrawi	J. Ubben (appointed with effect from 28 Oct 2021)	K. Salmeen	M. Alaryani	R. Seele (appointed with effect from 10 Jan 2022)	W. Alhammadi	P. Ryckaert	D. Welch	H. Abdel Samie Ahmed (resigned with effect from 27 Oct 2021)	G. Moeyens (appointed with effect from 27 Oct 2021, resigned with effect from 10 Jan 2022)	B. Voet (appointed with effect from 27 Oct 2021, resigned with effect from 28 Oct 2021)
7 November 2021 (resolution by circulation)	•	•	•	•	•	•	•	N/A	•	•	•	N/A	•	N/A
4 November 2021	•	•	•	•	•	•	•	N/A	•	•	•	N/A	•	N/A
13 October 2021 (resolution by circulation)	•	•	•	•	N/A	•	•	N/A	•	•	•	•	N/A	N/A
5 October 2021 (resolution by circulation)	•	•	•	•	N/A	•	•	N/A	•	•	•	•	N/A	N/A
29 September 2021	•	•	•	•	N/A	•	•	N/A	•	•	•	•	N/A	N/A
28 June 2021	•	•	•	•	N/A	•	•	N/A	•	•	•	•	N/A	N/A
31 March 2021	•	•	•	•	N/A	•	•	N/A	•	•	•	•	N/A	N/A

Board report continued

Insider Trading Committee

The Insider Trading is managed and monitored by the General Counsel and Compliance Officer. The Company has an Insider Trading Policy and Register in place in accordance with regulatory requirements. The Register is updated on a regular basis. In 2022, the Company will establish a committee to manage and monitor Insider Trading. The General Counsel acknowledges his responsibility for managing and monitoring the insider trading and its register.

Remuneration and allowances

As at 31 December 2021, the Board of Directors of the Company consists of 11 board members appointed by the shareholders. Although the board members are considered key management personnel, OCI and ADNOC agreed that each shareholder will be responsible for payment of all remuneration due to, and for reimbursing all out-of-pocket expenses incurred by the appointed directors on their behalf. Therefore, no amount of board remuneration has been incurred and recognized by the Company in the audited financial statements for 2020 or 2021.

A proposal for the remuneration for the Board of Directors for 2021 may be considered. In the event that remuneration is proposed, it shall be submitted to shareholders for approval at the upcoming AGM.

Transactions report of the members of the Board of Directors, their spouses, and their children in the Company's securities during the year 2021

The below table sets out the ownership and transactions of the members of the Board of Directors, their spouses and their children in the company's securities as at 31 December 2021.

Name	Position	Shares owned by Board members as at 31 December 2021	Shares owned by spouses and children of the Board members as at 31 December 2021	Total sale	Total purchase
H.E. Dr. Sultan Ahmed Al Jaber	Chairperson	-	-	-	-
Mr. Nassef Sawiris	Executive Vice-Chairperson	-	-	-	-
Mr. Ahmed El-Hoshy	Chief Executive Officer and Director	-	-	-	-
Mr. Jeffrey Ubben	Director	-	-	-	-
Mr. Charles David Welch	Director	-	-	-	-
Mr. Hassan Badrawi	Director	-	-	-	-
Mr. Khaled Salmeen	Director	-	-	-	-
Mr. Mohamed Saif Ali Abed Alaryani	Director	42,286	-	-	-
Mr. Philippe Ryckaert	Director	-	-	-	-
Mrs. Wafa Ibrahim Ali Mohamed Alhammadi	Director	-	-	-	-
Mr. Rainer Seele	Director	-	-	-	-
Mr. Guy Moeyens*	Director	-	-	-	-

*Mr. Guy Moeyens resigned from the board of directors with effect from 10 January 2022

Board report continued

4. The Executive Management team

The Executive Management team is charged with the day-to-day management of the Company. They are responsible for the Company's continuity, to pursue the strategies set by the Board, the optimization of its business, and creating a culture that contributes to long-term sustainable value creation for stakeholders. Each Executive has an individual responsibility for certain business segments, functional areas, projects and tasks.

The Company has a Delegation of Authority in place authorising the delegation of board duties and powers exercised by board members to Fertiglobe's management team and subsequently to the Fertiglobe operating companies. It governs which internal approvals are required for which actions leading to an efficient yet controlled process. Checks and balances have been set by implementing three authorizing steps for entering into external commitments; consisting of consultation, internal approval and a dual signing authority of two individuals that commit in the name of the Company.

Remuneration report

Fertiglobe's remuneration rationale is to attract, motivate and retain the qualified individuals that it needs to achieve its strategic and operational objectives. Fertiglobe is committed to promote the interest of the company in the medium and long-term and encourages a "pay for performance" culture. To that end, the compensation structure for the Executive Management team contains a mix of fixed and variable performance-based pay. Fixed pay is aligned to the external market to ensure that senior leadership is adequately compensated. Variable pay is linked to performance – achievement of results as per the elements of the Company Scorecard (Safety, Financial, People, Operational) to create strong alignment between rewards and the interests of our stakeholders. This focus on sustainable value creation is reinforced by our remuneration rationale, wherein our targets include not just financial targets, but environmental, social, and operational goals as well.

Fertiglobe's Nomination and Remuneration Committee assists the Board in setting the policy for granting bonuses, privileges and salaries to the Executive Management as well as making recommendations to the Board ensuring these remuneration elements are reasonable and in line with the Company's performance.

During the year, Fertiglobe was able to deliver on its strategy despite the ongoing unprecedented global circumstances due to the COVID-19 pandemic. The Executive Management team effectively navigated the company to deliver strong results during the year in addition to completing a successful IPO on the ADX.

Accordingly, we believe the 2021 remuneration for the Executive Management team reflects good alignment between the remuneration of the Executive Directors and shareholders' long-term interests.

The following table lists the members of the Executive Management Team, their appointment dates, salaries and other remuneration received during 2021:

Name	Position	Appointment date	Total salaries and allowances paid for 2021 (AED)	Total bonuses paid for 2021 (AED)	Any other cash / in-kind bonuses for 2021 or due in the future
Ahmed El-Hoshy[1]	Chief Executive Officer	2021	-	-	-
Haroon Rahmathulla	Chief Operating Officer	2019	1,995,644	1,404,934	1,022,571[2]
Andrew Tait	Chief Financial Officer	2019	1,440,000	514,224	-

[1] Remuneration for the Fertiglobe CEO is covered by OCI N.V.

[2] Total amount of deferred cash bonuses (total amount of deferred portion of bonuses for 2019, 2020, and 2021)

Board report continued

5. Related party transactions in 2021

Fertiglobe entered into three new Related Party Transactions (each with a value of less than 5% of Fertiglobe's share capital) in 2021 with ADNOC subsidiaries for logistics and supply services at the Ruwais industrial site. In addition, Fertiglobe entered into one Related Party Transaction (with a value greater than 5% of Fertiglobe's share capital) in 2021 with OCI Fertilizer BV in relation to an agreement entered into in 2019, at the formation of Fertiglobe, addressing legacy arrangements. All agreements (with a value greater than 5% of Fertiglobe's share capital) were reviewed and approved by the Fertiglobe Board of Directors.

Other related parties transactions disclosed in note 25 of the consolidated financial statements represent the performance of obligations under contracts signed prior to 2021.

6. Violations committed by the Company during 2021

The Company did not commit any material violations with respect to the Governance Guide and other applicable regulations during the year ended on 31 December 2021.

7. Conflicts of interest

Fertiglobe's Articles of Association and Code of Conduct require its employees and directors to disclose any conflicts of interest that may be actual, perceived or potential in accordance with the decisions, laws and regulations issued by the Securities and Commodities Authority and other regulatory and legislative bodies. A series of procedures for compliance with laws regarding conflicts of interest management have been developed.

8. External auditor

Brief background on the external auditor

KPMG is a global network of independent member firms offering audit, tax and advisory services. KPMG member firms operate in 145+ countries, collectively employing more than 236,000 people. KPMG Lower Gulf Limited is a provider of audit, tax and advisory services to a broad range of domestic and international clients across all sectors of business and the economy. KPMG Lower Gulf Limited has been operating in the UAE for more than 40 years through its offices in Abu Dhabi and Dubai, which together comprise more than 180 partners and directors and over 1,900 employees.

In addition to its presence in the United Arab Emirates and Oman, the KPMG MESA region covers more than 25 office locations across 15 countries and territories, including Bahrain, Bangladesh, Egypt, Iraq, Jordan, Kuwait, Lebanon, Maldives, Pakistan, Palestine, Qatar, Saudi Arabia and Sri Lanka.

KPMG was the first major firm of its kind to organize itself along industry lines – a structure which enabled them to develop in-depth knowledge of their clients' businesses and to provide them with an informed perspective. Over the years, KPMG has developed specialist industry and discipline groups to meet client requirements for professional advisors who understand and are experienced in a wide variety of business fields. KPMG has significant experience across key geographic areas, and are engaged with leading industry players on a range of issues critical to the future of their industries.

External audit fees, services and costs

The following table shows the services provided by the external auditor during 2021 and the fees charged for these services:

Name of Audit Firm	KPMG Lower Gulf Limited
Name of Partner Auditor	Emilio Pera
Number of years spent as an external auditor of the Company	Three years
Number of years spent by the Partner Auditor in auditing the Company's Accounts	One year
Total audit fees for the financial statements for the year ended on December 31, 2021 (In AED)	855,000

The External Auditor performed other audit related services amounting to AED 257,075 during 2021.

The fees for services, which were delivered to the Company in 2021 by other Audit firms (other than the Company's auditors) amounted to AED 1,412,621. These fees were against advisory services, including professional services post employment, accounting and tax support, PE risk assessment, fees for a data analytics secondment, and support for the proforma FS variation letter. The firms which delivered these services were as EY Consulting LLP, PwC, and Ernst & Young Middle East.

Board report continued

External auditor's opinion on the financial statement

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2021.

9. Corporate social responsibility and sustainability report

Fertiglobe is committed to environmental, social, and governance (ESG) principles, with environmental, social and governance matters fully integrated into our strategic objectives with direct supervision by our Board of Directors. We believe our products are essential to achieving sustainable agriculture and clean fuel and feedstocks, have integrated sustainability and ESG principles into our policies and operations, and encourage sustainable practices in our supply chain and communities wherever possible.

As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally. Accordingly, we have cultivated local social development programs tailored to the specific needs of each of our communities to maximize the impact of our donations. In addition to our sponsorships and financial contributions to various causes, our employees personally invest their time in our local communities by participating in fundraisers and volunteering at events.

We endow time and resources into the entire education value chain with a focus on Science, Technology, Engineering and Mathematics (STEM), by donating school supplies to children in need, participating in school visits and science fairs, and providing on-site training opportunities. We have dedicated programs at each of our locations to encourage young local talent by providing on-site and virtual training and internship opportunities in various technical and non-technical functions.

Please refer to the Corporate Social Responsibility and Sustainability Report in our 2021 Annual Report for more information.

10. Share holding and share price information

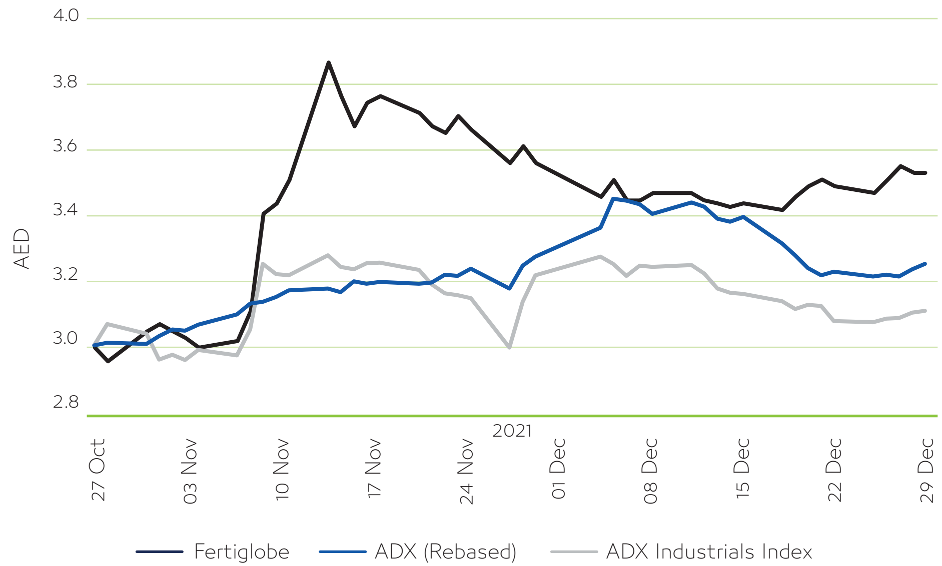
Share price

The following table presents the Company's highest and lowest share price at the end of each month for the year 2021 since listing on 27 October 2021:

2021	High (AED)	Low (AED)	Close (AED)
October	3.120	2.920	3.050
November	4.020	2.990	3.550
December	3.550	3.400	3.520

Source: Abu Dhabi Securities Exchange

The following chart presents the Company's and performance against the general market index and sector index for the year 2021 since listing on 27 October 2021:



Source: Abu Dhabi Securities Exchange

Board report continued

Statement of distribution of shareholders' ownership as on 31 December 2021 (individuals – companies – governments), categorized as follows: (Local – Gulf – Arabic – Foreign)

The following table shows the distribution of shareholders' ownership (Individuals – Companies – Governments), categorized as follows: (Local – Gulf – Arabic – Foreign) as of 31 December 2021:

Investor/ shareholder	Type	Number of shareholders	Shares held	% Ownership	Total shares
Local	Government	2	145,675,900	2%	3,535,700,857
	Companies	72	3,242,681,591	39%	
	Individuals	1,620	147,343,366	2%	
Gulf	Government	1	690,906	0%	141,033,624
	Companies	38	138,666,699	2%	
	Individuals	25	1,676,019	0%	
Arab	Government	0	0	0%	7,607,076
	Companies	2	820,431	0%	
	Individuals	312	6,786,645	0%	
Foreign	Government	0	0	0%	
	Companies	80	4,610,761,944	56%	
	Individuals	944	6,215,424	0%	4,616,977,368
Total		**3,096**	**8,301,318,925**	**100%**	**8,301,318,925**

Source: Abu Dhabi Securities Exchange

Overview of shareholders whose ownership percentage exceeds 5% of the Company's capital as on 31 December 2021

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2021:

Name	Number of owned shares	Percentage of owned shares of the company's capital
Abu Dhabi National Oil Company	3,005,077,450	36.2%
OCI Fertilizers B.V.	4,150,659,464	50.0%

Source: Abu Dhabi Securities Exchange

Statement of Distribution of Shareholders according to their Ownership Percentage as of 31 December 2021

The following table shows the distribution of shareholders according to their ownership percentage as of 31 December 2021:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	2,637	9,923,579	0%
2	From 50,000 to less than 500,000	274	43,538,489	1%
3	From 500,000 to less than 5,000,000	148	246,253,298	3%
4	More than 5,000,000	37	8,001,603,559	96%

Source: Abu Dhabi Securities Exchange

Board report continued

Controls of investors relationships with the listed companies

We place great importance on maintaining active dialogue with existing and potential shareholders, banks, and analysts. We are committed to providing relevant, high-quality and timely information to all stakeholders, and to giving current and potential shareholders, analysts and financial press broader insight into the Company and the industries in which we operate. We ensure that relevant information is provided equally and simultaneously to all interested parties through our website, which includes a dedicated Investor Relations section to promote efficiency and effectiveness in accordance with the SCA's applicable requirements and controls of investor relations management. This can be found here: https://fertiglobe.com/investor-relations/

In addition, the Company's Investor Relations function is staffed with two industry veterans who have the required qualifications and experience to clearly and effectively communicate with all stakeholders. Their qualifications include but are not limited to:

- Experience in the fields of banking, research, accounting and public relations.
- Full knowledge of the Company's activities and opportunities.
- Familiarity with the relevant legal and legislative requirements of the relevant authorities.
- Ability to use different channels of communication and skills to communicate with investors and other stakeholders.
- Ongoing development by participating in training workshops on Investor Relations.

Contact details for the investor relations team are as follows:

Hans Zayed Director	hans.zayed@fertiglobe.com
Rita Guindy Director	rita.guindy@fertiglobe.com
Fertiglobe, Al Sila Tower, Jazeerat Al Maryah, Abu Dhabi Global Market Square, Abu Dhabi, United Arab Emirates	investor.relations@fertiglobe.com

11. Special Resolutions presented to the General Assembly during 2021

On 24 August 2021, the general assembly passed a special resolution in accordance with the ADGM Companies Regulations 2020 approving the following:

1. **The name of the Company was changed to Fertiglobe plc.**
2. **The Amended and Restated Articles of Association were adopted as the Company's Articles of Association to the exclusion and in substitution of the Company's existing Articles of Association.**
3. **The Company re-register as a Public Company Limited by Shares in Abu Dhabi Global Market.**

Subsequently, on 16 September 2021, the general assembly passed a special resolution to adopt the Listing Articles as Fertiglobe's Articles of Association to the exclusion and in substitution of the Fertiglobe's existing Articles of Association, subject to, and effective as at, the admission to trading of the Company's shares on the Abu Dhabi Securities Exchange.

12. The Board Secretary

The Board Secretary plays an important role in organizing the Company's corporate governance, the Board's meetings and Committees, and communicating key decisions with the management team. The Board Secretary's key responsibilities include:

- Working closely with the Board of Directors and Executive Management to plan meetings and coordinate attendance.
- Drafting and distributing board and general meeting agendas.
- Drafting, distributing, confirming, and archiving meeting minutes, board reports, and other legal documents.
- Maintaining the board and company calendars.
- Following meeting procedures, decision-making rules and governance policies
- Managing communication and correspondence with the Board of Directors and its committees, the Company's management team, and external stakeholders.
- Supporting the Board of Directors' evaluation process.
- Assisting in the preparation and review of key regulatory filings, corporate annual reports, and other reports, as well as other announcements regarding material events.

Board report continued

Mr. Ahmed Tolba, Fertiglobe's General Counsel and Compliance Officer, was appointed on 10 August 2021 as Board Secretary. Mr. Tolba is a legal professional with over 20 years experience in both multinationals and international law firms. Mr. Tolba holds a Bachelor of Law from Cairo University.

13. Material events during 2021

Fertiglobe announces material events and information by publishing press releases on its website and submitting regulatory disclosures to the ADX. Please visit www.fertiglobe.com for all press releases and disclosures. Key events during 2021 include:

June:

Fertiglobe joins TA'ZIZ as partner in world-scale 1 million metric ton per year blue ammonia project in Ruwais in Abu Dhabi. The partners will develop the first-of-its-kind large scale blue ammonia project in the MENA region.

August:

Fertiglobe acquires 15% stake in EBIC. Fertiglobe agreed with a KBR-led consortium, which includes Mitsubishi, JGC and Itochu, to buy their combined 15% stake in Egypt Basic Industries Corporation (EBIC) in Egypt for a total consideration of $43 million, bringing Fertiglobe's stake in EBIC to 75% and further streamlining the group's ownership structure.

Fertiglobe partners with ADNOC to sell UAE's first blue ammonia to Japan's Itochu, Idemitsu and INPEX. Cargos of blue ammonia, produced by Fertiglobe in Ruwais, Abu Dhabi, are the first to be sold from the UAE to a customers in Japan, leveraging ADNOC and Fertiglobe's global reach and ammonia production capabilities.

October:

Fertiglobe completes landmark IPO on ADX, becoming the first free zone company to be traded on an onshore stock exchange in the UAE and the third largest ever listing on the ADX.

Fertiglobe partners with Scatec and the Sovereign Fund of Egypt to develop 90 thousand metric ton per year green ammonia project in Egypt. The 100 MW PEM (Polymer Electrolyte Membrane) electrolyzer will be the largest independently owned facility globally when it comes online and is the first phase in Fertiglobe's green ammonia strategy.

14. Emiratization percentage in the Company for the year 2019, 2020 and 2021

The below table sets out the Emiratization percentage for the Company's UAE-based operations for the years 2019, 2020, and 2021:

%	2019	2020	2021
Emiratization ratio	61.29%	61.13%	59.79%

15. Initiatives and innovations during 2021

As one of the world's largest ammonia producers and distributors, we believe we are uniquely positioned to help the world decarbonize through the transition to a hydrogen economy. Ammonia has emerged as one of the most promising products to enable this transition as it complements the hydrogen economy across the value chain – as a feedstock for production, as an efficient hydrogen carrier, and as a key input to decarbonize multiple end products.

We are actively growing our portfolio in green ammonia / green hydrogen and are evaluating several new projects. For example, we recently announced the following projects:

- Partnership with ADNOC and ADQ in a new world-scale 1 million metric tons per day blue ammonia project at TA'ZIZ in Ruwais, adjacent to the Ruwais Industrial Complex.
- Agreement with Scatec ASA (OSE: SCATC) and the Sovereign Fund of Egypt (TSFE) to jointly develop an electrolyzer facility of up to 100MW to produce green hydrogen as feedstock for production of up to 90,000 metric tons of additional green ammonia. Upon completion, the 100MW PEM electrolyzer will be the world's largest independently owned facility.

Board report continued

- Collaboration with Masdar and Engie to study the co-development of a globally cost-competitive green hydrogen facility targeted to be operational by 2025 with capacity of up to 200 megawatts to supply Fertiglobe's ammonia production plants at Ruwais, UAE.

Approved by the Board of Directors by written resolution on 31 March 2022

H.E. Dr. Sultan Ahmed Al Jaber
Chairman of the Board of Directors

Mr. Khaled Salmeen
Chairman of the Nomination and Remuneration Committee

Mr. Charles David Welch
Chairman of the Audit Committee

Mr. Philippe Ryckaert
Chairman of the Executive Committee

Mr. Andrew Tait
Chief Financial Officer*

Mr. Samir Ezzine
Internal Audit Director

*The internal control function is centrally managed at Group level by the Chief Financial Officer

6

Financial Statements

DIRECTOR'S REPORT

Company overview

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertiglobe's production capacity comprises of 6.7 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertiglobe employs more than 2,600 employees and was formed as a strategic partnership between OCI N.V. ("OCI") and the Abu Dhabi National Oil Company ("ADNOC"). Fertiglobe was listed on the Abu Dhabi Securities Exchange ("ADX") on 27 October 2021 under the symbol "FERTIGLB" and ISIN "AEF000901015".

Key assets within the Company perimeter include:

Egyptian Fertilizer Company (EFC): The largest private sector granular urea producer in Egypt, with a capacity to produce 1.65 million tons per annum of urea and 0.9 million tons per annum of ammonia.

Egypt Basic Industries Corporation (EBIC): Fertiglobe has a 75% stake in the ammonia plant EBIC, with a production capacity of 0.73 million tons per annum.

Sorfert Algeria S.P.A: Fertiglobe has a 51% stake in Sorfert, an Algerian producer of ammonia and urea, with a capacity of 1.6 and 1.26 million tons per annum, respectively.

Ruwais Fertilizers Industries LLC (Fertil): Headquartered in Abu Dhabi, Fertil is manufacturing ammonia and urea through two plants (Fertil 1 and Fertil 2). The business has a capacity to produce 2.1 million tons per annum of urea and 1.2 million tons per annum of ammonia.

Fertiglobe Distribution Limited (FDL) and OCI Fertilizer Trading Ltd (OFT): Fertiglobe established a trading platform based in the U.A.E., supported by an export logistics network, strategic partnerships / relationships in Australia, South Africa, Spain, and the USA.

Fertiglobe aims at achieving value through synergies which include:

Commercial synergies: Timing of sales and increased premiums over benchmark prices, reduced reliance on traders through a wider distribution network and access to key end markets (inc. Brazil, India and East Africa), re-routing of volumes through freight and logistics optimization, reduced freight rates, and sharing of best practices across the Group platform.

Technical synergies: Shared maintenance expertise, coordinated turnarounds, procurement optimization and spare parts pooling.

Members of the Board of Directors:

The Board consists of 11 Directors of which there are two Executive Directors and nine Non-Executive Directors, six of whom are independent Directors, as follows:

- Dr. Sultan Ahmed Sultan Essa Al Jaber
- Khaled Salmeen Anber Salmeen
- Mohammad Saif Ali Abed Alaryani
- Wafa Ibrahim Ali Mohamed Al Hammadi
- Nassef Onsi Naguib Sawiris
- Hassan Hossam Hassan Badrawi
- Charles David Welch
- Philippe Ryckaert
- Ahmed Khaled EL Hoshy
- Jeffrey Ubben
- Rainer Seele (appointed on 10 January 2022, replacing Guy Moeyens)

Current year's results:

In 2021, Fertiglobe has continued to show its resilience in the face of the pandemic. The company achieved USD 3,310.7 million in revenues during the year (2020: USD 1,550.8 million) by selling 5.2 million tons of urea (2020: 5.1 million tons) and 1.4 million tons of ammonia (2020: 1.0 million tons), resulting in total net profit of USD 975.9 million on a consolidated basis (USD 127.1 million). Total assets increased to USD 5,168.5 million at 31 December 2021 (2020: USD 4,797.3 million).

Statement of disclosure to auditors:

The Directors of Fertiglobe certify that as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board,

Hassan Badrawi
Board member

Consolidated statement of financial position
as at

$ millions	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment	(7)	2,942.2	3,172.0
Right-of-use assets	(17)	81.6	85.5
Goodwill	(8)	604.8	604.8
Trade and other receivables	(9)	29.1	0.3
Total non-current assets		**3,657.7**	**3,862.6**
Current assets			
Inventories	(11)	133.8	125.9
Trade and other receivables	(9)	477.9	273.9
Cash and cash equivalents	(12)	899.1	534.9
Total current assets		**1,510.8**	**934.7**
Total assets		**5,168.5**	**4,797.3**

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Consolidated statement of financial position continued
as at

$ millions	Note	31 December 2021	31 December 2020
Equity			
Share capital	(13)	1,328.2	3,328.2
Reserves	(14)	(37.6)	(1,229.4)
Retained earnings		555.6	436.1
Equity attributable to owners of the Company		**1,846.2**	**2,534.9**
Non-controlling interest	(15)	659.8	527.5
Total equity		**2,506.0**	**3,062.4**
Liabilities			
Non-current liabilities			
Loans and borrowings	(16)	1,326.1	544.7
Lease obligations	(17)	79.9	80.9
Trade and other payables	(18)	17.7	15.9
Deferred tax liabilities	(10)	540.7	467.1
Total non-current liabilities		**1,964.4**	**1,108.6**
Current liabilities			
Loans and borrowings	(16)	59.6	125.8
Lease obligations	(17)	11.3	12.4
Trade and other payables	(18)	422.4	324.0
Provisions	(19)	134.2	155.4
Income tax payables	(10)	70.6	8.7
Total current liabilities		**698.1**	**626.3**
Total liabilities		**2,662.5**	**1,734.9**
Total equity and liabilities		**5,168.5**	**4,797.3**

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended

$ millions	Note	31 December 2021	31 December 2020
Revenues	(20)	3,310.7	1,550.8
Cost of sales	(21)	(1,903.7)	(1,278.5)
Gross profit		**1,407.0**	**272.3**
Selling, general and administrative expenses	(21)	(102.4)	(89.4)
Other expenses		-	(1.3)
Operating profit		**1,304.6**	**181.6**
Finance income	(22)	19.6	33.5
Finance cost	(22)	(52.7)	(47.0)
Net finance cost		**(33.1)**	**(13.5)**
Share of profit from equity-accounted investees (net of tax)		-	(0.1)
Profit before income tax		**1,271.5**	**168.0**
Income tax	(10)	(295.6)	(40.9)
Profit for the year		**975.9**	**127.1**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations - foreign currency translation differences		(41.7)	(56.9)
Other comprehensive income, net of tax		**(41.7)**	**(56.9)**
Total comprehensive income		**934.2**	**70.2**
Profit attributable to:			
Owners of the Company		702.7	74.3
Non-controlling interest		273.2	52.8
Profit for the year		**975.9**	**127.1**
Total comprehensive income attributable to:			
Owners of the Company		680.9	45.3
Non-controlling interest		253.3	24.9
Total comprehensive income		**934.2**	**70.2**
Earnings per share (in USD)			
Basic earnings per share	(24)	0.085	0.009
Diluted earnings per share	(24)	0.085	0.009

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

$ millions	Notes	Share capital (13)	Reserves (14)	Retained earnings	Equity attributable to owners of the Company	Non- controlling interest (15)	Total equity
Balance at 1 January 2020		**3,328.2**	**(1,200.4)**	**491.5**	**2,619.3**	**365.9**	**2,985.2**
Net profit		-	-	74.3	74.3	52.8	127.1
Other comprehensive income		-	(29.0)	-	(29.0)	(27.9)	(56.9)
Total comprehensive income		-	(29.0)	74.3	45.3	24.9	70.2
Impact difference in profit sharing non-controlling interest		-	-	-	-	17.4	17.4
Reversal of dividends to non-controlling interest		-	-	-	-	119.3	119.3
Dividends to shareholders		-	-	(129.7)	(129.7)	-	(129.7)
Balance at 31 December 2020		3,328.2	(1,229.4)	436.1	2,534.9	527.5	3,062.4
Net profit		-	-	702.7	702.7	273.2	975.9
Other comprehensive income		-	(21.8)	-	(21.8)	(19.9)	(41.7)
Total comprehensive income		-	(21.8)	702.7	680.9	253.3	934.2
Impact difference in profit sharing non-controlling interest		-	-	-	-	109.6	109.6
Share capital reduction	(15)	(2,000.0)	2,000.0	-	-	-	-
Dividends to non-controlling interest*		-	-	-	-	(181.8)	(181.8)
Capital contribution	(14)	-	63.6	-	63.6	-	63.6
Non controlling interest acqusition	(15)	-	-	10.4	10.4	(48.8)	(38.4)
Dividends to shareholders	(14)	-	(850.0)	(593.6)	(1,443.6)	-	(1,443.6)
Balance at 31 December 2021		**1,328.2**	**(37.6)**	**555.6**	**1,846.2**	**659.8**	**2,506.0**

* Dividends to non-controlling interest – Sorfert dividend: A dividend of DZD 24,246.6 million (USD 181.8 million based on a DZD exchange rate against the USD of 0.0075) was paid by Sorfert to Sonatrach on 13 August 2021, related to the financial years 2018-2020.

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December

$ millions	Note	2021	2020
Profit for the period		**975.9**	**127.1**
Adjustments for:			
Depreciation, amortization and impairment	(21)	267.1	268.0
Interest income	(22)	(1.0)	(1.9)
Interest expense	(22)	49.2	37.9
Net foreign exchange gain and others	(22)	(15.1)	(22.5)
Share of loss of equity-accounted investees (net of tax)		-	0.1
Impact difference in profit-sharing non-controlling interest	(15)	(109.6)	17.4
Income tax expense	(10)	295.6	40.9
Changes in:			
Inventories	(11)	8.3	(31.7)
Trade and other receivables	(9)	(175.7)	69.1
Trade and other payables	(18)	128.1	97.9
Provisions	(19)	(20.8)	2.0
Cash flows:			
Interest paid		(37.9)	(64.3)
Lease interest paid		(4.5)	-
Interest received		1.0	1.4
Income taxes paid		(145.4)	(20.6)
Cash flows from operating activities		**1,434.4**	**520.8**
Investments in property, plant and equipment	(7)	(85.4)	(67.1)
Dividends from equity accounted investee		-	0.5
Cash used in investing activities		**(85.4)**	**(66.6)**

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows continued
For the year ended 31 December

$ millions	Note	2021	2020
Proceeds from borrowings	(16)	1,260.1	339.5
Repayment of borrowings third parties	(16)	(523.1)	(504.0)
Acquisition of non-controlling interest		(43.1)	-
Payment of lease liabilities	(17)	(9.4)	(12.9)
Transaction costs of new borrowings	(16)	(10.0)	(5.3)
Dividends paid to non-controlling interest	(15)	(193.4)	-
Dividends paid to shareholders*	(13)	(1,443.6)	(129.7)
Cash used in financing activities		**(962.5)**	**(312.4)**
Net cash flow		**386.5**	**141.8**
Net increase in cash and cash equivalents		386.5	141.8
Cash and cash equivalents at 1 January		534.9	424.6
Effect of exchange rate fluctuations on cash held		(22.3)	(31.5)
Cash and cash equivalents at 31 December		**899.1**	**534.9**

* Represent the paid portion of the approved dividends as per 31 December.

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
For the year ended 31 December

1. General

Fertiglobe plc ('Fertiglobe' or 'the Company') is a public company limited by shares pursuant to Abu Dhabi Global Markets (ADGM) Companies Regulations 2020. The Company was re-registered from a private limited company to a public limited company on 5 September 2021. The Company was previously established on 23 December 2018 as private company limited by shares under the name Fertiglobe Holding Limited.

The Company's registered office is located at 2475-2476, 20th floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The Company is registered in the ADGM commercial register under no. 000001911. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as 'the Group').

The Group is consolidated by OCI ("ultimate Parent") that holds 50%+ one of the total shares and voting rights in the Company as of 31 December 2021. After the listing of Fertiglobe on 27 October 2021, the shareholding structure is as follows;

- OCI. N.V: 50% + one share of the total issued share capital
- ADNOC 36.2%
- The free float on the Abu Dhabi Securities Exchange ("ADX") is 13.8%

The principal activity of the Group is the production and sale of nitrogen based products.

These consolidated financial statements were approved and authorized for issuance on 31 March 2022.

2. Basis of preparation and main events

General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and in compliance with the applicable provisions of the Group's Article of Association and the requirements of the Abu Dhabi Global Market Companies Regulation of 2020.

The consolidated financial statements have been prepared on the historical cost convention, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December.

These consolidated financial statements are presented in US Dollar ('USD'), which is the Company's functional and reporting currency. All amounts have been recorded to the nearest million.

Fertiglobe IPO

On 27 October 2021, Fertiglobe plc was listed on the ADX under the ticker "FERTIGLB" and the International Securities Identification Numbering (ISIN) code "AEF000901015".

The shareholders of the Company (OCI and ADNOC) sold 1.145 billion shares representing 13.8% of the company's share capital. Immediately following the offering, the total issued share capital of the Company is USD 1,328,211,028 consisting of 8,301,318,925 Shares at USD 0.16 each, of which 4,150,659,464 shares are owned by the OCI (representing 50% + one share of total issued share capital) and 3,005,077,450 shares are owned by ADNOC (representing 36.2% of total issued share capital).

3. Summary of significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise in note 4.

3.1. Consolidation

The consolidated financial statements include the financial statements of the Group, its subsidiaries and the Group's interests in associates and joint ventures.

Notes to the consolidated financial statements
For the year ended 31 December

3.1. Consolidation (continued)

Subsidiaries

Subsidiaries are all companies to which the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. The principal subsidiaries are listed in note 27.

Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2. Business combinations

The group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the classification of particular financial assets and financial liabilities assumed as, at fair value through profit or loss, or at amortized cost or as a financial asset measured at fair value through other comprehensive income. The Group makes an assessment of whether embedded derivatives of the acquiree should be separated from their host contracts.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

3.3. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within net finance costs.

Notes to the consolidated financial statements
For the year ended 31 December

3.3. Foreign currency (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into USD at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated into USD at the average exchange rates of the transaction's period. Foreign currency differences are recognized in other comprehensive income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.4. Financial instruments

Financial assets

IFRS 9 contains three principal classification categories for financial assets:

- measured at amortized cost,
- at fair value through profit or loss ('FVTPL')
- and at fair value through other comprehensive income ('FVOCI').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

Gas purchase contracts

The Group has purchase contracts in place to procure natural gas for its production activities. These contracts are not accounted for as financial instruments as they are excluded from the scope of IFRS 9 through the 'own use exemption'. The own use exemption applies to contracts that are entered into and continue to be held for the receipt of a non-financial item in accordance with the Group's expected purchase, sell or usage requirements.

i. Classification and subsequent measurement

Amortized cost

Trade and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the 'hold to collect' business model criteria for amortized cost measurement. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognized directly in profit or loss.

Debt instrument at FVOCI

The Group sells certain portfolios of trade receivables under a securitization agreement to a third party. For these selected debtors the Group uses the 'hold-to-collect-and-sell business model' as defined under IFRS 9 and measure these receivables at FVOCI.

ii. Derecognition

Financial asset

The group derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial assets expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownerships of the financial asset are transferred; or
  - the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Notes to the consolidated financial statements
For the year ended 31 December

3.4. Financial instruments (continued)

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Financial liabilities, like loans and borrowings and trade and other payables, are measured at amortized cost.

iii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.5. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Restricted cash comprises cash balances where specific restrictions exist on the Group's ability to use this cash. Restricted cash includes cash deposited as collateral for letters of credit issued by the Group. Restricted funds include bank balances reserved by the lending institution for installments of loan payments to be made in the near future.

3.6. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the proceeds.

3.7. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes cost of material, direct labour, other directly attributable cost incurred to bring the asset ready to its intended use, cost of asset retirement obligation and any capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare parts of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, otherwise they are recognized within inventories.

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to a final category of property, plant and equipment. Assets under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis through profit or loss over the estimated useful lives of each component, taking into account any residual values.

Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for intended use, or in respect of internally constructed assets, from the date that the asset is completed and ready for intended use.

Notes to the consolidated financial statements
For the year ended 31 December

3.7. Property, plant and equipment(continued)

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Plant and equipment	5 - 27
Fixtures and fittings	3 -10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary, by the Group.

3.8. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand- alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group is not acting as a lessor.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the consolidated financial statements
For the year ended 31 December

3.9. Goodwill

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the Groups' share of identifiable assets acquired and liabilities assumed of businesses acquired that were directly attributable to the legal entities comprising the Group.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Goodwill'. Goodwill on acquisitions of entities that qualify as associates or joint ventures is included in 'Equity-accounted investees'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing.

The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience.

After initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets is recognized in profit or loss as incurred.

3.10. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories of raw materials, spare parts and supplies are based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

In case the net realizable value (NRV) is lower than the cost of inventory, a write down is required. A write-down to NRV may be required when inventory is damaged; or becomes wholly or partially obsolete; or when the selling price for the product is reduced; or the estimated costs of completion, or the estimates costs to be incurred to make the sale, have increased.

3.11. Impairment of assets

Non-derivative financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a non- derivative financial asset or a group of non-derivative financial assets are impaired. A non-derivative financial asset is considered to be impaired if the counterparty does not meet the agreed payment terms or when evidence exists that the counterparty will not be able to do so. The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is recognized for the amount by which the carrying amount of a non-derivative financial asset exceeds its estimated discounted future cash flows using the original interest rate. Impaired non-derivative financial assets are tested periodically to determine whether the estimated future cash flows have increased and the impairment has to be reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

Notes to the consolidated financial statements
For the year ended 31 December

3.11. Impairment of assets (continued)

Non-financial assets
Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by continued use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in profit or loss.

They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment be (partially) reversed. Impairment losses on goodwill are not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

Expected loss assessment for corporate customers
The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit definitions from agencies (Standard & Poor's).

Exposure within each credit risk grade are segmented by geographic region classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past seven years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables

3.12. Provisions

Provisions are recognized when a present legal or constructive obligation based on past events exists, and it is probable that an outflow of economic benefits is required to settle the obligation. If the outflow is probable, but cannot be determined reliably, the obligation is disclosed. The non-current part of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Asset retirement obligations
The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to clean up of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability.

Considering that maintenance, turn around and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility indefinitely (also taken into account the possible changes in technology and availability of raw materials).

Claims and contingencies
The Group is subject to legal and regulatory proceedings and commercial disputes in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Group. If it is probable that an obligation to the Group exists, which will result in an outflow of resources and the amount of the outflow can be reliably estimated, a provision is recognized.

Donation provision
The donation provision is recognized as a constructive obligation, the amount is undiscounted as the Group does not know the exact settlement date.

Notes to the consolidated financial statements
For the year ended 31 December

3.13. Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resource allocation to the segment and to assess its performance and for which discrete financial information is available. The Group determines and presents operating segments on the basis of information that internally is provided to the CODM during the period. Operating segments are grouped into reporting segments based on similar economic environments and similar products.

3.14. Revenue from contracts with customers

Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of Fertilizer products to customers. Goods are transferred when the customer obtains control of the asset. The timing of when control transfer depends on the sales and shipping terms agreed. Invoices are generated and revenue is recognized at that point in time. Invoices are usually payable within 30 days.

Revenue is recognized net of expected discounts to customers. Accumulated experience and management judgment is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probably that a significant reversal will not occur. The Group does not have any contracts where the period of time between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, no adjustment is made to transaction prices for the time value of money.

3.15. Finance income and cost

Finance income comprises:

- interest income on funds invested (including on financial assets at fair value through other comprehensive income);
- gains on the disposal of financial assets at fair value through other comprehensive income;
- dividend income;
- fair value gains on financial assets at fair value through profit or loss;
- gains on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.
- foreign currency gain on financial assets and financial liabilities.

Finance cost comprises:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- interest expense related to lease obligations;
- losses on disposal of financial assets at fair value through other comprehensive income;
- fair value losses on financial assets at fair value through profit or loss;
- foreign currency loss on financial assets and financial liabilities;
- loss on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss and expensed as incurred.

Notes to the consolidated financial statements
For the year ended 31 December

3.16. Employee benefits

Defined contribution plan
Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits
The Group long-term employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on triple-A ('AAA') credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits
Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when the Group is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.17. Income tax

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax payable also includes any tax liability arising from the declaration of dividends. Current income tax receivable and payable are offset when there is a legally enforceable right to offset and when the current income tax relates to the same fiscal authority.

Deferred tax
Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ('balance sheet' method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also, no deferred income tax is recognized regarding the initial recognition of goodwill and regarding investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

Notes to the consolidated financial statements
For the year ended 31 December

3.17. Income tax (continued)

In cases where it is concluded it is not probable that tax authorities will accept a tax treatment, the effect of the uncertainty is reflected in the recognition and measurement of tax assets and liabilities or, alternatively, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax expense in the period during which such a determination is made.

3.18. Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated applying average exchange rates. Currency translation differences are shown separately in the consolidated statement of cash flows. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as acquisition of subsidiary, net of cash.

3.19. Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding.

4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. These new accounting standards, amendments and revisions to existing standards and interpretations are subject to endorsement by the Abu Dhabi Global Market Companies Regulation of 2020.

4.1. Standards, amendments, revisions and interpretations that became effective to the Group during 2021

The standards and interpretations that became effective in 2021 do not have a material impact on Fertiglobe during 2021.

Interest rate benchmark reform Phase 2:

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group's main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the secured overnight financing rate (SOFR) which will be published in June 2023. The Group plans to finish the process of amending contractual terms in response to IBOR reform by the end of 2022.

The Group has assessed the IBOR reform on the financing outstanding and have concluded that the interest rates relationships are no longer subject to uncertainty driven by IBOR reforms. The main borrowing contract of the Group dated August 2021 has already included section anticipating the future rate switch.

4.2. New revised IFRS in issue but not yet effective

IFRS standards and interpretations thereof not yet in force which may apply to the future Group's consolidated financial statements are being assessed for their potential impact. Currently there are no standards and interpretations not yet effective that would have a significant impact on the Group.

Notes to the consolidated financial statements
For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions

The preparation of the consolidated financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods.

Compared to the consolidated financial statements for the year ended 31 December 2020 there were no significant changes to the critical accounting judgments, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements. All our critical accounting judgments, estimates and assumptions have been reviewed and updated when necessary, following this situation.

The most critical accounting policies, involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

Goodwill and other intangible assets

Intangible assets with finite useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

For intangible assets with finite useful lives, Fertiglobe assesses annually or more frequently whether indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of intangible assets, Fertiglobe makes estimates and assumptions about future cash flows based on the value in use. In doing so, Management also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. Management tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In determining the recoverable amount, Management makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital ('WACC') and future inflation rate (Note 8).

Property, plant and equipment

Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Management assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts.

In determining the recoverable amounts of property, plant and equipment, management makes estimates and assumptions about future cash flows based on the value in use. The discount rate to be used in order to calculate the net present value of the future cash flows in the impairment analysis is based on the WACC (Note 7).

Asset retirement obligations

The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to clean up of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning.

The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability. Considering that maintenance, turn arounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility (also taken into account the possible changes in technology and availability of raw materials).

Notes to the consolidated financial statements
For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions (continued)

Inventories

In determining the net realizable value of inventories, the Group estimates the selling prices in the ordinary course of business less cost to sell. In doing so, the Group makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g., end of life of specific goods and spare parts and the impact of new environmental legislation) determining the net realizable value of inventories, the Group estimates the selling prices in the ordinary course of business, cost of completion and cost to sell (Note 11).

Provisions

Recognition of provisions include significant estimates, assumptions and judgments. IFRS requires only those provisions to be recognized if there is an expected outflow of resources in the near future and if the cost of these outflows can be estimated reliably.

Accordingly, management exercises considerable judgment in determining whether it is more likely than not that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. These judgments are subject to change as new information becomes available.

The required amount of a provision may change in the future due to new developments in the matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, the Group may incur charges in excess of the recorded provisions for such matters. Due to the long time period over which future cash outflows are expected to occur, including the respective interest accretion, assumptions are required to be made. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements. The Group has not recognized any asset retirement obligations because a reliable estimate of the amount of the obligations cannot be made.

With respect to legal cases, the Group has to estimate the outcome. Regulatory and legal proceedings, commercial disputes as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. The Group periodically reviews the status of these proceedings with both the internal and external legal counsels (Note 19).

Income taxes

The Group is subject to income taxes in several jurisdictions. Estimates are required in determining the group-wide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. The Group recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which the Group operates and the period over which deferred tax assets are expected to be recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss (Note 10).

Leases

The assessment of whether a contract is or contains a lease requires judgment with respect to whether the lessor has substantive substitution rights, who obtains economic benefits from use of the asset and who takes the 'how and for what purpose' decisions during the period of use.

Judgment is also applied in order to assess whether the entity will exercise any extension or cancelation options of a lease. The group applies judgments in order to determine the incremental borrowing rate in order to calculate the lease liability (Note 17).

Notes to the consolidated financial statements
For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions (continued)

Liquidity risk
As part of the preparation of the financial statements, the Group has assessed its liquidity risk and going concern. Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group has made a number of assumptions in assessing its ability to meet its covenant requirements (Note 16) and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows.

Key assumptions include product pricing, gas pricing, utilization rates and the ability to arrange financing and obtain waivers for potential covenant breaches.

6. Financial risk and capital management Overview

The Group has exposure to credit, liquidity and market risks from financial instruments. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks, additionally it also includes the Group's management of capital.

Risk management framework
The Board has oversight responsibility on the establishment and monitoring of the Group's risk management framework. Senior (local) management is responsible for the effective operation of the internal risk management and control systems.

The Finance department is responsible for the facilitation and supervision of the Risk Management function, compliance with the Group Internal Control Framework and supports the Board in the exercise of their risk management duties.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

6.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. The Group mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating. The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods.

The Group establishes an allowance, if needed, for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected based on historical performance. IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition.

As at 31 December 2021, management assessed the credit risk based on internal and external factors related to the financial instruments and recognized an allowance related to credit risk (Note 9).

With respect to transactions with financial institutions, the Group sets a minimum credit rating for the counter parties. The maximum exposure to credit risk is the carrying amount of financial instruments, for an overview reference is made to the tables financial instruments by category. There is no significant concentration of credit risk in trade and other receivables, financial assets at fair value through other comprehensive income or cash and cash equivalents. Significantly all of Fertiglobe trade and other receivables balances are with strategic customers that are collateralized by letters of credit, guarantees and securitization, or are due from government entities.

The maximum exposure to credit risk at the reporting date is as follows:

$ millions	Note	2021	2020
Trade and other receivables*	(9)	451.7	227.4
Cash and cash equivalents	(12)	899.1	534.9
Total		**1,350.8**	**762.3**

* Excluding prepayments and supplier advance payments

Notes to the consolidated financial statements
For the year ended 31 December

6.1. Credit risk (continued)

The maximum exposure to credit risk for trade and other receivables* by geographic region is as follows:

$ millions	2021	2020
Middle East and Africa	112.2	129.8
Asia and Oceania	223.1	16.7
Europe	103.1	76.0
America	13.3	4.9
Total	**451.7**	**227.4**

*Excluding prepayments and supplier advance payments

6.2. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest payments and exclude the impact of netting agreements:

At 31 December 2021 $ millions	Note	Carrying Amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial Liabilities						
Loans and borrowings	(16)	1,385.7	1,394.4	65.5	1,328.9	-
Lease obligations	(17)	91.2	327.9	12.7	40.3	274.9
Trade and other payables*	(18)	379.7	379.7	362.1	17.6	-
Trade and other payables to related parties	(18)	46.4	46.4	46.4	-	-
Total		**1,903.0**	**2,148.4**	**486.7**	**1,386.8**	**274.9**

* Excluding employee benefits

At 31 December 2020 $ millions	Note	Carrying Amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial Liabilities						
Loans and borrowings	(16)	670.5	843.2	243.2	563.0	37.0
Lease obligations	(17)	93.3	333.2	17.0	40.3	275.9
Trade and other payables*	(18)	296.5	296.5	293.0	3.5	-
Trade and other payables to related parties	(18)	31.0	31.0	31.0	-	-
Total		**1,091.3**	**1,503.9**	**584.2**	**606.8**	**312.9**

* Excluding employee benefits

The interest on floating rate loans and borrowings is based on forward interest rates at the period-end. This interest rate may change as the market interest rate changes.

Callable loan amounts are classified as 'Less than one year'. The future obligations will be managed by the future incoming cash from operations, currently available and unused amounts on credit facility agreements, reference is made to note 16.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk.

Liquidity risk is monitored internally at Group level. On an ongoing basis, the Group prepares liquidity forecasts to verify whether the Group is able to meet its future debt obligations. The Group has also carefully evaluated the funding of its Business Plan for at least the next 12 months from the date of issuance of the financial statements, taking into account the measures mentioned below and has applied sensitivities to the forecast level of liquidity headroom available. Key assumptions include product pricing, natural gas pricing and utilization rates. Management has applied these assumptions to the forecasts, it prepares, demonstrating sufficient liquidity headroom.

Notes to the consolidated financial statements
For the year ended 31 December

6.3. Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to foreign currency risk arising in the following ways:

Foreign exchange translation risk

Due to the Group's international presence, the Group is exposed to foreign exchange fluctuations as these affect the translation of the Group's business entities with functional currencies that are different from the US dollar (which is the Group's functional currency). The currencies concerned are mainly the Euro and the Algerian dinar. Foreign exchange translation exposure is considered a part of doing business on an international level; this risk is not hedged. The Group seeks to mitigate translation risk to our credit metrics by broadly matching the currency of debt with cash flows.

Foreign exchange transaction risk

The Group entities predominantly execute their activities in their respective functional currencies. The Group is however exposed to foreign exchange transaction risk to the extent that there is a discrepancy between the currencies in which sales, purchases, investments and borrowings are denominated and the respective functional currencies of the Group entities. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD/EGP exchange rates.

The summary of balances of the Group's exposure to foreign exchange transactions, where the main exposure currencies are different from the functional currencies, including intercompany balances, is as follows:

At 31 December 2021 $ millions	USD	EUR	EGP
Trade and other receivables	4.9	6.3	93.1
Trade and other receivables intercompany	1,114.0	19.9	0.3
Trade and other payables	(1.9)	(11.4)	(8.0)
Trade and other payables intercompany	(3.0)	(19.9)	(0.5)
Loans and borrowings	-	-	-
Loans and borrowings intercompany	(1,058.3)	-	-
Provisions	-	-	(121.1)
Cash and cash equivalents	408.8	13.9	24.0

At 31 December 2020 $ millions	USD	EUR	EGP
Trade and other receivables	8.9	4.8	87.6
Trade and other receivables intercompany	1,123.8	0.7	0.8
Trade and other payables	-	(4.1)	(7.6)
Trade and other payables intercompany	(3.8)	(1.1)	-
Loans and borrowings	-	-	-
Loans and borrowings intercompany	(1,118.3)	-	-
Provisions	-	-	(120.9)
Cash and cash equivalents	233.1	8.8	26.5

The Algerian dinar is not included in the above table of foreign exchange transaction exposure, since there are no entities in the Group which have monetary items denominated in Algerian dinars, except for Sorfert, which has the Algerian dinar as its functional currency.

Notes to the consolidated financial statements
For the year ended 31 December

6.3. Market risk (continued)

Significant rates
The following significant exchange rates applied during the year:

	Average 2021	Average 2020	Closing 2021	Closing 2020
Euro	1.1828	1.1418	1.1370	1.2225
Egyptian pound	0.0637	0.0632	0.0636	0.0635
Algerian dinar	0.0074	0.0079	0.0072	0.0076

The following tables demonstrate the sensitivity to a reasonably possible change in USD foreign exchange rate against EUR, EGP and DZD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

At 31 December 2021 $ millions	Change in FX rate	Effect on profit before tax	Effect on other comprehensive income
EUR- USD	8 percent	2.2	-
	(8) percent	(2.2)	-
EGP- USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD- USD	3 percent	13.1	-
	(3) percent	(13.1)	-

At 31 December 2020 $ millions	Change in FX rate	Effect on profit before tax	Effect on other comprehensive income
EUR- USD	8 percent	0.5	-
	(8) percent	(0.5)	-
EGP- USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD- USD	3 percent	7.2	-
	(3) percent	(7.2)	-

The figures in the above overview are determined based on the currency volatility of the respective years. A significant part of the Group's exposure to foreign currency transaction risk relates to intercompany balances.

Interest rate risk
The Group's cash flow interest rate risks arise from the exposure to variability in future cash flows of floating rate financial instruments and refinancing fixed rate borrowings. The Group regularly reviews its exposure to the global interest rate environment. The Group has not entered into any interest rate derivatives.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2021	2020
Effect on profit before tax for the coming year	+100 bps	(10.9)	(2.7)
	- 100 bps	10.9	2.7

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a lower volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities, reference is made to note 16. IBOR reform had no impact on 2021 financial statements as the switch rate for USD Libor is expected to happen in June 2023, and all our loans contracts are anticipating this change.

Notes to the consolidated financial statements
For the year ended 31 December

6.3 Market risk (continued)

Loans and receivables/payables at amortized cost $ millions	Note	2021	2020
Assets			
Trade and other receivables*	(9)	451.7	227.4
Cash and cash equivalents	(12)	899.1	534.9
Total		**1,350.8**	**762.3**
Liabilities			
Loans and borrowings	(16)	1,385.7	670.5
Trade and other payables**	(18)	426.1	327.5
Total		**1,811.8**	**998.0**

*Excluding prepayments and supplier advance payments
**Excluding employee benefits

The group does not have any derivative.

6.4. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings, reserves and non-controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group is required by external financial institutions to maintain certain capital requirements in relation to its debt. Reference is made to note 16 for a description of financial covenants.

The Group's net debt to equity ratio at the reporting date was as follows:

$ millions	Note	2021	2020
Loans and borrowings	(16)	1,385.7	670.5
Less: cash and cash equivalents	(12)	899.1	534.9
Net debt		**486.6**	**135.6**
Total equity		2,506.0	3,062.4
Net debt to equity ratio at 31 December		**0.19**	**0.04**

7. Property, plant and equipment

As at 31 December 2021, the Group has land with a carrying amount of USD 22.2 million (2020: USD 22.2 million). The additions of USD 84.6 million mainly relate to Sorfert for USD 14.7 million, Fertil for USD 47.1 million, EBIC for USD 7.4 million and EFC for USD 14.0 million. The effect of movement in exchange rates in 2021 mainly relates to Sorfert, which has a different functional currency (Algerian dinar), to the Group's presentation currency. The Algerian dinar decreased by 5.3% against the US dollar in 2021.

Spare parts reclassification

In 2021, the Group performed a detailed assessment of the spare parts which resulted in the reclassification of some low value items into inventory. Accordingly, the value of Stores, Spares and Tools transferred out of Property, Plant and Equipment amounted to USD 19.0 million (net of accumulated depreciation), and the value of Stores, Spares and Tools recognized as Inventories amounted to USD 13.7 million (net of provision for obsolescence). The difference in accounting treatment resulted in a charge of USD 5.3 million in the current year consolidated statement of Profit or Loss.

Impairment of ship loader

In April 2021, during regular maintenance, a ship loader in Ruwais collapsed. The inspection report showed that the main components of the loader were severely impacted which put the ship loader in a halt position. An impairment was recorded for the full net book value of the ship loader of USD 10.5 million.

Notes to the consolidated financial statements
For the year ended 31 December

7. Property, plant and equipment (continued)

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	298.7	5,427.9	43.2	46.5	5,816.3
Accumulated depreciation	(102.7)	(2,229.8)	(35.3)	-	(2,367.8)
At 1 January 2020	**196.0**	**3,198.1**	**7.9**	**46.5**	**3,448.5**
Movements in the carrying amount:					
Additions	5.1	24.0	1.9	35.5	66.5
Depreciation	(9.2)	(246.0)	(2.2)	-	(257.4)
Transfers	3.0	6.3	0.4	(9.7)	-
Effect of movement in exchange rates	(5.5)	(77.7)	(0.7)	(1.7)	(85.6)
At 31 December 2020	**189.4**	**2,904.7**	**7.3**	**70.6**	**3,172.0**
Cost	298.0	5,314.1	43.5	70.6	5,726.2
Accumulated depreciation	(108.6)	(2,409.4)	(36.2)	-	(2,554.2)
At 31 December 2020	**189.4**	**2,904.7**	**7.3**	**70.6**	**3,172.0**
Movements in the carrying amount:					
Additions	1.8	24.1	1.4	57.3	84.6
Depreciation	(6.3)	(237.2)	(1.8)	-	(245.3)
Spare parts reclassification (costs)	-	(40.1)	-	-	(40.1)
Spare parts reclassification (depreciation)	-	21.1	-	-	21.1
Disposals	-	(0.1)	-	-	(0.1)
Impairment	-	(10.5)	-	-	(10.5)
Transfers	-	65.0	-	(65.0)	-
Effect of movement in exchange rates	(2.8)	(35.1)	(0.2)	(1.4)	(39.5)
At 31 December 2021	**182.1**	**2,691.9**	**6.7**	**61.5**	**2,942.2**
Cost	295.2	5,257.0	44.4	61.5	5,658.1
Accumulated depreciation & impairment	(113.1)	(2,565.1)	(37.7)	-	(2,715.9)
At 31 December 2021	**182.1**	**2,691.9**	**6.7**	**61.5**	**2,942.2**

8. Goodwill

$ millions	Goodwill
Cost	1,942.4
Accumulated impairment	(1,337.6)
At 31 December 2020	**604.8**
Cost	1,942.4
Accumulated impairment	(1,337.6)
At 31 December 2021	**604.8**

Goodwill has been allocated to the cash generating units as follows:

Cash generating units $ millions	2021	2020
Egyptian Fertilizers Company (EFC)	440.0	440.0
Ruwais Fertilizer Industries LLC. (Fertil)	164.8	164.8
Total	**604.8**	**604.8**

Notes to the consolidated financial statements
For the year ended 31 December

8. Goodwill (continued)

Goodwill impairment testing

The determination of the recoverable amount for the cash generating unit EFC and Fertil requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant.

Selling price assumptions are based on a published independent price outlook prepared by global experts. The other assumptions used are based on past experience and external sources, but that are unpredictable and inherently uncertain.

The impairment tests are based on specific estimates for the US dollar cash flow projections for the years 2022 to 2026 (this period captures the cyclical nature of the industry). For the subsequent years the residual values were calculated based on the average EBITDA margin of the projection period and whereby a perpetual growth rate of 2.02% was taken into account. The estimated pre-tax cash flows are discounted to their present value using pre-tax discount rates.

The following rates were applied in performing the impairment test:

	2021		2020	
Percentage	**Fertil**	**EFC**	**Fertil**	**EFC**
Pre-tax discount rate	10.3%	12.6%	9.7%	12.1%
Perpetual growth rate	2.02%	2.02%	1.23%	1.23%

Result of the impairment test

For all cash generating units, the recoverable values exceed their carrying amounts. No reasonably possible change in a key assumption would cause the cash generating unit's carrying amount to exceed the recoverable amount.

9. Trade and other receivables

In 2018, the Group entered into a securitization agreement to sell without recourse certain portfolios of trade receivables to an external financial institution. By doing so, the Group is able to receive cash flows from selected debtors sooner than would normally be the case. Fertiglobe derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. Further the Group has pass through arrangement with financial institution as per which all the amounts collected from customer are paid back to financial institution without material delay. During the year ended 31 December 2021 an amount of USD 10.6 million (2020: USD 13.2 million) of trade receivables were transferred under the securitization agreement.

Furthermore, the total amount charged by securitization company amounted to USD 0.6 million during the year (2020: USD 0.6 million). The portfolio of Trade receivable which is held for collect and sale at reporting date amounted to USD 10.6 million (2020 USD 6.8 million).

The other tax receivable contains an amount of EGP 900 million (USD 57.2 million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note 27 'OCI S.A.E. tax dispute'.

Non-current trade and other receivables have not been discounted as the effect is immaterial to the consolidated financial statements.

The carrying amount of 'Trade and other receivables' as at 31 December 2021 approximates its fair value.

Notes to the consolidated financial statements
For the year ended 31 December

9. Trade and other receivables (continued)

$ millions	2021	2020
Trade receivables net	261.1	93.7
Trade receivables (net) from related parties (note 25)	13.8	9.1
Prepayments	33.2	25.1
Other tax receivables	103.9	92.1
Supplier advance payments	22.1	21.7
Other receivables net	3.7	32.5
Other receivables related parties (note 25)	69.2	-
Total	**507.0**	**274.2**
Non-current	29.1	0.3
Current	477.9	273.9
Total	**507.0**	**274.2**

The aging of current trade receivables at the reporting date were as follows:

$ millions	2021	2020
Neither past due nor impaired	274.0	101.4
Past due 1 - 30 days	-	-
Past due 31 - 90 days	0.6	1.3
Past due 91 - 360 days	0.2	-
More than 360 days	0.1	-
Total	**274.9**	**102.7**

Management believes that the unimpaired amounts that are past due by more than 30 days are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The movement in the allowance for impairment in respect if trade receivables during the year was as follows:

$ millions	2021	2020
At 1 January	(0.2)	-
Addition	-	(0.2)
At 31 December	**(0.2)**	**(0.2)**

10. Income taxes

10.1. Income tax in the statement of profit or loss and other comprehensive income

$ millions	2021	2020
Current tax	(220.8)	(21.8)
Deferred tax	(74.8)	(19.1)
Total income tax in profit or loss	**(295.6)**	**(40.9)**

Notes to the consolidated financial statements
For the year ended 31 December

10.2. Reconciliation of effective tax rate

The Group's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0.0% to 25.0%, which results in a difference between the weighted average statutory income tax rate and the UAE's statutory income tax rate of 25.0%.

Reconciliation of the statutory income tax rate in the UAE with the effective tax rate can be summarized as follows:

$ millions	2021	%	2020	%
Profit before income tax	1,271.5		168.0	
Enacted income tax rate	25.0%		25%	
Tax calculated at the enacted tax rate	**(317.9)**	**25.0**	**(42.0)**	**25.0**
Effect of tax rates in foreign jurisdictions	39.4	(3.1)	10.4	(6.2)
Income not subject to tax	112.0	(8.8)	14.6	(8.7)
Non-deductible expenses	(17.6)	1.4	(16.1)	9.6
Dividend withholding tax	(17.1)	1.3	7.8	(4.6)
Unrecognised tax assets	2.2	(0.2)	(9.8)	5.8
Uncertain tax positions	(96.9)	7.6	(5.7)	3.4
Other adjustments	0.3	0.0	(0.1)	0.1
Total income tax in profit or loss	**(295.6)**	**23.2**	**(40.9)**	**24.4**

The effective tax rate is 23.2% (2020: 24.4%), mainly due to (i) income not subject to tax for an amount of USD 156.5 million (ii) non-deductible expenses for an amount of USD (17.6) million and (iii) unrecognised tax assets for an amount of USD 2.2 million. The income not subject to tax mainly relates to the tax-free status of some entities in the Group.

10.3. Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

$ millions	2021	2020
At 1 January	(467.1)	(448.0)
Profit or loss	(74.8)	(19.1)
Effect of movement in exchange rates	1.2	-
At 31 December	**(540.7)**	**(467.1)**

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Intangible assets	-	-	(62.6)	(62.6)	(62.6)	(62.6)
Property, plant and equipment	-	-	(311.9)	(335.5)	(311.9)	(335.5)
Trade and other payables	4.6	4.2	-	-	4.6	4.2
Uncertain tax positions	-	-	(148.6)	(57.6)	(148.6)	(57.6)
Provision for withholding tax	-	-	(22.2)	(15.6)	(22.2)	(15.6)
Total	**4.6**	**4.2**	**(545.3)**	**(471.3)**	**(540.7)**	**(467.1)**

Deferred tax liabilities relating to intangible assets mainly consist of goodwill of EFC for USD 62.6 million. This deferred tax liability will be reversed if the asset is impaired. Deferred tax liabilities recognized in relation to property, plant and equipment will be realized over the depreciation period of the related asset, and mainly relate to Fertil for USD 247.6 million and EFC for USD 64.3 million.

The unrecognized operating losses carry forward of USD 57.1 million (2020: USD 54.0 million) mainly relate to OCI S.A.E.

Notes to the consolidated financial statements
For the year ended 31 December

10.3. Deferred income tax assets and liabilities (continued)

Uncertain tax positions

The Group is subject to the application of complex tax laws in multiple jurisdictions. Application of these complex tax laws may lead to uncertainties in determining tax positions. We aim to resolve these uncertainties in discussions with the tax authorities. The financial effect of the existing uncertainties per balance sheet date are determined in accordance with IAS 12 and IFRIC 23, which requires us to estimate the potential outcome of any tax position. Our estimate for the potential outcome of any uncertain tax position is judgmental.

As of 31 December 2021, the Group recorded uncertain tax positions of USD 148.6 million (2020: USD 57.6 million) which are classified as a deferred tax liability. Expected interest and penalties related to uncertain income tax liabilities have been accrued for and are included in the uncertain tax positions and in the income tax expense. In addition to the uncertain tax liability, the Group also has a contingent tax asset that currently does not meet the recognition criteria of IAS 12 and IFRIC 23. For more information we refer to note 26.

Expiration scheme of unrecognized carry forward tax losses, tax credits and deferred temporary tax assets:

$ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Unrecognized operating losses carry forward, tax credits and temporary differences in 2021	10.5	46.6	-	-	-	-	57.1
Unrecognized operating losses carry forward, tax credits and temporary differences in 2020	-	53.8	0.2	-	-	-	54.0

10.4. Income tax receivables and payables

Changes in income tax receivables and payables:

$ millions	2021	2020
At 1 January	(8.7)	0.1
Profit or loss	(220.8)	(21.8)
Payments	145.4	20.6
Withholding tax not recoverable	10.6	(7.8)
Effect of movement in exchange rates	2.9	0.2
At 31 December	**(70.6)**	**(8.7)**
Income tax receivable	-	-
Income tax payables	(70.6)	(8.7)
Total	**(70.6)**	**(8.7)**

Sorfert tax reinvestment case

On 29 December 2020 the Large Multinationals Directorate of the Algerian Tax Authorities ("DGE") issued a letter to Sorfert in which its initial claim of DZD 7,296 million (USD 53.3 million) was maintained relating to the alleged non-compliance with the reinvestment obligations under a tax exemption as granted in 2014 by the Agency Nationale de Developpement de l'Investissement ("ANDI"). The DGE is of the opinion that Sorfert did not timely carry out the reinvestment obligations as required under ANDI exemption. As a result, the DGE required Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith. On 1 February 2021, Sorfert appealed to this decision and as part of the appeal process made an initial payment of DZD 2,189 million (USD 16.4 million).

Notes to the consolidated financial statements
For the year ended 31 December

10.4. Income tax receivables and payables (continued)

On 31 October 2021, the appeal of Sorfert to the initial claim was rejected by the Internal Appeals Committee of the DGE (and the total exposure was increased with a 25% penalty) and it had to pay DZD 1,824 million (USD 13.3 million) (20% of the initial claim and penalties added with penalties on the amount already paid in February 2021). Although Sorfert is of the opinion that it has complied with its reinvestment obligations, the DGE applied a different interpretation of the reinvestment law. Since there is no detailed guidance on the interpretation, the ability to firmly assess the technical merits of this case is limited. Due to this lack of detailed guidance and negative outcome of the first appeal, management is currently of the opinion that when weighing all the current facts and circumstances and application of interpretive guidance of IFRIC 23, it has become probable that Sorfert will be required to settle the remainder of the disputed tax amount. As a result, the Company recorded the full impact of the reinvestment case as an income tax expense amounting to USD 65.8 million, which results in a remaining uncertain tax position of USD 32.8 million.

Supported by its external advisors, Sorfert management will pursue the next instance of appeal as it continues to have the view that the grounds of the claim will be ruled as unfounded, as Sorfert has satisfied the intent and purpose of the reinvestment obligations under the ANDI regime.

Sorfert tax audit 2017

On 30 December 2021, Sorfert received a notification from Algerian tax authority in relation to the 2017 tax audit which challenged the deductibility of various expenses. Sorfert made certain assumptions in the 2017 tax declaration based on its historical interpretation of the Algerian tax code, which is highly complex and ambiguous. External advice was obtained, after the notification was received, upon which management agreed to record a current uncertain tax position resulting from a difference in interpretation of Algerian tax code of USD 3.6 million related to 2017 and USD 6.0 million related to 2018, 2019 and 2020 recorded as a deferred tax liability, resulting in a total uncertain tax expense of USD 9.6 million.

Fiscal treatment of insurance proceeds

On 30 April 2017 an incident occurred at Sorfert which caused the production facility to be shut down for an extended period of time. A business interruption insurance claim was made, which was successful and insurance proceeds totaling DZD 6,009 million (USD 43.3 million) were received in 2018 and 2019. Sorfert treated these insurance proceeds as exceptional revenue, which were exempt from corporate income tax for the export proportion. Following informal discussion with Algerian tax authority during the 2021 audit, management reassessed their position related to fiscal treatment of the insurance proceeds.

External advice was obtained which supported management's decision to record an uncertain tax provision of USD 14.0 million, which resulted from the complexity and ambiguity in the Algerian tax code.

11. Inventories

	2021		
$ millions	**Gross**	**Written down**	**Net**
Finished goods	28.3	(0.3)	28.0
Raw materials and consumables	17.9	(0.7)	17.2
Spare parts, fuels and others*	122.7	(34.1)	88.6
Total	**168.9**	**(35.1)**	**133.8**

*Refer to note 7 – spare parts reclassification

	2020		
$ millions	**Gross**	**Written down**	**Net**
Finished goods	38.4	(0.3)	38.1
Raw materials and consumables	21.4	(0.1)	21.3
Spare parts, fuels and others*	69.1	(2.6)	66.5
Total	**128.9**	**(3.0)**	**125.9**

* Refer to note 7 – spare parts reclassification

The movement in the allowance during the year was as follows:

$ millions	**2021**	**2020**
At 1 January	(3.0)	(6.5)
Provision recorded	(32.1)	(1.0)
Reversal of provision	-	4.5
At 31 December	**(35.1)**	**(3.0)**

Notes to the consolidated financial statements
For the year ended 31 December

12. Cash and cash equivalents

$ millions	2021	2020
Cash on hand	0.2	0.2
Bank balances	887.1	528.3
Restricted cash	11.8	6.4
Total	**899.1**	**534.9**

The restricted balances of USD 11.8 million (2020: USD 6.4 million), included in the cash and cash equivalents for the consolidated statement of cash flows, are held as collateral against letters of credit and letters of guarantees issued, therefore not available for general use by the Group.

13. Equity attributable to owners of the Company

The movements in the number of shares can be summarized as follows:

$ millions	2021	2020*
Number of shares at 1 January	3,328.2	3,328.2
Capital reduction	(2,000.0)	-
Subdivision of shares	6,937.1	-
Issued at 31 December – fully paid	8,301.3	3,328.2
Par value per share (in $)	**0.16**	1.00
At 31 December	**1,328.2**	**3,328.2**

Reduction of share capital

On 28 June 2021, the Company's Shareholders approved, through a special resolution, the reduction of the share capital from USD 3,328,211,028 to USD 1,328,211,028 by cancelling and extinguishing 2,000,000,000 ordinary shares in proportion to the number of shares held by each shareholder. Furthermore, the Shareholders approved crediting the capital reduction to other distributable reserve as proposed on 28 June 2021 by the Company's Board of Directors. The par value per share remained 1 USD per share subsequent to the capital reduction.

Subdivision of ordinary shares

On 16 September 2021, the Company's Shareholders approved, through a special resolution, the subdivision of 1,328,211,028 ordinary shares with par value of USD 1.00 each in the share capital of the Company into 8,301,318,925 ordinary shares with a par value of USD 0.16 each.

14. Reserves and retained earnings

$ millions	Other reserves	Currency translation reserves	Total reserves	Retained earnings
At 1 January 2020	(705.5)	(494.9)	(1,200.4)	491.5
Profit for the year	-	-	-	74.3
Dividends to shareholders	-	-	-	(129.7)
Currency translation differences	-	(29.0)	(29.0)	-
At 31 December 2020	**(705.5)**	**(523.9)**	**(1,229.4)**	**436.1**
Share capital reduction	2,000.0	-	2,000.0	-
Profit for the year	-	-	-	702.7
Dividends to shareholders	(850.0)	-	(850.0)	(593.6)
Acquisition of non-controlling shares	-	-	-	10.4
Capital contribution	63.6	-	63.6	-
Currency translation differences	-	(21.8)	(21.8)	-
At 31 December 2021	**508.1**	**(545.7)**	**(37.6)**	**555.6**

Dividends to shareholders

On 31 March 2021, the Board of Directors approved the declaration of interim dividends to shareholders of USD 55 million, which have been paid in full, and on 28 June 2021 the declaration of USD 130 million, which have been paid in full. Both declarations have been approved by the Shareholders on 28 June 2021. On 25 August 2021, the Company paid an advance dividend of USD 93.6 million to OCI and ADNOC in relation to the Sorfert dividend. This amount was ratified during the board meeting of 12 October 2021 and was approved by Shareholders in November 2021. On 12 September 2021, the shareholders approved interim dividends of USD 165 million, which was paid out on 5 October 2021.

Notes to the consolidated financial statements
For the year ended 31 December

14. Reserves and retained earnings (continued)

On 4 October 2021, the shareholders of the Company approved interim dividends for a total amount of USD 315 million (an additional USD 150 million compared to the USD 165 million that were already approved on 12 September 2021, the dividend was paid on 11 October 2021 to the shareholders).

Special dividend

The Shareholders approved on 12 September 2021 the payment of a special dividend amounting to USD 850 million. This dividend was paid out to the Company's Shareholders on 5 October 2021.

Capital contribution

As part of the IPO, OCI agreed to indemnify all Fertiglobe shareholders in case certain tax claims occur, consequently, OCI contributed in Fertiglobe for an amount of EGP 1,004 million (USD 63.6 million).

15. Non-controlling interest

Acquisition of additional 15% Stake in EBIC

In August 2021, Fertiglobe agreed with a KBR-led consortium (NYSE: KBR), which includes Mitsubishi, JGC and Itochu, to buy their combined 15% stake in EBIC for a total consideration of USD 43.0 million. This brings the Group stake in EBIC to 75%, further streamlining the Group's ownership structure. The consideration transferred of USD 43.0 million includes a KBR's claim related to unpaid dividends amounting to USD 4.6 million, hence the net consideration for the acquisition of NCI shares' in EBIC amount to USD 38.4 million.

The following table summarizes the effect of the transaction on the Company's equity attributable to shareholders:

$ millions	31 December 2021
Carrying amount of NCI acquired	48.8
Consideration paid to NCI in cash	(38.4)
Effect on equity attributable to shareholders	**10.4**

2020 $ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Mepco Caymen & EFC	Total
Non-controlling interest	40.00%	49.01%	25% - 0.04%	-
Non-current assets	119.0	384.1	30.4	533.5
Current assets	29.0	211.9	2.4	243.3
Non-current liabilities	(2.9)	(162.9)	(0.3)	(166.1)
Current liabilities	(65.9)	(14.8)	(2.5)	(83.2)
Net assets	**79.2**	**418.3**	**30.0**	**527.5**
Revenues	34.8	94.0	0.1	128.9
Profit/loss	(7.0)	59.7	0.1	52.8
Other comprehensive income	-	(27.9)	-	(27.9)
Total comprehensive income	**(7.0)**	**31.8**	**0.1**	**24.9**
Dividend cash flows	**-**	**-**	**-**	**-**

2021 $ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	EFC	Total
Non-controlling interest	25%	49.01%	0.04%	-
Non-current assets	69.8	339.9	1.5	411.2
Current assets	50.0	312.0	0.2	362.2
Non-current liabilities	(1.8)	(8.9)	(0.2)	(10.9)
Current liabilities	(16.4)	(86.1)	(0.2)	(102.7)
Net assets	**101.6**	**556.9**	**1.3**	**659.8**
Revenues	98.5	404.3	0.6	503.4
Profit/loss	42.5	230.5	0.2	273.2
Other comprehensive income	-	(19.7)	-	(19.7)
Total comprehensive income	**42.5**	**210.8**	**0.2**	**253.5**
Dividend cash flows	**(3.9)**	**(189.5)**	**-**	**(193.4)**

Notes to the consolidated financial statements
For the year ended 31 December

15. Non-controlling interest (continued)

Impact difference in profit sharing non-controlling interest: In the partnership agreement in Sorfert between the Group and the partner, a profit-sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interest increased by USD 109.5 million during 2021 (the increase in 2020 was USD 17.4 million).

16. Loans and borrowings

$ millions	2021	2020
At 1 January	**670.5**	**882.2**
Proceeds from loans	1,260.1	339.5
Repayment of loans	(523.1)	(504.0)
Amortization of transaction costs	6.9	5.0
Incurred transaction costs	(10.0)	(5.3)
Effect of movement in exchange rates	(18.7)	(46.9)
At 31 December	**1,385.7**	**670.5**
Non-current	1,326.1	544.7
Current	59.6	125.8
Total	**1,385.7**	**670.5**

The effect of movement in exchange rate mainly relates to DZD denominated loans, which are different from the Group's presentation currency (note 6).

Fertiglobe completed new refinancing

On 16 August 2021, Fertiglobe obtained USD 1.4 billion unsecured financing as follows:

- USD 900 million bridge to bond facility loan for 18 months tenor, which is extendable for 6 months, then for an additional 6-month (total combined tenor of 30 months, inclusive of extensions), with Interest rate of LIBOR +105 bps for the first 12 months increasing by 25 bps every 3 months thereafter. An accordion facility of USD 200 million was additionally built into the bridge to bond facility.
- USD 300 million Revolving Credit Facility maturing in 2026 at an interest rate of LIBOR +175 bps.

The drawn down of the USD 900 million bridge loan and USD 200 million accordion was executed on 4th October 2021. Total transaction costs amounted to USD 10.0 million.

The proceeds were used to repay the current EFC and Fertiglobe outstanding loans (approximately USD 250 million) and to fund a special dividend of USD 850 million which was paid to Fertiglobe shareholders, on the 5 October 2021.

Covenants

Fertiglobe plc and Sorfert loan agreements include financial covenants. The definitions for calculating the financial covenants applicable to the facilities within the Group can be summarized as follows:

- Debt Service Coverage Ratio: Income Available (revenue earned less operating expenses) to Debt Service (net finance charges including the capital element of finance leases) or gross profit less change in working capital to interest and principal payments.
- Debt to Equity Ratio or leverage ratio: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).
- Interest coverage ratio: net annual operating income to net finance charges.

At 31 December 2021 all financial covenants were met.

In the event the Group would not comply with the covenant requirements, the loans would become immediately due. Refer to note 6.2 for additional discussion of the Group's liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

Proceeds from borrowings

Proceeds from borrowings from third parties in 2021 totaled an amount of USD 1,260.1 million (2020: USD 339.5 million).

As of 31 December 2021, the Group has the following undrawn facilities:

- Revolving cash facility of USD 300 million
- Trade Finance Facility of USD 75 million
- Overdraft of USD 50 million

Notes to the consolidated financial statements
For the year ended 31 December

16. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Term loan-Secured	USD 961.3 DZD 114,440.0	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	294.0	228.6	65.4	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets Collateral against the production facility in case of non-payment
Fertiglobe plc	Term loan-Secured	USD 1,100.0	LIBOR + 1.05%*	February 2023 extendable**	1,091.7	1,097.5	(5.8)	1,101.8	The loan is guaranteed, jointly and severally, by Fertiglobe plc, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe, Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe plc	Revolving credit facility	USD 300.0	LIBOR + 1.75%	2026	-	-	-	-	n/a
OCI Fertilizer Trading Ltd. ('OFT')	Revolving credit facility	USD 75.0	LIBOR + 2.50%	Renewed annually	-	-	-	-	n/a
Total 31 December 2021					**1,385.7**	**1,326.1**	**59.6**	**n/a**	

*for the first 12 months starting August 2021 increasing by 25 bps every 3 months thereafter
**extendable for 6 months, then for an additional 6 month total combined tenor of 30 months

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Term loan-Secured	Term loan-Secured	USD 961.3 DZD 114,440.0	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	398.2	325.7	72.5	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets Collateral against the production facility in case of non-payment
Term loan- Secured	Term loan-Secured	USD 150.0	LIBOR + 2.0%	June 2025	134.2	108.4	25.8	136.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe, Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Term loan- Secured	Term loan-Secured	USD 160.0	LIBOR + 2.0%	June 2025	138.1	110.6	27.5	140.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe, Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Term loan-Secured	Term loan-Secured	USD 75.0	LIBOR + 2.0%	October 2025	-	-	-	-	n/a
Revolving credit facility	Term loan-Secured	USD 75.0	LIBOR + 2.50%	Renewed annually	-	-	-	-	n/a
Total 31 December 2020					**670.5**	**544.7**	**125.8**	**n/a**	

Notes to the consolidated financial statements
For the year ended 31 December

17. Leases

The Group leases a number of office spaces, warehouses, land, employee accommodation, computers, machinery and vehicles. Lease terms vary from 1 year to indefinite renewal options. Calculations of the lease obligation for leases with indefinite renewal options are done using a lease term based on the expected renewal periods and can be more than 100 years.

17.1. Lease obligations

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2020	**87.7**	**12.5**	**100.2**
Movement in the carrying amount:			
Payments	-	(12.9)	(12.9)
Accretion of interest	4.6	-	4.6
Additions	1.6	0.3	1.9
Transfers	(12.5)	12.5	-
Effect of movement in exchange rates	(0.5)	-	(0.5)
At 31 December 2020	**80.9**	**12.4**	**93.3**

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2021	**80.9**	**12.4**	**93.3**
Movement in the carrying amount:			
Payments	-	(13.9)	(13.9)
Accretion of interest	4.4	0.1	4.5
Additions	7.3	0.3	7.6
Transfers	(12.4)	12.4	-
Effect of movement in exchange rates	(0.3)	-	(0.3)
At 31 December 2021	**79.9**	**11.3**	**91.2**

At 31 December 2020 $ millions	Carrying amount	Contractual cashflow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	93.3	333.2	17.0	40.3	275.9
Total	**93.3**	**333.2**	**17.0**	**40.3**	**275.9**

At 31 December 2021 $ millions	Carrying amount	Contractual cashflow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	91.2	327.9	12.7	40.3	274.9
Total	**91.2**	**327.9**	**12.7**	**40.3**	**274.9**

17.2 Right-of-use assets

$ millions	Land and buildings	Fixtures and fittings	Total
At 1 January 2020	**47.6**	**47.1**	**94.7**
Movement in the carrying amount:			
Additions	1.9	-	1.9
Depreciation	(2.6)	(8.0)	(10.6)
Disposals	(0.2)	-	(0.2)
Effect of movement in exchange rates	(0.3)	-	(0.3)
At 31 December 2020	**46.4**	**39.1**	**85.5**

$ millions	Land and buildings	Fixtures and fittings	Total
At 1 January 2021	**46.4**	**39.1**	**85.5**
Movement in the carrying amount:			
Additions	6.4	1.9	8.3
Disposals	(0.1)	-	(0.1)
Contract revaluation	-	(0.3)	(0.3)
Depreciation	(3.2)	(8.0)	(11.2)
Effect of movement in exchange rates	(0.5)	(0.1)	(0.6)
At 31 December 2021	**49.0**	**32.6**	**81.6**

Notes to the consolidated financial statements
For the year ended 31 December

18. Trade and other payables

$ millions	2021	2020
Trade payables	**140.7**	**99.6**
Trade payables due to related parties (Note 25)	13.4	18.8
Other payables to related parties (Note 25)	33.0	12.2
Amounts payable under the securitization program	19.5	9.8
Accrued dividends	4.1	12.3
Accrued expenses	181.3	160.1
Accrued interest	0.9	0.9
Employee benefits	14.0	12.4
Other payables	24.7	13.3
Deferred income	7.8	-
Other tax payable	0.7	0.5
Total	**440.1**	**339.9**
Non-current	17.7	15.9
Current	422.4	324.0
Total	**440.1**	**339.9**

The trade payables include amounts due to securitization company amounted to USD 19.5 million (2020: USD 9.8 million). Information about the Group's exposure to currency and liquidity risk is included in note 6. Non-current trade and other payables have not been discounted as the effect would be immaterial. The carrying amount of 'Trade and other payables' approximates its fair value.

19. Provisions

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2020	**33.8**	**118.7**	**152.5**
Recorded during the year	2.0	-	2.0
Effect of movement in exchange rates	(1.3)	2.2	0.9
At 31 December 2020	**34.5**	**120.9**	**155.4**
Non-current	-	-	-
Current	34.5	120.9	155.4
Total	**34.5**	**120.9**	**155.4**

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2021	**34.5**	**120.9**	**155.4**
Recorded during the year	3.3	-	3.3
Payments during the year	(0.5)	-	(0.5)
Provision utilised	(23.6)	-	(23.6)
Effect of movement in exchange rates	(0.6)	0.2	(0.4)
At 31 December 2021	**13.1**	**121.1**	**134.2**
Non-current	-	-	-
Current	13.1	121.1	134.2
Total	**13.1**	**121.1**	**134.2**

Claims and other provisions
The Group is involved in a few litigations, arbitrations and commercial disputes. In cases where it is probable that the outcome of the legal proceedings and commercial disputes will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to note 28 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

Notes to the consolidated financial statements
For the year ended 31 December

19. Provisions (continued)

Donation provision
On 13 November 2014, the Company announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million at the 2014 exchange rate) to the Tahya Misr ('Long Live Egypt') Fund (reference is made to note 26 for the claim in relation to the OCI S.A.E. tax dispute). No formal agreement has been drafted with the Tahya Misr Fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCI's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations), the Company has presented the transfer of rights to the Tahya Misr Fund as a donation provision. In March 2015, the Company received a cheque of EGP 1,904 million (approximately USD 266.2 million at the 2015 exchange rate) from the Egyptian Authorities. At year end 2021 the carrying amount in US dollars had reduced to USD 121.1 million, due to the devaluation of the EGP since March 2015.

Provision for indemnifications
As part of historical transactions, the Group has agreed with the transaction parties on certain indemnities related to potential tax and legal exposures for both parties. Potential outflows of economic resources related to these indemnities contain inherent uncertainties for which the Group engaged renowned local and international law firms to examine Fertiglobe's legal position.

The Group estimates that the outstanding exposure on the remaining indemnities is not exceeding USD 4.0 million. No information is provided on the specific assumptions included in the estimate of outflows as it would prejudice the Group's position in these disputes.

Lafarge settlement
In June 2021, OCI SAE reached an agreement related to one of its indemnifications, as a result the historical provision of USD 23.6 million was used to settle the case with excess provision amounting to USD 1.1 million which was released to the profit or loss and other comprehensive income. Further evolutions in Q1 2022 were detailed in the subsequent events.

20. Segment reporting
In the governance structure within Fertiglobe, the Chief Operating Decision Maker (CODM) is responsible for assessing the performance of the Group and its operating segments as well as for allocating resources. The CODM reviews the performance of the following operating segments:

1. Egypt Basic Industries Corporation (EBIC)
2. Egyptian Fertilizers Company (EFC)
3. Sorfert Algerie (Sorfert)
4. Ruwais Fertilizers LLC (Fertil)
5. Trading entities – Own produced volumes
6. Trading entities – Third party sales

The production and marketing of own produced volumes share the same characteristics:

- The nature of the products produced, the production processes (technology applied), output generated, pricing applied (based on international benchmark pricing), customers services are similar for all production plants within Fertiglobe;
- All entities are producing ammonia using gas as key input material. The largest part of this ammonia is used for the production of Urea. Both Ammonia and Urea are nitrogen-based Fertilizers and belong to the same product group. These products are sold into the international market and are subject to similar pricing conditions and market forces. The end customers for each of the plant are largely the same;
- The majority of volumes produced by Fertiglobe's production entities are centrally marketed by various trading entities. As a result of the central marketing strategy, the cashflow and performance of each of the production entities is largely depended on the ability of trading entities to market the products;

Notes to the consolidated financial statements
For the year ended 31 December

20. Segment reporting (continued)

- The production and marketing of own produced volumes have similar economic characteristics as the high margin production and marketing of own produced volumes are bifurcated from the (lower) margin trading activities;
- The production entities are all exposed to the same international fertilizer market on the sell side;
- The production entities all benefit from long term gas offtake agreements with no/limited price exposure on the supply of natural gas. In addition, other raw materials used for production largely consist of utilities, which are widely available in all production locations;
- All production locations are located close to one or more international sea ports which simplifies the logistics of sourcing raw materials and shipping products to customers;
- Although the production entities are subject to local laws and regulations from a legal and environmental perspective these environments are largely based on the same fundamentals.

In the view of the above, aggregation will take place in two main reportable segments:

1. Production and Marketing of own produced volumes; comprises the operating segments EBIC, EFC, Sorfert, Fertil and trading entities – own produced volumes.
2. Third party trading (buy and sell of third-party volumes) comprises trading entities – third-party sales.

Fertiglobe's reportable segments are consistent with how the 'CODM' manages the business operations and views the markets it serves. This segmentation will provide investors further insight on product mix and price impact.

Segment policy

The Company derives the results of the business segments directly from its internal management reporting system. Both segments are reviewed separately by the management as they require different strategies and generate different margins. The entities grouped together in each segment have similar regulatory environments, macroeconomic conditions as they are trading in a global commodity market. The Group has one revenue stream from contracts with customers which is the sales of Fertilizers products (Ammonia and Urea).

A summary description of each reportable segment is as follows:

Production and Marketing of own produced volumes

This segment includes the performance of all the manufacturing and trading Operating companies that are producing Urea and Ammonia, but it excludes the third-party trading activities (see, second segment) as the own-produced volumes are limited by the production capacity of the plants, and their pricing strategy and margins are different. In addition, the level of assets and investments are high for production activities and generally low for trading activities (limited to working capital).

Third party trading (buy and sell of third-party volumes)

The third-party trading segment includes the fertilizer products that are bought from third parties and sold to third parties. This segment generates generally low margins there is no volume limit on production capacity, and there is no need for material capital investments if any.

Other (corporate and other entities)

This segment consists of all remaining entities of the Group.

2021 $ millions	Production and marketing of owned produced volumes	Third party Trading	Other	Elimination	Total
Total external revenues	**2,764.1**	**546.6**	**-**	**-**	**3,310.7**
Adjusted EBITDA*	1,526.4	42.7	(18.6)	-	1,550.5
Depreciation, amortization and impairment	(266.7)	-	(0.4)	-	(267.1)
Finance Income	34.9	(0.1)	5.3	(20.5)	19.6
Finance expense	(40.2)	(1.9)	(31.1)	20.5	(52.7)
Income tax	(278.3)	(0.1)	(17.2)	-	(295.6)
Profit for the year	**996.3**	**40.5**	**(60.9)**	**-**	**975.9**
Capital expenditures	83.1	-	1.5	-	84.6
Total assets	**4,958.6**	**25.0**	**184.9**	**-**	**5,168.5**

Notes to the consolidated financial statements
For the year ended 31 December

20. Segment reporting (continued)

2020 $ millions	Production and marketing of owned produced volumes	Third party Trading	Other	Elimination	Total
Total external revenues	**1,385.2**	**165.6**	**-**	**-**	**1,550.8**
Adjusted EBITDA*	470.6	(1.9)	(15.4)	-	453.3
Share of loss from equity- accounted investees (net of tax)	-	-	(0.1)	-	(0.1)
Depreciation, amortization and impairment	(268.0)	-	(0.1)	-	(268.1)
Finance Income	63.8	0.2	3.1	(33.6)	33.5
Finance expense	(42.1)	(0.7)	(37.8)	33.6	(47.0)
Income tax	(36.4)	(0.1)	(4.4)	-	(40.9)
Profit for the year	**184.5**	**(2.5)**	**(54.9)**	**-**	**127.1**
Capital expenditures	66.4	-	0.1	-	66.5
Total assets	**4,697.4**	**15.0**	**84.9**	**-**	**4,797.3**

*Fertiglobe uses Alternative Performance Measures ('APMs') to provide a better understanding of the underlying developments of the performance of the business. APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Adjusted EBITDA is defined as EBITDA (total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees), adjusted for additional items and costs that management considers not reflective of our core operations.

Geographical information of continuing operations

The geographic information below analyses the Group's revenue (by destination of the goods) and non-current assets (by the Company where the activities are being operated).

	Revenue		Non-current assets	
$ millions	2021	2020	2021	2020
Europe	947.0	374.0	0.8	0.5
North America	356.0	118.5	0.2	0.1
South America	475.5	133.4	-	-
Africa	294.4	203.9	693.4	783.7
Middle East	60.5	80.9	2,963.3	3,078.3
Asia and Oceania	1,177.3	640.1	-	-
Total	**3,310.7**	**1,550.8**	**3,657.7**	**3,862.6**
Related parties (note 25)	176.6	74.0	-	-
Third parties	3,134.1	1,476.8	3,657.7	3,862.6
Total	**3,310.7**	**1,550.8**	**3,657.7**	**3,862.6**

Revenue to individual countries does not exceed 10% of the total Group revenue, except for India, Spain and USA.

The key performance obligation of the Group is the supply of products as specified in the contracts with customers. The Group has one revenue stream from contracts with customers which is the supply of Fertilizers products and all revenue is recognized at a point in time.

Time value of money is not considered to be relevant for the amendment of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately.

Major customers

Revenue from one major customer of the group belongs to the production and marketing of own produced volumes segment and represents USD 205.4 million in 2021 (2020: USD 102.2 million) of Group's total external revenues.

Notes to the consolidated financial statements
For the year ended 31 December

21. Development of cost of sales and selling, general and administrative expenses

a. Expenses by nature

$ millions	2021	2020
Raw materials and consumables and finished goods	1,257.8	667.7
Raw materials and consumables and finished goods - related party (note 25)	208.5	184.4
Employee benefit expenses (b)	194.6	186.6
Depreciation, amortization and impairment	267.1	268.0
Maintenance and repair	38.3	28.0
Consultancy expenses	8.1	8.1
Other - related party (note 25)	0.1	3.5
Other	31.6	21.6
Total	**2,006.1**	**1,367.9**
Cost of sales	1,903.7	1,278.5
Selling, general and administrative expenses	102.4	89.4
Total	**2,006.1**	**1,367.9**

b. Employee benefit expenses

$ millions	2021	2020
Wages and salaries	122.4	121.8
Employee profit sharing	29.8	25.0
Pension cost	8.6	8.1
Other employee expenses	33.8	31.7
Total	**194.6**	**186.6**

During the financial year ended 31 December 2021, the average number of staff employed in the Group converted into full-time equivalents amount to 2,680 employees (2020: 2,581 employees).

22. Net finance cost

$ millions	2021	2020
Interest income on loans and receivables	1.0	1.4
Interest income related parties (note 25)	-	0.5
Foreign exchange gain	18.6	31.6
Finance income	**19.6**	**33.5**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(45.8)	(34.2)
Interest expense related parties (note 25)	(3.4)	(3.7)
Foreign exchange loss	(3.5)	(9.1)
Finance cost	**(52.7)**	**(47.0)**
Net finance cost recognised in profit or loss	**(33.1)**	**(13.5)**

23. Capital commitments

$ millions	2021	2020
UAE	19.8	8.5
Algeria	19.1	19.9
Egypt	8.3	1.3
Total	**47.2**	**29.7**

Capital commitments mainly relate to future costs on turnarounds and maintenance at these plants.

Notes to the consolidated financial statements
For the year ended 31 December

24. Earnings per share

$ millions	2021	2020
i. Basic		
Net profit attributable to shareholders	702.7	74.3
Weighted average number of ordinary share (Basic)*	8,301.3	8,301.3
Basic earnings per ordinary share in $	**0.085**	**0.009**
i. Diluted		
Net profit attributable to shareholders	702.7	74.3
Weighted average number of ordinary shares (Basic)	8,301.3	8,301.3
Diluted earnings per ordinary share in $	**0.085**	**0.009**

Weighted average number of ordinary shares calculation:

$ millions	2021	2020
Issued ordinary shares at 1st January	8,301.3	3,328.2
Reduction of share capital (Note 13)*	-	(2,000.0)
Subdivision of shares*	-	6,973.1
Ordinary shares outstanding as per 31 December	**8,301.3**	**8,301.3**

There are no potential dilutive shares.

* Given that the capital reduction, at the date of the transaction, adjusted the number of shares without a corresponding change in resources, such reduction in number of shares has been treated retrospectively, hence the weighted average number of share was adjusted effective from the beginning of 2020. See note 13 – Subdivision of ordinary shares.

25. Related party transactions

Transactions with related parties – Normal course of business

Transactions with related parties occur when a relationship exists between the Company, its participating interest and their directors and key management personnel. In the normal course of business, the Company buys and sells goods and services from and to various related parties (including associates) within the Group.

Fertiglobe has related party transactions with its shareholders OCI group and also with ADNOC group through Ruwais Fertilizers Industries LLC (Fertil). Fertil uses ADNOC gas to produce its fertilizers and sells a small portion of its products to other subsidiaries.

The transactions with the following entities of ADNOC group are presented in the financial statements as related party transactions:

- Abu Dhabi National Oil Company - 'ADNOC'
- Abu Dhabi Oil Refining Company - ADNOC refining
- Abu Dhabi National Oil Company Gas Processing - ADNOC Gas processing
- Abu Dhabi Polymers Company Ltd. (Borouge)
- Abu Dhabi National Oil Company Logistics and Services
- Abu Dhabi National Oil Company LNG
- Abu Dhabi Petroleum Ports Operating Company (IRSHAD)
- Abu Dhabi National Oil Company Sour Gas (Al Hosn)
- Abu Dhabi Company for Onshore Petroleum Operations Ltd

The Group applied IAS 24 exemption with regards to disclosure of transactions with Abu Dhabi Government, being the beneficial owner of ADNOC. During the year there was no significant transactions with the Government related entities (2020: no significant transactions).

The transactions with the following entities of the OCI Group are presented in the financial statements as related party transactions:

- OC PLC
- OCI N.V.
- OCI Fertilizer B.V.
- OCI Overseas Holding
- OCI MENA Fertilizers Ltd
- OCI Nitrogen
- OCI Fertilizers USA
- OCI Personnel B.V.
- OCI Egypt
- N-7 LLC
- OCI
- Orascom Construction Egypt

Notes to the consolidated financial statements
For the year ended 31 December

25. Related party transactions (continued)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2021:

2021 Related party $ millions	Relation	Revenue transactions during the year	Receivables outstanding at year end	Payables outstanding at year end	Net recharges	Interest income	Interest expense and other financing charges
OCI N.V.	OCI Group	-	-	0.7	(0.3)	-	-
OCI Fertilizer BV	OCI Group	-	66.6	22.4	-	-	-
OCI Intermediate BV	OCI Group	-	-	0.1	-	-	-
OCI Personnel BV	OCI Group	-	-	0.2	-	-	-
OCI Nitrogen	OCI Group	162.3	13.8	0.2	0.3	-	-
N-7 LLC	OCI Group	13.2	-	-	(22.8)	-	-
ADNOC	ADNOC	-	2.3	18.3	(145.6)	-	(3.4)
Abu Dhabi Polymers Ltd.	ADNOC	1.1	0.2	-	-	-	-
ADNOC refining	ADNOC	-	-	3.4	(38.2)	-	-
ADNOC Gas processing	ADNOC	-	(0.1)	0.1	(1.8)	-	-
ADNOC subsidiaries*	ADNOC	-	0.2	0.1	(0.2)	-	-
Orascom Construction Egypt	Others	-	-	0.9	-	-	-
Total		**176.6**	**83.0**	**46.4**	**(208.6)**	**-**	**(3.4)**

* Full list is disclosed in the previous paragraph

The Group leases land, office space and employee accommodation from ADNOC, the lease obligation amount is USD 71.5 million in 2021 (USD 79.6 million in 2020). Additionally, the Group has an accrual of USD 12.0 million with ADNOC.

In addition to the related party transactions in the table above, the Company incurs certain operating expenses for immaterial amounts in relation to services provided by related parties.

Due to the related party nature of above transactions, the terms and conditions may not necessarily be the same as transactions negotiated between third parties. Management believes that the terms and conditions of all transactions with our related parties are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services.

2020 Related party $ millions	Relation	Revenue transactions during the year	Receivables outstanding at year end	Payables outstanding at year end	Net recharges	Interest income	Interest expense and other financing charges
OCI N.V.	OCI Group	-	-	0.2	(2.1)	-	-
OCI USA	OCI Group	-	-	0.1	-	-	-
OCI Overseas Holding	OCI Group	-	-	0.1	-	-	-
OCI Fertilizer BV	OCI Group	-	-	-	-	0.5	-
OCI Intermediate BV	OCI Group	-	-	-	(0.8)	-	-
OCI Personnel BV	OCI Group	-	-	0.1	(0.3)	-	-
OCI Nitrogen	OCI Group	59.8	7.8	0.8	(0.3)	-	-
N-7 LLC	OCI Group	12.2	-	-	-	-	-
OC PLC	OCI Group	-	-	0.2	-	-	-
ADNOC	ADNOC	-	-	24.2	(145.8)	-	(3.7)
Abu Dhabi Polymers Ltd.	ADNOC	2.0	1.2	-	-	-	-
ADNOC refining	ADNOC	-	-	4.3	(37.2)	-	-
ADNOC Gas processing	ADNOC	-	-	0.1	(1.4)	-	-
ADNOC subsidiaries*	ADNOC	-	0.1	-	-	-	-
Orascom Construction Egypt	Others	-	-	0.9	-	-	-
Total		**74.0**	**9.1**	**31.0**	**(187.9)**	**0.5**	**(3.7)**

* Full list is disclosed in the previous paragraph

Notes to the consolidated financial statements
For the year ended 31 December

25. Related party transactions (continued)

Key management personnel compensation (KMP)
As at 31 December 2021, the Board of Directors of the Company consists of 11 executive board members appointed by the shareholders. Although the board members are considered key management personnel, OCI and ADNOC agreed that each shareholder will be responsible for payment of all remuneration due to, and for reimbursing all out-of-pocket expenses incurred by the appointed directors on their behalf. Therefore, no amount of board remuneration is incurred by the company.

Furthermore, the Chief Financial Officer and the Chief Operating Officer are considered as key management personnel based on the reassessment performed during 2021. 2020 numbers have been updated to conform to the current year's presentation. Their total remuneration is as follows:

$ millions	2021	2020
Short term employee benefits	1.7	1.4
Total	**1.7**	**1.4**

No other long term, termination benefits and/or share-based benefits have been rewarded to the key management personnel in 2021 and 2020.

26. Contingencies

Contingent liabilities

Letter of guarantee / letters of credit

The main trading entities of the Group have performance bonds and letter of guarantee provided by HSBC and Mashreq bank amounting to USD 11.0 million for its strategic customers (2020: USD 18.8 million), and they have performance bonds with governments issued by local banks for an amount of USD 11.8 million as at 31 December 2021 (2020: USD 0.4 million).

Litigations and claims
In the normal course of business, the Group entities are involved in some arbitration, commercial disputes, or court cases as defendants or claimants. These litigations and commercial disputes are carefully monitored by the entities' management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. The Group does not expect these proceedings to result in liabilities that have a material effect on the Group's financial position. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognised in the consolidated financial statements which is disclosed in note 19 'Provisions'. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, the Group cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in anyone accounting period.

EBIC free zone status
On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. The Court has not yet rendered a decision. EBIC concluded to release the (deferred) tax liabilities totaling USD 138.2 million at 31 December 2015 and no tax filings have been done by EBIC since the filing for the year 2011. On 4 January 2018, GAFI issued an executive decision that allows for the enforcement of the Administrative Court's judgment in favor of EBIC and EBIC received the Free Zone Status tax card. EBIC's free zone status will remain subject to the outcome of the Appeal before the Administrative Court.

In May 2021, the Administrative Court rendered its final ruling in favor of EBIC.

Notes to the consolidated financial statements
For the year ended 31 December

26. Contingencies (continued)

Sorfert legal case
On 5 March 2018, the lower criminal court of Oran (Tribunal du pôle pénal spécialisé d'Oran) issued a judgment against Sorfert regarding an alleged violation of exchange control regulations as well as the regulation of public markets and public service delegations. The lower court ordered Sorfert to pay a fine in the amount of 5.5 billion Algerian dinars (about USD 39.9 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 20.0 million). On 7 March 2018, Sorfert lodged an appeal with the Court of Appeal of Oran, Algeria who upheld the verdict against Sorfert in its judgment rendered on 28 November 2018. In January 2019, Sorfert lodged an appeal against this judgment with the Supreme Court. Sorfert disputes the validity of the judgment and continues to vigorously defend its case. To date, no Supreme Court hearing has been scheduled and during the appeal period the enforcement of the judgment is suspended. Various renowned local and international law firm have examined Sorfert legal position. No provision has been recorded by the Group related to this matter.

Asset retirement obligations
Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

OCI S.A.E. tax dispute
In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries S.A.E. ('OCI S.A.E.'). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the afore mentioned transaction was exempted of tax, management entered into a settlement agreement whereby EGP 7.1 billion would be paid over a 5-year period.

The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its local counsel believe the likelihood of a judgment in favor of the ETA is not probable. On 13 November 2014 OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to the Tahya Misr Fund and recorded a provision for this amount, reference is made to note 19 Provisions.

Despite the ETA Independent Appeals Committee ruling in favor of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount. As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI SAE's maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 146.3 million.

Notes to the consolidated financial statements
For the year ended 31 December

26. Contingencies (continued)

Contingent assets
A sequence of historical transactions resulted in (gross) deductible temporary tax differences of USD 1.4 billion. However, due to a difference in interpretation of local tax regulations, the deductible temporary differences do not currently meet the recognition criteria of IAS 12/ IFRIC 23. The group company concerned is currently under examination of the tax authorities in the respective jurisdiction. A definitive conclusion on the treatment is not expected within a short time frame.

27. List of principal subsidiaries as per 31 December 2021

Companies	Country	Percentage of interest	Consolidation method
Sorfert Algérie Spa	Algeria	50.99	Full
Ruwais Fertilizers Industries Llc (Fertil)	UAE	100.00	Full
Fertilizers 1 Holding Ltd	UAE-ADGM	100.00	Full
OCIFERT ME Holding	UAE-ADGM	100.00	Full
Fertilizers 2 Holding Ltd	UAE-ADGM	100.00	Full
Fertilizers Exports Holding	UAE-ADGM	100.00	Full
Fertiglobe Distribution Limited	UAE-ADGM	100.00	Full
OCI Fertilizer Trading Limited	UAE	100.00	Full
Middle East Petrochemical Corporation Limited -MEPCO (Cayman)	Cayman	100.00	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Egypt Basic Industries Corporation	Egypt	75.00	Full

28. Subsequent events
The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no other events requiring recognition or disclosure in the financial statements.

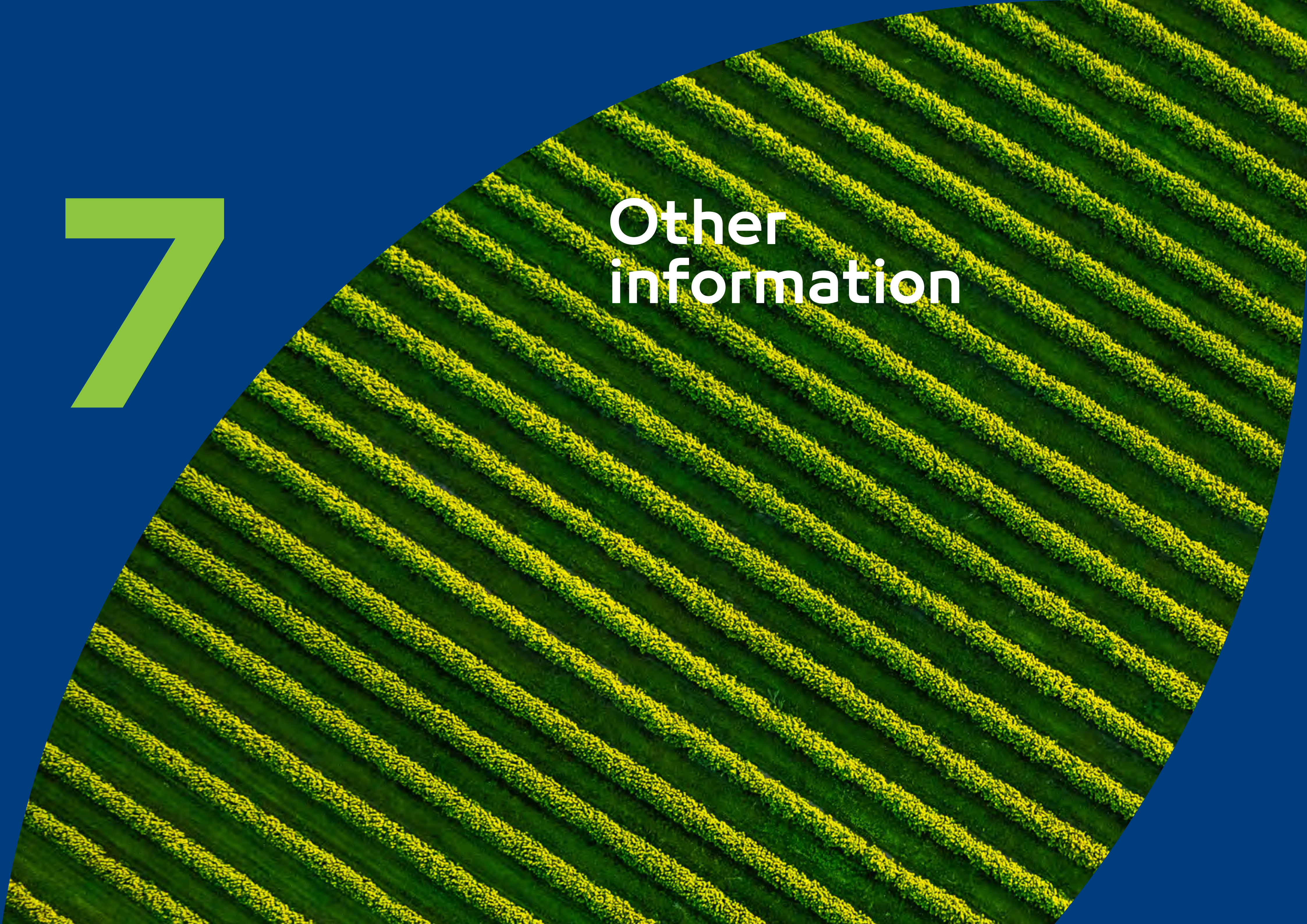
AFS settlement
On 15 June 2021, OCI SAE and OCI N.V. entered into an agreement with Lafarge (the "Lafarge Settlement Agreement") for the full and final settlement of all claims made by and against OCI SAE. OCI NV made a payment of USD 22.5 million on behalf of OCI S.A.E., leading to a receivable between OCI NV and OCI SAE which was subsequently transferred to OCI Fertilizers BV, the shareholding company of Fertiglobe. This receivable in Fertiglobe will be settled in Q1 2022, subject to shareholder approval.

Dividends
Fertiglobe announced an interim dividend of USD 340 million for the second half of the year ended 31 December 2021, as approved by the Board of Directors and payable in April 2022. These dividends will be submitted for ratification by shareholders at the upcoming AGM.

Ukrainian War impact
In light of the recent The recent conflict between Russia and Ukraine and the related sanctions are expected to impact the global economy and markets. Based on our current knowledge and available information, we do not expect that the conflict has an overall significant adverse impact on Fertiglobe's consolidated financial performance and we do not expect the conflict will have an impact on our ability to continue as a going concern in the future.

7

Other information



KPMG

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Fertiglobe plc

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fertiglobe plc ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	How the matter was addressed in our audit
Litigation claims	
As disclosed in note 19 and note 26 to the consolidated financial statements the Group has several pending litigations and claims (legal, commercial and tax related), for which the outcome is uncertain. Inherent to the Group's nature and operations, as well as its geographical spread, the Group is exposed to an indirect material effect on pending cases. Based on the likelihood of occurrence and the exposure, the Group determines if, and for what amount, a provision should be recognised. This assessment is considered to be significant to our audit due to management judgement involved. As the Group is diversified globally, the pending litigations and claims differ in terms of risk profile.	During our audit, we performed the following procedures: • Instructed our component auditors to perform procedures over litigations and claims on a local level; • Requested certain component auditors to visit local courts to confirm the status of certain cases • Evaluated the legal expenses and requested external legal letters from lawyers involved in litigations and claims; • Obtained the updated Litigation report from Group Legal department; • Performed update meetings with Group Legal and Tax departments; • Obtained internal position papers from management on certain cases; • Requested external expert opinions for specific cases with a significant exposure; • Assessed the adequacy of the disclosure to the consolidated financial statements

KPMG

INDEPENDENT AUDITORS' REPORT CONTINUED

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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 that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the Abu Dhabi Global Market Companies Regulations 2020 (as amended) and Companies Regulations (International Accounting Standards) Rules 2015, and for such internal control as management 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, management 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 management 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.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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 management.
- Conclude on the appropriateness of management's 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 auditor's report 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 auditors' report. 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.

INDEPENDENT AUDITORS' REPORT CONTINUED

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the provisions of the Abu Dhabi Global Market Companies Regulations 2020 (as amended) and Companies Regulations (International Accounting Standards) Rules 2015, we report that:

i) the consolidated financial statements, in all material respects, have been properly prepared in accordance with the requirements of the Companies Regulations 2020 (as amended) and Companies Regulations (International Accounting Standards) Rules 2015 issued by the Abu Dhabi Global Market;

ii) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;

iii) adequate accounting records have been kept by the Group; and

iv) the Group's accounts are in agreement with the accounting records and returns.

KPMG Lower Gulf Limited

Emilio Pera

Registration number: 1146

Abu Dhabi, United Arab Emirates

Date: 31 March 2022

Global Reporting Initiative (GRI) Index

General disclosures

GRI indicator	Disclosure	Response
2-1	Organizational details	Fertiglobe at a glance, page 3
2-2	Entities included in the organization's sustainability reporting	Note 27 of the financial statements
2-3	Reporting period, frequency and contact point	Year ended 31 December 2021, investor.relations@fertiglobe.com
2-4	Restatements of information	None, this is the first year of reporting for Fertiglobe
2-5	External assurance	Financial information is audited, see auditor's report on page [xx]. While our non-financial information is not externally assured, it is reviewed and verified by senior leads of relevant functions, including the internal audit and corporate HSE teams, senior management, and corporate function heads.
2-6	Activities, value chain and other business relationships	How we create value, page 39
2-7	Employees	Employees, pages 66-68
2-8	Workers who are not employees	Health and Safety, pages 69-72
2-9	Governance structure and composition	Corporate Governance report, pages 89-107
2-10	Nomination and selection of the highest governance body	Corporate Governance report, pages 89-107
2-11	Chair of the highest governance body	Corporate Governance report, pages 89-107
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance report, pages 89-107, Our Approach to Sustainability Governance, page 75
2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability Governance, page 75
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability Governance, page 75
2-15	Conflicts of interest	Corporate Governance report, pages 89-107
2-16	Communication of critical concerns	Corporate Governance report, pages 89-107
2-17	Collective knowledge of the highest governance body	Corporate Governance report, pages 89-107

Global Reporting Initiative (GRI) Index
continued

General disclosures

GRI indicator	Disclosure	Response
2-18	Evaluation of the performance of the highest governance body	Corporate Governance report, pages 89-107
2-19	Remuneration policies	Corporate Governance report, pages 89-107
2-20	Process to determine remuneration	Corporate Governance report, pages 89-107
2-21	Annual total compensation ratio	Corporate Governance report, pages 89-107
2-22	Statement on sustainable development strategy	Sustainability & CSR report, pages 40-75
2-23	Policy commitments	Sustainability & CSR report, pages 40-75
2-24	Embedding policy commitments	Sustainability & CSR report, pages 40-75
2-25	Processes to remediate negative impacts	Sustainability & CSR report, pages 40-75
2-26	Mechanisms for seeking advice and raising concerns	Compliance Framework, page 40-75
2-27	Compliance with laws and regulations	Compliance Framework, page 40-75
2-28	Membership associations	Health and Safety, pages 69-72
2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 43
2-30	Collective bargaining agreements	Our employees, pages 66-68

Global Reporting Initiative (GRI) Index
continued

Topic-specific disclosures

GRI indicator	Disclosure	Response
3-1	Process to determine material topics	Our Material Topics, page 44
3-2	List of material topics	Our Material Topics, page 44
3-3	Management of material topics	Sustainability & CSR report, pages 40-75
Economic		
201-1	Direct economic value generated and distributed	How we create value for our communities, page 64
201-2	Financial implications and other risks and opportunities due to climate change	Climate change risks and opportunities, page 48
Energy		
302-1	Energy consumption within the organization	GHG Emissions and Energy Use, page 52
302-3	Energy intensity	GHG Emissions and Energy Use, page 52
Water and effluents		
303-1	Interactions with water as a shared resource	Water and Waste, pages 59-62
303-2	Management of water discharge-related impacts	Water and Waste, pages 59-62
303-3	Water withdrawal	Water and Waste, pages 59-62
303-4	Water discharge	Water and Waste, pages 59-62
303-5	Water consumption	Water and Waste, pages 59-62
Emissions		
305-1	Direct (Scope 1) GHG emissions	Our environment, pages 51-52
305-2	Energy indirect (Scope 2) GHG emissions	Our environment, pages 51-52
305-4	GHG emissions intensity	Our environment, pages 51-52
305-5	Reduction of GHG emissions	Our environment, pages 51-52
Employees		
401-1	New employee hires and employee turnover	Our employees, pages 66-68
Occupational health and safety		
403-1	Occupational health and safety management system	Health and safety, pages 69-72
403-8	Workers covered by an occupational health and safety management system	Our employees, pages 66-68, Health and safety, pages 69-72
403-9	Work-related injuries	Health and safety, pages 69-72
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Our employees, pages 66-68, Corporate Governance, pages 89-107

Task Force on Climate Related Financial Disclosures (TCFD) Index

Category	Disclosure	Page
Governance (a)	Describe the board's oversight of climate-related risks and opportunities	75
Governance (b)	Describe management's role in assessing and managing climate-related risks and opportunities	75
Strategy (a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	48
Strategy (b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	48
Strategy (c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	-
Risk Management (a)	Describe the organization's processes for identifying and assessing climate-related risks	48, 77-85
Risk Management (b)	Describe the organization's processes for managing climate-related risks	48, 77-85
Risk Management (c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	48, 77-85
Metrics and Targets (a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	52
Metrics and Targets (b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	51-52
Metrics and Targets (c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	49-52

Sustainability Accounting Standards Board (SASB) Index

SASB reference	Metric	Category	Unit of measure	Page
Environment				
GHG gas emissions				
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, Percentage (%)	164
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	49-51
Air quality				
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	164
Energy management				
RT-CH-130a.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	164
Water management				
RT-CH-140a.1	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	164
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	165
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	59-62
Hazardous waste management				
RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%	164

Sustainability Accounting Standards Board (SASB) Index continued

SASB reference	Metric	Category	Unit of measure	Page
Social				
Community relations				
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and analysis	n/a	43-44, 64-65, 72
Workforce health & safety				
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	71
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	69-72
Product design for use-phase efficiency				
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	165
Safety & environmental stewardship of chemicals				
RT-CH-410b.1	(1) Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products by revenue that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	165
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	72
Genetically modified organisms				
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	165
Operational safety, emergency preparedness & response				
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number	165
RT-CH-540a.2	Number of transport incidents	Quantitative	Number	165
Governance				
Management of the legal & regulatory environment				
T-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	n/a	48, 72
Other				
Activity metric				
RT-CH-000.A	Production by reportable segment	Quantitative	Metric tons (t)	165

ESG performance summary

Environmental	Unit	2019	2020	2021	SASB reference
Energy (Ammonia)					
Energy consumption	TJ	149,870	145,845	147,252	
Energy intensity	GJ / ton gross production	40.34	40.64	39.54	
Energy (Consolidated)					
Energy consumption	TJ	164,745	161,787	164,379	RT-CH-130a.1
Energy intensity	GJ / ton gross production	20.28	19.79	20.52	
Grid Electricity	%	NPR	1.6%	1.4%	RT-CH-130a.1
Renewable	%	NPR	0.1%	0.1%	RT-CH-130a.1
Self-generated energy	%	NPR	0%	0%	RT-CH-130a.1
Emissions to Air					
GHG emissions (Scope 1)	million tons of CO2e	5.87	5.49	6.09	RT-CH-110a.1
GHG emissions (Scope 1 - CO2 to Downstream)	million tons of CO2e	3.44	3.66	3.20	
GHG emissions (Scope 2)	million tons of CO2e	0.39	0.39	0.35	
Total GHG emissions (Scope 1 + 2 EU ETS)	million tons of CO2e	**9.69**	**9.53**	**9.64**	
GHG intensity (Scope 1 and 2)	ton CO2e / N-ton	3.17	3.23	3.14	
Scope 1 emissions covered under emissions limiting regulations	% (Scope 1 - Direct)	0%	0%	0%	RT-CH-110a.1
Nox	metric tons	1,764	2,364	2,098	RT-CH-120a.1
N2O	metric tons	0	0	0	RT-CH-120a.1
SO2	metric tons	128	131	108	RT-CH-120a.1
VOCs	metric tons	34	32	22	RT-CH-120a.1
Effluents and waste					
Hazardous waste reused, recycled or recovered	thousand metric tons	0.41	0.14	0.17	RT-CH-150a.1
Hazardous waste treated or disposed of	thousand metric tons	0.58	0.90	1.08	RT-CH-150a.1
Non-hazardous waste reused, recycled or recovered	thousand metric tons	0.65	0.30	0.62	
Non-hazardous waste treated or disposed of	thousand metric tons	1.75	2.75	0.60	
Water		NPR			
Total intake by source	Million cubic meters	**66.21**	**65.29**	**63.33**	RT-CH-140a.1
Groundwater	Million cubic meters	9.83	9.94	9.86	
Seawater	Million cubic meters	49.43	48.00	46.21	
Surface water	Million cubic meters	6.95	7.35	7.26	
Third party water	Million cubic meters	0.00	0.00	0.00	
Total water discharge by destination	Million cubic meters	**44.03**	**40.72**	**33.77**	RT-CH-140a.1
Groundwater	Million cubic meters	2.49	2.45	2.35	
Seawater	Million cubic meters	41.17	37.88	31.05	
Surface water	Million cubic meters	0.00	0.00	0.00	
Third party water	Million cubic meters	0.37	0.39	0.37	
Water stress					
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	100%	100%	100%	RT-CH-140a.1
Water consumed in regions with High or Extremely High Baseline Water Stress	%	100%	100%	100%	RT-CH-140a.1

ESG performance summary
continued

HSE	Unit	2019	2020	2021	SASB reference
Safety					
Lost Time Injury Rate - total	Per 200,000 hours worked	0.10	0.03	0.19	
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.08	0.00	0.20	
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.12	0.07	0.17	
Total Recordable Injury Rate - total	Per 200,000 hours worked	0.19	0.03	0.28	RT-CH-320a.1
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.16	0.00	0.32	RT-CH-320a.1
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.24	0.07	0.22	RT-CH-320a.1
Fatalities	#	0	0	1	RT-CH-320a.1
Process Safety Incidents	#	3	7	14	RT-CH-540a.1
Process Safety Total Incident Rate	Per 200,000 hours worked	0.07	0.19	0.33	RT-CH-540a.1
Significant Process Safety Incidents	count	3	7	14	RT-CH-540a.1
Major Process Safety Incidents	count	0	0	0	RT-CH-540a.1
Transport incidents	#	0	0	0	RT-CH-540a.2
Environmental Incidents					
Environmental Incidents	#	0	0	0	
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0	0	0	
Water-related permit exceedances	#	0	0	0	RT-CH-140a.2
Product design for use-phase efficiency					
Revenue from products designed for use-phase resource efficiency	Reporting Currency	NPR	0	0	
Chemical Stewardship					
Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	NPR	15.1%	25.3%	RT-CH-410b.1
Percentage of such products by revenue that have undergone a hazard assessment	%	NPR	100%	100%	RT-CH-410b.1
Genetically Modified Organisms (GMOs)					
Percentage of products by revenue that contain GMOs	%	0%	0%	0%	RT-CH-410c.1
Production					
Total	Million nutrient tons of ammonia	3.1	3.0	3.1	RT-CH-000.A

ESG performance summary
continued

Working at Fertiglobe	Unit	2019	2020	2021
Employees*				
Total employees	#	**2,582**	**2,561**	**2,680**
Full-time	#	2,582	2,560	2,679
Part-time	#	0	1	1
Engagement and development				
Voluntary turnover rate	%	NPR	1.7%	1.6%
Employee absenteeism	%	2.3%	1.7%	1.5%
Employees covered by Collective Bargaining or Unions	%	30.2%	31.2%	30.0%
Average spending on training and development	$ / employee	1,912	62	185
Compliance & Governance				
Incident notifications	#	NPR	NPR	10
Incidents investigated	#	NPR	NPR	10
Substantial cases	#	NPR	NPR	0
Anonymous notifications via hotline	#	NPR	NPR	2
Diversity				
Women	%	7.8%	7.8%	7.8%
Women in technical roles	%	1.2%	1.4%	1.7%
Women non-technical roles	%	6.6%	6.3%	6.1%
Women on the Board of Directors	%	NPR	NPR	9.1%
Women in leadership positions	%	13.6%	16.8%	17.0%
Age profile				
under 25	%	1.4%	0.7%	1.0%
25-34	%	25.7%	16.3%	19.9%
35-44	%	48.4%	51.0%	50.3%
45-54	%	21.3%	26.8%	24.9%
55-64	%	2.9%	5.0%	3.6%
65+	%	0.3%	0.3%	0.4%
Years of service				
0-5 years	%	15.7%	11.6%	11.8%
6-10 years	%	36.1%	24.4%	24.9%
11-20 years	%	43.6%	57.8%	56.0%
21+ years	%	4.6%	6.2%	7.3%

Glossary of abbreviations and key terms

Abbreviations

ADGM	Abu Dhabi Global Market
ADNOC	Abu Dhabi National Oil Company
AGM or GM	Annual General Meeting of Shareholders
APM	Alternative Performance Measures
BACT	Best Available Control Technology
BN	Billion
Capex	Capital expenditure
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COSO	Committee of Sponsoring Organizations of the Treadway Commission
DEF	Diesel exhaust fluid
EBIC	Egypt Basic Industries Corporation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EFC	Egyptian Fertilizers Company
EIR	Environmental incident rate
EPS	Earnings per share
ESG	Environmental, Social, Governance
FCF	Free cash flow
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
ICF	Internal Control Framework
IEA	International Energy Agency
IFA	International Fertilizer Association
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability & Carbon Certification
LTI	Lost time injury
LTIR	Lost time injury rate
M	Million
M m^3	Million cubic meters
MENA	Middle East and North Africa
MMBTU	Million British thermal unit
MT	Million metric tons
N_2O	Nitrous oxide
NF LoR	Non-financial Letter of Representation
NOx	Nitrogen oxide
OHSAS	Occupational Health and Safety Assessment Series
OSHA	Occupational Safety and Health Administration
PSI	Process safety incident
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SO_2	Sulphur dioxide
STEM	Science, Technology, Engineering, and Maths
TCFD	Task Force on Climate-related Financial Disclosures
TJ	Terajoule
TRIR	Total recordable injury rate
TSR	Total shareholder return
UN FAOSTAT	United Nations Food and Agriculture Organization Statistics
YoY	Year-on-year