

Fertiglobe

An ADNOC and OCI Company

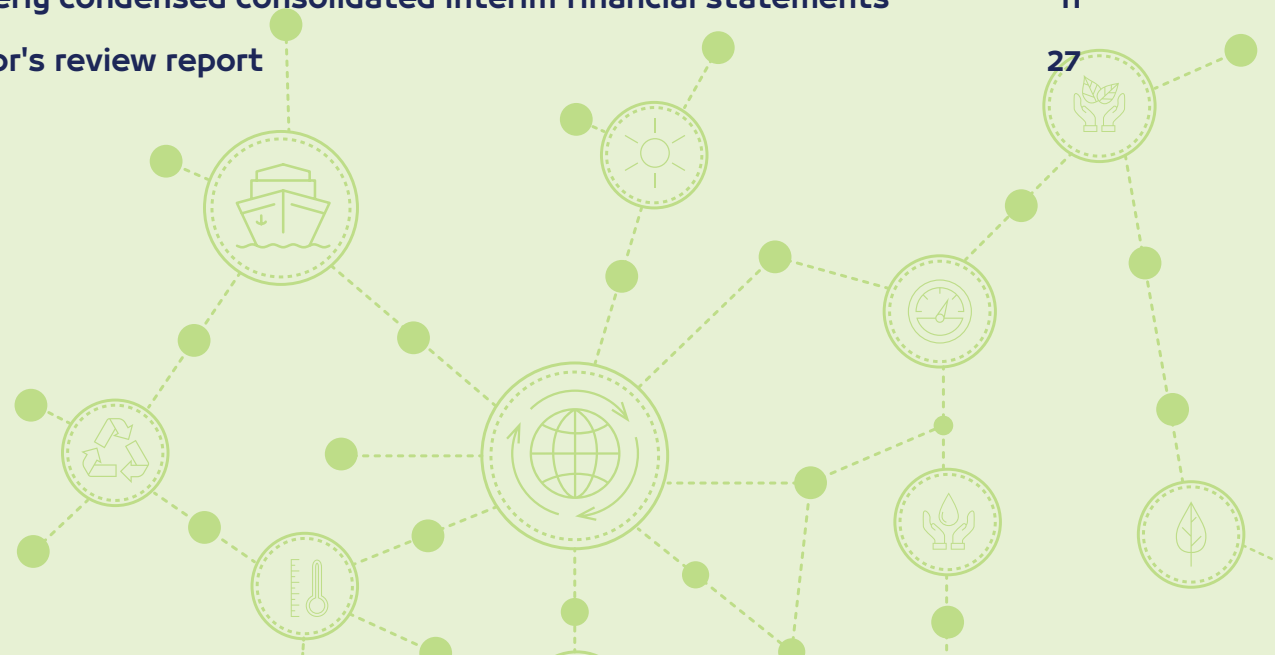
Quarterly Condensed Consolidated Interim Financial Statements

For the period ended 30 September 2023 (unaudited)



Table of Contents

Directors' report	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Profit or Loss	6
Condensed Consolidated Statement of Comprehensive Income	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the quarterly condensed consolidated interim financial statements	11
Independent Auditor's review report	27



Directors' 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 6.6 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 2,700 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".

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
- Nassef Onsi Naguib Sawiris
- Ahmed Khaled El Hoshy
- Hassan Hossam Hassan Badrawi
- Jeffrey Ubben (resigned on 16 March 2023)
- Charles David Welch
- Khaled Salmeen Anber Salmeen
- Mohammad Saif Ali Abed Alaryani
- Wafa Ibrahim Ali Mohamed Al Hammadi
- Philippe Ryckaert
- Dr. Rainer Seele
- Jerome Guiraud (appointed on 29 May 2023)

Results for the nine-month period ended 30 September 2023:

The company achieved USD 1,770.3 million in revenues during the period (30 September 2022: USD 3,974.0 million) by selling 3.6 million tons of urea (30 September 2022: 3.9 million tons) and 1.0 million tons of ammonia (30 September 2022: 1.1 million tons), resulting in total net profit of USD 366.4 million on a consolidated basis (30 September 2022: USD 1,509.7 million). Total assets decreased to USD 5,434.2 million at 30 September 2023 (31 December 2022: USD 5,530.6 million).

On behalf of the board,



Hassan Badrawi

Board member

Condensed Consolidated Statement of Financial Position

AS AT

\$ millions	Note	30 September 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	<u>8</u>	2,719.0	2,837.9
Right-of-use assets		81.4	76.8
Goodwill and other intangible assets	<u>9</u>	607.9	604.8
Trade and other receivables	<u>10</u>	26.5	37.7
Total non-current assets		3,434.8	3,557.2
Current assets			
Inventories		110.3	124.9
Trade and other receivables	<u>10</u>	289.1	406.5
Income tax receivables		0.7	-
Cash and cash equivalents		1,599.3	1,442.0
Total current assets		1,999.4	1,973.4
Total assets		5,434.2	5,530.6

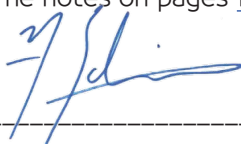
The notes on pages [11](#) to [26](#) are an integral part of these quarterly condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position continued

AS AT

\$ millions	Note	30 September 2023	31 December 2022
Equity			
Share capital		1,328.2	1,328.2
Reserves		(1,127.7)	(1,135.1)
Retained earnings		1,416.1	1,865.1
Equity attributable to owners of the Company		1,616.6	2,058.2
Non-controlling interest		361.4	1,110.1
Total equity		1,978.0	3,168.3
Liabilities			
Non-current liabilities			
Loans and borrowings	<u>11</u>	1,507.7	1,065.6
Lease obligations		73.0	73.7
Trade and other payables	<u>12</u>	22.0	19.5
Deferred tax liabilities		347.6	382.6
Total non-current liabilities		1,950.3	1,541.4
Current liabilities			
Loans and borrowings	<u>11</u>	63.6	89.6
Lease obligations		25.5	17.4
Trade and other payables	<u>12</u>	1,132.5	371.1
Provisions	<u>13</u>	35.2	107.4
Income tax payables		249.1	235.4
Total current liabilities		1,505.9	820.9
Total liabilities		3,456.2	2,362.3
Total equity and liabilities		5,434.2	5,530.6

The notes on pages 11 to 26 are an integral part of these quarterly condensed consolidated interim financial statements.



H. Badrawi (Board Member)

Condensed Consolidated Statement of Profit or Loss

\$ millions	Note	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Revenues	<u>17</u>	525.1	1,317.9	1,770.3	3,974.0
Cost of sales	<u>14</u>	(371.3)	(734.0)	(1,173.0)	(2,054.5)
Gross profit		153.8	583.9	597.3	1,919.5
Other income		0.3	3.0	1.9	3.0
Selling, general and administrative expenses	<u>14</u>	(34.8)	(37.6)	(103.6)	(107.6)
Other expenses		-	(0.1)	(0.1)	(0.9)
Operating profit		119.3	549.2	495.5	1,814.0
Finance income	<u>15</u>	1.7	(21.9)	35.6	36.5
Finance cost	<u>15</u>	(19.3)	(34.2)	(117.4)	(112.5)
Net finance cost		(17.6)	(56.1)	(81.8)	(76.0)
Profit before income tax		101.7	493.1	413.7	1,738.0
Income tax		(32.5)	(73.6)	(47.3)	(228.3)
Profit for the period		69.2	419.5	366.4	1,509.7
Profit attributable to:					
Owners of the Company		39.5	291.6	254.4	1,077.6
Non-controlling interest		29.7	127.9	112.0	432.1
Profit for the period		69.2	419.5	366.4	1,509.7
Earnings per share (in USD)					
Basic earnings per share		0.005	0.035	0.031	0.130
Diluted earnings per share		0.005	0.035	0.031	0.130

The notes on pages 11 to 26 are an integral part of these quarterly condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income

\$ millions	Note	Three-month period ended 30 September 2023	Three-month period ended 30 September 2022	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
Profit for the period		69.2	419.5	366.4	1,509.7
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations - foreign currency translation differences		(8.0)	40.4	11.6	(11.2)
Other comprehensive (loss)/income, net of tax		(8.0)	40.4	11.6	(11.2)
Total comprehensive income		61.2	459.9	378.0	1,498.5
Total comprehensive income attributable to:					
Owners of the Company		35.4	312.1	261.8	1,070.6
Non-controlling interest		25.8	147.8	116.2	427.9
Total comprehensive income		61.2	459.9	378.0	1,498.5

The notes on pages [11](#) to [26](#) are an integral part of these quarterly condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

FOR THE NINE-MONTH PERIOD ENDED

\$ millions	Share capital	Reserves	Retained Earnings	Equity attributable to owners of the Company	Non-controlling interest	Total Equity
Balance at 1 January 2022	1,328.2	(37.6)	555.6	1,846.2	659.8	2,506.0
Profit for the period	-	-	1,077.6	1,077.6	432.1	1,509.7
Other comprehensive loss, net of tax	-	(7.0)	-	(7.0)	(4.2)	(11.2)
Total comprehensive income	-	(7.0)	1,077.6	1,070.6	427.9	1,498.5
Impact difference in profit sharing non-controlling interest ¹	-	-	-	-	230.4	230.4
Dividends to non-controlling interests ²	-	-	-	-	(453.6)	(453.6)
Capital contribution	-	37.4	-	37.4	-	37.4
Dividends to shareholders ³	-	-	(1,090.0)	(1,090.0)	-	(1,090.0)
Balance at 30 September 2022	1,328.2	(7.2)	543.2	1,864.2	864.5	2,728.7
Balance at 1 January 2023	1,328.2	(1,135.1)	1,865.1	2,058.2	1,110.1	3,168.3
Profit for the period	-	-	254.4	254.4	112.0	366.4
Other comprehensive income, net of tax	-	7.4	-	7.4	4.2	11.6
Total comprehensive income	-	7.4	254.4	261.8	116.2	378.0
Impact difference in profit sharing non-controlling interest ¹	-	-	(3.4)	(3.4)	32.0	28.6
Dividends to non-controlling interests ²	-	-	-	-	(896.9)	(896.9)
Dividends to shareholders ³	-	-	(700.0)	(700.0)	-	(700.0)
Balance at 30 September 2023	1,328.2	(1,127.7)	1,416.1	1,616.6	361.4	1,978.0

¹ In the partnership agreement of Sorfert between the Group and the partner, a profit-sharing arrangement is agreed, where the other partner will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner.

² Dividends to non-controlling interest represents the dividend declared by Sorfert Algeria SPA on 26 April 2023 and dividends declared by Egypt Basic Industries Corporation S.A.E on 3 May 2023 and 29 August 2023. (30 September 2022: Dividends to non-controlling interest represent the dividend declared by Egypt Basic Industries Corporation S.A.E on 28 March 2022 and 14 August 2022, and dividends declared by Sorfert Algeria SPA on 4 April 2022).

³ On 11 April 2023, the shareholders approved dividends of USD 700.0 million related to the second half of the year ended 31 December 2022. These dividends were approved by the Board on 13 February 2023 and paid on 17 April 2023. (30 September 2022: On 13 June 2022 and 29 September 2022, the shareholders approved dividends of USD 340 million and USD 750 million respectively).

The notes on pages [11](#) to [26](#) are an integral part of these quarterly condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

FOR THE NINE-MONTH PERIOD ENDED

\$ millions	Note	30 September 2023	30 September 2022
Profit for the period		366.4	1,509.7
Adjustments for:			
Depreciation, amortization and impairment	<u>14</u>	208.8	184.9
Interest income	<u>15</u>	(9.9)	(1.2)
Interest expense	<u>15</u>	84.5	61.7
Net foreign exchange loss and others	<u>15</u>	7.2	15.5
Impact difference in profit-sharing non-controlling interest		28.6	230.4
Income tax		47.3	228.3
Changes in:			
Inventories		14.6	(38.6)
Trade and other receivables		80.5	(32.7)
Trade and other payables		(103.6)	40.3
Provisions		7.8	(12.4)
Cash flows:			
Interest paid		(65.0)	(41.0)
Lease interest paid		(3.9)	(3.4)
Interest received		9.8	1.2
Income taxes paid		(47.0)	(169.6)
Withholding tax paid on subsidiary dividends		(20.5)	(15.1)
Cash flows from operating activities		605.6	1,958.0
Investments in property, plant and equipment and intangible fixed assets		(80.3)	(47.5)
Cash used in investing activities		(80.3)	(47.5)

The notes on pages [11](#) to [26](#) are an integral part of these quarterly condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows continued

FOR THE NINE-MONTH PERIOD ENDED

\$ millions	Note	30 September 2023	30 September 2022
Proceeds from borrowings	<u>11</u>	528.1	-
Repayment of borrowings	<u>11</u>	(101.8)	(247.7)
Payment of lease liabilities		(13.8)	(7.3)
Transaction costs of new borrowings	<u>11</u>	(12.9)	-
Dividends paid to non-controlling interest		(62.6)	(420.5)
Dividends paid to shareholders		(700.0)	(340.0)
Cash used in financing activities		(363.0)	(1,015.5)
Net cash flow		162.3	895.0
Net increase in cash and cash equivalents		162.3	895.0
Cash and cash equivalents at beginning of period		1,442.0	899.1
Effect of exchange rate fluctuations on cash held		(5.0)	(11.3)
Cash and cash equivalents at end of period		1,599.3	1,782.8

The notes on pages [11](#) to [26](#) are an integral part of these quarterly condensed consolidated interim financial statements.

Notes to the quarterly condensed consolidated interim financial statements

1. General

Fertiglobe plc ("Fertiglobe" or "the Company") is a public company limited by shares pursuant to Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended). 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 a 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. These quarterly condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Group is consolidated by OCI N.V. ("Ultimate Parent") that holds 50% + one of the total shares and voting rights in the Company as of 30 September 2023. 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%
- free float on the Abu Dhabi Securities Exchange ("ADX"): 13.8%

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

These quarterly condensed consolidated interim financial statements were approved and authorized for issuance on 6 November 2023.

2. Basis of preparation

General

These quarterly condensed consolidated interim financial statements for the period ended 30 September 2023 have been prepared in accordance with IAS 34 'Interim financial reporting' and do not include all the information and disclosure required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2022. The quarterly condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022 which 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 (as amended).

The quarterly condensed consolidated interim financial statements as at and for the period ended 30 September 2023 and 30 September 2022 are not audited. The financial year of the Group commences on 1 January and ends on 31 December.

These quarterly condensed consolidated interim financial statements are presented in US Dollar ("USD"), which is the Company's functional and presentational currency. All amounts have been recorded to the nearest USD 0.1 million except otherwise indicated.

Notes to the quarterly condensed consolidated interim financial statements continued

2. Basis of preparation continued

Going Concern

The Directors have, at the time of approving the quarterly condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the quarterly condensed consolidated interim financial statements.

3. Summary of material accounting policies

The accounting policies applied in these quarterly condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of the following from 1 January 2023:

Standards	Amendments
Amendments to IAS 12 Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IFRS 17 Insurance Contracts	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates

The adoption of these standards did not have a material impact on the Group. The change in accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2023.

3. Summary of material accounting policies continued

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is 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.

4. Seasonality of operations

Our product portfolio is diversified primarily by geography. The nitrogen fertilizer industry is inherently dependent on fundamental supply and demand drivers, including global population growth, crop yields, feedstock costs, and seasonality of crop planting and harvesting seasons. These and other long-term and short-term drivers result in cyclical nitrogen fertilizer pricing trends. The global sales and the seasonality mitigate the impact of any region's seasonal fluctuations.

5. Critical accounting judgments, estimates and assumptions

The preparation of the quarterly condensed consolidated financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the quarterly condensed consolidated interim 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.

Notes to the quarterly condensed consolidated interim financial statements continued

5. Critical accounting judgments, estimates and assumptions continued

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 2022, there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the consolidated financial statements.

With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2022. The objectives and policies of financial risk and capital management are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2022.

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the nine-month period ended 30 September 2023	Average during the nine-month period ended 30 September 2022	Closing as at 30 September 2023	Closing as at 31 December 2022
Euro	1.0832	1.0638	1.0573	1.0711
Egyptian pound	0.0327	0.0561	0.0324	0.0404
Algerian dinar	0.0074	0.0070	0.0073	0.0073

7. Financial risk and capital management

7.1 Financial risk management

Financial assets and liabilities

The following table represents the financial assets and financial liabilities of the Group:

\$ millions	Note	30 September 2023	31 December 2022
Assets			
Trade and other receivables ¹	<u>10</u>	267.3	343.3
Cash and cash equivalents		1,599.3	1,442.0
Total		1,866.6	1,785.3
Liabilities			
Loans and borrowings	<u>11</u>	1,571.3	1,155.2
Lease obligations		98.5	91.1
Trade and other payables ²	<u>12</u>	1,139.0	376.5
Total		2,808.8	1,622.8

¹ Excluding prepayments, supplier advance payments and other receivables related to indemnity.

² Excluding employee benefits

The group does not have any derivative financial instruments as at 30 September 2023 and 31 December 2022.

Notes to the quarterly condensed consolidated interim financial statements continued

7. Financial risk and capital management continued

7.2 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.

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

\$ millions	Note	30 September 2023	31 December 2022
Loans and borrowings	<u>11</u>	1,571.3	1,155.2
Less: cash and cash equivalents		1,599.3	1,442.0
Net cash		(28.0)	(286.8)
Total equity		1,978.0	3,168.3
Net cash to equity ratio		(0.01)	(0.09)

8. Property, plant and equipment

The effect of movement in exchange rates in 2023 mainly relates to Sorfert, which has a different functional currency (Algerian dinar), to the Group's presentational currency.

2023 \$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
At 1 January 2023	174.3	2,589.8	6.4	67.4	2,837.9
Movements in the carrying amount:					
Additions	0.6	37.3	1.8	34.5	74.2
Depreciation and impairment	(6.8)	(182.1)	(2.2)	(0.3)	(191.4)
Transfers	0.2	4.0	3.2	(9.4)	(2.0)
Effect of movement in exchange rates	-	0.4	-	(0.1)	0.3
At 30 September 2023	168.3	2,449.4	9.2	92.1	2,719.0
Cost	297.4	5,377.7	43.5	92.1	5,810.7
Accumulated depreciation & impairment	(129.1)	(2,928.3)	(34.3)	-	(3,091.7)
At 30 September 2023	168.3	2,449.4	9.2	92.1	2,719.0

Notes to the quarterly condensed consolidated interim financial statements continued

8. Property, plant and equipment continued

2022 \$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	295.2	5,257.0	44.4	61.5	5,658.1
Accumulated depreciation and impairment	(113.1)	(2,565.1)	(37.7)	-	(2,715.9)
At 1 January 2022	182.1	2,691.9	6.7	61.5	2,942.2
Movements in the carrying amount:					
Additions	0.3	30.6	1.1	79.1	111.1
Depreciation and impairment	(8.7)	(242.3)	(2.2)	-	(253.2)
Transfers	0.1	103.2	0.8	(73.5)	30.6
Effect of movement in exchange rates	0.5	6.4	-	0.3	7.2
At 31 December 2022	174.3	2,589.8	6.4	67.4	2,837.9
Cost	296.8	5,386.1	45.8	67.4	5,796.1
Accumulated depreciation and impairment	(122.5)	(2,796.3)	(39.4)	-	(2,958.2)
At 31 December 2022	174.3	2,589.8	6.4	67.4	2,837.9

9. Goodwill and other intangible assets

The Group has assessed its goodwill balances for indications of impairment, inclusive of the recent decline in market prices. Based on the assessment performed, no impairment indicators were identified and as a result, no impairment test was performed. The annual goodwill impairment test will be performed in the fourth quarter.

\$ millions	30 September 2023	31 December 2022
Goodwill	604.8	604.8
Other intangible assets	3.1	-
Total	607.9	604.8

Notes to the quarterly condensed consolidated interim financial statements continued

10. Trade and other receivables

\$ millions	Note	30 September 2023	31 December 2022
Trade receivables (net)		148.7	205.3
Trade receivables (net) from related parties	18	0.5	2.6
Prepayments		31.7	43.3
Other tax receivables		76.4	90.9
Supplier advance payments		11.9	12.3
Other receivables (net) ¹		18.9	34.6
Other receivables related parties ¹	18	27.5	55.2
Total		315.6	444.2
Non-current		26.5	37.7
Current		289.1	406.5
Total		315.6	444.2

¹ The comparative numbers have been reclassified to be consistent with the current period presentation.

Non-current trade and other receivables have not been discounted as the effect would be immaterial. The carrying amount of trade and other receivables approximates its fair value.

11. Loans and borrowings

\$ millions	30 September 2023	31 December 2022
At the beginning of the period/year	1,155.2	1,385.7
Proceeds from borrowings ¹	1,428.1	86.0
Repayment of borrowings ¹	(1,001.8)	(326.3)
Amortization of transaction costs	2.0	8.4
Incurred transaction costs	(12.9)	-
Effect of movement in exchange rates	0.7	1.4
At the end of the period/year	1,571.3	1,155.2
Non-current	1,507.7	1,065.6
Current	63.6	89.6
Total	1,571.3	1,155.2

¹ On 4 January 2023, the Group executed the drawdown of USD 900 million from the 2022 Term Loan Facility. The proceeds were directly received by the agent and were used to repay the existing Bridge Loan Facility in full. The Bridge Loan Facility is no longer available following this settlement. This is a material non-cash transaction during the period.

The effect of movement in exchange rate mainly relates to DZD denominated loans, which are different from the Group's presentational currency (note 6).

Accrued interest on loans and borrowings amounted to USD 17.2 million (31 December 2022: USD 3.6 million) and is included in trade and other payables (Note 12).

The carrying amount of loans and borrowings approximates its fair value.

Notes to the quarterly condensed consolidated interim financial statements continued

11. Loans and borrowings continued

Supply chain finance arrangement

On 7 September 2023, Fertiglobe plc entered into a USD 85 million supply chain finance programme with Emirates NBD Bank P.J.S.C. ("ENBD"). This is a payment service whereby ENBD supports the Group in payments within the Group entities for intercompany sales and purchases providing the buyer with extended credit terms. Discounting charges of Term SOFR + 1.00% p.a. is charged to the suppliers. As at 30 September 2023, this facility has not been utilised.

2022 Fertiglobe refinancing

On 22 December 2022, Fertiglobe refinanced its existing bridge loan facility as follows:

- Three-year facility amounting to USD 300 million with margin of SOFR + 1.50%.
- Five-year facility amounting to USD 600 million with margin of SOFR + 1.75%.

In addition, the Company updated the existing Revolving Credit Facility as follows:

- Increased the limit by USD 300 million to reach USD 600 million
- Extended the maturity to December 2027
- Updated the interest rate to SOFR + 1.40%

The transaction costs in relation to the refinancing amounted to USD 12.9 million, excluding VAT.

Covenants

The Fertiglobe plc and Sorfert loan agreements include financial covenants.

As at 30 September 2023 all financial covenants were met. In the event the Group did not comply with the covenant requirements, the loans will become immediately due. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

Undrawn facilities

As at 30 September 2023, the Group has the following undrawn facilities:

- Revolving cash facility of USD 100.0 million (On 11 April 2023, the Group executed the drawdown of USD 500.0 million from the RCF Facility)
- Overdraft of USD 50.0 million
- Working capital facility of USD 50.0 million
- Trade finance facility USD 95.0 million

Notes to the quarterly condensed consolidated interim financial statements continued

11. 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)	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	182.2	115.9	66.3	Debt service reserve account, ban for any disposal or decrease of the Company shares and assets Collateral against the production facility in case of non-payment
Fertiglobe plc	Term loan- Unsecured	USD 300.0 (Facility A) USD 600.0 (Facility B)	SOFR +1.50% SOFR +1.75%	January 2026 January 2028	892.9	894.7	(1.8)	The loan is guaranteed, jointly and severally, by a list of entities. Please see note below. ¹
Fertiglobe plc	Revolving Credit facility - Unsecured	USD 600.0	SOFR + 1.40%	December 2027	496.2	497.1	(0.9)	n/a
Fertiglobe Distribution Ltd. Fertiglobe Fertilizer Trading Ltd.	Trade Finance facility	USD 95.0	SOFR + 1.00%	Renewed annually	-	-	-	n/a
Fertiglobe Distribution Ltd. Ruweis Fertilizers Industries LLC Fertiglobe Fertilizer Trading Ltd	Working Capital facility	USD 50.0	SOFR + 1.50%	Renewed annually	-	-	-	The loan is guaranteed, jointly and severally, by Fertiglobe Distribution Ltd. Ruweis Fertilizer Industries LLC and Fertiglobe Fertilizer Trading Ltd.
Total 30 September 2023					1,571.3	1,507.7	63.6	

¹ Loan is guaranteed by Fertiglobe plc, Egyptian Fertilizers Company S.A.E., Ruweis Fertilizer Industries LLC, Fertiglobe Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.

Notes to the quarterly condensed consolidated interim financial statements continued

11. 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)	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	231.9	165.6	66.3	Debt service reserve account, ban for any disposal or decrease of the Company shares and assets Collateral against the production facility in case of non-payment
Fertiglobe plc	Bridge loan- Unsecured	USD 1,100.0	LIBOR + 1.05% ¹	February 2023 (extendable) ²	900.0	900.0	-	The loan is guaranteed, jointly and severally, by a list of entities. Please see note below. ³
Fertiglobe plc	Term loan- Unsecured	USD 300.0 (Facility A) USD 600.0 (Facility B)	SOFR +1.50% SOFR +1.75%	January 2026 January 2028	-	-	-	The loan is guaranteed, jointly and severally, by a list of entities. Please see note below. ³
Fertiglobe plc	Revolving Credit facility - Unsecured	USD 600.0	SOFR + 1.40%	December 2027	-	-	-	n/a
Fertiglobe Distribution Ltd. Fertiglobe Fertilizer Trading Ltd.	Trade Finance facility	USD 95.0	SOFR + 1.00%	Renewed annually	23.3	-	23.3	n/a
Fertiglobe Distribution Ltd. Ruweis Fertilizers Industries LLC Fertiglobe Fertilizer Trading Ltd	Working Capital facility	USD 50.0	LIBOR/EIBOR/ SOFR + 1.50%	April 2023 (extendable)	-	-	-	The loan is guaranteed, jointly and severally, by Fertiglobe Distribution Ltd. Ruweis Fertilizer Industries LLC and Fertiglobe Fertilizer Trading Ltd.
Total 31 December 2022					1,155.2	1,065.6	89.6	

¹ For the first 12 months starting August 2021 increasing by 25 bps every 3 months thereafter.

² Extendable for 6 months, then for an additional 6 months total combined tenor of 30 months.

³ Loan is guaranteed by Fertiglobe plc, Egyptian Fertilizers Company S.A.E., Ruweis Fertilizer Industries LLC, Fertiglobe Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.

Notes to the quarterly condensed consolidated interim financial statements continued

12. Trade and other payables

\$ millions	Note	30 September 2023	31 December 2022
Trade payables		30.0	42.2
Trade payables due to related parties	<u>18</u>	25.8	18.8
Amounts payable under the securitization program		9.2	26.2
Accrued expenses ¹		166.0	222.1
Dividends payable ¹		823.1	-
Accrued interest		17.2	3.6
Employee benefits ¹		15.5	14.1
Deferred income		4.1	4.7
Other tax payable		1.0	0.6
Other payables		12.4	23.2
Other payables to related parties ¹	<u>18</u>	50.2	35.1
Total		1,154.5	390.6
Non-current		22.0	19.5
Current		1,132.5	371.1
Total		1,154.5	390.6

¹ The comparative numbers have been reclassified to be consistent with the current period presentation.

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.

13. Provisions, contingent assets and liabilities

OCI S.A.E. tax dispute and donation provision

In October 2012, the Egyptian Tax Authority ("ETA") raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries ("OCI S.A.E."). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement with the ETA whereby EGP 7.1 billion would be paid over a 5-year period. The agreement was followed by payment of a first instalment of EGP 2.5 billion in 2013. Subsequently, OCI S.A.E. was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and additionally by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision at the court of first instance. In March 2015, following the decision of the Independent Appeals Committee of 4 November 2014, the ETA reimbursed OCI S.A.E. EGP 1,904 million. In 2016 OCI S.A.E. was required to pay a second instalment of EGP 900 million related to the original settlement agreement of 2013. OCI S.A.E. has lodged a reimbursement claim for this amount.

On 23 January 2023, a judgment was issued in favor of OCI S.A.E. rejecting the appeal of the ETA and on 14 May 2023, the judgment has become irrevocable, as a result the EGP 1.9 billion paid to OCI S.A.E. in 2015 may no longer be reclaimed by the ETA and OCI S.A.E. has a claim of EGP 900 million against the ETA.

Notes to the quarterly condensed consolidated interim financial statements continued

13. Provisions, contingent assets and liabilities continued

On 13 November 2014 OCI N.V. announced that it would transfer its rights to EGP 2.5 billion undue paid tax amounts to an Egyptian development fund. Following the guidance under IAS 37 (constructive obligations), the Group has presented the transfer of rights to the fund as a donation provision in OCI S.A.E., which was set at EGP 1.9 billion representing the amount reimbursed in March 2015.

As part of the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ("OC") in 2015, parties agreed that OCI S.A.E. would retain the reimbursed sum of EGP 1.9 billion and reimbursement claim of EGP 900 million to fulfil the constructive obligation upon final verdict of the case. Any excess liabilities and recoveries were agreed to be shared on a 50:50 basis between OCI N.V. and OC.

As part of the IPO in 2021, OCI N.V. agreed to indemnify all Fertiglobe shareholders in case certain claims (including the above) or the donation payment occurs.

In June 2023, OCI N.V. entered into an agreement with OC to pay the respective 50% share in the reimbursed sum (USD 26.7 million paid in July 2023 which is net of prior payments), to assign 50% in the reimbursement claim against the ETA and split the constructive obligation on a 50:50 basis. As a result of this settlement and due to the devaluation of the EGP the donation provision was reduced to USD 30.9 million.

As at 30 September 2023, Fertiglobe Group management has assessed that it is no longer probable that an outflow of resources will be required to settle the remaining 50% of the constructive obligation. As such, OCI S.A.E's constructive obligation has ceased to exist and the remaining donation provision of USD 30.9 million was released. The indemnity receivable in Fertiglobe PLC was also reduced by USD 30.9 million, Fertiglobe PLC remains liable towards OCI N.V under the indemnification agreement for any tax proceeds collected by OCI S.A.E related to this case. This is a material non-cash transaction during the period.

Notes to the quarterly condensed consolidated interim financial statements continued

14. Development of cost of sales and selling, general and administrative expenses

\$ millions	Note	Three-month 30 September 2023	Three-month 30 September 2022	Nine-month 30 September 2023	Nine-month 30 September 2022
Raw materials, consumables and finished goods ¹		181.7	568.3	641.7	1,573.7
Raw materials, consumables and finished goods - related party ¹	<u>18</u>	71.2	61.5	188.8	169.2
Employee benefit expenses ¹		62.0	56.9	176.0	166.1
Employee benefit expenses - related party ¹	<u>18</u>	0.4	1.6	3.0	5.0
Depreciation, amortization and impairment		72.5	60.1	208.8	184.9
Maintenance and repair		6.0	7.0	21.7	23.3
Consultancy expenses		4.2	2.6	12.3	6.3
Other ¹		6.9	12.8	20.4	29.3
Other - related party ¹	<u>18</u>	1.2	0.8	3.9	4.3
Total		406.1	771.6	1,276.6	2,162.1
Cost of sales		371.3	734.0	1,173.0	2,054.5
Selling, general and administrative expenses		34.8	37.6	103.6	107.6
Total		406.1	771.6	1,276.6	2,162.1

¹ The comparative numbers have been reclassified to be consistent with the current period presentation.

The decrease in raw materials and consumables and finished goods is primarily driven by the relatively high gas prices for the nine-month period ended 30 September 2022.

Notes to the quarterly condensed consolidated interim financial statements continued

15. Net finance cost

\$ millions	Three-month 30 September 2023	Three-month 30 September 2022	Nine-month 30 September 2023	Nine-month 30 September 2022
Interest income	4.0	0.3	9.7	1.2
Interest income related parties (Note 18)	0.2	-	0.2	-
Foreign exchange gain/(loss)	(2.5)	(22.2)	25.7	35.3
Finance income	1.7	(21.9)	35.6	36.5
Interest expense and other financing costs on financial liabilities measured at amortized cost	(31.1)	(18.9)	(82.3)	(59.2)
Interest expense related parties (Note 18)	(0.7)	(0.8)	(2.2)	(2.5)
Foreign exchange gain/(loss)	12.5	(14.5)	(32.9)	(50.8)
Finance cost	(19.3)	(34.2)	(117.4)	(112.5)
Net finance cost recognised in profit or loss	(17.6)	(56.1)	(81.8)	(76.0)

16. Income taxes

UAE Tax Law

On 9 December 2022, the UAE Ministry of Finance ("MOF") released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the Law") to enact a Federal corporate tax ("CT") regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023 (which makes the first taxable year for the relevant group companies to be full year 2024).

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply

to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on Qualifying Income of free zone entities.

On 1 June 2023, the MOF issued two notifications wherein they defined Qualifying Income and Qualifying Activities. These notifications have prompted an assessment for entities in the free zone, particularly entities incorporated in the Abu Dhabi Global Market, to determine whether they are subject to the 9% tax rate under the corporate tax law.

In addition to the above, MOF has released a public consultation on Qualifying Activities of the Freezone to seek inputs and concerns from the taxpayers. Management is of the view that a final clarification on Qualifying Activities and Qualifying Income is expected to be issued by the MOF.

The Group is in the process of assessing the tax impact of these notifications. Based on the initial assessment performed, no significant impact was identified on these quarterly condensed consolidated interim financial statements.

Notes to the quarterly condensed consolidated interim financial statements continued

17. Segment reporting

30 September 2023 \$ millions	Production and marketing of owned produced volumes	Third party trading	Other	Elimination	Total
Total external revenues	1,623.8	146.5	-	-	1,770.3
Adjusted EBITDA	746.5	3.7	(35.7)	-	714.5
Depreciation, amortization and impairment	(203.1)	(2.9)	(2.8)	-	(208.8)
Finance income	76.0	5.3	65.0	(110.7)	35.6
Finance expense	(68.8)	(5.0)	(154.3)	110.7	(117.4)
Income tax	(43.9)	-	(3.4)	-	(47.3)
Other (including provisions)	(8.7)	-	(1.5)	-	(10.2)
Profit for the period	498.0	1.1	(132.7)	-	366.4
Capital expenditures	67.5	-	8.6	-	76.1
Total assets	5,152.2	1.1	280.9	-	5,434.2

2022 \$ millions	Production and marketing of owned produced volumes	Third party Trading	Other	Elimination	Total
Total external revenues¹	3,286.4	687.6	-	-	3,974.0
Adjusted EBITDA ¹	2,022.1	16.1	(37.3)	-	2,000.9
Depreciation, amortization and impairment ¹	(184.1)	-	(0.8)	-	(184.9)
Finance income ¹	26.1	2.1	40.0	(31.7)	36.5
Finance expense ¹	(58.6)	(6.0)	(79.6)	31.7	(112.5)
Income tax ¹	(215.0)	(0.1)	(13.2)	-	(228.3)
Other (including provisions) ¹	3.0	-	(5.0)	-	(2.0)
Profit for the period¹	1,593.5	12.1	(95.9)	-	1,509.7
Capital expenditures ²	104.3	-	6.8	-	111.1
Total assets²	5,176.7	11.1	342.8	-	5,530.6

¹ For the nine-month period ended 30 September 2022.

² As at 31 December 2022.

Fertiglobe uses Alternative Performance Measures ('APMs') 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. 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.

Notes to the quarterly condensed consolidated interim financial statements continued

18. Related party balances and transactions

The following is a list of significant related party transactions and outstanding amounts as at 30 September 2023:

30 September 2023 Related party \$ millions	Relation	Trade and other receivables	Trade and other payables	Revenue and other income	Net recharges	Net Finance cost
OCI N.V	OCI Group	0.1	8.3	-	(0.3)	-
N-7 LLC	OCI Group	-	4.0	10.5	(6.7)	-
OCI Fertilizer BV	OCI Group	4.8	14.6	-	-	-
OCI Nitrogen	OCI Group	0.1	0.5	76.7	(3.0)	-
ADNOC	ADNOC	19.1	36.3	-	(151.3)	(2.2)
Abu Dhabi Polymers Ltd.	ADNOC	0.3	-	1.6	-	-
ADNOC refining	ADNOC	-	8.2	-	(33.0)	-
Others		3.6	4.1	-	(1.4)	0.2
Total		28.0	76.0	88.8	(195.7)	(2.0)

The Group leases land, office space and employee accommodation from Abu Dhabi National Oil Company - "ADNOC", the lease obligation amount is USD 64.7 million at 30 September 2023 (31 December 2022 USD 70.7 million).

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.

2022 Related party \$ millions	Relation	Trade and other receivables ¹	Trade and other payables ¹	Revenue and other income ²	Net recharges ²	Net Finance cost ²
OCI Fertilizer BV	OCI Group	45.5	-	-	-	-
OCI Nitrogen	OCI Group	2.0	1.1	364.5	-	-
ADNOC	ADNOC	6.9	39.7	-	(143.4)	(2.5)
Abu Dhabi Polymers Ltd.	ADNOC	0.4	-	1.8	-	-
ADNOC refining	ADNOC	-	5.8	-	(33.9)	-
Others		3.0	7.3	-	(1.2)	-
Total		57.8	53.9	366.3	(178.5)	(2.5)

¹ As at 31 December 2022.

² For the nine-month period ended 30 September 2022.

Board Remuneration

On 5 April 2023, the Board approved a payment of USD 9.0 million (AED 33.2 million) to the Board of Directors as approved remuneration for the year ended 31 December 2022, in addition to any applicable VAT. This Board remuneration was approved by the shareholders in the Annual General Meeting ("AGM") held on 11 April 2023.

Notes to the quarterly condensed consolidated interim financial statements continued

19. Commitments and Contingencies

There have been no significant changes in commitments and contingencies as compared to the situation as described in the consolidated financial statements for the year ended 31 December 2022 except for the following:

Low-carbon ammonia plant

On 13 February 2023, the company initiated the procurement phase which increased its commitments by approximately USD 100 million. The Group's share of costs is expected to be 30%, following the creation of the company and the novation of the EPC contract to it.

20. Subsequent events

The Group performed a review of events subsequent to the reporting period up to the date the quarterly condensed consolidated interim financial statements were issued and determined that there were no material events requiring recognition or disclosure in the quarterly condensed consolidated interim financial statements, apart from the items disclosed below:

Dividends H1 2023

On 6 November 2023, the Board approved interim dividends of USD 275 million for the first half of the year ending 31 December 2023. These dividends are expected to be payable in the next few weeks.

Sorfert dividend payment

On 16 October 2023, Sorfert Algeria SPA paid in Algerian dinar the equivalent of USD 813.1 million relating to the non-controlling interest's share of dividends declared on 26 April 2023.



Review report on the condensed consolidated interim financial information to the Board of Directors of Fertiglobe plc

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Fertiglobe plc (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-months and nine-months period then ended and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

For and on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)
Rami Abdelraouf Saleh Sarhan


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6 November 2023

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