Fertiglobe

An ADNOC and OCI Company

2023

Financial Statements

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".

On 15 December 2023, OCI N.V. announced the sale of its entire shareholding of Fertiglobe to Abu Dhabi National Oil Company P.J.S.C. ("ADNOC"). The transaction is expected to close in 2024, subject to regulatory conditions and anti-trust approvals.

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 1.7 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 0.7 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 1.3 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 and Fertiglobe Fertilizer Trading Limited: Fertiglobe established a trading platform based in the U.A.E., supported by an export logistics network, strategic partnerships / relationships in Brazil, Spain, France 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 (including 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.

Directors' report continued

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)

Current year's results:

In 2023, Fertiglobe continued to show resilience despite the uncertain economic climate. The company achieved USD 2,416.2 million in revenues during the year (2022: USD 5,027.5 million) by selling 4.8 million tons of urea (2022: 5.0 million tons) and 1.4 million tons of ammonia (2022: 1.5 million tons), resulting in total net profit of USD 505.0 million on a consolidated basis (2022: USD 1,820.4 million). Total assets decreased to USD 4,625.8 million at 31 December 2023 (2022: USD 5,530.6 million).

On 6 November 2023, the Board approved interim dividends of USD 275 million (equivalent of USD 0.033 per share) for the first half of the year ended 31 December 2023. This was approved by the Board on 06 November 2023 and paid in full on 15 November 2023. On 14 February 2024, the Board approved dividends of USD 200 million (equivalent of USD 0.024 per share) for the second half of the year ended 31 December 2023. The dividend will be presented to shareholders for approval at the next Annual General Meeting and is expected to be paid in April 2024.

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

Independent auditor's report to the shareholders of Fertiglobe plc

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fertiglobe plc (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Abu Dhabi Global Market ("ADGM"). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Independent auditor's report to the shareholders of Fertiglobe plc (continued)

Our audit approach

Overview

Key Audit Matters	• Initial audit engagement procedures • Litigation and claims

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How our audit addressed the key audit matter
Initial audit engagement procedures Initial audit engagements require additional considerations and procedures necessary to address, amongst others, the following risks: • Opening balances may contain misstatements that materially affect the current period's consolidated financial statements; and • Appropriate accounting policies applied in the opening balances have not been consistently applied in the current period's consolidated financial statements or changes thereto are not appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework. Additional efforts are required to obtain an understanding of the Group and its business including its control environment, sufficient to make an audit risk assessment and develop an appropriate audit strategy. In view of the additional considerations and audit procedures required, we consider this to be a key audit matter.	As part of the Fertiglobe plc Group audit transition from predecessor auditor, we developed a comprehensive transition plan. Our transition plan included, amongst others: • Interactions with the predecessor auditor, including review of the predecessor auditor's workpapers to obtain sufficient appropriate audit evidence over the opening balances; • Meetings with Group management and with key components management to obtain an understanding of the business, the strategy and risks; • Supported by our technical accounting team, review of prior year consolidated financial statements to obtain an understanding of the Group's accounting policies, key judgements and estimates and ensuring the adequacy of relevant disclosures as required by IFRS Accounting Standards; • Review of historical accounting position papers; and • Performing walkthroughs and inquiries of management to assist us in obtaining an understanding of the Group's financial reporting processes and control environment resulting in our audit risk assessment and audit strategy for the year 2023 audit.

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Litigation and claims The Group is involved in certain litigations, arbitrations and disputes related to legal and tax matters. A provision is recognised or a contingent liability is disclosed for these litigation and claims based on management's judgement and assessment of the probability of the outcome and estimated exposure. We consider this assessment to be a key audit matter as the pending litigation and claims are significant to the Group, the assessment process is complex and it involves significant management judgement. Refer to notes 3, 3.12, 3.17, 5, 10, 19 and 26 to the consolidated financial statements for disclosures of related accounting policies and provision balances and contingencies.	With the assistance of our local component audit teams, we performed the following audit procedures: • We evaluated management's assessment of the probability of the outcome and estimated exposure of the legal and tax positions, based on relevant laws and regulations; • We attended quarterly update meetings with the Group legal, compliance and tax teams where we discussed the quarterly updated litigation and tax contingency reports from Group legal, compliance and the tax teams; • We performed, amongst other procedures, review of management's accounting position papers, review of management's external expert opinions and review of external communication of developments in cases; and • We requested external legal letters from external counsel and involved tax specialists for tax cases, where necessary, to review the positions are in accordance with the local legal and tax regulations. In addition, we assessed the adequacy of the provisions and disclosures in the consolidated financial statements.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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Independent auditor's report to the shareholders of Fertiglobe plc (continued)

Other information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and Group's Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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, on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Accounting Standards and their preparation in compliance with the applicable provisions of the ADGM Companies Regulations 2020, as amended, the ADGM Companies Regulations (International Accounting Standards) Rules 2015 and applicable provisions of the relevant laws and regulations 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.

Independent auditor's report to the shareholders of Fertiglobe plc (continued)

Auditor's 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 auditor's 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 and the applicable requirements of ADAA Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities 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 and the applicable requirements of ADAA Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism 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 auditor's 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.
- 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.

Independent auditor's report to the shareholders of Fertiglobe plc (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditor's 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

As required by the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- the consolidated financial statements have been prepared, in all material respects, in accordance with the applicable requirements of the ADGM Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015; and
- the information given in the Directors' report is consistent with the consolidated financial statements of the Group.

Further, as required by the ADAA Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the financial statements for the year ended 31 December 2023, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2023:

(i) its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and

(ii) applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

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

25 March 2024

Consolidated Statement of Financial Position

AS AT

$ millions	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	7	2,699.6	2,837.9
Right-of-use assets	17	74.9	76.8
Goodwill and other intangible assets	8	614.5	604.8
Trade and other receivables	9	29.1	37.7
Total non-current assets		**3,418.1**	**3,557.2**
Current assets			
Inventories	11	133.6	124.9
Trade and other receivables	9	314.3	406.5
Cash and cash equivalents	12	759.8	1,442.0
Total current assets		**1,207.7**	**1,973.4**
Total assets		**4,625.8**	**5,530.6**

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position continued
AS AT

$ millions	Note	31 December 2023	31 December 2022
Equity			
Share capital	13	1,328.2	1,328.2
Reserves	14	(1,119.1)	(1,135.1)
Retained earnings	14	1,235.6	1,865.1
Equity attributable to owners of the Company		**1,444.7**	**2,058.2**
Non-controlling interests	15	425.0	1,110.1
Total equity		**1,869.7**	**3,168.3**
Liabilities			
Non-current liabilities			
Loans and borrowings	16	1,490.2	1,065.6
Lease obligations	17	67.9	73.7
Trade and other payables	18	22.4	19.5
Deferred tax liabilities	10	344.9	382.6
Total non-current liabilities		**1,925.4**	**1,541.4**
Current liabilities			
Loans and borrowings	16	174.9	89.6
Lease obligations	17	22.7	17.4
Trade and other payables	18	326.7	371.1
Provisions	19	36.0	107.4
Income tax payables	10	270.4	235.4
Total current liabilities		**830.7**	**820.9**
Total liabilities		**2,756.1**	**2,362.3**
Total equity and liabilities		**4,625.8**	**5,530.6**

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operations and consolidated cash flows of the Group as of, and for the year ended 31 December 2023.

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H. Badrawi (Board Member)

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED

$ millions	Note	31 December 2023	31 December 2022[1]
Revenues	20	2,416.2	5,027.5
Cost of sales	21	(1,564.2)	(2,675.4)
Gross profit		**852.0**	**2,352.1**
Selling, general and administrative expenses	21	(144.5)	(168.8)
Other income		3.3	3.0
Other expenses		(0.7)	(0.9)
Operating profit		**710.1**	**2,185.4**
Finance income[1]	22	16.3	1.5
Finance cost[1]	22	(119.4)	(83.2)
Net foreign exchange loss[1]	22	(19.6)	(44.1)
Net finance cost		**(122.7)**	**(125.8)**
Profit before income tax		**587.4**	**2,059.6**
Income tax	10	(82.4)	(239.2)
Profit for the year		**505.0**	**1,820.4**
Profit attributable to:			
Owners of the Company		348.9	1,249.5
Non-controlling interests	15	156.1	570.9
Profit for the year		**505.0**	**1,820.4**
Earnings per share (in USD)			
Basic earnings per share	24	0.042	0.151
Diluted earnings per share	24	0.042	0.151

[1] The comparative numbers have been reclassified, refer to note 22.

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
FOR THE YEAR ENDED

$ millions	Note	31 December 2023	31 December 2022
Profit for the year		**505.0**	**1,820.4**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations - foreign currency translation differences		28.6	32.4
Other comprehensive income, net of tax		**28.6**	**32.4**
Total comprehensive income		**533.6**	**1,852.8**
Total comprehensive income attributable to:			
Owners of the Company		364.9	1,264.9
Non-controlling interests	15	168.7	587.9
Total comprehensive income		**533.6**	**1,852.8**

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED

$ millions	Note	Share capital (Note 13)	Reserves (Note 14)	Retained earnings (Note 14)	Equity attributable to owners of the Company	Non-controlling interests (Note 15)	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 year		-	-	1,249.5	1,249.5	570.9	1,820.4
Other comprehensive income, net of tax		-	15.4	-	15.4	17.0	32.4
Total comprehensive income		-	**15.4**	**1,249.5**	**1,264.9**	**587.9**	**1,852.8**
Impact difference in profit sharing non-controlling interests	15	-	-	-	-	316.0	316.0
Dividends to non-controlling interests	15	-	-	-	-	(453.6)	(453.6)
Reserves Transfer	14	-	(1,150.0)	1,150.0	-	-	-
Capital contribution	14	-	37.1	-	37.1	-	37.1
Dividends to shareholders	14	-	-	(1,090.0)	(1,090.0)	-	(1,090.0)
Balance at 31 December 2022		**1,328.2**	**(1,135.1)**	**1,865.1**	**2,058.2**	**1,110.1**	**3,168.3**
Profit for the year		-	-	348.9	348.9	156.1	505.0
Other comprehensive income, net of tax		-	16.0	-	16.0	12.6	28.6
Total comprehensive income		**-**	**16.0**	**348.9**	**364.9**	**168.7**	**533.6**
Impact difference in profit sharing non-controlling interests	15	-	-	(3.4)	(3.4)	43.1	39.7
Dividends to non-controlling interests	15	-	-	-	-	(896.9)	(896.9)
Dividends to shareholders	14	-	-	(975.0)	(975.0)	-	(975.0)
Balance at 31 December 2023		**1,328.2**	**(1,119.1)**	**1,235.6**	**1,444.7**	**425.0**	**1,869.7**

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED

$ millions	Note	31 December 2023	31 December 2022
Profit for the year		**505.0**	**1,820.4**
Adjustments for:			
Depreciation, amortization and impairment	21	279.3	266.3
Finance income	22	(16.3)	(1.5)
Finance cost	22	119.4	83.2
Net foreign exchange loss	22	19.6	44.1
Impact difference in profit-sharing non-controlling interests	15	39.7	316.0
Income tax expense	10	82.4	239.2
Changes in:			
Inventories		(6.8)	(21.1)
Trade and other receivables		38.1	54.1
Trade and other payables		(98.2)	(37.8)
Provisions		8.2	17.5
Cash flows:			
Interest paid		(95.9)	(67.5)
Lease interest paid	17	(5.0)	(4.5)
Interest received		16.0	1.5
Income taxes paid	10	(67.4)	(217.5)
Witholding tax paid on subsidiary dividends	10	(20.5)	(15.1)
Cash flows from operating activities		**797.6**	**2,477.3**
Investments in property, plant and equipment and intangible assets		(114.6)	(115.5)
Cash used in investing activities		**(114.6)**	**(115.5)**

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows continued
FOR THE YEAR ENDED

$ millions	Note	31 December 2023	31 December 2022
Proceeds from borrowings	16	693.4	86.0
Repayment of borrowings	16	(173.4)	(326.3)
Payment of lease liabilities	17	(19.4)	(8.0)
Transaction costs of new borrowings	16	(18.3)	-
Dividends paid to non-controlling interests	15	(885.7)	(462.2)
Dividends paid to shareholders	14	(975.0)	(1,090.0)
Cash used in financing activities		**(1,378.4)**	**(1,800.5)**
Net cash flows		**(695.4)**	**561.3**
Net (decrease)/increase in cash and cash equivalents		**(695.4)**	**561.3**
Cash and cash equivalents at 1 January		1,442.0	899.1
Effect of exchange rate fluctuations on cash held		13.2	(18.4)
Cash and cash equivalents at 31 December		**759.8**	**1,442.0**

Material non-cash transactions for the year have been disclosed in note 16, note 17 and note 26.

The notes on pages 17 to 74 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 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. 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 N.V. ("Ultimate Parent") that holds 50% + one of the total shares and voting rights in the Company as of 31 December 2023 and 31 December 2022. OCI N.V. is headquartered in the Netherlands, and listed on Euronext in Amsterdam.

Fertiglobe was listed on the Abu Dhabi Securities Exchange ("ADX") on 27 October 2021 under the symbol "FERTIGLB" and ISIN "AEF000901015".

The current 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%

On 15 December 2023, OCI N.V. announced the sale of its entire shareholding of Fertiglobe to Abu Dhabi National Oil Company P.J.S.C. ("ADNOC"). The transaction is expected to close in 2024, subject to regulatory conditions and anti-trust approvals.

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 25 March 2024.

2. Basis of preparation
General
The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board ("IASB") and in compliance with the applicable provisions of the Company's Article of Association and the requirements of the Abu Dhabi Global Market Companies Regulation of 2020 as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015. The laws and regulations applicable to the Company for the year are in compliance with Abu Dhabi Accountability Authority ("ADAA") requirements.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

2. Basis of preparation continued

General continued
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 presentation currency. All amounts have been recorded to the nearest USD 0.1 million except otherwise indicated.

Going Concern
The Directors have, at the time of approving the annual consolidated 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 financial statements.

3. Material accounting policies
The Group has applied the accounting policies set out in note 3 consistently over both periods presented in these consolidated financial statements.

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

Subsidiaries
Subsidiaries are all companies to which Fertiglobe 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 interests 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. If it becomes an associate or a joint venture, the interest retained is subsequently measured in accordance with the equity method. The principal subsidiaries of the Group 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.1 Consolidation continued

Non-controlling interests ("NCI")
Non-controlling interests is presented as a separate component in equity. 'Profit or loss' and 'Total comprehensive income' attributable to the non-controlling interests are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the balance sheet date. Changes in Group's ownership 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 contribute to the creation of 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 of the assets and liabilities assumed and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.3 Foreign currency continued

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 foreign exchange gain/loss unless individually material and identifiable, in which case it is presented in the line it relates to.

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 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.

Gas purchase contracts

The Group has physical 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, sale or usage requirements and do not have a past practice of being net cash-settled.

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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.4 Financial instruments continued
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.

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

Fair value through profit or loss (FVTPL)
Trade receivables that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss ("FVTPL"). Any gain or loss arising on such trade receivables is recognized in the consolidated statement of profit or loss account and presented within Revenues.

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 ownership 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.

If 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.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled 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, unless the financial liability:
- is a derivative at FVTPL;
- arose from the transfer of a financial assets that does not qualify for derecognition or if the continuing involvement approach applies;
- is a financial guarantee contract;
- is a commitment to provide a loan at a below-market interest rate; and
- is a contingent consideration resulting from a business combination to which IFRS 3 applies, measured at FVTPL.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued

3.4 Financial instruments continued

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.

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. 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 below applies, otherwise they are recognized within inventories:

- Average turn-over exceeds 12 months or more; and
- Major spare parts and stand-by equipment, with an individual purchase price above a certain threshold.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.7 Property, plant and equipment continued

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.

The estimated useful lives for items of property,plant and equipment are as follows:	Years
Buildings	10-50
Plant and equipment	5-30
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 Goodwill and other intangible assets

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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under "Goodwill". 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.

Goodwill is initially measured at cost. 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.8 Goodwill and other intangible assets continued

Other intangible assets
Other intangible assets with a finite useful life (licenses, customer relations, trade names, software and other rights that are acquired separately or through business combinations) are amortized on a straightline basis in profit or loss over their estimated useful lives taking into account any residual value and impairment losses, from the date that they are available for use. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

The estimated useful lives of intangible assets are as follows:	Years
Software	2-10

3.9 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 or the first-in-first-out method, 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.

3.10 Impairment of non-financial assets
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. Impairment losses 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.10 Impairment of non-financial assets continued
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.

3.11 Borrowings
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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.

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.

3.13 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 key performance obligations of the Group is the sale of fertilizer products to customers and its related logistics where these are sold under International Commercial terms ("Incoterms") where the Group is responsible for providing shipping services after the date at which control over the promised goods have passed to the customer at the loading port.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued

3.13 Revenue from contracts with customers continued

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 from logistic services for the delivery of the promised goods to the customer's port of destination is recognized over a time basis, equivalent to the stage of completion of the services. This revenue is measured based on the actual freight rates of the relevant pricing period for specific shipments as outlined in the contracts.

Revenue is recognized net of expected discounts and rebates to customers. The Group enters into certain contracts for the sales of fertilizer products with provisional pricing arrangements. The sales price is not settled until a predetermined future date. Revenue on these sales are initially recognized (when all the above criteria are met), at a provisional price based on the pricing mechanism as specified in the contract. Provisionally priced sales are marked-to-market at each reporting date using the forward price for the period equivalent to that outlined in the contract. Actual revenue recognized for these sales might differ from the presented revenues due to movements in rates between the reporting periods and the relevant pricing periods outlined in the contracts with customers.

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.

3.14 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, plant 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.14 Leases continued

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. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.15 Finance income and cost

Finance income includes interest income on funds invested.

Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance cost includes:

- interest expense on borrowings; and
- interest expense related to lease obligations.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.15 Finance income and cost continued

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. Foreign currency gains and losses are recognized on a net basis and is presented in net foreign exchange gain/loss in the profit or loss.

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.

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 the reporting 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 tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued

3.17 Income tax continued

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 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 forseeable 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, and reflects uncertainty related to income taxes, if any.

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.

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.

Fertiglobe has determined that the global minimum top-up tax is an income tax in the scope of IAS 12. Fertiglobe has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

3.18 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.

3.19 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

3. Material accounting policies continued
3.19 Consolidated statement of cash flows continued

Acquisitions or disposals of subsidiaries are presented as acquisition/disposal of subsidiary, net of cash.

3.20 Dividends to shareholders
Dividend distribution to the Company's shareholders is recognized as a liability and equity in the period in which the dividend is approved by the Company's shareholders. Interim dividends are recognized in equity upon payment to the Company's shareholders after the approval by the Board.

3.21 Earnings per share
Earnings per ordinary share is 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. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. The Group currently does not have any dilutive shares.

4. New accounting standards and policies
On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations.

4.1 Standards, amendments, revisions and interpretations that became effective to the Group during 2023
The standards and interpretations that became effective in 2023 did not have a material impact on the consolidated financial statements of the Group.

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

Global minimum top-up tax
Fertiglobe has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two Exposure (see note 10).

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

4. New accounting standards and policies continued

4.2 New and 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. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

Standards	Amendments
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current Non-Current Liabilities with Covenants
Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

5. Critical accounting judgments, 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 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 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:

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

5. Critical accounting judgments, estimates and assumptions continued

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 indefinite useful lives, the Group 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, the Group makes estimates and assumptions about future cash flows based on the value in use. In doing so, management 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, Weighted Average Cost of Capital ("WACC") and future inflation rates (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.

Control assessment over subsidiaries
Subsidiaries that Fertiglobe controls are fully consolidated from the date that control commences until the date that control ceases. To determine whether the Group has control over its subsidiaries, an assessment of control is required. This assessment is based on the requirements of IFRS 10 and evaluates whether the Group is exposed or has rights to variable returns from its involvement with the investee and whether the Group 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. In certain circumstances, the control assessment may require the Group to evaluate the effect of ownership structures, determination of relevant activities and other arrangements including the rights of other shareholders that could have an impact on the assessment of control, this specifically relates to the control assessment of Sorfert. The significance of this evaluation is inversely correlated with Fertiglobe's shareholding in the subsidiary as shown in note 15.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

5. Critical accounting judgments, 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).

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.

With respect to legal cases, the Group has to estimate the outcome. Regulatory, 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).

With respect to 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 reliably. Based on the land lease terms of the Group's production facilities, some entities in the Group have the obligation to restore their site upon decommissioning.

The Group has not recorded a liability for this 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 regular maintenance, plant turn around and any other upgrades will be conducted on a regular basis and is typical for the industry, this will 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 continued
FOR THE YEAR ENDED 31 DECEMBER

5. Critical accounting judgments, estimates and assumptions continued

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).

Estimates are also required to determine the impact of the Pillar Two legislation as the Pillar Two income taxes are closely linked to the provision of income taxes and the final outcome of tax audits for which an uncertain tax position is recognized.

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.

Judgement is also applied in order to assess whether the entity will exercise any extension or cancellation 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).

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 of Directors 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued
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 Group's risk management policies and practices are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's business activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

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. Customers are typically billed after the goods have been delivered or the services have been performed. Payment terms for the Group's receivables are generally up to 90 days. In certain instances, the Group receives upfront payment for services and recognizes deferred revenue. 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. During 2023, management assessed any significant increase in credit risk based on internal and external factors related to the financial instruments and recorded an allowance of USD 0.7 million (2022: nil) related to credit risk (note 9).

With respect to transactions with financial institutions, the Group sets a minimum credit rating for the counterparties. The maximum exposure to credit risk is the carrying amount of financial instruments. 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's 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.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued

6.1 Credit risk continued

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

$ millions	Note	2023	2022
Trade and other receivables[1]	9	284.7	343.3
Cash and cash equivalents	12	759.8	1,442.0
Total		**1,044.5**	**1,785.3**

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

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

$ millions	2023	2022
Middle East and Africa	73.9	32.4
Asia and Oceania	139.2	171.1
Europe	55.7	119.2
America	15.9	20.6
Total[1]	**284.7**	**343.3**

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

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:

2023 $ 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	1,665.1	1,671.4	169.3	1,502.1	-
Lease obligations	17	90.6	318.8	22.8	25.9	270.1
Trade and other payables[1]	18	281.5	281.5	274.8	6.7	-
Trade and other payables to related parties	18	51.7	51.7	51.7	-	-
Total		**2,088.9**	**2,323.4**	**518.6**	**1,534.7**	**270.1**

[1] Excluding employee benefits.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued
6.2 Liquidity risk continued

2022 $ 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	1,155.2	1,168.9	89.6	1,079.3	-
Lease obligations	17	91.1	329.0	18.7	36.3	274.0
Trade and other payables[1,2]	18	322.6	322.6	317.2	5.4	-
Trade and other payables to related parties[2]	18	53.9	53.9	53.9	-	-
Total		**1,622.8**	**1,874.4**	**479.4**	**1,121.0**	**274.0**

1 Excluding employee benefits

2 The comparative numbers have been reclassified to be consistent with the current year presentation.

Callable loan amounts are classified as 'Less than one year'. The future obligations will be managed by the future incoming cash from operations (including those under securitization arrangement), 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 a 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.

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 Company's functional currency). The currency concerned is mainly the Algerian dinar. Foreign exchange translation exposure is considered a part of doing business

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued
6.3 Market risk continued

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 (if required) to hedge foreign currency exposures. The functional currencies of the Group entities are primarily the US dollar and the Algerian dinar. 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:

2023 $ millions	USD	EUR	EGP
Trade and other receivables	10.0	7.7	49.1
Trade and other receivables intercompany	9.8	365.5	0.3
Trade and other payables	-	(2.3)	(10.5)
Trade and other payables intercompany	-	(362.3)	(14.9)
Cash and cash equivalents	138.4	14.3	2.7

6. Financial risk and capital management continued
6.3 Market risk continued

2022 $ millions	USD	EUR	EGP
Trade and other receivables	25.5	20.0	72.9
Trade and other receivables intercompany	29.5	245.1	0.1
Trade and other payables	(0.1)	(3.4)	(7.4)
Trade and other payables intercompany	(0.4)	(247.5)	(0.5)
Provisions	-	-	(76.9)
Cash and cash equivalents	864.0	7.2	16.5

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. In addition to the above, the Group has significant foreign exchange exposure to certain tax balances in the various jurisdictions and related currencies the Group operates in.

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

	Average 2023	Average 2022	Closing 2023	Closing 2022
Euro	1.0815	1.0533	1.1039	1.0711
Egyptian pound	0.0326	0.0530	0.0324	0.0404
Algerian dinar	0.0074	0.0070	0.0075	0.0073

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued
6.3 Market risk continued

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.

2023 $ millions	Change in FX rate	Effect on profit before tax	Effect on other comprehensive income
EUR – USD	8 percent	1.8	-
	(8) percent	(1.8)	-
EGP - USD	5 percent	1.3	-
	(5) percent	(1.3)	-
DZD - USD	4 percent	6.3	-
	(4) percent	(6.3)	-

2022 $ millions	Change in FX rate	Effect on profit before tax	Effect on other comprehensive income
EUR – USD	10 percent	2.3	-
	(10) percent	(2.3)	-
EGP - USD	10 percent	0.5	-
	(10) percent	(0.5)	-
DZD - USD	4 percent	36.7	-
	(4) percent	(36.7)	-

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.

The impact of foreign exchange sensitivity on tax exposures has been excluded from the above table as there is no impact on profit before tax from these 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 assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a higher volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities, reference is made to note 16. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected:

$ millions	In basis points	2023	2022
Effect on profit before tax for the coming year	+200 bps	(28.0)	(18.0)
	- 200 bps	28.0	18.0

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

6. Financial risk and capital management continued
6.3 Market risk continued

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

$ millions	Note	2023	2022
Assets			
Trade and other receivables[1]	9	284.7	343.3
Cash and cash equivalents	12	759.8	1,442.0
Total		**1,044.5**	**1,785.3**
Liabilities			
Loans and borrowings	16	1,665.1	1,155.2
Lease obligation	17	90.6	91.1
Trade and other payables[2]	18	333.2	376.5
Total		**2,088.9**	**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 at 31 December 2023 and 31 December 2022.

The financial assets and financial liabilities of the Group are all accounted for at amortized cost with the exception of trade receivables which are to be collected under the securitization agreement which are accounted at fair value through other comprehensive income and provisionally priced receivables which are accounted for at fair value through profit or loss (note 9).

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 interests 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 (cash)/debt to equity ratio at the reporting date was as follows:

$ millions	Note	2023	2022
Loans and borrowings	16	1,665.1	1,155.2
Less: cash and cash equivalents	12	759.8	1,442.0
Net debt / (cash)		**905.3**	**(286.8)**
Total equity		1,869.7	3,168.3
Net debt / (cash) to equity ratio at 31 December		**0.48**	**(0.09)**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

7. Property, plant and equipment

As at 31 December 2023, the Group has land with a carrying amount of USD 22.2 million (2022: USD 22.2 million). 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 presentation currency.

Fully depreciated assets with cost of USD 64.9 million (2022: USD 21.5 million) have been written off during the year. The carrying amount of assets pledged as security for borrowings is USD 511.7 million (2022: USD 544.5 million). Refer to note 16.

$ 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	6.2	54.9	2.7	40.1	103.9
Depreciation and impairment	(9.2)	(245.1)	(3.0)	(0.4)	(257.7)
Transfers	0.3	11.7	4.0	(18.0)	(2.0)
Effect of movement in exchange rates	1.2	15.4	0.1	0.8	17.5
At 31 December 2023	**172.8**	**2,426.7**	**10.2**	**89.9**	**2,699.6**
Cost	305.4	5,429.3	43.9	89.9	5,868.5
Accumulated depreciation and impairment	(132.6)	(3,002.6)	(33.7)	-	(3,168.9)
At 31 December 2023	**172.8**	**2,426.7**	**10.2**	**89.9**	**2,699.6**

$ 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**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

8. Goodwill and other intangible assets

$ millions	Goodwill	Software	Under construction	Total
At 1 January 2023	**604.8**	**-**	**-**	**604.8**
Movements in the carrying amount:				
Additions	-	-	8.6	8.6
Amortization and impairment	-	(0.4)	(0.5)	(0.9)
Transfers	-	7.0	(5.0)	2.0
At 31 December 2023	**604.8**	**6.6**	**3.1**	**614.5**
Cost	1,942.4	7.0	3.1	1,952.5
Accumulated amortization and impairment	(1,337.6)	(0.4)	-	(1,338.0)
At 31 December 2023	**604.8**	**6.6**	**3.1**	**614.5**

$ millions	Goodwill	Software	Under construction	Total
Cost	1,942.4	-	-	1,942.4
Accumulated amortization and impairment	(1,337.6)	-	-	(1,337.6)
At 1 January 2022 and 31 December 2022	**604.8**	**-**	**-**	**604.8**

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

$ millions	2023	2022
Egyptian Fertilizers Company ("EFC")	440.0	440.0
Ruwais Fertilizer Industries LLC. ("Fertil")	164.8	164.8
Total	**604.8**	**604.8**

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. The terminal growth rate was determined based on the long term compound annual growth rate of the global fertilizer market. The discount rate is a post-tax measure estimated based on the capital asset pricing model. 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 2024 to 2028 (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 2.95% (2022: 4.08%) was taken into account. The estimated pre-tax cash flows are discounted to their present value using pre-tax discount rates.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

8. Goodwill and other intangible assets continued

The following rates were applied in performing the impairment test:

	2023		2022	
Percentage	**Fertil**	**EFC**	**Fertil**	**EFC**
Pre-tax discount rate	14.4%	21.3%	13.7%	19.9%
Perpetual growth rate	2.95%	2.95%	4.08%	4.08%

Based on the assessment performed, no impairments were required as at 31 December 2023 (2022: nil).

A sensitivity analysis was performed considering a 5% reduction in the selling price and 5% increase to WACC which did not result in any impairment.

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. In addition, the Group has pass through arrangement with financial institution whereby all the amounts collected from customers are repaid to financial institution without material delay.

For the year ended 31 December 2023, an amount of USD 413.5 million (2022: USD 414.2 million) of trade receivables were transferred under the securitization agreement. Furthermore, the total amount charged by securitization company amounted to USD 3.6 million during the year (2022: USD 1.8 million). The portfolio of trade receivable which is held for collect and sale at reporting date amounted to USD 36.7 million (2022: USD 67.3 million). These receivables are measured using level 3 inputs based on the expected invoice value.

Provisionally priced receivables which are accounted for at FVTPL as at 31 December 2023 were USD 41.1 million (2022: nil). These receivables are measured using level 3 input based on the expected invoice value.

The other tax receivable contains an amount of EGP 450 million (USD 14.6 million) (2022: EGP 900 million (USD 36.4 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 (refer to note 26 "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 2023 approximates its fair value.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

9. Trade and other receivables continued

$ millions	Note	2023	2022
Trade receivables (net)		159.2	205.3
Trade receivables from related parties (net)	25	0.7	2.6
Prepayments		42.0	43.3
Other tax receivables		83.2	90.9
Income tax receivables	10	0.9	-
Supplier advance payments		11.8	12.3
Other receivables[1]		18.3	34.6
Other receivables related parties[1]	25	27.3	55.2
Total		**343.4**	**444.2**
Non-current		29.1	37.7
Current		314.3	406.5
Total		**343.4**	**444.2**

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

The aging of current trade receivables, net at the reporting date were as follows:

$ millions	2023	2022
Neither past due nor impaired	158.3	206.8
Past due 1 - 30 days	-	-
Past due 31 - 90 days	-	0.8
Past due 91 - 360 days	0.4	0.2
More than 360 days	1.2	0.1
Total	**159.9**	**207.9**

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 of trade receivables during the year was as follows:

$ millions	2023	2022
At 1 January	(0.2)	(0.2)
Provision recorded	(0.7)	-
At 31 December	**(0.9)**	**(0.2)**

10. Income taxes

10.1 Income tax in the statement of profit or loss

$ millions	2023	2022
Current tax	(120.4)	(214.1)
Deferred tax	38.0	(25.1)
Total income tax in profit or loss	**(82.4)**	**(239.2)**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued

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	2023	%	2022	%
Profit before income tax	587.4		2,059.6	
Enacted income tax rate	25%		25%	
Tax calculated at the enacted tax rate	**(146.9)**	**25.0**	**(514.9)**	**25.0**
Effect of tax rates in foreign jurisdictions	6.8	(1.2)	93.7	(4.5)
Income not subject to tax	63.3	(10.8)	177.6	(8.6)
Non-deductible expenses	(25.0)	4.3	(24.8)	1.2
Dividend withholding tax	(5.8)	1.0	(17.0)	0.8
Unrecognized tax assets	3.0	(0.5)	(3.3)	0.2
Uncertain tax positions	(13.9)	2.4	1.4	(0.1)
Foreign exchange impact	36.2	(6.2)	47.4	(2.4)
Expired/ adjustments	(0.1)	-	0.7	-
Total income tax in profit or loss	**(82.4)**	**14.0**	**(239.2)**	**11.6**

The effective tax rate is 14% (2022: 11.6%), mainly due to (i) income not subject to tax for an amount of USD 63.3 million (2022: USD 177.6 million) (ii) foreign exchange impact of 36.2 million (2022: 47.4 million) and (iii) non-deductible expenses for an amount of USD (25.0) million (2022: USD (24.8) million). The income not subject to tax mainly relates to the tax-free status of certain entities in the Group.

10.3 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

$ millions	2023	2022
At 1 January	**(382.6)**	**(540.7)**
Profit or loss	38.0	(25.1)
Uncertain tax position reclassification	-	182.9
Effect of movement in exchange rates	(0.3)	0.3
At 31 December	**(344.9)**	**(382.6)**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued
10.3 Deferred income tax assets and liabilities continued

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Intangible assets	-	-	(62.6)	(62.6)	(62.6)	(62.6)
Property, plant and equipment	-	-	(268.9)	(286.2)	(268.9)	(286.2)
Trade and other payables	4.9	4.5	-	-	4.9	4.5
Uncertain tax positions	-	-	(9.4)	(14.3)	(9.4)	(14.3)
Provision for withholding tax	-	-	(9.3)	(24.0)	(9.3)	(24.0)
Other	0.4	-	-	-	0.4	-
Total	**5.3**	**4.5**	**(350.2)**	**(387.1)**	**(344.9)**	**(382.6)**
Netting of fiscal positions	(5.3)	(4.5)	5.3	4.5	-	-
Total	**-**	**-**	**(344.9)**	**(382.6)**	**(344.9)**	**(382.6)**

Deferred tax liabilities relating to intangible assets mainly consist of goodwill of EFC for USD 62.6 million (2022: 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 215.8 million (2022: USD 231.4 million) and EFC for USD 53.1 million (2022: USD 56.7 million).

Uncertain tax positions ("UTP")

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. The Group aims 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 the Group to estimate the potential outcome of any tax position. The Group's estimate for the potential outcome of any uncertain tax position is judgmental (the most likely amount or expected value depending on the circumstances).

As at 31 December 2023, the Group recorded non-current uncertain tax positions of USD 9.4 million (2022: USD 14.3 million) which are classified as a deferred tax liability and current uncertain tax positions of USD 263.3 million (2022: USD 219.9 million) which are classified as income tax payables. The decrease in the 2022 non-current UTP position relates to the reclassification of USD 182.9 million from non-current to current uncertain tax positions. 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued

10.3 Deferred income tax assets and liabilities continued

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 (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 2023	7.0	39.1	-	-	-	-	**46.1**

$ 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 2022	10.2	39.1	-	-	-	0.6	**49.9**

The unrecognized operating losses carry forward of USD 46.1 million (2022: USD 49.9 million) mainly relate to OCI S.A.E.

10.4 Income tax payables

Changes in income tax payables:

$ millions	Note	2023	2022
At 1 January		**(235.4)**	**(70.6)**
Profit or loss		(120.4)	(214.1)
Payments		67.4	217.5
Uncertain tax position reclassification		-	(182.9)
Withholding tax not recoverable		20.5	15.1
Effect of movement in exchange rates		(1.6)	(0.4)
At 31 December		**(269.5)**	**(235.4)**
Uncertain tax position - current		(263.3)	(219.9)
Income tax payables		(7.1)	(15.5)
Income tax receivables	9	0.9	-
Total		**(269.5)**	**(235.4)**

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 Agence Nationale de Developpement de l'Investissement ("ANDI"). The DGE is of the opinion that Sorfert did not carry out the reinvestment obligation timely as required under ANDI exemption. As a result, the DGE required Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued

10.4 Income tax payables continued

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), representing 30% of the total tax claim.

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 including 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 Group recorded the full impact of the reinvestment case as an income tax expense amounting to USD 65.8 million in 2021.

On 24 February 2022, Sorfert pursued, supported by its external advisors, the next instance of appeal to the Central Appeals Commission as Sorfert management continues to have the view that Sorfert has satisfied the reinvestment obligations under the ANDI regime and therefore the grounds of the claim should be ruled as unfounded.

As at 31 December 2023, the remaining uncertain tax position in relation to this matter is DZD 5,108 million (USD 38.3 million) (2022: DZD 5,108 million (USD 37.3 million)), included in income tax payables.

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. In 2021, external advice was obtained, after the notification was received, upon which management recorded an 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 in 2021. On 15 December 2022, Sorfert received the final assessment of the 2017 tax audit from the Algerian tax authority which reduced the liability to USD 0.1 million for 2017, consequently the exposure for 2018, 2019 and 2020 reduced to USD 0.2 million using the same interpretations. As a result, USD 9.3 million (DZD 1,284.3 billion) of uncertain tax position has been released to the Profit or Loss statement in 2022.

Compliance with laws and regulations

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 is 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).

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued
10.4 Income tax payables continued

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 3rd November 2023, the MOF issued two decisions wherein they defined Qualifying Income and Qualifying Activities. As per the issued decisions, Qualifying Activities include 'Trading of Qualified Commodities', 'Headquarter Services', 'Holding of Shares and Other Securities' and 'Treasury and financing services to Related Parties'. These notifications prompted an assessment for entities in the free zone, particularly entities incorporated in the Abu Dhabi Global Market, to determine whether they are classified as a Qualified Freezone Person and subject to 0% Corporate Tax rate or subject to a 9% Corporate Tax rate.

Based on management's preliminary interpretation of the currently issued Laws, the majority of the Group entities should benefit from the Qualified Freezone regime and there is no significant impact on the tax status of the Group's material subsidiaries in the UAE. However, the Law is still evolving, and the Group is expecting further clarifications to be issued by the MOF and Federal Tax Authority in order to reaffirm their interpretation and conclusion. The Group also performed an assessment on the deferred tax implications of the Law and concluded that no adjustments were required as at 31 December 2023.

Pillar Two Global Minimum Tax Law

On 20 December 2021, the jurisdictions of the Organization for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("OECD BEPS") released the Pillar Two Model Rules ("Pillar Two" or also referred to as the "Anti Global Base Erosion" or "GloBE" Rules) which are designed to ensure that large multinational enterprises ("MNE") pay a minimum level of tax of 15% on the aggregated qualifying income arising in each jurisdiction where they operate. On 15 December 2022, the EU Member States unanimously adopted an EU directive ensuring a global minimum level of taxation and agreed to apply these rules for fiscal years starting on or after 31 December 2023.

A taxpayer will fall within the scope of the Pillar Two rules if it has more than EUR 750 million in consolidated revenues and has a foreign presence. A qualifying taxpayer calculates its effective tax rate for the aggregated activities in each jurisdiction where it operates and pays a "top-up tax" for the difference between its effective tax rate per jurisdiction and the global minimum tax rate of 15%.

The UAE is a member of the OECD BEPS Inclusive Framework and is committed to addressing the challenges faced by tax jurisdictions internationally. Accordingly, the UAE's Ministry of Finance ("MOF") has indicated that they intend to publish a public-consultation document on Pillar Two during the first half of 2024 and will postpone the implementation of Pillar Two in the UAE to 2025 at least. It is expected that, in the course of 2024, the other relevant jurisdictions will also announce guidance on the implementation of the Pillar Two rules in the countries where the Group operates in.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

10. Income taxes continued

10.4 Income tax payables continued

Any resulting top-up tax is generally charged in the jurisdiction of the ultimate parent of the MNE (which is OCI Global as at 31 December 2023). Therefore, the top-up tax is expected to be levied in the Netherlands and will be based on the indirect ownership of OCI Global for the period from 1 January 2024 up to their planned divestment of Fertiglobe Group to ADNOC as per their announcement on 15 December 2023. Post completion of this transaction, Fertiglobe would need to re-assess its Pillar Two position on a stand-alone basis taking into consideration the tax position of its majority shareholder ADNOC.

11. Inventories

	2023		
$ millions	**Gross**	**Write down**	**Net**
Finished goods	40.4	(0.5)	39.9
Raw materials and consumables	16.4	(0.7)	15.7
Spare parts, fuels and others	114.0	(36.0)	78.0
Total	**170.8**	**(37.2)**	**133.6**

	2022		
$ millions	**Gross**	**Write down**	**Net**
Finished goods	42.8	(0.1)	42.7
Raw materials and consumables	18.9	(0.8)	18.1
Spare parts, fuels and others	99.6	(35.5)	64.1
Total	**161.3**	**(36.4)**	**124.9**

Inventories that were recognized as an expense during the year ended 31 December 2023 and 2022 are disclosed in note 21.

The movement in the allowance during the year was as follows:

$ millions	2023	2022
At 1 January	(36.4)	(35.1)
Provision recorded	(0.8)	(1.3)
At 31 December	**(37.2)**	**(36.4)**

12. Cash and cash equivalents

$ millions	2023	2022
Cash on hand	0.1	0.1
Bank balances	759.7	1,384.6
Other bank balances	-	57.3
Total	**759.8**	**1,442.0**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

13. Share capital

The movements in the number of shares can be summarized as follows:

Millions	2023	2022
Number of shares (fully paid) at 1 January and 31 December	**8,301.3**	**8,301.3**
Par value per share (in $)	**0.16**	**0.16**
Value at 31 December (in $)	**1,328.2**	**1,328.2**

14. Reserves and retained earnings

$ millions	Capital reduction reserve	Other reserves	Currency translation reserve	Total reserves	Retained earnings
At 1 January 2022	**1,150.0**	**(641.9)**	**(545.7)**	**(37.6)**	**555.6**
Profit for the year	-	-	-	-	1,249.5
Dividends to shareholders	-	-	-	-	(1,090.0)
Capital Contribution	-	37.1	-	37.1	-
Reserves transfer	(1,150.0)	-	-	(1,150.0)	1,150.0
Currency translation differences	-	-	15.4	15.4	-
At 31 December 2022	**-**	**(604.8)**	**(530.3)**	**(1,135.1)**	**1,865.1**
Profit for the year	-	-	-	-	348.9
Dividends to shareholders	-	-	-	-	(975.0)
Currency translation differences	-	-	16.0	16.0	-
Impact difference in profit sharing non-controlling interest	-	-	-	-	(3.4)
At 31 December 2023	**-**	**(604.8)**	**(514.3)**	**(1,119.1)**	**1,235.6**

Other reserves

Other reserves represent contribution from OCI N.V. in the form of assets under common control and other capital contributions in kind (including those related to indemnity provided by OCI N.V. to Fertiglobe shareholders).

Currency translation reserve

The Currency Translation Reserve represents the cumulative translation differences arising from translating the financial statements of the Group's foreign operations into the presentation currency of the Company.

2023 Dividends to shareholders

On 11 April 2023, the shareholders approved dividends of USD 700.0 million (equivalent of USD 0.084 per share) 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 and 19 April 2023.

On 6 November 2023, the Board approved interim dividends of USD 275 million (equivalent of USD 0.033 per share) for the first half of the year ending 31 December 2023. These dividends were paid in full on 15 November 2023.

2022 Dividends to shareholders

In April 2022, interim dividends for a total amount of USD 340 million (equivalent of USD 0.041 per share) related to the second half of the year ended 31 December 2021 were paid and was accounted for within equity on payment. These dividends were approved by the Board on 14 February 2022 and by the shareholders on 13 June 2022.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

14. Reserves and retained earnings continued

On 29 September 2022, the shareholders approved interim dividends of USD 750 million (equivalent of USD 0.090 per share) for the first half of the year ending 31 December 2022. This was approved by the Board on 1 August 2022 and paid in full on 13 October 2022.

Capital contribution

On 15 June 2021, OCI S.A.E. 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 S.A.E. OCI N.V. made a payment of USD 22.4 million on behalf of OCI S.A.E., leading to a receivable between OCI N.V. and OCI S.A.E. The receivable in OCI N.V. was subsequently transferred to Fertiglobe plc which was approved on 10 January 2022. Given the transfer was on an unconditional and irrevocable basis and without consideration, this transaction has been classified as equity.

As part of the IPO, OCI agreed to indemnify all Fertiglobe shareholders in case certain claims occur, consequently, Fertiglobe recorded additional receivable of USD 14.7 million in 2022. No amounts were recorded in 2023.

Reserves transfer

On 5 December 2022, the Board approved the transfer of USD 1,150 million, being the remaining undistributed amount from the share capital reduction exercise in 2021, from other reserves to retained earnings.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

15. Non-controlling interests

2023 $ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Others	Total
Non-controlling interests	25%	49.01%		
Non-current assets	65.2	321.2	0.6	387.0
Current assets	21.4	173.9	0.2	195.5
Non-current liabilities	(1.6)	(60.9)	(0.6)	(63.1)
Current liabilities	(7.5)	(86.8)	(0.1)	(94.4)
Net assets	**77.5**	**347.4**	**0.1**	**425.0**
Revenues	62.9	284.4	0.2	347.5
Profit for the year	26.9	129.1	0.1	156.1
Other comprehensive income	-	12.6	-	12.6
Total comprehensive income	**26.9**	**141.7**	**0.1**	**168.7**
Dividend cash flows	(29.2)	(856.5)	-	(885.7)

2022 $ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Others	Total
Non-controlling interests	25%	49.01%		
Non-current assets	69.9	640.4	1.5	711.8
Current assets	26.5	565.3	0.5	592.3
Non-current liabilities	(1.7)	(94.2)	(0.3)	(96.2)
Current liabilities	(14.9)	(82.8)	(0.1)	(97.8)
Net assets	**79.8**	**1,028.7**	**1.6**	**1,110.1**
Revenues	130.8	640.4	0.9	772.1
Profit for the year	61.8	508.8	0.3	570.9
Other comprehensive income	-	17.0	-	17.0
Total comprehensive income	**61.8**	**525.8**	**0.3**	**587.9**
Dividend cash flows	(87.4)	(374.8)	-	(462.2)

Impact difference in profit sharing non-controlling interests

In the partnership agreement in 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, which is recognized as an expense in cost of sales with the other side in non-controlling interests portion of equity. As a result of this agreement the non-controlling interests increased by USD 39.7 million during 2023 (2022: USD 316.0 million).

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

15. Non-controlling interests continued

Dividends to Non-controlling interests

2023 dividends to Non-controlling interests represent:

- EBIC declared dividends to NCI on 3 May 2023 and 29 August 2023 of USD 19.2 million and USD 10.0 million respectively. Both these dividends were paid in 2023.
- Dividends were declared to NCI by Sorfert Algeria SPA on 26 April 2023 for an amount of DZD 117.2 billion (USD 867.7 million). This was paid in October 2023.

2022 dividends to Non-controlling interests represent:

- EBIC declared dividends to NCI on 28 March 2022 and 14 August 2022 of USD 41.9 million and USD 41.8 million respectively. Both these dividends were paid in 2022.
- Dividends were declared to NCI by Sorfert Algeria SPA on 4 April 2022 for an amount of DZD 52.9 billion (USD 369.9 million). This was paid in September 2022.

Total dividends paid during the year amounted to USD 885.7 million (2022: USD 462.2 million).

16. Loans and borrowings

$ millions	2023	2022
At 1 January	**1,155.2**	**1,385.7**
Proceeds from borrowings[1]	2,093.4	86.0
Repayment of borrowings[1]	(1,573.4)	(326.3)
Amortization of transaction costs	2.8	8.4
Incurred transaction costs	(18.3)	-
Effect of movement in exchange rates	5.4	1.4
At 31 December	**1,665.1**	**1,155.2**
Non-current	1,490.2	1,065.6
Current	174.9	89.6
Total	**1,665.1**	**1,155.2**

[1] On 28 November 2023, the Group executed the drawdown of USD 500 million from the 2023 amended and restated term loan. On 4 January 2023, the Group executed the drawdown of USD 900 million from the 2022 Term Loan Facility. Both the proceeds were directly received by the agent and were used to repay the existing balance under the Revolving Credit facility and Bridge Loan facility respectively. The Bridge Loan Facility is no longer available following this settlement. These are material non-cash transactions during the period.

The effect of movement in exchange rate mainly relates to DZD denominated loans, which are different from the Group's presentation currency (note 6).
The carrying amount of loans and borrowings approximates its fair value.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

16. Loans and borrowings continued

2023 Term loan

On 15 November 2023, the Group amended the existing Term Loan facility to include a new five-year Facility C of USD 500 million at an interest rate of SOFR + 1.65%. The proceeds from this facility were used to repay the outstanding balance in the Revolving Credit facility.

Total transaction costs for the term loan amounted to USD 5.4 million, excluding VAT.

2023 Working Capital facility

On 6 December 2023, the Group obtained a new Working Capital facility of USD 75.0 million. The facility is at a rate of EIBOR/SOFR + 0.90% per annum and is available for a period of 364 days with an extension option for another 364 days.

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.

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%.

Total transaction costs for the refinancing amounted to USD 12.9 million, excluding VAT.

On 22 December 2022, Fertiglobe submitted notice to early settle the bridge loan facility and on 23 December 2022, the Group submitted the utilization request to draw down the USD 900 million from the new term loan facilities. The drawdown from the new term loan facilities and the repayment of the bridge loan facility were executed on 4 January 2023. As the Company executed and has the discretion, to refinance the existing borrowings under bridge loan facility for at least twelve months after the reporting period under the new facilities, it classified the obligation as non-current at 31 December 2022.

2022 Working Capital facility

On 14 April 2022, the Group obtained a Working Capital facility arrangement of USD 50.0 million. The facility is at a rate of LIBOR/EIBOR/SOFR + 1.50% per annum and is available for a period of 364 days with an extension option for another 364 days.

Trade Finance facility

On 26 July 2015, the Group obtained a Trade finance facility arrangement of USD 75.0 million. This facility was amended and renewed in September 2022 to increase the available amount to USD 95.0 million at a rate of SOFR + 1.00%.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

16. Loans and borrowings continued

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 2023 all financial covenants were met. In the event the Group does 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.

Undrawn facilities

As at 31 December 2023, the Group has the following undrawn facilities:

- Revolving cash facility of USD 600 million
- 2023 Working capital facility of USD 75.0 million
- Supply chain finance facility of USD 50.2 million
- 2022 Working capital facility of USD 50.0 million
- Overdraft of USD 50.0 million
- Trade finance facility USD 19.3 million

Notes to the consolidated Financial Statements continued

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)
Sorfert Algeria SPA ("Sorfert")	Term loan-Secured[1]	USD 961.3 DZD 114,440.0	Algerian bank interest rate + 1.95%	June 2026	170.2	102.1	68.1
Fertiglobe plc	Term loan-Unsecured[2]	USD 300.0 (Facility A) USD 600.0 (Facility B) USD 500.0 (Facility C)	SOFR +1.50% SOFR +1.75% SOFR +1.65%	January 2026 January 2028 December 2028	1,388.0	1,390.8	(2.8)
Fertiglobe plc	Revolving Credit facility - Unsecured	USD 600.0	SOFR + 1.40%	December 2027	(3.6)	(2.7)	(0.9)
Fertiglobe Distribution Ltd. Fertiglobe Fertilizer Trading Ltd.	Trade Finance facility	USD 95.0	SOFR + 1.00%	Renewed annually	75.7	-	75.7
Fertiglobe Distribution Ltd. Ruwais Fertilizers Industries LLC Fertiglobe Fertilizer Trading Ltd	2022 Working Capital facility[3]	USD 50.0	EIBOR/SOFR + 1.50%	July 2024 (extendable)	-	-	-
Fertiglobe plc Fertiglobe Distribution Ltd.	Supply Chain Finance arrangement	USD 85.0	SOFR + 1.00%	Renewed annually	34.8	-	34.8
Fertiglobe Distribution Ltd. Ruwais Fertilizers Industries LLC Fertiglobe Fertilizer Trading Ltd	2023 Working Capital facility[3]	USD 75.0	EIBOR/SOFR + 0.90%	December 2024 (extendable)	-	-	-
Total 31 December 2023					**1,665.1**	**1,490.2**	**174.9**

[1] 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.

[2] Loan is guaranteed by Fertiglobe plc, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, Fertiglobe Fertilizer Trading Ltd and Fertiglobe Distribution Limited.

[3] The loan is guaranteed, jointly and severally, by Fertiglobe Distribution Ltd. Ruwais Fertilizer Industries LLC and Fertiglobe Fertilizer Trading Ltd.

Notes to the consolidated Financial Statements continued

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)
Sorfert Algeria SPA ("Sorfert")	Term loan-Secured[1]	USD 961.3 DZD 114,440.0	Algerian bank interest rate + 1.95%	June 2026	231.9	165.6	66.3
Fertiglobe plc	Bridge loan-Unsecured[2]	USD 1,100.0	LIBOR + 1.05%[3]	February 2023 (extendable)[4]	900.0	900.0	-
Fertiglobe plc	Term loan-Unsecured[5]	USD 300.0 (Facility A) USD 600.0 (Facility B)	SOFR +1.50% SOFR +1.75%	January 2026 January 2028	-	-	-
Fertiglobe plc	Revolving Credit facility - Unsecured	USD 600.0	SOFR + 1.40%	December 2027	-	-	-
Fertiglobe Distribution Ltd. Fertiglobe Fertilizer Trading Ltd.	Trade Finance facility	USD 95.0	SOFR + 1.00%	Renewed annually	23.3	-	23.3
Fertiglobe Distribution Ltd. Ruwais Fertilizers Industries LLC Fertiglobe Fertilizer Trading Ltd	Working Capital facility[6]	USD 50.0	LIBOR/EIBOR/ SOFR + 1.50%	April 2023 (extendable)	-	-	-
Total 31 December 2022					**1,155.2**	**1,065.6**	**89.6**

[1] 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.

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

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

[4] Extendable for 6 months, then for an additional 6 month total combined tenor of 30 months.

[5] Loan is guaranteed by Fertiglobe plc, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, Fertiglobe Fertilizer Trading Ltd and Fertiglobe Distribution Limited.

[6] The loan is guaranteed, jointly and severally, by Fertiglobe Distribution Ltd. Ruwais Fertilizer Industries LLC and Fertiglobe Fertilizer Trading Ltd.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

17. Leases

Group as a lessee

The Group leases a number of office spaces, warehouses, land, employee accommodation, and vessels. Lease terms for land and buildings vary from two years 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 which can be in excess of 100 years. The lease term for vessels is two years.

17.1 Lease obligations

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2022	**79.9**	**11.3**	**91.2**
Movement in the carrying amount:			
Payments	-	(12.5)	(12.5)
Accretion of interest	4.4	0.1	4.5
Additions and reassessments	5.6	2.4	8.0
Transfers	(16.1)	16.1	-
Effect of movement in exchange rates	(0.1)	-	(0.1)
At 31 December 2022	**73.7**	**17.4**	**91.1**
Movement in the carrying amount:			
Payments	-	(24.4)	(24.4)
Accretion of interest	3.6	1.4	5.0
Additions and reassessments	9.1	10.8	19.9
Transfers	(18.7)	18.7	-
Disposal	-	(1.3)	(1.3)
Effect of movement in exchange rates	0.2	0.1	0.3
At 31 December 2023	**67.9**	**22.7**	**90.6**

2023 $ millions	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	90.6	318.8	22.8	25.9	270.1

2022 $ millions	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	91.1	329.0	18.7	36.3	274.0

17.2 Right-of-use assets

$ millions	Land and buildings	Vessels	Others	Total
At 1 January 2022	**80.0**	**-**	**1.6**	**81.6**
Movement in the carrying amount:				
Additions and reassessments	6.7	-	1.6	8.3
Disposals	(0.2)	-	-	(0.2)
Depreciation	(12.4)	-	(0.5)	(12.9)
Effect of movement in exchange rates	0.1	-	(0.1)	-
At 31 December 2022	**74.2**	**-**	**2.6**	**76.8**
Movement in the carrying amount:				
Additions and reassessments	-	19.2	0.7	19.9
Derecognition of right of use assets	-	-	(1.3)	(1.3)
Depreciation	(12.3)	(7.3)	(1.0)	(20.6)
Effect of movement in exchange rates	0.1	-	-	0.1
At 31 December 2023	**62.0**	**11.9**	**1.0**	**74.9**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

18. Trade and other payables

$ millions	Note	2023	2022
Trade payables		58.1	42.2
Trade payables due to related parties	25	5.1	18.8
Amounts payable under the securitization program		14.4	26.2
Accrued expenses[1]		170.6	222.1
Accrued interest		19.3	3.6
Employee benefits[1]		15.9	14.1
Deferred income		2.1	4.7
Other tax payable		1.4	0.6
Other payables		15.6	23.2
Other payables to related parties[1]	25	46.6	35.1
Total		**349.1**	**390.6**
Non-current		22.4	19.5
Current		326.7	371.1
Total		**349.1**	**390.6**

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

The trade payables include amounts due to securitization company of USD 14.4 million (2022: USD 26.2 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	Claims and other provisions	Donation provisions[1]	Total
At 1 January 2023	**30.5**	**76.9**	**107.4**
Provision made during the year	10.5	-	10.5
Provisions reversed/utilized	(0.3)	(61.7)	(62.0)
Effect of movement in exchange rates	(4.7)	(15.2)	(19.9)
At 31 December 2023	**36.0**	**-**	**36.0**
Non-current	-	-	-
Current	36.0	-	36.0
Total	**36.0**	**-**	**36.0**

[1] Refer to note 26 OCI S.A.E. tax dispute

$ millions	Claims and other provisions	Donation provisions[1]	Total
At 1 January 2022	**13.1**	**121.1**	**134.2**
Provision made during the year	27.1	-	27.1
Provisions reversed/utilized	(7.8)	-	(7.8)
Effect of movement in exchange rates	(1.9)	(44.2)	(46.1)
At 31 December 2022	**30.5**	**76.9**	**107.4**
Non-current	-	-	-
Current	30.5	76.9	107.4
Total	**30.5**	**76.9**	**107.4**

[1] Refer to note 26 OCI S.A.E. tax dispute

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

19. Provisions continued

Claim and other provisions

The Group is involved in 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 26 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

Egypt National Training Fund

Articles 133 and 134 of the Egyptian Labor Law No. 12 of 2003 requires all businesses in Egypt with more than 10 employees to contribute 1% of their net profit into a National Training Fund ('Fund'). No application guidance was issued and its constitutionality was being challenged on multiple grounds including duplication of financial burden and contradiction to advantages under other laws.

As such, this Law was not applied in general by businesses in the region. Following a supreme court ruling which found the article to be constitutional in March 2022, the General Secretary of the National Training Fund issued a circular on 18 May 2022 which re-triggered the obligation on employers to pay such contribution of 1% of their annual net profit to the Fund in accordance with Article 134 of the Egyptian Labor Law.

External legal counsel assisted in analysing the key aspects in preparing a best estimate for such contribution. Key assumptions included i) the treatment of such contribution as tax, fee or other, ii) the statute of limitation and iii) how to consider forex translation. Other considerations included the applications for tax free zone entities (relevant for EBIC) and potential waiver or reduction as result of an internal training program (EFC) and impact of interest and penalties. The maximum exposure is estimated to be around USD 171.3 million (2022: USD 167.0 million). When taking a statute of limitation of five years into consideration the maximum exposure is limited to USD 34.7 million (2022: USD 31.9 million) (excluding interest or penalties). Based on the most likely scenario according to external legal counsel, the Group has recognized a total provision of USD 17.7 million (USD 3.6 million for OCI SAE, USD 14.1 million for EFC and none for EBIC) (2022: 17.7 million) considering the treatment as a fee, a statute of limitations of five years and translation at the respective year exchange rate.

Considering the current limited application guidance and as this is impacting majority of business in Egypt, there is an expectation that further application guidance will be issued by the regulator in due course.

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

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

20. Segment reporting continued

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 plants 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 dependent on the ability of trading entities to market the products;
- 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.

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).

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

20. Segment reporting continued
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 generally generates 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.

2023 $ millions	Production and marketing of owned produced volumes	Third party trading	Other	Elimination	Total
Total external revenues	**2,211.7**	**204.5**	**-**	**-**	**2,416.2**
Adjusted EBITDA	1,043.8	3.9	(44.0)	-	1,003.7
Depreciation, amortization and impairment	(272.9)	(2.9)	(3.5)	-	(279.3)
Finance income	101.9	7.2	62.2	(155.0)	16.3
Finance expense	(78.5)	(6.2)	(189.7)	155.0	(119.4)
Net foreign exchange gain/(loss)	(6.7)	1.0	(13.9)	-	(19.6)
Income tax	(75.5)	-	(6.9)	-	(82.4)
Other (including provisions)	(9.3)	-	(5.0)	-	(14.3)
Profit for the year	**702.8**	**3.0**	**(200.8)**	**-**	**505.0**
Capital expenditures	94.2	-	18.3	-	112.5
Total assets	**4,368.8**	**24.6**	**232.7**	**-**	**4,626.1**

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

20. Segment reporting continued

2022 $ millions	Production and marketing of owned produced volumes	Third party Trading	Other	Elimination	Total
Total external revenues	**4,152.2**	**875.3**	-	-	**5,027.5**
Adjusted EBITDA	2,504.0	17.3	(48.3)	-	2,473.0
Depreciation, amortization and impairment	(265.4)	-	(0.9)	-	(266.3)
Finance income[1]	37.7	4.7	19.2	(60.1)	1.5
Finance expense[1]	(46.2)	(6.6)	(90.5)	60.1	(83.2)
Net foreign exchange gain/(loss)[1]	(37.5)	1.5	(8.1)	-	(44.1)
Income tax	(220.9)	(0.2)	(18.1)	-	(239.2)
Other (including provisions)	(2.5)	-	(18.8)	-	(21.3)
Profit for the year	**1,969.2**	**16.7**	**(165.5)**	**-**	**1,820.4**
Capital expenditures	104.3	-	6.8	-	111.1
Total assets	**5,176.7**	**11.1**	**342.8**	-	**5,530.6**

[1] Foreign exchange gains of USD 65.6 million and foreign exchange losses of USD 109.7 million previously classified in the 2022 consolidated financial statements within finance income and finance costs respectively have been netted off and presented separately as net foreign exchange gain/loss to conform to the presentation adopted in these consolidated financial statements.

Geographical information of 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	**2023**	**2022**	**2023**	**2022**
Europe	924.7	2,000.2	11.4	9.5
North America	70.6	36.5	1.4	1.1
South America	213.7	412.4	-	-
Africa	464.0	889.8	636.8	668.1
Middle East	56.5	160.8	2,768.5	2,878.5
Asia and Oceania	686.7	1,527.8	-	-
Total	**2,416.2**	**5,027.5**	**3,418.1**	**3,557.2**
Related parties	112.6	396.4	-	-
Third parties	2,303.6	4,631.1	3,418.1	3,557.2
Total	**2,416.2**	**5,027.5**	**3,418.1**	**3,557.2**

Revenue to individual countries does not exceed 10% of the total Group revenue, except for Australia of USD 231.6 million (2022: India of USD 819.4 million and Ethiopia of USD 496.0 million).

Time value of money is not considered to be relevant for the determination of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

20. Segment reporting continued

Major customers

Revenue from one (2022: one) major customer of the group belongs to the production and marketing of own produced volumes segment and represents USD 144.1 million in 2023. (2022: USD 465.0 million) of Group's total external revenues.

21. Cost of sales and selling, general and administrative expenses

21.1 Expenses by nature

$ millions	Note	2023	2022
Raw materials, consumables and finished goods[1]		655.6	1,819.3
Raw materials, consumables and finished goods - related party	25	251.2	218.1
Freight costs[1]		161.1	209.5
Employee benefit expenses		235.2	223.4
Employee benefits expenses - related party	25	4.2	6.1
Depreciation, amortization and impairment		279.3	266.3
Maintenance and repair		30.5	31.6
Consultancy expenses		21.0	8.2
Other		65.2	54.7
Other - related party	25	5.4	7.0
Total		**1,708.7**	**2,844.2**
Cost of sales		1,564.2	2,675.4
Selling, general and administrative expenses		144.5	168.8
Total		**1,708.7**	**2,844.2**

[1] Freight costs of USD 209.5 million for the year ended 31 December 2022 have been disaggregated from Raw materials, consumables and finished goods to be consistent with current year presentation.

The decrease in raw materials and consumables and finished goods is primarily driven by the relatively high gas prices for the year ended 31 December 2022.

The depreciation, amortization and impairment expense is split as USD 273.6 million in cost of sales and USD 5.7 million in selling, general and administrative expenses (2022: USD 253.8 million and USD 12.5 million respectively)

21.2 Employee benefit expenses

$ millions	2023	2022
Wages and salaries	143.0	149.7
Employee incentives	35.4	32.0
Pension and social security costs	12.1	12.2
Other employee expenses	48.9	35.6
Total	**239.4**	**229.5**
Cost of sales	146.8	134.3
Selling, general and administrative expenses	92.6	95.2
Total	**239.4**	**229.5**

During the financial year ended 31 December 2023, the average number of staff employed in the Group converted into full-time equivalents was 2,721 employees (2022: 2,756 employees).

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

22. Net finance cost

$ millions	Note	2023	2022
Interest income		16.0	1.5
Interest income from related party		0.3	-
Finance income[1]		**16.3**	**1.5**
Interest expense and other financing costs on financial liabilities measured at amortized cost		(116.5)	(79.9)
Interest expense related parties	25	(2.9)	(3.3)
Finance cost[1]		**(119.4)**	**(83.2)**
Net foreign exchange loss[1]		**(19.6)**	**(44.1)**
Net finance cost recognized in profit or loss		**(122.7)**	**(125.8)**

[1] Foreign exchange gains of USD 65.6 million and foreign exchange losses of USD 109.7 million previously classified in the 2022 consolidated financial statements within finance income and finance costs respectively have been netted off and presented separately as net foreign exchange gain/loss to conform to the presentation adopted in these consolidated financial statements.

23. Capital commitments

$ millions	2023	2022
UAE	98.7	64.6
Algeria	15.4	6.7
Egypt	38.4	7.4
Total	**152.5**	**78.7**

23. Capital commitments continued

Capital commitments mainly relate to future costs on turnarounds and maintenance at the Group's plants, the construction of a low-carbon ammonia plant in the MENA region and other green initiatives.

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 18 January 2023, a Shareholders' Agreement was signed relating to the formation of a company for the development and operation of a low-carbon ammonia production plant at the Ruwais Derivative and Industrial Complex. Following this, on behalf of the project, the Company has signed the Engineering, Procurement and Construction ('EPC') contract with Tecnimont S.P.A.

The Engineering phase is ongoing and on 13 February 2023, the Company initiated the Procurement phase which increases its commitments by approximately USD 100 million. The Group's share of costs is expected to be 30% eventually following the creation of the company and novation of the EPC contract to it.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

24. Earnings per share

	2023	2022
i. Basic		
Net profit attributable to shareholders ($ million)	348.9	1,249.5
Weighted average number of ordinary shares (million)	8,301.3	8,301.3
Basic earnings per ordinary share ($)	**0.042**	**0.151**
ii. Diluted		
Net profit attributable to shareholders ($ million)	348.9	1,249.5
Weighted average number of ordinary shares (million)	8,301.3	8,301.3
Diluted earnings per ordinary share ($)	**0.042**	**0.151**

Weighted average number of ordinary shares calculation:

$ millions	2023	2022
Ordinary shares outstanding at 1 January and 31 December	**8,301.3**	**8,301.3**

There are no potential dilutive shares.

25. Related party transactions

Transactions with related parties – normal course of business

Transactions with related parties occur when a relationship exists between the party and the Company, their directors and its 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 were no significant transactions (2022: no significant transactions) with the Government related entities except for transactions within the normal course of business with state-owned banks. At 31 December 2023, the Group's bank balances and borrowings with state-owned banks were USD 66.7 million and USD 653.0 million respectively (2022: USD 1.9 million and USD 474.0 million respectively) .

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

25. Related party transactions continued

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 Intermediate B.V.
- OCI Overseas Holding
- OCI MENA Fertilizers Ltd
- OCI Nitrogen
- OCI Fertilizers USA
- OCI Personnel B.V.
- OCI Egypt
- N-7 LLC
- OCI UK

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2023:

2023 Related party $ millions	Relation	Trade and other receivables	Trade and other payables	Revenue and other income	Purchases and net recharges	Net Finance cost
OCI Nitrogen	OCI Group	0.4	0.2	102.1	(3.6)	-
N-7 LLC	OCI Group	-	-	10.5	(6.7)	-
OCI Fertilizer B.V.	OCI Group	5.0	14.6	-	-	-
OCI N.V.	OCI Group	0.1	1.8	-	(0.5)	-
OCI Personnel B.V.	OCI Group	-	1.3	-	(0.2)	-
OCI UK	OCI Group	-	0.1	-	-	-
ADNOC	ADNOC	18.6	24.6	-	(203.9)	(2.9)
ADNOC refining	ADNOC	-	6.6	-	(44.2)	-
ADNOC Gas processing	ADNOC	-	0.1	-	(1.7)	-
Abu Dhabi Polymers Ltd. (Borouge)	ADNOC	0.2	-	1.5	-	-
ADNOC subsidiaries[1]	ADNOC	0.1	0.1	-	-	-
Orascom Construction Egypt	Others	-	2.3	-	-	-
Egypt Green Hydrogen	Others	3.6	-	-	-	0.3
Total		**28.0**	**51.7**	**114.1**	**(260.8)**	**(2.6)**

[1] Full list is disclosed in the previous paragraph.

Notes to the consolidated Financial Statements continued

FOR THE YEAR ENDED 31 DECEMBER

25. Related party transactions continued

The Group leases land, office space and employee accommodation from Abu Dhabi National Oil Company - "ADNOC", the lease obligation amount is USD 61.5 million in 2023 (2022: USD 70.7 million).

Also, refer to note 26 for related party transactions with regards to OCI S.A.E. tax dispute.

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.

Transactions with related parties – normal course of business

2022 Related party $ millions	Relation	Trade and other receivables	Trade and other payables	Revenue and other income	Purchases and net recharges	Net Finance cost
OCI Nitrogen	OCI Group	2.0	1.1	394.2	0.6	-
OCI Fertilizer B.V.	OCI Group	45.5	-	-	-	-
OCI N.V	OCI Group	0.1	5.9	-	(0.8)	-
OCI Personnel B.V.	OCI Group	-	1.3	-	(1.2)	-
ADNOC	ADNOC	6.9	39.7	-	(184.3)	(3.3)
ADNOC refining	ADNOC	-	5.8	-	(44.1)	-
ADNOC Gas Processing	ADNOC	-	0.1	-	(1.4)	-
Abu Dhabi Polymers Ltd.(Borouge)	ADNOC	0.4	-	2.2	-	-
ADNOC subsidiaries[1]	ADNOC	0.1	-	-	-	-
Orascom Construction Egypt	Others	1.1	-	-	-	-
Egypt Green Hydrogen	Others	1.7	-	-	-	-
Total		**57.8**	**53.9**	**396.4**	**(231.2)**	**(3.3)**

[1] Full list is disclosed in the previous paragraph.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

25. Related party transactions continued

Board Remuneration and Key management personnel compensation

We considered the members of the Board of Directors (Executive and Non-executive), CFO and COO to be the key management personnel as defined in IAS 24 "Related parties". No other benefits or remuneration were provided to or have been entered into with above mentioned key management personnel except as disclosed below.

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.

On 11 May 2022, the Board approved a payment of USD 5.3 million (AED 19.4 million) to the Board of Directors as approved remuneration for the year ended 31 December 2021, in addition to any applicable VAT. This Board remuneration was approved by the shareholders in the Annual General Meeting ("AGM") held on 13 June 2022.

The Board remuneration for the year ended 31 December 2023 is being accrued on management's best estimate. A proposal for the remuneration of the Board of Directors for 2023 will be submitted to the shareholders for approval at the upcoming AGM.

The total remuneration of the other key management personnel during the year is as follows:

$ millions	2023	2022
Short term employee benefits	1.5	1.6
Other long term benefits	0.5	0.5
Total[1]	**2.0**	2.1

[1] Currently, the CEO, Ahmed El Hoshy, receives the general Board fees as a member of the Board of Directors and does not receive any additional compensation for his role as CEO of Fertiglobe.

26. Contingencies

Contingent liabilities

Letters of guarantee / letters of credit

The main trading entities of the Group have performance bonds and letters of guarantee provided by HSBC and Mashreq bank amounting to USD 12.3 million for its strategic customers (2022: USD 21.7 million), and they have performance bonds with governments issued by HSBC, QNB and CIB for an amount of USD 11.9 million as at 31 December 2023 (2022: USD 11.8 million).

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

26. Contingencies continued

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 recognized 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 any single accounting period.

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.

OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ("ETA") raised a tax evasion claim against the Group's Egyptian subsidiary, Orascom Construction Industries ("OCI S.A.E"). The tax dispute relates 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.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

26. Contingencies continued

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.

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 (the gain on release of the provision has been offset with the loss on reduction of the indemnity receivable and is presented on net basis in the statement of profit or loss), 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.

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. Management expects a conclusion on the tax audit within the next twelve months (refer note 10).

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

26. Contingencies continued

Sorfert gas contract

During the year 2023, the initial 10-year gas price stability period lapsed as per the gas supply contract with Sonatrach (who is also a 49.01% shareholder of Sorfert). The Group has commenced negotiations with Sonatrach. Any new price agreed shall be retroactively effective from the lapse of the 10-year gas stability period.

27. List of subsidiaries and associates

Companies	Country	Percentage of interest	Consolidation method
Sorfert Algérie SPA ("Sorfert")	Algeria	50.99	Full
Ruwais Fertilizer Industries -Sole Proprietorship LLC ("Fertil")	UAE	100.00	Full
Fertilizers 1 Holding Ltd[1]	UAE - ADGM	100.00	Full
OCIFERT ME Holding[1]	UAE - ADGM	100.00	Full
Fertilizers 2 Holding Ltd	UAE - ADGM	100.00	Full
Fertilizers Exports Holding[1]	UAE - ADGM	100.00	Full
Fertiglobe Distribution Ltd	UAE - ADGM	100.00	Full
Fertiglobe Fertilizer Trading Limited	BVI	100.00	Full
Middle East Petrochemical Corporation Ltd ("MEPCO")	Cayman	100.00	Full
Orascom Construction Industries S.A.E.	Egypt	99.97	Full
Egypt Basic Industries Corporation S.A.E. ("EBIC")	Egypt	75.00	Full
OCI MEPCO Holding Ltd	BVI	100.00	Full
Fertiglobe MENA B.V.	Netherlands	100.00	Full
Egyptian Fertilizers Company S.A.E. ("EFC")	Egypt	100.00	Full
Fertiglobe France SAS	France	100.00	Full
Fertiglobe Green Investment L.L.C.	UAE	100.00	Full
National Company for Operation Maintenance and Engineering Services LLC	Egypt	100.00	Full
Amiral Ammonia Overseas Ltd	BVI	100.00	Full
PSK Holdings Ltd	Cayman	100.00	Full
OCI Fertilizer Trade & Supply B.V.	Netherlands	100.00	Full
Fertiglobe Services L.L.C.[2]	Egypt	100.00	Full
Fertiglobe International Trading L.L.C.[2]	UAE - ADADZ	100.00	Full
Egypt Green Hydrogen S.A.E.	Egypt	20.00	Equity
Ammonia Project Company RSC Ltd[2]	UAE	30.00	Equity

[1] The Group transferred all assets and obligations from these entities to other group entities and closed these entities in 2022.

[2] Incorporated during the year.

Notes to the consolidated Financial Statements continued
FOR THE YEAR ENDED 31 DECEMBER

28. Subsequent events
The Group performed a review of events subsequent to the reporting date up to the date the financial statements were issued and determined that there were no other material events requiring recognition or disclosure in the financial statements, apart from those disclosed below:

Dividends H2 2023
On 14 February 2024, the Board approved dividends of USD 200 million (equivalent of USD 0.024 per share) for the second half of the year ending 31 December 2023. These dividends will be presented to shareholders for approval at the next Annual General Meeting and is expected to be paid in April 2024.

Devaluation of the Egyptian Pound
On 6 March 2024, the Central Bank of Egypt announced a substantial increase to the interest rate and a transition to a floating exchange rate for the currency. This resulted in the devaluation of the Egyptian Pound against the US Dollar to approximately 0.0203 USD per EGP. This is a non-adjusting subsequent event. Refer to note 6 for the Group's exposures in EGP and related sensitivity.