

This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

**OFFER TO SUBSCRIBE FOR SHARES IN A FREE ZONE COMPANY IN A PUBLIC  
SUBSCRIPTION IN THE UAE ONLY**

**Prospectus for the Public Offering of Shares in**

**FERTIGLOBE plc (AN ABU DHABI GLOBAL MARKET ("ADGM") FREE ZONE PUBLIC  
COMPANY LIMITED BY SHARES) (the "Company")**



**Dated: 5 October 2021**

The sale of 1,145,582,011 of the ordinary shares with a value of USD 0.16 (being equivalent to AED 0.59) each (representing 13.8% of the total issued shares in the Company) (the "Offer Shares") in a public subscription in the United Arab Emirates (the "UAE"). The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the SCA. The offer price will be in AED and determined based on the offer price range, which will be announced in a listing announcement (the announcement prior to the date of listing) that will be published on the same day of the opening of the Offer Period on 13 October 2021 and prior to the date of the opening of the Offer Period (the "Offer Price Range"). The Offer Shares will be duly and validly issued as at the date of listing (the "Listing") of the Offer Shares on the Abu Dhabi Securities Exchange (the "ADX").

**The final offer price (the "Final Offer Price") and the final offering size (the "Final Offer Size") will be announced after the closing of the subscription of the Second Tranche. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.**

Except in the UAE, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

The Company is not subject to UAE Federal Law No. 2 of 2015 concerning commercial companies (as amended). The Securities and Commodities Authority the United Arab Emirates is not responsible for the content of this Prospectus or the information contained herein. The Company is subject to the ADGM Companies Regulations 2020 (as amended) ("**Companies Regulations**") and other applicable law and regulation in the ADGM. The ADGM Registration Authority is responsible for the supervision and regulation of all public companies incorporated in the ADGM, including the Company, in relation to compliance with the Companies Regulations.

**Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read the "Investment Risks" section of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.**

## Offer Period

**The offer period for the First Tranche and the Second Tranche (as described in this Prospectus) starts on 13 October 2021 and will close on 18 October 2021<sup>1</sup> for the First Tranche and on 19 October 2021 for the Second Tranche.**

If all of the Offer Shares are subscribed for and allocated, the Offer Shares will represent 13.8% of the total issued ordinary shares in the capital of the Company (the “Shares”) (this percentage has been calculated based on the total number of Shares in the share capital of the Company). The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the approval of the SCA. Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Periods in respect of the First Tranche and the Second Tranche and accepting the subscription for Shares, the Company will apply to list its Shares on the ADX.

Date of the Securities and Commodities Authority’s approval of this Prospectus: 4 October 2021

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the Securities and Commodities Authority (“SCA” or “Authority”) in the United Arab Emirates and this Prospectus has been approved by the SCA on 4 October 2021. However, the SCA’s approval of the prospectus does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the shares; the approval only means that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to the prospectus. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the company’s board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the subscribers or influencing their decision to invest.

### **Method of sale of the Offer Shares in a public subscription:**

The Offer Shares represent 1,145,582,011 (one billion one hundred forty-five million five hundred eighty-two thousand eleven) Shares, which will be sold by the Selling Shareholders in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Second Tranche Subscribers. The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the SCA’s approval.

In creating the subscription orders ledger, the Offer Shares subscribed by the Second Tranche Subscribers will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Second Tranche Subscribers must not be less than 60%, and the subscription percentage of First Tranche Subscribers must not be more than 40%, of the Offer Shares.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche Subscribers for the Offering and any accrued profit on such amounts one day after the subscription closing until one day prior to the refund to the

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<sup>1</sup> The Subscription Period for the retail tranches shall remain open for a period of five days including Saturdays for the acceptance of applications.

Subscribers, provided that the refund is made within five working days from the date on which all allocations of Offer Shares to successful First Tranche Subscribers is determined.

The Selling Shareholders may not, whether directly or indirectly or through their subsidiaries, subscribe for any of the Offer Shares.

### **Book Building Mechanism**

Book building is a mechanism, pursuant to which the price is set prior to the issuance of the shares or prior to the offering.

The book building process comprises these steps:

1. The issuing company hires one or more investment banks to act as underwriters who are tasked with assisting the issuing company in determining the price range at which the security can be sold and assisting the issuing company with drafting a prospectus to send out to the investors.
2. The appointed investment banks invite certain qualified investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers, to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares, and recording the qualified investors' opinions in the register specifically for recording the subscription orders for the shares offered.
3. The book is "built" by listing and evaluating the aggregated demand for the issue from the submitted bids. The underwriters analyze the information and, based on that analysis, determine with the issuing company and its Selling Shareholders the final price for the shares, which is termed the Final Offer Price.
4. Shares for submitted bids pertaining to the Second Tranche, are then allocated among the accepted bidders, at the discretion of the issuing company and its Selling Shareholders.

### **Listing Advisor**

First Abu Dhabi Bank PJSC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role as described in Article 3(7) of the Offering Regulations) for a period of twelve (12) months from the date of Listing.

A list of further definitions and abbreviations is provided in the "Definitions and Abbreviations" Section of this Prospectus.

## **Tranche Structure**

### **A. *First Tranche***

The First Tranche offer will be made pursuant to this Prospectus, 10% (ten per cent) of the Offer Shares, representing 114,558,201 (one hundred fourteen million five hundred fifty-eight thousand two hundred one) Shares, are allocated to the First Tranche. The First Tranche is restricted to the following persons:

- *Individual Subscribers*

Natural persons (including Qualified High Net Worth Individual Subscribers (as described under the Second Tranche) who do not participate in the Second Tranche) who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the "**US Securities Act**"). There are no other citizenship or residence requirements to qualify as an Individual Subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- *Other investors*

Other investors (companies and establishments) who do not participate in the Second Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act, as amended).

All First Tranche Subscribers must hold a NIN with the ADX.

The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholders may (i) extend the Closing Date for the First Tranche and the Second Tranche, and/or (ii) accept the Offering at the level of applications received.

The minimum application size for subscribers in this Tranche is AED 5,000 with any additional application in increments of AED 1,000.

There is no maximum application size for subscribers in this Tranche.

## **B. *Second Tranche***

The Second Tranche offer will be made pursuant to the Second Tranche Document, 90% (ninety per cent) of the Offer Shares, 1,031,023,810 (one billion thirty-one million twenty-three thousand eight hundred ten) Shares, are allocated to the Second Tranche, which is restricted to the following persons:

### **Qualified Investors**

#### First: Qualified Institutional Subscribers

Juridical persons capable of making investments on their own, and who satisfy any of the following conditions:

- (i) the federal government of the UAE and governments of each Emirate in the UAE, governmental corporations and authorities and companies wholly owned by any of them; or
- (ii) foreign governments, and their organizations, corporations and authorities, or entities wholly owned by them; or
- (iii) international organizations and entities; or
- (iv) bodies licensed by the SCA or similar regulatory bodies; or
- (v) legal persons who, as of the date of their last financial statements, satisfy at least two of the following requirements:
  - a. total assets are valued at AED 75,000,000 (seventy-five million dirhams);
  - b. net annual revenues of AED 150,000,000 (one hundred fifty million dirhams);
  - c. have net worth or paid-up capital with a minimum of AED 7,000,000 (seven million dirhams),

and who, in each case, have been approved by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person in the United States who is a qualified

institutional buyer (“**QIB**”), as defined in Rule 144A under the US Securities Act (“**Rule 144A**”) and to whom an offer can be made in accordance with Rule 144A, (b) a person outside the United States to whom an offer can be made in reliance on Regulation S (c) a person in the Dubai International Financial Center (“**DIFC**”) to whom an offer can be made pursuant to an exemption from registration under the Market Rules Module of the DFSA’s Rulebook, or (d) a person in the Abu Dhabi Global Market (“**ADGM**”) to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations Markets Rules and made only to persons who meet the Professional Client criteria set out in the FSRA Conduct of Business Rulebook.

Second: Natural persons who have been approved by the Company and the Selling Shareholders in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited), and who are certified by the SCA or a similar regulatory authority to conduct any tasks associated with financial activities or services.

Third: Natural persons who have been approved by the Company and the Selling Shareholders in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited) and who fulfil the following conditions:

1. have a net worth, excluding his or her principal residence, amounting to at least AED 4,000,000 (four million dirhams);
2. have an annual income of not less than AED 1,000,000 (one million dirhams); and
3. undertake that he has the sufficient knowledge and experience in the field of the relevant investment and its risks, or that he is represented by an entity licensed by the SCA in a manner that does not contravene the terms of its licensing.

All Second Tranche Subscribers must hold an NIN with the ADX.

If all of the Offer Shares in the Second Tranche are not fully subscribed, then the Offer will be withdrawn.

The minimum application size for the subscribers in the Second Tranche is AED 1,000,000.

There is no maximum application size for subscribers in the Second Tranche.

Every Subscriber must hold a NIN with ADX and bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one Tranche. In the event a person applies in more than one Tranche, the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The approval of the Authority has been obtained for publication of the prospectus for the sale of the Offer Shares in a public subscription in the UAE (outside the ADGM and the DIFC). Other than in the ADGM, the Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the Authority.

A copy of the offering document for the Second Tranche (in English only), referred to as the “**Second Tranche Document**”, which was not sighted or endorsed by the Authority, will be available at <https://www.fertiglobe.com/>. No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into, this Prospectus.

This Prospectus was issued on **5 October 2021**

This Prospectus is available on the website of the Company at <https://www.fertiglobe.com>

**Name and Contact Details of the offer participants**

***Joint Lead Managers***

**First Abu Dhabi Bank PJSC**

FAB Building, Khalifa Business Park, Al  
Qurm District  
P.O. Box 6316, Abu Dhabi, United Arab  
Emirates

**HSBC Bank Middle East Limited**

HSBC Tower, Level 17, Downtown Dubai  
P.O. Box 66, Dubai United Arab Emirates

***Lead Receiving Bank***

**First Abu Dhabi Bank PJSC**

FAB Building Khalifa Business Park, Al  
Qurm District  
PO Box 6316, Abu Dhabi, United Arab  
Emirates

***Receiving Bank***

**Al Maryah Community Bank LLC<sup>2</sup>**

454 Shakhbout Bin Sultan Street,  
PO Box 111485, Abu Dhabi, United Arab  
Emirates

***Listing Advisor***

**First Abu Dhabi Bank PJSC**

FAB Building Khalifa Business Park, Al Qurm  
District  
PO Box 6316, Abu Dhabi, United Arab Emirates

***IPO Subscription Legal Counsel***

**Legal advisor to the Company as to  
ADGM, English, UAE and US law**

**Shearman & Sterling LLP**

Etihad Towers, Office Building No. 3,  
21st Floor,  
El Corniche Street,

**Legal advisor to the Company as to  
UAE law**

**IBRAHIM & PARTNERS**

Al Sila Tower, Floor 24  
ADGM Square,

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<sup>2</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

P.O. Box 2948  
Abu Dhabi, United Arab Emirates

P.O. Box 5100746  
Abu Dhabi, United Arab Emirates

**Legal advisor to the Joint Lead Managers as to ADGM, English, UAE and US law**

**Clifford Chance LLP**

Level 15, Burj Daman, DIFC  
P.O. Box 9380  
Dubai, United Arab Emirates

***Reporting Accountants***

**KPMG Lower Gulf Limited**

Level 19, Nation Towers,  
Abu Dhabi Corniche,  
Abu Dhabi, United Arab Emirates

***IPO Subscription Auditors***

**Ernst & Young Middle East (Abu Dhabi Branch)**

26th Floor, Nation Tower 2, Corniche  
P.O. Box 136  
Abu Dhabi, United Arab Emirates  
E-mail address: raed.ahmad@ae.ey.com  
Tel.: +971 2417 4400

***Investor Relations Officer***

**Hans Zayed**

Unit 1, 20<sup>th</sup> Floor, Al Sila Tower,  
Abu Dhabi Global Market Square,  
Al Maryah Island, United Arab Emirates  
Tel.: + 971509229605  
E-mail address: hans.zayed@fertiglobe.com

This Prospectus is dated **5 October 2021**.

## IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this document in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, Section 10 (“*Investment Risks*”)), as well as the Articles of Association of the Company, when considering making an investment in the Company.
- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisors regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.
- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the First Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.
- The contents of this Prospectus should not be construed as legal, financial or tax advice.
- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholders reserve the right to cancel the Offering at any time and at their sole discretion with the prior written approval of the SCA.
- The Offer Shares are being offered under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).
- This document is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the SCA.
- If the Offer Shares are offered in another jurisdiction, the Company shall offer the Offer Shares in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.
- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.
- The Offer has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets



Rules.

- The publication of this Prospectus has been approved by the SCA. The SCA's approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the issuance rules and information disclosure applicable to the prospectus and issued by the SCA have been met. The SCA and the ADX shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

**This Prospectus was approved on 4 October 2021.**

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Historical financial information

The Company's Audited Consolidated Financial Statements as of and for the years ended 31 December 2019 (inclusive of comparative information for the year ended 31 December 2018) and 2020 (inclusive of comparative information for the year ended 31 December 2019) and Reviewed Semi-Annual Consolidated Financial Statements as of and for the six months ended 30 June 2021 (inclusive of comparative information for the six months ended 30 June 2020) have been included in this Prospectus. The Audited Consolidated Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and applicable requirements of the laws and regulation of the ADGM. The Reviewed Semi-Annual Consolidated Financial Statements have been prepared in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting'.

In December 2018, the Company was incorporated by the OCI Shareholder and, in March 2019, OCI contributed its nitrogen fertilizer production assets in Egypt and Algeria, and distribution assets in the UAE to the Company under common control (since these assets and the Company were ultimately owned by the same shareholder). Accordingly, in our consolidated financial statements as at and for the year ended 31 December 2019, we have re-presented our comparative financial information as at and for the year ended 31 December 2018 and adjusted our financial information as at and for the year ended 31 December 2019 from before the date of this contribution by OCI as if the combination had occurred before the start of the earliest periods presented.

On 30 September 2019, ADNOC and OCI completed a transaction to combine ADNOC's fertilizer business (Ruwais Fertilizer Industries LLC ("FERTIL"), which was previously, Ruwais Fertilizer Industries PJSC (ADNOC Fertilizers) prior to its re-registration as a limited liability company) into OCI's MENA nitrogen fertilizer platform, in exchange ADNOC received 42% of the total share capital of Fertiglobe. Accordingly, our consolidated financial statements relating to the year ended 31 December 2019 does not include the financial information of FERTIL relating to the period prior to 30 September 2019. The accounting for this business combination has been disclosed in our 2019 consolidated financial statements.

See our consolidated financial statements as at and for the years ended 31 December 2020 (inclusive of the year ended 31 December 2019) and 31 December 2019 (inclusive of the year ended 31 December 2018) for more information about our restated balance sheets as at 31 December 2018 and 31 December 2019.

### Non-IFRS measures

Definitions of certain financial measures that are not defined or recognized under IFRS, or any generally acceptable accounting principles, including EBITDA, EBITDA excluding foreign exchange and profit (loss) from equity accounted investees, Adjusted EBITDA and Adjusted EBITDA margin ("**Non-IFRS measures**"), along with an explanation of their relevance and the reconciliations to the most directly comparable measures calculated and presented in accordance with IFRS are disclosed in the "Financial Disclosures" section. These non-IFRS measures are derived from the financial information included in the Company's Consolidated Financial Statements.

### Currency presentation

Unless otherwise indicated, all references in this document to:

- "Algerian dinars" or "DZD" are to the lawful currency of Algeria;
- "Egyptian pounds" or "EGP" are to the lawful currency of Egypt;
- "UAE dirham" or "AED" are to the lawful currency of the United Arab Emirates; and
- "US dollar" or "USD" are to the lawful currency of the United States of America.

## **Rounding**

Certain data in this document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

## FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this document. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE. Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to Section 10 (“*Investment Risks*”) for further information.

## IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "*Investment Risks*") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorized by the Company, the Selling Shareholders or the other Offer Participants. By applying for Offer Shares, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholders, any other Offer Participant, or any other of the Company's advisors (the "**Advisors**").

No person or Advisor, except the Joint Lead Managers and the Receiving Banks set out on page 6, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE. Neither HSBC Bank Middle East Limited nor any of its respective affiliates is responsible for participating in, marketing or managing any aspect of the Offering to natural persons (including Qualified High Net Worth Individual Subscribers).

Neither the content of the Company's website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholders, any other Offer Participant, nor the Advisors bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholders, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

None of the Company, the Selling Shareholders, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in two daily

newspapers circulating in the UAE. The Selling Shareholders reserve the right, with the prior approval of the SCA, to withdraw the Prospectus and cancel the Offer at any time and in their sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

First Abu Dhabi Bank PJSC has been appointed as listing advisor (“**Listing Advisor**”) and First Abu Dhabi Bank PJSC and HSBC Bank Middle East Limited have been appointed as joint lead managers (the “**Joint Lead Managers**”) and will manage the issuance, marketing and promotion of the Offer Shares and coordinate with the Company, the SCA and the other Offering participants with regard to the offering of the Offer Shares in the UAE. FAB has also been appointed as the lead receiving bank (the “**Lead Receiving Bank**”) and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche.

Each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholders and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant.

HSBC Bank Middle East Limited is not participating in receiving the subscription funds or bookrunnings or otherwise participating in, or managing, any aspect of the Offering to natural persons (including Qualified High Net Worth Individual Subscribers).

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as a client to any of the Offer Participants in relation to the Offer. Whereas each Offer Participant shall be liable, including the Selling Shareholders and the Board members, with regard to the completeness and accuracy of the information contained in this Prospectus, within the limits of the scope of work and expertise of each Offer Participant. The Joint Lead Managers, the Joint Bookrunners and the Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders for which they would have received customary fees. Any previous transactions between the Joint Lead Managers and the Offer Participants and the Company do not constitute any conflict of interest between them.

The board members of the Company whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that, they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the SCA.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in the Prospectus (in its entirety) that has been provided by the Selling Shareholders and the Board members of the Company whose names are set out in this Prospectus.

No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any

applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholders, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including electronic mail. None of the Company, the Selling Shareholders, the other Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers and the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers, the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally.

This Prospectus was approved by the SCA on 4 October 2021.

## Definitions and Abbreviations

<i>AD DED</i>	Abu Dhabi Department of Economic Development.
<i>ADGM</i>	Abu Dhabi Global Market.
<i>ADNOC</i>	Abu Dhabi National Oil Company.
<i>ADNOC Shareholder</i>	ADNOC Fertilizers - Sole Proprietorship LLC, a single person company registered with the AD DED under commercial license number CN-2860736.
<i>ADX</i>	Abu Dhabi Securities Exchange in the UAE.
<i>AED or UAE Dirham</i>	The lawful currency of the United Arab Emirates.
<i>Algerian dinars or DZD</i>	The lawful currency of Algeria.
<i>ammonia</i>	Anhydrous ammonia.
<i>Articles of Association</i>	The articles of association of the Company.
<i>Audited Consolidated Financial Statements</i>	The Company's audited consolidated financial statements as of and for the years ended 31 December 2019 (inclusive of comparative information for the year ended 31 December 2018) and 2020 (inclusive of comparative information for the year ended 31 December 2019).
<i>Authority or SCA</i>	The Securities and Commodities Authority of the United Arab Emirates.
<i>Board or Board of Directors</i>	The board of directors of the Company.
<i>Closing Date</i>	18 October 2021 for the First Tranche and 19 October 2021 for the Second Tranche.
<i>Companies Regulations</i>	ADGM Companies Regulations 2020 (as amended).
<i>Company or Fertiglobe</i>	Fertiglobe plc, a public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations.
<i>COVID-19</i>	SARS-CoV-2 or COVID-19, and any evolutions or variants thereof.
<i>CSA</i>	The Conditional Sale Agreement dated on or around 5 February 2015 between OCI MENA B.V. and OC IHC 4 B.V..
<i>DAP</i>	Di-Ammonium Phosphate.
<i>DEF</i>	Diesel exhaust fluid.
<i>Demerger</i>	The demerger of OCI's engineering and construction business in March 2015 whereby the ultimate parent company holding the demerged engineering and construction activities, OC, became listed on the Egyptian Exchange and Nasdaq Dubai.



<i>DFSA</i>	Dubai Financial Services Authority.
<i>DIFC</i>	Dubai International Financial Centre.
<i>Directors</i>	The Executive Directors and the Non-Executive Directors.
<i>EBIC</i>	Egypt Basic Industries Corporation, a member of the Group.
<i>EFC</i>	Egyptian Fertilizers Company S.A.E., an Egyptian joint stock company incorporated in Egypt and a member of the Group.
<i>EGPC</i>	The Egyptian General Petroleum Corporation, a national oil company of Egypt.
<i>Egyptian pounds or EGP</i>	The lawful currency of Egypt.
<i>Electronic Applications</i>	Applications via online banking / mobile banking / FTS and ATMS as provided by the Receiving Banks and ADX to the Subscribers of the First Tranche.
<i>ESG</i>	Environmental, Social and Governance.
<i>ETA</i>	The Egyptian Tax Authority.
<i>EU</i>	The European Union.
<i>European Commission</i>	The European Commission of the EU.
<i>European Economic Area</i>	The market consisting of the EU member states and EFTA states.
<i>Executive Directors</i>	The executive Directors of the Company.
<i>FDL</i>	Fertiglobe Distribution Limited, a private company limited by shares incorporated in the ADGM under license number 000002474, and a member of the Group.
<i>FERTIL</i>	Ruwais Fertilizer Industries LLC, a limited liability company incorporated in Abu Dhabi with commercial license number CN-2839047 and a member of the Group.
<i>Fertiglobe France</i>	Fertiglobe France SAS, the equivalent of a joint stock company, incorporated in France, and a member of the Group.
<i>Final Offer Price</i>	<p>The offer price at which all the Subscribers in the First Tranche and the Second Tranche will purchase each Offer Share will be at the Final Offer Price.</p> <p>The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and following consultation between the Joint Lead Managers, the Selling Shareholders and the Company. The shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share.</p> <p>Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the “<b>Offer Price Announcement</b>”), which will be published in</p>

	two Arabic local daily newspapers and one English newspaper in the UAE and on the website <a href="https://www.fertiglobe.com">https://www.fertiglobe.com</a> .
<i>Financial Statements</i>	The Audited Consolidated Financial Statements and the Reviewed Semi-Annual Consolidated Financial Statements of the Company which are listed in Annex 1.
<i>Financial year</i>	The financial year of the Company starts on 1 January and ends on 31 December of each year.
<i>First Tranche</i>	The Offering of the Offer Shares in the UAE to First Tranche Subscribers.
<i>First Tranche Subscribers</i>	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche and who hold a NIN with the ADX and have a bank account.
<i>FSMR Regulations</i>	Financial Services and Markets Regulations.
<i>FSRA</i>	ADGM Financial Services Regulatory Authority.
<i>FTS Fund Transfer Mode</i>	UAE Central Bank Fund Transfer (“ <b>FTS</b> ”) mode.
<i>GASCO</i>	The Egyptian Natural Gas Company, a government owned oil and gas company headquartered in Egypt.
<i>GCC</i>	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
<i>GHGs</i>	Greenhouse gases.
<i>Green Deal</i>	The European Green Deal policy initiatives by the European Commission.
<i>Group, our, us or we</i>	The Company and its subsidiaries.
<i>IFRS</i>	International Financial Reporting Standards.
<i>Individual Subscribers</i>	Natural persons who hold a NIN with the ADX and have a bank account (including Qualified High Net Worth Individual Subscribers). There are no citizenship or residence requirements.
<i>Islamic State</i>	The Islamic State of Iraq and the Levant militant group, also known as IS, ISIL, ISIS and Daesh.
<i>Joint Bookrunners</i>	First Abu Dhabi Bank PJSC and HSBC Bank Middle East Limited and certain regional and international investment banks.
<i>Joint Lead Managers</i>	First Abu Dhabi Bank PJSC and HSBC Bank Middle East Limited.
<i>KBR</i>	KBR Inc, a company registered under the laws of Delaware, and listed on the New York Stock Exchange.

<i>Lafarge SA</i>	Lafarge SA, the predecessor company of LafargeHolcim Ltd which was based in France, which then merged with Holcim Limited.
<i>Lead Receiving Bank</i>	First Abu Dhabi Bank PJSC.
<i>Listing</i>	The listing of the Shares to trading on the ADX.
<i>Listing Advisor</i>	First Abu Dhabi Bank PJSC.
<i>Listing of the Shares</i>	Following the closing of the subscription and the allocation to successful Subscribers, the Company will apply to list all of its Shares on the ADX.  Trading in the Shares on the ADX will be effected through the ADX Share Registry.
<i>Manager's Cheque</i>	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
<i>MAP</i>	Mono-ammonium phosphate.
<i>Maximum Investment</i>	No maximum subscription in Offer Shares has been set.
<i>MENA</i>	Middle East and North Africa.
<i>MEPCO</i>	Middle East Petrochemical Corporation, a Cayman Islands exempted company (incorporation number 136499), a member of the Group.
<i>MPC</i>	Maximum proven capacity.
<i>Minimum Investment</i>	The minimum subscription for Offer Shares in the First Tranche has been set at AED 5,000, with any additional investment to be made in increments of at least AED 1,000. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 1,000,000 (see the section on " <b>Subscription Amounts</b> " in the first section of this Prospectus for further details).
<i>MMBtu</i>	One million British thermal units.
<i>NIN</i>	A unified investor number that a Subscriber must obtain from ADX for the purposes of subscription.
<i>Non-Executive Directors</i>	The non-executive Directors of the Company.
<i>NPK</i>	A phosphate-based fertilizer consisting of nitrogen, phosphorus, and potassium.
<i>OC</i>	Orascom Construction PLC, a public company registered under the laws of the DIFC under registration number 1752 and listed on the Egyptian Exchange and on the Nasdaq Dubai Exchange.
<i>OCI</i>	OCI N.V., a public limited liability company incorporated in the Netherlands and listed on the Euronext Amsterdam Exchange.

<i>OCI S.A.E</i>	Orascom Construction Industries S.A.E., a joint stock company incorporated in Egypt and a member of the Group.
<i>OCI Shareholder</i>	OCI Fertilizers B.V., a private limited company incorporated in the Netherlands.
<i>Offer Participants</i>	The entities listed on pages 7 and 8 of this Prospectus.
<i>Offer Period</i>	The subscription period for the First Tranche starts on 13 October 2021 and will close on 18 October 2021. The subscription period for the Second Tranche starts on 13 October 2021 and will close on 19 October 2021.
<i>Offer Price Range</i>	The Offer Shares are being offered at an offer price range in AED that will be published on the first day of opening the Offer Period.
<i>Offer Shares</i>	1,145,582,011 (one billion one hundred forty-five million five hundred eighty-two thousand eleven) Shares which will be sold by the Selling Shareholders in a public subscription process. The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the SCA's approval.
<i>Offering or Offer</i>	The public subscription for 1,145,582,011 (one billion one hundred forty-five million five hundred eighty-two thousand eleven) Shares (representing 13.8% of the total issued shares in the Company) which are being offered for sale by the Selling Shareholders. The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the SCA's approval.
<i>Offering Regulations</i>	SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
<i>OFT</i>	OCI Fertilizer Trading Limited, a company limited by shares incorporated in the British Virgin Islands, and a member of the Group.
<i>OFTS</i>	OCI Fertilizer Trade & Supply B.V., the equivalent of a private limited liability company, incorporated in the Netherlands, and a member of the Group.
<i>Production Capacity</i>	Each unit's MPC, which is calculated as annualizing the proven production of a production unit's best achieved month. For new plants, the MPC is the design (also known as "nameplate") capacity.
<i>Professional Client</i>	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
<i>QIB</i>	A "qualified institutional buyer" as defined in Rule 144A.

<p><i>Qualified High Net Worth Individual Subscribers</i></p>	<p>Natural persons who have been approved by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited);</p> <ul style="list-style-type: none"> <li>(i) who are certified by the SCA or a similar regulatory authority to conduct any tasks associated with financial activities or services; or</li> <li>(ii) who fulfil the following conditions: <ul style="list-style-type: none"> <li>i. whose net worth, excluding his or her principal residence, amounts to at least AED 4,000,000 (four million dirhams); and</li> <li>ii. whose annual income is not less than AED 1,000,000; and</li> <li>iii. who confirm that he or she has sufficient knowledge or expertise, or is represented by an entity that is licensed by the SCA in a manner that does not contravene the terms of its licensing.</li> </ul> </li> </ul>
<p><i>Qualified Institutional Subscribers</i></p>	<p>Juridical persons capable of making and managing investments on their own, including:</p> <ul style="list-style-type: none"> <li>i. the federal government of the UAE and governments of each Emirate in the UAE, governmental entities, institutions and authorities and companies wholly owned by any of them; or</li> <li>ii. foreign governments, and their entities, institutions and authorities or entities wholly owned by them; or</li> <li>iii. international organizations and entities; or</li> <li>iv. bodies licensed by the Authority or similar regulatory bodies; or</li> <li>v. legal persons who, as of the date of their last financial statements, satisfy at least two of the following requirements: <ul style="list-style-type: none"> <li>a) total assets are valued at AED 75,000,000 (seventy-five million UAE dirhams);</li> <li>b) generate net annual revenues of AED 150,000,000 (one hundred fifty million UAE dirhams);</li> <li>c) have net worth or paid-up capital with a minimum of AED 7,000,000 (seven million UAE dirhams),</li> </ul> </li> </ul> <p>who, in each case, have been approved by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person in the United States who is a qualified institutional buyer (“QIB”) as defined in Rule 144A under the US Securities Act and to whom an offer can be made in accordance with Rule 144A, (b) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act, (c) a person in the</p>

	DIFC to whom an offer can be made pursuant to an exemption from registration under the Market Rules Module of the DFSA's Rulebook, or (d) a person in the ADGM to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations Markets Rules and made only to persons who meet the Professional Client criteria set out in the FSRA Conduct of Business Rulebook.
<i>Receiving Banks</i>	The Lead Receiving Bank and Al Maryah Community Bank LLC <sup>3</sup> .
<i>Regulation S</i>	Regulation S under the US Securities Act.
<i>Reviewed Semi-Annual Consolidated Financial Statements</i>	The Company's reviewed semi-annual condensed consolidated interim financial statements as of and for the six months ended 30 June 2021 (inclusive of comparative information for the six months ended 30 June 2020).
<i>Rule 144A</i>	Rule 144A under the US Securities Act.
<i>Second Tranche</i>	The offer of Offer Shares to Second Tranche Subscribers made under the Second Tranche Document.
<i>Second Tranche Document</i>	<p>The offer document has been drafted in a specific manner to be addressed only to Qualified Institutional Subscribers for the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA, and the offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus.</p> <p>This offer document for the Second Tranche which will be available at <a href="https://www.fertiglobe.com">https://www.fertiglobe.com</a>.</p>
<i>Second Tranche Subscribers</i>	Qualified Institutional Subscribers and Qualified High Net Worth Individual Subscribers.
<i>Selling Shareholders</i>	The OCI Shareholder and the ADNOC Shareholder.
<i>Shareholder</i>	Holder of Shares in the capital of the Company.
<i>Shares</i>	The ordinary shares of the Company with a value of USD 0.16 (equivalent to AED 0.59) each.
<i>SMS</i>	Short Message Service.
<i>Sonatrach</i>	Société Nationale pour la Recherche, la Production, le Transport, la Transformation, et la Commercialisation des Hydrocarbures s.p.a., the national state-owned oil company of Algeria.
<i>Sorfert</i>	Sorfert Algérie Spa, an Algerian joint stock company, and a member of the Group.

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<sup>3</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

<i>Subscriber</i>	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
<i>Tranche</i>	The First Tranche or the Second Tranche.
<i>UAE</i>	United Arab Emirates.
<i>UAE Central Bank</i>	The central bank of the United Arab Emirates.
<i>UK</i>	The United Kingdom of Great Britain and Northern Ireland.
<i>UK Bribery Act of 2010</i>	The UK Bribery Act of 2010 covering offences relating to bribery and for connected purposes.
<i>Underwriting Agreement</i>	The underwriting agreement among the Company, the Selling Shareholders and the Joint Lead Managers.
<i>United States or US</i>	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
<i>U.S. Foreign Corrupt Practices Act of 1977</i>	The act to amend the US Securities Exchange Act of 1934 (as amended) to make it unlawful for certain issuers to make certain payments to foreign officials and other foreign persons, to require such issuers to maintain accurate records, and for other purposes.
<i>US Securities Act</i>	The US Securities Act of 1933, as amended.
<i>VAT</i>	Value added tax.

## First Section: Subscription terms and conditions

### Key details of shares offered for sale to the public

- **Name of the Company:** FERTIGLOBE PLC
- **Share capital:** The share capital of the Company as at the date of the Listing has been set at USD 1,328,211,028 (being equivalent to 4,878,784,748.05 UAE dirhams) divided into 8,301,318,925 Shares paid-in-full, with the value of each Share being USD 0.16 (being equivalent to 0.59 UAE dirhams).
- **Percentage, number and type of the Offer Shares:** 1,145,582,011 (one billion one hundred forty-five million five hundred eighty-two thousand eleven) Shares, all of which are ordinary shares and which constitute 13.8% of the Company's issued share capital (this percentage has been calculated based on the total number of Shares in the capital as at the date of this Prospectus).
- **Offer Price Range per Offer Share:** The Offer Price Range will be in UAE dirhams and published prior to the day of opening the Offer Period and on the same day of opening the Offer Period on 13 October 2021.
- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**
  - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the First Tranche must hold a NIN with ADX and a bank account number. 10% (ten per cent) of the Offer Shares, representing 114,558,201 (one hundred fourteen million five hundred fifty-eight thousand two hundred one) Shares are allocated to the First Tranche. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.
  - **Second Tranche:** The Second Tranche of the Offering will be open to Second Tranche Subscribers as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN with ADX. 90% (ninety per cent) of the Offer Shares, representing 1,031,023,810 (one billion thirty-one million twenty-three thousand eight hundred ten) Shares are allocated to the Second Tranche.
- **Public subscription in the Offer Shares is prohibited as follows:** Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber belongs. It is the Subscriber's responsibility to determine whether the Subscriber application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).
- **Minimum investment:** The minimum subscription in Offer Shares in the First Tranche has been set at AED 5,000 with any additional investment to be made in AED 1,000 increments. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 1,000,000.
- **Maximum investment:** No maximum subscription in Offer Shares has been set.



- **Subscription by Selling Shareholders:** The Selling Shareholders may not subscribe for Offer Shares, whether directly or indirectly, or through their subsidiaries.
- **Lock-up period:** The Shares held by the Selling Shareholders following completion of the Offering shall be subject to a lock-up which starts on the date of Listing of the Shares and ends 12 months thereafter.
- **Reasons for the Offering and Use of Offer Proceeds**

The Company will not receive any proceeds from the Offering. All expenses of the Offering will be borne by the Selling Shareholders including any selling commissions and any discretionary fees. The Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their respective shareholding interests, while providing increased trading liquidity in the Shares and raising our profile with the international investment community.

## Further Information on the First Tranche

### 1. Subscription Applications

Each Subscriber in the First Tranche may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Receiving Banks and the Joint Lead Managers reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank together with the subscription amount during the Offer Period for the First Tranche.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the latter satisfies all the required information or documentation before the close of the subscription.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing the Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Lead Receiving Bank's branches mentioned herein or through electronic channels (see "*Electronic subscription*").

Subscription application submitted to Al Maryah Community Bank LLC may be made through electronic channels for Individual Subscribers (see "*Electronic subscription - Mbank UAE Mobile Banking Application*")<sup>4</sup>. Other Subscribers can follow the subscription application process stated above and submit their application to the branch of Al Maryah Community Bank LLC mentioned herein. In case of technological issues or unforeseen circumstances, subscription application by Individual Subscribers can be submitted to the branch of Al Maryah Community Bank LLC mentioned herein.

The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Receiving Banks and the Joint Lead Managers may reject subscription applications submitted by any Subscriber in the First Tranche for any of the following reasons:

- the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);
- the subscription application amount is paid using a method that is not a permitted method of payment;
- the subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the

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<sup>4</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

First Tranche offer;

- the completed subscription application form is not clear and fully legible.
- the Manager's Cheque is returned for any reason;
- if the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Banks is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- if the NIN is not made available to ADX or if the NIN is incorrect;
- if the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Company and the Selling Shareholders);
- if the subscription application is otherwise found not to be in accordance with the terms of the Offering;
- if the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the First Tranche or the Second Tranche, nor is it permitted to apply in either tranche more than once), any acceptance of such duplicate / multiple application(s) is solely at the discretion of the Company and the Selling Shareholders);
- if the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- a Subscriber has not adhered to the rules applicable to the First Tranche or the Second Tranche offers;
- if it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the ADX; or
- if for any reason FTS/SWIFT/online/mobile/ATM subscription Channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Joint Lead Managers may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the subscribers before the notification of the allocation of Shares to such rejected Subscribers.

#### **Documents accompanying Subscription Applications**

Subscribers shall submit the following documents along with their subscription application forms:

For *individuals* who are UAE or GCC nationals or nationals of any other country:

- The original and a copy of a valid passport or Emirates identity card; and
- In case the signatory is different from the Subscriber:
  - the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise

duly regulated in the country;

- the original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
- a copy of the passport/Emirates ID of the Subscriber for verification of signature; or
- In case the signatory is a guardian of a minor, the following will be submitted:
  - Original and copy of the guardian's passport/Emirates ID for verification of signature;
  - Original and copy of the minor's passport; and
  - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

For *corporate bodies* including banks, financial institutions, investment funds and other companies and establishments:

- UAE registered corporate bodies:
  - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
  - The original and a copy of the document that authorizes the signatory to sign on behalf of the subscriber and to represent the subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form; and
  - The original and a copy of the passport/Emirates ID of the signatory.
- Foreign corporate bodies: the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

## **2. Method of subscription and payment for the First Tranche**

### **Method of payment for First Tranche**

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN with ADX and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favor of "Fertiglobe plc - IPO";
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on Electronic subscription below).

Details of the Subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

The subscription amount may not be paid or accepted by a Receiving Bank using any

of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to the Annex 3 for the Receiving Bank's participating branches.

### **Electronic subscription**

#### **E-subscription**

Electronic subscriptions: The Receiving Banks may also have its own electronic channels (ATMs, on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKtetaab IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is the relevant Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of "Fertiglobe IPO" held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any profit thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

Subscription applications may also be received through UAE Central Bank Fund Transfer ("FTS") mode. The investor choosing the FTS method will be required to provide their valid NIN with ADX along with the value of Offer Shares subscribed for in the special instructions field.

#### **E-Subscription**

##### **FAB E-Subscription**

Access <https://www.bankfab.com/en-ae/cib/iposubscription>

Refer to the "How to subscribe page" and follow the instructions and submit subscriptions for the First Tranche.

##### **Mbank UAE Mobile Banking Application<sup>5</sup>**

For applying through Al Maryah Community Bank LLC's MBank UAE app, access <https://www.mbank.ae/IPO>

Refer to the section "How to subscribe" for instructions on subscribing to the First Tranche through Al Maryah Community Bank LLC's Mbank UAE app on your mobile device (the app is available for download on the Apple App store and Google Play).

#### **ADX ePortal Subscription:**

For applying through ADX ePortal Subscriptions:

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<sup>5</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

Please access -

For Arabic - <https://www.adx.ae/Arabic/Pages/ProductsandServices/ipo.aspx>

For English - <https://www.adx.ae/English/Pages/ProductsandServices/ipo.aspx>

Refer to the “ADX IPO ePortal Subscription Instructions” page and follow the instructions. Click on the IPO Subscription Link provided to subscribe for the First Tranche. (*Applicable only for investors who do not have accounts with any of the Receiving Bank*)

#### **Important dates relevant to the methods of payment of the subscription amounts**

- Subscription amounts paid by way of cheque must be submitted by 12pm (mid-day) on 16 October 2021.
- Subscription applications received through FTS must be made before 12pm (mid-day) on 17 October 2021.

#### **Subscription amounts**

Subscribers in the First Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 or more, with any subscription over AED 5,000 to be made in increments of AED 1,000. Subscribers in the First Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

#### **Final Offer Price**

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in an initial public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Second Tranche Subscribers (see details of who may apply in the Second Tranche). Second Tranche Subscribers will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information on the extent of demand at various prices provided by these Second Tranche Subscribers to determine and recommend to the Company and the Selling Shareholders the Final Offer Price (which must be within the Offer Price Range) for all participants in the Offering.

The Shares of the Qualified Institutional Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of the Offer Shares.

#### **Subscription process**

Subscribers must complete the application form relevant to their Tranche, providing all required details. Subscribers who do not provide the NIN with ADX and bank account will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply in one Tranche. In the event a person applies in more than one Tranche, then the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the

Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, Amount, Date and Customer bank account details.

If the address of the Subscriber is not filled in correctly, the Company, the Selling Shareholders, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

### 3. Further information on various matters

#### Offer Period

Commences on 13 October 2021 and closes on 18 October 2021 for the First Tranche, and 19 October 2021 for the Second Tranche.

#### Receiving Banks

- **Lead Receiving Bank:** First Abu Dhabi Bank PJSC.
- **Receiving Bank:** Al Maryah Community Bank LLC.<sup>6</sup>

**Method of allocation of Offer Shares to different categories of Subscribers**  
*(Under SCA CHAIRMAN OF THE BOARD RESOLUTION NO. (11/R.M) OF 2016 ON THE REGULATIONS FOR ISSUING AND OFFERING SHARES OF PUBLIC JOINT STOCK COMPANIES)*

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholders will allocate the Offer Shares according to the allotment policy specified below and will refund to Subscribers the excess subscription amounts and any accrued profit resulting thereon.

#### Notice of Allocation

A notice to successful Subscribers in the First Tranche will be sent by way of SMS initially confirming the acceptance of subscription and number of offered shares allocated to them. This will be followed by a notice setting out each Subscriber's Share allocation, which will be sent by registered mail to each Subscriber.

#### Method of refunding surplus amounts to Subscribers

By no later than 26 October 2021 (being within five (5) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts, and any profit resulting thereon, shall be refunded to Subscribers in the First Tranche who did not receive Offer Shares, and the subscription amounts and any accrued profit resulting thereon shall be refunded to the Subscribers in the First Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any accrued profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

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<sup>6</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

The difference between the subscription amount accepted by the Company and the Selling Shareholders for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

#### **Inquiries and complaints**

Subscribers who wish to submit an inquiry or complaint with respect to any rejected requests, allocation or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Investor Relations Manager. The Subscriber must remain updated on the status. The Subscriber's relationship remains only with the party receiving the subscription request.

#### **Listing and trading of Shares**

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the ADX in accordance with the applicable listing and trading rules as at the Listing date 27 October 2021. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry, with the commencement of such trading estimated to take place after completion of the registration.

#### **Voting rights**

All Shares are of the same class and shall carry equal voting rights and shall rank *pari passu* in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

#### **Risks**

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in a section headed "*Investment Risks*" of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

#### **4. Timetable for subscription and listing**

The dates set out below outline the expected timetable for the Offering. However, the Company reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the appropriate authorities and publishing such change during the Offering period in daily newspapers.

<b>Event</b>	<b>Date</b>
Offering commencement date (The Offer Period for the First Tranche shall continue for five days, including Saturdays, for the purposes of accepting Subscribers' applications)	13 October 2021
Closing Date of the First Tranche	18 October 2021
Closing Date of the Second Tranche	19 October 2021
Announcement of Final Offer Price	20 October 2021
Allocation of First Tranche	26 October 2021
SMS Confirmation to all successful subscribers, commencement of refunds of investment surplus to the	26 October 2021



Subscribers and commencement of dispatch of registered mail relating to allotment of shares

Expected date of listing the Shares on the ADX

27 October 2021

## 5. Tranches

The Offering of the Offer Shares is divided as follows:

### The First Tranche:

**Size:** 10% (ten per cent) of the Offer Shares, representing 114,558,201 (one hundred fourteen million five hundred fifty-eight thousand two hundred one) Shares. The Selling Shareholders reserve the right to amend the size of the First Tranche at any time prior to the end of the subscription period at their sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% of the Offer Shares and the subscription percentage of the subscribers in the First Tranche does not exceed 40% of the Offer Shares.

**Eligibility:** First Tranche Subscribers, as described on the cover page of this Prospectus and the "Definitions and Abbreviations" section of this Prospectus.

**Minimum application size:** AED 5,000, with any additional application in increments of AED 1,000.

**Maximum application size:** There is no maximum application size.

**Allocation policy:** In case of over-subscription in the First Tranche, Offer Shares will be allocated to First Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final Offer Price. Applications will be scaled back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price.

**Unsubscribed Offer Shares** If all of the Offer Shares allocated to the First Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholders may extend the Closing Date for the First Tranche and the Second Tranche, and/or close the Offering at the level of applications received.

### The Second Tranche:

**Size:** 90% (ninety per cent) of the Offer Shares representing 1,031,023,810 (one billion thirty-one million twenty-three thousand eight hundred ten) Shares

- Eligibility:** Second Tranche Subscribers, as described on the cover page of this Prospectus and the “Definitions and Abbreviations” section of this Prospectus.
- Minimum application size:** The minimum application size is AED 1,000,000.
- Maximum application size:** There is no maximum application size.
- Allocation policy:** Allocations within the Second Tranche will be determined by the Company and the Selling Shareholders, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any Offering to natural persons). It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.
- Discretionary allocation:** The Company and the Selling Shareholders reserve the right to allocate Offer Shares in the Second Tranche in any way as they deem necessary.
- Unsubscribed Offer Shares:** If all the Offer Shares allocated to the Second Tranche are not fully subscribed, then the Offer will be withdrawn. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued profits.

### **Multiple applications**

A Subscriber should only submit an application for Offer Shares under one Tranche. In the event a Subscriber applies for subscription in more than one Tranche, the Receiving Banks and the Joint Lead Managers may deem one or both applications invalid.

### **Important notes**

Subscribers in the First Tranche will be notified of whether they have been successful in their application for Offer Shares by means of an SMS.

Upon Listing of the Shares on the ADX, the Shares will be registered on an electronic system as applicable to the ADX. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the ADX.

Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Offer Shares, which are to be made available to either the First Tranche or the Second Tranche.

## Second Section: Key details of the Company

### 1. Overview of the Company

<b>Name of the Company:</b>	<b>Fertiglobe plc</b> A free zone public company limited by shares incorporated in the ADGM pursuant to the Companies Regulations
<b>Primary objects of the Company:</b>	The objectives of the Company are as follows: <ul style="list-style-type: none"><li>- to produce urea, ammonia and other gas-based fertilizers (but not phosphatic fertilizers) for export and distribution; and</li><li>- any new lines of business entered into by the Company in accordance with the Company's Articles of Association.</li></ul>
<b>Head office:</b>	Unit 1, 20 <sup>th</sup> Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, United Arab Emirates.
<b>Branches:</b>	None
<b>Details of trade register and date of engaging in the activity:</b>	License No. 000001911; 23 December 2018
<b>Term of the Company:</b>	Not applicable.
<b>Financial year:</b>	1 January to 31 December.
<b>Major banks dealing with the Company:</b>	<ul style="list-style-type: none"><li>• HSBC Bank Middle East Limited</li><li>• Mashreq LLC</li><li>• Emirates NBD PJSC</li><li>• Citibank</li><li>• Arab Bank plc</li><li>• Rabobank</li><li>• First Abu Dhabi Bank PJSC</li><li>• Bank Exterior de Algerie</li><li>• Standard Chartered bank</li><li>• National Bank of Egypt</li><li>• Banque Misr</li><li>• Commercial International Bank</li><li>• Audi Bank</li></ul>

**Details of current Board Members:**

Name	Date of Birth	Nationality	Capacity
H.E. Dr. Sultan Ahmed Al Jaber	31/08/1973	United Arab Emirates	Chairperson (Independent Member)
Mr. Nassef Sawiris	19/01/1961	Belgium, Egypt, United Arab Emirates	Executive Vice-Chairperson
Mr. Ahmed El-Hoshy	05/02/1984	Egypt, United States of America	Director
Mr. Bartholomeus Petrus Voet	08/10/1965	Netherlands	Director
Mr. Charles David Welch	25/12/1953	United States of America	Director (Independent Member)
Mr. Guy Jan J Moeyens	16/05/1965	Belgium	Director (Independent Member)
Mr. Hassan Hossam Hassan Badrawi	23/10/1976	Egypt, United Kingdom	Director
Mr. Khaled Salmeen	01/01/1973	United Arab Emirates	Director (Independent Member)
Mr. Mohamed Saif Ali Abed Alaryani	01/03/1991	United Arab Emirates	Director (Independent Member)
Mr. Philippe Ryckaert	19/09/1982	Belgium, United Kingdom	Director
Mrs. Wafa Ibrahim Ali Mohamed Alhammedi	17/07/1973	United Arab Emirates	Director (Independent Member)

H.E. Dr. Sultan Ahmed Al Jaber holds a number of positions on the boards of directors of several joint stock companies in the state. Mr. Khaled Salmeen is a member of the board of directors of (i) Abu Dhabi Marine Business and Services Company PJSC, (ii) Abu Dhabi Oil Refining Company (Takreer) and (iii) Abu Dhabi National Oil Company for Distribution PJSC, a public joint stock company listed on the ADX. Mr. Mohamed Saif Ali Abed Alaryani is a member of the board of directors of ADNOC Drilling Company PJSC. Mr. Guy Moeyens is a member of the board of directors of Abu Dhabi Oil Refining Company (Takreer). None of the other board members hold any memberships in the boards of directors of any joint stock companies in the state.

No bankruptcy ruling or a bankruptcy arrangement was issued against any member of the board of directors or members of the senior management of the Company.

None of the members of the board of directors or the senior management and their first-degree relatives own any shares in the Company.

**Summary of the remuneration of the board of directors and senior management team**

The board of directors did not receive remuneration from the Company in 2020. The total annual amount which was paid to the senior management of the Company for the year ended 31 December 2020 was USD 1,046,486.

While the Company does not have a long-term incentive plan for the Board of Directors or senior executives, it may in the future implement one. It is currently contemplated that any such plan will provide for compensation in cash only.

## 2. BUSINESS DESCRIPTION:

*Investors should read this section in conjunction with the more detailed information contained elsewhere in this Prospectus including the financial and other information. Where stated, financial information in this section has been extracted from the Company's Financial Statements.*

### Overview

We are the world's largest seaborne exporter of urea and ammonia combined, the largest nitrogen fertilizer producer in the MENA region, and an early mover in clean ammonia, as at the date of this Prospectus. As a leading nitrogen fertilizer producer and distributor, we are committed to our purpose of responsibly supporting sustainable agriculture. We provide an effective and environmentally sound source of nitrogen, the essential nutrient for crop growth, to our customers around the world.

Our portfolio of products comprises ammonia (which is used both as a building block for other fertilizer products and sold to industrial and agricultural customers), urea for agricultural and industrial customers, and DEF, which is also known as AdBlue in Europe and marketed as AdGreen by FERTIL, for industrial customers. Additional potential futures uses of ammonia are currently emerging as part of the nascent clean hydrogen economy, where blue and green ammonia could serve as an efficient energy carrier or as a clean fuel.

We operate a diverse regional footprint of four world-class production facilities in three countries, comprised of EFC and EBIC in Egypt, Sorfert in Algeria, and FERTIL in the UAE. Fertiglobe's decision making is centralized through a strong leadership team headquartered in Abu Dhabi, which allows the Company to optimize operational and commercial processes to deliver efficiencies across the board. We are committed to operational and commercial excellence, with a detailed efficiency enhancement strategy focused on safety, plant reliability and integrity, and cash flow optimization.

Our state of the art asset base is favorably positioned in the first quartile of the global cost curve due to industry leading energy efficiencies, access to low cost natural gas, which is the feedstock required in the production of all our products, reduced freight costs due to our favorable locations near key markets and proximity to ports with direct access to key export facilities and own storage infrastructure. In addition, our North African assets benefit from duty free access to Europe and Argentina. Furthermore our asset base is the newest, on average, compared with most of our global peers, with approximately 50% of our combined urea and ammonia Production Capacity and 53% of our gross ammonia Production Capacity being under 10 years old as at June 2021. By comparison, nearly 80% of the world's ammonia plants were at least 20 years old as at 31 December 2020.

Our production and marketing of own-produced volumes, which represented USD 1,385.2 million (89.3%) of revenues and USD 1,054.8 million (83.7%) of revenues in the year ended 31 December 2020 and the six months ended 30 June 2021, respectively, are ammonia and urea. The primary customers of ammonia are industrial chemical producers, fertilizer producers and farmers for direct crop application. Urea is a white crystalline solid that is the most widely used fertilizer. It is also used to produce other nitrogen fertilizers and industrial chemicals. The primary customers of urea are farmers, nitrogen fertilizer producers, and industrial chemicals producers.

Our third-party trading, which represented USD 165.6 million (10.7%) of revenues and USD 205.2 million (16.3%) of revenues in the year ended 31 December 2020 and the six months ended 30 June 2021, respectively, are ammonia and urea purchased from external parties and resold by Fertiglobe. Our third-party trading activities complement our own-produced nitrogen fertilizer sales, allowing us to strategically grow our presence in key deficit markets, mitigate the effects of regional demand seasonality and maximize freight advantages across locations and product mix.

As of the date of this Prospectus, our MPC was approximately 4.5 million metric tons of ammonia (of which approximately 2.9 million metric tons are used in our downstream production processes), 5.1 million metric tons of urea, and the optionality to produce 0.5 million metric tons of DEF.

Plant	Country	Ammonia gross	Ammonia net	Urea	DEF	Total <sup>(1)</sup>
('000 metric tons)						
EFC	Egypt	876	–	1,714	350	1,714
EBIC	Egypt	748	748	–	–	748
Sorfert	Algeria	1,629	826	1,259	–	2,086
FERTIL	UAE	1,205	–	2,117	100	2,117
<b>Total run-rate capacities</b>		<b>4,458</b>	<b>1,575</b>	<b>5,090</b>	<b>450</b>	<b>6,665</b>

(1) Excludes DEF

We also operate a centrally coordinated global sales and marketing strategy, comprised of FDL, Fertiglobe France SAS, OFT and OFTS, which distributes our products as well as third party ammonia and urea through a global distribution network with branches, agents and strategic partnerships around the world, allowing us to reach a diverse customer base across approximately 34 countries as of 30 June 2021. Our global supply chain organization allows us to efficiently reach our customers by multiple modes of transportation, including trucks, barges, and ships.

We have developed strong logistical and distribution advantages as a result of the strategic locations of our production plants, which are situated in close proximity to high demand regions. Our unique global distribution network with a physical presence in seven countries, servicing 34 markets across all key regions, provides us with deep market insights which allows us to optimize netback prices (which is the price achieved after deducting any applicable transportation costs incurred), by directing volumes to the most profitable destinations. Our production facilities benefit from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arabian Gulf. This strategic positioning allows us to easily access the major end-markets for our products (Europe, South Asia, Australia, East Africa and Latin America), and to improve volumes routing East and West of the Suez Canal, creating significant freight improvements and synergy potential. The platform also has a significant competitive advantage given it can export from North Africa into Europe on a duty-free basis. Our commercial activities are supported by robust inland storage and distribution infrastructure, including over 750 thousand metric tons of owned and leased warehousing capacity across our locations, efficient multi-modal on-site loading and logistics operations, and two chartered ammonia vessels. Our well placed geographic network contributes to our favorable positioning on the global cost curve for fertilizers, and our complementary production and distribution locations bring geographic diversity and enhanced market access, benefitting both existing and new customers.

For the six months ended 30 June 2021 and the year ended 31 December 2020, we had revenues of USD 1,260.0 million and USD 1,550.8 million, respectively, a consolidated profit for the period of USD 316.6 million and USD 127.1 million, respectively, and Adjusted EBITDA of USD 532.2 million and USD 453.3 million, respectively. In addition, we had total assets of USD 4,996.5 million as of 30 June 2021.

As at the date of this Prospectus, 58% of our total issued share capital is indirectly held by OCI (through the OCI Shareholder) and 42% of our total issued share capital is indirectly held by ADNOC (through the ADNOC Shareholder). In March 2019, OCI contributed its nitrogen fertilizer production assets in Egypt and Algeria, and distribution assets in the UAE to the Company. Fertiglobe in its current form was created on 30 September 2019, when ADNOC completed a transaction whereby it contributed its UAE nitrogen fertilizers businesses to the Company to form a strategic partnership and nitrogen fertilizer products platform with OCI. Following the contribution of the respective MENA nitrogen fertilizer products businesses of OCI and ADNOC to Fertiglobe, we became the largest export-focused nitrogen fertilizer platform globally, and the largest producer of nitrogen fertilizers in the MENA region with a production capacity of 6.6 million tons per annum of urea and sellable ammonia.

OCI is the leading global producer and distributor of nitrogen products and methanol and is headquartered in the Netherlands. OCI's shares are listed on Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V., under the symbol "OCI."

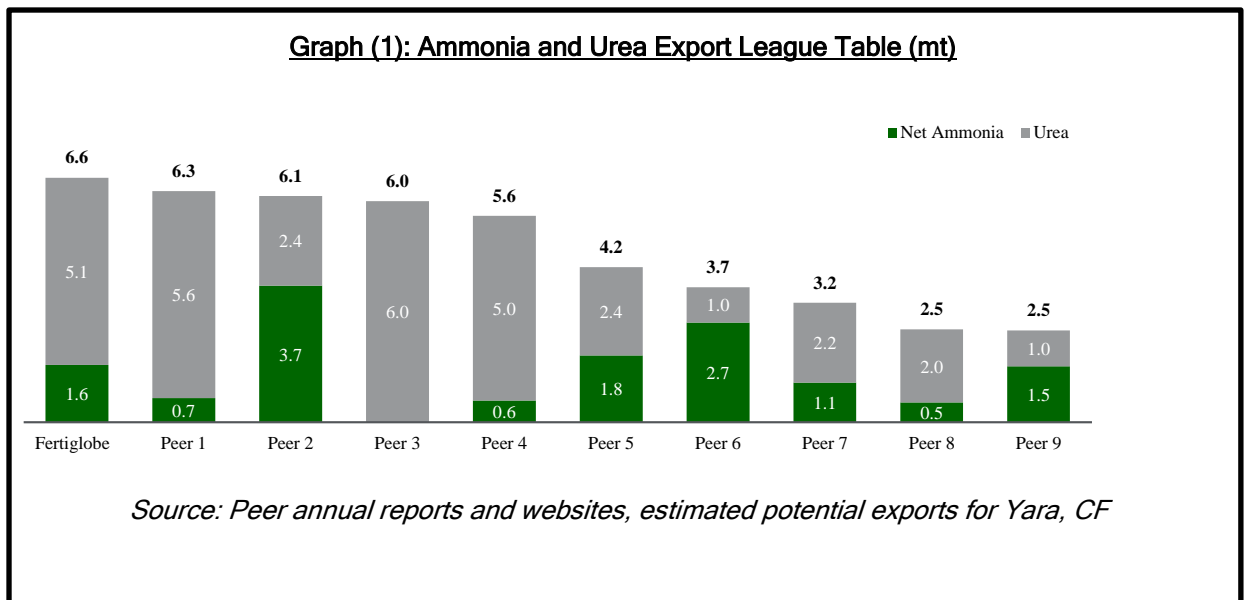
ADNOC, owned by the Emirate of Abu Dhabi, is one of the largest integrated energy companies globally that operates across the hydrocarbon value chain, including exploration, production, storage, refining, petrochemicals, marketing and distribution. ADNOC was formed by the Emirate of Abu Dhabi in 1971 to manage crude oil exploration, production and distribution in Abu Dhabi, developing Abu Dhabi into one of the world's leading oil producers and fuelling the growth of Abu Dhabi and the UAE.

OCI demerged its engineering and construction business in March 2015 (the "Demerger"), with the ultimate parent company holding the demerged engineering and construction activities, OC, becoming listed on the Egyptian Exchange and Nasdaq Dubai. See "*Related Party Transactions – OCI S.A.E. – Demerger Conditional Sale Agreement*".

**Our strengths**

***Largest seaborne exporter of urea and ammonia combined globally***

We are currently the world's largest seaborne exporter of urea and ammonia combined and the largest nitrogen fertilizer producer in MENA by Production Capacity, benefitting from geographic diversity and broad market access. As of 30 June 2021, our merchant ammonia and urea capacity represents approximately 10% of combined ammonia and urea global seaborne exports.



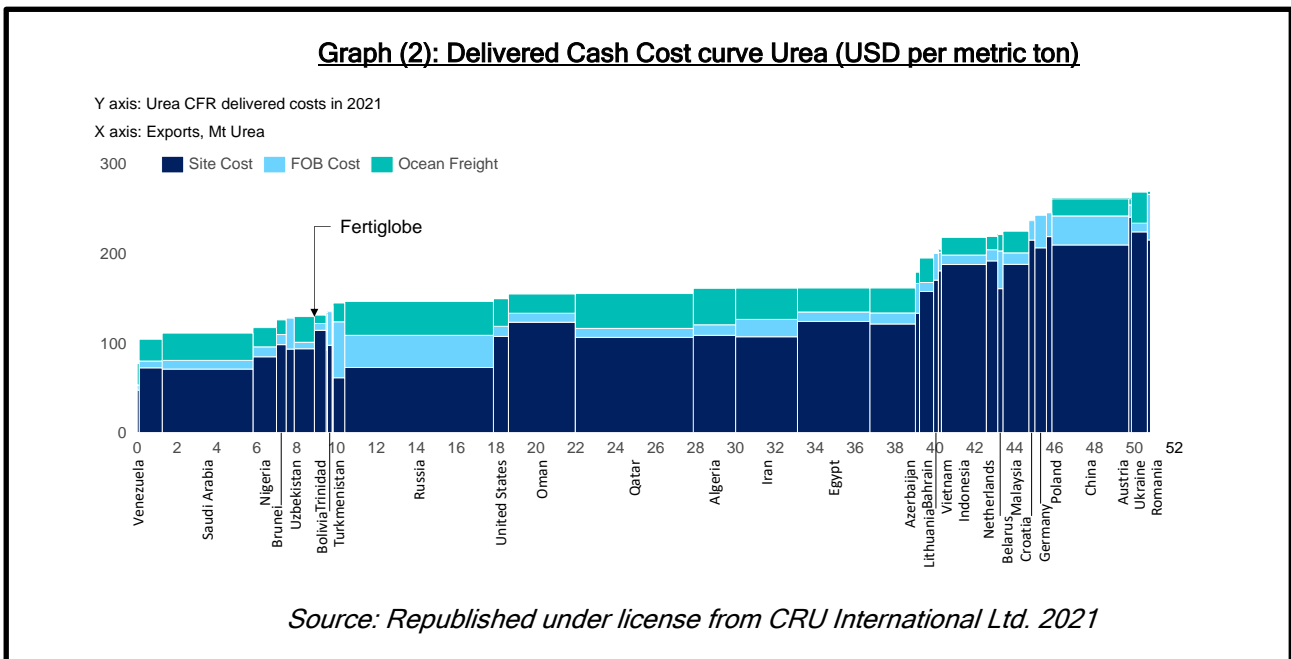
*Industries and Nutrien, CRU and Argus capacity tables*  
*Notes: Includes ammonia and urea only (excludes nitrates)*

Fertiglobe benefits from significant economies of scale. Our scale and global reach enable us to service large-sized orders, e.g. Government tenders, where smaller players may lack the required volumes to fulfil the demand.

***Attractive first quartile cost curve position***

Our production footprint in natural gas-rich geographies, underpinned by secure long-term competitive supply contracts, allow us to occupy favorable positions on the global cost curves in both ammonia and urea. Access to abundant and low-cost natural gas is imperative for any nitrogen fertilizer producer to maintain its cost competitiveness globally. As a first mover in our markets, we were able to secure long-term, competitive natural gas supply contracts in Algeria, Egypt, and the UAE.

Our non-feedstock operating costs are also lower in comparison to our global peers as a result of our production efficiencies, proximity to key infrastructure and low-cost North African operations whose non-feedstock costs are denominated in local currencies.



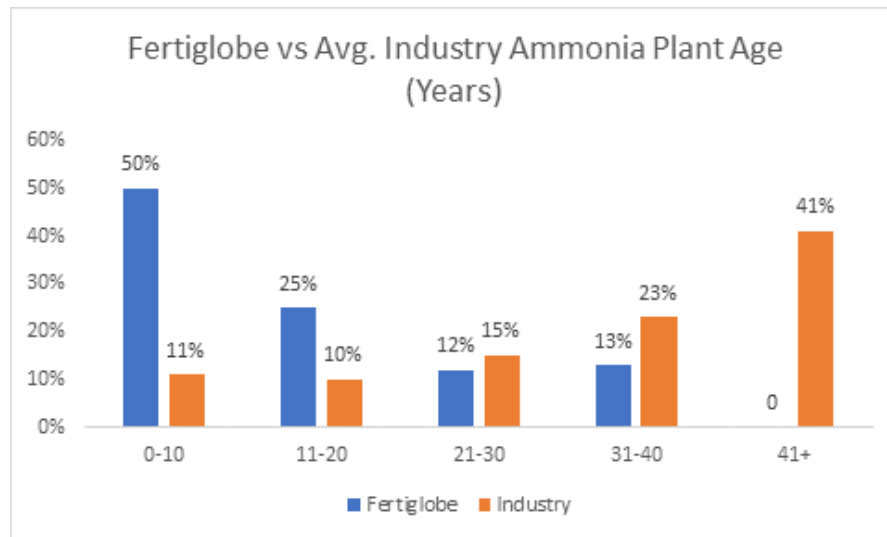
***State of the art, young asset base***

We have a state of the art asset base. Our facilities use the best available global technology and we have continuously invested in constructing, improving and maintaining our facilities at state of the art levels. Approximately 50% of our combined urea and ammonia Production Capacity is under 10 years old. By comparison, nearly 80% of the world’s ammonia plants are at least 20 years old.

The following chart illustrates the age range of our combined urea and ammonia Production Capacity.



**Graph (3): Fertiglobe vs Average Industry Ammonia Plant Age (Years)**



*Source: Based on the information available to Phillip Townsend Associates, Inc. (PTAI) for a sample size of 142 worldwide operational plants as of 31 December 2020. Fertiglobe data is based on Production Capacity weighted by age. The industry data is based on a simple average and not weighted by capacity.*

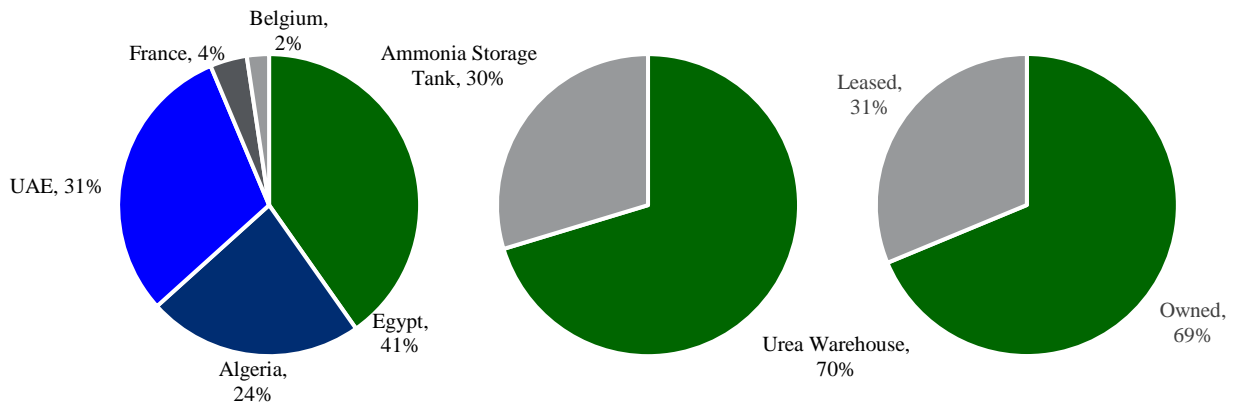
***Combination of strategically located asset base and global storage and distribution capabilities with extensive reach to all global markets from advantageous freight locations***

Our export-focused production facilities benefit from direct access to six key ports and distribution hubs by the Mediterranean Sea, Red Sea, and the Arabian Gulf. This strategic positioning allows us to easily access the major end-markets for our products (Europe, South Asia, Australia, East Africa, Latin America and the Far East), and to optimize volumes routing East and West of the Suez Canal, creating significant freight optimization and synergies.

We believe that our platform also has a significant competitive advantage compared to other exporters, such as those based in Russia, given it can export from North Africa into Europe on a duty-free basis. In addition, our North African assets benefit from significant freight cost advantages to Europe and reduced transportation times allowing for flexibility in logistics and higher netbacks.

Our commercial activities are supported by robust inland storage and distribution infrastructure, including over 750 thousand metric tons of owned and leased warehousing capacity across our locations, efficient multi-modal on-site loading and logistics operations, and two chartered ammonia vessels.

**Graph (4): Fertiglobe Storage Capacity Split per Country, Facility Type and Ownership (%)**

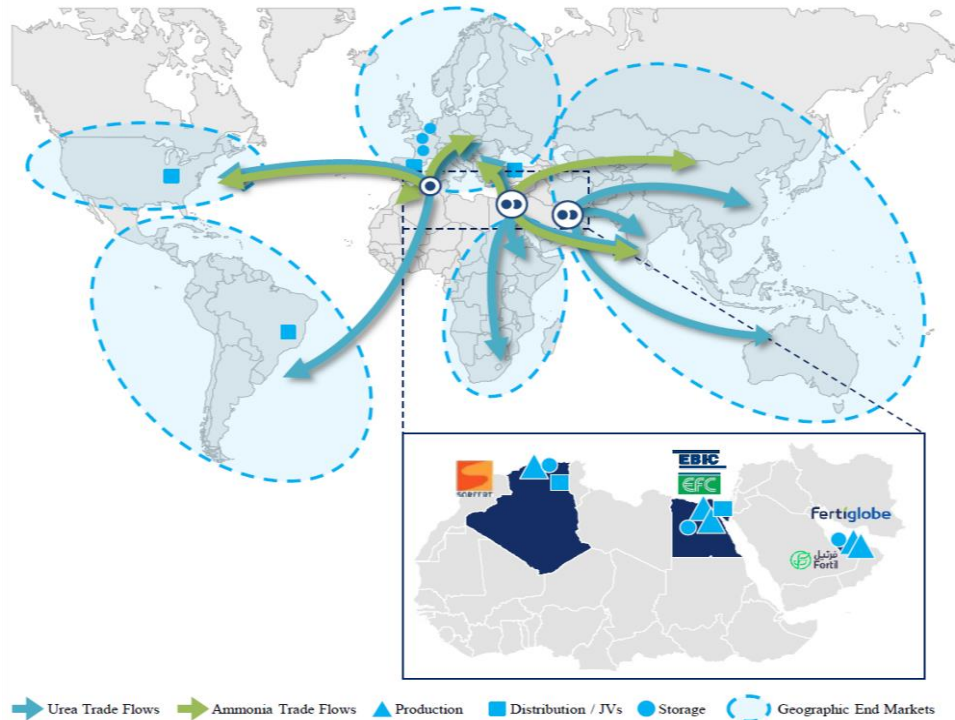


Source: Company information

Notes: Total storage capacity of 758 (in thousand metric tons), as of 31 December 2020

Our well-placed geographic network contributes to our favorable positioning on the global cost curve for fertilizers, and our complementary production and distribution locations bring geographic diversity and enhanced market access, benefitting both existing and new customers.

**Graph (5): Fertiglobe Trade Flow Map**

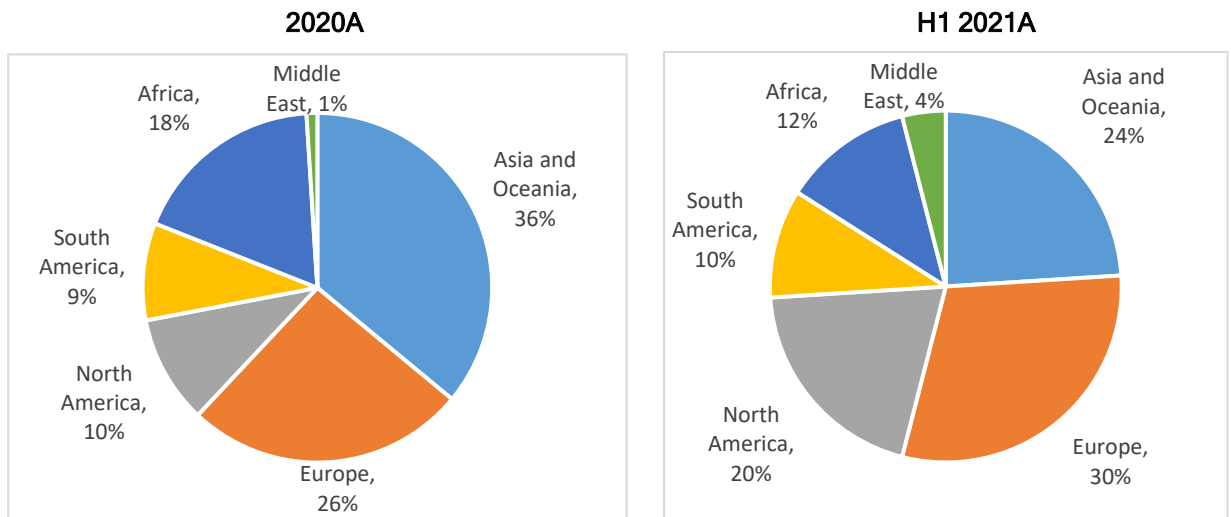


Source: Company information

In the year ended 31 December 2020, we sold our products to customers located in approximately 34 different countries. For the year ended 31 December 2020, 26% of

our revenues were from customers in India, 9% from Australia, 9% from Spain, 8% from Ethiopia, and 7% from the USA, representing the five countries with the largest individual share, contributing 59% of total revenues. In the six months ended 30 June 2021, 16% of our revenues were from customers in the USA, 12% from Australia, 9% from Spain, 10% from India, and 6% from Ethiopia, representing the five countries with the largest individual share, contributing 53% of total revenues. In 2020, circa 95% of our sales were in euros or U.S. dollars, thereby limiting our exposure to currency fluctuations in the Algerian dinar and the Egyptian pound.

**Graph (6): Revenue Split per Region (%)**



Source: Company information

**Early mover advantage in blue and green ammonia**

Management believes that Fertiglobe, as a pure play nitrogen and clean ammonia company, is well positioned to benefit from a potential paradigm shift in the industry and play a role in the clean hydrogen value chain. We are the largest seaborne exporter of nitrogen fertilizers globally and benefit from comprehensive access to critical ammonia production and trading infrastructure, with net ammonia production capacity of 1.5 mtpa, a network of 19 warehouses and storage tanks, direct access to ports and jetties from our production facilities, and two chartered ammonia vessels. Our plants and storage tanks are also located in close proximity to the busiest global shipping routes from the Far East to Europe.

We are currently evaluating various strategic options for the production of blue and green ammonia, including a small-scale pilot blue ammonia production plant at our FERTIL production facility (“Fertil Pilot”) and a small-scale pilot green ammonia production plant at our EBIC production facility.

In addition to the Fertil Pilot, we are currently evaluating our participation in Project Harvest. The project, which is currently in the initial front end engineering (pre-FEED) phase, is a low carbon 1mtpa ammonia project in Abu Dhabi in partnership with ADNOC, and Abu Dhabi Developmental Holding Company PJSC, which would receive low carbon hydrogen as a byproduct offtake from ADNOC and use it to produce ammonia. The low carbon hydrogen would be produced at ADNOC’s industrial operations in Ruwais. Project Harvest could enable Fertiglobe’s entrance to the low carbon ammonia market in a relatively short time frame with relatively limited upfront capital investment.

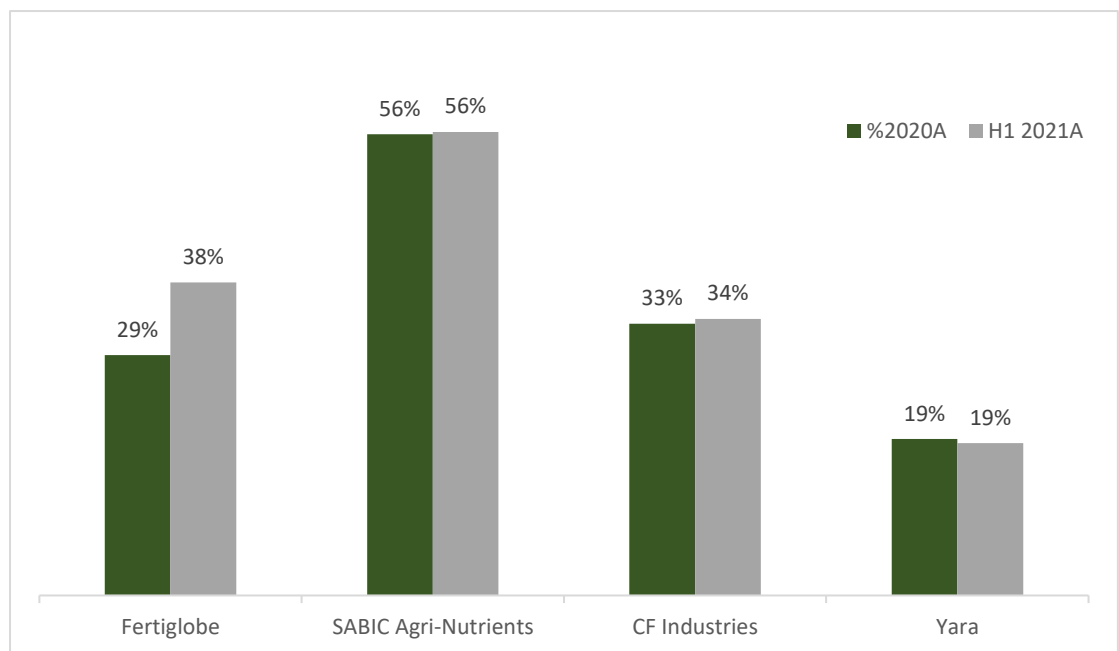
**Attractive financial profile with low maintenance capex requirements and strong cash generation**

We have an attractive financial profile with cash flow from operating activities of USD 520.8 million and USD 482.0 million, respectively, for the year ended 31 December

2020 and for the six months ended 30 June 2021, and Adjusted EBITDA margins of 29.2% and 42.2%, respectively, for the year ended 31 December 2020 and for the six months ended 30 June 2021.

Our ability to generate free cash flow is supported by (i) our low capital expenditure, which for the year ended 31 December 2020 was USD 67.1 million and for the six months ended 30 June 2021 was USD 13.6 million, (ii) our low effective tax rates in countries in which we operate (in the UAE, Fertil is currently subject to a corporate income tax rate of 25%, Sorfert in Algeria is subject to a corporate income tax rate of 19% on taxable profits realized on its domestic sales, EFC in Egypt is subject to a corporate income tax rate of 22.5%, EBIC in Egypt is not subject to a corporate income tax under the free zone regime), (iii) our organic EBITDA growth, and (iv) our capital discipline. Our strong operational and commercial position generally allows us to generate cash in most of the pricing environments and points in the cycle.

**Graph (7): EBITDA Margin Benchmarking (%. 2020A and H1 2021A)**



*Source: Company information and public filings*

***Significant non-GDP growth levers***

We are planning to expand our downstream business to enhance netback prices and tap incremental third-party volumes, to increase our share of products placed on the merchant market. We will leverage our existing ammonia distribution business to establish arrangements with new ammonia users. This roadmap also comprises strategic investments in warehousing capabilities and other downstream infrastructure, as well as potential bolt-on acquisitions.

***Supported by strong shareholders, and multiple strategic partnerships***

The Company was formed as a strategic partnership between OCI and ADNOC in 2019 and has benefitted from the support of both shareholders since. We can leverage logistics access to the North American market through N-7, a 50/50 marketing joint venture between OCI and Dakota Gasification Company (DGC),

which markets and distributes more than 3.8 million metric tons of nitrogen products per year, including offtake of Dyno Nobel's products. Furthermore our strong nexus with our shareholders is expected to enhance our ability to continue to grow the Company's opportunity set, including in the clean ammonia space as ammonia develops into a key enabler of the hydrogen economy over the medium and long term.

### **Our strategies**

#### ***Continue developing our global commercial strategy by capitalizing on our market reach and strategic locations***

Our state of the art and geographically advantageous footprint facilitates a global approach for our commercial strategy, which allows us to align our sales and marketing activities to leverage logistical advantages through our global distribution network and cultivate customer relationships to deliver strong netback prices. Our coordinated global sales and marketing organization is supported by strong distribution and logistics capabilities, thereby allowing us to reach customers around the world while seeking to maximize returns. We intend to accelerate our global commercial expansion by increasing our sales and marketing platform's physical presence by establishing new strategically positioned offices and distribution partnerships, increasing our physical presence from 7 markets today to 16 by 2025, with a focus on Brazil, Argentina, Mexico, East Africa, South Africa, Australia, China and Singapore. We are concentrating our expansion on higher growth / emerging countries both east and west of the Suez Canal, a global approach that is enabled by our asset and production footprint in the Middle East and North Africa, and differentiates us from competitors either focused on Asia or the Americas only. We also intend to grow our third party traded volumes by leveraging our existing distribution businesses to better place merchant ammonia and urea volumes globally and achieve higher netbacks.

#### ***Leverage existing ammonia production capabilities and logistics infrastructure to capitalize on the global shift to blue and green ammonia***

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

#### ***Capitalize on favorable positioning to grow our product portfolio through strategic market and geographic expansion***

Our current production portfolio comprises four assets in Egypt, Algeria, and the UAE with a distribution reach exceeding 34 countries. Our products are nitrogen-based fertilizers, namely ammonia and urea, which are core fertilizers applied to crops and represent 57% of a crop's annual nutrient requirements. We believe that declining arable land, combined with a growing global population and more sophisticated global dietary requirements will result in sustained nitrogen-based fertilizer demand for the foreseeable future. We also believe that there is potential for additional growth in fertilizer demand as farmers in agricultural markets, and in particular developing markets such as sub-Saharan Africa, begin to increase their fertilizer usage to maximize crop yields.

#### ***Maximize cash flow generation by decreasing controllable costs through our operational excellence program***

In addition to generating strong free cash flows by maximizing netbacks, we have launched an Operational Excellence program focused on maximizing asset reliability and energy efficiency, optimizing capital expenditure, and strictly reviewing controllable costs. The program leverages existing expertise across our platform to share best practices, provide in-house technical support, and cooperate on

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

***Maintain industry- leading HSE performance***

We are committed to providing a safe and healthy workplace by implementing the highest international safety standards to avoid any potential risks to people, communities, assets or the environment. We continuously train all employees to implement the best sustainable practices. We believe that the health and safety of our employees is essential to the successful conduct and future growth of our business and is in the best interests of our stakeholders. We aim to maintain a strong HSE record and strive towards achieving no recordable injuries across our plants.

**Our business**

***Our products***

We are a producer of nitrogen fertilizers and DEF.

Ammonia is a colorless gas and is a building block for industrial chemicals and nitrogen fertilizers and can be applied as a direct fertilizer. Ammonia is the highest energy density non-hydrocarbon product. The principal raw material used in the production of ammonia is natural gas, which we purchase through long-term supply contracts. For the year ended 31 December 2020 and the six months ended 30 June 2021, we sold 1.03 million metric tons of ammonia and 0.8 million metric tons of ammonia, respectively.

Granular urea is a white crystalline solid fertilizer with a nitrogen content of approximately 46% and is produced by reacting ammonia with carbon dioxide. Its high nitrogen content and straightforward handling and transportation make it the most traded nitrogen fertilizer in the world by volume. For the year ended 31 December 2020 and the six months ended 30 June 2021, we sold 5.13 million metric tons of urea and 2.67 million metric tons of urea, respectively.

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

***Our production capacities***

Our Production Capacity refers to each production unit’s MPC, which is calculated by annualizing the proven production of a production unit’s best achieved month. The table below lists our MPCs for each product line at each plant, as of 30 June 2021.

Maximum proven capacities <sup>(1)</sup> (’000 metric tons) Plant	Country	Ownership <sup>(2)</sup>	Ammonia gross	Ammonia net <sup>(3)</sup>	Urea	DEF	Total <sup>(5)</sup>
EFC	Egypt	100%	876	–	1,714	350	1,714

Maximum proven capacities <sup>(1)</sup> (‘000 metric tons) Plant	Country	Ownership <sup>(2)</sup>	Ammonia gross	Ammonia net <sup>(3)</sup>	Urea	DEF	Total <sup>(5)</sup>
EBIC	Egypt	75%	748	748	–	–	748
Sorfert	Algeria	51%	1,629	826	1,259	–	2,086
FERTIL	UAE	100% <sup>(4)</sup>	1,205	–	2,117	100	2,117
<b>Total MPC</b>			<b>4,458</b>	<b>1,575</b>	<b>5,090</b>	<b>450</b>	<b>6,665</b>

(1) Maximum proven capacities are calculated by annualizing the proven production of a production unit’s best achieved month.

(2) Total capacity is not adjusted for the Company’s ownership stakes.

(3) Net ammonia is estimated sellable capacity.

(4) See “*Material Contracts–FERTIL Trust Arrangement*” and “*Investment Risks–Risks Related to Our Business–The Company’s structure includes a trust arrangement and is therefore subject to certain additional risks*” below.

(5) Excludes DEF.

### ***Our production facilities***

Set forth below is a discussion of the plants and manufacturing, Production Capacity and our raw materials.

#### ***EFC***

EFC consists of two identical production lines capable of producing a combined 876 thousand metric tons per year of captive ammonia and 1.71 million metric tons per year of granular urea. EFC Line I was constructed and commissioned by OCI S.A.E. in 2000 and Line II was constructed and commissioned by OCI S.A.E. in 2006 in collaboration with Uhde, which supplied the state of the art proven process technology. In 2017, EFC also successfully launched a pilot program to produce DEF, which confirmed the facility’s ability to develop this product line in the future.

#### ***EBIC***

EBIC consists of one ammonia line capable of producing 748 thousand metric tons per year. EBIC was constructed and commissioned by OCI S.A.E. in 2009 and uses KBR’s latest and commercially proven KBR advanced ammonia process technology. Both EFC and EBIC enjoy tax exemptions from European and Argentinean import duties.

#### ***Sorfert***

Sorfert consists of two identical ammonia lines and a granular urea line, capable of producing a total of 1.629 million metric tons of ammonia per year and 1.26 million metric tons of granular urea per year. OCI S.A.E. constructed and commissioned the plant in 2013 in partnership with Uhde, which supplied the state of the art proven process technology. Sorfert’s low position on the global cost curve for fertilizer producers is aided by Sorfert’s exemption from Algerian corporate tax and its exemption from European and U.S. import duties.

#### ***FERTIL***

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

### ***Our raw materials***

Natural gas is the primary raw material to produce all our products. Each facility sources its natural gas from the national grid through long-term natural gas supply contracts with the respective governments or national oil companies of the UAE,

Egypt and Algeria, which contracts provide for the provision of annual volumes in excess of our requirements. See “*Material Contracts–Natural gas contracts*” below and “*Investment Risks – Risks Related to Our Business – Our operations are dependent upon raw materials provided by third parties, and any delay or interruption in the delivery or increased costs may adversely affect our business.*”

### ***Trading and Customers***

Our customers are located in Europe, South Asia, Australia, East Africa, and South America and comprise a diverse customer base, which tends to include governments, wholesalers, traders, the local market and retailers for urea, and industrial customers for ammonia. In addition, the Group is committed to supply its local agricultural markets - namely in Egypt, the UAE, and Algeria - with modest quantities of urea with urea representing in aggregate approximately 5% of its total sales volumes as of 31 December 2020, with annual quantities and pricing required to be agreed with the respective agricultural and/or energy ministries annually.

### ***Distribution and Logistics***

Centrally coordinated out of Abu Dhabi, our strategically developed global distribution network includes branches, agents, and strategic partnerships across Europe, Australia, Africa, Asia, and the Americas, which allows us to effectively reach a diverse customer base across 34 countries in 2020 and provides us with deep market insights given our extensive reach. Our distribution partnerships and alliances with nitrogen and other fertilizer producers and domestic importers have enabled us to capture incremental supply chain margins by deepening our reach further into each market and bringing us closer to the end user.

Our commercial activities are supported by robust inland storage and distribution infrastructure, including over 485 thousand metric tons of owned or leased warehousing capacity for urea and 225 thousand metric tons of owned or leased warehousing capacity for ammonia, across our locations, and efficient multi-modal on-site loading and logistics operations. This provides us with significant flexibility to direct products to fulfil customer demand from the most profitable location in our network. The following table sets forth our inland storage capacity as of 30 June 2021:

<b>Location</b>	<b>Product</b>	<b>Facility type</b>	<b>Approx. capacity (thousand tons)</b>	<b>storage metric</b>	<b>Owned or leased</b>
Egypt	Urea	Warehouse	70		Owned
Egypt	Urea	Warehouse	70		Leased
Egypt	Urea	Warehouse	55		Leased
Egypt	Ammonia	Storage Tank	15		Owned
Egypt	Ammonia	Storage Tank	15		Owned
Egypt	Ammonia	Storage Tank	40		Owned
Egypt	Ammonia	Storage Tank	40		Owned
Algeria	Urea	Warehouse	100		Owned
Algeria	Ammonia	Storage Tank	15		Owned
Algeria	Ammonia	Storage Tank	30		Leased
Algeria	Ammonia	Storage Tank	30		Leased
UAE	Ammonia	Storage Tank	20		Owned
UAE	Ammonia	Storage Tank	20		Owned
UAE	Urea	Warehouse	45		Owned
UAE	Urea	Warehouse	45		Owned
UAE	Urea	Warehouse	100		Owned

Our global distribution network also benefits from a dedicated in-house chartering and logistics operations team, who centrally coordinate our 600 thousand metric ton annual freight capacity for liquid ammonia. The team operates our leased vessels with



the capacity to add more vessels to meet business needs, in addition to managing freight movements and storage and distribution modality for 4.7 million tons of urea in dry bulk vessels, with structure and capacity to grow.

In addition to our on-site and at-port owned and leased storage capacity, we are able to leverage over 264 thousand metric tons of leased urea warehousing capacity at destination through direct leases or through strategic partnerships across Europe, Australia, Africa, Asia and the Americas. This allows us to quickly adapt our deliveries and volume allocations in response to changes in market dynamics. The following table sets forth our storage capacity at destination (including our strategic partners) as of 30 June 2021:

Location	Strategic Partner or Group	Product	Facility type	Approx. storage capacity (thousand metric tons)	Owned or leased
Ghent, Belgium	Group	Urea	Warehouse	18	Leased
Bordeaux, France	Group	Urea	Warehouse	15	Leased
La Pallice, France	Group	Urea	Warehouse	15	Leased
Spain	Strategic Partner	Urea	Warehouse	113	Leased
United States of America	Strategic Partner	Urea	Warehouse	50	Leased
Australia	Strategic Partner	Urea	Warehouse	40	Leased
South Africa	Strategic Partner	Urea	Warehouse	13	Leased

## ESG Initiatives

### Overview

We are committed to ESG principles, with environmental, social and governance matters fully integrated into our strategic objectives. As a leading nitrogen fertilizer producer and distributor, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, supply chains, and communities. We are committed to our purpose of cultivating a sustainable world and believe our products are essential to achieving global food security. We have aligned our strategic priorities to create sustainable value for all our stakeholders—our customers, our employees, our communities, and our shareholders—and develop a greener future for the world. We continue to make significant progress towards strengthening our ESG policies and practices.

Going forward, we will continue to work diligently to identify, evaluate and develop sustainability initiatives that reduce our environmental impact, grow our green portfolio and innovate more effective ways of reaching the world's carbon neutral goals, whilst also adopting a disciplined investment strategy. We currently conduct or are involved in evaluating a number of projects, including:

- **DEF:** DEF is a urea solution that can be injected into SCR systems to lower harmful vehicle exhaust emissions from diesel engines. DEF demand growth in the U.S. and Europe over the next decade is mainly supported by replacement of older non-SCR-equipped vehicles and increased dosing rates in newer generation diesel engines. Both EFC and FERTIL have installed proven DEF production technologies. FERTIL produces a small amount of DEF to serve local demand, and both facilities can quickly ramp up production as the DEF market develops.

- **Lower carbon fertilizers:** We are well positioned to add inhibitors and/or slow-release to urea in order to better position our product in Europe given emerging regulatory changes to straight urea application, increase nutrient use efficiency and support farmers with better yields and farming operations, and reduce farmland GHG emissions related to fertilizer application.
- **Blue and green ammonia:** With 4.5 million metric tons of gross ammonia capacity, we are also well-positioned to develop blue and green ammonia capabilities and have developed two pilot projects at FERTIL and EBIC to establish proof of concept. At FERTIL, we are evaluating options to produce blue ammonia beginning with a small-scale pilot that can be scaled up over the next two to three years. At EBIC, we have launched a feasibility study to assess our green ammonia production optionality and are scaling up our renewable energy purchases in the medium term.

## Industry Overview

*Generally, the market information presented in this section is taken directly or derived from the cited sources. Market data is inherently forward-looking and subject to uncertainty, and does not necessarily reflect actual market conditions. It is based on market research, which itself is based on sampling and subjective judgments by both the researchers and respondents, including judgments about what types of products and competitors should be included in the relevant market. In addition, certain statements below are based on our own information, insights, subjective opinions or internal estimates, and not on any third party or independent source; these statements contain words such as “we estimate,” “we expect,” “we believe” or “in our view,” and as such do not purport to cite to or summarize any third party or independent source and should not be so read.*

## Overview

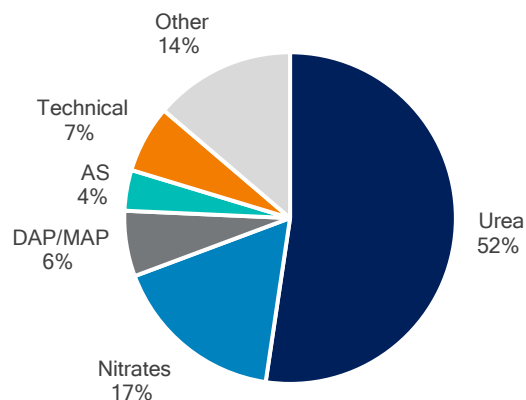
Our portfolio of products comprises ammonia with the following uses:

- directly as a fertilizer;
- as a building block for other fertilizer products and industrial chemicals;
- on the future as a potential fuel;
- urea for agricultural and industrial customers; and
- DEF for industrial customers.

## ***Nitrogen Fertilizers***

Fertilizers are solid, liquid or gaseous substances containing one or more of the three primary nutrients: nitrogen (N), phosphorus (P) and potassium (K). Fertilizers are applied directly to the soil and contribute to crop development and nutrition. Among the primary nutrients, nitrogen is usually the most important determinant of plant growth and crop yield. Nitrogen based fertilizers account for approximately 60% of global fertilizer consumption. The secondary nutrients, which are required for optimum crop growth, are Sulphur (S), Calcium (Ca) and Magnesium (Mg). Ammonia is the key building block for other forms of nitrogen-based fertilizers. It is produced by reacting nitrogen from the air with hydrogen from natural gas. Nitrogen based fertilizers can be classified into three broad categories: basic (ammonia, urea, ammonium nitrate, calcium ammonium nitrate, nitrogen solutions, and ammonium sulphate), multi nutrient (NPK, MAP, DAP) and specialty (calcium nitrate, potassium nitrate). The chart below shows the 2021 breakdown of nitrogen based fertilizers by volume.

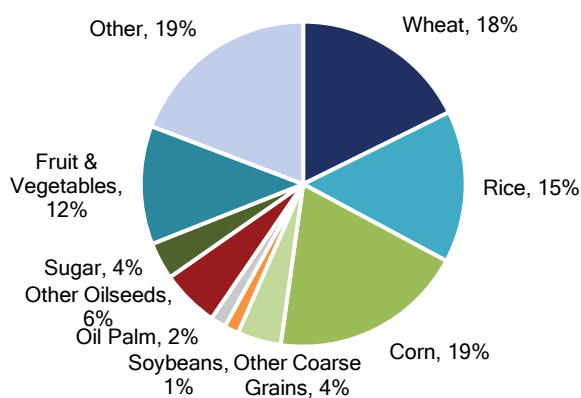
## **2021 Breakdown of nitrogen-based fertilizers**



Source: Republished under license from CRU International Ltd–2021

As shown in the chart below, wheat, rice and corn together account for approximately 52% of global nitrogen-based fertilizer crop applications in 2020.

### 2020 Global nitrogen-based fertilizers use by crop



Source: Republished under license from CRU International Ltd–2020

### ***Industrial and fuel applications***

Industrial and fuel applications also impact global nitrogen consumption significantly, driven by both growth in the use in ammonia as a chemical feedstock in applications such as resins, paints or plastics, and by environmental regulation.

In particular, solutions lowering diesel exhaust emissions such as DEF benefit from tightening environmental regulation of diesel given its implication on pollution levels. Production of biofuels accounts for approximately 3% of global nitrogen consumption.

The transition to a hydrogen economy and the use of ammonia as a marine fuel are also expected to boost future demand growth substantially.

### **Ammonia**

Ammonia is produced under high temperature and pressure, from the combination of nitrogen (82%) and hydrogen (present in natural gas). It is currently used as a standalone fertilizer, applied on the soil as a gas, which requires a specific investment from farmers in the form of pressurized storage tanks and injection machinery.

It is also a building block for other nitrogen-based fertilizers as well as industrial

chemicals. Ammonia is viewed as one of the best products to enable the hydrogen economy, and new applications such as ammonia as a marine fuel or use as a battery to store hydrogen are expected to boost future demand.

### ***Demand***

Ammonia is predominantly upgraded to other nitrogen products (urea/nitrates/DAP/MAP) and only 10% of the ammonia produced globally in 2020 was traded. Traded (merchant) ammonia market fundamentals are the primary driver for global ammonia prices.

Urea represents by far the largest downstream use of ammonia. However, as most urea plants have integrated upstream onsite ammonia production as a raw material, it is not a key driver of the merchant ammonia market. On the other hand, the ammoniated phosphates (DAP and MAP) and industrial sectors often do not have integrated ammonia facilities and instead source it externally on the merchant market.

Global ammonia consumption is estimated at 190.8 million metric tons in 2020, when demand for industrial ammonia was weak due to COVID-19, and is expected to grow by 1.4% annually from 2020 to 2025, reaching 204.9 million metric tons by 2025.

Fertiglobe primarily caters to the global merchant ammonia market. Global ammonia import demand reached its lowest levels since 2017 at 19.2 million metric tons in 2020 as offtake for downstream industrial chemicals was adversely impacted by the COVID-19 pandemic. Volumes across key importing countries declined year-on-year, with lower feedstock costs also incentivizing high-cost European ammonia producers to run at higher operating rates and lower imports.

Ammonia import demand is forecast to strongly recover in 2021 with a rebound in industrial demand and is forecast to reach 21 million metric tons in 2025 (1.8% CAGR). This is driven by downstream phosphates demand in Morocco, while increasing industrial chemical capacity in coastal areas in China and recovering industrial production rates in South Korea and Taiwan are expected to provide upside for imports of ammonia to Asia.

### ***Blue and Green Ammonia***

As part of the accelerated global shift to clean energy, hydrogen is expected to play a vital role in achieving the world's decarbonization ambitions and thus to grow significantly over the next decade. This is evidenced, for example, by Japan's commitment to de-carbonize by 2050 and build a 'hydrogen society' by around 2030.

However, the transportation of pure hydrogen is complex and expensive, given its very low boiling point and hence high energy consumption to convert it from gas to liquid.

A conversion of hydrogen to ammonia can solve these problems, as ammonia has a higher boiling point, making it more economical to store and transport. As a result, ammonia has emerged as one of the most promising products to drive the hydrogen economy and enable this energy transition as it currently represents more than 40% of global hydrogen use today.

Ammonia can serve as a hydrogen / energy carrier with a multitude of different applications. For example, ammonia can supply hydrogen for power generation plants in co-firing applications, as a battery to store hydrogen. Ammonia also has direct use as a marine fuel in a ship's combustion engine with leading ship engine manufacturers focusing on developing the technology already. Further, blue or green ammonia could help in the de-carbonization of fertilizers and hence reduce the carbon emissions of agriculture, one of the largest sources of carbon dioxide emissions globally.

These drivers are estimated to increase demand for blue and green ammonia from zero now to approximately 26 million tons in 2030 to approximately 40 million tons in 2035. Blue and green ammonia projects announced so far cover a cumulative

production capacity of 4 million tons in 2025 and 10 million tons in 2030, i.e. approximately 7-25% of total expected demand, leaving significant opportunities for early entrants in this market.

The use of ammonia as a marine fuel is particularly promising and is expected to boost future ammonia demand growth substantially. Ammonia is one of the only practical alternatives for long-distance shipping. Compared to hydrogen and LNG, ammonia is widely used and easier to store with extensive global distribution and storage infrastructure in place.

Ammonia is a carbon-free molecule and therefore burning it in an internal combustion engine leads to zero CO<sub>2</sub>.

### ***Supply***

Total global ammonia capacity is forecast to increase at a CAGR of 1.3% from 229.8 million metric tons in 2020 to 245.30 million metric tons in 2025. However, merchant ammonia capacity additions are limited over the forecast period and will be partially offset as new downstream standalone urea and phosphate facilities are starting up, absorbing available merchant ammonia. In addition, exports from Trinidad are expected to decline, and China continues capacity closures on the back of stricter environmental regulations.

Salalah Methanol is expected to commission its 0.3 million metric tons ammonia train in Oman in Q4 2021, and Ma'aden is expected to commission its 1.1 million metric tons train in Saudi Arabia in late 2022. This new capacity is likely to be subject to delays due to COVID-19 and the Ma'aden ammonia capacity will mostly be consumed downstream in ammoniated phosphates production once its phosphate capacity commissions. In 2025, at the end of the forecast period, Gulf Coast Ammonia (GCA) is expected to commission its 1.2 million metric tons train in the US. This new capacity is expected to be substantially offset by the start-up of new standalone urea plants. In 2022, two urea trains are forecast to commission at TogliattiAzot and KuibyshevAzot in Russia, and Koch Industries is adding a small brownfield capacity in the US, which will reduce merchant ammonia availability by a total of approximately 1.0 million metric tons.

### **Merchant market balance**

Merchant ammonia markets are expected to tighten substantially over the 2021-2025 period, with a net global reduction in merchant ammonia availability outside of China and increased import requirements into China. In particular the period 2021 until the end of 2024 is expected to see negligible merchant ammonia additions (a net increase of only 0.5 million metric tons), whereas merchant demand is expected to grow by 5.1 million metric tons over that same period.

### **Urea**

Urea is produced at high pressure and temperature from the reaction of ammonia and carbon dioxide. Urea is used in solid form and is highly soluble in water. Urea is used mainly as a fertilizer and the nitrogen in urea is in a form that requires it to be converted to ammonium, which is achieved by catalysis through the urease enzyme, present in many soil bacteria. Urea is also used as raw material in industrial applications such as the production of resins, as well as melamine, DEF and animal feedstock. Its high nitrogen content (approximately 46%) and straightforward handling and transportation make urea the most traded nitrogen fertilizer in the world by volume.

### ***Demand***

Fertilizer demand has been insulated from the adverse effects of COVID-19 in 2020, and demand has grown year-on-year as governments placed emphasis on ensuring food security amid the pandemic. Global urea demand reached 171.9 million metric tons in 2020 (+3.3%), with record demand from Brazil and India, two of the largest

importing countries. Demand for technical urea (i.e., non-fertilizer use), however, decreased 4.5% year-on-year as COVID-19 hampered industrial production.

Global urea demand is forecast to exceed 174 million metric tons in 2021, driven by continued growth in fertilizer demand with highly favourable agricultural market fundamentals and farmer affordability levels at decade highs. Growth in technical demand is expected to return in 2021 after COVID-19 caused declines and disruptions to industrial production last year.

### ***Fertilizer demand***

Resilient fertilizer consumption is expected in all major markets in 2021, and will represent a second consecutive year of fertilizer demand growth in China following six years of declines (2014-2019). Global fertilizer affordability is expected to remain at favourable levels over the next few years, while fertilizer prices are now beginning to move higher, it comes from a low base and nitrogen products remain cheap compared to historical levels.

A key driver of improving affordability has been a rally in crop prices, driven by higher Chinese corn imports, tightening global stocks to use ratios and robust global demand for soft commodities. Forward corn futures are around \$5/bushel for December 2022, supporting increased corn plantings in the next season as well. The soy to corn price ratio also strongly favours corn planting, benefitting US and Latin American nitrogen demand as corn is more nutrient intensive.

### ***Technical urea demand***

Key drivers for urea demand growth in industrial end uses include DEF and denitrification for thermal coal power generation. Safety regulations in China mandate on thermal power plants are expected to raise demand from this sector by more than 30% in the medium term. DEF helps reduce harmful emissions, particularly nitrous oxides, associated with diesel engines of heavy-duty trucks, light-duty vehicles and off-road machinery.

Demand from traditional industrial end uses for urea like wood resin and melamine is expected to rebound in line with industrial production growth rates in the aftermath of COVID-19. This strong rebound in industrial demand in most key markets will be supportive of prices when fertilizer demand is seasonally lower.

### ***Supply***

Around 15.0 million metric tons of urea capacity additions are scheduled outside of China between 2021 and 2025, predominantly in Nigeria, Brunei, CIS and India. Of these additions, around 4 million metric tons has already commissioned during H1 2021.

Delays in commissioning of the remaining projects is likely as the COVID-19 pandemic has delayed construction globally, and gas and port infrastructure is delayed in India and in Nigeria. Utilization rates for these projects are also expected to be slow to ramp up as is common in the industry.

Furthermore, the impact on the traded urea market from some of these new plants is expected to be limited. The new Dangote plant in Nigeria, which commissioned earlier this year, is reported to be unable to load large vessels given draft limitations at its port and will have to focus on the domestic market for the foreseeable future. New capacity in the CIS are minor brownfield additions, lowering merchant ammonia availability and destined primarily for regional growing fertilizer and technical consumption.

### ***Supply and demand balance***

The strong demand growth of over 2% per annum (or greater than 3.2 million metric tons incremental demand per annum) coupled with a slowdown in new plants

commissioning are forecast to support tightening market fundamentals. The recovery in pricing is further supported by good visibility on construction of new plants as it takes five to six years to build a new plant from concept to commissioning.

## **DEF**

DEF, also known as AUS32 or AdBlue®, is a non-hazardous aqueous urea solution consisting of 67.5% de-ionized water and 32.5% urea. DEF breaks down nitrogen oxides emissions from diesel engines into nitrogen gas and water vapor, thereby eliminating environmentally harmful emissions from cars, trucks, buses, and other heavy-duty vehicles. DEF is not injected into the engine but flows into part of the vehicle's exhaust.

On the back of strict emission standards in Europe, China, North America, Brazil, India and other Asia-Pacific countries, DEF consumption has been increasing over the past decade. In these regions, most diesel vehicles and off-highway machinery has been equipped with Selective Catalytic Reduction (“SCR”) technology, which uses DEF.

Increasing attention has been brought on diesel technology in Europe and on alternative solutions to traditional diesel. Despite the advent of hybrid and electric options, diesel still represents over 95% of new commercial vehicles and 30% of new passenger cars, and the active vehicle fleet equipped with SCR is set to continue growing over the next decade.

Over the past decade, Japan, Korea and other Asia Pacific have aligned their emission standards with Europe or with the U.S. Other major markets such as China and India are currently transitioning to match Euro VI standards, driven by the need of better air quality in major cities.

The impact of COVID-19 on the global vehicle market has been severe, but its impact on DEF demand has been mitigated by large existing SCR fleets in established markets, while China’s recovery from the virus has enabled the country to post significant growth this year. There still exist downside risks for 2021, even as vaccine rollouts have begun in earnest in several regions, but nonetheless, Argus Media forecasts demand of just over 15 million metric tons of DEF this year, up by 21% on the estimated 12.4 million metric tons of demand in 2020.

DEF demand over the next decade is expected to be mainly supported by replacement of older vehicles in the U.S., Europe and China. The European SCR-equipped heavy truck fleet will increase between 2020 and 2025, from 3.0 to 3.6 million vehicles requiring DEF. In North America, the SCR-equipped fleet is expected to increase from 3.0 million trucks in 2020 to 4.2 million trucks in 2025.

## **Natural gas**

As the main feedstock in nitrogen products, natural gas has a significant impact on the producers' position on the cost curve, forming about 60-70% of total export costs. Having easy access to natural gas supply grants a valuable competitive advantage, driven by security of supply, access to the required volumes, and lower cost volatility.

The global COVID-19 pandemic has generally driven extreme and unprecedented swings in supply and demand for natural gas and oil. Gas prices fell to historically low and unprecedented levels in mid-2020, particularly in Europe where gas fell to under a \$1/MMBtu, but these levels and differentials relative to the US, were unsustainable and gas prices have since strongly rebounded in Europe to above \$25/MMBtu as of late September 2021. This is on the back of strong power demand and industrial demand recovering and gas prices in Europe are expected to remain elevated as European gas demand is strengthening against a backdrop of supply volume weakness across both pipeline and LNG imports.

Low storage inventory levels and higher Asian demand for gas is expected to continue to support TTF gas prices for the balance of the year and into 2022. Gas futures are pointing to approximately \$13/MMBtu on average from Q4 2021 to the end of 2023.

In China, most nitrogen fertilizer producers use coal instead of gas as a feedstock. Given coal's carbon footprint, these producers are impacted by tightening environmental regulations and emission policies. In 2021, coal prices in China have surged due to strong demand, restricted imports following a ban on Australian coal, as well as tight domestic supply given safety and environmental checks.

Rising urea and ammonia prices have more than offset the increase in feedstock prices, and producers' margins have increased significantly since the beginning of 2021. In a rising feedstock cost scenario, nitrogen players with fixed and / or below market feedstock costs like Fertiglobe are structurally advantaged to other competitors that source feedstock at market prices. This structural advantage results in an improved positioning on the global cost curve. In addition, Fertiglobe also benefits from increasing margins, i.e. a larger gap between urea prices and gas prices, driven by the respective supply and demand dynamics for the end products and feedstocks, respectively.

### **3. Statement of capital development**

#### **Company's current share capital structure before the commencement of the Offering**

On incorporation in the ADGM as a private limited company by shares on 23 December 2018, our total issued share capital was USD 1000 consisting of 1000 Shares of USD 1 each, which was subscribed for in full by the OCI Shareholder.

On 15 March 2019, we issued 1,930,361,396 Shares of USD 1 each, of which 1,930,361,396 Shares were subscribed for by the OCI Shareholder. This increased our total issued share capital to USD 1,930,362,396 consisting of 1,930,362,396 Shares of USD 1 each.

On 30 September 2019, we issued 1,397,848,632 Shares of USD 1 each, of which 1,397,848,632 Shares were subscribed for by the ADNOC Shareholder. This increased our total issued share capital to USD 3,328,211,028 consisting of 3,328,211,028 Shares of USD 1 each.

On 28 June 2021, we cancelled 2,000,000,000 Shares of USD 1 each, following a written resolution passed by our members on 28 June 2021. This reduced our total issued share capital to USD 1,328,211,028 consisting of 1,328,211,028 Shares of USD 1 each.

By a written resolution passed by our members on 2 September 2021, it was resolved that: (i) the Company be re-registered as a public limited company under the Companies Regulations by the name of "Fertiglobe plc"; and (ii) the Articles be adopted in substitution for and to the exclusion of the existing articles of association of the Company. The re-registration took place on 5 September 2021.

On 16 September 2021, we sub-divided our total issued share capital from 1,328,211,028 Shares of USD 1 each to USD 1,328,211,028 consisting of 8,301,318,925 Shares of USD 0.16 each.

As at the date of this Prospectus, we do not hold any Shares in treasury and our total issued share capital is USD 1,328,211,028 consisting of 8,301,318,925 Shares of USD 0.16 each, of which 4,814,764,975 Shares are owned by the OCI Shareholder (representing 58% of our total issued share capital) and 3,486,553,950 Shares are owned by the ADNOC Shareholder (representing 42% of our total issued share capital). The Selling Shareholders will offer 13.8% of the Company's share capital for sale as part of the Offering. Immediately following the Offering, assuming that the Selling Shareholders sell all of the Shares being offered, our total issued share capital shall be USD 1,328,211,028 consisting of 8,301,318,925 Shares of USD 0.16 each, of which 4,150,659,464 Shares shall be owned by the OCI Shareholder (representing 50% of our total issued share capital plus 1 Share) and 3,005,077,450 Shares shall be owned by the ADNOC Shareholder (representing 36.2% of our total issued share capital).



The following table sets forth our shareholders (i) as at the date of this Prospectus, with a total share capital of 8,301,318,925 Shares of USD 0.16 each, and (ii) immediately following the Offering, assuming that the Selling Shareholders sell all of the Shares being offered:

As at the date of this Prospectus:

<i>Shareholder</i>	<b>Number of Shares</b>	<b>Percentage</b>
ADNOC Shareholder	3,486,553,950	42%
OCI Shareholder	4,814,764,975	58%

#### **Company's capital structure upon completion of the Offering**

Upon the completion of the Offering, the Company's paid-up share capital shall be USD one billion three hundred twenty-eight million two hundred eleven thousand twenty-eight (1,328,211,028), divided into 8,301,318,925 (eight billion three hundred one million three hundred eighteen thousand nine hundred twenty-five) Shares with a value of USD 0.16 per Share.

The Selling Shareholders shall hold eighty-six-point two percent (86.2%) of the Shares as set out above. The Company has presented its plan to the SCA for the Selling Shareholders to offer thirteen-point eight percent (13.8%) of the total share capital. The Selling Shareholders reserve the right to amend the size of the Offering at any time prior to the end of the subscription period at their sole discretion, subject to applicable laws and the SCA's approval.

No. of Selling Shareholders' Shares:	7,155,736,914 (seven billion one hundred fifty-five million seven hundred thirty-six thousand nine hundred fourteen) Shares
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all tranches mentioned under the Prospectus note that this covers all tranches of Offer Shares set out in this Prospectus):	1,145,582,011 (one billion one hundred forty-five million five hundred eighty-two thousand eleven) Shares
Total:	8,301,318,925 (eight billion three hundred one million three hundred eighteen thousand nine hundred twenty-five) Shares

#### **4. Statement of the status of litigation actions and disputes with the Company over the past three years**

Save as set out below, there are no outstanding material governmental, legal or arbitration proceedings pending against us, and we are not aware of any such proceedings which are threatened. We are party to various legal proceedings involving routine claims that are incidental to our business.

##### *EFC private free zone status case*

In October 2012, EFC filed a claim in the Egyptian Supreme Constitutional Court seeking a ruling that Article 11(1-2) of Law No. 114/2008 be deemed unconstitutional. Article 11(1-2) of Law No. 114/2008 cancelled the free zone status for certain

industries, and resulted in EFC no longer being considered a free zone company. On 4 July 2013 a hearing was held, and a commissioner's report on the case was subsequently issued. However, no further hearing date has been set, and EFC is awaiting a subsequent hearing date to determine the constitutionality of Article 11(1-2) of Law No. 114/2008. As at 30 June 2021, deferred tax liabilities in respect of the case were recorded as USD 129.2 million.

#### *Sorfert public procurement and freight invoices case*

There is an ongoing case since June 2011 against Sorfert and its management team in Algeria relating to: (a) the overbilling by engineering company, Uhde, of freight costs for seven invoices for imported equipment during the construction of the Sorfert plant; (b) change orders under the EPC contract for Sorfert's plant being made in breach of the Algerian public procurement code; and (c) a cost overrun of 20% of the overall contractual amount under the EPC contract for Sorfert's plant. In relation to issue (a) above, the Algerian Customs Authority informed the court that the invoices were no longer contentious, and that it would not be joining the case as a civil party. However, the case still proceeded to a hearing, and during a hearing on 4 October 2017, Sorfert argued that the EPC contract did not fall within the ambit of the Algerian public procurement code (rather, the Algerian commercial code was applicable), and that there was no cost overrun under the EPC contract (and more than USD two million budget remaining under the financing arrangements). On 18 October 2017, the lower court in Oran, Algeria, ruled against Sorfert, and imposed: (i) a DZD 336 million (USD 2.5 million) fine on Sorfert; (ii) two years imprisonment on the former CFO; and (iii) five years imprisonment on the former CEO. This judgment was appealed, and on 14 March 2018, the court confirmed the judgment on all grounds. On 13 May 2018, Sorfert filed a further appeal in the Supreme Court of Algiers. The appeal to the Supreme Court of Algiers suspends the implementation of the earlier rulings. The Supreme Court has yet to set a date to hand down its judgment in the appeal. We do not expect to receive the Supreme Court's response to our appeal until the end of 2021. As at 30 June 2021, we have recorded a provision of DZD 336 million (USD 2.5 million) in our financial statements for this case.

#### *Sorfert international payments case*

There is an ongoing case since January 2016 against Sorfert and its management team in Algeria brought by a former employee relating to certain international payments under a service agreement between Sorfert and OCI S.A.E. On 5 March 2018, the lower court in Oran, Algeria, ruled against Sorfert, and imposed: (a) a DZD 2,771 million (USD 20.5 million) fine, and five years' imprisonment on the ex-président-directeur général of Sorfert; (b) a DZD 2,771 million (USD 20.5 million) fine, and two years' imprisonment on the ex-legal director of Sorfert; and (c) a 5,542 million (USD 41.0 million) fine on Sorfert. This judgment was appealed, and on 28 November 2018, the court confirmed the judgment on all grounds. A further appeal has been filed in the Supreme Court of Algiers, and has yet to set a hearing date. We do not expect to receive the Supreme Court's response to the appeal until the end of 2021. We have not recorded any provision in our financial statements for this case because management is of the view that it is more likely than not that this case will not result in a cash outflow.

#### *Sorfert tax exemption and reinvestment case*

On 8 June 2020, the relevant division of the Algerian Tax Authorities ("ATA") issued to Sorfert a letter in which its initial claim of DZD 7,296 million (USD 54.9 million) was maintained relating to the alleged non-compliance of the reinvestment obligations under the tax exemption as granted in 2014 by the Agency Nationale de Developpement de l'Investissement. As a result, the ATA requires Sorfert to repay the full assumed tax benefit it enjoyed in relation thereto. Sorfert is of the opinion that it has complied with its reinvestment obligations and that the basis of any claim should in any case be limited to the source of income that is taxable (local sales only as export sales are exempted under domestic Algerian tax law). Accordingly, Sorfert

recorded a provision of USD 1.7 million (DZD 226 million). On 1 February 2021, Sorfert filed an appeal with the internal appeal committee of the ATA and paid 30% of the contested amount as an advance payment to secure a continuation of its business operations and allow a transfer of dividends / remunerations abroad. The advance payment shall be reimbursed if Sorfert is successful in its appeal. Sorfert's position on this matter was examined by various reputable tax advisors who have concurred with Sorfert.

#### *OCI S.A.E. tax evasion case*

There is an on-going tax evasion case since October 2012 against OCI S.A.E., which has been pursued by the ETA. The tax dispute related to the sale of OCI S.A.E.'s cement assets to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted from tax, management entered into a settlement to resolve the tax dispute whereby EGP 7.1 billion would be paid over a five-year period. The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, OCI S.A.E. was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its legal counsel in Egypt believe the likelihood of a judgment in favor of the ETA is unlikely. As this dispute is a legacy case prior to the demerger of the construction group that formed OC in 2015, any liabilities and any recoveries are shared under a tax claim agreement entered into between OCI and OCI S.A.E. on 6 February 2015 on a 50:50 basis between OCI S.A.E. and OC (a subsidiary of OCI). As of 30 December 2020, should the ETA win its appeal, OCI's maximum share of the tax claim would be EGP 2.3 billion, which would equate to USD 146.5 million as at 30 June 2021. We have recorded a provision in our financial statement of USD 121.3 million for this case. OCI S.A.E. has a receivable for USD 57.5 million (representing the amounts retained by the ETA) and cash for USD 21.4 million. OCI has agreed to indemnify us for certain losses and liabilities relating to Fertigllobe's legacy engineering and construction businesses (which would include liabilities arising in respect of this case). See "***Related Party Transactions -Fertigllobe -Subscription and contribution agreement***".

#### *OCI S.A.E. / Sidra Project arbitration*

Our subsidiary OCI S.A.E. issued a parent company guarantee in 2008 in respect of the liabilities and obligations of Contrack (Cyprus) Limited, a subsidiary of OC, as consortium partner under a USD 2.4 billion contract for the design and construction of the Sidra Medical and Research Centre in Doha, Qatar. In July 2014, the owner of the Sidra project terminated the contract and commenced arbitration proceedings against the consortium. In August 2017, the owner of the Sidra project commenced parallel arbitration proceedings against OCI S.A.E. under the parent company guarantee issued by OCI S.A.E. At this time, the arbitral tribunal has not ordered the parties to take any further substantive steps. The CSA provides that all economic benefits and liabilities arising from the legacy construction activities in OCI S.A.E. are passed to, or borne by, OC, and that OC should provide funds to OCI S.A.E. if a sum in connection with construction operations falls due. In addition, OCI S.A.E. effected the Assignment of Rights to Orascom Construction Egypt. The Assignment of Rights included the assignment of the PCG from OCI S.A.E. to Orascom Construction Egypt. Accordingly, any liabilities or awards that may arise from the arbitration are attributed to OC. See "***Investment Risks - Risks Related to Our Business - Our subsidiary OCI S.A.E. continues to hold some residual activities related to the legacy engineering and construction business***". OCI has agreed to indemnify us for certain losses and liabilities relating to Fertigllobe's legacy engineering and construction businesses (which would include certain losses and liabilities arising in respect of this matter). See "***Related Party Transactions -Fertigllobe -Subscription and contribution agreement***".

5. **Statement of the number and type of employees of the Company and of its subsidiary:**

As at 30 June 2021, we had approximately 2,625 employees.

6. **Accounting policies adopted at the Company:**

The Company prepares its accounts in accordance with IFRS as issued by the International Accounting Standards Board and applicable requirements of ADGM laws.

7. **Statement of Company's loans, credit facilities and indebtedness and the most significant conditions thereof:**

**Fertiglobe Bridge Term Loan Facility Agreement ("BTL Facility Agreement")**

*Overview*

On 16 August 2021, Fertiglobe entered into the BTL Facility Agreement (a USD 900 million term loan facility) with HSBC Bank Middle East Limited, Citibank N.A, Abu Dhabi Global Markets (ADGM) Branch, Morgan Stanley Senior Funding, Inc., First Abu Dhabi Bank PJSC, Emirates NBD PJSC, Mashreqbank psc, Arab Bank plc, Standard Chartered Bank UAE Branch and Goldman Sachs Bank USA. The final maturity date is 18 months after the date of the agreement and Fertiglobe has two six-month extension options (provided no event of default under the BTL Facility Agreement is subsisting). Any extension by Fertiglobe is subject to a fee of 0.25% of the bridge facility commitments at the time of each extension.

The interest payable under the facility is the sum of LIBOR and a 1.05% per annum margin for the first twelve months. After the first twelve months, the 1.05% margin is subject to a 0.25% step up every three months thereafter.

The BTL Facility Agreement is governed by English law and has been drawn down in full and used to refinance the outstanding borrowings under the Company's historical USD 385 million term facility maturing in 2025 and to partially fund the payment of an special dividend of USD 850 million to the Selling Shareholders, in each case, prior to Listing (see "*Dividend Policy*").

*Purpose*

To refinance Fertiglobe's historical USD 385 million term facility maturing in 2025, and for general corporate purposes.

*Borrowers*

The original borrowers under the BTL Facility Agreement are Fertiglobe, FERTIL and FDL.

*Security*

None.

*Change of control*

Prior to the Offering, a change of control will be triggered if: (i) ADNOC and OCI collectively cease to own (directly or indirectly) 75% of the share capital of Fertiglobe; or (ii) ADNOC ceases to own (directly or indirectly) 25% of the share capital of Fertiglobe.

After the Offering, a change of control will be triggered if: (i) ADNOC and OCI collectively cease to own (directly or indirectly) 60% of the share capital of Fertiglobe; or (ii) ADNOC ceases to own (directly or indirectly) 25% of the share capital of Fertiglobe.

### *Covenants*

The borrowers are subject to the following financial covenants, tested semi-annually on a rolling 12-month basis, by reference to the annual or semi-annual financial statements of the Company (as applicable):

- a maximum leverage ratio of net debt to EBITDA of 3.50:1.00; and
- an interest cover ratio of EBITDA to net finance charges of at least 4.00:1.00.

### *Events of default*

The BTL Facility Agreement contains customary events of default consistent with Loan Market Association investment grade precedent documents, including (but not limited to): (i) non-payment; (ii) failure to satisfy a financial covenant; (iii) misrepresentation; and (iv) insolvency.

## **Fertiglobe Multicurrency Revolving Credit Facility (“RCF Agreement”)**

### *Overview*

On 16 August 2021, Fertiglobe entered into the RCF Agreement (a USD 300 million revolving credit facility, which can be drawn in AED or USD) with Citibank N.A., Abu Dhabi Global Markets (ADGM) Branch, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank Middle East Limited, Mashreqbank psc, Morgan Stanley Senior Funding, Inc., Arab Bank plc, Goldman Sachs Bank USA and Standard Chartered Bank, UAE Branch. The final maturity date is five years after the date of the agreement.

The interest payable under the facility is the sum of: (i) the interest rate benchmark; and (ii) the margin. The interest rate benchmark for loans denominated in USD is LIBOR, and the interest rate benchmark for loans denominated in AED is EIBOR. The margin is contingent on the leverage ratio - a leverage ratio:

- greater than 2.50:1.00, results in a 2.25% per annum margin;
- less than 2.50:1.00, but greater than 1.50:1.00, results in a 2.00% per annum margin; and
- less than 1.50:1.00, results in a 1.75% per annum margin.

The RCF Agreement is governed by English law, and as at the date of this Prospectus, the facility has not been drawn. Fertiglobe intends to draw down USD 160 million under the facility on 7 October 2021 for general corporate purposes (with such amount expected to be repaid prior to 31 December 2021).

### *Purpose*

General corporate purposes of the Group (including without limitation, working capital purposes and the funding of acquisitions and investments in joint ventures).

### *Borrowers*

The original borrowers under the RCF Agreement are EFC, Fertiglobe, FERTIL and FDL.

### *Security*

None.

### *Change of control*

Prior to the Offering, a change of control will be triggered if: (i) ADNOC and OCI collectively cease to own (directly or indirectly) 75% of the share capital of Fertiglobe; or (ii) ADNOC ceases to own (directly or indirectly) 25% of the share capital of Fertiglobe.

After the Offering, a change of control will be triggered if: (i) ADNOC and OCI collectively cease to own (directly or indirectly) 60% of the share capital of Fertiglobe; or (ii) ADNOC ceases to own (directly or indirectly) 25% of the share capital of Fertiglobe.

#### *Covenants*

The borrowers are subject to the following financial covenants, tested semi-annually on a rolling 12-month basis, by reference to the annual or semi-annual financial statements of the Company (as applicable):

- a leverage ratio of net debt to EBITDA of at least 3.50:1.00; and
- an interest cover ratio of EBITDA to net finance charges of at least 4.00:1.00.

#### *Events of default*

The RCF Agreement contains customary events of default consistent with Loan Market Association investment grade precedent documents, including (but not limited to): (i) non-payment; (ii) failure to satisfy a financial covenant; (iii) misrepresentation; and (iv) insolvency.

### **Sorfert Facility Agreement (“Sorfert Facility Agreement”)**

#### *Overview*

On 14 April 2008, Sorfert entered into the Sorfert Facility Agreement with a group of lenders. The Sorfert Facility Agreement provides a term facility of Algerian dinar of an amount equivalent to EUR 1,064,000,000 and an additional loan of Algerian dinar equivalent to EUR 62,000,000. The final maturity date of the loan is the 15<sup>th</sup> anniversary of the execution date of the Sorfert Facility Agreement. The Sorfert Facility Agreement is governed by Algerian law. As at the date of this Prospectus, USD 335.7 million was outstanding. The Sorfert Facility Agreement was amended by amendment N°1 in 2008 and by amendment N°2 in 2011.

#### *Purpose*

All amounts under the term loan are to be used towards project costs (which include, but are not limited to, all payments under EPC contracts, financial expenses incurred up until six months after completion of the project and advisory fees, including legal fees) in connection with the construction of the plant.

#### *Borrower*

The original borrower under the Sorfert Facility Agreement is Sorfert.

#### *Security*

The facilities are secured by the following:

- a real estate mortgage relating to the real estate assets implemented pursuant to the project EPC contract;
- an Algerian law pledge over a business undertaking in favor of the security agent;

- an Algerian law assignment of a receivables agreement relating to the receivables of the borrower under certain guarantees to be issued pursuant to the EPC contract relating to the construction of the plant, in favor of the security agent;
- an Algerian law charge over, inter alia, the CSRD account, the debt service reserve account, the revenue account, and the insurance proceeds account in favor of the security agent;
- an Algerian law delegation of payments relating to the amounts to be paid by the contractor and the builder pursuant to the EPC contracts, in favor of the security agent;
- an Algerian law share pledge granting over 51% of the shares of the borrower in favor of the security agent;
- an Algerian law delegation of payments relating to the amounts to be paid by the insurers in relation to the construction and the operation of the complex built in the context of the project, in favor of the security agent; and
- any delegation of payments / assignment of receivables relating to the amounts to be paid by the reinsurers in relation to the construction and the operation of the complex built in the context of the project, in favor of the security agent.

#### *Amount and repayment of borrowings*

The remaining outstanding principal under the facility is repayable in equal quarterly installments. Interest is calculated on a quarterly basis (coinciding with the repayment periods).

#### *Mandatory prepayment*

Unless used for replacement or repair, insurance proceeds exceeding EUR 10,000,000 are to be used in prepayment of the loans.

If (i) during the construction period the OCI S.A.E. and Sonatrach fail to hold together, directly or indirectly, 100% of the share capital and voting rights of the borrower (excepting shares held by directors) or Sonatrach and its affiliates do not hold more than 49% of the share capital and voting rights of the borrower; or (ii) during the exploitation period, OCI S.A.E. and Sonatrach cease to hold together, directly or indirectly, 51% of the share capital and voting rights of the borrower (other than as a result of a transfer to which the lenders consented), all outstanding amounts are to be prepaid.

#### *Interest rates*

Interest on the loans is: (i) 5.95% per annum during the construction period; and (ii) 1.95% per annum above the Bank of Algeria's reference rate after the construction period.

#### *Covenants*

Sorfert is subject to: (i) a debt/equity ratio of 70/30; (ii) a debt service cover ratio of at least 1.25:1.00; and (iii) an average debt service cover ratio of at least 1.40:1.00.

Subject in each case to certain exceptions, the Sorfert Facility Agreement also contains negative covenants and restrictions including (amongst other things) restrictions on the granting of security, restrictions on the provision of loans and guarantees, restrictions on the disposal of assets and restrictions on a change of business. The Sorfert Facility Agreement also contains positive covenants such as mandatory periodic reporting of financial and other information and for notification upon the occurrence of any default and certain other events.

### *Change of Control*

If (i) during the construction period, the OCI S.A.E. and Sonatrach fail to hold, directly or indirectly, 100% of the share capital and voting rights of the borrower (excepting shares held by directors) or Sonatrach and its affiliates do not hold more than 49% of the share capital and voting rights of the borrower or (ii) during the exploitation period OCI S.A.E. ceases to hold, directly or indirectly, 51% of the share capital and voting rights of the borrower (other than as a result of a transfer to which the lenders consented), all amounts outstanding are to be prepaid.

### *Distributions*

Sorfert's current capital structure allows it to make dividend distributions without any jurisdictional restrictions, subject to compliance with a debt coverage ratio of 1.25x.

### *Events of default*

The Sorfert Facility Agreement contains provisions governing certain events of default, which include an event or series of events of any nature likely to affect significantly (whether immediately or eventually): (i) the borrower's property or economic, financial or legal situation (including in case of IPO); (ii) the implementation of the project; (iii) the borrower's ability to discharge its obligations under the finance documents; or (iv) the validity, enforceability or binding nature of the finance documents. There is also a cross default event of default subject to a certain threshold.

### **HSBC Facility Agreement**

On 26 July 2015, OFT entered into the HSBC Facility Agreement with HSBC Bank Middle East Limited as amended on 5 July 2020.

### *Borrowings*

The HSBC Facilities Agreement provides for facilities in an aggregate amount of USD 75,000,000 (the "**HSBC Facilities**").

Borrowings under the HSBC Facility Agreement may be used, inter alia, to facilitate urea, ammonia, ammonium sulphate and UAN import requirements for the third party and inter group purchases, including for the beneficial use of OFTS and FDL.

### *Interest and fees*

The HSBC Facility bear interest at the Emirates Inter Bank Offered Rate ("**EIBOR**")/London Inter Bank Offered Rate ("**LIBOR**") + a margin of between 0.66% to 1.75% per annum (depending on the product and tenor), with the interest period applicable to EIBOR/LIBOR equivalent to the tenor of the respective import product.

### *Securities and guarantees*

The HSBC Facilities are secured by, inter alia, (i) an assignment of the marine cargo insurance policy along with an acknowledgement from the insurance company and a copy of the marine cargo policy from OFT (Dubai Branch) for USD30,000,000; (ii) a corporate guarantee from OFT to OFTS covering the facilities; (iii) a corporate guarantee from OFTS to OFT (Dubai Branch); (iv) an assignment of the marine cargo insurance policy along with an acknowledgement from the insurance company and a copy of the underlying marine cargo policy from OFTS for USD30,000,000; and (v) an omnibus trust receipt form.

### *Covenants*

The conditions that apply to the facilities include, inter alia, that OFT must procure that the direct and indirect shareholding of OCI in OFT's share capital does not fall



below 50% plus one share without HSBC Bank Middle East Limited's consent and must notify HSBC Bank Middle East Limited in the event of any other shareholding changes and provide HSBC Bank Middle East Limited the right to refuse such changes if they conflict with sanctions law or agreements or HSBC Bank Middle East Limited's interest.

## **Securitization Facility and FDL Receivables Purchase Agreement**

### *Overview*

On 20 September 2018, OFT and other OCI group companies (each a “**Seller**” and collectively, the “**Sellers**”) entered into a series of agreements to establish a committed securitization facility (“**Securitization Facility**”) backed by amounts owing in respect of certain existing and future trade receivables (the “**Receivables**”). On 20 February 2020, FDL acceded to the Securitization Facility as a Seller, and OFT withdrew from the Securitization Facility.

The Securitization Facility (if fully drawn) has a maximum amount available of EUR 180 million, and the revolving period in which new Receivables may be sold to the Purchaser expires in October 2021 (the “**Revolving Period**”). The final maturity date of the Securitization Facility is in October 2023. The Securitization Facility is documented by a master framework agreement (the “**Master Framework Agreement**”) between OCI, the Sellers, Credit Agricole Corporate & Investment Bank (as programme manager and arranger), Credit Agricole Leasing & Factoring (as programme agent), and Ester Finance Technologies (an entity established to purchase and finance trade receivables) (“**Purchaser**”). Pursuant to certain local receivables purchase agreements between, among others, the relevant Seller and the Purchaser (each a “**Receivables Purchase Agreement**”), each Seller sells and assigns to the Purchaser on an ongoing basis, Receivables originated by such Seller along with all related rights and security in such Receivables to the Purchaser. The Receivables sold by the Sellers are subject to customary eligibility criteria outlined in the Master Framework Agreement as well as the jurisdiction-specific criteria in the relevant Receivables Purchase Agreement (“**Eligible Receivables**”). FDL is a party to a Receivables Purchase Agreement dated 20 February 2020 (“**FDL Receivables Purchase Agreement**”).

### *FDL Security*

As security for the payment of all monetary obligations due, owing or incurred by FDL pursuant to the Master Framework Agreement or any other Securitization Facility documents, or from time to time that become due, owing or payable by FDL to the Purchaser under the Master Framework Agreement (“**Secured Obligations**”), FDL has granted security over certain bank accounts pursuant to two account pledge agreements (each an “**FDL Security Agreement**”).

Upon the occurrence of an enforcement event due to any breach of the Secured Obligations, the Purchaser is entitled to enforce and exercise its rights under any FDL Security Agreement, including the ability to:

- collect payment of and terminate any relevant Receivables;
- sell or cause to be sold any relevant Receivables; and
- demand performance of, or enforce all rights in respect to the relevant Receivables.

### *Sale of FDL receivables*

The sale and assignment of Receivables by FDL to the Purchaser is governed by the terms and conditions of the FDL Receivables Purchase Agreement and the Master Framework Agreement. During the Revolving Period, subject to certain conditions and

requirements, FDL offers, and the Purchaser accepts on a committed basis to purchase, all of the rights, title and interest in and to each Receivable arising pursuant to a contract and existing on such purchase date, including future rights, title and interest in certain new and future Receivables meeting the applicable criteria outlined in the Master Framework Agreement and jurisdiction-specific criteria contained in the FDL Receivables Purchase Agreement. FDL has sole responsibility for determining that each Receivable that it offers for sale to the Purchaser satisfies each of the Eligible Receivables criteria as of the purchase date or applicable test date.

#### *OCI Guarantee*

OCI irrevocably and unconditionally guarantees the performance of all payment obligations, and all non-monetary obligations of each Seller (including FDL) under the Securitization Facility. See “***Related Party Transactions – OFT and FDL – Master Framework Agreement***”.

#### **Governing laws**

- The Master Framework Agreement is governed by English law.
- The FDL Receivables Purchase Agreement is governed by ADGM law.
- One FDL Security Agreement is governed by the laws of the Netherlands, and the other is governed by the laws of the UAE.

### **8. Statement of current pledges and encumbrances on the Company's assets**

Save for the below, there are no current pledges or encumbrances on the Company's assets:

- Sorfert over certain assets to a group of lenders as described above under ***Sorfert Facility Agreement***,
- OFT and OFTS over certain assets to HSBC Bank Middle East Limited as described above under ***HSBC Facility Agreement***, and
- FDL over certain bank accounts to Ester Finance Titrisation as described above under ***Securitization Facility and FDL Receivables Purchase Agreement***.

### **9. Investment Risks:**

*Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Shares.*

#### **Risks Related to Our Business**

***Nitrogen fertilizers are global commodities, and we face global competition from other producers.***

We are subject to price competition from our competitors. Nitrogen fertilizers are global commodities with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and to a lesser extent on customer service and product quality. We compete with many producers, including state-owned and government-subsidized entities. Some of our competitors have greater total resources and are less dependent on earnings from nitrogen fertilizer sales, which makes them less vulnerable to industry downturns and better-positioned to pursue new expansion and development opportunities. Some competitors may also benefit from control over, or access to, raw material reserves, functional locations near major customers, or market reputation and long-standing trade relationships with global market participants. Our competitive position could suffer to the extent we are not able to expand our own resources. A decrease in demand and prices for our nitrogen fertilizers due to these or other reasons could have a material adverse effect on our business, results of operations, financial condition and cash flows if we are unable to replace sales lost to our competitors in certain markets with export sales in other markets.

***The nitrogen fertilizer business is cyclical, resulting in periods of industry oversupply during which our financial condition, results of operations and cash flows are expected to be negatively affected.***

Historically, selling prices for nitrogen fertilizers have fluctuated in response to periodic changes in supply and demand conditions. Such supply and demand fluctuations can be unexpected and may significantly impact selling prices. Demand for nitrogen fertilizers is affected by planted acreage and application rates, driven by population growth, changes in dietary habits and crop economics, and governmental agricultural policies, among other things. Conditions in the global agricultural industry significantly impact our operating results. A number of factors may affect global agricultural industries, including weather patterns and field conditions, current and projected grain inventories and prices, demand for agricultural products, socio-economic factors and consumer behavior, use of substitute products such as genetically modified organisms, and government policies regarding trade in agricultural products. These factors are outside of our control.

Global available Production Capacity, operating rates, raw material costs and availability, government policies and global trade all impact the supply of nitrogen fertilizers. The construction of new manufacturing capacity, as well as improvements to increase output from the existing production assets, increase supply and affect the supply-demand balance.

Periods of high demand, high-capacity utilization and increasing operating margins tend to result in investment in Production Capacity, which may cause supply to exceed demand and selling prices and capacity utilization to decline. Future growth in demand for nitrogen fertilizers may not be sufficient to absorb excess industry capacity.

During periods of nitrogen fertilizer industry oversupply, our results of operations, financial condition and cash flows are expected to deteriorate as, based on historical pricing data, we expect the price at which we will be able to sell our products to decline. This may result in reduced profit margins, write-downs in the value of our inventory and temporary or permanent curtailments of nitrogen fertilizer production. Accordingly, the cyclical nature of the nitrogen fertilizer industry may have a material adverse effect on our business, results of operations, financial condition and cash flows in some years compared with other years.

***Our operations are dependent upon raw materials provided by third parties, and any delay or interruption in the delivery or increased costs may adversely affect our business.***

We use natural gas and other raw materials in the manufacture of nitrogen fertilizers. We purchase the natural gas and other raw materials from third party suppliers,

including state-owned entities. Our natural gas is transported by pipeline to our facilities by third party transportation providers or through the use of facilities owned by third parties. Delays or interruptions in the delivery of natural gas or other raw materials may be caused by, among other things, severe weather or natural disasters, unscheduled downtime, labor difficulties, insolvency of our suppliers or their inability to meet existing contractual arrangements, deliberate sabotage and terrorist incidents, or mechanical failures.

For example, between 2013 and 2015, our production facilities in Egypt were adversely impacted by supply volatility due to the government prioritizing the supply of natural gas to the electricity sector to reduce power blackouts in the country.

In addition, the transport of natural gas by pipeline is subject to additional risks, including delays or interruptions caused by capacity constraints, leaks, or ruptures. Any delay or interruption in the delivery of natural gas or other raw materials, even for a limited period, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Sorfert's long-term natural gas supply agreement with Sonatrach has a clause that defines the price of natural gas sold through a price stabilization mechanism under the agreement, which covers a ten-year period ending in November 2023. We expect that the price for the period following that date will be determined by negotiation and, in the event the parties are unable to agree, by an Algerian court. The price applicable to the period following November 2023 may be higher than the price under the currently applicable price clause. See "***Material Contracts—Natural gas contracts—Long-term natural gas contract between Sorfert and Sonatrach***" below.

If we are unable to renew contracts with our suppliers on commercially reasonable terms, it could be difficult to replace these suppliers in a timely fashion, if at all.

Moreover, in the event that either demand for our products increases or our suppliers experience a scarcity of resources, our suppliers may be unable to meet the demand for raw materials, and we may not be able to locate additional suppliers to cover any shortfall. A material increase in the price, or any disruptions in the supply of natural gas could have a material adverse effect on our business, results of operations, financial condition and cash flows if we are unable to pass on the increased costs to customers due to contractual, market or other constraints.

***Our operating results fluctuate due to the seasonality of the nitrogen fertilizer business. Our inability to predict future seasonal nitrogen fertilizer demand accurately could result in us having excess inventory, potentially at costs in excess of market value, or product shortages.***

The nitrogen fertilizer business is seasonal. The degree of seasonality of our nitrogen fertilizer business can change significantly from year to year due to conditions in the agricultural industry and other factors, and our estimates of future demand for our products may, as a result, become inaccurate. The strongest demand for our nitrogen fertilizer occurs during the spring planting season, with a second period of strong demand following the fall harvest. We and our customers generally build nitrogen fertilizer inventories during the low demand periods of the year to ensure timely product availability during the peak sales seasons. Seasonality is greatest for ammonia due to the short application season and the limited ability of our customers and their customers to store significant quantities of this product. The seasonality of nitrogen fertilizer demand results in our sales volumes and net sales being the highest during the spring and our working capital requirements being the highest just prior to the start of the spring planting season.

If seasonal demand for nitrogen fertilizers is less than we expect, we may be left with excess nitrogen fertilizers inventory that will have to be stored (in which case our results of operations will be negatively affected by any related increased storage costs) or liquidated (in which case the selling price may be below our production,

procurement and storage costs). The risks associated with excess nitrogen fertilizers inventory and nitrogen fertilizers shortages are exacerbated by the volatility of nitrogen fertilizers prices and the relatively brief periods during which farmers can apply nitrogen fertilizers. If prices for our nitrogen fertilizers rapidly decrease, we may be subject to inventory write-downs, adversely affecting our operating results. If seasonal demand for nitrogen fertilizers is greater than we expect, we may experience nitrogen product shortages, and our customers may turn to our competitors for nitrogen fertilizers that they would otherwise have purchased from us. Any such development could adversely impact our business, results of operations, financial condition and cash flows.

***We are reliant on a limited number of key facilities, and unplanned production curtailments or shutdowns may impact our financial performance or anticipated production.***

We have four production facilities. The suspension of operations at any of these complexes would adversely affect our ability to produce our nitrogen fertilizers and our sales volumes, and could have a material adverse effect on our business, financial condition, results of operations, cash flows, or our ability to achieve our anticipated results in our expected timeline. Unanticipated events that may result in unplanned production curtailments or shutdowns include, but are not limited to, adverse weather conditions, power outages, equipment failures, fires, or interruptions to the supply of key raw materials. For example, Sorfert was impacted by power outages caused by national grid supply instability in 2020 and has now installed a dedicated electricity supply system to reduce reliance on national grid supply. See “***We operate three of our four facilities in locations where we are exposed to greater than average risk of adverse sovereign action***” below.

Moreover, our facilities may be subject to the failure of certain equipment which may be difficult to replace, and we may experience delays in securing replacement parts, which could result in operational disruptions and have an adverse effect on our business, results of operations, financial condition and cash flows. For example, Sorfert was impacted by unexpected damage that required repairs between May and December 2017, with a significant lead time to procure replacement parts.

***We are exposed to risks associated with our strategic partnerships.***

We participate in strategic partnerships including Sorfert (which is 51% owned by the Company and operates an ammonia and urea production facility in the Arzew industrial zone, Algeria), and EBIC (which is 75% owned by the Company and operates an ammonia production facility in Ain Sokhna, Egypt). Our strategic partners share a measure of control over the operations of our strategic partnerships. As a result, our investments in strategic partnerships involve risks that are different from the risks involved in owning facilities and operations independently. These risks include the possibility that our strategic partners: have economic or business interests or goals that are or become inconsistent with our economic or business interests or goals; are in a position to take action contrary to (or have veto rights over) our instructions, requests, policies or objectives; subject a strategic partnership to liabilities exceeding those contemplated; take actions that reduce our return on investment; or take actions that harm our reputation or restrict our ability to run our business. In addition, we may become involved in disputes with our strategic partners, which could lead to impasses or situations that could harm the strategic partnership, and reduce our revenues or increase our costs. Such risks materializing could adversely affect our business, results of operations, financial condition and cash flows.

***We operate three of our four facilities in locations where we are exposed to greater than average risk of adverse sovereign action.***

As of 30 June 2021, EFC, EBIC and Sorfert represented 68% of our Production Capacity. These facilities are located in Egypt and Algeria, where we are exposed to

a greater than average risk of adverse sovereign action, including overt or effective expropriation or nationalization of property. In the past, countries in which we operate, including Egypt, have adopted protective policies, including the nationalization of major private enterprises, and some governments have repudiated or renegotiated contracts with, or expropriated assets from, companies operating in their countries. Governments may also implement export controls on certain products or place restrictions on foreign ownership or operation of certain assets. Although as of the date of this Prospectus no such nationalizations, expropriations or export controls have been proposed, there can be no assurance that the relevant governments will not adopt such policies going forward. Expropriation of assets, renegotiation or nullification of existing agreements (including our long-term natural gas supply agreements), leases or permits by the governments of countries in which we operate, could each have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, we are committed to supplying our local agricultural markets under certain of our long-term natural gas contracts and partnership agreements - namely in Egypt, the UAE and Algeria, with annual quantities and pricing required to be agreed with the respective agricultural and/or energy ministries annually. Although the commitments we have agreed with the relevant government ministries have historically been in respect of modest quantities of urea, representing in aggregate approximately 5% of our total sales volumes as of 31 December 2020, and following bilateral discussions, we are exposed to the risk of government ministries requiring us to commit to supply higher volumes of products on a priority and/or discounted basis. Such risks materializing could adversely affect our business, results of operations, financial condition and cash flows.

The governments of the countries in which we operate could also impose foreign exchange and currency control restrictions that could have an adverse impact on our business results of operation and cash flows if we are prevented from receiving dividends from our subsidiaries or if these restrictions affect our ability to procure external financing or supply contracts with foreign companies.

See “*Risk Relating to Geographical, Political and Economic Conditions - Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies, and legal and regulatory systems in the MENA region which may create an uncertain environment for investment and business activities*” and “*Risk Relating to Geographical, Political and Economic Conditions - In certain jurisdictions in which we operate, the developing legal system and the introduction of new laws and regulations can create an uncertain or changed environment for investment and business activity, and can adversely affect the way in which we are able to conduct our businesses and our results of operations and financial condition*” below.

***We are not fully insured against all potential hazards and risks incident to our business. Therefore, our insurance coverage may not adequately cover our losses.***

We maintain property, business interruption, casualty and liability insurance policies, but, as is typical of any insurance program, we are not fully insured against all potential hazards and risks incident to our business. If we were to incur significant liability for which we were not fully insured, it could have a material adverse effect on our business, results of operations, financial condition and cash flows. We are subject to various self-retentions, deductibles and limits under these insurance policies. The policies also contain exclusions and conditions that could have a material adverse impact on our ability to receive indemnification thereunder. Our policies will generally be renewed annually. As a result of market conditions, our premiums, self-retentions and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. In addition, significantly increased costs could lead us to decide to reduce, or possibly eliminate, coverage.

***Adverse weather conditions may decrease demand for our nitrogen fertilizers or materially disrupt our operations.***

Weather conditions that delay or disrupt field work during the planting and growing seasons may cause agricultural customers to use different forms of nitrogen fertilizers, which may adversely affect demand for the forms that we sell or impede farmers from applying our nitrogen fertilizers until the following growing season, resulting in lower demand for our nitrogen fertilizers.

Adverse weather conditions following harvest may delay or eliminate opportunities to apply nitrogen fertilizers in the fall. Weather can also have an adverse effect on crop yields, which could lower the income of growers and impair their ability to purchase nitrogen fertilizers from our customers. Our quarterly financial results can vary significantly from one year to the next due to weather-related shifts in planting schedules and nitrogen fertilizers purchasing patterns. Any, or a combination, of these factors could also adversely impact our business, results of operations, financial condition and cash flows.

***Natural disasters or health epidemics or pandemics, such as the current COVID-19 pandemic, may disrupt our operations, decrease the demand for our products or otherwise have an adverse impact on our business.***

Extraordinary events such as natural disasters or global or local health epidemics or pandemics could result in significant damage to our facilities and/or disruption of our operations and may negatively affect local economies, including those of our customers or suppliers. The occurrence of such events cannot be predicted, although their occurrence can be expected to continue to adversely impact the economy in general and our specific markets.

The resulting damage from a natural disaster could include loss of life, property damage or site closure, which may disrupt our ability to manufacture and deliver products and require us to temporarily declare an excused performance, or force majeure, under our existing agreements with customers. Any damage resulting in stoppage or reduction of our facilities' Production Capacity could reduce our revenues and any unanticipated capital expenditures to repair such damage (to the extent not covered by our insurance policies) may reduce profitability. Any, or a combination, of these factors could also adversely impact our business, results of operations, financial condition and cash flows.

In addition, global or local health epidemics or pandemics may result in disruption of our operations. For example, the COVID-19 pandemic has resulted in closures, quarantines, travel restrictions and extended shutdowns of certain businesses in regions in which we operate and could also substantially interfere with general commercial activity related to our supply chain and customer base. Even though our business operations have been designated as essential industries by the governments in the jurisdictions in which we operate, these measures may impact all or portions of our workforce and operations. If significant portions of our workforce are unable to work effectively or we are unable to operate our business effectively, including because of illness, quarantines, government actions, border closures, facility closures or other restrictions, we may be unable to meet customer demand or perform fully under our contracts and this could adversely impact our business, results of operations, financial condition and cash flows.

In addition, our customers, suppliers and third-party service providers, including transportation providers, may in the future be affected by COVID-19, including as a result of measures taken by federal and local governments to slow the spread of the virus. Any negative impacts on our customers, suppliers and third-party service providers could negatively impact our business, financial condition, results of operations or cash flows. For example, restrictions on or disruptions to transportation, port closures or increased border controls or closures, or other impacts on domestic and global supply chains or distribution channels, could increase our costs and limit

our ability to meet customer demand.

While the COVID-19 pandemic has not had a material adverse effect on our business and reported results to date, we are unable to predict the ultimate impact it may have on our business, financial condition, results of operations or cash flows in the future. The extent to which our operations may be impacted by COVID-19 will depend on future developments, which are highly uncertain and cannot be accurately predicted, including the further spread of the virus or COVID-19 variants, the duration of the COVID-19 pandemic, and the type and duration of actions that may be taken by various governmental authorities in response to the pandemic. The pandemic has significantly increased global market uncertainty and caused an economic slowdown, which has resulted in a global recession. Persistent weakness in economic activity caused by a deterioration of global market and economic conditions could materially adversely affect our business, results of operations, financial condition and cash flows.

***We may not be successful in acquiring or integrating new businesses.***

We routinely consider strategic transactions. Strategic transactions, including acquisitions, partnerships, joint ventures, business combination transactions, dispositions, spin-offs or other major transactions that require significant managerial resources, which may cause a diversion of which from our other activities, and may impair the operation of our business. The risks of any transaction through investments, acquisitions, partnerships, joint ventures, business combination transactions, dispositions, or spin-offs are increased due to the significant capital and other resources that we may have to commit to any such transaction, which may not be recoverable if the transaction initiative to which they were devoted is ultimately not implemented. Even in cases where we acquire a majority interest, our joint venture or strategic partners may have significant influence over policies, including consent rights with respect to certain specified matters, and we may fail to gain the support of our partners for our business plans. We have a lesser degree of control over the business operations of the joint ventures and businesses in which we make minority investments. Among the risks associated with the pursuit and consummation of acquisitions, partnerships, joint ventures, business combination transactions, dispositions, spin-offs or other major transactions are those involving:

- difficulties in integrating or separating the parties' operations, systems, technologies, products and personnel;
- incurrence of significant transaction-related expenses;
- potential integration or restructuring costs;
- our ability to obtain the desired financial or strategic benefits or operating and financial efficiencies, synergies and cost savings from any such transaction, and the potential impairment charges related to the goodwill, intangible assets or other assets to which any such transaction relates, in the event that the financial benefits of such transaction prove to be less than anticipated;
- other unanticipated costs associated with such transactions;
- our ability to obtain sufficient financing for any such transaction;
- the parties' ability to retain key business relationships, including relationships with key personnel, other employees, customers, partners and suppliers;
- entry into markets or involvement with products with which we have limited current or prior experience or in which competitors may have stronger positions;
- assumption of contingent liabilities, including litigation;
- exposure to unanticipated liabilities;
- differences in the parties' internal control environments or applicable accounting standards, which may require significant time and resources to resolve in conformity with our legal and accounting standards;
- increased scope, geographic diversity and complexity of our operations;
- the tax effects of any such transaction; and
- the potential for costly and time-consuming litigation, including shareholder lawsuits.



As a result of these and other factors, including general economic risk, we may not be able to realize our projected returns from any future acquisitions, partnerships, joint ventures, business combination transactions, dispositions, spin-offs or other major transactions, or the results of any planned synergies, or any others in relation to such transactions that we report from time to time. Any such disruption could adversely impact our business, results of operations, financial condition and cash flows.

***Changes in government policies (including with respect to subsidies and state support programs) may adversely affect demand and prices for our products.***

Government policies can affect fertilizer demand and prices. Government policies that influence fertilizers include:

- policies and commodity support programs that provide subsidies to farmers for purchasing fertilizers;
- export duties on fertilizers;
- government policies affecting prices of gas or other raw materials used in fertilizer production (which may affect production costs and profitability of fertilizer producers, which in turn may result in upward pressure on fertilizer prices); and
- other policies such as those restricting the number of hectares that may be planted, requiring a particular type of crop to be grown and limiting the use of fertilizers in certain areas or for certain types of agricultural products.

For example, fertilizer demand and prices in India have historically been heavily dependent on government policies, as the government provides direct subsidies to farmers to purchase fertilizers. Government policies can also influence market conditions in markets with indirect government subsidies such as in Europe and the U.S.

In several markets, we benefit from government policies that support the agricultural industry. As a result of such policies (which often include direct or indirect fertilizer purchase subsidies), farmers and growers are often able to spend more on fertilizer purchases than in the absence of such policies. For example, we benefit from the direct state fertilizer purchase subsidies provided by the Indian government, as described above. Any changes in subsidies to growers or in other state support programs may inhibit the growth of, or cause a decline in, the demand for fertilizer products.

While some of the changes in regulatory framework may be beneficial for us, such as tightening environmental regulations in China resulting in closures of high-emitting Chinese producers, any reversal of such regulations could lead to more intense competition and additional costs to ensure compliance with the new or revised regulatory requirements, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our operations and the production and handling of our nitrogen fertilizers involve significant risks and hazards. Accidents involving our products or production facilities could cause severe damage or injury to property, the environment and human health, which could materially adversely affect our business, results of operations and financial condition.***

As a nitrogen fertilizers business working with chemicals and hazardous substances, our operations are subject to hazards inherent in the manufacture, transportation, storage and distribution of nitrogen fertilizers products, including ammonia, which is highly toxic and corrosive. These hazards include: explosions; fires; severe weather and natural disasters; train derailments, collisions, vessel groundings and other transportation and maritime incidents; leaks and ruptures involving storage tanks, pipelines and rail cars; spills, discharges and releases of toxic or hazardous substances or gases; deliberate sabotage and terrorist incidents; mechanical failures; unscheduled plant downtime; labor difficulties; and other risks. Some of these hazards can cause bodily injury and loss of life, severe damage to or destruction of property

and equipment, environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties and liabilities which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, we manufacture, store and transport ammonia and other chemical products the release of which may have an adverse impact on the environment, such as: explosions at our production facilities; and discharges of ammonia or toxic gases into the atmosphere.

Accidents involving chemical substances could result in fires, explosions, severe pollution, or other catastrophic circumstances, which could cause severe damage or injury to persons (employees or otherwise), property or the environment as well as disruptions to our business. Such events could result in damage to production facilities, equipment failures or shutdowns, civil lawsuits, criminal investigations and regulatory enforcement proceedings (including against management), all of which could lead to significant liabilities for us. Any damage to persons, equipment or property or other disruption to our ability to produce or distribute our products could result in a significant decrease in our revenues and profits and significant additional cost to replace or repair our assets, and depending on the nature of the incident we may not be fully insured, or not insured at all, all of which could result in a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, certain environmental laws applicable to us impose joint and several liability, without regard to fault, for clean-up costs on those who have disposed of or released hazardous substances into the environment. As a result, given the nature of our business, we may incur environmental clean-up liabilities in respect of our current or former facilities, adjacent or nearby third-party facilities or offsite disposal locations. Pollution risks and related clean-up costs are often impossible to assess unless environmental audits have been performed and the extent of liability under environmental laws is clearly determinable. The costs associated with future clean-up activities that we may be required to conduct or finance may be material. Additionally, we may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment.

***We are subject to numerous environmental, health, and safety laws, regulations and permitting requirements, as well as potential environmental liabilities, which may require us to make substantial expenditures or impact our ability to export our products.***

We are subject to numerous environmental, health and safety laws and regulations in the countries in which we operate, including laws and regulations relating to air emissions, wastewater discharges, solid and hazardous waste management, the use, composition, handling, distribution and transportation of hazardous materials, and the demolition of existing plant sites upon permanent closure. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time.

In addition, the Green Deal of December 2019 proposes new EU legislation, which includes a “carbon border tax” or “border carbon adjustment” implementation. The European Commission proposes to impose an obligation on the importers of some types of goods with high GHG footprints to buy carbon emission allowances. If enacted, more stringent GHG legislation is likely to have a significant impact on us, because our production facilities emit GHGs such as carbon dioxide and nitrous oxide and because natural gas, a fossil fuel, is a primary raw material used in our nitrogen production processes. Regulation of GHGs may require us to make changes in our operating activities that would increase our operating costs, reduce our efficiency, limit our output, require us to make capital improvements to our facilities, increase our costs for or limit the availability of energy, raw materials or transportation, impact our

ability to export into Europe, or otherwise materially adversely affect our business, results of operations, financial condition and cash flows.

In addition, a number of jurisdictions, including the European Economic Area, have started to adopt limitations on the use and application of fertilizers due to concerns about the impact of these products on the environment. For example, the use of urea as a fertilizer is increasingly regulated in the EU. National legislation is in place or is being drafted in various EU member states prohibiting or taxing the use of uncoated or non-inhibited urea. This development might require us to make changes in our operations or sales activities.

We are not able to predict the impact of new or changed laws or regulations or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that the costs associated with meeting any of these requirements are substantial and not adequately provided for, our operating results and financial condition could be adversely affected.

Violations of environmental, health and safety laws can result in substantial penalties, court orders to install pollution-control equipment, civil and criminal sanctions (including regarding management), permit revocations and facility shutdowns. We may be subject to more stringent enforcement of existing or new environmental, health and safety laws in the future. Additionally, future environmental, health and safety laws and regulations or reinterpretation of current laws and regulations may require us to make substantial expenditures. Our costs to comply with, or any liabilities under, these laws and regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our transportation and distribution activities rely on third party providers and are subject to environmental, safety and regulatory oversight. This exposes us to risks and uncertainties beyond our control that may adversely affect our operations and expose us to additional liability.***

We rely on truck, pipeline, river barge and ocean vessel companies to transport raw materials to our manufacturing facilities, to coordinate and deliver finished products to our distribution system and to ship finished products to our customers. These transportation operations, equipment and services are subject to various hazards, including adverse operating conditions on the inland waterway system, extreme weather conditions, system failures, work stoppages, delays, accidents such as spills and derailments and other accidents and operating hazards. These transportation operations, equipment and services are also subject to environmental, safety and regulatory oversight. Due to concerns related to accidents, discharges or other releases of hazardous substances, and national security threats, governmental entities could implement new regulations affecting the transportation of raw materials or finished products.

If shipping of our products is delayed or we are unable to obtain raw materials as a result of these transportation companies' failure to operate properly, or if new and more stringent regulatory requirements are implemented affecting transportation operations or equipment, or if there are significant increases in the cost of these services or equipment, our revenues and cost of operations could be adversely affected. In addition, increases in our transportation costs, or changes in such costs relative to transportation costs incurred by our competitors, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***The Company's structure includes a trust arrangement and is therefore subject to certain additional risks.***

As FERTIL is a UAE company, it is subject to the laws of the UAE in respect of local

ownership requirements. Although the general requirement for 51% local ownership in a UAE company was repealed on 1 June 2021, the Department of Economic Development of each Emirate in the UAE has separately published a list of activities which it permits to be undertaken by UAE companies incorporated in that Emirate without being subject to any local ownership requirements (a “Positive List”). As of the date of this Prospectus, only some of the activities undertaken by FERTIL are contained on the AD DED’s Positive List and therefore it is not currently known if FERTIL continues to be subject to any UAE local ownership requirements as a result of the activities it undertakes which are not on the AD DED’s Positive List. We are currently in contact with the AD DED to clarify its position on UAE local ownership requirements in respect of its activities which are not on the AD DED’s Positive List. The Company and its subsidiaries are not considered UAE nationals for the purposes of any UAE local ownership requirements.

In order to ensure compliance with any requirements in respect of UAE local ownership that may be imposed on the activities of FERTIL which are not included on the AD DED’s Positive List, 51% of the total issue share capital of FERTIL is currently held indirectly by the FERTIL trustee (being Nassef Sawiris, the Executive Vice-Chairperson of the Board and a UAE national) as bare nominee on our behalf and for account of the Company. While the Company is not aware of any circumstances where the FERTIL trustee would wish to do so, there is a risk that the FERTIL trustee may intentionally breach the terms of the FERTIL trust arrangement (including by seeking to unilaterally terminate, amend the terms of such arrangements or by refusing to unwind the trust arrangement). If, following our discussions with the AD DED in respect of its Positive List, it is determined that no UAE local ownership requirements apply to any of the activities undertaken by FERTIL, we intend to take steps to unwind the FERTIL trust arrangement.

In addition, it is possible that the FERTIL trust arrangement could be unilaterally challenged before a UAE court (including on the basis of UAE Federal Law no. 17 of 2004). The prevailing legal interpretation in the UAE is that the restrictions under UAE law only apply to activities that are strictly reserved for UAE nationals and/or entities wholly owned by UAE nationals under UAE law and licensing requirements, and do not prohibit sponsor or trust arrangements in respect of entities subject to UAE local ownership requirements if the activities conducted by such entities are not strictly reserved for UAE nationals and/or entities wholly owned by UAE nationals. As at the date of this Prospectus, the Company is not aware of such arrangements having been unilaterally or in any other manner challenged by the Government of the UAE or any Emirate thereof. However, there can be no certainty as to the approach that the UAE courts would take in the event of any enforcement action being taken in relation to the FERTIL trust arrangement.

There could be a number of adverse implications for the Company if any aspect of the FERTIL trust arrangement were to be breached by the FERTIL trustee or successfully challenged, including, among others:

- the FERTIL trust arrangement could be deemed void, which would result in:
  - the loss of the Company’s right to claim the full economic benefit of FERTIL;
  - the loss of the option to acquire the shares held by the FERTIL trustee in FERTIL or to require the shares held by the FERTIL trustee in FERTIL to be transferred to a third party;
  - the loss of the Company’s right to be appointed as a proxy for the FERTIL trustee during shareholder meetings of FERTIL; and/or
  - the loss of the right to prevent the FERTIL trustee from selling or transferring their shares in FERTIL;
- in the case of a successful challenge, the suspension of operating licenses and permits of FERTIL (which could require the Company to close or suspend the operations of FERTIL);

- the Company having to adopt an alternative ownership or operating structure that could be disadvantageous to the Company and FERTIL; and/or
- in the case of a successful challenge, the imposition of material fines.

See “***Material Contracts–FERTIL Trust Arrangement***” below. Any of the foregoing could adversely impact the Group’s business, results of operations, financial condition and cash flows.

***The development of our blue and green ammonia production capabilities may be subject to delay and be more costly than we anticipate, and the market and pricing of blue and green ammonia may not develop in line with our expectations.***

Management believes that the Company plants have the scale to support the production of blue and green ammonia. However, building out our blue and green ammonia production capabilities may take longer to do and may be more costly than we expect. This may limit our ability to establish ourselves earlier than our competitors in the clean hydrogen economy and/or we may incur significant costs in doing so.

Further, the market for blue and green ammonia is still in its early stage and undergoing development. There is a risk that government policies may shift away from decarbonization, a global transition to a hydrogen economy may slow down or the market and pricing for blue and green ammonia may not develop as quickly or in the manner that we expect. Accordingly, the demand for, and price at which we are able to sell, the blue and green ammonia that we may have the capability to produce in the future may be lower than we anticipate. This may result in reduced profit margins, write-downs in the value of our plants or inventory and temporary or permanent curtailments of blue and green ammonia production, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Acts of terrorism could negatively affect our business.***

Like other companies with major industrial facilities, we may be targets of terrorist activities. Many of our plants and facilities store significant quantities of ammonia and other materials that can be dangerous if mishandled. Any damage to infrastructure facilities, such as electricity generation, transmission and distribution facilities, or injury to employees, who could be direct targets or indirect casualties of an act of terrorism, may affect our operations. Any disruption of our ability to produce or distribute our nitrogen fertilizers could result in a significant decrease in revenues and significant additional costs to replace, repair or insure our assets, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, due to concerns related to terrorism or the potential use of certain chemical substances such as explosives or poisonous materials, governments in the countries in which we operate may implement new regulations impacting the security of our plants, warehouses and other facilities or the transportation and use of fertilizers and other chemicals. These regulations may result in higher operating costs or limitations on the sale of our products, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Cybersecurity risks could result in disruptions in business operations and adverse operating results.***

We rely on information technology and computer control systems in many aspects of our business, including internal and external communications, the management of our accounting, financial and supply chain functions, and plant operations. Business and supply chain disruptions, plant and utility outages, and information technology system and network disruptions suffered by us or our suppliers due to cyber-attacks could seriously harm our operations and materially adversely affect our operating results. Cyber security risks include attacks on information technology and infrastructure by

hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the misuse or loss of control over computer control systems, and breaches due to employee error. Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business and exposure through third party suppliers whose systems may be vulnerable to cyber-attacks. We have implemented security procedures and measures in order to protect our systems and information from being vulnerable to cyber-attacks, and we believe these measures and procedures are appropriate. However, we may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to our information and control systems could adversely affect our business, results of operations and financial condition.

***We are subject to risks associated with operating in several jurisdictions.***

Our global business operations are subject to numerous risks and uncertainties, including: difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations; unexpected changes in regulatory environments; currency fluctuations; changes to tax treaties or tax rates; changes to domestic and international tax law (including, without limitation, the Pillar III proposal by the Organisation for Economic Co-operation and Development); earnings that may be subject to withholding requirements; and the imposition of tariffs, exchange controls or other restrictions.

We are subject to anti-corruption laws and regulations and economic sanctions programs in various jurisdictions, including the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and economic sanctions programs administered by the United Nations, the European Union and the Office of Foreign Assets Control of the U.S. Department of the Treasury, and regulations set forth under the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 of the US. As a result of doing business internationally, we are exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we, our partners or agents operate. Violations of anti-corruption and sanctions laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. The violation of applicable laws by our employees, consultants, agents or partners could subject us to penalties and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We are subject to antitrust and competition laws in various countries throughout the world. We cannot predict how these laws or their interpretation, administration and enforcement will change over time. Changes in antitrust laws globally, or in their interpretation, administration or enforcement, may limit our existing or future operations and growth.

In addition, we are required to comply with applicable export controls, economic sanctions and international trade laws and regulations, which are subject to change at any time based on social and political conditions. Violation of these laws and regulations could result in penalties, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our operations are dependent on maintaining permits and meeting financial assurance requirements from governmental authorities.***

We hold permits and approvals authorizing operations at each of our facilities. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility and on its business, financial condition and results of operations. In

certain cases, as a condition to procure such permits and approvals or as a condition to maintain existing approvals, we may be required to comply with regulatory financial assurance requirements. The purpose of these requirements is to assure local or national government agencies that we will have sufficient funds available for the ultimate closure, post-closure care and/or reclamation at its facilities. Additional financial assurance requirements or other increases in local regulations and taxes could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***We conduct our business in multiple jurisdictions and are exposed to the tax laws of such jurisdictions, including risks in connection with challenges to our tax positions.***

We operate on a global basis and are therefore subject to the tax laws and regulations in different jurisdictions. Given that tax laws and regulations are subject to change and may not provide clear-cut or definitive doctrines, the tax regime applied to us is sometimes based on our interpretations of such laws and regulations. There is a risk that our understanding and interpretation of tax laws, double tax treaties and other provisions is not correct in all respects. There is also a risk that tax authorities in the relevant jurisdictions may audit us and make assessments, potentially including interest, fines and penalties, and decisions that differ from our understanding and interpretation of the aforementioned laws, tax treaties and other provisions, which could have an adverse effect on our operating, results, and financial condition. And there is a risk that amended laws, tax treaties or other provisions, which may apply retroactively, may have a material adverse effect on our business, results of operations, financial condition and cash flows.

In connection with our recognition of deferred tax assets, we use projections of future taxable income that are based on management's estimates and assumptions. Accordingly, there is a risk that changes in assumptions or erroneous estimates in the projection of future taxable income could result in significant differences in the valuation of deferred taxes.

***Our debt agreements contain restrictions that may limit our flexibility in operating our business, and we may incur additional debt.***

As at 30 June 2021, we had USD 581.4 million in outstanding loans and borrowings. Our debt agreements contain certain covenants that limit our ability to engage in certain types of transactions. These include covenants requiring us to maintain certain ratios relating to interest coverage and net debt to EBITDA. In addition, certain of our debt agreements contain restrictive covenants limiting our ability to, among other things:

- incur or guarantee additional financial indebtedness (subject to permitted exceptions);
- grant security or create security interests (subject to permitted exceptions); and
- sell, lease, transfer or otherwise dispose of any of its assets above certain thresholds without the consent of the relevant lender.

In addition, the outstanding debt agreements contain, and any future debt agreements may contain, cross default clauses whereby a default under one debt obligation may constitute an event of default under other outstanding debt obligations. Certain outstanding debt agreements also contain change of control provisions which allow lenders to accelerate the debt should OCI and ADNOC (or any of their affiliates) collectively cease to own of at least 60% of our Shares or if ADNOC (or any of its affiliates) cease to own at least 25% of our Shares. Any of these covenants could prevent us from engaging in certain transactions that we may view as desirable without the consent of the lenders.

Furthermore, a breach of any of these covenants may result in a default under our debt obligations in which the relevant covenant is included, which may result in all amounts outstanding thereunder becoming immediately due and payable and the

termination of all commitments to extend further credit to us.

Moreover, we may incur additional indebtedness that contains similar or more onerous terms. This additional indebtedness could further restrict our operational flexibility.

Any of these occurrences could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***We are subject to interest rate related risks.***

As at 30 June 2021, our total loans and borrowings amounted to USD 581.4 million, all of which were at floating interest rates. As a result, our interest expense is significantly impacted by volatility of interest rates. Interest rates are sensitive to many factors beyond our control, including the policies of central banks, economic conditions and political factors. Any increases in reference rates would result in an increase in our interest rate expenses and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our business has exposure to exchange rate fluctuations.***

Our principal reporting currency is the U.S. dollar, but our revenues and costs are denominated in several currencies, including the U.S. dollar, the euro, the Egyptian pound, the Algerian dinar, and the Emirati dirham. The majority of our revenues are based on product prices denominated in U.S. dollars and euros, with approximately 6% for the twelve-month period ended 30 June 2021 in Egyptian pounds, Emirati dirhams and Algerian dinars. In addition, as at 30 June 2021, 42% of our debt was denominated in USD. However, because of the location of our production facilities, non-feedstock costs in Egypt, Algeria, and United Arab Emirates are denominated in local currency. Given this, exchange rate fluctuations can adversely affect our operational and financial performance. In addition, other than the Emirati dirham which has been pegged to the U.S. dollar, the Egyptian pound and Algerian dinar may be subject to sudden and material changes in exchange rate and liquidity. We may selectively reduce some foreign currency exchange rate risk by, among other things, requiring contracted purchases of our products to be settled in, or indexed to, the U.S. dollar or a currency freely convertible into U.S. dollars, or hedging through foreign currency derivatives. These efforts, however, may not be effective. As a result, fluctuations in exchange rates could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, although the UAE dirham has been pegged to the U.S. dollar at a rate of AED 3.673 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be increased demand for the U.S. dollar as a result of the COVID-19 pandemic and any additional waves or resurgences thereof. Any change to the U.S. dollar / AED exchange rate could increase the costs of our operations in the UAE, including in respect of the costs that we pay for our products or to service our indebtedness, or could cause our results of operations and financial condition to fluctuate due to currency translation effects, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our business could be impacted by acrimonious employee relations, which could adversely affect our operations.***

As at 30 June 2021, approximately 30% of our global workforce is represented by a works council or labor union in their respective locations as required by local law. Although we consider our employee relations to be good, it cannot be certain that disputes will not emerge with employees or employee representatives of works councils, or that union activity will not occur in the future. Such disputes could impact employee performance and workplace relations which could adversely affect our business, results of operations, financial condition and cash flows.



***If we are unable to attract and retain qualified personnel and skilled employees, we will be unable to operate efficiently, which could reduce our results of operations, and cash flows.***

Our ability to operate our facilities and manage our business is dependent on our ability to attract and retain qualified personnel, including specialist engineers and operators, technicians, and key management positions. Increase in the demand for qualified personnel in the markets in which we operate may result in us being unable to hire and retain a sufficient skilled labor force necessary to support our operating requirements and growth strategy. Our labor expenses may increase as a result of a shortage in the supply of skilled personnel and we may also be forced to incur significant training expenses if we are unable to hire employees with the requisite skills. Additionally, our businesses are managed by a number of key executive and operational officers and are dependent upon retaining and recruiting qualified management. Labor shortages, increased labor or training costs, or the loss of key personnel could materially adversely affect our business, results of operations, financial condition and cash flows.

***We may be involved in disputes and legal proceedings that, if determined unfavorably to us, could have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

We may be involved in disputes and legal proceedings, including disputes and legal proceedings initiated by regulatory, competition and tax authorities as well as proceedings with competitors, suppliers, customers, employees and other parties. Certain of these disputes may relate to key operational matters, such as our permits, and if determined adversely, could have a material adverse effect on our business. Any such disputes or legal proceedings, whether with or without merit, could be expensive and time consuming, could divert the attention of our management and, if resolved adversely to us, could harm our reputation, result in the payment of monetary damages, injunctive relief and/or increase our costs, all of which could have a material adverse effect on our business, results of operations, financial condition, and cash flows, and thereby, our ability to fulfill our obligations under the Shares, as well as the market price and value of the Shares.

***Our subsidiary OCI S.A.E. continues to hold some residual activities related to the legacy engineering and construction business***

As part of the Demerger, OCI transferred its engineering and construction business to OC in March 2015. Prior to the Demerger, OCI S.A.E., which is our sub holding company for two of our four operating subsidiaries, held certain residual engineering and construction activities that could not be transferred to OC as part of the Demerger due to legal, regulatory or other considerations.

To give effect to the Demerger, OCI MENA B.V. (a subsidiary of OCI, and now our wholly-owned subsidiary) and OC IHC 4 B.V. (a subsidiary of OC) entered into the CSA in February 2015. The CSA stipulates that the management of construction activities, as well as the economic effect of all related risks and rewards, would be passed from OCI S.A.E. to OC until OCI S.A.E.'s construction activities are terminated, or until OCI S.A.E.'s construction activities are demerged into a separate construction entity that is then transferred to OC. Accordingly, the financial statements of OCI S.A.E. do not reflect the activities, assets or liabilities of the legacy engineering and construction activities.

In addition, there is an ongoing dispute relating to a construction project in Sidra that is currently in arbitration. OCI S.A.E. and Orascom Construction Egypt, a subsidiary of OC, entered into an assignment of rights and obligations (the “**Assignment of Rights**”) to Orascom Construction Egypt, pursuant to which any liabilities or awards that may arise under the OCI S.A.E parent company guarantee relating to the Sidra project arbitration are attributed to OC. See “**Related Party Transactions – OCI S.A.E.**”

***– Demerger Conditional Sale Agreement’.***

OCI S.A.E.’s contingent liability exposure to OC’s engineering and construction business would only materialize if OC fails to fulfil its obligations under the CSA or the Assignment of Rights. Even if OCI S.A.E.’s liability so materializes, OCI has agreed to indemnify Fertiglobe for losses arising from certain liabilities relating to Fertiglobe’s legacy engineering and construction businesses. See “***Related Party Transactions –Fertiglobe –Subscription and contribution agreement’.*** This liability exposure includes liabilities relating to contractual undertakings in connection with the legacy construction business, the Sidra arbitration proceedings, and a tax claim in Egypt. See “***Statement of the status of litigation actions and disputes with the Company over the past three years –OCI Orascom Construction Egypt S.A.E. tax evasion case’*** and ***Statement of the status of litigation actions and disputes with the Company over the past three years – OCI S.A.E. / Sidra Project arbitration’.***

As a result of the foregoing, we retain exposure to certain aspects of OCI S.A.E.’s legacy engineering and construction business. Any liabilities that have arisen or may arise in relation to OCI S.A.E.’s legacy engineering and construction business for which we are not adequately compensated by OC IHC 4 B.V. Orascom Construction Egypt or OC may have a material adverse effect our business, results of operations, financial condition and cash flows.

***We may be unsuccessful in enhancing the integrity, reliability and efficiency of our internal control over financial reporting.***

Our business relies on internal controls and procedures that regulate customer and management information, finance, credit exposure and other aspects of our business. However, there can be no assurances that these controls and procedures will be adequate for our requirements generally or our requirements as a publicly-owned company. If material weaknesses in our internal control over financial reporting occur in the future, our financial statements may contain material misstatements, we would be required to restate our financial results and investors could lose confidence in our reported financial information. In addition, if we are unable to produce accurate and timely financial statements, the market price of our shares may be adversely affected.

**Risk Relating to Geographical, Political and Economic Conditions**

***Governments in the MENA region have exercised and continue to exercise significant influence over their respective economies, and legal and regulatory systems in the MENA region, which may create an uncertain environment for investment and business activities.***

The governments in the MENA region, including Algeria, Egypt and the UAE, have frequently intervened in the economic policy of their respective countries. This intervention has included, but not been limited to, regulation of market conditions, including foreign investment, foreign trade, financial services and oil & gas services. Any unexpected changes in the political, social, economic or other conditions in the MENA region or neighboring countries could have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects. These changes include:

- an increase in inflation and government measures to curb such inflation, including through policies such as price controls;
- governments’ actions or interventions, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property in certain jurisdictions where we operate;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;

- income and other taxation;
- policies of nationalization of assets and requirements to employ local national employees;
- difficulties and delays in obtaining new permits and consents for new operations or renewing existing permits; and
- an inability to repatriate profits and/or dividends.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing our competitiveness. Any such changes could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect our business, results of operations, financial condition and cash flows.***

Since 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war, and has given rise to a number of regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as war or other hostilities, or the impact that such events or occurrences might have on the jurisdictions in which we operate. The MENA region currently is subject to a number of armed conflicts including those in Yemen, Syria (in which multiple state and non-state actors are involved, such as the U.S., Russia, Turkey and Iran), Iraq and Palestine, as well as conflicts with militants associated with the Islamic State.

Algeria, Egypt and the UAE are, and will continue to be, affected by political developments in or affecting them and the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. There can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the jurisdictions in which we operate, or that the jurisdictions in which we operate will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting Abu Dhabi or the UAE and increased regional geopolitical instability (whether or not directly involving Abu Dhabi or the UAE), or any heightened levels of military conflict in the region, may have a material adverse effect on Abu Dhabi and the UAE' attractiveness for foreign investment and capital, their ability to engage in international trade, their tourism industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact our business, results of operations, financial condition, and cash flows.

Furthermore, the UAE is dependent on expatriate labor, including unskilled laborers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the country, or extremist or terrorist groups engage in activities in the country. In addition, as the government endeavors to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments likely will increase.

***In certain jurisdictions in which we operate, the developing legal system and the introduction of new laws and regulations can create an uncertain or changed environment for investment and business activity, and can adversely affect the way in which we are able to conduct our businesses and our results of operations, financial condition and cash flows.***

Some of the jurisdictions in which we operate are still developing the legal framework

required to support a market economy. Algeria, Egypt and the UAE in particular and emerging market economies generally, are characterized by less comprehensive legal and regulatory environments than are found in more developed regions. The following risk factors relating to these legal systems create uncertainty with respect to the legal and business decisions that we make and such uncertainties may not exist in countries with more developed market economies:

- inconsistencies between and among the constitution, federal law, presidential, governmental and ministerial decrees, and conflicts between federal, regional and local legislation;
- lack of fully developed corporate and securities laws;
- lack of judicial and administrative guidance on interpreting legislation;
- gaps in the regulatory structure due to delay or absence of implementing legislation;
- the relative inexperience of judges and courts in interpreting legislation;
- lack of an independent judiciary;
- difficulty in enforcing court orders;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary actions such as suspension or termination of our licenses; and
- under-developed bankruptcy or insolvency procedures that are subject to abuse.

The rapid evolution of these legal systems in ways that may not always coincide with market developments can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. These weaknesses affect our ability to protect our rights under our licenses and contracts, or to defend ourselves against claims by others, including challenges by regulatory and governmental authorities in relation to our compliance with applicable laws and regulations, and could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

Further, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular Algeria and the UAE, to accede to the World Trade Organization, the governments of these countries have begun, and we expect will continue, to implement new laws and regulations that could impact the way we conduct our business and have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects. Changes in investment policies or in the prevailing political climate could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labor and welfare benefit policies.

There can be no assurance that the introduction of any changes to current laws would not increase our costs or otherwise materially adversely affect our business, results of operations, financial condition, and cash flows.

***Deterioration of global market and economic conditions could have a material adverse effect on our business, results of operations, financial condition and cash flows.***

A slowdown of, or persistent weakness in, economic activity caused by a deterioration of global market and economic conditions could adversely affect our business in the following ways, among others: conditions in the credit markets could affect the ability of our customers and their customers to obtain sufficient credit to support their operations; the failure of our customers to fulfill their purchase obligations could result in increases in bad debts and impact our working capital; and the failure of certain key suppliers could increase our exposure to disruptions in supply or to financial losses.

We also may experience declining demand and falling prices for some of our products due to our customers' reluctance to replenish inventories. The overall impact of a global economic downturn on us is difficult to predict, and our business, results of operations, financial condition and cash flows could be materially adversely impacted.

### **Risks Relating to the Offering and to the Shares**

***After the Offering, OCI will continue to be able to exercise control, and ADNOC will continue to be able to exercise significant influence, over us, our management and our operations.***

As at the date of this Prospectus, OCI indirectly holds 58% of our issued share capital and ADNOC indirectly holds 42% of our issued share capital, and immediately following the Offering OCI will continue to hold at least 50% plus one share of our share capital and ADNOC will continue to hold at least 36.2% of our share capital. As a result, OCI will be able to exercise control, and ADNOC will be able to exercise significant influence, over our management and operations and over matters requiring the consent of our shareholders, such as in relation to the payment of dividends and the election of the members of our Board of Directors and other matters. There can be no assurance that the interests of OCI and ADNOC will coincide with the interests of each other or of purchasers of the Shares.

Furthermore, OCI's and ADNOC's significant ownership of the Shares may: (i) delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company); (ii) deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (iii) affect the liquidity of the Shares, any of which could have a material adverse effect on the market price of the Shares. In addition, there may be circumstances where our businesses compete directly or indirectly with OCI's or ADNOC's businesses, and OCI or ADNOC may take decisions with respect to those businesses that are adverse to the interests of our other shareholders.

Our business as it is conducted today was formed following the contribution of OCI's MENA nitrogen products businesses to us and the subsequent acquisition of FERTIL. Accordingly, due to the origins of our operations, we are party to a number of related party transactions with OCI and ADNOC that have been entered into in the ordinary course of business or are required to remain in place for a transitional period. See "***Related Party Transactions***". All of our related party transactions have been entered into on an arm's length basis and we believe them to be beneficial to us. However, there can be no assurance that these related party transactions will ultimately accrue to our benefit.

***Substantial sales of Shares by OCI or ADNOC could depress the price of the Shares.***

Sales of a substantial number of Shares by OCI or ADNOC following the completion of the Offering may significantly reduce our share price. OCI and ADNOC have agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 12 months from the Listing, except in certain limited circumstances. See "***Lock-up Arrangements***". Nevertheless, we are unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

***Future issuances of Shares may dilute the holdings of shareholders and may depress the price of the Shares.***

We are subject to a 12-month lock-up period following the Listing pursuant to the terms of the Underwriting Agreement. It is possible that we may decide to offer additional Shares or securities convertible into Shares in the future, including in the

form of stock-based compensation. Future sales could dilute the holdings of shareholders, adversely affect the prevailing market price of the Shares and impair our ability to raise capital through future sales of equity securities.

***The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.***

Prior to the Offering, there has been no public trading market for the Shares. We cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of our actual performance or conditions in the UAE.

The Company has applied for the Shares to be listed on the ADX. The ADX was established in 2000, but its future success and liquidity in the market for the Shares cannot be guaranteed. The ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the U.S. and the UK. As of 30 June 2021, there were 78 companies with securities traded on the ADX with a total market capitalization of approximately AED 1,191 billion. The ADX had a total regular trading volume of approximately 21.8 billion shares in 2020. Brokerage commissions and other transaction costs on the ADX are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of share prices on the ADX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX in the desired amount and at the price and time achievable in more liquid markets.

***Because we are a holding company and substantially all of our operations are conducted through our subsidiaries, our ability to pay dividends on the Shares depends on our ability to obtain cash dividends or other cash payments or obtain loans from such entities.***

We currently conduct all of our operations through our subsidiaries, and such entities generate substantially all of our operating income and cash flow. Because we have no direct operations or significant assets other than the capital stock of these entities, we rely on those subsidiaries for cash dividends, investment income, financing proceeds and other cash flows to pay dividends, if any, on the Shares and, in the long term, to pay other obligations at the holding company level that may arise from time to time.

The ability of such entities to make payments to us depends largely on their financial condition and ability to generate profits. In addition, because our subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance us funds and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or applicable laws and regulations of the various countries in which they operate. For example, the distribution of dividends by Sorfert is subject to the prior approval of the Central Bank of Algeria. Similarly, because of our holding company structure, claims of the creditors of our subsidiaries, including trade creditors, banks and other lenders, effectively have priority over any claims that we may have with respect to the assets of these entities. Further, we cannot be certain that, in the long term, its subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance to us sufficient funds to enable it to meet our obligations and pay interest, expenses and dividends, if any, on the Shares.

Some of the countries in which we operate have historically implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors. There can be no guarantee that existing legislation will have no adverse impact on our revenues to the extent that we are prevented from receiving dividends from our subsidiaries or that our subsidiaries will not incur problems with external financing or supply contracts with foreign companies as a result of applicable legislation.

The inability of one or more of these entities to pay dividends or lend or advance us funds and currency control restrictions and restrictions on the repatriation of dividends imposed on us or our subsidiaries may adversely affect not only our ability as a holding company to pay dividends, but also our business, results of operations, financial condition, and cash flows.

***We may not pay any cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them.***

While we intend to pay dividends in respect of the Shares, there can be no assurance that we will do so. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, applicable laws and regulations, our results of operations, financial condition, cash requirements, contractual restrictions, our future projects and plans and other factors that our Board of Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them. See “***Dividend Policy***”.

## **UAE Taxation**

*The following comments are general in character and are based on the current applicable tax regime in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.*

### **Taxation of Corporates and Individuals**

There is no corporate tax legislation at the federal UAE level. However, corporate tax legislation has been enacted in some of the Emirates (including Abu Dhabi) through their own Income Tax Decrees (“**Tax Decrees**”). These tax decrees are currently only enforced on certain foreign oil companies and branches of foreign banks. However, it should be noted that there is no guarantee that corporate tax will not be enforced on other corporate entities at some time in the future since there is no specific legislation (with exception to entities registered in free trade zones) that grants an exemption from corporate tax to entities that are not foreign oil companies and branches of foreign banks.

There is currently no personal tax levied on individuals in the UAE.

### **Taxation of purchase of Offer Shares**

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of Offer Shares by the shareholders. If a shareholder is a tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Offering may be characterised differently and may be subject to tax in that other jurisdiction.

There are no transfer taxes in the UAE on the purchase of Offer Shares. Accordingly, the purchase of Offer Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations tax resident in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to

taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offer Shares based on local tax regulations.

### **Taxation of dividends and capital gains on sale**

Based on the tax practice within the UAE outlined above, the purchase of Offer Shares should not result in any UAE corporate tax and transfer tax liabilities for shareholders who are individuals or corporations tax resident in the UAE, provided they are not subject to corporate tax in the UAE by virtue of them being a foreign oil company or branch of a foreign bank. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Offer Shares based on local tax regulations.

Based on the same principles outlined above, UAE resident shareholders who are not subject to tax in the UAE or jurisdictions outside the UAE (both corporate and individual) should not currently be taxed on the receipt of dividend income and gains on the future sale of the Offer Shares.

Shareholders who are subject to tax in the UAE by virtue of being a foreign oil company or branch of a foreign bank, or tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their own tax advisers as to the taxation of dividend income and gains on the future sale of the Offer Shares under the relevant applicable local laws in those jurisdictions.

There is currently no withholding tax in the UAE and as such, any dividend payments made by the Company should be made free of any UAE or Abu Dhabi withholding tax, unless the applicable tax regime changes.

It is important to note that the UAE corporate tax treatment applicable to foreign oil companies or branches of a foreign bank referred to above, applies to Emirate level (Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Fujairah, Um Al Quwain, Ajman) taxation only. In this regard, a new corporate Federal tax law was under discussion, however the UAE Ministry of Finance has not announced any further guidance on the introduction of such law.

### **UAE VAT**

The UAE has adopted an Excise tax on selected goods, which was effective on 1 October 2017, and implemented VAT, which was effective on 1 January 2018. The Excise Tax Laws and Regulations impose a 50% tax on carbonated beverages and a 100% tax on tobacco products and energy drinks. On 27 August 2017, the VAT Law was published on the website of the Federal Tax Authority. The executive regulations of the VAT Law were issued on 28 November 2017 under Cabinet decision No. 52 of Federal Decree Law No. (8). The Executive Regulations of VAT Law provide more details about the supply of products and services are subject to VAT and which are zero-rated or exempted; the Executive Regulations of the VAT Law outline the conditions and parameters of such VAT treatment.

The GCC VAT Framework Agreement, which is a country level agreement between all the GCC states, sets out broad principles that should be followed by all the GCC countries in their VAT Laws while providing individual member states some discretion to adopt a different VAT treatment in respect of certain matters. Each GCC country will enact its own domestic VAT legislation based on the underlying principles in this common framework. VAT applies on the sale of goods and services in the UAE and on imports into the UAE. VAT will apply at the standard rate. The standard VAT rate in the UAE is 5%. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT.

The mandatory registration threshold is AED 375,000 and the voluntary registration threshold is AED 187,500. Businesses must register for VAT if they have annual turnover that exceeds the mandatory registration threshold (or if it is anticipated that



total value of supplies will exceed it in the next thirty days) and an option to register for VAT is available if the taxable supply and imports are below the mandatory registration threshold but exceed the voluntary registration threshold.

The supply of goods or services by VAT registered businesses will be subject to VAT at either the standard rate or zero rate. Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

Article 42 of the Executive Regulations outlines the scope of financial services classified as exempt and, on this basis, no VAT would be applied on any transfer of Offer Shares. However, it should be noted that fees relating to the transfer of ownership of Offer Shares would be standard rated at 5%.

### **Lock-up Arrangements**

Pursuant to the terms of the Underwriting Agreement, subject to certain exceptions, we have contractually agreed, for a period of 12 months after the Listing, not to: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or file any registration statement under the US Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Lead Managers, such consent not to be unreasonably withheld or delayed.

### **Third Section: Financial disclosures**

#### **Summary of the Company's Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the three Years Ended 31 December 2018, 2019 and 2020 and for the six month periods ended 30 June 2020 and 2021**

The following discussion and analysis should be read in conjunction with the Company's Audited Consolidated Financial Statements, including the notes thereto, included in this Prospectus as of and for the years ended 31 December 2019 (inclusive of comparative information for the year ended 31 December 2018) and 2020 (inclusive of comparative information for the year ended 31 December 2019) and the Reviewed Semi-Annual Consolidated Financial Statements as at and for the six months ended 30 June 2021 (inclusive of comparative information for the six months ended 30 June 2020) included in this Prospectus. Investors should also read certain risks associated with the purchase of Offer Shares in the section entitled "Investment Risks".

EBITDA, EBITDA excluding foreign exchange and profit (loss) from equity accounted investees, Adjusted EBITDA and Adjusted EBITDA margin are Non-IFRS measures and were calculated by the Company based on data derived from the Company's Financial Statements.

#### **1. Selected Consolidated Financial Information and Operating Data**

The selected consolidated financial information set forth below shows our historical consolidated financial information and other operating information as at and for the years ended 31 December 2018, 2019 and 2020 and for the six-month periods ended 30 June 2020 and 2021.

The financial information set forth below under the captions "Summary Consolidated Statement of Profit or Loss and other Comprehensive Income Data", "Summary Consolidated Statement of Financial Position Data", "Summary Consolidated Statement of Cash Flows Data" and "Other Financial Information" has been derived from, and should be read in conjunction with, the Consolidated Financial Statements included elsewhere in this Prospectus.

**Summary consolidated statement of profit or loss and other comprehensive income data**

	For the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
	<i>(USD millions)</i>				
Revenues.....	1,237.5	1,055.5	1,550.8	737.5	1,260.0
Cost of sales .....	(878.3)	(858.9)	(1,278.5)	(626.8)	(818.0)
<b>Gross profit</b> .....	<b>359.2</b>	<b>196.6</b>	<b>272.3</b>	<b>110.7</b>	<b>442.0</b>
Other income.....	52.6	4.6	-	-	-
Selling, general and administrative expenses....	(37.9)	(57.1)	(89.4)	(41.3)	(45.0)
Other expenses.....	(0.1)	(1.9)	(1.3)	(2.1)	-
<b>Operating profit</b> .....	<b>373.8</b>	<b>142.2</b>	<b>181.6</b>	<b>67.3</b>	<b>397.0</b>
Finance income.....	8.7	15.4	33.5	21.5	7.5
Finance cost.....	(135.3)	(104.0)	(47.0)	(15.5)	(23.9)
<b>Net finance (cost)/income</b> .....	<b>(126.6)</b>	<b>(88.6)</b>	<b>(13.5)</b>	<b>6.0</b>	<b>(16.4)</b>
Share of (loss)/profit from equity accounted investees (net of tax)	-	(0.1)	(0.1)	0.5	-
<b>Profit before income tax</b> .....	<b>247.2</b>	<b>53.5</b>	<b>168.0</b>	<b>73.8</b>	<b>380.6</b>
Income tax .....	(30.3)	(15.1)	(40.9)	(11.6)	(64.0)
<b>Profit for the year/period</b> .....	<b>216.9</b>	<b>38.4</b>	<b>127.1</b>	<b>62.2</b>	<b>316.6</b>
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign operations - foreign currency translation differences	(17.3)	(8.6)	(56.9)	(43.5)	(18.3)
<b>Other comprehensive income, net of tax</b> .....	<b>(17.3)</b>	<b>(8.6)</b>	<b>(56.9)</b>	<b>(43.5)</b>	<b>(18.3)</b>
<b>Total comprehensive income</b> .....	<b>199.6</b>	<b>29.8</b>	<b>70.2</b>	<b>18.7</b>	<b>298.3</b>
<b>Profit attributable to:</b>					
Owners of the Company .....	82.0	3.9	74.3	23.0	198.5
Non-controlling interest .....	134.9	34.5	52.8	39.2	118.1
<b>Profit for the year/period</b> .....	<b>216.9</b>	<b>38.4</b>	<b>127.1</b>	<b>62.2</b>	<b>316.6</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company .....	71.6	(0.3)	45.3	0.8	189.1
Non-controlling interest .....	128.0	30.1	24.9	17.9	109.2
<b>Total comprehensive income</b> .....	<b>199.6</b>	<b>29.8</b>	<b>70.2</b>	<b>18.7</b>	<b>298.3</b>

### Summary consolidated statement of financial position data

	As at 31 December			As at 30 June
	2018 <sup>(1)(2)</sup>	2019 <sup>(2)</sup>	2020	2021
	<i>(USD millions)</i>			
<b>Assets</b>				
Total non-current assets.....	2,230.1	4,149.0	3,862.6	3,718.7
Total current assets.....	673.2	842.9	934.7	1,277.8
<b>Total assets</b> .....	<b>2,903.3</b>	<b>4,991.9</b>	<b>4,797.3</b>	<b>4,996.5</b>
<b>Equity</b>				
<b>Total equity</b> .....	<b>102.6</b>	<b>2,985.2</b>	<b>3,062.4</b>	<b>3,027.2</b>
<b>Liabilities</b>				
Total non-current liabilities.....	1,035.1	1,263.2	1,108.6	1,030.6
Total current liabilities.....	1,765.6	743.5	626.3	938.7
<b>Total liabilities</b> .....	<b>2,800.7</b>	<b>2,006.7</b>	<b>1,734.9</b>	<b>1,969.3</b>
<b>Total equity and liabilities</b> .....	<b>2,903.3</b>	<b>4,991.9</b>	<b>4,797.3</b>	<b>4,996.5</b>

(1) The financial information as per 31 December 2018 has been restated for the effect as disclosed in Note 2 of our audited consolidated financial statements for the year ended 31 December 2020 as set out in Annex 1 of this Prospectus. This was a consequence of management that became aware of information that the Group's exposure to historical indemnities provided to other parties was understated in the consolidated financial statements. The restatement reduced the retained earnings by USD 23.6 million and increased the provisions (which form part of the total current liabilities) by USD 23.6 million.

(2) The balance sheet information as at 31 December 2019 has been restated to correct a previous overstatement of our retained earnings. The restatement reduced the retained earnings by USD 23.6 million and increased the provisions (which form part of the total current liabilities) by USD 23.6 million. This was a consequence of management that became aware of information that the Group's exposure to historical indemnities provided to other parties was understated in the consolidated financial statements. For more information on the restatement of the balance sheet information as at 31 December 2019, see Note 2 of our audited consolidated financial statements for the year ended 31 December 2020 as set out in the Annex 1 of this Prospectus.

### Summary consolidated statement of cash flows data

	For the year ended 31 December			For the six months ended 30 June	
	2018 <sup>(1)</sup>	2019	2020	2020	2021
	<i>(USD millions)</i>				
Cash flows from operating activities ...	424.1	255.1	520.8	313.2	482.0
Cash used in investing activities.....	(17.2)	(5.0)	(66.6)	(25.4)	(13.6)
Cash used in financing activities.....	(201.6)	(148.5)	(312.4)	(118.0)	(141.1)
<b>Net cash flows</b> .....	<b>205.3</b>	<b>101.6</b>	<b>141.8</b>	<b>169.8</b>	<b>327.3</b>

	For the year ended 31 December			For the six months ended 30 June	
	2018 <sup>(1)</sup>	2019	2020	2020	2021
	<i>(USD millions)</i>				
Cash and cash equivalents at beginning of the year / period	121.8	323.1	424.6	424.6	534.9
Effect of exchange rate fluctuations on cash held	(4.0)	(0.1)	(31.5)	(27.1)	(10.0)
<b>Cash and cash equivalents at the end of the year/period</b>	<b>323.1</b>	<b>424.6</b>	<b>534.9</b>	<b>567.3</b>	<b>852.2</b>

(1) Restricted cash of USD 16.9 million for the year ended 31 December 2018 has been included under cash and cash equivalents to present this information on a consistent basis with the summary consolidated statement of cash flows data for the year ended 31 December 2020.

### Other financial information

The following table sets forth certain financial measures used by us as key indicators of our financial performance as at and for the years ended 31 December 2018, 2019 and 2020, and as at and for the six months ended 30 June 2020 and 2021. For further information, including definitions, see “*Presentation of Financial and Other Information - Non- IFRS measures*”.

	As at and for the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
	<i>(USD millions, except percentages)</i>				
Gross profit <sup>(1)</sup> .....	359.2	196.6	272.3	110.7	442.0
Gross profit margin <sup>(2)</sup> .....	29.0%	18.6%	17.6%	15.0%	35.1%
EBITDA <sup>(3)</sup> .....	552.4	356.8	472.0	214.9	537.8
EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees <sup>(3)</sup> .....	548.5	364.9	449.6	201.0	533.3
Adjusted EBITDA <sup>(3)</sup> .....	506.9	371.0	453.3	204.7	532.2
Adjusted EBITDA margin <sup>(3)</sup> .....	41.0%	35.1%	29.2%	27.8%	42.2%

(1) Gross profit is revenues less cost of sales. The following table shows a reconciliation of revenues to gross profit.

	As at and for the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
	<i>(USD millions)</i>				
<b>Revenues</b> .....	1,237.5	1,055.5	1,550.8	737.5	1,260.0
Cost of sales.....	(878.3)	(858.9)	(1,278.5)	(626.8)	(818.0)
<b>Gross profit</b> .....	<b>359.2</b>	<b>196.6</b>	<b>272.3</b>	<b>110.7</b>	<b>442.0</b>

(2) Gross profit margin consists of revenues less cost of sales divided by revenues.

(3) We calculate “EBITDA” as profit/(loss) before income tax, net interest costs (aggregate of interest income and expenses), depreciation and amortization and we calculate “EBITDA excluding foreign exchange and share of profit/(loss) from equity accounted investees” as EBITDA, adjusted to exclude foreign exchange and share of profit/ (loss) from equity accounted investees (net of tax). We believe it is a useful financial metric for assessing our operating performance over time. We define “Adjusted EBITDA” as EBITDA excluding foreign exchange and share of profit (loss)

from equity accounted investees, adjusted to exclude additional items and costs that management considers not reflective of our core operations. Adjusted EBITDA margin consists of Adjusted EBITDA divided by revenues.

EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees and Adjusted EBITDA are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. Therefore, EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees and Adjusted EBITDA should be viewed as supplemental but not as a substitute for measures presented in the consolidated statement of comprehensive income, which are determined in accordance with IFRS. Investors should not consider EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees and Adjusted EBITDA (i) as an alternative to operating profit or profit/(loss) before income tax (as determined in accordance with IFRS) as a measure of our operating performance, (ii) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (iii) as an alternative to any other measure of performance under IFRS. Because not all companies define EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees or Adjusted EBITDA in the same way, EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees and Adjusted EBITDA, as shown in this Prospectus, may not be comparable to similarly titled measures used by other companies. In particular, Adjusted EBITDA includes certain adjustments based on management estimates, including expectations regarding realized commodity prices and utilization rates as well as projections, and we cannot assure you that these expectations and projections would occur in the future, if at all.

In evaluating Adjusted EBITDA, we encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemented analysis. You should be aware that, as an analytical tool, Adjusted EBITDA is both subject to all of the limitations applicable to EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by other items.

The following table shows for each period a reconciliation of profit/(loss) for the period to EBITDA, EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees and Adjusted EBITDA.

	For the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
			<i>(\$ millions)</i>		
<b>Profit for the year / period</b> .....	216.9	38.4	127.1	62.2	316.6
Income tax .....	30.3	15.1	40.9	11.6	64.0
Net interest cost <sup>(a)</sup> .....	130.5	80.6	36.0	7.4	20.9
Depreciation and amortization .....	174.7	222.7	268.0	133.7	136.3
<b>EBITDA</b> .....	552.4	356.8	472.0	214.9	537.8
Foreign exchange result <sup>(b)</sup> .....	(3.9)	8.0	(22.5)	(13.4)	(4.5)
Share of (profit)/loss from equity accounted investees (net of tax) .....	-	0.1	0.1	(0.5)	-
<b>EBITDA excluding foreign exchange and share of profit (loss) from equity accounted investees (net of tax)</b> .....	548.5	364.9	449.6	201.0	533.3
Sorfert insurance proceeds <sup>(c)</sup> .....	(44.0)	-	-	-	-
Other (including provisions) <sup>(d)</sup> .....	2.4	6.1	3.7	3.7	(1.1)
<b>Adjusted EBITDA</b> .....	<b>506.9</b>	<b>371.0</b>	<b>453.3</b>	<b>204.7</b>	<b>532.2</b>

(a) Net interest cost is the aggregate of interest income and expenses.

(b) Foreign exchange result is the aggregate of the foreign exchange gains and losses.

(c) Adjustments for the insurance claim relating to the Sorfert shutdown include loss of profit resulting from business interruption period of USD 44.0 million caused by the unplanned shutdown at one of Sorfert's ammonia lines from May to December 2017. In December 2018, Sorfert reached a final settlement with the insurance companies for a claim in connection with the business interruption. The agreed settlement of USD 51.8 million was received in cash in part in 2018 (USD 20.1 million) with the remainder received in 2019 (USD 31.7 million). For the USD 51.8 million settlement, less the 15% that our partner receives for Sorfert, we calculated an impact on EBITDA excluding foreign exchange and share of profit

- (loss) from equity accounted investees of USD 44.0 million in 2018. See "**Material strategic partnerships—Sorfert.**" In addition in 2017, the adjustments include the release of the take-or-pay provision in relation to Sorfert's long term natural gas contract with Sonatrach. The release of the take-or-pay provision amounted to USD 16.1 million in 2017, less the 15% that our partner receives for Sorfert, the result is an USD 13.7 million impact in 2017 on EBITDA excluding foreign exchange and profit (loss) from equity accounted investees of USD.
- (d) Other adjustments include (amongst others): (i) a USD 2.4 million related to movement in provisions in 2018; (ii) a USD 6.4 million fair value adjustment of inventories related to the FERTIL acquisition in 2019, which was recorded at fair value as part of the purchase price allocation and upon sale of the inventory resulted in USD 6.4 million negative impact on EBITDA and was adjusted given its exceptional nature; (iii) a movement in provisions of USD 1.9 million in 2019 and other expenses of USD 1.6 million in 2019; (iv) a movement in provision of USD 3.7 million in 2020; and (v) a release of a provision of USD 1.1 million in the first six months of 2021.

Our Adjusted EBITDA for the year ended 31 December 2018 does not include the results of operations of FERTIL and our Adjusted EBITDA for the year ended 31 December 2019 does not include FERTIL's results of operations for the period prior to 30 September 2019. FERTIL's Adjusted EBITDA for the year ended 31 December 2018 and for the period ended 29 September 2019 was USD 342.6 million and USD 203.3 million, respectively. The foregoing FERTIL's Adjusted EBITDA figures do not give effect to FERTIL's renewed gas supply contract dated 30 September 2019. Assuming FERTIL's renewed gas contract was effective from January 1, 2018, this would have resulted in a USD 98.4 million and USD 75.3 million increase in FERTIL's cost of sales (and corresponding reduction in Adjusted EBITDA) for the periods ended 31 December 2018 and 29 September 2019, respectively.

### **Other operational data**

The following table sets forth certain financial and operational measures used by us as key indicators of our operating performance as at and for the years ended 31 December 2018, 2019 and 2020, and as at and for the six months ended 30 June 2020 and 2021.

	For the year ended 31 December			For the six months ended 30 June	
	2018	2019	2020	2020	2021
Sales volume <sup>(1)</sup> ('000 metric tons).....	4,346.2	4,188.3	6,153.6	3,047.9	3,464.8
Own product sold <sup>(2)</sup> ('000 metric tons).....	3,965.3	4,087.7	5,460.5	2,726.3	2,942.6
Investments in property, plant and equipment <sup>(3)</sup> (\$ millions) .....	17.2	50.8	67.1	26.0	13.6
Maintenance capital expenditures <sup>(4)</sup> (\$ millions)	17.2	50.8	53.0	13.7	12.9
Expansion capital expenditures <sup>(5)</sup> (\$ millions)	-	-	14.1	12.3	0.7
Production Capacity <sup>(6)</sup> (million metric tons)	4.4	6.5	6.6	6.6	6.7

- (1) Sales volume represents volumes sold of the products we produce and/or products produced by third parties that we sell ("third-party traded" products). Sales volumes are largely dependent on our production volumes, inventory levels, and on customer demand.
- (2) Own product sold represents the volumes sold of our produced products. Own product sold is largely dependent on our production volumes, inventory levels, and on customer demand.
- (3) Investments in property, plant and equipment include expenditures for the maintenance and expansion of our existing operations.

- (4) Maintenance capital expenditures include capital expenditures related to on-going maintenance and repair requirements of our operating facilities.
- (5) Expansion capital expenditures include capital expenditures related to the expansion of our current operating facilities. The expansion capital expenditures during 2020 primarily related to the installation of equipment upgrades at Sorfert. In the six months ended 30 June 2021, capital expenditures related primarily to regular maintenance expenditures.
- (6) Our Production Capacity refers to the aggregate of each production unit's MPC, which is based on consolidated capacity that is calculated through annualizing the proven production of a production unit's best achieved month. For new plants, the MPC is the design (also known as "nameplate") capacity. For facilities with more than one interconnected production unit, the Production Capacity of each downstream product cannot all be achieved at the same time. Production Capacity is a measure that is based on our production facilities' maximum proven annual capacity per product and does not necessarily take into account certain other limitations at our production plants, such as planned stoppages in a particular year and variations in product mix. Unanticipated events, including, but not limited to, unplanned production curtailments, shutdowns, plant turnarounds and other stoppages could cause our actual Production Capacity to diverge from what we project to be our Production Capacity.

The financial and operational measures used by us as key indicators of our operating performance set out in the table above for the year ended 31 December 2018 do not include FERTIL's financial or operating data and for the year ended 31 December 2019 do not include FERTIL's financial or operating data for the period prior to 30 September 2019. FERTIL's sales volume for the year ended 31 December 2018 was 2,163.9 thousand metric tons of urea and 14.5 thousand metric tons of ammonia. FERTIL's sales volume for the period ended 29 September 2019 was 1,401.2 thousand metric tons of urea and 23.3 thousand metric tons of ammonia. All of FERTIL's sales volumes for these periods were own product sold.



## 2. Dividend Policy

The Board has adopted a robust dividend policy designed to return to shareholders substantially all of its distributable free cash flow after providing for growth opportunities and while maintaining an investment grade credit profile. We intend to distribute cash dividends twice each financial year, with an initial payment in October of that year in relation to the financial performance for the first six months of that financial year and a second payment in April of the following year in relation to financial performance of the last six months of the financial year, subject to the approval of Shareholders at a general meeting.

On 5 July 2021, we paid a dividend of USD 130 million to the Selling Shareholders relating to the financial performance of the Company for the three month period ended 31 March 2021. On 3 August 2021, a dividend of DZD 24,246.6 million (USD 179.4 million based on a DZD exchange rate against the USD of 0.0074) was paid by Sorfert to Sonatrach and on 13 August 2021, a dividend of DZD 12,675.9 million (USD 93.6 million based on a DZD exchange rate against the USD of 0.0074) was paid by Sorfert to OCI S.A.E., in each case, relating to the financial year ended 31 December 2020. On 26 August 2021, we paid a dividend of USD 93.6 million to the Selling Shareholders in relation to the Sorfert dividend received by OCI S.A.E..

Our ability to pay dividends is dependent on a number of factors, including:

- the availability of distributable reserves and our capital expenditure plans and other cash requirements in future periods;
- market conditions and the then current operating environment in our markets;
- the Board's outlook for our business;
- future profits and our business plan (including our ability to perform in accordance with the expectations in our business plan);
- the discretion of our Board; and
- approval of any dividend payment at a general meeting of our Shareholders.

While there is no assurance that we will be able to do so and subject to the factors described above, we are currently (i) intending to pay a special dividend of USD 850 million to the Selling Shareholders and a dividend of USD 315 million to the Selling Shareholders, in each case, on or prior to 11 October 2021, and following the Offering, (ii) targeting to pay a dividend of at least USD 150 million in April 2022 for the second half of the year ended 31 December 2021 and (iii) targeting to pay a dividend of at least USD 315 million relating to our financial performance in the year ended 31 December 2022, with 50% of that dividend paid in October 2022 and 50% of that dividend paid in April 2023.

Going forward Fertiglobe intends to maintain a robust dividend policy designed to return to shareholders all of its distributable free cash flow after providing for growth opportunities and while maintaining an investment grade credit profile. Any dividends will be paid in cash.

The guidance provided above is based on our current business plan and targets. However, there is no assurance that we will pay any of the dividends described above or going forward or, if a dividend is paid, what the amount of such dividend will be (including for the three-month period ended 31 December 2021 and the year ended 31 December 2022). See "***Investment Risks – Risks Relating to the Offering and to the Shares – Because we are a holding company and substantially all of our operations are conducted through our subsidiaries, our ability to pay dividends on the Shares depends on our ability to obtain cash dividends or other cash payments or obtain loans from such entities***".

## 3. Material events and contracts concluded by the Company (including related party agreements)

The following is a summary of certain terms of our material contracts. The following summaries do not purport to describe all of the applicable terms and conditions of such contracts and are qualified in their entirety by reference to the actual agreements.

## **Related Party Transactions**

We are and have been a party to various agreements and other arrangements with related parties comprising OCI and certain of its other subsidiaries, and ADNOC and certain of its other subsidiaries. The most significant of these transactions are described below. For details of the impact of related party transactions on our financial position and financial results as at and for the years ended 31 December 2018, 2019 and 2020, and as and for the six months ended 30 June 2020 and 2021, please refer to note 26 of the 2020 consolidated financial statements and note 19 of the Reviewed Semi-Annual Consolidated Financial Statements for the period ended 30 June 2021, included elsewhere in this Prospectus.

### ***Fertiglobe***

#### *Shared Services Agreement*

On 4 October 2021, we entered into a Shared Services Agreement with OCI pursuant to which OCI has agreed to provide us with services in a number of areas including finance, investor relations, manufacturing, HSE and tech, insurance and information technology systems. The services are supported by a number of service level agreements which deal with certain administrative procedures in respect of the provision of the relevant service. The Shared Services Agreement may be terminated upon the occurrence of certain trigger events. The Shared Services Agreement includes (amongst other things) provisions that: (i) preclude OCI from soliciting certain employees of the Company, (ii) preclude OCI from using information obtained pursuant to the Shared Services Agreement to deprive the Company of a business opportunity, and (iii) require OCI to comply with applicable law and regulations in relation to inside information and public disclosure obligations, including the maintenance of an insider register.

#### *Financial Reporting and Disclosure Protocols*

On 4 October 2021, we entered into certain protocols relating to matters including financial reporting, disclosure and investor relations (the “**Protocols**”) with OCI. Given that OCI is a listed company and that OCI consolidates our financial statements, we have entered into the Protocols to allow for consistent, orderly and timely disclosures of financial and other information by both OCI and the Company. The Protocols provide for coordination on financial and non-financial reporting and certain other matters in order to facilitate both OCI and the Company complying with their respective legal obligations.

#### *Deed of Undertaking relating to ADNOC Consents*

On 4 October 2021, we entered into a Deed of Undertaking with ADNOC pursuant to which we have provided an undertaking not to take, under certain circumstances, certain actions without the express consent of ADNOC from the sunset date (as defined in our Articles of Association), until our major shareholders obtain relevant antitrust clearances in relation to the occurrence of the sunset date.

#### *ADNOC Undertaking*

On 4 October 2021, ADNOC entered into a separate undertaking pursuant to which it has agreed, until the occurrence of certain future events and subject to the terms thereof, to vote in favour of candidates for appointment as directors who meet certain criteria under the Company’s governance and board composition policy.

### *FERTIL Trust Arrangement*

See “**Material Contracts – FERTIL Trust Arrangement**”.

### *Subscription and Contribution Agreement*

On 17 June 2019, in connection with the contribution of the relevant MENA fertilizer businesses of OCI and ADNOC to Fertiglobe, Fertiglobe entered into a subscription and contribution agreement with, among others, the OCI Shareholder and ADNOC. Pursuant to an amendment to the subscription and contribution agreement entered into on 4 October 2021, OCI has agreed to indemnify the Company for losses arising from certain liabilities relating to the Company’s legacy engineering and construction businesses, including liabilities referred to under “*Statement of the status of litigation actions and disputes with the Company over the past three years -OCI S.A.E. tax evasion case*” and “*Statement of the status of litigation actions and disputes with the Company over the past three years - OCI S.A.E. / Sidra Project arbitration*”. The indemnification provided to Fertiglobe is resulting in a contribution in kind of USD 64.0 million and recognition of a receivable due from OCI for the same amount. Such receivable will only become due and payable by OCI in the event such liability materializes.

### *Tax Deed*

On 30 September 2019, in connection with the contribution of the respective MENA nitrogen products businesses of OCI and ADNOC to Fertiglobe, Fertiglobe entered into a tax deed with OCI and ADNOC. Under the terms of the tax deed, Fertiglobe agreed to take certain actions in respect of tax refunds receivable or received by members of the Group which relate to the period or events which occurred prior to 30 September 2019. These actions include notifying OCI and ADNOC in respect of such tax refunds, taking steps to obtain such refunds and paying any such tax refunds received to OCI (in the case of the entities contributed by OCI to Fertiglobe) and ADNOC (in the case of FERTIL) equal to Fertiglobe’s economic interests in that member of the Group.

### *Project Harvest - Project Framework Agreement*

On 21 June 2021, Fertiglobe entered into a project framework agreement with ADNOC in respect of Project Harvest. The agreement sets out the framework for Fertiglobe and ADNOC to establish a joint venture to develop a low carbon intensity ammonia production plant in the derivative and industrial complex at Ruwais, Abu Dhabi. The agreement contemplates that Project Harvest will be developed in accordance with the framework agreement until the shareholders’ agreement (that Fertiglobe and TA’ZIZ (a joint venture between ADNOC and Abu Dhabi Developmental Holding Company PJSC) propose to enter into) becomes unconditionally effective.

## **FERTIL**

### FERTIL Governance Agreement

On 4 October 2021, we entered into a governance agreement with FERTIL and ADNOC pursuant to which we agreed to regulate certain governance arrangements in relation to FERTIL given the importance of the operations of FERTIL to the oil and gas industry in Abu Dhabi. Under the terms of the FERTIL Governance Agreement:

- until the occurrence of one of a number of trigger events (including relating to OCI’s ultimate level of ownership in the Company), certain ADNOC group policies will continue to apply to FERTIL, and other ADNOC group policies will continue to serve as material guidelines for the operation of FERTIL. After the occurrence of the trigger event, various other ADNOC group policies will become applicable;
- Emirati national(s) must be appointed to senior management positions of FERTIL (in accordance with UAE laws), and an Emiratisation policy to recruit, prepare and train Emirati nationals must be maintained;

- priority must be given to the sourcing of services and products from providers owned by Emirati nationals, or otherwise from businesses operating within the UAE (where it is commercially prudent to do so); and
- FERTIL must continue to make at least 1.5% of its aggregate urea production volume available for sale in the UAE in line with the prevailing market value. Other than as specified above regarding various ADNOC group policies, the majority of the provisions of the governance agreement will terminate once the Government of the Emirate of Abu Dhabi, and entities which are at least 75% owned by it, cease to own, directly or indirectly, 15% of our ordinary shares.

#### *Natural Gas Supply Contract*

FERTIL entered into a 25-year long-term natural gas supply agreement with ADNOC on 30 September 2019. The minimum contractual volume is 56 million MMBtu per year and the gas is supplied on a take or pay basis. For a description of the principal terms of this agreement, please refer to “*Material Contracts—Long term natural gas contract between FERTIL and ADNOC*” below.

#### *Utilities Supply Agreement*

On 30 September 2019, FERTIL entered into a utilities supply agreement with ADNOC Refining (a subsidiary of ADNOC) for the supply of utilities to FERTIL’s fertilizer production facilities. The agreement sets out the terms, conditions and pricing for ADNOC Refining to supply certain utilities, on a take or pay basis, to FERTIL (specifically: electricity; sea water; desalinated water; and potable water). The agreement is for an initial term of 25 years (unless terminated in accordance with the terms of the agreement), and automatically renews for successive periods of five years thereafter, unless one of the parties notifies the other of its intention not to renew 12 months prior to a renewal date.

#### *Gaseous Nitrogen Supply Agreement*

On 18 September 2013, FERTIL (and certain other ADNOC affiliates) entered into a gaseous nitrogen supply agreement with ADNOC. The agreement sets out the terms, conditions and pricing for Abu Dhabi Gas Industries Limited, on behalf of ADNOC, to supply gaseous nitrogen to FERTIL. The price of gaseous nitrogen under the agreement is fixed until 25 September 2032, and no minimum take or pay obligation is imposed on FERTIL under the agreement.

#### *Operations, Maintenance and Asset Use Agreement*

On or around 30 September 2019, FERTIL entered into an operation, maintenance and asset use agreement with ADNOC in respect of the bulk cargo terminal located at Ruwais, Abu Dhabi, and the lay down areas adjacent to the bulk cargo terminal. Under the agreement, FERTIL: agrees to manage, operate and maintain the bulk cargo terminal and adjacent lay down areas; and is granted certain usage rights for the bulk cargo terminal and lay down areas.

#### *Land Lease Agreement and Land Lease Side Letter*

On 30 September 2019, FERTIL entered into a land lease agreement and land lease side letter with ADNOC, each in respect of land rights for the fertilizer plant site at Ruwais, Abu Dhabi. The land lease agreement is for an initial term of four years, and automatically renews for successive periods of four years until the decommissioning date (unless terminated earlier). Under the land lease agreement, FERTIL is granted certain proprietary rights in respect of the land on which the fertilizer plant is situated. The land lease side letter amends certain terms in the land lease agreement, including (but not limited to) a rental increase in the event the land lease agreement is automatically renewed after the initial four year term.

#### *Administration Building Lease*

On 30 September 2019, FERTIL entered into an administration building lease agreement with ADNOC in respect of the ground and first floor of the administrative building located in Ruwais,

Abu Dhabi. The administration building lease is for an initial term of five years and nine months, and automatically renews for successive periods of five years thereafter (unless terminated earlier). Under the lease, FERTIL is granted certain proprietary rights in respect of the ground and first floor of the administrative building.

#### *Head Office Lease*

FERTIL entered into a lease agreement with ADNOC in respect of three floors of the Sheikh Khalifa Energy Complex 1 (Tower 1) in Abu Dhabi with an effective date of 1 January 2018. The head office lease automatically renews on an annual basis. Under the head office lease, FERTIL is granted certain proprietary rights in respect of the relevant three floors at Sheikh Khalifa Energy Complex 1 (Tower 1).

#### *Ruwais Housing Agreement*

On 30 September 2019, FERTIL entered into a housing agreement with ADNOC in respect of certain housing accommodation in Ruwais, Abu Dhabi. The effective date for the lease was 1 January 2019, and the initial term was one year, with a discretionary renewal mechanism. Under the housing agreement FERTIL was granted certain proprietary rights in respect of the housing accommodation.

#### *Corporate Services Agreement*

On 30 September 2019, FERTIL entered into a corporate services agreement with ADNOC. The agreement sets out the terms, conditions and pricing for ADNOC to provide certain corporate services to FERTIL, and if requested by FERTIL, certain additional services to FERTIL. The corporate services include (among other things): communication services, HSE services, legal services, insurance services, and IT services. The additional services include (among other things): corporate governance, finance, treasury, accounting, tax, human resources, logistics, procurement, and general management and administrative services.

#### *Shared Services Agreement*

On 21 March 2018, FERTIL (and other ADNOC affiliates) entered into a shared services agreement with ADNOC Refining (a subsidiary of ADNOC) in respect of shared services at Ruwais, Abu Dhabi. The agreement sets out the terms and conditions for ADNOC Refining to provide: (i) central maintenance services; (ii) central engineering and project services; and (iii) central fire brigade services to FERTIL (and other ADNOC affiliates). There is no expiry date under the agreement, and the agreement will continue until terminated.

#### *Common Facilities Services Agreement*

On 22 May 2019, FERTIL entered into a common facilities services agreement with ADNOC Refining (a subsidiary of ADNOC). The agreement sets out the terms and conditions on which ADNOC Refining provides certain services in respect of common facilities in Ruwais, including (but not limited to): (i) cleaning and landscaping for easement areas; (ii) water for industrial irrigation; (iii) maintenance of electrical transmission lines; (iv) electricity and potable water for common areas; and (v) other services of a similar nature. The agreement has a fifteen year term (unless terminated earlier).

#### *Memorandum of Agreement for Waste Treatment Services*

On 7 January 2019, FERTIL entered into an amended and restated memorandum of agreement with ADNOC Refining (a subsidiary of ADNOC). The agreement sets out the terms, conditions and pricing for ADNOC Refining to treat and dispose of certain waste products generated by FERTIL's fertilizer plant at Ruwais, Abu Dhabi. The agreement is for an initial term of 15 years (unless terminated earlier), after which the agreement automatically renews for successive five

year periods (unless ADNOC Refining or FERTIL notifies its intention not to renew at least 12 months prior to the expiry date).

#### *IRSHAD Oil Spill Response Agreement*

On or around 1 July 2016, FERTIL (and several other companies that operate in the Ruwais industrial area in Abu Dhabi), entered into a management and operations of tier 1 oil spill response vessel agreement with Abu Dhabi Petroleum Ports Operating Company (IRSHAD). Under the agreement Abu Dhabi Petroleum Ports Operating Company (IRSHAD) provides oil pollution response services to FERTIL and other companies, and ADNOC supervises the provision of such services.

#### *ADNOC Group Medical Services Agreement*

On 28 August 2018, FERTIL (and several other ADNOC group companies that do not form part of the Fertiglobe Group) entered into a medical services agreement. Under the medical services agreement, ADNOC provides medical services to FERTIL, other ADNOC group companies and certain personnel. The agreement is for an initial term of ten years (unless terminated earlier), and will renew for successive five year periods thereafter.

### **OFT AND FDL**

#### *Ammonia Supply Agreement*

On 30 September 2019, OFT, FDL and OCI Nitrogen B.V. (a subsidiary of OCI, but not part of the Group) entered into an ammonia supply agreement. The agreement sets out the terms and conditions upon which OFT supplies ammonia to OCI Nitrogen B.V., at market price, and that OFT is to be the exclusive supplier of ammonia to OCI Nitrogen B.V. for its ammonia sea import terminals. The agreement contemplates the automatic replacement of OFT as the supplier under the agreement by FDL once FDL receives the requisite ammonia trading licenses from the relevant Algerian authorities. The agreement is for an initial term of 12 months (unless terminated earlier), after which the agreement automatically renews for successive 12 month periods (unless either party notifies its intention not to renew at least six months prior to the expiry date).

#### *Master Framework Agreement*

On 20 September 2018, OCI, OFT, OCI Beaumont LLC, OCI Nitrogen B.V., Biomethanol Chemie Nederland B.V., OCI, Ester Finance Titrisation, Credit Agricole Corporate & Investment Bank and Credit Agricole Leasing & Factoring entered into a master framework agreement to establish a trade receivables and securitisation programme. On 20 February 2020, FDL acceded to the Securitization Facility as a Seller, and OFT withdrew from the Securitization Facility. Pursuant to the master framework agreement, OCI guarantees the performance of certain FDL obligations under the Securitization Facility. See “***Statement of Company's loans, credit facilities and indebtedness and the most significant conditions thereof –Securitization Facility and FDL Receivables Purchase Agreement***”.

#### *N-7 Sales Agency Agreement*

On 18 May 2018, OFT entered into a sales agency agreement with N-7 LLC (a subsidiary of OCI). On 29 April 2021, OFT transferred its rights and obligations under the sales agency agreement to FDL. Under the sales agency agreement, N-7 LLC is the sole and exclusive commercial agent of FDL for the marketing, sale and distribution of urea, UAN, ammonium sulfate and other fertilizer products in the U.S. and Canada. The agreement automatically renews for successive periods of twelve months (unless terminated earlier).

### **OCI S.A.E.**

#### *Demerger Conditional Sale Agreement*

As part of the Demerger, OCI transferred its engineering and construction business to OC in March 2015. OCI S.A.E., which is our sub holding company for two of our four operating

subsidiaries, was the former parent company of the OCI group prior to the Demerger and was delisted from the Egyptian Exchange in 2016.

At the time of the Demerger, OCI S.A.E. held certain construction activities that could not be transferred to OC as part of the Demerger due to legal, regulatory or other considerations. Any engineering and construction projects awarded since September 2014 have been entered into by subsidiaries of OC. The remaining engineering and construction backlog under OCI S.A.E. consists of the residual amount of the engineering, procurement and construction contract with the Egyptian Ministry of State for Antiquities related to the Grand Egyptian Museum.

To facilitate the effective governance and economic allocation of both the fertilizer and legacy engineering and construction activities under OCI S.A.E, OCI MENA B.V. (previously a subsidiary of OCI, and now our wholly-owned subsidiary) and OC IHC 4 B.V. (a subsidiary of OC) entered into the CSA. The CSA stipulates that the management of construction activities, as well as the economic effect of all related risks and rewards, would be passed from OCI S.A.E. to OC until OCI S.A.E.'s construction activities are terminated, or until OCI S.A.E.'s construction activities are fully demerged into a separate construction entity that is then transferred to OC. Accordingly, the financial statements of OCI S.A.E. do not reflect the activities, assets or liabilities of the legacy construction activities as these are fully assigned and therefore reflected in the OC financial statements. See "*Investment Risks—Risks Related to Our Business—Our subsidiary OCI S.A.E. continues to hold some residual activities related to the legacy engineering and construction business*".

In addition to management, the CSA also grants OC the right to vote on the board of directors of OCI S.A.E. in matters related to the engineering and construction business.

The CSA also stipulates that any payment arising from the contingent tax liability described under "*Statement of the status of litigation actions and disputes with the Company over the past three years—OCI S.A.E. tax evasion case*" will be split on a 50/50 basis between OCI S.A.E. and OC IHC 4 B.V. If it is unclear whether a liability relates to the engineering and construction operations or the fertilizer operations, OC IHC 4 B.V. will be liable for 15% of such liability. See "*Investment Risks—Our subsidiary OCI S.A.E. continues to hold some residual activities related to the legacy engineering and construction business*".

Members of the Sawiris family collectively own a controlling interest in OCI, and a significant beneficial interest in OC. In addition, Mr. Nassef Sawiris is the former Chief Executive Officer of the Company and the Executive Vice-Chairperson of our Board.

## **Fertiglobe France SAS**

Fertiglobe France SAS, as sub-lessor, and OCI Agro France SAS, as sub-lessee, entered into a sub-lease agreement relating to the premises located 3, avenue Paul Langevin - Bâtiment 3 - parc d'activité Enora Park, 33600 Pessac, France; this address being the head office of both the sub-lessor and the sub-lessee. The effective date for the lease was 10 October 2019, and the sub lease expires on 31 July 2022.

## **Material Contracts**

### ***Natural gas contracts***

#### Long-term natural gas contract between Sorfert and Sonatrach

Sorfert is contracted to receive natural gas through a 20 year long-term natural gas supply agreement with Sonatrach that commenced in 2013. The total contractual volume is 1.75 billion cm<sup>3</sup> per year and the gas is supplied on a take or pay basis for 92.5% of the annual contractual quantity. The base price is approximately USD 1.25/MMBtu in 2021 and increases annually by 5% (in US dollar terms) until November 2023. Costs are payable in Algerian dinars after reflecting any variation in the Algerian dinar - US dollar exchange rate from year to year. The amendment to the partnership agreement entered into between OCI S.A.E. and Sonatrach in connection with the establishment of Sorfert entitles Sonatrach to an incremental share in dividends as long as Sorfert benefits from the price mechanism agreed in the long-term natural

gas supply agreement. See “*Material strategic partnerships–Sorfert*”. As such, the Algerian government is incentivized to maintain the current mechanisms for Sonatrach’s favourable economics in Sorfert after the price mechanism expires in November 2023.

The long-term natural gas supply agreement states that, following the expiry of the pricing mechanism, the price of natural gas will be determined in accordance with applicable regulation. Algeria enacted Law 19-13 dated 11 December 2019 governing hydrocarbons activities. Law 19-13 provides that the sale price of natural gas to a customer that consumes on the Algerian territory for its own needs annual quantities greater than or equal to a threshold to be defined by government order is freely negotiated with Sonatrach. While this order has not been issued yet, the threshold set out in previous regulations allowing a customer to be eligible to negotiate the gas price with Sonatrach was annual gas consumption on a site of 140 million thermal units. Assuming the government order will set a comparable threshold, and given that Sorfert’s annual gas consumption is greater than 140 million thermal units, we expect that Sorfert will remain eligible to negotiate the price at which it purchases natural gas following November 2023. While the matter is not free from doubt, we believe that:

- the sale price mechanism for natural gas currently applicable under the long-term natural gas supply agreement will remain in effect until another negotiated price is agreed with Sonatrach;
- In the unlikely event a sale price for the natural gas cannot be agreed between Sorfert and Sonatrach, the sale price will be determined by an Algerian court; and
- until determination by a court, the sale price for the natural gas currently payable by Sorfert gas price would be expected to remain in effect during the course of any legal proceedings, which are typically lengthy in Algeria.

#### Long-term natural gas contract between FERTIL and ADNOC

FERTIL is contracted to receive natural gas through a 25-year long-term natural gas supply agreement with ADNOC which commenced in January 2019. The minimum contractual volume is 52 million MMBtu per year and the gas is supplied on a take-or-pay basis. The base price is USD 2.76/MMBtu until 31 December 2021. The base price increases to USD 3.50/MMBtu in 2022 and increases by 3% per year thereafter. Costs are payable in AED or USD as specified in the applicable invoices.

#### Long-term natural gas contracts between EFC and GASCO

Each production line at EFC is contracted to receive natural gas through two identical 25-year natural gas supply agreements with GASCO in accordance with an agreement that commenced in August 2005 for EFC line I and an agreement that commenced in December 2006 for EFC line II. The total contractual volume is 33.5 million MMBtu per year. The contracts incorporate a natural gas pricing formula that is contingent upon a definite volume of gas supply to the plant, with a floor between USD 2 per MMBtu and USD 4 per MMBtu based on the volume of gas supply, as well as a revenue sharing mechanism linked to the weighted-average selling price of urea.

#### Long-term natural gas contract between EBIC and EGPC

EBIC receives natural gas through a 20-year long-term natural gas supply agreement with EGPC which commenced in 2008. The total contractual volume is 24 million MMBtu per year. As with EFC’s contract with GASCO, the EBIC contract incorporates a revenue sharing mechanism linked to the weighted-average selling price of ammonia and a natural gas pricing formula with a floor mechanism of between USD 2 per MMBtu and USD 4 per MMBtu based on the quantity of natural gas delivered.

#### ***Material strategic partnerships***



## Sorfert

On 19 March 2007, OCI S.A.E. entered into a partnership agreement with Sonatrach for the establishment of a production company that (i) shall be a joint stock company registered under Algerian law and was established to construct a urea and ammonia complex in the industrial zone of Arzew, Algeria and (ii) shall also be in charge of selling the urea and ammonia products internationally. Sorfert was created in June 2007 as the production company. The partnership agreement was amended in 2013, in particular to add provisions relating to the national and international marketing by Sorfert of its products. OCI S.A.E. committed to participate through cash contributions of 51% in share capital of Sorfert. Total investment in the complex for OCI S.A.E. and Sonatrach was USD 1,622 billion. In addition to its 49% share capital in Sorfert, Sonatrach committed to supplying the production company with the gas supply required to produce 4,000 metric tons of ammonia per day and 3,250 metric tons of urea per day for 20 years at a rate lower than the natural gas's export price. Consequently, the annual dividends are split into two sub dividends relating to the products and Sonatrach will receive up to 15% incremental sub-dividend depending on the annual average price of the particular product. However, in accordance with the amendment to the partnership agreement in 2013, Sonatrach is entitled to an incremental share in dividends above a minimum payout threshold which is equal to the reduction of OCI S.A.E.'s share in dividends. Sonatrach's entitlement to such incremental share in dividends is subject to the condition that the price of natural gas payable by Sorfert remains stable for a period of 10 years from the date of the commissioning of the Sorfert facility, which would effectively end in November 2023. Concerning voting, each share grant is entitled to one vote. Presently, Sonatrach holds 49% of the votes and OCI S.A.E. holds 51% of the votes in Sorfert. Sorfert is managed by a board of directors whose members are mandated and appointed in proportion to their holding in the share capital and are elected by a general assembly. The board of Sorfert is composed of five members: three members are appointed by OCI S.A.E. and two members are appointed by Sonatrach. The partnership agreement is for 25 years, unless terminated or extended.

## EBIC

On 10 December 2005, a shareholders' agreement was entered into between EBIC, PSK Holdings, Amiral Ammonia Overseas Ltd, First Arabian Development & Investment Company, Egyptian General Petroleum Corporation, MEPCO, Basil El-Baz and Onsi Sawiris in respect of EBIC. EBIC is a closed joint stock Egyptian company registered in Egypt and was formed to undertake the development and implementation of an ammonia production project in Suez, Egypt. EBIC's board of directors is established by a vote in a general meeting of the shareholders, and the board must have a minimum of four directors. The relevant shareholding interests in EBIC are currently: Egyptian Natural Gas Holding Company (15%), First Arabian Development and Investment Company (10%), OCI MEPCO Holding Ltd (BVI) (75%) (owned through various wholly owned Fertiglobe subsidiaries). Each of the current shareholders is entitled to nominate one director for every 10% of EBIC's share capital that it holds. The shareholders must procure that board meetings are convened at least quarterly, and in order for there to be a quorum at a board meeting, at least three of the minimum four directors present must have been appointed by MEPCO. MEPCO also appoints a three person management team (a general manager, technical manager and financial manager) to manage EBIC's business, and such nominations are subject to individual approval by the board. Material company changes, including (but not limited to) payment of any dividend, dissolution or merger, or amendments to the articles of association, require an affirmative vote of at least 75% of the votes at a general meeting of the shareholders. All shares of the same type rank *pari passu* in EBIC's profits and assets if liquidated. Shareholders hold the right of first refusal and the right to sell shares to other shareholders, and shareholders are not permitted to assign any other obligations under this agreement. The agreement contains customary event of default, termination and confidentiality provisions. The agreement is governed by English law. On 2 August 2021, the Company increased its aggregate indirect ownership stake in EBIC from 60% to 75% following an acquisition of shares in one of its holding companies from KBRDC Egypt Cayman Limited for a total consideration of USD 43 million.

## ***FERTIL Trust Arrangement***

On 30 September 2019, the Company entered into the following agreements in order to

establish a trustee arrangement in respect of the entire issued share capital of Fertilizers Exports Holding I Limited (being the indirect shareholder of 51% of the total issued share capital of FERTIL) to provide the Company with the full rights and economic interests of, and control over, 100% of FERTIL:

- a nominee agreement with OCIFERT ME Holding Ltd (the sole shareholder of Fertilizers Exports Holding I Limited) and Nassef Sawiris (the sole shareholder of OCIFERT ME Holding Ltd, and the Executive Vice-Chairperson of the Board) pursuant to which OCIFERT ME Holding Ltd agreed, amongst other things, to hold the entire issued share capital of Fertilizers Exports Holding I Limited as bare nominee on the Company's behalf and for its account, to authorize the Company to exercise all voting, ownership and management rights in respect of Fertilizers Exports Holding I Limited and its shares, and to pass all dividends and distributions that are paid to the Company;
- a share charge agreement with OCIFERT ME Holding Ltd and Fertilizers Exports Holding I Limited pursuant to which OCIFERT ME Holding Ltd granted a charge over the entire issued share capital of Fertilizers Exports Holding I Limited in our favor as security for the performance of its obligations and liabilities under the nominee agreement referred to above;
- a call option agreement between OCIFERT ME Holding Ltd pursuant to which we have been granted an option over the entire issued share capital of Fertilizers Exports Holding I Limited; and
- a deed of indemnity pursuant to which we have indemnified OCIFERT ME Holding Ltd and Nassef Sawiris in respect of all claims, losses, taxes, liabilities, obligations and damages (subject to certain exclusions, including for breaching the trustee arrangements described herein) which they may incur in their capacity as shareholders in the Fertilizers Exports Holding I Limited and OCIFERT ME Holding Ltd, respectively.

On 30 September 2019, irrevocable proxies and powers of attorney were granted in our favor by OCIFERT ME Holding Ltd in respect of Fertilizers Exports Holding I Limited and Nassef Sawiris in respect of OCIFERT ME Holding Ltd to act as a proxy to vote at any shareholder meetings or upon any written resolutions of the shareholders of these entities, and to grant us full power and authority to do anything that they are lawfully able to do in respect of the shares in such entities. These proxies and powers of attorney are required to be maintained under the terms of the nominee agreement referred to above.

### ***Other Material Contracts***

#### **Transammonia Offtake Agreement**

EBIC sells anhydrous ammonia produced at EBIC plant erected in the Suez Industrial Zone in Suez, Egypt to Transammonia through an ammonia sales contract which commenced in 2001. The total contract quantity to be sold and delivered by EBIC is 100% of the product produced by the plant and available for export outside of Egypt or for sale within Egypt, estimated to be 700,000 metric tons per year (pursuant to amendment 5 entered into on 16 February 2005), at the prices and subject to the terms and conditions set out in the contract. Payment is made in U.S. Dollars by telegraphic transfer in accordance with the provisions of the contract. Pursuant to an assignment dated 8 December 2005, EBIC assigned all of its rights to provide shipping and storage for the product under the contract to Liquid Cargo at the prices and subject to the terms and conditions set out in the contract.

## Fourth Section: Other details

### 1. Mechanism for adopting a governance system in the Company

The Board of Directors (the “**Board**”) is committed to standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, Fertiglobe complies, and intends to comply, with the corporate governance requirements of the ADX listing rules.

In this respect, the ADX listing rules provide for the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) (the “**SCA Governance Guide**”) to apply to all entities listed on the ADX. However, in the case of companies such as Fertiglobe which are incorporated in UAE free zones, the application of the SCA Governance Guide is subject to such exemptions and modifications as the ADX may approve. Fertiglobe is currently assessing where exemptions and modifications may be required and will, in due course, apply to the ADX for the required exemptions to be granted as contemplated by the ADX listing rules. The Board of Directors has also adopted a governance and board composition policy which includes various principles applicable to the make-up of the Board, including that there must be at least one female director. In this Prospectus, the corporate governance rules applicable to Fertiglobe (taking into account the exemptions referred to above) and the governance and board composition policy are collectively referred to as the “**Governance Rules**”).

### 2. The Company’s proposed management structure

#### Company’s Board structure

As at Listing, the Board is expected to consist of 11 Directors of which there are two Executive Directors and nine Non-Executive Directors, six of whom are independent Directors.

Name	Year of birth	of Position	Year of appointment
H.E. Dr. Sultan Ahmed Al Jaber*	1973	Chairperson	2019
Mr. Nassef Sawiris	1961	Executive Chairperson**	2019
Mr. Ahmed El-Hoshy	1984	Chief Executive Officer and Director	2020
Mr. Bartholomeus Petrus Voet	1965	Director	2021
Mr. Charles David Welch*	1953	Director	2019
Mr. Guy Moeyens*	1965	Director	2021
Mr. Hassan Hossam Hassan Badrawi	1976	Director	2019
Mr. Khaled Salmeen*	1973	Director	2021
Mr. Mohamed Saif Ali Abed Alaryani*	1991	Director	2019
Mr. Philippe Ryckaert	1982	Director	2018
Mrs. Wafa Ibrahim Ali Mohamed Alhammadi*	1973	Director	2019

\* Denotes that the Director is considered independent under the Governance Rules

\*\* Effective as of the date of Listing (previously a Director only)

The management expertise and experience of each of the Directors is set out below.

**H.E. Dr. Sultan Ahmed Al Jaber - *Chairperson***

His Excellency Dr. Sultan Ahmed Al Jaber shall continue to be the Chairperson of the Company. H.E. Dr. Sultan Ahmed Al Jaber has served as Group Chief Executive Officer and Managing Director of ADNOC since February 2016. Prior to taking on the leadership position at ADNOC, H.E. Dr. Sultan Ahmed Al Jaber served as Chief Executive Officer of the Energy platform, of Mubadala Development Company. H.E. Dr. Sultan Ahmed Al Jaber is a member of the UAE Federal Cabinet, Minister of Industry and Advanced Technology, a position he has held since July 2020, and the UAE's special envoy for climate change. He also holds several additional leadership roles and advisory positions and counsels on issues related to Energy, Economics, Strategic Communications and Sustainable Development. In July 2020, H.E. Dr. Sultan Ahmed Al Jaber was appointed Chairman of Emirates Development Bank, a key partner in providing financial services for the sustainable economic and social development of the UAE. In December 2020, H.E. Dr. Sultan Ahmed Al Jaber was appointed as a board member to the Abu Dhabi Supreme Council for Financial and Economic Affairs. He is an active member of the Emirates Diplomatic Academy Board of Trustees, and Chairman of the Board of Trustees of the Mohamed bin Zayed University of Artificial Intelligence and holds a Ph.D. in Business and Economics from Coventry University, UK, an MBA from California State University, USA, and a BSc in Chemical and Petroleum Engineering from the University of Southern California, USA.

**Mr. Nassef Sawiris - *Executive Vice-Chairperson***

Effective as of the date of Listing, Mr. Nassef Sawiris shall be the Executive Vice-Chairperson of the Company. Mr. Sawiris is the Executive Chairman of OCI. He joined the Orascom Group in 1982, became the Chief Executive Officer (CEO) of OCI's predecessor, OCI S.A.E., in 1998 and was also appointed Chairman of OCI S.A.E. in 2009 until the formation of OCI and remained CEO until 2020. Mr. Sawiris is the Chairman and CEO of Avanti Acquisition Corp., a Special Purpose Acquisition Company (SPAC), listed on the NYSE, the executive chairman of Aston Villa FC, a supervisory director of Adidas AG, a member of the J.P. Morgan International Council, a member of the Cleveland Clinic's International Leadership Board Executive Committee since 2011, and in 2013 he became a member of the University of Chicago's Board of Trustees. Mr. Sawiris has also previously served on the Boards of BESIX SA, LafargeHolcim Ltd, OC, the Egyptian Exchange and NASDAQ Dubai. Mr. Sawiris holds a BA in Economics from the University of Chicago, USA. Mr. Sawiris was born in 1961 and is an Egyptian and Belgian citizen.

**Mr. Ahmed El-Hoshy - *Chief Executive Officer and Director***

Mr. Ahmed El-Hoshy serves as Chief Executive Officer of OCI and Fertigllobe. Prior to becoming Chief Executive Officer of OCI, he was Chief Operating Officer and since joining OCI in 2009 has held various other positions including CEO of OCI Americas and was CEO of OCI Partners LP, a subsidiary of OCI, when it was a listed company on the NYSE. He oversaw OCI's expansion into North America from no production assets to the current 5.5+ million tons of nitrogen and methanol capacity, representing over \$6 billion of replacement value. During this time, he led the development of the group's largest greenfield projects, including Iowa Fertilizer Company, and has been responsible for a wide variety of activities including project development, financing, commercial, M&A, corporate strategy and general management. Ahmed began his career at Goldman Sachs as a member of the investment banking and special situations groups in New York and Dubai. He received his bachelor's degree in economics with honors from Harvard College, USA. Mr El-Hoshy was born in 1984 and is a dual Egyptian and American citizen.

**Mr. Bartholomeus Petrus Voet - *Director***

Mr. Bart Voet is Vice President - Manufacturing at OCI. Mr. Voet joined OCI in 2020 and brings 27 years of global experience with Royal Dutch Shell across several regions including Europe, Africa, US and Asia in the LNG, refining, chemicals and renewables business. His

most recent position at Shell was VP Refining & Chemicals Manufacturing for Europe, Africa, Asia and the Middle East, where he oversaw 10 manufacturing locations including 6 million tons of chemicals production and 1.5 million barrels per day of refining capacity, as well as over 17,000 staff and contractors. Prior to that role he was managing director of Shell Pernis for 5 years. He has held a variety of other functions at Shell including HSE, where he led a Shell team of c.200 health and safety professionals across the globe, COO for Oman LNG and MD for a refinery JV between Shell and BP in South Africa. Mr. Voet has an MSC Chemical Engineering from the Technical University Delft in the Netherlands.

**Mr. Charles David Welch - *Director***

Mr. Charles David Welch served 32 years with the U.S. diplomatic service. When he retired, he was Assistant Secretary of State for Near Eastern Affairs, the senior-most U.S. diplomat for the region. He was Ambassador to Egypt and served in Pakistan, Syria, Jordan, and Saudi Arabia. In 2008, he attained the lifetime rank of Career Ambassador, one of only about 60 diplomats to achieve this designation. From 2009 to 2019, he was President for International and Government Affairs at Bechtel, responsible for international representation, global security, internal and external communications, and the Washington Office. He was a board member of the U.S.-Saudi Business Council, the U.S.-U.A.E. Business Council and the U.S.-Egypt Business Council, and is a member of the Council on Foreign Relations and the American Academy of Diplomacy. He currently serves on several non-profit boards. Born in 1953 and is a United States citizen.

**Mr. Guy Moeyens - *Director***

Mr. Guy Moeyens is the Executive Vice President Downstream and Asset Management in the Downstream Industry, Marketing and Trading directorate of the Abu Dhabi National Oil Company. Mr. Moeyens joined ADNOC in 2021 to oversee the performance management of all Downstream Operating Companies, including ADNOC's joint venture position in Fertiglobe. Prior to joining ADNOC, Mr. Moeyens spent 30 years at bp in various roles within Petrochemicals, Refining & Marketing and the corporate centre. In his most recent role, Mr. Moeyens was the Chief Operating Officer for bp's integrated fuels and petrochemicals businesses in Europe and Southern Africa.

**Mr. Hassan Hossam Hassan Badrawi - *Director***

Mr. Hassan Hossam Hassan Badrawi is the Chief Financial Officer of OCI. Mr. Badrawi joined OCI in 2001 and has held various leadership positions, encompassing M&A, strategy, business development and investor relations. He has led the group's investment and communication activities globally across multiple sectors including building materials, fertilizers, chemicals, infrastructure and construction. Mr. Badrawi holds a BA in Economics, Political Science and Literature from Duke University, USA. Mr. Badrawi was born in 1976 and is an Egyptian and British citizen.

**Mr. Khaled Salmeen - *Director***

Mr. Khaled Salmeen is the Executive Director of Downstream Industry, Marketing and Trading at ADNOC. In this role he leads ADNOC's Trading and Supply functions, as well as its Downstream and Industry operations. This includes the growth of its existing refining and petrochemicals business, development of TA'ZIZ, a globally competitive industrial ecosystem in Ruwais that will support Abu Dhabi and the UAE's industrial growth ambitions, and ADNOC's evaluation of new business opportunities within Hydrogen. Mr. Salmeen is also responsible for ADNOC's strategic overseas storage and enhancing the company's global presence through ADNOC Marketing International. Previously, he served as Chief Executive Officer of Khalifa Industrial Zone Abu Dhabi, Chairman of Abu Dhabi Terminals, and Chief Operating Officer of Tabreed (National Central Cooling Company). He also led ADNOC's transformation efforts in the capacity of Program Management Office Director from 2016 to 2017, during a period of significant transformation for the ADNOC group.

In addition to his role as Executive Director of Downstream Industry, Marketing and Trading at ADNOC, Mr. Salmeen is a member of the board of directors of ADNOC Logistics and

Services, ADNOC Refining, ADNOC Gas Processing, ADNOC LNG, Borouge ADP, ADNOC Global Trading and ADNOC Distribution PJSC. He is also Chairman of Borouge PTE, ADNOC Trading, TA'ZIZ, Abu Dhabi Gas Distribution and NGSCO Board of Directors. He holds a Bachelor of Science Degree in Engineering from the Colorado School of Mines in the United States and an Executive MBA from INSEAD.

**Mr. Mohamed Saif Ali Abed Alaryani - *Director***

Mr. Mohamed Saif Ali Abed Alaryani has served as Senior Vice President, Strategic Investments at ADNOC since 2019. Mr. Alaryani is a CFA Charter holder and holds a Bachelor's and Master's degree in Chemical Engineering from Imperial College (London University), UK. Mr. Alaryani was born in 1991 and is a United Arab Emirates citizen.

**Mr. Philippe Ryckaert - *Director***

Mr. Philippe Ryckaert serves as Group Vice President of OCI focused on Business Development & Investments. Mr. Ryckaert joined OCI in 2014 and since joining has held various other positions focused on the group's strategic initiatives and operational improvements. Prior to joining OCI, he worked as a lawyer for Cleary Gottlieb Steen & Hamilton LLP in New York and London providing advisory services on M&A, capital markets, fund-formation and taxation of financial instruments. He also served as the Secretary General of the Belgium Chamber of Commerce in New York from 2011 to 2012. Mr. Philippe holds a Master's degree in Business Administration from INSEAD, France; an LL.M. in Law from New York University, USA; and a JD from Ghent University, Belgium. He is a Belgian and British citizen.

**Mrs. Wafa Ibrahim Ali Mohamed Alhammadi - *Director***

Mrs. Wafa Ibrahim Ali Mohamed Alhammadi has been the Chief Financial Officer of ADNOC Gas Processing since 2020 and has over 25 years of experience working in the oil & gas sector. Previously, Mrs. Alhammadi was the Chief Financial Officer of ADNOC Offshore and Total Abu Al Bukhoosh. Mrs. Alhammadi has also previously served on the board of Al Dafra Petroleum. Mrs. Alhammadi was born in 1973 and is a United Arab Emirates citizen.

**Senior Management**

In addition to the members of the Board of Directors, the day-to-day management of our operations is conducted by our senior management team, as follows:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Year of appointment</b>
Ahmed El-Hoshy	1984	Chief Executive Officer	2021
Haroon Rahmathulla	1975	Chief Operating Officer	2019
Andrew Tait	1968	Chief Financial Officer	2019

The management expertise and experience of each of the senior management team is set out below.

**Ahmed El-Hoshy - *Chief Executive Officer***

Ahmed El-Hoshy serves as Chief Executive Officer of OCI and, with effect as of the date of Listing, Fertigllobe. Prior to becoming Chief Executive Officer of OCI, he was Chief Operating Officer and since joining OCI in 2009 has held various other positions including CEO of OCI Americas and was CEO of OCI Partners LP, a subsidiary of OCI, when it was a listed company on the NYSE. He oversaw OCI's expansion into North America from no production assets to the current 5.5+ million tons of nitrogen and methanol capacity, representing over \$6 billion of replacement value. During this time, he led the development of the group's largest greenfield projects, including Iowa Fertilizer Company, and has been responsible for

a wide variety of activities including project development, financing, commercial, M&A, corporate strategy and general management. Ahmed began his career at Goldman Sachs as a member of the investment banking and special situations groups in New York and Dubai. He received his bachelor's degree in economics with honors from Harvard College, USA. Mr El Hoshy was born in 1984 and is a dual Egyptian and American citizen.

**Haroon Rahmathulla - *Chief Operating Officer***

Haroon Rahmathulla is the Chief Operating Officer of Fertiglobe. Prior to joining Fertiglobe, he served as Managing Director at Barclays in the Chemicals team and headed the European Chemicals Investment Banking team of Jefferies Financial. He has a wide range of experience across commodity and specialty businesses in the chemicals sector, and significant experience in the fertilizers and agriculture sections across nitrogen, potash phosphates and crop chemicals. Mr Rahmathulla holds a MBA (Finance) from NYU's Stern School of Business.

**Andrew Tait - *Chief Financial Officer***

Andrew Tait is the Chief Financial Officer of Fertiglobe. Prior to joining Fertiglobe he was the Head of Finance for PDO (Oman's State Oil and Gas Company) and CFO for Basrah Gas Company (creating Iraq's largest public / private venture). He has over close to 30 years' experience in finance, including six years at Ernst & Young and 22 years with Shell and two years with ADNOC. Mr Tait is a qualified Chartered Accountant with ICA (England & Wales).

**Company's Organization Chart**

Please refer to Annex 6.

**Employment positions of members of the senior executive in the Company's subsidiaries and other public joint stock companies**

None.

**Employment positions of members of the board of directors in the Company's subsidiaries and other public joint stock companies**

- H.E. Dr. Sultan Ahmed Al Jaber holds a number of positions on the boards of directors of several public joint stock companies in the state.
- Mr. Nassef Sawiris is a director of OCI S.A.E. and MEPCO, each a member of the Group.
- Mr. Philippe Ryckaert is a director of Fertilizers 1 Holding Limited, a member of the Group.
- Mr. Khaled Salmeen is a member of the board of directors of (i) Abu Dhabi Marine Business and Services Company PJSC, (ii) Abu Dhabi Oil Refining Company (Takreer) and (iii) Abu Dhabi National Oil Company for Distribution PJSC, a public joint stock company listed on the ADX. None of these public joint stock companies are a member of the Group.
- Mr. Mohamed Saif Ali Abed Alaryani is a member of the board of directors of ADNOC Drilling Company PJSC.
- Mr. Guy Moeyens is a member of the board of directors of Abu Dhabi Oil Refining Company (Takreer).

**Conditions of eligibility, election, removal and proposed names of the Company's first Board formation**

Board members will be elected by the shareholders in a general meeting by using the cumulative voting system set out in the Articles of Association. The Board of Directors was appointed by the Selling Shareholders for a period of 3 years commencing on the date of Listing.

If a position becomes vacant during the term of the Board, then a replacement may be appointed in accordance with the provisions of the Company's Articles of Association. Any such replacement shall serve the remaining term of the director who vacated her or his or her position.

#### **Director's competencies and responsibilities:**

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of Shareholders by law or by the Company's Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

### **3. Board Committees**

The Board will establish three permanent committees - an Audit Committee, a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules), and an Executive Committee. If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairperson is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

Our Articles of Association state that the composition of the Audit Committee and the Nomination and Remuneration Committee will reflect, as closely as possible, on a proportional basis, representation of the various director groups on our Board and that the membership of the Executive Committee will reflect, as closely as possible and also on a proportional basis, representation of the larger director groups on our Board. Where a director group comprises a majority of the members of the Board, then the majority of the members of each committee will be comprised of directors from that director group. The director groups are determined in accordance with Fertiglobe's Articles of Association and, broadly, allocate each director to a group depending upon the identity of the shareholder who cast the most votes for that director when he or she was elected. Further details are set out in the Articles of Association.

A high-level overview of the mandate of each of these committees, as at listing upon ADX, is



set out below.

### ***Audit Committee***

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the ADGM, the SCA and the ADX.

The Audit Committee charter requires that the Audit Committee must comprise at least three members who are Non-Executive Directors of whom at least two of its members must be independent. In addition, at least one member is required to have practical audit and accounting experience. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet not less than four times per year.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law. We have obtained written confirmation from our auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of Fertiglobe's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Nomination and Remuneration Committee must be comprised of at least three Non-Executive Directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The members of the Nomination and Remuneration Committee will be appointed in accordance with the Articles of Association. The Nomination and Remuneration Committee will meet at least twice a year, and otherwise from time to time based on the Company's requirements.

### ***Executive Committee***

The Executive Committee assists the Board in discharging its responsibilities, including in relation to the Company's commercial performance. The Board has delegated to the Executive Committee approval of related party transactions, however certain related party transactions do not require such approval (including transactions entered into pursuant to the related party agreements existing on the date of this Prospectus which are described in "***Related Party Transactions***"). Decisions regarding related party transactions are generally taken by way of a vote of non-conflicted committee members, although in certain circumstances all members of the Executive Committee will be entitled to vote (including in relation to transactions entered into with certain related parties in the ordinary course of business on arm's-length terms with

an aggregate consideration not exceeding \$10 million in any fiscal year). Whilst not a member of the Executive Committee, any standalone director (as defined in the articles) will, provided that they are not themselves conflicted, be invited to attend Executive Committee meetings at which related party transactions are discussed and will be entitled to give his or her views on such transactions. The Executive Committee will receive detailed information and reporting relating to the business and operations of the Group.

The Executive Committee charter requires that the Executive Committee must comprise five members. The Executive Committee will meet once a month.

#### **4. Articles of Association**

The full text of the Articles of Association of the Company is annexed to the Prospectus.

#### **5. Legal matters**

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 2 of this Prospectus).

- **Articles of Association**

The Company's Articles of Association and the Companies Regulations describe the rights and obligations associated with the ownership of the Shares in detail.

- **Attending General Meeting and voting rights**

Each Shareholder shall have the right to attend the General Meeting and shall have a number of votes equal to the number of their Shares (other than in relation to the election of directors, where Shareholders shall have an additional number of votes in accordance with the cumulative voting system set out in the Articles).

- **Share register**

Upon listing on the ADX, the Shares will be dematerialized and the share register will be maintained by the ADX.

- **Financial information**

A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial year**

The financial year of the Company will start on the 1<sup>st</sup> of January and end on 31<sup>st</sup> of December of each year.

- **Dividends and liquidation proceeds**

The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Company's Articles of Association and applicable law and regulation in the ADGM.

- **General Meeting**

An annual general meeting shall be held in accordance with the Companies Regulations, at such place or places (including electronic platforms), date and time as may be decided by the Directors.

The Directors may, whenever they think fit, call a general meeting. The Directors are required to call a general meeting once the Company has received requests from its members to do so in accordance with the Companies Regulations. The Directors shall determine whether a general meeting is to be held as a physical general meeting or an electronic general meeting.

Notice of general meetings shall include all information required to be included by the Companies Regulations and shall be given to all members other than those members who are not entitled to receive such notices from the Company under the provisions of the Articles.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Until the sunset date (as defined below):

- a quorum will require the presence, in person or by proxy, of (i) members representing a simple majority of the total issued and outstanding share capital of the Company, and (ii) each member holding at least 25% of the total issued share capital of the Company; and
- in the event that a general meeting is adjourned due to a lack of quorum, the adjourned general meeting shall not be subject to any requirement as to quorum.

In this Prospectus, the “**sunset date**” has the meaning given in the Company’s Articles of Association.

- **Shareholder Supermajority Matters**

The Company’s Articles of Association provide that, until the sunset date, various matters require the prior approval of Shareholders representing at least 75% of the total issued share capital of the Company. These matters include:

- certain mergers, amalgamations, or consolidations involving the Company;
- any amendments to the Articles of Association;
- any changes to the share capital of the Company or the rights attached to any shares;
- the solvent winding-up, dissolution or liquidation of the Company;
- the initiation or implementation of any safeguard proceedings, insolvency or receivership of the Company; and
- any disapplication of any provision of the Articles of Association which prevents a conflicted director from participating in a board meeting.

- **Board Supermajority Matters**

In addition, the Company’s Articles of Association provide that, until the sunset date, various other matters require the prior approval of at least 9 of the 11 Directors, including the following:

- entry by the Company into new lines of business;
- issues of shares by the Company in circumstances where shareholders have granted a general authority to the directors to allot shares;

- the removal or appointment of any Chairperson or Vice-Chairperson;
- any change to the Company's governance and board composition policy, except as required by applicable law or regulation;
- any changes to the size or to the charters, scope of powers, roles or responsibilities of, any Board committee, or the creation of new committees or dissolution of existing committees;
- the appointment of the Company's CFO, the Commercial Director of the Company, the Company's general counsel, or the FERTIL CEO (and the appointment of any person as a deputy to any of those positions);
- the acquisition or disposal of assets outside the ordinary course of business in an amount above 50 million USD;
- entry into, amendment to, or termination of, any joint ventures, partnerships, consortia or similar arrangements involving an investment above 50 million USD;
- the establishment of any nitrogen-based fertiliser production or trading operations in new markets or geographies outside the MENA region;
- commencing or settling any litigation or other dispute resolution proceedings above 5 million USD (with certain exceptions);
- capital expenditure items above 50 million USD in any fiscal year (with certain exceptions);
- approving or amending certain incentive plans or compensation policies;
- changes to the financial year;
- approving or amending the annual budget or business plan;
- amendments to the dividend policy or approving any distribution not in accordance with the dividend policy (and the declaration of dividends will itself require the approval of shareholders by ordinary resolution);
- entry into any external financing arrangements, or granting security over assets, above 100 million USD;
- any changes to accounting principles or policies, except as required by applicable law or regulation;
- any changes to the Company's tax residence or group re-organisation that would materially affect the tax position;
- political or charitable donations (subject to certain exceptions);
- any transactions with a sanctioned entity or affiliate of a sanctioned entity;
- any listing or delisting of the Company's securities or the securities of any of the Company's subsidiaries;
- appointment of replacement directors by the Board in certain circumstances set out in the Articles of Association;

- a determination that the directors will be accountable to the Company for remuneration they receive from the Company's subsidiaries; and
- certain other transactions or arrangements relating to certain of the Company's subsidiaries which would require shareholder supermajority approval if they were in respect of the Company itself.

The approval threshold of 9 out of 11 Directors may be adjusted in accordance with the Articles of Association in circumstances where two (2) or more Directors are conflicted.

- **Liability of the Board**

The members of the Board owe general duties to the Company in accordance with the Companies Regulations (including exercising reasonable care, skill and diligence and acting to promote the success of the Company). The Company may bring a claim against any member of the Board in breach of its directors duties, with available remedies varying depending on the severity of the breach but may include damages, injunctive relief and other remedies.

Subject to the prior permission of the ADGM court, an eligible shareholder may independently initiate proceedings against any member of the Board if the Company fails to do so in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by that member of the Board.

So far as may be permitted by the Companies Regulations, every Director, officer, senior manager or alternate director (or former director, officer, senior manager or alternate director) of the Company or of an associated company (as contemplated by section 278 of the Companies Regulations) may be indemnified out of the Company's assets against any liability incurred by them in connection with any negligence, default, breach of duty or breach of trust by them or any other liability incurred by them in the execution of their duties, the exercise of their powers or otherwise in connection with their duties, powers or offices.

- **Appointment of the Chairperson and the Powers of the Chairperson**

H.E. Dr. Sultan Ahmed Al Jaber is the Chairperson of the Company and Mr. Nassef Sawiris is the Executive Vice-Chairperson of the Company. The Chairperson chairs meetings of the Board. The Executive Vice-Chairperson shall chair meetings of the Board in the absence of the Chairperson. Any changes to the Chairperson or Executive Vice-Chairperson require Board supermajority approval as described above.

## **6. Supervision and Regulation**

Fertiglobe is a public limited company incorporated in the ADGM. The ADGM is a financial free zone within the meaning of UAE Federal Law No. 8 of 2004 (the "**Financial Free Zones Law**") and was established pursuant to UAE Federal Decree No. 15 of 2013. As a company incorporated in the ADGM, and in accordance with the Financial Free Zones Law, Fertiglobe is not subject to UAE federal civil and commercial laws. In particular, and without limitation, Fertiglobe is not subject to the provisions of UAE Federal Law No. 2 of 2015 concerning commercial companies (as amended) (the "**UAE Commercial Companies Law**") nor a variety of other legislation which applies to companies incorporated 'onshore' in the UAE. Instead, Fertiglobe is governed by applicable laws and regulations in the ADGM including the Companies Regulations.

In accordance with the ADGM legal framework applicable to public companies such as Fertiglobe, its primary constitutional document is its Articles of Association. Apart from various matters governed by the Companies Regulations and other ADGM legislation, the principal corporate governance and disclosure and transparency rules applicable to Fertiglobe are set

out in the Companies Regulations, certain provisions of the SCA Governance Guide, the provisions of the Chairman of Authority's Board of Directors' Decision no. 3 of 2000 concerning the regulations as to disclosure and transparency and in the Articles of Association and related documents (such as charters, policies and procedures adopted by the Board of Directors from time to time). See the section entitled "*Mechanism for adopting a governance system in the Company*". The ADGM Board of Directors and, in certain circumstances, the ADGM Registration Authority has the power and authority to investigate violations of the Companies Regulations, including if it appears to it that there are circumstances suggesting that an ADGM company's affairs are being or have been conducted in a manner which is unfairly prejudicial to some part of its members, and in certain cases to refer such violations to ADGM courts. Shareholders in ADGM companies may also directly seek injunctions from ADGM courts against acts in violation of the Companies Regulations or constitutional documents and can seek to recover damages for such violations from ADGM companies and their directors.

Pursuant to the ADX listing rules, ADX has the authority to approve and supervise the governance rules applicable to financial free zone companies such as Fertiglobe that list securities on ADX. Our Governance Rules have been approved by ADX.

The corporate governance regime applicable to Fertiglobe is different from that applicable to entities incorporated under the UAE Commercial Companies Law and regulated by the SCA. Investors should familiarise themselves with applicable ADGM laws and regulations, and the Articles of Association annexed to the Prospectus. Investors should also note that the corporate governance regime applicable to Fertiglobe is not regulated or enforced by the SCA.

#### **7. ADGM No Objection**

The ADGM Registration Authority has issued a certificate of no objection to the Listing and the Offering in accordance with Article 33 of SCA Decision No. 11 of 2016 concerning the Regulation of Offering and Issuing Shares in Public Joint Stock Companies (as amended by the SCA Decision No. 25/RM/2020).

#### **8. Independent Auditors**

KPMG Lower Gulf Limited undertook the task of auditing the Company's accounts for the duration of the two years preceding the Offering.

Address: Level 19, Nation Tower 2, Abu Dhabi Corniche, Abu Dhabi, United Arab Emirates

Phone Number: +971 2 401 4800

Email address: [AE-FMSalesmarketing@kpmg.com](mailto:AE-FMSalesmarketing@kpmg.com)

## Annex 1 - Financial Statements

The cover features a white background at the top. A horizontal line separates this from a solid orange background below. On the left side of the orange background, there are several teal icons of wheat stalks. In the center, a bar chart with six orange bars of increasing height is shown. A large blue magnifying glass is positioned over the right side of the bar chart, with its handle pointing downwards and to the right. The title 'Fertiglobe Annual Report 2019' is written in white text on the orange background.

# Fertiglobe Annual Report 2019



### **Company overview:**

Fertiglobe Holding LLC was established on December 23rd, 2018 pursuant to ADGM Company Regulations of 2015. In Mar 2019 OCI N.V. contributed its nitrogen fertilizer production and distribution assets in Egypt, Algeria and UAE to Fertiglobe and on June 26th, 2019 OCI and ADNOC signed a contribution agreement to combine ADNOC's fertilizer business into the Company. With the completion of the transaction on September 30th, 2019, Fertiglobe became the largest export-focused nitrogen fertilizer platform globally, and the largest producer in the MENA region with a production capacity of 6.5mtpa of urea and sellable ammonia. OCI N.V. is the majority stakeholder with 58% ownership, and ADNOC the minority stakeholder with 42% ownership.

### **Key assets within the Company perimeter include:**

#### **OCI Contributed Assets:**

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

Egypt Basic Industries Corporation (EBIC): OCI N.V. 's 60% stake in the Egypt based ammonia plant EBIC, which has capacity of 0.73 mtpa.

Sorfert: OCI N.V.'s 51% stake in Sorfert, an Algerian producer of ammonia and urea with capacity of 1.6 mtpa and 1.26 mtpa respectively.

OFT: OCI N.V. 's established trading platform based in U.A.E. supported by export logistics network, strategic partnerships / relationships in Brazil, Spain, and USA.

#### **ADNOC Contributed Assets:**

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 mtpa of urea and 1.2mtpa of ammonia.

### **Fertiglobe aims at achieving value through synergies which include:**

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

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

### **Members of the Board of Directors:**

The number of Directors on the Board of Fertiglobe is initially set to be 10 members with OCI appointing 6 members and ADNOC appointing 4 members as follows:

#### **ADNOC Members**

H.E. Dr. Sultan Ahmed Al Jaber - Chairperson

Abdulaziz Abdulla Ismail Mohamed AlHajri - Director

Mohamed Saif Ali Abed Alaryani – Director

Wafa Ibrahim Ali Mohamed Al Hammadi - Director

## Director's Report

### **Members of the Board of Directors (continued):**

#### OCI Members

Nassef Onsi Sawiris - Director

Hassan Badrawi - Director

Hesham Abdel Samie - Director

David Welch - Director

Philippe Ryckaert - Director

Eric Bowles - Director

Hussein Marei – Director (until his resignation on Sep 30th, 2019)

### **Current year's results:**

In 2019 total assets reached USD 5.0b with the combination of Fertil in Q4. The company achieved USD 1.06b in revenues by selling 2980 tons of Urea and 1108 tons of Ammonia resulting in a total net profit of USD 38.4m on consolidated basis.

### **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,**



**Hussein Marei**

**Company Secretary**



# Financial statements

- 5 Consolidated Statement of Financial Position
  - 7 Consolidated Statement of Profit or Loss and Other Comprehensive Income
  - 8 Consolidated Statement of Changes in Equity
  - 9 Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT

\$ millions	Note	31 December 2019	31 December 2018	1 January 2018
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	(7.1)	3,448.5	1,789.0	1,981.9
Right-of-use assets	(7.2)	94.7	-	-
Goodwill	(8)	604.8	440.0	440.0
Trade and other receivables	(9)	0.4	0.4	0.4
Equity-accounted investees		0.6	0.7	0.7
Deferred tax assets		-	-	1.9
<b>Total non-current assets</b>		<b>4,149.0</b>	<b>2,230.1</b>	<b>2,424.9</b>
<b>Current assets</b>				
Inventories	(11)	100.4	75.6	99.8
Trade and other receivables	(9)	317.1	274.5	145.7
Income tax recoverable	(10)	0.8	-	-
Restricted cash	(12.2)	16.5	16.9	2.7
Cash and cash equivalents	(12.1)	408.1	306.2	119.1
<b>Total current assets</b>		<b>842.9</b>	<b>673.2</b>	<b>367.3</b>
<b>Total assets</b>		<b>4,991.9</b>	<b>2,903.3</b>	<b>2,792.2</b>



H. Abdel Samie (Board Member)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** CONTINUED

AS AT

\$ millions	Note	31 December 2019	31 December 2018	1 January 2018
<b>Equity</b>				
Share capital	(13)	3,328.2	-	-
Reserves	(14)	(1,200.4)	(490.7)	(480.3)
Retained earnings		515.1	148.3	271.7
<b>Equity attributable to owners of the Company</b>		<b>2,642.9</b>	<b>(342.4)</b>	<b>(208.6)</b>
Non-controlling interest	(15)	365.9	468.6	307.7
<b>Total equity</b>		<b>3,008.8</b>	<b>126.2</b>	<b>99.1</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	(16)	713.3	867.6	1,000.4
Lease obligations	(17)	87.7	-	-
Trade and other payables	(18)	14.2	2.9	10.4
Provisions	(19)	-	7.1	7.4
Deferred tax liabilities	(10)	448.0	157.5	166.7
<b>Total non-current liabilities</b>		<b>1,263.2</b>	<b>1,035.1</b>	<b>1,184.9</b>
<b>Current liabilities</b>				
Loans and borrowings	(16)	168.9	1,166.1	1,171.4
Lease obligations	(17)	12.5	-	-
Trade and other payables	(18)	408.9	425.2	210.7
Provisions	(19)	128.9	110.3	123.5
Income tax payables	(10)	0.7	40.4	2.6
<b>Total current liabilities</b>		<b>719.9</b>	<b>1,742.0</b>	<b>1,508.2</b>
<b>Total liabilities</b>		<b>1,983.1</b>	<b>2,777.1</b>	<b>2,693.1</b>
<b>Total equity and liabilities</b>		<b>4,991.9</b>	<b>2,903.3</b>	<b>2,792.2</b>

The notes on pages 11 to 38 are an integral part of these consolidated financial statements.



H. Abdel Samie (Board Member)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2019	2018
Revenues	(20)	1,055.5	1,237.5
Cost of sales	(21)	(858.9)	(878.3)
<b>Gross profit</b>		<b>196.6</b>	<b>359.2</b>
Other income	(22)	4.6	52.6
Selling, general and administrative expenses	(21)	(57.1)	(37.9)
Other expenses		(1.9)	(0.1)
<b>Operating profit</b>		<b>142.2</b>	<b>373.8</b>
Finance income	(23)	15.4	8.7
Finance cost	(23)	(104.0)	(135.3)
<b>Net finance cost</b>	(23)	<b>(88.6)</b>	<b>(126.6)</b>
Income from equity-accounted investees (net of tax)		(0.1)	-
<b>Profit before income tax</b>		<b>53.5</b>	<b>247.2</b>
Income tax	(10)	(15.1)	(30.3)
<b>Profit for the year</b>		<b>38.4</b>	<b>216.9</b>
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign operations - foreign currency translation differences		(8.6)	(17.3)
<b>Other comprehensive income, net of tax</b>		<b>(8.6)</b>	<b>(17.3)</b>
<b>Total comprehensive income</b>		<b>29.8</b>	<b>199.6</b>
<b>Profit attributable to:</b>			
Owners of the Company		3.9	82.0
Non-controlling interest		34.5	134.9
<b>Profit for the year</b>		<b>38.4</b>	<b>216.9</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(0.3)	71.6
Non-controlling interest		30.1	128.0
<b>Total comprehensive income</b>		<b>29.8</b>	<b>199.6</b>

The notes on pages 11 to 38 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	Share capital (13)	Reserves (14)	Retained earnings	Equity attributable to owners of the Company	Non- controlling interest (15)	Total equity
<b>Balance at 1 January 2018</b>		-	(480.3)	271.7	(208.6)	307.7	99.1
Impact of IFRS 9 adoption		-	-	(4.6)	(4.6)	(0.2)	(4.8)
<b>Adjusted balance at 1 January 2018</b>		-	(480.3)	267.1	(213.2)	307.5	94.3
Net profit		-	-	82.0	82.0	134.9	216.9
Other comprehensive income		-	(10.4)	-	(10.4)	(6.9)	(17.3)
<b>Total comprehensive income</b>		-	(10.4)	82.0	71.6	128.0	199.6
Impact difference in profit sharing non-controlling interest		-	-	-	-	36.1	36.1
Distributions to related parties		-	-	(200.8)	(200.8)	(3.0)	(203.8)
<b>Balance at 31 December 2018</b>		-	(490.7)	148.3	(342.4)	468.6	126.2
Net profit		-	-	3.9	3.9	34.5	38.4
Other comprehensive income		-	(4.2)	-	(4.2)	(4.4)	(8.6)
<b>Total comprehensive income</b>		-	(4.2)	3.9	(0.3)	30.1	29.8
Impact difference in profit sharing non-controlling interest		-	-	-	-	10.5	10.5
Dividend to non-controlling interest		-	-	-	-	(143.3)	(143.3)
OCI Mena restructuring		1,930.4	(1,930.4)	-	-	-	-
Contribution in kind		-	1,224.9	-	1,224.9	-	1,224.9
Business combination Fertiglobe		1,397.8	-	370.4	1,768.2	-	1,768.2
Distribution in kind to related party		-	-	(7.5)	(7.5)	-	(7.5)
<b>Balance at 31 December 2019</b>		<b>3,328.2</b>	<b>(1,200.4)</b>	<b>515.1</b>	<b>2,642.9</b>	<b>365.9</b>	<b>3,008.8</b>

The notes on pages 11 to 38 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2019	2018
<b>Profit for the year</b>		<b>38.4</b>	216.9
<b>Adjustments for:</b>			
Depreciation	(21)	222.7	174.7
Interest income	(23)	(3.9)	(2.8)
Interest expense	(23)	84.5	133.3
Net foreign exchange loss and others	(23)	8.0	(3.9)
Share of profit of equity-accounted investees (net of tax)		0.1	-
Impact difference in profit-sharing non-controlling interest	(13)	10.5	36.1
Income tax expense	(10)	15.1	30.3
<b>Changes in:</b>			
Inventories	(11)	(0.3)	22.8
Trade and other receivables	(9)	(9.7)	(126.5)
Restricted cash	(12.2)	0.4	(14.2)
Trade and other payables	(18)	(1.3)	35.1
Provisions	(19)	(0.7)	(12.7)
<b>Cash flows:</b>			
Interest paid		(59.2)	(81.9)
Interest received		2.7	2.8
Income taxes paid		(51.8)	(0.1)
<b>Cash flows from operating activities</b>		<b>255.5</b>	<b>409.9</b>
Investments in property, plant and equipment	(7.1)	(50.8)	(17.2)
Business combination, net of cash acquired		45.8	-
<b>Cash used in investing activities</b>		<b>(5.0)</b>	<b>(17.2)</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2019	2018
Proceeds from borrowings third parties	(16)	70.0	449.0
Proceeds from borrowings related parties	(16)	0.7	6.0
Repayment of borrowings third parties	(16)	(211.7)	(598.3)
Repayment of borrowings related parties	(16)	-	(27.0)
Payment of finance lease obligations		(1.4)	-
Newly incurred transaction costs	(16)	-	(7.9)
Dividends paid to non-controlling interest	(13), (15)	(6.1)	(23.4)
<b>Cash used in financing activities</b>		<b>(148.5)</b>	<b>(201.6)</b>
<b>Net cash flows</b>		<b>102.0</b>	<b>191.1</b>
<b>Net increase in cash and cash equivalents</b>		<b>102.0</b>	<b>191.1</b>
Cash and cash equivalents at 1 January		306.2	119.1
Effect of exchange rate fluctuations on cash held		(0.1)	(4.0)
<b>Cash and cash equivalents at 31 December</b>		<b>408.1</b>	<b>306.2</b>

The notes on pages 11 to 38 are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER

#### 1. General

Fertiglobe Holding Limited ('the Company') was established on 23 December 2018 as Private Company Limited by Shares pursuant to Abu Dhabi Global Markets Companies Regulations 2015. It's registered office is located at 2475-2476, 24th 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 principal activity of the Group is the production and sale of natural gas-based products.

#### 2. Basis of preparation

##### 2.1 General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and in compliance with the applicable provisions of the Group's Article of Association and the requirements of the Abu Dhabi Global Market Companies Regulation 2015.

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 Group's functional and reporting currency. All amounts have been recorded to the nearest millions, unless otherwise stated.

The consolidated financial statements of the Group as of and for the years ended 31 December 2019 and 2018, and the consolidated statement of financial position as of January 1, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements as of and for the year ended 31 December 2019 are the Company's first set of consolidated financial statements. These are the first consolidated financial statements of the Group and are prepared in accordance with IFRS and as such, will comply with the regulations set forth within IFRS 1 "First-time Adoption of International Financial Reporting".

Due to the contribution of OCI Mena to the Group, in the consolidated financial statements the Company re-presents its comparatives and adjusts its current reporting period before the date of the transaction (the contribution of the OCI MENA entities in Fertiglobe) as if the combination had occurred before the start of the earliest period presented.

##### 2.2 Business combinations

On 30 September 2019, the Group and Abu Dhabi National Oil Company ("ADNOC") completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa ("OCI MENA") nitrogen fertilizer platform.

As part of the transaction, the Group obtained OCI MENA under common control and acquired 100%

of the voting powers and economic returns from Ruwais Fertilizer Industries Ltd. ("Fertil"), a previously wholly owned subsidiary of ADNOC. Fertil is consolidated by the Group from 30 September 2019. Fertil is based out of the Emirate of Abu Dhabi, United Arab Emirates and is engaged in processing feedstock gas to produce nitrogen fertilizers. In exchange the Group transferred 42% of the total share capital of Fertiglobe to ADNOC. With the acquisition of Fertil, Fertiglobe will become the largest producer of nitrogen fertilizers in the MENA region.

For the three months ended 31 December 2019, Fertil contributed revenue (before intercompany revenue elimination) of USD 131 million and a loss before tax of USD 4 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have been USD 1,436 million and the consolidated profit before tax USD 71 million. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

##### Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Fertil as at the date of acquisition were:

\$ millions	Fair value recognised on acquisition
<b>Assets</b>	
Property, plant and equipment	1,843.4
Right-of-use assets	84.9
Inventories	25.7
Trade and other receivables*	33.9
Cash and bank equivalents	45.8
<b>Total assets</b>	<b>2,033.7</b>
<b>Liabilities</b>	
Employees benefits	(11.0)
Lease obligations	(86.4)
Trade and other payables	(45.5)
Deferred tax liabilities	(287.4)
<b>Total Liabilities</b>	<b>(430.3)</b>
<b>Total identifiable net assets at fair value</b>	<b>1,603.4</b>

\* The receivables acquired have a gross contractual amount approximately equal to their fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 2.2 Business combinations (continued)

##### Goodwill

Goodwill arising from the acquisition has been recognized as follows:

\$ millions	
Consideration transferred**	1,768.2
Fair value of identifiable net assets	(1,603.4)
<b>Goodwill</b>	<b>164.8</b>

\*\* The consideration transferred being 42% of OCI MENA has been measured by applying a discounted earnings technique.

No further contingencies were recognized as part of the transaction. Although based on the land lease of the production facility, Fertil has the obligation to restore the site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability.

Considering that maintenance, turnarounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility indefinitely (also taken into account the possible changes in technology and availability of raw materials). The deferred tax liabilities comprise the tax effect of the accelerated depreciation for tax purposes of tangible assets and are relating to the fair value step-up applied on PP&E as part of the business combination. The goodwill of USD 164.8 million comprises the value of expected synergies, future benefits from the assembled workforce and the high profitability of the acquired business. None of the goodwill recognized is expected to be deductible for income tax purposes.

No transaction costs were incurred at Fertiglobe level related to this transaction.

#### 3. Summary of significant accounting policies

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

##### 3.1 Consolidation

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

##### Subsidiaries

Subsidiaries are all companies to which the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related

voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. The principal subsidiaries are listed in note 28.

##### Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

##### Non-controlling interest

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

#### 3.2 Business combinations

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

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

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

The consideration transferred in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The Group recognises the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 3. Summary of significant accounting policies (continued)

Changes in the fair value of consideration that are not measurement period adjustments shall be adjusted as follows:

- Contingent consideration classified as equity shall not be remeasured.
- Other contingent consideration shall be measured at fair value with changes recognized in profit or loss.

#### 3.3 Foreign currency

##### Foreign currency transactions

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

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

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

##### 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 exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

#### 3.4 Financial instruments

##### Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through profit or loss ('FVTPL') and at fair value through other comprehensive income ('FVOCI'). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

##### 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 'held-to-maturity' business model criteria for amortized cost measurement. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognized directly in profit or loss.

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

##### Fair value through profit or loss ('FVTPL')

Derivative financial instruments held by the Group are classified in the category FVTPL, unless the instrument is designated in a hedge relationship and the hedge meets the requirements for hedge accounting. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

##### Financial liabilities

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;
- arises 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.

##### Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. Based on the assessment undertaken on historical data, there's limited impact from the expected credit loss model. The Group will evaluate any possible impact going forward. For the assessment of loss allowance for expected credit losses, a simplified model for trade receivables is applied. The loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. They are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- the contractual cash flows that are due to an entity under the contract; and
- the cash flows that the holder expects to receive.

In order to assess the lifetime ECLs for trade receivables, both historic credit losses experience and forward-looking information is assessed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 3. Summary of significant accounting policies (continued)

For other receivables (and other financial assets) the Group measures the loss allowance at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the reporting date, the credit risk of other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

#### 3.5 Cash and cash equivalents

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

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

#### 3.6 Share capital

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

#### 3.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. 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 obligations and any capitalized borrowing cost.

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

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

#### Finance leases

Leased assets in which the Group bears substantially all the risks and rewards incidental to ownership are classified as finance leases and recognized under property, plant and equipment. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of minimum lease payments. Minimum lease payments made under finance leases are apportioned between the interest expenses and the reduction of the outstanding liability. The interest expenses are recognized as other financing cost over the lease term. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 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 its 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. Finance lease assets are depreciated over the shorter of the lease term and their useful lives. If it is reasonably certain that the Group will obtain ownership by the end of the lease term, the finance lease assets are depreciated over their useful lives. Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

#### The estimated useful lives for items of property, plant and equipment are as follows:

	Years
Buildings	10 - 50
Plant and equipment	5 - 25
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

##### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 3. Summary of significant accounting policies (continued)

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

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

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.

#### 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 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.

#### 3.10 Impairment of assets

##### Non-derivative financial assets

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

after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

In the case of a financial asset classified as financial asset at FVOCI, a significant or prolonged decline in the fair value of the financial asset at FVOCI below its acquisition cost is considered as an indicator that the financial asset at FVOCI is impaired. If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss.

Impairment losses recognized in profit or loss on equity instruments classified as financial asset at FVOCI not reversed through profit or loss.

##### Derivative financial assets

Derivative financial assets are measured at fair value and the Group investigates whether the counterparty's creditworthiness gives rise to an impairment. When determining the fair value, credit value and debit value adjustments are taken into account.

##### Non-financial assets

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

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

#### 3.11 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 3. Summary of significant accounting policies (continued)

current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

##### Asset retirement obligations

The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to clean-up of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability. Considering that maintenance, turnarounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility indefinitely (also taken into account the possible changes in technology and availability of raw materials).

##### Claims and contingencies

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

##### Donation provision

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

#### 3.12 Contract revenue

Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of the Group's fertilizer and chemical products to customers. Revenue from the sale of fertilizer and chemical products are the two main revenue streams of the Group.

Goods are transferred when the customer obtains control of the asset. The timing of when control transfers depends on the sales and shipping terms agreed. Depending on its nature and the agreed sales terms, a performance obligation is either satisfied at certain point in time or over a certain period of time.

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

adjustment is made to transaction prices for the time value of money.

Contract revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product/ Service	Nature, timing of satisfaction of performance obligations, significant payment terms
Sale of natural gas products	Under IFRS 15, customers obtain control of natural gas products when the goods are dispatched from the Group's storage location. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. Revenue is recognised when the goods are dispatched from the Group's warehouse. Invoices for sale of goods are issued when goods are shipped and are usually payable within 30 days.

#### 3.13 Operating leases

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made by the Group under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss and other comprehensive income on a 'straight-line' basis over the period of the lease.

#### 3.14 Finance income and cost

Finance income comprises:

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

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 3. Summary of significant accounting policies (continued)

Finance cost comprise:

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

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

Foreign currency gains and losses are recognized on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

#### 3.15 Employee benefits

##### Defined contribution plan

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

##### Short-term employee benefits

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

##### Long-term employee benefits

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

##### Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the

employment of current employees according to a detailed formal plan without possibility of withdrawal, or when the Group is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### 3.16 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. 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 ('liability' method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized.

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

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

#### 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 2019

The Group has applied the following standards for the first time in the annual reporting period commencing 1 January 2019:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 4. New accounting standards and policies (continued)

##### IFRS 16 'Leases'

IFRS 16 issued on 13 January 2016 is effective for reporting periods beginning on or after 1 January 2019.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for the customer ('lessee') and the supplier ('lessor'). IFRS 16 introduces a single lessee accounting model.

Applying that model, a lessee is required to recognize:

- assets and liabilities for all leases with voluntary exceptions for short-term leases (of less than 12 months) and leases of which the underlying asset is of low value;
- depreciation of lease assets separately from interest on lease obligations in the statement of profit or loss; and
- repayment of lease obligations are presented as cash flows from finance activities.

The Group has chosen to implement IFRS 16 using the modified retrospective approach effective 1 January 2019. Comparative numbers were not restated. While applying the modified retrospective approach, The Group has elected the option to measure the right-of-use asset based on the value of the lease obligation, to exclude initial direct cost and to use the incremental borrowing rate to determine the present value of the lease obligation. The incremental borrowing rate will be determined for each lease obligation as the sum of the entity specific average borrowing rate and a discount reflecting the security of the underlying 'right-of-use asset', taking into account the term structure difference between the average borrowing rate and the term of the lease.

The adoption of IFRS 16 did not result in any adjustment to equity in the 2019 opening balances and does not affect any covenants.

The group elected the following practical expedients and applied these consistently to all leases:

- no reassessment of whether any existing contracts already assessed under previous IFRS guidance contain leases;
- excluded initial direct costs from the measurement of right-of-use assets on transition;
- leases for which the lease term ends during 2019 will be expensed as short-term leases.

The impact of implementing IFRS 16 can be seen in the below schedules:

Right-of-use assets:

\$ millions	Land and buildings	Total
Impact of adoption of IFRS 16	12.8	12.8
<b>At 1 January 2019</b>	<b>12.8</b>	<b>12.8</b>

Lease obligations:

\$ millions	Non-current lease obligations	Current lease obligations	Total
Impact of adoption of IFRS 16	11.4	1.4	12.8
<b>At 1 January 2019</b>	<b>11.4</b>	<b>1.4</b>	<b>12.8</b>

The weighted average incremental borrowing rate for the lease liabilities is 8.0%.

When comparing the IFRS 16 value of lease obligations to the discounted value (using the same incremental borrowing rate) of the IAS 17 lease obligations, the differences are the result of the short term leases maturing in 2019 that are being expensed under the IFRS 16 practical expedient and the non-lease elements excluded from certain leases under IFRS 16.

We have used the same database of leases to calculate the value under IFRS 16 as was used previously under IAS 17, the difference in value is then only in leases still treated as if they were operating leases. 'Regular' low-value and short term leases are insignificant by default, so the main difference is in the initial exemption.

##### IFRS 16 Accounting policy

###### Lessee accounting

Whether an arrangement is, or contains a lease is assessed at the commencement date of the lease. In general, an arrangement is considered to be or to contain a lease when all of the following apply:

- there is an identified asset;
- Fertigllobe obtains substantially all economic benefits from the use of the asset; and
- Fertigllobe can direct the use of the identified asset.

Lease obligations are recognized based on the present value of the future minimum lease payments. Right-of-use assets are valued equal to the lease liabilities. As leases do not easily provide for an implicit rate, Fertigllobe uses the incremental borrowing rate. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

##### New and revised IFRS applied with no material effect on the financial statements

- IFRIC 23 Uncertainty over Tax Treatments.
- Prepayment Features with Negative Compensation (Amendments to IFRS 9).
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).
- Annual Improvements to IFRS Standards 2015-2017 Cycle – Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 4.2 New revised IFRS in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the year beginning 1 January 2020 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

- Amendments to References to Conceptual Framework in IFRS Standards (1 January 2020).
- Definition of a Business (Amendments to IFRS 3) (1 January 2020).
- Definition of Material (Amendments to IAS 1 and IAS 8) (1 January 2020).
- Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (1 January 2020)
- IFRS 17 Insurance Contracts (1 January 2022).

#### 5. Critical accounting judgment, estimates and assumptions

The preparation of the consolidated financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. The most critical accounting policies, involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

##### Goodwill

The Group 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, the Group makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital ('WACC') and future inflation rates.

##### 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.

The Group assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of property, plant and equipment, the Group makes estimates and assumptions about future cash flows based on the value in use. The discount rate to be used in order to calculate the net present value of the future cash flows in the impairment analysis is based on the WACC.

##### Financial instruments

The fair value of financial instruments traded in active markets (financial instruments in the fair value hierarchy level 1) is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market with observable market prices (financial instruments in the fair value hierarchy level 2) is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate, or on a yield-curve based on market conditions existing at the balance sheet date. The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. If the financial instrument contains a floating interest rate, the future expected interest rates are determined based on forward rates. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Gas price option and gas swap contracts are valued using applicable market yield curves. All inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short-term nature.

The fair value of financial instruments with no observable market prices (financial instruments in the fair value hierarchy level 3) is based on assumptions that market participants would use when pricing these asset or liability, including assumptions about risk. Assumptions about risk include the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and the risk inherent in the inputs to the valuation technique, including a risk adjustment when there is significant measurement uncertainty.

The fair value of non-current financial liabilities is estimated by discounting the future cash flows using original effective yield-curves. Unlisted equity securities in the financial assets at fair value through other comprehensive income category (financial instruments in the fair value hierarchy level 3) are measured at cost less impairments. A significant and prolonged decline in the fair value of a financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired.

If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative losses previously recognized in other comprehensive income is recognized in the profit or loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss.

##### Impairment financial instruments (including trade receivables)

Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER CONTINUED

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

or has failed on the repayments of principal and interest. In other circumstances the Group uses judgment to determine whether financial assets may be impaired. The Group uses judgment to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. For listed equity securities in the financial assets at fair value through other comprehensive income category, the Group uses the assumption that if the market value declined by more than 25 percent and more than 6 months, the asset is assumed to be impaired.

For unlisted equity securities in the financial assets at fair value through other comprehensive income category, an impairment test is performed if objective evidence becomes available to the Group that the asset might be impaired.

For debt-securities, an impairment trigger exists when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties. The impairment is determined based on the carrying amount and the recoverable amount.

The recoverable amount is determined as the present value of estimated future cash flows using the original effective interest rate.

#### 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). In determining the net realizable value of inventories, the Group estimates the selling prices in the ordinary course of business, cost of completion and cost to sell.

#### 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.

Provisions for asset retirement obligations, represent estimated costs of decommissioning. Due to the long time period over which future cash outflows are expected to occur, including the respective interest accretion, assumptions are required to be made. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements. The Group has not recognized any asset retirement obligations because a reliable estimate of the amount of the obligations cannot be made.

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

#### 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.

#### 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.

#### Liquidity risk

As part of the preparation of the financial statements, the Group has assessed its liquidity risk and going concern. Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates and the ability to arrange financing and obtain waivers for potential covenant breaches.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 6. Financial risk and capital management

##### Overview

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

##### Risk management framework

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

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

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

#### 6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The Group mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating. The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods. No collateral is received.

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

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

As at 31 December 2019, management assessed any significant increase in credit risk based on internal and external factors related to the financial instruments and concluded no such significant credit risk was present. Hence, no allowance related to credit risk has been recognized.

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, for an overview reference is made to the tables financial instruments by category. There is no significant concentration of credit risk in trade and other receivables, financial assets at fair value through other comprehensive income or cash and cash equivalents.

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

\$ millions	Note	2019	2018
Trade and other receivables	(9)	300.6	274.9
Cash and cash equivalents and restricted cash	(12)	424.6	323.1
<b>Total</b>		<b>725.2</b>	<b>598.0</b>

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

\$ millions	2019	2018
Middle East and Africa	122.4	79.1
Asia and Oceania	86.7	30.4
Europe	105.8	142.6
Americas	2.6	22.6
<b>Total</b>	<b>317.5</b>	<b>274.7</b>

#### 6.2 Liquidity risk

##### 6.2.1 General

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

At 31 December 2019 \$ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
<b>Financial liabilities</b>						
<i>Cash outflows:</i>						
Loans and borrowings	(16)	882.2	1,223.4	225.9	436.7	560.8
Loans and borrowings from related parties	(26)	-	-	-	-	-
Lease obligations		100.2	117.4	12.2	43.8	61.4
Trade and other payables	(18)	421.8	421.8	407.6	14.2	-
Trade and other payables to related parties		1.3	1.3	1.3	-	-
Derivatives		-	-	-	-	-
<b>Total</b>		<b>1,405.5</b>	<b>1,763.9</b>	<b>647.0</b>	<b>494.7</b>	<b>622.2</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 6. Financial risk and capital management (continued)

At 31 December 2018 \$ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
<b>Financial liabilities</b>						
<i>Cash outflows:</i>						
Loans and borrowings	(16)	1,022.2	1,322.6	222.5	873.1	227.0
Loans and borrowings from related parties		1,011.5	1,021.1	1,021.1	-	-
Trade and other payables	(18)	223.3	223.3	220.4	2.9	-
Trade and other payables to related parties		199.3	199.3	199.3	-	-
Derivatives	(18)	5.5	5.5	5.5	-	-
<b>Total</b>		<b>2,461.8</b>	<b>2,771.8</b>	<b>1,668.8</b>	<b>876.0</b>	<b>227.0</b>

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

Callable loan amounts are classified as 'Less than one year'. The future obligations will be managed by the future incoming cash from operations, currently available non-restricted cash and cash equivalents of USD 408.1 million 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.

The liquidity risk is monitored internally at Group level. On an ongoing basis the Group prepares liquidity forecasts to verify whether the Group is able to meet its future debt obligations. The Group has also carefully evaluated the funding of its Business Plan for at least the next 12 months from the date of issuance of the financial statements, taking into account the measures mentioned below and has applied sensitivities to the forecast level of liquidity headroom available. Key assumptions include product pricing, natural gas pricing and utilization rates. Management has applied these assumptions to the forecasts, which would leave 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 separate 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 presented in foreign currencies that are different from the US dollar (which is the Group's functional currency). The currencies concerned are mainly the Euro and the Algerian dinar. Foreign exchange translation exposure is considered a part of doing business on an international level; this risk is not hedged. The Group seeks to mitigate translation risk to our credit metrics by broadly matching the currency of debt with cashflows.

#### 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 mismatch between the currencies in which sales, purchases, investments and borrowings are denominated and the respective functional currencies of the Group entities. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD/EGP exchange rates.

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

At 31 December 2019 \$ millions	USD	EUR	EGP
Trade and other receivables	7.3	6.4	77.8
Trade and other receivables intercompany	1,090.3	3.4	0.1
Trade and other payables	(4.7)	(0.8)	(16.3)
Trade and other payables intercompany	(8.8)	(1.0)	(0.2)
Loans and borrowings	-	-	(51.4)
Loans and borrowings intercompany	(1,082.4)	-	-
Provisions	-	-	(118.7)
Cash and cash equivalents	224.2	19.0	23.4

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 6. Financial risk and capital management (continued)

At 31 December 2018 \$ millions	USD	EUR	EGP
Trade and other receivables	44.6	6.3	68.0
Trade and other receivables intercompany	16.4	-	0.7
Trade and other payables	-	(4.2)	(7.8)
Trade and other payables intercompany	(4.6)	(6.1)	(1.2)
Loans and borrowings	-	-	(59.9)
Loans and borrowings intercompany	-	-	-
Provisions	-	-	(106.5)
Cash and cash equivalents	185.5	18.8	22.6

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 dinar, except for Sorfert, which has the Algerian dinar as its functional currency.

#### Significant rates

The following significant exchange rates applied during the year:

	Average 2019	Average 2018	Closing 2019	Closing 2018
Euro	1.1193	1.1813	1.1213	1.1428
Egyptian pound	0.0596	0.0562	0.0623	0.0559
Algerian dinar	0.0084	0.0086	0.0084	0.0085

The following tables demonstrate the sensitivity to a reasonably possible change in 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.

31 December 2019 \$ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	0.5	-
	(5) percent	(0.5)	-
EGP - USD	3 percent	(2.6)	-
	(3) percent	2.6	-
DZD - USD	3 percent	(6.9)	-
	(3) percent	6.9	-

31 December 2018 \$ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	7 percent	(1.1)	-
	(7) percent	1.1	-
EGP - USD	3 percent	(3.4)	-
	(3) percent	3.4	-
DZD - USD	3 percent	(7.0)	-
	(3) percent	7.0	-

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

#### Interest rate risk

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

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

\$ millions	In basis points	2019	2018
Effect on profit before tax for the coming year	+100 bps	(5.4)	(6.4)
	- 100 bps	5.4	6.4

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a lower volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities, reference is made to note 16.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 6. Financial risk and capital management (continued)

Categories of financial instruments:

31 December 2019 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value
<b>Assets</b>			
Trade and other receivables	(9)	317.5	-
Cash and cash equivalents and restricted cash	(12)	424.6	-
<b>Total</b>		<b>742.1</b>	<b>-</b>
<b>Liabilities</b>			
Loans and borrowings	(16)	882.2	-
Trade and other payables	(18)	423.1	-
<b>Total</b>		<b>1,305.3</b>	<b>-</b>

31 December 2018 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value
<b>Assets</b>			
Trade and other receivables	(9)	274.9	-
Cash and cash equivalents and restricted cash	(12)	323.1	-
<b>Total</b>		<b>598.0</b>	<b>-</b>
<b>Liabilities</b>			
Loans and borrowings	(16)	2,033.7	-
Trade and other payables	(18)	422.6	5.5
<b>Total</b>		<b>2,456.3</b>	<b>5.5</b>

The Group has limited financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2.

In 2019 and 2018, there were no transfers between the fair value hierarchy categories. The fair value of loans and borrowings and receivables are disclosed in notes 16 and 9, respectively.

#### 6.4 Capital management

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

made to note 16 for a description of financial covenants.

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

\$ millions	Note	2019	2018
Loans and borrowings	(16)	882.2	2,033.7
<b>Less:</b> cash and cash equivalents	(12)	424.6	323.1
<b>Net debt</b>		<b>457.6</b>	<b>1,710.6</b>
Total equity		2,959.1	126.2
<b>Net debt to equity ratio at 31 December</b>		<b>0.1</b>	<b>13.6</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 7.1 Property, plant and equipment

\$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	148.1	3,009.1	15.4	6.7	3,179.3
Accumulated depreciation	(39.3)	(1,145.1)	(13.0)	-	(1,197.4)
<b>At 1 January 2018</b>	<b>108.8</b>	<b>1,864.0</b>	<b>2.4</b>	<b>6.7</b>	<b>1,981.9</b>
<b>Movements in the carrying amount:</b>					
Additions	-	3.4	1.2	13.9	18.5
Disposals	-	-	-	-	-
Depreciation	(6.2)	(167.4)	(1.1)	-	(174.7)
Transfers	-	9.1	2.4	(11.5)	-
Effect of movement in exchange rates	(2.5)	(34.1)	-	(0.1)	(36.7)
<b>At 31 December 2018</b>	<b>100.1</b>	<b>1,675.0</b>	<b>4.9</b>	<b>9.0</b>	<b>1,789.0</b>
Cost	144.9	2,970.1	18.8	9.0	3,142.8
Accumulated depreciation	(44.8)	(1,295.1)	(13.9)	-	(1,353.8)
<b>At 31 December 2018</b>	<b>100.1</b>	<b>1,675.0</b>	<b>4.9</b>	<b>9.0</b>	<b>1,789.0</b>
<b>Movements in the carrying amount:</b>					
Additions	0.1	31.2	2.8	16.4	50.5
Business combination Fertiglobe	103.8	1,714.5	2.0	23.2	1,843.5
Disposals	-	(1.3)	(0.2)	(2.0)	(3.5)
Depreciation	(7.2)	(210.6)	(1.6)	-	(219.4)
Transfers	-	-	-	-	-
Effect of movement in exchange rates	(0.8)	(10.7)	-	(0.1)	(11.6)
<b>At 31 December 2019</b>	<b>196.0</b>	<b>3,198.1</b>	<b>7.9</b>	<b>46.5</b>	<b>3,448.5</b>
Cost	298.7	5,427.9	43.2	46.5	5,816.3
Accumulated depreciation	(102.7)	(2,229.8)	(35.3)	-	(2,367.8)
<b>At 31 December 2019</b>	<b>196.0</b>	<b>3,198.1</b>	<b>7.9</b>	<b>46.5</b>	<b>3,448.5</b>

As at 31 December 2019, the Group has land with a carrying amount of USD 22.2 million (2018: USD 22.2 million).

The additions of USD 50.5 million mainly relate to Sorfert for USD 26.4 million, Fertil for USD 11.7 million and EFC for USD 10.2 million. The effect of movement in exchange rates in 2019 mainly relates to Sorfert, which has a different functional currency (Algerian dinar), to the Group's presentation currency. The Algerian dinar decreased by 1.2% against the US dollar in 2019.

The difference between the additions in the above schedule and the investments in property, plant and equipment mentioned in the consolidated statement of cash flows is mainly caused by changes in capital expenditure creditors not yet paid and capitalized borrowing costs, which are presented as part of interest expenses under cash flows from operating activities in the consolidated statement of cash flows.

#### 7.2 Right-of-use assets

\$ millions	Land and buildings	Fixtures and fittings	Total
Impact of adoption of IFRS 16	12.8	-	12.8
<b>At 1 January 2019</b>	<b>12.8</b>	<b>-</b>	<b>12.8</b>
<b>Movement in the carrying amount:</b>			
Additions	-	0.8	0.8
Business combination Fertiglobe	36.4	48.5	84.9
Depreciation	(1.1)	(2.2)	(3.3)
Disposals	(0.5)	-	(0.5)
Effect of movement in exchange rates	-	-	-
<b>At 31 December 2019</b>	<b>47.6</b>	<b>47.1</b>	<b>94.7</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 8. Goodwill

\$ millions	Goodwill
Cost	1,777.6
Accumulated impairment	(1,337.6)
<b>At 1 January 2018</b>	<b>440.0</b>
Cost	1,777.6
Accumulated impairment	(1,337.6)
<b>At 31 December 2018</b>	<b>440.0</b>
<b>Movements in the carrying amount:</b>	
Business combination Fertiglobe	164.8
<b>At 31 December 2019</b>	<b>604.8</b>
Cost	1,942.4
Accumulated impairment	(1,337.6)
<b>At 31 December 2019</b>	<b>604.8</b>

#### Goodwill

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

Cash generating units \$ millions	2019	2018
Egyptian Fertilizers Company ('EFC')	440.0	440.0
Ruwais Fertilizer Industries Ltd. ('Fertil')	164.8	-
<b>Total</b>	<b>604.8</b>	<b>440.0</b>

The business combination of Fertil was established per 30 September 2019 (refer to note 2.2), as such no impairment test was performed in 2019 for this cash generating unit.

#### Goodwill impairment testing

The determination of the recoverable amount for the cash generating unit EFC requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant. Selling prices 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 2020 to 2024 (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 2.0% was taken into account. The estimated pre-tax cash flows are discounted to their present value using pre-tax discount rates.

The following rates were applied in performing the impairment test:

Percentage	2019	2018
	EFC	EFC
Pre-tax discount rate	9.9%	14.0%
Perpetual growth rate	2.0%	1.5%

#### Result of the impairment test

For all cash generating units the recoverable values significantly exceed the carrying amounts. In 2019 the headroom of EFC is USD 313.0 million, compared to a headroom USD 162.0 million in 2018.

Impairment of EFC goodwill would occur if sales prices would be consistently more than 12.0% lower in the period 2020-2024 compared to the prices assumed in the impairment model.

#### 9. Trade and other receivables

\$ millions	2019	2018
Trade receivables	108.9	100.0
Trade receivables (net) from related parties	3.6	14.8
Loans to related parties (note 26)	63.1	32.5
Prepayments	16.9	14.3
Other tax receivables	79.6	71.7
Supplier advanced payments	17.3	17.6
Other receivables	28.1	24.0
<b>Total</b>	<b>317.5</b>	<b>274.9</b>
Non-current	0.4	0.4
Current	317.1	274.5
<b>Total</b>	<b>317.5</b>	<b>274.9</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 9. Trade and other receivables (continued)

As per 31 December 2019 an amount of USD 9.6 million (2018: USD 19.6 million) of trade receivables were transferred by OFT under a securitization agreement to sell certain trade receivables to an external financial institution. Upon transfer of the balances, OFT derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. The transferred trade receivables are pledged as security under the securitization program.

The other tax receivable contains an amount of EGP 900 million (USD 56.1 million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note 24 '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 2019 approximates its fair value.

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

\$ millions	2019	2018
Neither past due nor impaired	112.5	101.7
Past due 1 - 30 days	-	13.0
Past due 31 - 90 days	-	-
Past due 91 - 360 days	-	0.1
More than 360 days	-	-
<b>Total</b>	<b>112.5</b>	<b>114.8</b>

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 Group has not recognized any allowance for trade receivables.

#### 10. Income taxes

##### 10.1 Income tax in the statement of profit or loss and other comprehensive income

\$ millions	2019	2018
Current tax	(3.8)	7.6
Deferred tax	(11.3)	(37.9)
<b>Total income tax in profit or loss</b>	<b>(15.1)</b>	<b>(30.3)</b>

##### 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	2019	%	2018	%
Profit / (loss) before income tax	53.5		247.2	
Enacted income tax rate	25%		25%	
<b>Tax calculated at the enacted tax rate</b>	<b>(13.4)</b>	<b>25.0</b>	<b>(61.8)</b>	<b>25.0</b>
Effect of tax rates in foreign jurisdictions	12.4	(23.2)	7.6	(3.1)
Income not subject to tax	14.5	(27.1)	57.0	(23.1)
Expenses non-deductible	(19.3)	36.1	(4.8)	2.0
Dividend withholding tax not recoverable	(2.6)	4.9	(9.7)	3.9
Unrecognized tax assets	(5.4)	10.1	(18.9)	7.7
Recognition of previously unrecognized tax assets	-	-	0.4	(0.2)
Change in tax rates	-	-	-	-
Uncertain tax positions	4.1	(7.7)	-	-
Expired	(5.4)	10.1	(0.1)	-
<b>Total income tax in profit or loss</b>	<b>(15.1)</b>	<b>(28.2)</b>	<b>(30.3)</b>	<b>12.2</b>

The effective tax rate is 28.2% (2018: 12.2%), mainly due to (i) income not subject to tax for an amount of USD 14.5 million and (ii) expenses non-deductible for an amount of USD (19.3) million. The income not subject to tax mainly relate to the tax-free status of some entities in the Group. The unrecognized tax assets mainly relate to the unrecognized losses of OCI SAE.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 10.3 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

\$ millions	2019	2018
<b>At 1 January</b>	<b>(157.5)</b>	<b>(164.8)</b>
Profit or loss	(3.8)	7.6
Business combination Fertiglobe	(287.4)	-
Effect of movement in exchange rates	0.7	(0.3)
<b>At 31 December</b>	<b>(448.0)</b>	<b>(157.5)</b>

Recognized deferred tax assets and liabilities:

\$ millions	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
Intangible assets	-	-	(62.6)	(62.6)	(62.6)	(62.6)
Property, plant and equipment	-	-	(359.5)	(86.4)	(359.5)	(86.4)
Investment in partnership	-	-	-	(8.5)	-	(8.5)
Loans and borrowings	0.9	-	-	-	0.9	-
Trade and other payables	3.8	-	-	-	3.8	-
Uncertain tax positions	-	-	(27.2)	-	(27.2)	-
Provision for withholding tax	-	-	(3.4)	-	(3.4)	-
<b>Total</b>	<b>4.7</b>	<b>-</b>	<b>(452.7)</b>	<b>(157.5)</b>	<b>(448.0)</b>	<b>(157.5)</b>
Netting of fiscal positions	(4.7)	-	4.7	-	-	-
<b>Amounts recognized in the Statement of Financial Position</b>	<b>-</b>	<b>-</b>	<b>(448.0)</b>	<b>(157.5)</b>	<b>(448.0)</b>	<b>(157.5)</b>

Deferred tax liabilities relating to intangible assets mainly consist of goodwill of EFC for USD 62.6 million. This deferred tax liability will be reversed when 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 284.8 million and EFC for USD 74.7 million.

The unrecognized operating losses carry forward of USD 21.6 million (2018: USD 33.9 million) mainly relate to OCI S.A.E.

Expiration scheme of unrecognized carry forward tax losses, tax credits and deferred temporary tax assets:

2019 \$ 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	-	21.3	0.3	-	-	-	<b>21.6</b>

2018 \$ 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	-	33.9	-	-	-	-	<b>33.9</b>

#### 10.4 Income tax receivables and payables

Changes in income tax recoverable and payables:

\$ millions	2019	2018
<b>At 1 January</b>	<b>(40.4)</b>	<b>(2.6)</b>
Profit or loss	(11.3)	(37.9)
Payments	51.8	0.1
<b>At 31 December</b>	<b>0.1</b>	<b>(40.4)</b>
Income tax recoverable	0.8	-
Income tax payables	(0.7)	(40.4)
<b>Total</b>	<b>0.1</b>	<b>(40.4)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 11. Inventories

\$ millions	2019	2018
Finished goods	32.2	16.2
Raw materials and consumables	15.4	23.5
Spare parts, fuels and others	52.8	35.9
<b>Total</b>	<b>100.4</b>	<b>75.6</b>

During 2019, the total write-downs amount to USD 2.8 million (2018: USD 4.3 million). During 2019 there were USD 2.0 million reversals of write downs (2018: USD 2.9 million). The amount of finished goods written down is USD 1.5 million.

#### 12.1 Cash and cash equivalents

\$ millions	2019	2018
Cash on hand	0.2	0.1
Bank balances	407.9	306.1
Restricted cash	16.5	16.9
<b>Total</b>	<b>424.6</b>	<b>323.1</b>

#### 12.2 Restricted cash

The restricted balances of USD 16.5 million (2018: USD 16.9 million) are held as collateral against letters of credit and letters of guarantees issued.

#### 13. Equity attributable to owners of the Company

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

	2019
Number of shares at 1 January	-
Number of issued shares	3,328.2
<b>On issue at 31 December - fully paid</b>	<b>3,328.2</b>
<b>Par value per share</b>	<b>1.00</b>
<b>At 31 December (in millions of USD)</b>	<b>3,328.2</b>

The authorized capital of the Group amounts to USD 3,328.2 million. The authorized capital is divided into 3,328.2 million shares, with a nominal value of USD 1.0 each.

#### Movements in equity attributable to owners of the Company in 2019:

- Impact difference in profit sharing non-controlling interest: In the partnership agreement of Sorfert between the Group and the partner, a profit sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interest increased by USD 10.5 million during 2019.
- Total dividends declared to non-controlling interest amounted to USD 143.3 million, of which USD 137.2 million is related to Sorfert.
- The contribution in kind relates to the contribution of loans and payable balances with related parties to equity.
- The business combination Fertiglobe is a share issuance of USD 1,397.8 million

#### Movements in equity attributable to owners of the Company in 2018:

- Impact difference in profit sharing non-controlling interest: In the partnership agreement of Sorfert between the Group and the partner, a profit sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interest increased by USD 36.1 million during 2018.
- The distributions to related parties relates to a USD 9.0 million dividend to a related party and a USD 191.8 million distribution in kind of the shareholdings in OCI Mepco and OCI Special Finance Limited to a related party.

#### 14. Reserves

\$ millions	Other reserves	Currency translation reserve	Total
<b>At 1 January 2018</b>	-	(480.3)	(480.3)
Currency translation differences	-	(10.4)	(10.4)
<b>At 31 December 2018</b>	-	(490.7)	(490.7)
Capital contribution	(1,930.4)	-	(1,930.4)
Contribution in kind	1,224.9	-	1,224.9
Currency translation differences	-	(4.2)	(4.2)
<b>At 31 December 2019</b>	<b>(705.5)</b>	<b>(494.9)</b>	<b>(1,200.4)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 15. Non-controlling interest

2019 \$ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Other	Total
Non-controlling interest	40.00%	49.01%	-	-
Non-current assets	121.4	452.7	1.5	575.7
Current assets	26.0	203.1	0.1	229.2
Non-current liabilities	(2.9)	(218.8)	(0.4)	(222.2)
Current liabilities	(23.4)	(193.2)	(0.2)	(216.8)
<b>Net assets</b>	<b>121.1</b>	<b>243.8</b>	<b>1.0</b>	<b>365.9</b>
Revenues	61.3	168.7	0.4	230.4
Profit	(0.6)	35.1	-	34.5
Other comprehensive income	-	(4.4)	-	(4.4)
<b>Total comprehensive income</b>	<b>(0.6)</b>	<b>30.7</b>	<b>-</b>	<b>30.1</b>
<b>Dividend cash flows</b>	<b>-</b>	<b>-</b>	<b>(6.1)</b>	<b>(6.1)</b>

2018 \$ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Other	Total
Non-controlling interest	40.00%	49.01%	-	-
Non-current assets	130.5	489.6	3.0	623.1
Current assets	25.9	160.1	6.2	192.2
Non-current liabilities	-	(262.5)	(1.2)	(263.7)
Current liabilities	(34.7)	(48.1)	(0.2)	(83.0)
<b>Net assets</b>	<b>121.7</b>	<b>339.1</b>	<b>7.8</b>	<b>468.6</b>
Revenues	80.5	236.3	0.4	317.2
Profit	14.7	120.1	0.1	134.9
Other comprehensive income	-	(6.9)	-	(6.9)
<b>Total comprehensive income</b>	<b>14.7</b>	<b>113.2</b>	<b>0.1</b>	<b>128.0</b>
<b>Dividend cash flows</b>	<b>(5.0)</b>	<b>(6.5)</b>	<b>(11.9)</b>	<b>(23.4)</b>

#### 16. Loans and borrowings

\$ millions	2019	2018
<b>At 1 January</b>	<b>2,033.7</b>	<b>2,171.8</b>
Impact of adoption of IFRS 9	-	6.1
<b>Restated balance at 1 January</b>	<b>2,033.7</b>	<b>2,177.9</b>
Proceeds from loans	70.0	449.0
Proceeds from loans from related parties	0.7	6.0
Redemptions of loans	(211.7)	(598.3)
Redemptions of loans to related parties	-	(27.0)
Proceeds from loans from related parties in kind	7.4	-
Redemptions of loans to related parties in kind	(1,029.5)	-
Amortization of transaction costs / (bond) premiums	2.8	(1.1)
Incurred transaction costs	-	(7.9)
Effect of movement in exchange rates	(0.8)	(23.3)
Accrued interest on related party loans	9.6	52.4
Reclass from other payables	-	6.0
<b>At 31 December</b>	<b>882.2</b>	<b>2,033.7</b>
Non-current	713.3	867.6
Current	168.9	1,166.1
<b>Total</b>	<b>882.2</b>	<b>2,033.7</b>

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group's presentation currency.

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in the financial risk and capital management paragraph in note 6.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 16. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount (\$ millions)	Interest rate	Date of maturity	Carrying amount <sup>1</sup> (\$ millions)	Long-term portion (\$ millions)	Short-term portion (\$ millions)	Fair value (\$ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	539.9	439.8	100.1	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Egyptian Fertilizers Company ('EFC')	Secured	USD 60.0	LIBOR + 3.75%	June 2025	49.9	44.3	5.6	51.0	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer Plant Maintenance'. Power of Attorney for perfection of commercial and real estate mortgages. OCI will pay for shortfalls
		USD 100.0	LIBOR + 3.75%	June 2026	82.6	72.5	10.1	84.3	
		USD 69.8 (EGP 1,120.0)	CBE Mid Corridor + 0.75% margin for EGP denominated borrowings	June 2025	50.6	44.6	6.0	51.4	
		USD 220.0	LIBOR + 3.75%	June 2025	126.5	112.1	14.4	127.5	
OCI Fertilizer Trading Ltd. ('OFT') and OCI Fertilizers Trade & Supply Ltd. ('OFTS')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	32.7	-	32.7	32.7	n/a
<b>Total 31 December 2019</b>					<b>882.2</b>	<b>713.3</b>	<b>168.9</b>	<b>n/a</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 16. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount (\$ millions)	Interest rate	Date of maturity	Carrying amount <sup>1</sup> (\$ millions)	Long-term portion (\$ millions)	Short-term portion (\$ millions)	Fair value (\$ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 972.7 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	606.8	525.8	81.0	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Egyptian Fertilizers Company ('EFC')	Secured	USD 60.0	LIBOR + 3.75%	June 2025	56.0	50.0	6.0	57.0	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer Plant Maintenance'. Power of Attorney for perfection of commercial and real estate mortgages. OCI will pay for shortfalls
		USD 100.0	CBE Mid Corridor + 0.75%	June 2026	92.8	82.3	10.5	94.8	
		USD 62.6 (EGP 1,120.0)	margin for EGP denominated borrowings	June 2025	59.5	55.6	3.9	59.9	
		USD 220.0	LIBOR + 3.75%	June 2025	168.9	153.9	15.0	172.5	
OCI Fertilizer Trading Ltd. ('OFT') and OCI Fertilizers Trade & Supply Ltd. ('OFTS')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	38.2	-	38.2	38.2	n/a
OCI S.A.E.	Related party	USD 1,100.0	LIBOR + 3.25%	December 2020	615.1	-	615.1	615.1	n/a
OCI S.A.E.	Related party	USD 500.0	LIBOR + 3.25%	February 2021	344.8	-	344.8	344.8	n/a
OCI S.A.E.	Related party	USD 100.0	LIBOR + 3.25%	December 2020	51.6	-	51.6	51.6	n/a
<b>Total 31 December 2018</b>					<b>2,033.7</b>	<b>867.6</b>	<b>1,166.1</b>	<b>n/a</b>	

<sup>1</sup>As at 31 December 2019 the carrying amount of loans and borrowings excluded interest of USD 36.9 million (2018: USD 25.9 million)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 16. Loans and borrowings (continued)

##### Covenants

Certain 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: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).

As per 31 December 2019 all financial covenants were met.

In the event the Group would not comply with the covenant requirements, the loans would become immediately due. Refer to note 6.2 for additional discussion of the Group's liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

##### Fair value measurement loans and borrowings

Except for the loan of Sorfert, the fair value of all other loans and facilities is calculated within hierarchy category level 2. The fair value of the loan of Sorfert cannot be determined as no observable market data is available.

##### Proceeds from borrowings

Proceeds from borrowings from third parties in 2019 totalled an amount of USD 70.0 million, which consisted of changes in the credit facilities of EFC.

##### Undrawn bank facilities

As of 31 December 2019, the Group had not drawn external bank facilities in the amount of USD 121.6 million.

#### 17. Lease obligations

The Group leases a number of office spaces, warehouses, land, employee accommodation, computers, machinery and vehicles. Lease terms vary from 1 year up to 100 years.

Lease obligations:

\$ millions	Non-current lease obligations	Current lease obligations	Total
Impact of adoption of IFRS 16	11.4	1.4	12.8
<b>At 1 January 2019</b>	<b>11.4</b>	<b>1.4</b>	<b>12.8</b>
<b>Movement in the carrying amount:</b>			
Payments	-	(1.4)	(1.4)
Accretion of interest	0.9	1.0	1.9
Additions	0.6	0.2	0.8
Transfers	(1.4)	1.4	-
Business combination Fertiglobe	76.4	10.0	86.4
Disposals	(0.2)	(0.1)	(0.3)
Effect of movement in exchange rates	-	-	-
<b>At 31 December 2019</b>	<b>87.7</b>	<b>12.5</b>	<b>100.2</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 18. Trade and other payables

\$ millions	2019	2018
Trade payables	72.1	68.7
Trade payables due to related parties (note 30)	0.1	0.1
Other payables to related parties	1.2	203.3
Amounts payable under the securitization programme	9.6	17.0
Accrued dividends	141.2	10.5
Accrued expenses	132.3	90.1
Accrued interest	36.9	25.9
Employee benefits	11.2	-
Other payables	16.7	5.1
Other tax payable	1.8	1.9
Derivative financial instruments	-	5.5
<b>Total</b>	<b>423.1</b>	<b>428.1</b>
Non-current	14.2	2.9
Current	408.9	425.2
<b>Total</b>	<b>423.1</b>	<b>428.1</b>

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 provision	Total
<b>At 1 January</b>	<b>10.9</b>	<b>106.5</b>	<b>117.4</b>
Provision made during the year	6.4	-	6.4
Provision used during the year	-	-	-
Provisions reversed	(7.1)	-	(7.1)
Effect of movement in exchange rates	-	12.2	12.2
<b>At 31 December</b>	<b>10.2</b>	<b>118.7</b>	<b>128.9</b>
Non-current	-	-	-
Current	10.2	118.7	128.9
<b>Total</b>	<b>10.2</b>	<b>118.7</b>	<b>128.9</b>

#### Claims and other provisions

The Group is involved in various litigations and arbitrations. 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. Reference is made to note 24 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

#### Donation provision

On 13 November 2014, the Group announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million) to the Tahya Misr ('Long Live Egypt') Fund (reference is made to note 24). No formal agreement has been drafted with the Tahya Misr Fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCI's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations) the Group has presented the transfer of rights to the Tahya Misr Fund as a donation provision. The timing of the outflow of resources is uncertain.

In March 2015, the Group received a cheque for EGP 1,904 million (approximately USD 266.2 million) from the Egyptian Authorities. At year end 2019 the carrying amount in US dollars had reduced to USD 118.7 million, due to the devaluation and weakening of the EGP since March 2015.

#### 20. Revenues

The key performance obligation of the Group is always the supply of products as specified in the contracts with customers, possible additional performance obligations included are transportation and related cost of insurance, depending on the incoterms. The Group has one revenue streams from contracts with customers which is the supply of Nitrogen based products. No impairment losses on receivables are recognized.

Based on the IFRS 15 accounting policies adopted, the following modifications to the contracts are allowed: discounts and rebates. They are all taken into account when presenting the segment revenues. Time value of money is not considered to be relevant for the amendment of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately.

#### Major customers

Revenue from one customer of the Group represented USD 117.6 million (2018: USD 154.1 million) of the Group's total revenues.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 21. Development of cost of sales and selling, general and administrative expenses

##### a. Expenses by nature

\$ millions	2019	2018
Raw materials and consumables and finished goods	554.2	641.3
Employee benefit expenses (b)	101.7	75.7
Depreciation and amortization	222.7	174.7
Consultancy expenses	3.2	4.0
Other	34.2	20.5
<b>Total</b>	<b>916.0</b>	<b>916.2</b>
Cost of sales	858.9	878.3
Selling, general and administrative expenses	57.1	37.9
<b>Total</b>	<b>916.0</b>	<b>916.2</b>

##### b. Employee benefit expenses

\$ millions	2019	2018
Wages and salaries	72.6	60.5
Employee profit sharing	14.8	11.3
Pension cost	2.1	2.6
Other employee expenses	12.2	1.3
<b>Total</b>	<b>101.7</b>	<b>75.7</b>

During the financial year ended 31 December 2019, the average number of staff employed in the Group converted into full-time equivalents aggregating to 2,571 employees (2018: 1,862 employees).

#### 22. Other income

\$ millions	2019	2018
Insurance claim	-	51.8
Other	4.6	0.8
<b>Total</b>	<b>4.6</b>	<b>52.6</b>

##### Insurance claim

Insurance proceeds in 2018 of USD 51.8 million relate to the recognition of the insurance refund for the business interruption caused by an incident that resulted in the shutdown of one of the Ammonia lines at Sorfert in 2017.

#### 23. Net finance cost

\$ millions	2019	2018
Interest income on loans and receivables	2.7	2.4
Interest income related parties	1.2	0.4
Foreign exchange gain	11.5	5.9
<b>Finance income</b>	<b>15.4</b>	<b>8.7</b>
Interest expense and other financing costs on financial liabilities measured at amortized cost	(74.7)	(80.9)
Interest expense related parties	(9.8)	(52.4)
Foreign exchange loss	(19.5)	(2.0)
<b>Finance cost</b>	<b>(104.0)</b>	<b>(135.3)</b>
<b>Net finance cost recognized in profit or loss</b>	<b>(88.6)</b>	<b>(126.6)</b>

#### 24. Contingencies

##### Contingent liabilities

##### Letter of guarantee / letters of credit

OFT has performance guarantees and tender guarantees provided by HSBC amounting to USD 8.7 million. Fertl's bankers have issued letters of credit and labour guarantees of USD 1.6 million on behalf of Fertl. There are no other outstanding letters of credit as at 31 December 2019 (uncovered portion).

##### Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations 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 said 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 one accounting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 24. Contingencies (continued)

##### Sorfert legal case

On 5 March 2018, the lower criminal court of Oran (Tribunal du pôle pénal spécialisé d'Oran) issued a judgment against Sorfert regarding an alleged violation of exchange control regulations as well as the regulation of public markets and public service delegations. The lower court ordered Sorfert to pay a fine in the amount of 5.5 billion Algerian dinars (about USD 46.2 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 23.5 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 firms have examined OCI's legal position. No provision has been recorded by the Group related to this matter.

##### EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favour of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. The Court has not yet rendered a decision. OCI concluded to release the (deferred) tax liabilities totalling USD 138.2 million at 31 December 2015 and no tax filings have been done by EBIC since the filing for the year 2011. On 4 January 2018, GAFI issued an executive decision that allows for the enforcement of the Administrative Court's judgment in favour of EBIC and EBIC received the Free Zone Status tax card. EBIC's free zone status will remain subject to the outcome of the Appeal before the Administrative Court.

##### OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries S.A.E. ('OCI S.A.E.'). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement whereby EGP 7.1 billion would be paid over a 5-year period.

The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its local counsel believe the likelihood of a judgment in favor of the ETA is not probable. On 13 November 2014 OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to the Tahya Misr Fund and recorded a provision for this amount, reference is made to note 19.

Despite the ETA Independent Appeals Committee ruling in favour of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount.

As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI N.V.'s maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 143.3 million.

##### Asset retirement obligations

Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company management.

#### 25. Capital commitments

\$ millions	2019	2018
Fertil	8.9	-
Sorfert	32.7	-
EFC	3.5	-
<b>Total</b>	<b>45.1</b>	<b>-</b>

Capital commitments mainly relate to future costs on turnarounds and maintenance at these plants.

#### 26. Related party transactions

##### Transactions with related parties – Normal course of business

Transactions with related parties occur when a relationship exists between the Company, its participating interest and their directors and key management personnel. In the normal course of business, the Company buys and sells goods and services from and to various related parties (including associates) within the Group.

The OCI Group used to own construction operations until 7 March 2015 when the Engineering & Construction business was divested into a separate legal entity incorporated under the name Orascom Construction PLC ('OC') in the United Arab Emirates. The Sawiris Family, the majority shareholders of the OCI Group, also owns the majority of the outstanding shares of OC, which qualifies OC and its subsidiaries to be classified as related parties. The Group has ongoing construction contracts with OC Group. The transactions with the following entities of the OCI Group are presented in the financial statements as related party transactions:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

#### 26. Related party transactions (continued)

- Orascom Construction Egypt
- OCI N.V.
- OCI Fertilizer B.V.
- OCI Overseas Holding
- OCI MENA Fertilizers Ltd
- OCI Nitrogen
- OCI Fertilizers USA
- OCI Personnel B.V.
- N-7 LLC

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2019:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	AP outstanding at year end	Net recharges	Loans receivables	Loans payables	Interest income	Interest expense and other financing charges
OCI NV	OCI Group	-	0.5	0.8	(0.9)	-	-	-	3.3
OCI Fertilizer BV	OCI Group	-	-	-	-	63.1	-	0.1	0.5
OCI Overseas Holding	OCI Group	-	0.1	-	(0.3)	-	-	1.1	5.9
OCI MENA Fertilizers Ltd	OCI Group	-	0.2	0.1	-	-	-	-	-
OCI Intermediate BV	OCI Group	-	0.8	-	-	-	-	-	-
OCI Nitrogen	OCI Group	49.6	3.8	0.2	0.8	-	-	-	-
N-7 LLC	OCI Group	39.6	-	-	-	-	-	-	-
OCI Personnel BV	OCI Group	-	-	-	(1.0)	-	-	-	-
Orascom Construction Egypt	OC group company	-	-	0.3	-	-	-	-	-
<b>Total</b>		<b>89.2</b>	<b>5.4</b>	<b>1.4</b>	<b>(1.4)</b>	<b>63.1</b>	<b>-</b>	<b>1.2</b>	<b>9.7</b>

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2018:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Recharges	Loans receivables	Loans payables	Interest income	Interest expense and other financing charges
Orascom Construction Egypt	OC group company	-	-	-	4.0	-	-	-	-	-
OCI N.V.	OCI Group	-	-	-	12.0	1.2	-	344.8	-	18.1
OCI Fertilizer B.V.	OCI Group	-	-	-	-	-	-	51.6	-	2.7
OCI Overseas Holding	OCI Group	-	0.7	-	0.1	(0.4)	32.5	615.1	0.4	31.6
OCI MENA Fertilizers Ltd	OCI Group	-	-	-	183.0	-	-	-	-	-
OCI Nitrogen	OCI Group	69.7	4.8	-	0.1	1.0	-	-	-	-
OCI Fertilizers USA	OCI Group	13.0	-	-	-	-	-	-	-	-
OCI Personnel B.V.	OCI Group	-	-	-	4.1	(1.3)	-	-	-	-
N-7 LLC	OCI Group	10.3	10.3	-	-	-	-	-	-	-
<b>Total</b>		<b>93.0</b>	<b>15.8</b>	<b>-</b>	<b>203.3</b>	<b>0.5</b>	<b>32.5</b>	<b>1,011.5</b>	<b>0.4</b>	<b>52.4</b>

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.

#### Key management personnel compensation

The Board of Directors of the Company exists of 10 executive board members appointed by the shareholders. Although the board members are considered key management personnel, both shareholders agreed that each shareholder will be responsible for payment of all remuneration due to,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER CONTINUED

and for reimbursing all out-of-pocket expenses incurred by the appointed directors on their behalf. Therefore, no amount of board remuneration is incurred by the company.

Furthermore, the CFO and COO are considered as key management personnel, as Fertiglobe was incorporated on 30 September 2019 the total remuneration for 2019 amounted to less than USD 1 million for each component (short-term, post-employment and other long-term components) (2018: nil). No termination benefits and/or share-based benefits have been rewarded to the key management personnel in 2019.

#### 27. Subsequent events

##### Covid-19 impact

The recent outbreak of Covid-19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited as production at our plants is uninterrupted, and we have currently not witnessed significant changes in demand, whereas supply chains and distribution channels are intact and our liquidity remains healthy.

However, going forward the Covid-19 outbreak may negatively impact amongst others our supply chain, workforce, operations of our plants, end market demand and liquidity. Accordingly, the Group has set up a Covid-19 taskforce to develop and implement contingency plans, and we are closely and continuously evaluating the developments. We will take all necessary actions to keep our operations running and, most importantly, protect our employees, suppliers, customers and all other stakeholders.

##### Waiver agreement on intercompany receivable loan with OCI

On 31 March 2020, OFT waived its right on a USD 26.8 million portion of an USD 63.6 million intercompany receivable loan with OCI.

#### 28. List of principal subsidiaries as per 31 December 2019

Companies	Country	Percentage of interest	Consolidation method
Sorfert Algérie Spa	Algeria	50.99	Full
Ruwais Fertilizers Industries Ltd (Fertil)	UAE	100.00	Full
Fertiglobe Distribution Limited	UAE	100.00	Full
OCI Fertilizer Trading Limited	UAE	100.00	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Egypt Basic Industries Corporation	Egypt	60.00	Full
Egyptian Fertilizers Company	Egypt	99.96	Full



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## **Independent Auditors' Report**

To the Shareholders of Fertiglobe Holding Limited and its subsidiaries

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of Fertiglobe Holding Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### *Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### *Other Information*

Management is responsible for the other information. The other information comprises Directors' report set out on pages 2 to 3.

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

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

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Abu Dhabi Global Market Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditors' Responsibilities for the Audit of Consolidated Financial Statements*

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



*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements  
(continued)*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.





## Report on Other Legal and Regulatory Requirements

Further, as required by the provisions of the Abu Dhabi Global Market Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- i) the consolidated financial statements, in all material respects, have been properly prepared in accordance with the requirements of the Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, issued by the Abu Dhabi Global Market;
- ii) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;
- iii) adequate accounting records have been kept by the Group; and
- iv) the Group's accounts are in agreement with the accounting records and returns.

KPMG Lower Gulf Limited

Saif Fayez Shawer  
Registration No: 1131  
Abu Dhabi, United Arab Emirates

Date: **06 July 2020**

The background features a stylized bar chart with five orange bars of increasing height from left to right. To the left of the chart, there are several teal wheat stalk icons of varying heights. A large, dark blue magnifying glass is positioned over the right side of the chart, with its handle pointing downwards and to the right. The overall design is clean and modern, using a color palette of orange, teal, and dark blue.

# Seperate Financial Statements

- 42 Statement of Financial Position
- 43 Statement of Profit or Loss and other Comprehensive Income
- 44 Statement of Changes in Equity
- 45 Statement of Cash Flows
- 46 Notes to the Seperate Financial Statements

Seperate Financial Statements

## STATEMENT OF FINANCIAL POSITION AS AT

\$ millions	Note	31 December 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Investment in subsidiaries	(35)	2,619.7
Property, plant and equipment		0.1
<b>Total non-current assets</b>		<b>2,619.8</b>
<b>Current assets</b>		
Other receivables	(36)	1,154.0
Cash and cash equivalents	(37)	10.6
<b>Total current assets</b>		<b>1,164.6</b>
<b>Total assets</b>		<b>3,784.4</b>
<b>Equity</b>		
Share capital		3,328.2
Other reserves		-
Retained earnings		413.6
<b>Equity attributable to owners of the Company</b>		<b>3,741.8</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	(38)	40.0
Other payables	(39)	2.6
<b>Total current liabilities</b>		<b>42.6</b>
<b>Total liabilities</b>		<b>42.6</b>
<b>Total equity and liabilities</b>		<b>3,784.4</b>

The notes on pages 46 to 49 are an integral part of these seperate financials statements.



H. Abdel Samie (Board Member)

Seperate Financial Statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER

<b>\$ millions</b>	<b>Note</b>	<b>2019</b>
General and administrative expenses	(40)	(3.1)
Other expenses		(0.7)
<b>Operating (loss)</b>		<b>(3.8)</b>
Finance income	(41)	47.1
Finance cost	(41)	(0.1)
<b>Net finance (cost)</b>	(41)	<b>47.0</b>
<b>Profit before income tax</b>		<b>43.2</b>
Income tax		-
<b>Profit for the year</b>		<b>43.2</b>
<b>Total comprehensive income</b>		<b>43.2</b>

The notes on pages 46 to 49 are an integral part of these seperate financials statements.

## STATEMENT OF CHANGES IN EQUITY

\$ millions	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the Company
<b>Balance at 1 January 2018</b>				
Net profit	-	-	43.2	43.2
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>43.2</b>	<b>43.2</b>
Share issuance	3,328.2	-	-	3,328.2
Fertiglobe transaction PPA adjustments	-	-	370.4	370.4
<b>Balance at 31 December 2019</b>	<b>3,328.2</b>	<b>-</b>	<b>413.6</b>	<b>3,741.8</b>

The notes on pages 46 to 49 are an integral part of these seperate financials statements.

Seperate Financial Statements

## STATEMENT OF CASH FLOWS

### FOR THE PERIOD ENDED 31 DECEMBER

\$ millions	Note	2019
<b>Profit for the year</b>		<b>43.2</b>
<b>Adjustments for:</b>		
Interest income	(41)	(47.1)
Interest expense	(41)	0.1
<b>Changes in:</b>		
Trade and other receivables		(28.0)
Trade and other payables		2.5
<b>Cash flow from operating activities</b>		<b>(29.3)</b>
Investments in property, plant and equipment		(0.1)
<b>Cash flow (used in) investing activities</b>		<b>(0.1)</b>
Proceeds from borrowings subsidiaries		40.0
<b>Cash flows (used in) financing activities</b>		<b>40.0</b>
<b>Net cash flows</b>		<b>10.6</b>
<b>Net increase in cash and cash equivalents</b>		<b>10.6</b>
Cash and cash equivalents at 1 January		-
<b>Cash and cash equivalents at 31 December</b>		<b>10.6</b>

The notes on pages 46 to 49 are an integral part of these seperate financials statements.

## NOTES TO THE SEPERATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER

### 29. General

Fertiglobe Holding Limited ('Company') was established on 23 December 2018 as Private Company Limited by Shares pursuant to Abu Dhabi Global Markets Companies Regulations 2015. It's registered office is located at 2475-2476, 24th floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The Company is registered in the ADGM commercial register under no. 000001911.

These are the first financial statements of the Company, which cover the period from 23 December 2018 (date of incorporation) to 31 December 2019. Accordingly no comparative figures are presented in these financial statements.

### 30. Basis of preparation

The seperate financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and in compliance with the applicable provisions of the Group's Article of Association and the requirements of the Abu Dhabi Global Market Companies Regulation 2015.

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

The financial year of Fertiglobe holding commences on 1 January and ends on 31 December.

The Company's functional and presentation currency is the US dollar ('USD').

All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

### 31. Accounting principles applied

In the seperate financial statements, the same accounting policies have been applied as set out in the notes to the consolidated financial statements, except for the measurement of the subsidiaries as presented under 'Investments in subsidiaries' in the seperate financial statements. These policies have been consistently applied to all years presented.

For an overview of the amendments that became applicable and the new standards not yet applicable to Fertiglobe Holding, reference is made to note 4.2 of the consolidated financial statements.

### 32. Summary of significant accounting policies

#### Investments in subsidiaries

Subsidiaries are entities which are controlled by the Company. Control exists when the Company is exposed to or has rights to variable returns from its investments with the entity and has the ability to affect those returns through its power over the investee. Investment in subsidiaries is stated at cost less impairment losses, if any.

When the Company loses control over a subsidiary, it derecognises the investment in subsidiaries. Any resulting gain or loss is recognised in the statement of profit or loss. On disposal of the subsidiary, the financial statements, including comparative, are presented as unconsolidated financial statements i.e. individual or separate financial statements as appropriate.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the seperate financial statements, in the period in which the dividend is approved by the Company's shareholders.

#### Dividend Income

Dividend income from the Company's subsidiaries is recognized when the right to receive payment is established.

### 33. Use of estimates and judgments

The preparation of the seperate financial statements requires management to exercise judgment and make estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the seperate financial statements are the impairment of the investments in subsidiaries.

#### Valuation of investments in subsidiaries

At each balance sheet date, the Company reviews whether there is an indication that its investments in subsidiaries might be impaired.

An indication for impairment of the investments in subsidiaries may include, respectively, management's downward adjustment of the strategic plan. Further indications for impairments of its investments may include other areas where observable data indicates that there is a measurable decrease in the estimated future cash flows. These determinations require significant judgment. In making this judgment, management evaluates, among other factors, the financial performance of and business outlook for its investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

## NOTES TO THE SEPERATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER CONTINUED

### 33. Use of estimates and judgments (continued)

If any indication for impairment exists, the recoverable amount of the investments is estimated in order to determine the extent, if any, of the impairment loss. An investment is impaired if the recoverable amount is lower than the carrying amount. The recoverable amount is defined as the higher of an investment's fair value less costs to sell and its value in use.

The investments' fair value less costs to sell represents the best estimate of the amount the Company would receive if it sold its investments. The fair value of each investment has been estimated on the basis of the present value of future cash flows, taking into account costs to sell.

The determination of the investment's value in use is based on calculations using pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period and the terminal value period.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. Any impairment loss is recognized immediately in the statement of profit or loss.

Impairment losses recognized in prior periods shall be reversed only if there has been a change in the estimates or external market information used to determine the investment's recoverable amount since the last impairment loss was recognized. The recoverable amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

### 34. Financial risk and capital management

Reference is made to note 6 'Financial risk and capital management' in the notes to the consolidated financial statements.

#### 34.1 Credit risk

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

\$ millions	Note	2019
Other receivables		1,153.7
Cash and cash equivalents		10.6
<b>Total</b>		<b>1,164.3</b>

The maximum exposure to credit risk for other receivables by geographic region was as follows:

\$ millions	2019
Middle East and Africa	25.0
Europe	1,083.3
Americas	45.7
<b>Total</b>	<b>1,154.0</b>

#### 34.2 Liquidity risk

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

At 31 December 2019 \$ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
<b>Financial liabilities</b>						
Loans and borrowings from subsidiaries <sup>1</sup>		40.0	40.0	40.0	-	-
Trade and other payables		2.6	2.6	2.6	-	-
<b>Total</b>		<b>42.6</b>	<b>42.6</b>	<b>42.6</b>	<b>-</b>	<b>-</b>

The contractual cash flows do not include interest cash flows for the loan received from Ruwais Fertilizers Industries Ltd since the loan is repayable on demand.

As part of the preparation of the financial statements, the Company has assessed its liquidity risk. The Company's financial liabilities include a loan from a subsidiary. Although this loan from subsidiary is classified as short-term due the contractual terms, the repayment date can be controlled and determined by the Group and may be extended beyond one year.

#### 34.3 Market risk

##### Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

\$ millions	In basis points	2019
Effect on profit before tax for the coming year	+100 bps	10.8
	- 100 bps	(10.8)



## NOTES TO THE SEPERATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER CONTINUED

### 34. Financial risk and capital management (continued)

Categories of financial instruments

2019 \$ millions	Note	Loans and receivables / payables at amortized cost
<b>Assets</b>		
Other receivables		1,154.0
Cash and cash equivalents		10.6
<b>Total</b>		<b>1,164.6</b>
<b>Liabilities</b>		
Loans and borrowings from subsidiaries		40.0
Trade and other payables		2.6
<b>Total</b>		<b>42.6</b>

### 35. Investment in subsidiaries

\$ millions	2019
<b>Balance at 1 January</b>	-
Capital contribution	2,619.7
<b>Balance at 31 December</b>	<b>2,619.7</b>

List of principal subsidiaries as per 31 December 2019:

Name	Country of incorporation	Ownership %
Ruwais Fertilizers Industries Ltd (Fertil)	UAE	100.00
Egypt Basic Industries Corporation	Egypt	60.00
Egyptian Fertilizers Company	Egypt	99.90
Sorfert Algérie Spa	Algeria	50.99
OCI Fertilizer Trading Limited	UAE	100.00
Fertiglobe Distribution Limited	UAE	100.00
Orascom Construction Industries S.A.E.	Egypt	99.96

### 36. Other receivables

\$ millions	2019
Loans issued to subsidiaries	1,110.5
Other receivables from subsidiaries	43.1
Other receivables from related parties	0.1
Other receivables	0.3
<b>Total</b>	<b>1,154.0</b>
Non-current	-
Current	1,154.0
<b>At 31 December</b>	<b>1,154.0</b>

The carrying amount of receivables approximates their fair value.

The assessment of the expected credit losses did not result in an impairment of receivables. This will be monitored on a continuous basis going forward and periodically reassessed.

Specification of loans and other receivables from subsidiaries:

\$ millions	Type	Interest rate	2019 Short-term
OCI Fertilizer Trading	Unsecured	2.3%	28.1
OCI MENA	Unsecured	LIBOR + 131.15 basis points	1,082.4
Other receivables subsidiaries	-	-	43.1
<b>Total</b>			<b>1,153.6</b>

### 37. Cash and cash equivalents

\$ millions	2019
Bank balances	10.6
<b>Total</b>	<b>10.6</b>

## NOTES TO THE SEPERATE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER CONTINUED

#### 38. Loans and borrowings

\$ millions	2019
Ruwais Fertilizers industries	40.0
<b>Sub-total from subsidiaries</b>	<b>40.0</b>
<b>Total</b>	<b>40.0</b>
Non-current	-
Current	40.0
<b>At 31 December</b>	<b>40.0</b>

The carrying amounts of loans and borrowings from subsidiaries approximates their fair values.

#### 39. Other payables

\$ millions	2019
Payables due to related parties	0.7
Accrued expenses	0.6
Other current liabilities	1.3
<b>Total</b>	<b>2.6</b>
Non-current	-
Current	2.6
<b>Total</b>	<b>2.6</b>

The carrying amount of 'Trade and other payables' approximates its fair value.

#### 40. General and administrative expenses

Expenses by nature

\$ millions	2019
Employee benefit expenses	0.9
Audit and professional fees	2.1
Other	0.1
<b>Total</b>	<b>3.1</b>

The expenses by nature comprise 'general and administrative expenses'.

#### 41. Net finance cost

\$ millions	2019
Interest income on loans and receivables subsidiaries	47.1
<b>Finance income</b>	<b>47.1</b>
Interest expense and other financing costs on financial liabilities measured at amortized cost	(0.1)
<b>Finance cost</b>	<b>(0.1)</b>
<b>Net finance (cost) recognized in profit or loss</b>	<b>47.0</b>

#### 42. Related party balances

For an overview of the related parties, reference is made to note 26 of the consolidated financial statements. The Company has the following current account related party balances as at 31 December 2019:

Related party	Relation	AR outstanding at year end	AP outstanding at year end
OCI Overseas Holding	OCI Group	0.1	-
OCI N.V.	OCI Group	-	0.7
<b>Total</b>		<b>0.1</b>	<b>0.7</b>

All outstanding related party balances are unsecured.



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## **Independent Auditors' Report**

To the Shareholders of Fertiglobe Holding Limited

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the separate financial statements of Fertiglobe Holding Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2019, separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2019, and of its unconsolidated financial performance and its unconsolidated cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

#### *Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



*Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)*

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

KPMG Lower Gulf Limited

Saif Fayeز Shawer  
Registration No: 1131  
Abu Dhabi, United Arab Emirates

Date: **06 July 2020**



# Fertiglobe Financial Statements 2020

# DIRECTOR'S REPORT

## Company overview

Fertiglobe Holding Limited was established on December 23<sup>rd</sup>, 2018 pursuant to ADGM Company Regulations of 2015. In March 2019 OCI N.V. contributed its nitrogen fertilizer production and distribution assets in Egypt, Algeria and UAE to Fertiglobe and on June 26<sup>th</sup>, 2019 OCI and ADNOC signed a contribution agreement to combine ADNOC's fertilizer business into the Company. With the completion of the transaction on September 30<sup>th</sup>, 2019, Fertiglobe became the largest export-focused nitrogen fertilizer platform globally, and the largest producer in the MENA region with a production capacity of 6.5 million tons per annum of urea and sellable ammonia. OCI N.V. is the majority stakeholder with 58% ownership, and ADNOC the minority stakeholder with 42% ownership.

## Key assets within the Company perimeter include:

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

Egypt Basic Industries Corporation (EBIC): Fertiglobe has 60% stake in the Egypt based ammonia plant EBIC, which has capacity of 0.73 million tons per annum.

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

Fertiglobe Distribution limited (FDL) and OCI Fertilizer Trading Ltd (OFT): Fertiglobe established trading platform based in U.A.E. supported by export logistics network, strategic partnerships / relationships in Brazil, Spain, and USA.

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 aims at achieving value through synergies which include:

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

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

## Members of the Board of Directors:

The number of Directors on the Board of Fertiglobe is initially set to be 10 members with ADNOC appointing 4 members and OCI appointing 6 members as follows:

### ADNOC Members

H.E. Dr. Sultan Ahmed Al Jaber - Chairperson  
Abdulaziz Abdulla Ismail Mohamed AlHajri - Director  
Mohamed Saif Ali Abed Alaryani – Director  
Wafa Ibrahim Ali Mohamed Al Hammadi - Director

### OCI Members

Nassef Onsi Sawiris - Director  
Hassan Badrawi - Director  
Hesham Abdel Samie - Director  
David Welch - Director  
Philippe Ryckaert - Director  
Ahmed El Hoshy - Director replacing Eric Bowles who resigned on 30th June, 2020

## Current year's results:

In 2020, Fertiglobe has shown its resilience towards the pandemic. The company achieved USD 1,550.8 million in revenues by selling 5.1 million tons of Urea and 1.0 million tons of Ammonia resulting in a total net profit of USD 127.1 million on consolidated basis vs 2019 revenue of USD 1,055.5 million and sales volumes of 2.9 million tons of Urea and 1.1 million tons of Ammonia and total net profit of USD 38.4 million. Fertiglobe consolidated 12 months of Fertil performance in 2020 vs 3 months in 2019.

The company has also signed two major contracts with Ethiopia and India achieving a higher netback compared to market prices by utilizing the strategic existence of Fertiglobe production facilities to better meet the customer demand.

Total assets reached USD 4,797.3 million vs USD 4,991.9 million last year.

## 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,



Hesham Abdel Samie  
Board member



# Financial Statements

Consolidated Statement of Financial Position	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	10
Independent auditors' report	41

A vital catalyst for growth



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT

\$ millions	Note	31 December 2020	31 December 2019 Restated*	1 January 2019 Restated*
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	(7)	3,172.0	3,448.5	1,789.0
Right-of-use assets	(17)	85.5	94.7	-
Goodwill	(8)	604.8	604.8	440.0
Trade and other receivables	(9)	0.3	0.4	0.4
Equity-accounted investees		-	0.6	0.7
<b>Total non-current assets</b>		<b>3,862.6</b>	<b>4,149.0</b>	<b>2,230.1</b>
<b>Current assets</b>				
Inventories	(11)	125.9	100.4	75.6
Trade and other receivables	(9)	273.9	317.1	274.5
Income tax receivables	(10)	-	0.8	-
Cash and cash equivalents	(12)	534.9	424.6	323.1
<b>Total current assets</b>		<b>934.7</b>	<b>842.9</b>	<b>673.2</b>
<b>Total assets</b>		<b>4,797.3</b>	<b>4,991.9</b>	<b>2,903.3</b>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

\*2019 Restated Financial statement (See note 2)



H. Abdel Samie (Board Member)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED**

AS AT

\$ millions	Note	31 December 2020	31 December 2019 Restated*	1 January 2019 Restated*
<b>Equity</b>				
Share capital	(13)	3,328.2	3,328.2	-
Reserves	(14)	(1,229.4)	(1,200.4)	(490.7)
Retained earnings *		436.1	491.5	124.7
<b>Equity attributable to owners of the Company</b>		<b>2,534.9</b>	<b>2,619.3</b>	<b>(366.0)</b>
Non-controlling interest	(15)	527.5	365.9	468.6
<b>Total equity</b>		<b>3,062.4</b>	<b>2,985.2</b>	<b>102.6</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	(16)	544.7	713.3	867.6
Lease obligations	(17)	80.9	87.7	-
Trade and other payables	(18)	15.9	14.2	2.9
Provisions	(19)	-	-	7.1
Deferred tax liabilities	(10)	467.1	448.0	157.5
<b>Total non-current liabilities</b>		<b>1,108.6</b>	<b>1,263.2</b>	<b>1,035.1</b>
<b>Current liabilities</b>				
Loans and borrowings	(16)	125.8	168.9	1,166.1
Lease obligations	(17)	12.4	12.5	-
Trade and other payables	(18)	324.0	408.9	425.2
Provisions*	(19)	155.4	152.5	133.9
Income tax payables	(10)	8.7	0.7	40.4
<b>Total current liabilities</b>		<b>626.3</b>	<b>743.5</b>	<b>1,765.6</b>
<b>Total liabilities</b>		<b>1,734.9</b>	<b>2,006.7</b>	<b>2,800.7</b>
<b>Total equity and liabilities</b>		<b>4,797.3</b>	<b>4,991.9</b>	<b>2,903.3</b>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

\*2019 Restated Financial statement (See note 2)



H. Abdel Samie (Board Member)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2020	2019
Revenues	(20)	1,550.8	1,055.5
Cost of sales	(21)	(1,278.5)	(858.9)
<b>Gross profit</b>		<b>272.3</b>	<b>196.6</b>
Other income	(22)	-	4.6
Selling, general and administrative expenses	(21)	(89.4)	(57.1)
Other expenses		(1.3)	(1.9)
<b>Operating profit</b>		<b>181.6</b>	<b>142.2</b>
Finance income	(23)	33.5	15.4
Finance cost	(23)	(47.0)	(104.0)
<b>Net finance cost</b>		<b>(13.5)</b>	<b>(88.6)</b>
Share of loss from equity-accounted investees (net of tax)		(0.1)	(0.1)
<b>Profit before income tax</b>		<b>168.0</b>	<b>53.5</b>
Income tax	(10)	(40.9)	(15.1)
<b>Profit for the year</b>		<b>127.1</b>	<b>38.4</b>
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign operations - foreign currency translation differences		(56.9)	(8.6)
<b>Other comprehensive income, net of tax</b>		<b>(56.9)</b>	<b>(8.6)</b>
<b>Total comprehensive income</b>		<b>70.2</b>	<b>29.8</b>
<b>Profit attributable to:</b>			
Owners of the Company		74.3	3.9
Non-controlling interest		52.8	34.5
<b>Profit for the year</b>		<b>127.1</b>	<b>38.4</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		45.3	(0.3)
Non-controlling interest		24.9	30.1
<b>Total comprehensive income</b>		<b>70.2</b>	<b>29.8</b>
<b>Earnings per share (in USD)</b>			
Basic earnings per share	(25)	0.022	0.002
Diluted earnings per share	(25)	0.022	0.002

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	Share capital (13)	Reserves (14)	Retained earnings*	Equity attributable to owners of the Company	Non- controlling interest (15)	Total equity
<b>Balance at 1 January 2019 as previously reported</b>		-	(490.7)	148.3	(342.4)	468.6	126.2
Restatement	(2)	-	-	(23.6)	(23.6)	-	(23.6)
<b>Restated Balance at 1 January 2019*</b>		-	(490.7)	124.7	(366.0)	468.6	102.6
Net profit		-	-	3.9	3.9	34.5	38.4
Other comprehensive income		-	(4.2)	-	(4.2)	(4.4)	(8.6)
<b>Total comprehensive income</b>		-	(4.2)	3.9	(0.3)	30.1	29.8
Impact difference in profit sharing non-controlling interest		-	-	-	-	10.5	10.5
Dividend to non-controlling interest		-	-	-	-	(143.3)	(143.3)
OCI Mena restructuring	(14)	1,930.4	(1,930.4)	-	-	-	-
Contribution in kind	(14)	-	1,224.9	-	1,224.9	-	1,224.9
Business combination Fertil	(2)	1,397.8	-	370.4	1,768.2	-	1,768.2
Distributions to related parties		-	-	(7.5)	(7.5)	-	(7.5)
<b>Balance at 31 December 2019*</b>		<b>3,328.2</b>	<b>(1,200.4)</b>	<b>491.5</b>	<b>2,619.3</b>	<b>365.9</b>	<b>2,985.2</b>
Net profit		-	-	74.3	74.3	52.8	127.1
Other comprehensive income		-	(29.0)	-	(29.0)	(27.9)	(56.9)
<b>Total comprehensive income</b>		-	(29.0)	74.3	45.3	24.9	70.2
Impact difference in profit sharing non-controlling interest	(15)	-	-	-	-	17.4	17.4
Reversal of dividends to non-controlling interest	(15)	-	-	-	-	119.3	119.3
Dividends to shareholders	(13)	-	-	(129.7)	(129.7)	-	(129.7)
<b>Balance at 31 December 2020</b>		<b>3,328.2</b>	<b>(1,229.4)</b>	<b>436.1</b>	<b>2,534.9</b>	<b>527.5</b>	<b>3,062.4</b>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

\*2019 Restated Financial statement (See note 2)

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2020	2019
<b>Profit for the year</b>		<b>127.1</b>	38.4
<b>Adjustments for:</b>			
Depreciation and amortization	(21)	268.0	222.7
Interest income	(23)	(1.9)	(3.9)
Interest expense	(23)	37.9	84.5
Net foreign exchange (gain)/loss and others	(23)	(22.5)	8.0
Share of loss of equity-accounted investees (net of tax)		0.1	0.1
Impact difference in profit-sharing non-controlling interest	(15)	17.4	10.5
Income tax expense	(10)	40.9	15.1
<b>Changes in:</b>			
Inventories	(11)	(31.7)	(0.3)
Trade and other receivables	(9)	69.1	(9.7)
Trade and other payables	(18)	97.9	(1.3)
Provisions	(19)	2.0	(0.7)
<b>Cash flows:</b>			
Interest paid		(64.3)	(59.2)
Interest received		1.4	2.7
Income taxes paid		(20.6)	(51.8)
<b>Cash flows from operating activities</b>		<b>520.8</b>	<b>255.1</b>
Investments in property, plant and equipment	(7)	(67.1)	(50.8)
Dividends from equity accounted investee		0.5	-
Business combination, net of cash acquired		-	45.8
<b>Cash used in investing activities</b>		<b>(66.6)</b>	<b>(5.0)</b>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

### FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2020	2019
Proceeds from borrowings third parties	(16)	339.5	70.0
Proceeds from borrowings related parties	(16)	-	0.7
Repayment of borrowings third parties	(16)	(504.0)	(211.7)
Payment of finance lease obligations	(17)	(12.9)	(1.4)
Transaction costs of new borrowings	(16)	(5.3)	-
Dividends paid to non-controlling interest	(15)	-	(6.1)
Dividends paid to shareholders	(13)	(129.7)	-
<b>Cash used in financing activities</b>		<b>(312.4)</b>	<b>(148.5)</b>
<b>Net cash flow</b>		<b>141.8</b>	<b>101.6</b>
<b>Net increase in cash and cash equivalents</b>		<b>141.8</b>	<b>101.6</b>
Cash and cash equivalents at 1 January		424.6	323.1
Effect of exchange rate fluctuations on cash held		(31.5)	(0.1)
<b>Cash and cash equivalents at 31 December</b>		<b>534.9</b>	<b>424.6</b>

The notes on pages 10 to 40 are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

### 1. General

Fertiglobe Holding Limited ('Fertiglobe' or 'the Company') was established on 23 December 2018 as Private Company Limited by Shares pursuant to Abu Dhabi Global Markets (ADGM) Companies Regulations 2015. Its 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 Company was previously registered under the names OCI Fertilizers Exports holding limited and OCI Fertilizers Exports Holding RSC limited and then later changed to Fertiglobe Holding Limited during the business combination of Fertil.

The Group is consolidated under OCI.N.V ("ultimate Parent") that holds 58% of the shares and voting rights in the Company.

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 20 June 2021 by the Board of Directors.

### 2. Basis of preparation and main events

#### 2.1 General

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

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

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

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

#### 2.2 Main events

##### Covid- 19

The year 2020 has been strongly impacted by the pandemic (Covid-19) which had far-reaching economic consequences beyond the spread of the disease itself. While most sectors of the world economy faced heavy losses specially the oil & gas and services sectors, the Fertilizer business was much less impacted with a relatively modest decline in prices (-3% and -10% in Urea and Ammonia average sales price respectively).

Neither the demand nor the supply chain were significantly impacted given the importance of fertilizers to the continuity of Worldwide food production. Despite the global lockdown, the Group's facilities continued operation at close to normal levels and in accordance with plans.

Based on the recent strong recovery of the market, management expects this will not impact the long term outlook of the business and the valuation of the assets. Global urea and ammonia prices have increased in the first four months of 2021.

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

##### Business combinations

On 30 September 2019, the Group OCI NV and Abu Dhabi National Oil Company ('ADNOC') completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa ('OCI MENA') nitrogen fertilizer platform.

As part of the transaction, the Group acquired 100% of the voting powers and economic returns from Ruwais Fertilizer Industries LLC. ('Fertil'), a previously wholly owned subsidiary of ADNOC. Fertil is consolidated by the Group from 30 September 2019. Fertil is based out of the Emirate of Abu Dhabi, United Arab Emirates and is engaged in processing feedstock gas to produce nitrogen fertilizers. In exchange the Group transferred 42% of the total share capital of Fertiglobe to ADNOC. With the acquisition of Fertil, Fertiglobe has become the largest producer of nitrogen fertilizers in the MENA region.

For the three months ended 31 December 2019, Fertil contributed revenue (before intercompany revenue elimination) of USD 131 million and a loss before tax of USD 4 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have been USD 1,436 million and the consolidated profit before tax USD 71 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 2. Basis of preparation and main events (continued)

##### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Fertil as at the date of acquisition were:

\$ millions	Fair value recognised on acquisition
<b>Assets</b>	
Property, plant and equipment	1,843.4
Right-of-use assets	84.9
Inventories	25.7
Trade and other receivables*	33.9
Cash and bank equivalents	45.8
<b>Total assets</b>	<b>2,033.7</b>
<b>Liabilities</b>	
Employees benefits	(11.0)
Lease obligations	(86.4)
Trade and other payables	(45.5)
Deferred tax liabilities	(287.4)
<b>Total Liabilities</b>	<b>(430.3)</b>
<b>Total identifiable net assets at fair value</b>	<b>1,603.4</b>

\* The receivables acquired have a gross contractual amount approximately equal to their fair value.

In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

##### Goodwill

Goodwill arising from the acquisition has been recognized as follows:

\$ millions	
Consideration transferred**	1,768.2
Fair value of identifiable net assets	(1,603.4)
<b>Goodwill</b>	<b>164.8</b>

\*\* The consideration transferred was determined equivalent to 42% of the share capital of Fertilgobe Holding Limited, measured by applying a discounted earnings technique.

No further contingencies were recognized as part of the transaction. Although based on the land lease of the production facility, Fertil has the obligation to restore the site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability.

Considering that maintenance, turnarounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility (also taken into account the possible changes in technology and availability of raw materials). The deferred tax liabilities comprise the tax effect of the accelerated depreciation for tax purposes of tangible assets and are relating to the fair value step-up applied on PP&E as part of the business combination.

The goodwill of USD 164.8 million comprises the value of expected synergies, future benefits from the assembled workforce and the high profitability of the acquired business. None of the goodwill recognized is expected to be deductible for income tax purposes.

No transaction costs were incurred at Fertiglobe level related to this transaction.

##### Adjustment of prior year consolidated statements of financial position and changes in equity

During 2020, the Company became aware of information that the Group's exposure to historical indemnities provided to other parties was understated in the consolidated financial statements, if this information was known then it should have been considered in estimating the potential cash outflows as from financial year 2017.

As the first period presented in these financial statements is 2019, the error is corrected in the opening balance of 2019. Potential outflows of economic resources related to these indemnities contain inherent uncertainties for which the Group engaged renowned local and international law firms to examine Fertiglobe's legal position.

The following financial statement line items as of 1 January 2019 are affected by the error:

\$ millions	1 January 2019			31 December 2019	
	Amount prior to restatement	Restatement*	Restated amount	Amount prior to restatement	Restated amount
Retained earnings	148.3	(23.6)	124.7	515.1	491.5
<b>Total equity</b>	<b>126.2</b>	<b>(23.6)</b>	<b>102.6</b>	<b>3,008.8</b>	<b>2,985.2</b>
Provisions	117.4	23.6	141.0	128.9	152.5
<b>Total liabilities</b>	<b>2,777.1</b>	<b>23.6</b>	<b>2,800.7</b>	<b>1,983.1</b>	<b>2,006.7</b>

\* Same restatement amount reflected on the year ended 31 December 2019



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3. Summary of significant accounting policies

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

#### 3.1 Consolidation

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

##### Subsidiaries

Subsidiaries are all companies to which the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. The principal subsidiaries are listed in note 28.

##### Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

##### Non-controlling interest

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

#### 3.2 Business combinations

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

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

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

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

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

#### 3.3 Foreign currency

##### Foreign currency transactions

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3.3 Foreign currency (continued)

#### Foreign operations

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

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

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

### 3.4 Financial instruments

#### Financial assets

IFRS 9 contains three principal classification categories for financial assets:

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

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

#### Gas purchase contracts

The Group has purchase contracts in place to procure natural gas for its production activities. These contracts are not accounted for as financial instruments as they are excluded for 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.

#### i. Classification and subsequent measurement

##### Amortized cost

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

#### Debt instrument at FVOCI

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

#### ii. Derecognition

##### Financial asset

The group derecognises a financial asset when:

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

The Group enters into transactions whereby it transfers assets recognised 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises 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 recognised 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 recognised in profit or loss.

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

#### iii. Offsetting

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 3.5 Cash and cash equivalents

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

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

#### 3.6 Share capital

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

#### 3.7 Property, plant and equipment

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

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

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

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

##### Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its 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 - 27
Fixtures and fittings	3 - 10

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

#### 3.8 Leases

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3.8 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 amortised 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.

#### Short-term leases and leases of low-value assets

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

### 3.9 Goodwill

#### Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the Groups' share of identifiable assets acquired and liabilities assumed of businesses acquired that were directly attributable to the legal entities comprising the Group. If on the date of acquisition 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 acquisitions of entities that qualify as associates or joint ventures is included in 'Equity-accounted investees'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing.

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

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

### 3.10 Inventories

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

In case the net realisable 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 estimated costs to be incurred to make the sale, have increased;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3.11 Impairment of assets

#### Non-derivative financial assets

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

#### Non-financial assets

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

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

### 3.12 Provisions

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

#### Asset retirement obligations

The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to cleanup of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning. The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability. Considering that maintenance, turnarounds and any other upgrades will be conducted on a regular basis as was done in the past, this can extend the physical life of the production facility indefinitely (also taken into account the possible changes in technology and availability of raw materials).

#### Claims and contingencies

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

#### Donation provision

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

### 3.13 Segment reporting

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3.14 Revenue from contracts with customers

Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of Fertilizer products to customers.

Goods are transferred when the customer obtains control of the asset. The timing of when control transfers depends on the sales and shipping terms agreed. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days.

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

### 3.15 Finance income and cost

Finance income comprises:

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

Finance cost comprises:

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

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

### 3.16 Employee benefits

#### Defined contribution plan

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

#### Short-term employee benefits

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

#### Long-term employee benefits

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

#### Termination benefits

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

### 3.17 Income tax

#### Current tax

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 3.17 Income tax (continued)

#### Deferred tax

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

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

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

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

### 3.18 Consolidated statement of cash flows

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

### 3.19 Earnings per share

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

## 4. New accounting standards and policies

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

### 4.1 Standards, amendments, revisions and interpretations that became effective to the Group during 2020

The standards and interpretations that became effective in 2020 do not have a material impact on Fertiglobe during 2020.

### 4.2 New revised IFRS in issue but not yet effective

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 5. Critical accounting judgment, estimates and assumptions

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

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

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

#### Goodwill and other intangible assets

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

In doing so, Management also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. Management tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In determining the recoverable amount, Management makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital ('WACC') and future inflation 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.

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

#### Asset retirement obligations

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

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

#### 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). In determining the net realizable value of inventories, the Group estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. (Note 11)

#### Provisions

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

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 5. Critical accounting judgment, 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)

##### 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)

##### Liquidity risk

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

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

#### 6. Financial risk and capital management

##### Overview

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

##### Risk management framework

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

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

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

#### 6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The Group mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating. The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods. No collateral is received.

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

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

As at 31 December 2020, management assessed the credit risk based on internal and external factors related to the financial instruments and recognized an allowance related to credit risk. (Note 9)

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

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

\$ millions	Note	2020	2019
Trade and other receivables*	(9)	227.4	283.3
Cash and cash equivalents	(12)	534.9	424.6
<b>Total</b>		<b>762.3</b>	<b>707.9</b>

\* Excluding prepayments and supplier advance payments

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 6. Credit risk (continued)

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

\$ millions	2020	2019
Middle East and Africa	129.8	89.5
Asia and Oceania	16.7	86.3
Europe	76.0	104.9
Americas	4.9	2.6
<b>Total</b>	<b>227.4</b>	<b>283.3</b>

\* Excluding prepayments and supplier advance payments

#### 6.2 Liquidity risk

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

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

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

\* Excluding employee benefits

At 31 December 2019 \$ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
<b>Financial liabilities</b>						
<i>Cash outflows:</i>						
Loans and borrowings	(16)	882.2	1,223.4	225.9	436.7	560.8
Lease obligations	(17)	100.2	351.3	12.2	43.8	295.3
Trade and other payables*	(18)	401.6	401.6	398.6	3.0	-
Trade and other payables to related parties	(18)	10.3	10.3	10.3	-	-
<b>Total</b>		<b>1,394.3</b>	<b>1,986.6</b>	<b>647.0</b>	<b>483.5</b>	<b>856.1</b>

\* Excluding employee benefits

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 6. Market risk (continued)

##### 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 presented in foreign currencies that are different from the US dollar (which is the Group's functional currency). The currencies concerned are mainly the Euro and the Algerian dinar. Foreign exchange translation exposure is considered a part of doing business on an international level; this risk is not hedged. The Group seeks to mitigate translation risk to our credit metrics by broadly matching the currency of debt with cashflows.

##### 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 mismatch between the currencies in which sales, purchases, investments and borrowings are denominated and the respective functional currencies of the Group entities. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD/EGP exchange rates.

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

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

At 31 December 2019 \$ millions	USD	EUR	EGP
Trade and other receivables	7.3	6.4	77.8
Trade and other receivables intercompany	1,090.3	3.4	0.1
Trade and other payables	(4.7)	(0.8)	(16.3)
Trade and other payables intercompany	(8.8)	(1.0)	(0.2)
Loans and borrowings	-	-	(51.4)
Loans and borrowings intercompany	(1,082.4)	-	-
Provisions	-	-	(118.7)
Cash and cash equivalents	224.2	19.0	23.4

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 dinar, except for Sorfert, which has the Algerian dinar as its functional currency.

##### Significant rates

The following significant exchange rates applied during the year:

	Average 2020	Average 2019	Closing 2020	Closing 2019
Euro	1.1418	1.1193	1.2225	1.1213
Egyptian pound	0.0632	0.0596	0.0635	0.0623
Algerian dinar	0.0079	0.0084	0.0076	0.0084

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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 6.3 Market risk (continued)

31 December 2019 \$ millions	Change in FX rate	Effect on profit before tax	Effect on other comprehensive income
EUR - USD	5 percent	0.5	-
	(5) percent	(0.5)	-
EGP - USD	3 percent	(2.6)	-
	(3) percent	2.6	-
DZD - USD	3 percent	6.9	-
	(3) percent	(6.9)	-

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

#### Interest rate risk

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

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

\$ millions	In basis points	2020	2019
Effect on profit before tax for the coming year	+100 bps	(2.7)	(5.4)
	- 100 bps	2.7	5.4

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a lower volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities, reference is made to note 16.

#### Categories of financial instruments:

31 December 2020 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value
<b>Assets</b>			
Trade and other receivables*	(9)	227.4	-
Cash and cash equivalents	(12)	534.9	-
<b>Total</b>		<b>762.3</b>	<b>-</b>
<b>Liabilities</b>			
Loans and borrowings	(16)	670.5	-
Trade and other payables**	(18)	327.5	-
<b>Total</b>		<b>998.0</b>	<b>-</b>

\* Excluding prepayments and supplier advance payments

\*\* Excluding employee benefits

31 December 2019 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value
<b>Assets</b>			
Trade and other receivables*	(9)	283.3	-
Cash and cash equivalents	(12)	424.6	-
<b>Total</b>		<b>707.9</b>	<b>-</b>
<b>Liabilities</b>			
Loans and borrowings	(16)	882.2	-
Trade and other payables**	(18)	411.9	-
<b>Total</b>		<b>1,294.1</b>	<b>-</b>

\* Excluding prepayments and supplier advance payments

\*\* Excluding employee benefits

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 6. Financial risk and capital management (continued)

##### 6.4 Capital management

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

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

\$ millions	Note	2020	2019
Loans and borrowings	(16)	670.5	882.2
<b>Less: cash and cash equivalents</b>	(12)	<b>534.9</b>	424.6
<b>Net debt</b>		<b>135.6</b>	<b>457.6</b>
Total equity		3,062.4	2,985.2
<b>Net debt to equity ratio at 31 December</b>		<b>0.04</b>	<b>0.15</b>

#### 7. Property, plant and equipment

As at 31 December 2020, the Group has land with a carrying amount of USD 22.2 million (2019: USD 22.2 million).

The additions of USD 66.5 million mainly relate to Sorfert for USD 23.9 million, Fertil for USD 24.1 million, EBIC for USD 15.5 million and EFC for USD 3.0 million. The effect of movement in exchange rates in 2020 mainly relates to Sorfert, which has a different functional currency (Algerian dinar), to the Group's presentation currency. The Algerian dinar decreased by 9.5% against the US dollar in 2020.

\$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	144.9	2,970.1	18.8	9.0	3,142.8
Accumulated depreciation	(44.8)	(1,295.1)	(13.9)	-	(1,353.8)
<b>At 1 January 2019</b>	<b>100.1</b>	<b>1,675.0</b>	<b>4.9</b>	<b>9.0</b>	<b>1,789.0</b>
<b>Movements in the carrying amount:</b>					
Additions	0.1	31.2	2.8	16.4	50.5
Business combination - Cost	154.8	2,443.3	24.1	23.2	2,645.4
Business combination - accumulated depreciation	(51.0)	(728.8)	(22.1)	-	(801.9)
Disposals	-	(1.3)	(0.2)	(2.0)	(3.5)
Depreciation	(7.2)	(210.6)	(1.6)	-	(219.4)
Effect of movement in exchange rates	(0.8)	(10.7)	-	(0.1)	(11.6)
<b>At 31 December 2019</b>	<b>196.0</b>	<b>3,198.1</b>	<b>7.9</b>	<b>46.5</b>	<b>3,448.5</b>
Cost	298.7	5,427.9	43.2	46.5	5,816.3
Accumulated depreciation	(102.7)	(2,229.8)	(35.3)	-	(2,367.8)
<b>At 31 December 2019</b>	<b>196.0</b>	<b>3,198.1</b>	<b>7.9</b>	<b>46.5</b>	<b>3,448.5</b>
<b>Movements in the carrying amount:</b>					
Additions	5.1	24.0	1.9	35.5	66.5
Depreciation	(9.2)	(246.0)	(2.2)	-	(257.4)
Transfers	3.0	6.3	0.4	(9.7)	-
Effect of movement in exchange rates	(5.5)	(77.7)	(0.7)	(1.7)	(85.6)
<b>At 31 December 2020</b>	<b>189.4</b>	<b>2,904.7</b>	<b>7.3</b>	<b>70.6</b>	<b>3,172.0</b>
Cost	298.0	5,314.1	43.5	70.6	5,726.2
Accumulated depreciation	(108.6)	(2,409.4)	(36.2)	-	(2,554.2)
<b>At 31 December 2020</b>	<b>189.4</b>	<b>2,904.7</b>	<b>7.3</b>	<b>70.6</b>	<b>3,172.0</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 8. Goodwill

\$ millions	Goodwill
Cost	1,777.6
Accumulated impairment	(1,337.6)
<b>At 1 January 2019</b>	<b>440.0</b>
<b>Movements in the carrying amount:</b>	
Business combination	164.8
<b>At 31 December 2019</b>	<b>604.8</b>
Cost	1,942.4
Accumulated impairment	(1,337.6)
<b>At 31 December 2019</b>	<b>604.8</b>
Cost	1,942.4
Accumulated impairment	(1,337.6)
<b>At 31 December 2020</b>	<b>604.8</b>

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

Cash generating units \$ millions	2020	2019
Egyptian Fertilizers Company ('EFC')	440.0	440.0
Ruwais Fertilizer Industries LLC. ('Fertil')	164.8	164.8
<b>Total</b>	<b>604.8</b>	<b>604.8</b>

#### Goodwill impairment testing

The determination of the recoverable amount for the cash generating unit EFC and Fertil requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant.

Selling prices 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 2021 to 2025 (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 1.23% was taken into account. The estimated pre-tax cash flows are discounted to their present value using pre-tax discount rates.

The following rates were applied in performing the impairment test:

Percentage	2020		2019	
	Fertil	EFC	Fertil	EFC
Pre-tax discount rate	9.7%	12.1%	-	12.5%
Perpetual growth rate	1.23%	1.23%	-	2.0%

#### Result of the impairment test

For all cash generating units the recoverable values exceed their carrying amounts. No reasonably possible change in a key assumption would cause the cash generating unit's carrying amount to exceed the recoverable amount.

#### 9. Trade and other receivables

In 2018, the Group entered into a securitization agreement to sell without recourse certain portfolios of trade receivables to an external financial institution. By doing so, the Group is able to receive cash flows from selected debtors sooner than would normally be the case. Fertiglobe derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. Further the Group has pass through arrangement with financial institution as per which all the amounts collected from customer are paid back to financial institution without material delay. During the year ended 31 December 2020 an amount of USD 13.2 million (2019: USD 9.6 million) of trade receivables were transferred under the securitization agreement. As of the reporting date, trade receivables outstanding to be transferred for securitization amounted to USD 6.8 million (2019 USD 0.0 million). Furthermore, the total amount charged by securitization company amounted to USD 0.6 million during the year (2019: USD 0.6 million). The portfolio of Trade receivable which is held for collect and sale at reporting date amounted to USD 6.8 million (2019 USD 0.0 million).

The other tax receivable contains an amount of EGP 900 million (USD 57.2million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note 27 'OCI S.A.E. tax dispute'.

Non-current trade and other receivables have not been discounted as the effect is immaterial to the consolidated financial statements.

The carrying amount of 'Trade and other receivables' as at 31 December 2020 approximates its fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 9. Trade and other receivables (continued)

\$ millions	2020	2019
Trade receivables net	93.7	107.6
Trade receivables (net) from related parties (note 26)	9.1	4.9
Loans to related parties (note 26)	-	63.1
Prepayments	25.1	16.9
Other tax receivables	92.1	79.6
Supplier advance payments	21.7	17.3
Other receivables net	32.5	23.6
Other receivables related parties (note 26)	-	4.5
<b>Total</b>	<b>274.2</b>	<b>317.5</b>
Non-current	0.3	0.4
Current	273.9	317.1
<b>Total</b>	<b>274.2</b>	<b>317.5</b>

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

\$ millions	2020	2019
Neither past due nor impaired	101.4	112.5
Past due 1 - 30 days	-	-
Past due 31 - 90 days	1.3	-
Past due 91 - 360 days	-	-
More than 360 days	-	-
<b>Total</b>	<b>102.7</b>	<b>112.5</b>

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	2020	2019
At 1 January	-	-
Addition	(0.2)	-
<b>At 31 December</b>	<b>(0.2)</b>	<b>-</b>

#### 10. Income taxes

##### 10.1 Income tax in the statement of profit or loss and other comprehensive income

\$ millions	2020	2019
Current tax	(21.8)	(3.8)
Deferred tax	(19.1)	(11.3)
<b>Total income tax in profit or loss</b>	<b>(40.9)</b>	<b>(15.1)</b>

##### 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	2020	%	2019	%
Profit before income tax	168.0		53.5	
Enacted income tax rate	25%		25%	
<b>Tax calculated at the enacted tax rate</b>	<b>(42.0)</b>	<b>25.0</b>	<b>(13.4)</b>	<b>25.0</b>
Effect of tax rates in foreign jurisdictions	10.4	(6.2)	12.4	(23.2)
Income not subject to tax	14.6	(8.7)	14.5	(27.1)
Expenses non-deductible	(16.1)	9.6	(19.3)	36.1
Dividend withholding tax	7.8	(4.6)	(2.6)	4.9
Unrecognized tax assets	(9.8)	5.8	(5.4)	10.1
Uncertain tax positions	(5.7)	3.4	4.1	(7.7)
Other adjustments	(0.1)	0.1	(5.4)	10.1
<b>Total income tax in profit or loss</b>	<b>(40.9)</b>	<b>24.4</b>	<b>(15.1)</b>	<b>28.2</b>

The effective tax rate is 24.4% (2019: 28.2%), mainly due to (i) income not subject to tax for an amount of USD 14.6 million and (ii) expenses non-deductible for an amount of USD (16.1) million. The income not subject to tax mainly relates to the tax-free status of some entities in the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 10.3 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

\$ millions	2020	2019
<b>At 1 January</b>	<b>(448.0)</b>	<b>(157.5)</b>
Profit or loss	(19.1)	(3.8)
Business combination Fertil	-	(287.4)
Effect of movement in exchange rates	-	0.7
<b>At 31 December</b>	<b>(467.1)</b>	<b>(448.0)</b>

Recognized deferred tax assets and liabilities:

\$ millions	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
Intangible assets	-	-	(62.6)	(62.6)	(62.6)	(62.6)
Property, plant and equipment	-	-	(335.5)	(359.5)	(335.5)	(359.5)
Loans and borrowings	-	0.9	-	-	-	0.9
Trade and other payables	4.2	3.8	-	-	4.2	3.8
Uncertain tax positions	-	-	(57.6)	(27.2)	(57.6)	(27.2)
Provision for withholding tax	-	-	(15.6)	(3.4)	(15.6)	(3.4)
<b>Total</b>	<b>4.2</b>	<b>4.7</b>	<b>(471.3)</b>	<b>(452.7)</b>	<b>(467.1)</b>	<b>(448.0)</b>
Netting of fiscal positions	(4.2)	(4.7)	4.2	4.7	-	-
<b>Amounts recognized in the Statement of Financial Position</b>	<b>-</b>	<b>-</b>	<b>(467.1)</b>	<b>(448.0)</b>	<b>(467.1)</b>	<b>(448.0)</b>

Deferred tax liabilities relating to intangible assets mainly consist of goodwill of EFC for USD 62.6 million. This deferred tax liability will be reversed when 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 265.8 million and EFC for USD 69.7 million.

The unrecognized operating losses carry forward of USD 54.0 million (2019: USD 21.6 million) mainly relate to OCI S.A.E.

#### Uncertain tax positions

The group is subject to the application of complex tax laws in multiple jurisdictions. Application of these complex tax laws may lead to uncertainties in determining tax positions. We aim to resolve these uncertainties in discussions with the tax authorities. The financial effect of the existing uncertainties per balance sheet date are determined in accordance with IAS 12 and IFRIC 23, which requires us to estimate the potential outcome of any tax position. Our estimate for the potential outcome of any uncertain tax position is judgmental.

As of 31 December 2020, the Group recorded uncertain tax positions to an amount of USD 57.6 million which is classified as a deferred tax liability. Expected interest and penalties related to uncertain income tax liabilities have been accrued for and are included in the uncertain tax positions and in the income tax expense. In addition to the uncertain tax liability, the Group also has a contingent tax asset that currently does not meet the recognition criteria of IFRIC 23. For more information we refer to note 27.

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 2020	-	53.8	0.2	-	-	-	<b>54.0</b>

Unrecognized operating losses carry forward, tax credits and temporary differences in 2019	-	21.3	0.3	-	-	-	<b>21.6</b>
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#### 10.4 Income tax receivables and payables

Changes in income tax receivables and payables:

\$ millions	2020	2019
<b>At 1 January</b>	<b>0.1</b>	<b>(40.4)</b>
Profit or loss	(21.8)	(11.3)
Payments	20.6	51.8
Withholding tax not recoverable	(7.8)	-
Effect of movement in exchange rates	0.2	-
<b>At 31 December</b>	<b>(8.7)</b>	<b>0.1</b>
Income tax receivable	-	0.8
Income tax payables	(8.7)	(0.7)
<b>Total</b>	<b>(8.7)</b>	<b>0.1</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 10. Income taxes (continued)

##### Sorfert reinvestment case

The Large Multinationals Directorate of the Algerian Tax Authorities (DGE) issued to Sorfert a letter in which its initial claim of DZD 7,296 million (USD 55.4 million) related to the alleged non-compliance of the requirements for the tax exemption granted by the Agency Nationale de Developpement de l'Investissement (ANDI) was maintained. The DGE is of the opinion that Sorfert did not timely carry out the reinvestment obligations as required under ANDI exemption.

As a result, the DGE requires Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith. Sorfert is of the opinion that it has complied with its reinvestment obligations as well as that the basis of any claim should in any case be limited to the source of income that is taxable (local sales only as export sales are exempted under domestic Algerian tax law) and as such Sorfert recorded a provision of USD 1.7 million. This position was examined by various reputable tax advisors who concurred with the opinion of Sorfert.

#### 11. Inventories

\$ millions	2019		
	Gross	Write down	Net
Finished goods	33.7	(1.5)	32.2
Raw materials and consumables	15.6	(0.2)	15.4
Spare parts, fuels and others	57.6	(4.8)	52.8
<b>Total</b>	<b>106.9</b>	<b>(6.5)</b>	<b>100.4</b>

\$ millions	2020		
	Gross	Write down	Net
Finished goods	38.4	(0.3)	38.1
Raw materials and consumables	21.4	(0.1)	21.3
Spare parts, fuels and others	69.1	(2.6)	66.5
<b>Total</b>	<b>128.9</b>	<b>(3.0)</b>	<b>125.9</b>

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

\$ millions	2020	2019
At 1 January	(6.5)	(2.6)
Provision recorded	(1.0)	(2.7)
Fertil impact	-	(3.2)
Reversal of provision	4.5	2.0
<b>At 31 December</b>	<b>(3.0)</b>	<b>(6.5)</b>

#### 12. Cash and cash equivalents

\$ millions	2020	2019
Cash on hand	0.2	0.2
Bank balances	528.3	407.9
Restricted cash	6.4	16.5
<b>Total</b>	<b>534.9</b>	<b>424.6</b>

The restricted balances of USD 6.4 million (2019: USD 16.5 million), included in the cash and cash equivalents for the consolidated statement of cash flows, are held as collateral against letters of credit and letters of guarantees issued, therefore not available for general use by the Group.

#### 13. Equity attributable to owners of the Company

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

\$ millions	2020	2019
Number of shares at 1 January	3,328.2	0.0
Number of issued shares	-	3,328.2
<b>On issue at 31 December - fully paid</b>	<b>3,328.2</b>	<b>3,328.2</b>
<b>Par value per share (in \$)</b>	<b>1.00</b>	<b>1.00</b>
<b>At 31 December</b>	<b>3,328.2</b>	<b>3,328.2</b>

The authorized capital of the Group amounts to USD 3,328.2 million. The authorized capital is divided into 3,328.2 million shares, with a nominal value of USD 1.0 each.

Fertiglobe distributed a dividend of USD 129.7 million to shareholders in 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 14. Reserves

\$ millions	Other reserves	Currency translation reserve	Total
<b>At 1 January 2019</b>	-	<b>(490.7)</b>	<b>(490.7)</b>
Capital contribution*	(1,930.4)	-	(1,930.4)
Contribution in kind*	1,224.9	-	1,224.9
Currency translation differences	-	(4.2)	(4.2)
<b>At 31 December 2019</b>	<b>(705.5)</b>	<b>(494.9)</b>	<b>(1,200.4)</b>
Currency translation differences	-	(29.0)	(29.0)
<b>At 31 December 2020</b>	<b>(705.5)</b>	<b>(523.9)</b>	<b>(1,229.4)</b>

\* In March 2019 OCI N.V. contributed its OCI MENA assets to Fertigllobe under common control (since OCI MENA and Fertigllobe were ultimately owned by the same shareholder). Due to the contribution of OCI MENA to the Group, in the 2019 consolidated financial statements the Group re-presented its comparatives and adjusted its 2019 financial information from before the date of the transaction (i.e. the contribution of the OCI MENA entities in Fertigllobe) as if the combination had occurred before the start of the earliest period presented. For the contribution of the OCI MENA assets to Fertigllobe, the Group applied predecessor value (accounting for the assets and liabilities of the acquired business using the existing carrying values). The total contribution of OCI Mena to Fertigllobe at fair value (legal requirement) amounted to USD 1,930.4 million. The USD 1,224.9 million contribution in kind during 2019 is related to the conversion of loans totaling to USD 1029.3 million, payable balances of USD 11.9 million and an investment in other OCI group entities of USD 183.7 million into equity, which was transferred to Fertigllobe at carrying amount.

#### 15. Non-controlling interest

2020 \$ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Mepco Caymen & EFC	Total
Non-controlling interest	40.00%	49.01%	25% - 0.04%	-
Non-current assets	119.0	384.1	30.4	533.5
Current assets	29.0	211.9	2.4	243.3
Non-current liabilities	(2.9)	(162.9)	(0.3)	(166.1)
Current liabilities	(65.9)	(14.8)	(2.5)	(83.2)
<b>Net assets</b>	<b>79.2</b>	<b>418.3</b>	<b>30.0</b>	<b>527.5</b>
Revenues	34.8	94.0	0.1	128.9
Profit/loss	(7.0)	59.7	0.1	52.8
Other comprehensive income	-	(27.9)	-	(27.9)
<b>Total comprehensive income</b>	<b>(7.0)</b>	<b>31.8</b>	<b>0.1</b>	<b>24.9</b>
<b>Dividend cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2019 \$ millions	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Mepco Caymen & EFC	Total
Non-controlling interest	40.00%	49.01%	25% - 0.04%	-
Non-current assets	121.4	452.7	1.5	575.6
Current assets	26.0	203.1	0.1	229.2
Non-current liabilities	(2.9)	(218.8)	(0.4)	(222.1)
Current liabilities	(23.4)	(193.2)	(0.2)	(216.8)
<b>Net assets</b>	<b>121.1</b>	<b>243.8</b>	<b>1.0</b>	<b>365.9</b>
Revenues	61.3	168.7	0.4	230.4
Profit	(0.6)	35.1	-	34.5
Other comprehensive income	-	(4.4)	-	(4.4)
<b>Total comprehensive income</b>	<b>(0.6)</b>	<b>30.7</b>	<b>-</b>	<b>30.1</b>
<b>Dividend cash flows</b>	<b>-</b>	<b>-</b>	<b>(6.1)</b>	<b>(6.1)</b>

- Impact difference in profit sharing non-controlling interest: In the partnership agreement of Sorfert between the Group and the partner, a profit sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. As a result of this agreement the non-controlling interest increased by USD 17.4 million during 2020 (the increase in 2019 was USD 10.5 million).
- The reduction of declared dividends to non-controlling interests of USD 119.3 million is mainly explained by:
  - a reversal of USD 125.3 million of the dividends declared by Sorfert related to 2018, these dividends were cancelled by a resolution of the general meeting of shareholders of Sorfert in December 2020.
  - a payment of dividends of USD (6.0) million by Mepco Caymen and EBIC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 16. Loans and borrowings

\$ millions	2020	2019
<b>At 1 January</b>	<b>882.2</b>	<b>2,033.7</b>
Proceeds from loans	339.5	70.0
Proceeds from loans from related parties	-	0.7
Redemptions of loans	(504.0)	(211.7)
Proceeds from loans from related parties in kind	-	7.4
Redemptions of loans to related parties in kind	-	(1,029.5)
Amortization of transaction costs / (bond) premiums	5.0	2.8
Incurred transaction costs	(5.3)	-
Effect of movement in exchange rates	(46.9)	(0.8)
Accrued interest on related party loans	-	9.6
<b>At 31 December</b>	<b>670.5</b>	<b>882.2</b>
Non-current	544.7	713.3
Current	125.8	168.9
<b>Total</b>	<b>670.5</b>	<b>882.2</b>

On 26 October 2020, Fertiglobe completed a USD 385 million refinancing USD 310 million term loan and USD 75 million Revolving Credit Facility maturing in 2025 at an interest rate of LIBOR + 2.00%. This facility replaced the existing credit facilities at EFC that would mature in 2025.

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

#### Covenants

Fertiglobe Holding Ltd. 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: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).

As per 31 December 2020 all financial covenants were met.

In the event the Group would not comply with the covenant requirements, the loans would become immediately due. Refer to note 6.2 for additional discussion of the Group's liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

#### Proceeds from borrowings

Proceeds from borrowings from third parties in 2020 totalled an amount of USD 339.5 million vs USD 70.0 million in 2019, which consisted of changes in the credit facilities of EFC and Fertiglobe holding Ltd.

#### Undrawn bank facilities

As of 31 December 2020, the Group has the following undrawn facilities:

- Revolving cash facility of USD 75 million
- Trade Finance Facility of USD 75 million

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 16. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount (\$ millions)	Interest rate	Date of maturity	Carrying amount (\$ millions)	Long-term portion (\$ millions)	Short-term portion (\$ millions)	Fair value (\$ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	398.2	325.7	72.5	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets Collateral against the production facility in case of non-payment
Egyptian Fertilizers Company ('EFC')	Secured	USD 150.0	LIBOR + 2.0%	June 2025	134.2	108.4	25.8	136.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe, Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 160.0	LIBOR + 2.0%	June 2025	138.1	110.6	27.5	140.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe, Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 75.0	LIBOR + 2.0%	October 2025	-	-	-	-	n/a
OCI Fertilizer Trading Ltd. ('OFT')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	-	-	-	-	n/a
<b>Total 31 December 2020</b>					<b>670.5</b>	<b>544.7</b>	<b>125.8</b>	<b>n/a</b>	
Borrowing company	Type of loan	Principal amount (\$ millions)	Interest rate	Date of maturity	Carrying amount (\$ millions)	Long-term portion (\$ millions)	Short-term portion (\$ millions)	Fair value (\$ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95% per annum	June 2026	539.9	439.8	100.1	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Egyptian Fertilizers Company ('EFC')	Secured	USD 60.0	LIBOR + 3.75%	June 2025	49.9	44.3	5.6	51.0	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer Plant Maintenance'. Power of Attorney for perfection of commercial and real estate mortgages. Fertiglobe will pay for shortfalls
		USD 100.0	LIBOR + 3.75%	June 2026	82.6	72.5	10.1	84.3	
		USD 69.8 (EGP 1,120.0)	CBE Mid Corridor + 0.75% margin for EGP denominated borrowings	June 2025	50.6	44.6	6.0	51.4	
		USD 220.0	LIBOR + 3.75%	June 2025	126.5	112.1	14.4	127.5	
OCI Fertilizer Trading Ltd. ('OFT') and OCI Fertilizers Trade & Supply Ltd. ('OFTS')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	32.7	-	32.7	32.7	n/a
<b>Total 31 December 2019</b>					<b>882.2</b>	<b>713.3</b>	<b>168.9</b>	<b>n/a</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 17. Leases

The Group leases a number of office spaces, warehouses, land and employee accommodation. Lease terms vary from 1 year up to 100 years.

##### 17.1 Lease obligations:

\$ millions	Non-current lease obligations	Current lease obligations	Total
Impact of adoption of IFRS 16	11.4	1.4	12.8
<b>At 1 January 2019</b>	<b>11.4</b>	<b>1.4</b>	<b>12.8</b>
<b>Movement in the carrying amount:</b>			
Payments	-	(1.4)	(1.4)
Accretion of interest	0.9	1.0	1.9
Additions	0.6	0.2	0.8
Transfers	(1.4)	1.4	-
Business combination Fertil	76.4	10.0	86.4
Disposals	(0.2)	(0.1)	(0.3)
<b>At 31 December 2019</b>	<b>87.7</b>	<b>12.5</b>	<b>100.2</b>

\$ millions	Non-current lease obligations	Current lease obligations	Total
<b>At 1 January 2020</b>	<b>87.7</b>	<b>12.5</b>	<b>100.2</b>
<b>Movement in the carrying amount:</b>			
Payments	-	(12.9)	(12.9)
Accretion of interest	4.6	-	4.6
Additions	1.6	0.3	1.9
Transfers	(12.5)	12.5	-
Effect of movement in exchange rates	(0.5)	-	(0.5)
<b>At 31 December 2020</b>	<b>80.9</b>	<b>12.4</b>	<b>93.3</b>

At 31 December 2019 \$ millions	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	100.2	351.3	12.2	43.8	295.3
<b>Total</b>	<b>100.2</b>	<b>351.3</b>	<b>12.2</b>	<b>43.8</b>	<b>295.3</b>

At 31 December 2020 \$ millions	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Lease obligations	93.3	333.2	17.0	40.3	275.9
<b>Total</b>	<b>93.3</b>	<b>333.2</b>	<b>17.0</b>	<b>40.3</b>	<b>275.9</b>

##### 17.2 Right-of-use assets

\$ millions	Land and buildings	Fixtures and fittings	Total
Impact of adoption of IFRS 16	12.8	-	12.8
<b>At 1 January 2019</b>	<b>12.8</b>	<b>-</b>	<b>12.8</b>

##### Movement in the carrying amount:

Additions	-	0.8	0.8
Business combination Fertil	36.4	48.5	84.9
Depreciation	(1.1)	(2.2)	(3.3)
Disposals	(0.5)	-	(0.5)
<b>At 31 December 2019</b>	<b>47.6</b>	<b>47.1</b>	<b>94.7</b>

\$ millions	Land and buildings	Fixtures and fittings	Total
<b>At 1 January 2020</b>	<b>47.6</b>	<b>47.1</b>	<b>94.7</b>

##### Movement in the carrying amount:

Additions	1.9	-	1.9
Depreciation	(2.6)	(8.0)	(10.6)
Disposals	(0.2)	-	(0.2)
Effect of movement in exchange rates	(0.3)	-	(0.3)
<b>At 31 December 2020</b>	<b>46.4</b>	<b>39.1</b>	<b>85.5</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 18. Trade and other payables

\$ millions	2020	2019
Trade payables	99.6	68.1
Trade payables due to related parties (Note 26)	18.8	4.1
Other payables to related parties (Note 26)	12.2	1.2
Amounts payable under the securitization program	9.8	9.6
Accrued dividends	12.2	141.2
Accrued expenses	160.1	127.3
Accrued expenses - related parties (Note 26)	-	5.0
Accrued interest	0.9	36.9
Employee benefits	12.4	11.2
Other payables	13.2	16.7
Other tax payable	0.5	1.8
<b>Total</b>	<b>339.9</b>	<b>423.1</b>
Non-current	15.9	14.2
Current	324.0	408.9
<b>Total</b>	<b>339.9</b>	<b>423.1</b>

The trade payables include amounts due to securitization company amounted to USD 9.8 million (2019 USD 8.1 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 provision	Total
<b>At 1 January 2019</b>	<b>10.9</b>	<b>106.5</b>	<b>117.4</b>
Restatement	23.6	-	23.6
<b>At 1 January 2019*</b>	<b>34.5</b>	<b>106.5</b>	<b>141.0</b>
Recorded during the year	6.4	-	6.4
Reversed	(7.1)	-	(7.1)
Effect of movement in exchange rates	-	12.2	12.2
<b>At 31 December 2019</b>	<b>33.8</b>	<b>118.7</b>	<b>152.5</b>
Non-current	-	-	-
Current	33.8	118.7	152.5
<b>Total</b>	<b>33.8</b>	<b>118.7</b>	<b>152.5</b>

\* 2019 Restated Financial statement (See note 2)

\$ millions	Claims and other provisions	Donation provision	Total
<b>At 1 January 2020</b>	<b>33.8</b>	<b>118.7</b>	<b>152.5</b>
Recorded during the year	2.0	-	2.0
Effect of movement in exchange rates	(1.3)	2.2	0.9
<b>At 31 December 2020</b>	<b>34.5</b>	<b>120.9</b>	<b>155.4</b>
Non-current	-	-	-
Current	34.5	120.9	155.4
<b>Total</b>	<b>34.5</b>	<b>120.9</b>	<b>155.4</b>

#### Claims and other provisions

The Group is involved in various litigations and arbitrations. 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. Reference is made to note 27 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

#### Donation provision

On 13 November 2014, the Group announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million) to the Tahya Misr ('Long Live Egypt') Fund (reference is made to note 27). No formal agreement has been drafted with the Tahya Misr Fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCl SAE's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations) the Group has presented the transfer of rights to the Tahya Misr Fund as a donation provision. The timing of the outflow of resources is uncertain.

In March 2015, the Group received a cheque for EGP 1,904 million (approximately USD 266.2 million) from the Egyptian Authorities. At year end 2020 the carrying amount in US dollars had decreased to USD 120.9 million, due to the devaluation of the EGP since March 2015.

#### Provision for indemnifications

As part of historical transactions, the Group has agreed with the transaction parties on certain indemnities related to potential tax and legal exposures for both parties. Potential outflows of economic resources related to these indemnities contain inherent uncertainties for which the Group engaged renowned local and international law firms to examine Fertiglobe's legal position. On one of the outstanding indemnifications, the Group has agreed on a settlement with the counterparty for an amount which is in line with the recorded provision. The Group estimates that the outstanding exposure on the remaining indemnities is not exceeding USD 4 million. No information is provided on the specific assumptions included in the estimate of outflows as it would prejudice the Group's position in these disputes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 20. Segment reporting

In the governance structure within Fertiglobe, the CODM is responsible for assessing the performance of the Group and its operating segments as well as for allocating resources. The CODM reviews monthly the performance of the following operating segments:

1. Egypt Basic Industries Corporation (EBIC)
2. Egyptian Fertilizers Company (EFC)
3. Sorfert Algeria (Sorfert)
4. Ruwais Fertilizers LLC (Fertil)
5. Trading entities - Own produced volumes
6. Trading entities - Third party sales

The production and marketing of own produced volumes are sharing 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 are belonging to the same product group. These products are sold into the international market and are subject to similar pricing conditions and market developments. The end customers for each of the plant are largely the same;
- Majority of the volumes produced by the Fertiglobe production entities are centrally marketed by the trading entities. As a result of the central marketing strategy, the cashflow and performance of each of the production entities is largely depended on the ability of trading entities to market the products;
- 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 improves sourcing raw materials and/or ship products to customers;
- Although the production entities are subject to local laws and regulations from a legal/environmental perspective, these environments per country 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 Chief Operating Decision Maker ('CODM') manages the business operations and views the markets it serves. This segmentation will provide investors further insight on product mix and price impact.

#### Segment policy

The Company derives the results of the business segments directly from its internal management reporting system. Both segments are reviewed separately by the management as they require different strategies and generate different margins. The entities grouped together in each segment have similar regulatory environments, macroeconomic conditions as they are trading in the global commodity market. The Group has one revenue stream from contracts with customers which is the sales of Fertilizers products (Ammonia and Urea).

A summary description of each reportable segment is as follows:

#### Production and Marketing of own produced volumes

This segment includes the performance of all the manufacturing and trading Operating companies that are producing Urea and Ammonia, but it excludes the third party trading activities (see, second segment) as the own-produced volumes are limited by the production capacity of the plants, and their pricing strategy and margins are different. Also the level of assets and investments are high for production activities and generally low for trading activities (limited to working capital).

#### Third party trading (buy and sell of third-party volumes)

The third party trading segment includes the fertilizer products that are bought from third parties and sold to third parties. This segment generates generally low margins there is no volume limit on production capacity, and there is no need for material capital investments if any.

#### Other (corporate and other entities)

This segment consists of all remaining entities of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 20. Segment reporting (continued)

2020 \$ millions	Production and Marketing of own produced volumes	Third Party Trading	Other	Eliminations	Total
<b>Total external revenues</b>	<b>1,385.2</b>	<b>165.6</b>	-	-	<b>1,550.8</b>
Adjusted EBITDA*	470.6	(1.9)	(15.4)	-	453.3
Share of loss from equity- accounted investees (net of tax)	-	-	(0.1)	-	(0.1)
Depreciation and Amortization	(268.0)	-	(0.1)	-	(268.1)
Finance Income	63.8	0.2	3.1	(33.6)	33.5
Finance expense	(42.1)	(0.7)	(37.8)	33.6	(47.0)
Income tax	(36.4)	(0.1)	(4.4)	-	(40.9)
<b>Profit for the year</b>	<b>184.5</b>	<b>(2.5)</b>	<b>(54.9)</b>	-	<b>127.1</b>
Capital expenditures	66.4	-	0.1	-	66.5
<b>Total assets</b>	<b>4,697.4</b>	<b>15.0</b>	<b>84.9</b>	-	<b>4,797.3</b>

2019 \$ millions	Production and Marketing of own produced volumes	Third Party Trading	Other	Eliminations	Total
<b>Total external revenues</b>	<b>1,026.8</b>	<b>28.7</b>	-	-	<b>1,055.5</b>
Adjusted EBITDA*	369.8	1.8	(0.6)	-	371.0
Share of loss from equity- accounted investees (net of tax)	-	-	(0.1)	-	(0.1)
Depreciation and Amortization	(222.6)	-	(0.1)	-	(222.7)
Finance Income	52.1	0.1	10.8	(47.6)	15.4
Finance expense	(81.6)	(0.1)	(69.9)	47.6	(104.0)
Income tax	(12.5)	(0.1)	(2.5)	-	(15.1)
<b>Profit for the year</b>	<b>100.7</b>	<b>1.7</b>	<b>(64.0)</b>	-	<b>38.4</b>
Capital expenditures	50.6	-	-	-	50.6
<b>Total assets</b>	<b>4,900.5</b>	<b>0.2</b>	<b>91.2</b>	-	<b>4,991.9</b>

\*Fertiglobe uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Adjusted EBITDA is defined as EBITDA (total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees), adjusted for additional items and costs that management considers not reflective of our core operations.

#### Geographical information of continuing operations

The geographic information below analyses the Group's revenue (by destination of the goods) and noncurrent assets (by the Company where the activities are being operated).

\$ millions	Revenue		Non-current assets	
	2020	2019	2020	2019
Europe	374.0	337.8	0.5	0.2
North America	118.5	173.7	0.1	-
South America	133.4	140.2	-	-
Africa	203.9	62.1	783.7	1,227.1
Middle East	80.9	94.4	3,078.3	2,921.7
Asia and Oceania	640.1	247.3	0	-
<b>Total</b>	<b>1,550.8</b>	<b>1,055.5</b>	<b>3,862.6</b>	<b>4,149.0</b>
Related parties (note 26)	74.0	89.1	-	-
Third parties	1,476.8	966.4	3,862.6	4,149.0
<b>Total</b>	<b>1,550.8</b>	<b>1,055.5</b>	<b>3,862.6</b>	<b>4,149.0</b>

Revenue to individual countries does not exceed 10% of the total Group revenue, except for India.

The key performance obligation of the Group is always the supply of products as specified in the contracts with customers, possible additional performance obligations included are transportation and related cost of insurance, depending on the incoterms. The Group has one revenue stream from contracts with customers which is the supply of Fertilizers products and all revenue is recognised point in time.

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

#### Major customers

Revenue from one major customer of the group belongs to the production and marketing of own produced volumes segment and represents USD 102.2 million in 2020 (2019: USD 117.6 million) of the Group's total external revenues.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 21. Development of cost of sales and selling, general and administrative expenses

##### a. Expenses by nature

\$ millions	2020	2019
Raw materials and consumables and finished goods	667.7	513.6
Raw materials and consumables and finished goods - related parties (note 26)	184.4	40.6
Employee benefit expenses (b)	186.6	101.7
Depreciation and amortization	268.0	222.6
Depreciation and amortization - related parties (note 26)	-	0.1
Consultancy expenses	8.1	3.2
Other - related parties (note 26)	3.5	1.9
Other	49.6	32.3
<b>Total</b>	<b>1,367.9</b>	<b>916.0</b>
Cost of sales	1,278.5	858.9
Selling, general and administrative expenses	89.4	57.1
<b>Total</b>	<b>1,367.9</b>	<b>916.0</b>

##### b. Employee benefit expenses

\$ millions	2020	2019
Wages and salaries	121.8	72.6
Employee profit sharing	25.0	14.8
Pension cost	8.1	2.1
Other employee expenses	31.7	12.2
<b>Total</b>	<b>186.6</b>	<b>101.7</b>

During the financial year ended 31 December 2020, the average number of staff employed in the Group converted into full-time equivalents amount to 2,581 employees (2019: 2,571 employees).

#### 22. Other income

\$ millions	2020	2019
Other	-	4.6
<b>Total</b>	<b>-</b>	<b>4.6</b>

#### 23. Net finance cost

\$ millions	2020	2019
Interest income on loans and receivables	1.4	2.7
Interest income related parties (note 26)	0.5	1.2
Foreign exchange gain	31.6	11.5
<b>Finance income</b>	<b>33.5</b>	<b>15.4</b>
Interest expense and other financing costs on financial liabilities measured at amortized cost	(34.2)	(73.7)
Interest expense related parties (note 26)	(3.7)	(10.8)
Foreign exchange loss	(9.1)	(19.5)
<b>Finance cost</b>	<b>(47.0)</b>	<b>(104.0)</b>
<b>Net finance cost recognized in profit or loss</b>	<b>(13.5)</b>	<b>(88.6)</b>

#### 24. Capital commitments

\$ millions	2020	2019
Fertil	8.5	8.9
Sorfert	19.9	32.7
EFC	1.3	3.5
<b>Total</b>	<b>29.7</b>	<b>45.1</b>

Capital commitments mainly relate to future costs on turnarounds and maintenance at these plants.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 25. Earnings per share

\$ millions	2020	2019
<b>i. Basic</b>		
Net profit attributable to shareholders	74.3	3.9
Weighted average number of ordinary share (Basic)	3,328.2	1,891.3
<b>Basic earnings per ordinary share in \$</b>	<b>0.022</b>	<b>0.002</b>
<b>ii. Diluted</b>		
Net profit attributable to shareholders	74.3	3.9
Weighted average number of ordinary shares (Basic)	3,328.2	1,891.3
<b>Diluted earnings per ordinary share in \$</b>	<b>0.022</b>	<b>0.002</b>

Weighted average number of ordinary shares calculation:

\$ millions	2020	2019
Issued ordinary shares at 1st January	3,328.2	0.0
Shares issued during the year	-	3,328.2
<b>Ordinary shares outstanding as per 31 December</b>	<b>3,328.2</b>	<b>3,328.2</b>

There are no potential dilutive shares.

#### 26. Related party transactions

##### Transactions with related parties – Normal course of business

Transactions with related parties occur when a relationship exists between the Company, its participating interest and their directors and key management personnel. In the normal course of business, the Company buys and sells goods and services from and to various related parties (including associates) within the Group.

Fertiglobe group has related party transactions with its shareholders OCI group and also with ADNOC group through Ruwais Fertilizers Industries LLC (Fertil). Fertil uses ADNOC gas to produce its fertilizers, and sells a small portion of its products to other subsidiaries.

The transactions with the following entities of ADNOC group are presented in the financial statements as related party transactions:

- Abu Dhabi National Oil Company - 'ADNOC'
- Abu Dhabi Oil Refining Company - ADNOC refining
- Abu Dhabi National Oil Company Gas Processing - ADNOC Gas processing
- Abu Dhabi Polymers Company Ltd. (Borouge)
- Abu Dhabi National Oil Company Logistics and Services
- Abu Dhabi National Oil Company LNG
- Abu Dhabi Petroleum Ports Operating Company (IRSHAD)
- Abu Dhabi National Oil Company Sour Gas (Al Hosn)
- Abu Dhabi Company for Onshore Petroleum Operations Ltd

The Group applied IAS 24 exemption with regards to disclosure of transactions with Abu Dhabi Government, being the beneficial owner of ADNOC. During the year there was no significant transactions with the Government related entities (2019: no significant transactions).

The transactions with the following entities of the OCI Group are presented in the financial statements as related party transactions:

- Orascom Construction Egypt
- OC PLC
- OCI N.V.
- OCI Fertilizer B.V.
- OCI Overseas Holding
- OCI MENA Fertilizers Ltd
- OCI Nitrogen
- OCI Fertilizers USA
- OCI Personnel B.V.
- N-7 LLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 26. Related party transactions (continued)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2020:

2020 Related party \$ millions	Relation	Revenue transactions during the year	AR outstanding at year end	AP outstanding at year end	Net recharges	Loans receivables	Interest income	Interest expense and other financing charges
OCI N.V.	OCI Group	-	-	0.2	(2.1)	-	-	-
OCI USA	OCI Group	-	-	0.1	-	-	-	-
OCI Overseas Holding	OCI Group	-	-	0.1	-	-	-	-
OCI Fertilizer BV		-	-	-	-	-	0.5	-
OCI Intermediate BV	OCI Group	-	-	-	(0.8)	-	-	-
OCI Personnel BV	OCI Group	-	-	0.1	(0.3)	-	-	-
OCI Nitrogen	OCI Group	59.8	7.8	0.8	(0.3)	-	-	-
N-7 LLC	OCI Group	12.2	-	-	-	-	-	-
OC PLC	OCI Group	-	-	0.2	-	-	-	-
Orascom Construction Egypt	OCI group	-	-	0.9	-	-	-	-
ADNOC	ADNOC	-	-	24.2	(145.8)	-	-	(3.7)
Abu Dhabi Polymers Ltd.	ADNOC	2.0	1.2	-	-	-	-	-
ADNOC refining	ADNOC	-	-	4.3	(37.2)	-	-	-
ADNOC Gas processing	ADNOC	-	-	0.1	(1.4)	-	-	-
ADNOC subsidiaries*	ADNOC	-	0.1	-	-	-	-	-
<b>Total</b>		<b>74.0</b>	<b>9.1</b>	<b>31.0</b>	<b>(187.9)</b>	<b>-</b>	<b>0.5</b>	<b>(3.7)</b>

\* full list is disclosed in the previous paragraph

The Group leases land, office space and employee accommodation from Abu Dhabi National Oil Company - 'ADNOC', the lease obligation amount is USD 79.6 million in 2020 (USD 87.4 million in 2019).

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.

2019 Related party \$ millions	Relation	Revenue transactions during the year	AR outstanding at year end	AP outstanding at year end	Net recharges	Loans receivables	Interest income	Interest expense and other financing charges
OCI N.V.	OCI Group	-	0.5	0.8	(0.9)	-	-	(3.3)
OCI Fertilizer BV	OCI Group	-	-	-	-	63.1	0.1	(0.5)
OCI Overseas Holding	OCI Group	-	0.1	-	(0.3)	-	1.1	(6.0)
OCI MENA Fertilizers Ltd	OCI Group	-	0.2	0.0	-	-	-	-
OCI Intermediate BV	OCI Group	-	0.8	-	-	-	-	-
OCI Nitrogen	OCI Group	49.5	3.8	0.2	0.3	-	-	-
N-7 LLC	OCI Group	39.6	-	-	-	-	-	-
OCI Personnel B.V.	OCI Group	-	-	-	(1.0)	-	-	-
Orascom Construction Egypt	OCI Group	-	-	0.3	-	-	-	-
ADNOC	ADNOC	-	2.6	1.7	(35.7)	-	-	(1.0)
ADNOC refining	ADNOC	-	-	6.8	(9.2)	-	-	-
Abu Dhabi Polymers Ltd.	ADNOC	-	1.3	-	-	-	-	-
ADNOC Gas processing	ADNOC	-	-	0.2	(0.4)	-	-	-
ADNOC subsidiaries*	ADNOC	-	0.1	0.3	-	-	-	-
<b>Total</b>		<b>89.1</b>	<b>9.4</b>	<b>10.3</b>	<b>(47.2)</b>	<b>63.1</b>	<b>1.2</b>	<b>(10.8)</b>

\* full list is disclosed in the previous paragraph

#### Key management personnel compensation

The Board of Directors of the Company consists of 10 executive board members appointed by the shareholders. Although the board members are considered key management personnel, both shareholders agreed that each shareholder will be responsible for payment of all remuneration due to, and for reimbursing all out-of-pocket expenses incurred by the appointed directors on their behalf. Therefore, no amount of board remuneration is incurred by the company.

Furthermore, the CFO, COO, and the management team are considered as key management personnel. Their total remuneration including short term and long term benefits is USD 1.98 million vs less than USD 1 million in 2019.

No termination benefits and/or share-based benefits have been rewarded to the key management personnel in 2020.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

### 27. Contingencies

#### Contingent liabilities

##### Letter of guarantee / letters of credit

The main trading entities of the Group have performance bonds and letter of guarantee provided by HSBC and Mashreq bank amounting to USD 18.8 million for its strategic customers, and they have performance bonds with governments issued by local banks for an amount of USD 0.4 million as at 31 December 2020.

#### Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations 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 said 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 one accounting period.

#### EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. The Court has not yet rendered a decision.

EBIC concluded to release the (deferred) tax liabilities totaling USD 138.2 million at 31 December 2015 and no tax filings have been done by EBIC since the filing for the year 2011. On 4 January 2018, GAFI issued an executive decision that allows for the enforcement of the Administrative Court's judgment in favor of EBIC and EBIC received the Free Zone Status tax card. EBIC's free zone status will remain subject to the outcome of the Appeal before the Administrative Court.

#### 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 42.1 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 21.1 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 firms have examined Sorfert legal position. No provision has been recorded by the Group related to this matter.

#### Asset retirement obligations

Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

#### OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries S.A.E. ('OCI S.A.E.'). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement whereby EGP 7.1 billion would be paid over a 5-year period.

The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its local counsel believe the likelihood of a judgment in favor of the ETA is not probable. On 13 November 2014 OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to the Tahya Misr Fund and recorded a provision for this amount, reference is made to note 19 Provisions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

#### 27. Contingencies (continued)

Despite the ETA Independent Appeals Committee ruling in favor of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount. As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI SAE's maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 146.0 million.

#### 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 currently not yet meet the recognition criteria of IAS 12/ IFRIC 23. The group company concerned is currently under examination of the tax authorities in the respective jurisdiction. A definitive conclusion on the treatment is not expected within a short timeframe.

#### 28. List of principal subsidiaries as per 31 December 2020

Companies	Country	Percentage of interest	Consolidation method
Sorfert Algérie Spa	Algeria	50.99	Full
Ruwais Fertilizers Industries Llc (Fertil)	UAE	100.00	Full
Fertilizers 1 Holding Ltd	UAE-ADGM	100.00	Full
OCIFERT ME Holding	UAE-ADGM	100.00	Full
Fertilizers 2 Holding Ltd	UAE-ADGM	100.00	Full
Fertilizers Exports Holding	UAE-ADGM	100.00	Full
Fertiglobe Distribution Limited	UAE-ADGM	100.00	Full
OCI Fertilizer Trading Limited	UAE	100.00	Full
Middle East Petrochemical Corporation Limited -MEPCO (Cayman)	Cayman	75.00	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Egypt Basic Industries Corporation	Egypt	60.00	Full
Egyptian Fertilizers Company	Egypt	99.96	Full

#### 29. Subsequent events

OCI N.V. and Abu Dhabi National Oil Company (ADNOC) are considering an initial public offering (IPO) of their nitrogen partnership Fertiglobe.

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no other events requiring recognition or disclosure in the financial statements.



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### **Independent Auditors' Report**

To the Shareholders of Fertiglobe Holding Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Fertiglobe Holding Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the Directors' report set out on page 2.

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

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

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in accordance with the applicable provisions of the Abu Dhabi Global Market Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

**Report on Other Legal and Regulatory Requirements**

Further, as required by the provisions of the Abu Dhabi Global Market Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- i) the consolidated financial statements, in all material respects, have been properly prepared in accordance with the requirements of the Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015 issued by the Abu Dhabi Global Market;
- ii) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;
- iii) adequate accounting records have been kept by the Group; and
- iv) the Group's accounts are in agreement with the accounting records and returns.

KPMG Lower Gulf Limited



Saif Fayeز Shawer  
Registration No.: 1131  
Abu Dhabi, United Arab Emirates  
Date **20 JUN 2021**





# Fertiglobe

## Semi-annual condensed consolidated interim financial statements

### For the six month period ended 30 June 2021

Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Condensed Notes to the Consolidated Financial Statements	8
Independent auditors' Review report	15

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT

\$ millions	Note	30 June 2021	31 December 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(8)	3,033.7	3,172.0
Right-of-use assets		79.9	85.5
Goodwill	(9)	604.8	604.8
Trade and other receivables		0.3	0.3
<b>Total non-current assets</b>		<b>3,718.7</b>	<b>3,862.6</b>
<b>Current assets</b>			
Inventories		104.7	125.9
Trade and other receivables		304.3	273.9
Income tax receivables	(11)	16.6	-
Cash and cash equivalents	(10)	852.2	534.9
<b>Total current assets</b>		<b>1,277.8</b>	<b>934.7</b>
<b>Total assets</b>		<b>4,996.5</b>	<b>4,797.3</b>

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.



H. Abdel Samie (Board Member)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED AS AT

\$ millions	Note	30 June 2021	31 December 2020
<b>Equity</b>			
Share capital	(17) (18)	1,328.2	3,328.2
Reserves	(17)	761.2	(1,229.4)
Retained earnings	(17)	449.6	436.1
<b>Equity attributable to owners of the Company</b>		<b>2,539.0</b>	<b>2,534.9</b>
Non-controlling interest		488.2	527.5
<b>Total equity</b>		<b>3,027.2</b>	<b>3,062.4</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(12)	460.7	544.7
Lease obligations		77.2	80.9
Trade and other payables	(13)	17.0	15.9
Deferred tax liabilities		475.7	467.1
<b>Total non-current liabilities</b>		<b>1,030.6</b>	<b>1,108.6</b>
<b>Current liabilities</b>			
Loans and borrowings	(12)	120.7	125.8
Lease obligations		12.5	12.4
Trade and other payables	(13)	654.7	324.0
Provisions		132.8	155.4
Income tax payables		18.0	8.7
<b>Total current liabilities</b>		<b>938.7</b>	<b>626.3</b>
<b>Total liabilities</b>		<b>1,969.3</b>	<b>1,734.9</b>
<b>Total equity and liabilities</b>		<b>4,996.5</b>	<b>4,797.3</b>

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.



H. Abdel Samie (Board Member)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

\$ millions	Note	Six month period ended 30 June 2021	Six month period ended 30 June 2020	Three month period ended 30 June 2021	Three month period ended 30 June 2020
Revenues	(16)	1,260.0	737.5	716.6	374.2
Cost of sales	(14)	(818.0)	(626.8)	(463.8)	(326.1)
<b>Gross profit</b>		<b>442.0</b>	<b>110.7</b>	<b>252.8</b>	<b>48.1</b>
Other income		-	-	-	(0.2)
Selling, general and administrative expenses	(14)	(45.0)	(41.3)	(22.8)	(20.5)
Other expenses		-	(2.1)	-	(0.4)
<b>Operating profit</b>		<b>397.0</b>	<b>67.3</b>	<b>230.0</b>	<b>27.0</b>
Finance income	(15)	7.5	21.5	2.4	(11.4)
Finance cost	(15)	(23.9)	(15.5)	(13.3)	3.3
<b>Net finance (cost)/income</b>		<b>(16.4)</b>	<b>6.0</b>	<b>(10.9)</b>	<b>(8.1)</b>
Share of profit from equity-accounted investees (net of tax)		-	0.5	-	0.6
<b>Profit before income tax</b>		<b>380.6</b>	<b>73.8</b>	<b>219.1</b>	<b>19.5</b>
Income tax		(64.0)	(11.6)	(37.0)	(5.6)
<b>Profit for the period</b>		<b>316.6</b>	<b>62.2</b>	<b>182.1</b>	<b>13.9</b>
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign operations - foreign currency translation differences		(18.3)	(43.5)	(8.5)	(19.4)
<b>Other comprehensive income, net of tax</b>		<b>(18.3)</b>	<b>(43.5)</b>	<b>(8.5)</b>	<b>(19.4)</b>
<b>Total comprehensive income/loss</b>		<b>298.3</b>	<b>18.7</b>	<b>173.6</b>	<b>(5.5)</b>
<b>Profit attributable to:</b>					
Owners of the Company		198.5	23.0	113.3	8.8
Non-controlling interest		118.1	39.2	68.8	5.1
<b>Profit for the period</b>		<b>316.6</b>	<b>62.2</b>	<b>182.1</b>	<b>13.9</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		189.1	0.8	109.0	(1.1)
Non-controlling interest		109.2	17.9	64.6	(4.4)
<b>Total comprehensive income/loss</b>		<b>298.3</b>	<b>18.7</b>	<b>173.6</b>	<b>(5.5)</b>
<b>Earnings per share (in USD)</b>					
Basic earnings per share	(18)	0.149	0.017	0.085	0.007
Diluted earnings per share	(18)	0.149	0.017	0.085	0.007

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTH PERIOD ENDED 30 JUNE

\$ millions	Notes	Share capital	Reserves	Retained earnings	Equity attributable to owners of the Company	Non- controlling interest	Total equity
<b>Balance at 1 January 2020</b>		<b>3,328.2</b>	<b>(1,200.4)</b>	<b>491.5</b>	<b>2,619.3</b>	<b>365.9</b>	<b>2,985.2</b>
Profit for the period		-	-	23.0	23.0	39.2	62.2
Other comprehensive income		-	(22.2)	-	(22.2)	(21.3)	(43.5)
<b>Total comprehensive income</b>		<b>-</b>	<b>(22.2)</b>	<b>23.0</b>	<b>0.8</b>	<b>17.9</b>	<b>18.7</b>
Impact difference in profit sharing non-controlling interest		-	-	-	-	13.5	13.5
Dividends to shareholders		-	-	(26.8)	(26.8)	-	(26.8)
<b>Balance at 30 June 2020</b>		<b>3,328.2</b>	<b>(1,222.6)</b>	<b>487.7</b>	<b>2,593.3</b>	<b>397.3</b>	<b>2,990.6</b>
<b>Balance at 1 January 2021</b>		<b>3,328.2</b>	<b>(1,229.4)</b>	<b>436.1</b>	<b>2,534.9</b>	<b>527.5</b>	<b>3,062.4</b>
Profit for the period		-	-	198.5	198.5	118.1	316.6
Other comprehensive income		-	(9.4)	-	(9.4)	(8.9)	(18.3)
<b>Total comprehensive income</b>		<b>-</b>	<b>(9.4)</b>	<b>198.5</b>	<b>189.1</b>	<b>109.2</b>	<b>298.3</b>
Impact difference in profit sharing non-controlling interest		-	-	-	-	33.3	33.3
Share capital reduction	(17)	(2,000.0)	2,000.0	-	-	-	-
Dividends to non-controlling interests	(13)	-	-	-	-	(181.8)	(181.8)
Dividends to shareholders	(17)	-	-	(185.0)	(185.0)	-	(185.0)
<b>Balance at 30 June 2021</b>		<b>1,328.2</b>	<b>761.2</b>	<b>449.6</b>	<b>2,539.0</b>	<b>488.2</b>	<b>3,027.2</b>

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE SIX MONTH PERIOD ENDED 30 JUNE

\$ millions	Note	Six month period ended 30 June 2021	Six month period ended 30 June 2020
<b>Profit for the period</b>		<b>316.6</b>	62.2
<b>Adjustments for:</b>			
Depreciation and amortization		136.3	133.7
Interest income	(15)	(0.5)	(1.3)
Interest expense	(15)	21.4	8.7
Other expenses		-	0.8
Net foreign exchange gain and others	(15)	(4.5)	(13.4)
Share of loss of equity-accounted investees (net of tax)		-	(0.5)
Impact difference in profit-sharing non-controlling interest		33.3	13.5
Income tax expense		64.0	11.6
<b>Changes in:</b>			
Inventories		19.5	(3.2)
Trade and other receivables		(40.2)	121.7
Trade and other payables		12.1	21.8
Provisions		(22.3)	-
<b>Cash flows:</b>			
Interest paid		(19.1)	(39.3)
Interest received		0.5	0.6
Income taxes paid		(35.1)	(3.7)
<b>Cash flows from operating activities</b>		<b>482.0</b>	<b>313.2</b>
Investments in property, plant and equipment		(13.6)	(26.0)
Dividends from equity accounted investees		-	0.6
<b>Cash used in investing activities</b>		<b>(13.6)</b>	<b>(25.4)</b>

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED FOR THE SIX MONTH PERIOD ENDED 30 JUNE

\$ millions	Note	Six month period ended 30 June 2021	Six month period ended 30 June 2020
Proceeds from borrowings		-	34.6
Repayment of borrowings third parties	(12)	(80.4)	(143.9)
Lease obligations		(2.2)	(8.7)
Payment of lease liabilities		(3.5)	-
Dividends paid to shareholders*	(17) (13)	(55.0)	-
<b>Cash used in financing activities</b>		<b>(141.1)</b>	<b>(118.0)</b>
<b>Net cash flow</b>		<b>327.3</b>	<b>169.8</b>
<b>Net increase in cash and cash equivalents</b>		<b>327.3</b>	<b>169.8</b>
Cash and cash equivalents at 1 January		534.9	424.6
Effect of exchange rate fluctuations on cash held		(10.0)	(27.1)
<b>Cash and cash equivalents at 30 June</b>		<b>852.2</b>	<b>567.3</b>

\*Represent the paid portion of the dividends approved as of 30 June 2021, see note 13 and note 17 for more details.

The notes on pages 8 to 14 are an integral part of these condensed consolidated interim financial statements.

# NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE

## 1. General

Fertiglobe Holding Limited ('Fertiglobe' or 'the Company') was established on 23 December 2018 as Private Company Limited by Shares pursuant to Abu Dhabi Global Markets (ADGM) Companies Regulations 2015. Its 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 semi-annual condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group').

The Company was previously registered under the names OCI Fertilizers Exports holding limited and OCI Fertilizers Exports Holding RSC limited and then later changed to Fertiglobe Holding Limited during the business combination of Fertil.

The Group is consolidated under OCI.N.V. ("ultimate Parent") that holds 58% of the shares and voting rights in the Company.

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

These semi-annual condensed consolidated interim financial statements were approved and authorized for issuance on 21 August 2021 by the Board of Directors.

## 2. Basis of preparation and main events

### 2.1 General

The Semi-annual condensed consolidated interim financial statements for the period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020. The semi annual condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Abu Dhabi Global Market Companies Regulation of 2020.

The Semi-annual condensed consolidated interim financial statements as at and for the period ended 30 June 2021 are not audited and the Semi-annual condensed consolidated interim financial statements for the period ended 30 June 2020 were neither audited nor reviewed.

The Company's functional currency is the US Dollar ('USD'), because the Group's major foreign operations have the US dollar as their functional currency, the presentation currency of the Company is also the US dollar ('USD'). All values are rounded to the nearest tenth of a million (in millions of USD), except when stated otherwise.

### 2.2 Main events

#### Covid- 19 impact

Based on the recent strong recovery of the market, we expect the pandemic will not impact the long term outlook of our business and the valuation of our assets. Global urea and ammonia prices have increased significantly in the first six months of 2021.

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

#### Fertiglobe IPO

OCI N.V. and Abu Dhabi National Oil Company (ADNOC) decided to proceed with an initial public offering (IPO) of their nitrogen partnership Fertiglobe. The first filing for the securities and commodities authority (SCA) was submitted by end of June 2021.

### 3. Change in accounting policy

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

The change in accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2021.

The Group has initially adopted Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (the phase 2 amendments) from 1 January 2021.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, including not providing additional disclosures for 2020. There is no impact on opening equity balances as a result of retrospective application.

#### Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset of finance liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately before the change).



## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

### 3. Change in accounting policy (Continued)

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform. There is no impact on opening equity balances as a result of retrospective application.

### 4. Seasonality of operations

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

### 5. Critical accounting judgment, estimates and assumptions

The preparation of the Semi-annual condensed consolidated interim financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the Semi-annual condensed consolidated interim financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods.

Compared to the consolidated financial statements for the year ended 31 December 2020 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the consolidated financial statements.

### 6. Significant rates

The following significant exchange rates applied during the period:

	Average during the six month period ended 30 June 2021	Average during the six month period ended 30 June 2020	Closing as at 30 June 2021	Closing as at 31 December 2020
Euro	1.2051	1.1019	1.1849	1.2225
Egyptian pound	0.0638	0.0632	0.0637	0.0635
Algerian dinar	0.0075	0.0081	0.0074	0.0076

### 7. Financial risk and capital management

#### 7.1 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. Equity consists of ordinary shares, retained earnings, reserves and non-controlling interest of the Group. The Board of Directors monitors the return on equity as well as the level of dividends to ordinary shareholders. The Group is required by external financial institutions to maintain certain capital requirements compared to its debt. Reference is made to note 12 for a description of financial covenants.

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

\$ millions	30 June 2021	31 December 2020
Loans and borrowings	581.4	670.5
Less: cash and cash equivalents	852.2	534.9
<b>Net debt</b>	<b>(270.8)</b>	<b>135.6</b>
Total equity	3,027.2	3,062.4
<b>Net debt to equity ratio</b>	<b>(0.09)</b>	<b>0.04</b>

#### 7.2 Financial risk management

Categories of financial instruments:

Loans and receivables / payables at amortized cost in \$ millions	30 June 2021	31 December 2020
<b>Assets</b>		
Trade and other receivables*	250.9	227.4
Cash and cash equivalents	852.2	534.9
<b>Total</b>	<b>1,103.1</b>	<b>762.3</b>
<b>Liabilities</b>		
Loans and borrowings	581.4	670.5
Trade and other payables**	658.3	327.5
<b>Total</b>	<b>1,239.7</b>	<b>998.0</b>

\* Excluding prepayments and supplier advance payments

\*\* Excluding employee benefits

The financial instruments have a gross contractual amount approximately equal to their fair value.

## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

### 7. Financial risk and capital management (continued)

#### Interest rate benchmark reform:

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group's main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the secured overnight financing rate (SOFR). The Group plans to finish the process of amending contractual terms in response to IBOR reform by the end of 2021.

### 8. Property, plant and equipment

\$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	298.7	5,427.9	43.2	46.5	5,816.3
Accumulated depreciation	(102.7)	(2,229.8)	(35.3)	-	(2,367.8)
<b>At 1 January 2020</b>	<b>196.0</b>	<b>3,198.1</b>	<b>7.9</b>	<b>46.5</b>	<b>3,448.5</b>
<b>Movements in the carrying amount:</b>					
Additions	5.1	24.0	1.9	35.5	66.5
Depreciation	(9.2)	(246.0)	(2.2)	-	(257.4)
Transfers	3.0	6.3	0.4	(9.7)	-
Effect of movement in exchange rates	(5.5)	(77.7)	(0.7)	(1.7)	(85.6)
<b>At 31 December 2020</b>	<b>189.4</b>	<b>2,904.7</b>	<b>7.3</b>	<b>70.6</b>	<b>3,172.0</b>
Cost	298.0	5,314.1	43.5	70.6	5,726.2
Accumulated depreciation	(108.6)	(2,409.4)	(36.2)	-	(2,554.2)
<b>At 31 December 2020</b>	<b>189.4</b>	<b>2,904.7</b>	<b>7.3</b>	<b>70.6</b>	<b>3,172.0</b>
<b>Movements in the carrying amount:</b>					
Additions	-	3.9	0.2	8.4	12.5
Depreciation	(4.5)	(125.3)	(1.0)	-	(130.8)
Transfers	-	0.7	-	(0.7)	-
Effect of movement in exchange rates	(1.3)	(18.1)	(0.1)	(0.5)	(20.0)
<b>At 30 June 2021</b>	<b>183.6</b>	<b>2,765.9</b>	<b>6.4</b>	<b>77.8</b>	<b>3,033.7</b>
Cost	295.7	5,286.6	43.4	77.8	5,703.5
Accumulated depreciation	(112.1)	(2,520.7)	(37.0)	-	(2,669.8)
<b>At 30 June 2021</b>	<b>183.6</b>	<b>2,765.9</b>	<b>6.4</b>	<b>77.8</b>	<b>3,033.7</b>

As at 30 June 2021, the Group has land with a carrying amount of USD 22.2 million (2020: USD 22.2 million).

In April 2021, during regular maintenance, a ship loader in Ruwais collapsed. The preliminary inspection report showed that the main components of the loader were severely impacted which put the ship loader in a halt position. An expense within the cost of sales was recorded for the full net book value of the ship loader of USD 9.2 million. Management is currently investigating the recoverable amount of the asset including any potential insurance proceeds. The Company expects that the final exposure will be recorded in the third quarter, potentially resulting in a (partial) reversal of the recorded expense.

The additions of USD 12.5 million mainly relate to Sorfert for USD 2.8 million, Fertil for USD 3.9 million, EBIC for USD 3.1 million and EFC for USD 2.7 million. The effect of movement in exchange rates in 2020 mainly relates to Sorfert, which has a different functional currency (Algerian dinar) than the Group's presentation currency. The Algerian dinar was depreciated by 2.6% against the US dollar per June 2021 compared to 31 December 2020.

### 9. Goodwill

No impairment test was performed for goodwill in the period, as no impairment triggers were identified. The annual goodwill impairment test will be performed in the fourth quarter.

### 10. Cash and cash equivalents

\$ millions	30 June 2021	31 December 2020
Cash on hand	0.2	0.2
Bank balances	845.5	528.3
Restricted cash	6.5	6.4
<b>Total</b>	<b>852.2</b>	<b>534.9</b>

### 11. Income tax receivables

\$ millions	30 June 2021	31 December 2020
Income tax receivables - Current	16.6	-
<b>Total</b>	<b>16.6</b>	<b>-</b>

The amount of income tax receivable (USD 16.6 million) is related to the Sorfert reinvestment case and represents the payment of 30% of the initial amount claimed by the Algerian Tax Authorities (ATA) in December 2020 for DZD 7,296 million (USD 55.4 million). The payment was made as part of the appeals process started by Sorfert to contest the claim. This position was examined by various reputable tax advisors who concurred with the position of Sorfert.

## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

### 12. Loans and borrowings

\$ millions	30 June 2021	31 December 2020
<b>At 1 January</b>	<b>670.5</b>	<b>882.2</b>
Proceeds from loans	-	339.5
Redemptions of loans	(80.4)	(504.0)
Amortization of transaction costs / (bond) premiums	1.0	5.0
Incurred transaction costs	-	(5.3)
Effect of movement in exchange rates	(9.7)	(46.9)
<b>At 30 June / 31 December</b>	<b>581.4</b>	<b>670.5</b>
Non-current	460.7	544.7
Current	120.7	125.8
<b>Total</b>	<b>581.4</b>	<b>670.5</b>

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

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

#### Covenants

In the event the Group would not comply with the covenant requirements, the loans would become immediately due. As per 30 June 2021 all financial covenants were met.

The external borrowings include change in control clauses that enable the lenders to call the financing provided.

### 13. Trade and other payables

\$ millions	30 June 2021	31 December 2020
Trade payables	101.3	99.6
Trade payables due to related parties (Note 19)	18.5	18.8
Other payables to related parties* (Note 19)	139.9	12.2
Amounts payable under the securitization program	36.1	9.8
Dividends payable to non controlling interests**	191.9	12.3
Accrued expenses	138.7	160.1
Accrued interest	-	0.9
Employee benefits	13.4	12.4
Other payables***	31.6	13.3
Other tax payable	0.3	0.5
<b>Total</b>	<b>671.7</b>	<b>339.9</b>

\$ millions	30 June 2021	31 December 2020
Non-current	17.0	15.9
Current	654.7	324.0
<b>Total</b>	<b>671.7</b>	<b>339.9</b>

\* The other payables include mainly payable dividends of USD 130 million to ADNOC Fertilizers – Sole Proprietorship L.L.C. and OCI Fertilizers BV, paid in full on the 5th July 2021.

\*\*On 22 April 2021, Sorfert's Shareholders approved, the distribution of dividends to non controlling interests of USD 181.8 million (DZD 24.246 million), not paid during the period, the remaining amount is related to dividends to non-controlling interests of EBIC.

\*\*\* In June 2021, OCI SAE reached an agreement related to one of its indemnifications, as a result the historical provision of USD 23.6 million was reclassified to other payables as timing of payment is certain and due in July. The excess provision amounting to USD 1.1million was released to the profit or loss and other comprehensive income.

The carrying amount of 'Trade and other payables' approximates its fair value.

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

#### Expenses by nature

\$ millions	Six month 30 June 2021	Six month 30 June 2020	Three month 30 June 2021	Three month 30 June 2020
Raw materials and consumables and finished goods	507.1	333.8	299.2	175.6
Raw materials and consumables and finished goods - related party (Note 19)	94.5	88.8	48.1	47.6
Maintenance and repair	13.7	7.5	9.3	4.6
Employee benefit expenses	95.7	89.9	48.6	44.3
Depreciation and amortization	136.3	133.7	72.5	66.9
Consultancy expenses	3.2	3.4	1.7	1.8
Other	12.5	11.0	7.2	5.8
<b>Total</b>	<b>863.0</b>	<b>668.1</b>	<b>486.6</b>	<b>346.6</b>
Cost of sales	818.0	626.8	463.8	326.1
Selling, general and administrative expenses	45.0	41.3	22.8	20.5
<b>Total</b>	<b>863.0</b>	<b>668.1</b>	<b>486.6</b>	<b>346.6</b>

## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

### 15. Net finance cost

\$ millions	Six month 30 June 2021	Six month 30 June 2020	Three month 30 June 2021	Three month 30 June 2020
Interest income on loans and receivables	0.5	0.8	0.3	0.4
Interest income related parties (note 19)	-	0.5	-	-
Foreign exchange gain	7.0	20.2	2.1	(11.8)
<b>Finance income</b>	<b>7.5</b>	<b>21.5</b>	<b>2.4</b>	<b>(11.4)</b>
Interest expense and other financing costs on financial liabilities measured at amortized cost	(19.7)	(6.8)	(11.0)	(15.0)
Interest expense related parties (Note 19)	(1.7)	(1.9)	(0.8)	(1.0)
Foreign exchange loss	(2.5)	(6.8)	(1.5)	19.3
<b>Finance cost</b>	<b>(23.9)</b>	<b>(15.5)</b>	<b>(13.3)</b>	<b>3.3</b>
<b>Net finance cost/income recognized in profit or loss</b>	<b>(16.4)</b>	<b>6.0</b>	<b>(10.9)</b>	<b>(8.1)</b>

### 16. Segment reporting

30 June 2021 \$ millions	Production and marketing of own produced volumes	Third party trading	Other	Eliminations	Total
<b>Total external revenues</b>	<b>1,054.8</b>	<b>205.2</b>	<b>-</b>	<b>-</b>	<b>1,260.0</b>
Adjusted EBITDA**	531.8	7.2	(6.8)	-	532.2
Depreciation and amortization	(136.1)	-	(0.2)	-	(136.3)
Finance income	15.8	-	1.7	(10.0)	7.5
Finance expense	(19.9)	(0.9)	(13.1)	10.0	(23.9)
Income tax	(56.8)	(0.1)	(7.1)	-	(64.0)
<b>Profit /(loss) for the period</b>	<b>334.8</b>	<b>6.2</b>	<b>(24.4)</b>	<b>-</b>	<b>316.6</b>
Capital expenditures	12.5	-	-	-	12.5
<b>Total assets</b>	<b>4,727.0</b>	<b>38.6</b>	<b>230.9</b>	<b>-</b>	<b>4,996.5</b>

30 June 2020 \$ millions	Production and marketing of own produced volumes	Third party trading	Other	Eliminations	Total
<b>Total external revenues</b>	<b>661.3</b>	<b>76.2</b>	<b>-</b>	<b>-</b>	<b>737.5</b>
Adjusted EBITDA**	211.3	(0.2)	(5.6)	-	205.5
Share of profit from equity- accounted investees (net of tax)	-	-	0.5	-	0.5
Depreciation and amortization	(133.7)	-	-	-	(133.7)
Finance income	39.6	0.1	1.4	(19.6)	21.5
Finance expense	(8.6)	(0.5)	(26.0)	19.6	(15.5)
Income tax	(8.2)	(0.1)	(3.3)	-	(11.6)
<b>Profit /(loss) for the period</b>	<b>96.9</b>	<b>(0.6)</b>	<b>(34.1)</b>	<b>-</b>	<b>62.2</b>
Capital expenditures*	66.4	-	0.1	-	66.5
<b>Total assets*</b>	<b>4,697.4</b>	<b>15.0</b>	<b>84.9</b>	<b>-</b>	<b>4,797.3</b>

\* as at 31 December 2020

\*\* Fertiglobe uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Adjusted EBITDA is defined as EBITDA (total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees), adjusted for additional items and costs that management considers not reflective of our core operations.

## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

### 17. Reserves and retained earnings

\$ millions	Other reserves	Currency translation reserve	Total reserves	Retained earnings
<b>At 1 January 2020</b>	(705.5)	(494.9)	(1,200.4)	491.5
Profit for the period	-	-	-	74.3
Dividends to share holders	-	-	-	(129.7)
Currency translation differences	-	(29.0)	(29.0)	-
<b>At 31 December 2020</b>	(705.5)	(523.9)	(1,229.4)	436.1
Share capital reduction	2,000.0	-	2,000.0	-
Profit for the period	-	-	-	198.5
Dividends to shareholders	-	-	-	(185.0)
Currency translation differences	-	(9.4)	(9.4)	-
<b>At 30 June 2021</b>	<b>1,294.5</b>	<b>(533.3)</b>	761.2	449.6

#### Reduction of share capital

On 28 June 2021, the Company's Shareholders approved, through a special resolution, the reduction of the share capital by USD 2 billion from USD 3,328,211,028 to USD 1,328,211,028 by cancelling and extinguishing 2,000,000,000 ordinary shares in proportion to the number of shares held by each shareholder. Furthermore the Shareholders approved crediting the capital reduction to other distributable reserve as proposed on 28 June 2021 by the Company's Board of Directors.

The par value per share remained 1 USD per share subsequent to the capital reduction.

#### Dividends to shareholders

The Board of Directors approved on 31 March 2021 the declaration of interim dividends to shareholders of USD 55 million, which have been fully paid during the period, and on 28 June 2021 the declaration of USD 130 million, which have been paid in full subsequent to the reporting period. Both declarations have been approved by the Shareholders on 28 June 2021.

### 18. Earnings per share

\$ millions	Six month 30 June 2021	Six month 30 June 2020	Three month 30 June 2021	Three month 30 June 2020
<b>i. Basic</b>				
Net profit attributable to shareholders	198.5	23.0	113.3	8.8
Weighted average number of ordinary share (Basic)*	1,328.2	1,328.2	1,328.2	1,328.2
<b>Basic earnings per ordinary share in USD</b>	<b>0.149</b>	<b>0.017</b>	<b>0.085</b>	<b>0.007</b>
<b>ii. Diluted</b>				
Net profit attributable to shareholders	198.5	23.0	113.3	8.8
Weighted average number of ordinary shares (Basic)*	1,328.2	1,328.2	1,328.2	1,328.2
<b>Diluted earnings per ordinary share in USD</b>	<b>0.149</b>	<b>0.017</b>	<b>0.085</b>	<b>0.007</b>

Weighted average number of ordinary shares calculation:

\$ millions	30 June 2021	31 December 2020*
Issued ordinary shares at 1st January	3,328.2	3,328.2
Reduction of share capital (Note 17)	(2,000.0)	(2,000.0)
<b>Ordinary shares outstanding</b>	<b>1,328.2</b>	1,328.2

There are no potential dilutive shares.

\*Given that the capital reduction, at the date of the transaction, adjusted the number of shares without a corresponding change in resources, such reduction in number of shares has been treated retrospectively, hence the weighted average number of share was adjusted effective from the beginning of 2020.

## NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE (CONTINUED)

\*\* for the six month period ended 30 June 2020

\*\*\* as at 31 December 2020

### 19. Related party transactions

The following is a list of significant related party transactions and outstanding amounts as at 30 June 2021:

Related party \$ millions	Relation	Revenue transactions during the period	Receivables outstanding at 30 June 2021	Payables outstanding at 30 June 2021	Net recharges	Interest income	Interest expense
OCI Fertilizer BV	OCI Group	-	-	75.4	-	-	-
N-7 LLC	OCI Group	13.0	-	-	-	-	-
OCI Nitrogen	OCI Group	30.3	0.5	0.5	0.5	-	-
ADNOC	ADNOC	-	-	22.0	(75.2)	-	(1.7)
ADNOC Fertilizers	ADNOC	-	-	54.6	-	-	-
ADNOC refining	ADNOC	-	-	3.9	(18.9)	-	-
Other subsidiaries*		0.9	0.6	2.0	(0.9)	-	-
<b>Total</b>		<b>44.2</b>	<b>1.1</b>	<b>158.4</b>	<b>(94.5)</b>	<b>-</b>	<b>(1.7)</b>

\* the list of other ADNOC and OCI group subsidiaries is disclosed in 2020 financial statements

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2020 for balance sheet positions and as at 30 June 2020 for profit or loss positions:

Related party \$ millions	Relation	Revenue transactions during the period**	Receivables outstanding at year end***	Payables outstanding at year end***	Net recharges**	Interest income**	Interest expense**
OCI Nitrogen	OCI Group	21.1	7.8	0.8	0.2	-	-
N-7 LLC	OCI Group	12.3	-	-	-	-	-
ADNOC	ADNOC	-	-	24.2	(69.5)	-	(1.9)
ADNOC refining	ADNOC	-	-	4.3	(17.2)	-	-
other subsidiaries*		1.2	1.2	1.7	(2.3)	0.5	-
<b>Total</b>		<b>34.6</b>	<b>9.0</b>	<b>31.0</b>	<b>(88.8)</b>	<b>0.5</b>	<b>(1.9)</b>

\* the list of other ADNOC and OCI group subsidiaries is disclosed in 2020 consolidated financial statements

The Group leases land, office space and employee accommodation from Abu Dhabi National Oil Company ('ADNOC'). The corresponding lease obligation amounts to USD 76.6 million as at 30 June 2021 (USD 79.6 million as at 31 December 2020).

### 20. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the consolidated financial statements for the year ended 31 December 2020, excluding EBIC free zone status.

#### EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. In May 2021, the Administrative Court rendered its final ruling in favor of EBIC.

### 21. Subsequent events

The Group performed a review of events subsequent to the relating date through the date the consolidated financial statements were issued and determined that there were no events requiring recognition or disclosure in the semi-annual condensed consolidated interim financial statements except for the following:

#### Acquisition of additional 15% Stake in EBIC

In August 2021, Fertiglobe has agreed with a KBR-led consortium (NYSE: KBR), which includes Mitsubishi, JGC and Itochu, to buy their combined 15% stake in Egypt Basic Industries Corporation ('EBIC') in Egypt for a total consideration of \$43 million. This brings the Group stake in EBIC to 75%, further streamlining the Group's ownership structure.

#### Fertiglobe Holding Limited completed new refinancing

On 16 August 2021, Fertiglobe Holding Limited obtained a USD 1.2 billion unsecured financings as follows:

- USD 900 million bridge to bond facility loan for 18 months tenor, which is extendable for 6 months, then for an additional 6 months, with Interest rate of LIBOR +105 bps for the first 12 months increasing by 25 bps every 3 months thereafter. An accordion facility of USD 200 million was additionally built into the bridge to bond facility.
- USD 300 million revolver maturing in 2026 at an interest rate of LIBOR +175bps.



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### **Independent Auditors' Report on Review of Semi-Annual Condensed Consolidated Interim Financial Statements**

To the Shareholders of Fertiglobe Holding Limited

Introduction

We have reviewed the accompanying 30 June 2021 semi-annual condensed consolidated interim financial statements of Fertiglobe Holding Limited ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2021;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2021;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2021; and
- notes to the semi-annual condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these semi-annual condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these semi-annual condensed consolidated interim financial statements based on our review.



*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of semi-annual condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2021 semi-annual condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*Other matter – comparative information*

The condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2020, the condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and the notes for the three-month and six-month periods ended 30 June 2020 were neither reviewed nor audited.

KPMG Lower Gulf Limited

Richard Ackland  
Registration No.:1015  
Abu Dhabi, United Arab Emirates

Date: 22 August 2021



## Annex 2 - Articles of Association

## ARTICLES OF ASSOCIATION

### PUBLIC COMPANY LIMITED BY SHARES

Fertiglobe plc

***Fertiglobe plc (the “Company”) is not subject to United Arab Emirates (“UAE”) Federal Law No. 2 of 2015 concerning commercial companies (as amended). The Securities and Commodities Authority in the UAE is not responsible for the content of these articles of association or the information contained herein. The Company is subject to the Abu Dhabi Global Market (“ADGM”) Companies Regulations 2020 (as amended) (“Companies Regulations”) and other applicable law and regulation in the ADGM. The ADGM Registration Authority is responsible for the supervision and regulation of all public companies incorporated in the ADGM, including the Company, in relation to compliance with the Companies Regulations.***

## INDEX TO ARTICLES

Page

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY.....	1
1.    Defined terms.....	1
2.    Sunset date and clearance date .....	9
3.    Liability of members .....	11
4.    Exclusion of model articles.....	11
PART 2 BOARD’S POWERS AND RESPONSIBILITIES .....	12
5.    Board’s general authority.....	12
6.    Members’ reserve power and member supermajority resolutions.....	12
7.    Specified related party transactions.....	13
8.    Board may delegate .....	14
9.    Committees .....	14
10.   Management.....	17
11.   Board Resolutions.....	18
12.   Calling a Board Meeting .....	20
13.   Participation in board meetings .....	21
14.   Quorum for board meetings .....	22
15.   Chairing board meetings .....	23
16.   Board secretary .....	23
17.   Conflicts of interest .....	24
18.   Records of decisions to be kept .....	26
19.   Board discretion to make further rules.....	26
20.   Appointment and termination of directors.....	26
21.   Alternate directors .....	31
22.   Directors’ remuneration .....	31
23.   Directors’ expenses .....	32
PART 3 DECISION-MAKING BY MEMBERS ORGANISATION OF GENERAL MEETINGS .....	33
24.   Members can call general meeting if not enough directors.....	33
25.   Attendance and speaking at general meetings.....	33
26.   Quorum for general meetings .....	34
27.   Chairing general meetings .....	34
28.   Attendance and speaking by directors and non-members .....	35
29.   Adjournment .....	35

## INDEX TO ARTICLES

(continued)

	<b>Page</b>
30. Voting: general .....	36
31. Errors and disputes .....	36
32. Demanding a poll.....	37
33. Procedure on a poll.....	37
34. Content of proxy notices .....	38
35. Delivery of proxy notices.....	38
36. Amendments to resolutions.....	39
37. Corporate representatives.....	40
38. No voting of shares on which money owed to company.....	40
39. Application to class meetings .....	40
<b>PART 4 SHARES AND DISTRIBUTIONS SHARES .....</b>	<b>41</b>
40. Powers to issue different classes of share .....	41
41. Payment of commissions on subscription for shares .....	41
42. Company not bound by less than absolute interests .....	41
43. Share certificates.....	41
44. Consolidated share certificates .....	42
45. Replacement share certificates .....	43
46. Uncertificated shares .....	43
47. Company's lien over partly paid shares.....	45
48. Enforcement of the company's lien .....	45
49. Call notices.....	46
50. Liability to pay calls .....	47
51. When call notice need not be issued .....	47
52. Failure to comply with call notice: automatic consequences.....	47
53. Notice of intended forfeiture.....	48
54. Board power to forfeit shares .....	48
55. Effect of forfeiture .....	48
56. Procedure following forfeiture .....	49
57. Surrender of shares .....	50
58. Transfers: general .....	50
59. Transfer of uncertificated shares .....	51
60. Transmission of shares .....	51
61. Exercise of transmitters' rights .....	52

## INDEX TO ARTICLES

(continued)

	<b>Page</b>
62. Transmittees bound by prior notices .....	52
63. Procedure for disposing of fractions of shares .....	52
64. Pre-emption rights in the Companies Regulations .....	53
65. Procedure for declaring dividends .....	53
66. Calculation of dividends .....	54
67. Payment of dividends and other distributions .....	54
68. Deductions from distributions in respect of sums owed to the company .....	55
69. No interest on distributions .....	55
70. Unclaimed distributions .....	56
71. Non-cash distributions .....	56
72. Waiver of distributions .....	56
73. Authority to capitalise and appropriation of capitalised sums .....	57
<b>PART 5 ADMINISTRATIVE ARRANGEMENTS .....</b>	<b>59</b>
74. Means of communication to be used .....	59
75. Failure to notify contact details .....	59
76. Company seals .....	59
77. Destruction of documents .....	60
78. No right to inspect accounts and other records .....	61
79. Provision for employees on cessation of business .....	61
80. Notification to company by certain shareholders .....	61
81. Indemnity .....	64
82. Insurance .....	64
<b>SCHEDULE 1 MEMBER SUPERMAJORITY APPROVAL MATTERS .....</b>	<b>66</b>
<b>SCHEDULE 2 BOARD SUPERMAJORITY APPROVAL MATTERS .....</b>	<b>67</b>

## PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

### 1. Defined terms

(1) In the articles, unless the context requires otherwise:

“**adoption date**” means the date upon which the shares are first admitted to trading on the Abu Dhabi Securities Exchange;

“**affiliate**” means, in relation to a person, any other person that, as of the relevant time, directly or indirectly, controls, is controlled by, or is under common control with, such person; provided that:

- (a) in relation to any person that is directly or indirectly controlled by a governmental authority of the Emirate of Abu Dhabi or the UAE, only:
  - (i) the relevant topco; and
  - (ii) those persons that are subsidiaries of the relevant topco, shall be considered affiliates; and
- (b) no member of the group shall be regarded as being an affiliate of any major shareholder;

“**applicable law**” means all applicable national and international laws, including any applicable export control or sanctions laws, treaties, statutes, decrees, edicts, codes, orders, judgments, rules, ordinances, decisions and regulations of any local, municipal, territorial, provincial, federal, national or any other duly constituted governmental authority or agency of any governmental authority;

“**articles**” means the company’s articles of association;

“**associated company**” has the meaning given in article 81(3)(a);

“**bankruptcy**” includes individual insolvency proceedings in any jurisdiction;

“**board**” means the board of directors of the company;

“**board appointment period**” has the meaning given in article 20(1);

“**board committee**” has the meaning given in article 8(1)(a);

“**board secretary**” has the meaning given in article 16(1);

“**board supermajority approval**” means:

- (a) subject to paragraph (b) of this definition, the approval of at least nine (9) out of eleven (11) directors;
- (b) in the event that, in relation to the relevant decision, there are two (2) or more conflicted directors, then:

- (i) subject to paragraph (b)(ii) of this definition, the approval of at least seventy-five per cent (75%) of the total number of remaining directors who are entitled to vote on the matter in question, provided that at least one (1) non-conflicted director from each large director group has approved the relevant matter (provided further that, for these purposes, any large director group which is comprised solely of conflicted directors shall be disregarded); or
- (ii) in circumstances where either (x) there are no large director groups or (y) all large director groups are comprised solely of conflicted directors, the approval of at least seventy-five per cent (75%) of the total number of remaining directors who are entitled to vote;

“**board vacancy number**” has the meaning given in article 20(4)(g);

“**business day**” means each day which is not a Friday, Saturday or a public sector holiday in the UAE;

“**call**” has the meaning given in article 49(1);

“**call notice**” has the meaning given in article 49(1);

“**call payment date**” has the meaning given in article 52(2)(a);

“**candidate resolutions**” has the meaning given in article 10(4);

“**capitalised sum**” has the meaning given in article 73(1)(b);

“**certificate**” means a paper certificate evidencing a person’s title to specified shares or other securities;

“**certificated**” in relation to a share, means that it is not an uncertificated share;

“**chairperson**” has the meaning given in article 15(1);

“**chairperson of the meeting**” has the meaning given in article 27(4);

“**clearance date**” has the meaning given in article 2(1)(c);

“**committee members**” shall have the meaning given in article 9(2);

“**Companies Regulations**” means the Companies Regulations 2020 (as amended);

“**company**” means Fertigllobe plc;

“**company’s lien**” has the meaning given in article 47(1);

“**company secretary**” shall mean a secretary of the company within the meaning of Chapter 1 of Part 12 of the Companies Regulations;

“**conflicted director**” means, in respect of a particular matter, a director who is prohibited from voting in a board meeting, or the relevant part of a board meeting, in relation to that matter, pursuant to article 17;

“**control**” means, in respect of a person:

- (a) the possession, directly or indirectly, of the power to vote fifty per cent (50%) or more of the voting stock (other than directors' qualifying shares or other *de minimis* holdings required by applicable law to be held by other person(s)) of such person;
- (b) ownership, directly or indirectly, of fifty per cent (50%) or more of the equity interests (other than directors' qualifying shares or other *de minimis* holdings required by applicable law to be held by other person(s)) in such person;
- (c) if the person is a limited partnership, where another person is the general partner or manager of that limited partnership, or controls (within the meaning of paragraphs (a), (b) or (e) of this definition) such general partner or manager;
- (d) if the person is a trust or similar structure or is controlled (within the meaning of paragraphs (a), (b) or (e) of this definition) by a trust or similar structure, where another person is entitled to or able to direct the action of the trustee of the trust or similar structure; or
- (e) the ability, directly or indirectly, to direct or procure the direction of the management and policies of such person, whether through the ownership of shares, by contract or otherwise,

and the terms “**controlled by**”, “**controlling**” and “**under common control with**” shall be construed accordingly;

“**director**” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“**director group**” has the meaning given in article 20(8);

“**director election resolution**” has the meaning given in article 20(4)(a);

“**distribution recipient**” has the meaning given in article 67(2);

“**document**” includes, unless otherwise specified, any document sent or supplied in electronic form;

“**electronic form**” has the meaning given in section 1023 of the Companies Regulations;

“**executive committee**” means the executive committee of the company;



“**Fertil**” means Ruwais Fertilizer Industries LLC, a limited liability company with licence number CN-2839047, incorporated in the Emirate of Abu Dhabi, UAE, and any successor thereto;

“**Fertil CEO**” means the Chief Executive Officer of Fertil;

“**financial year**” means, in relation to the group, the financial year of the company, as may be determined by the board from time to time (which, before the sunset date, shall require prior board supermajority approval);

“**fully paid**” in relation to a share, means that the issue price to be paid to the company in respect of that share has been paid to the company;

“**governance and board composition policy**” means the company’s policy, as amended by the board from time to time in accordance with these articles, regarding corporate governance and board composition matters;

“**governmental authority**” means:

- (a) any governmental authority of the Emirate of Abu Dhabi or the UAE (including the Supreme Council for Financial and Economic Affairs of the Emirate of Abu Dhabi, and any successor thereto); and
- (b) in respect of a person, a governmental authority that has jurisdiction over such person or its ultimate controlling person,

including, in each case, any political subdivision of any of the foregoing, any multi-national organisation or body comprising of the foregoing, any agency, department, commission, board, bureau, court or other authority thereof, or any quasi-governmental or private body exercising any executive, legislative, judicial, administrative, police, regulatory or taxing authority or power of any nature, and any recognised stock exchange;

“**governmental entity**” means any of the following:

- (a) the Government of the Emirate of Abu Dhabi;
- (b) any governmental authority of the Emirate of Abu Dhabi; and
- (c) any person at least seventy-five per cent (75%) owned, directly or indirectly, by any of the persons referred to in paragraphs (a) and (b) of this definition;

“**group**” means the company and its subsidiaries, and “**group company**” means any of them;

“**hard copy form**” has the meaning given in section 1023 of the Companies Regulations;

“**holder**” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“**instrument**” means a document in hard copy form;

“**large director group**” means each director group comprising three (3) or more directors (including any conflicted directors);

“**lien enforcement notice**” has the meaning given in article 48;

“**major shareholder**” means a holder that holds shares representing not less than twenty-five per cent (25%) of the entire issued share capital of the company;

“**material group company**” means, at any time, a group company that accounts for more than five per cent (5%) of the group’s revenues on a consolidated basis (and shall include Fertiglobe Distribution Limited, incorporated in the Abu Dhabi Global Market with registered number 2474, regardless of the level of its revenue);

“**member**” means a person who is the holder of a share, unless the context requires otherwise;

“**member supermajority resolution**” means a resolution of the members passed by the affirmative votes of at least seventy-five per cent (75%) of the aggregate number of voting rights attaching to the entire issued share capital of the company (or, in relation to a resolution on a show of hands at a meeting of the members, by members representing at least that proportion of the total voting rights attaching to the entire issued share capital of the company);

“**member votes**” has the meaning given in article 20(4)(b);

“**MENA**” means any of the following countries: the United Arab Emirates, Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Palestine, Qatar, Syria, Oman, Saudi Arabia, Sudan, Tunisia, Turkey and Yemen;

“**non-conflicted director**” means, in respect of a particular matter, a director who is not a conflicted director in relation to that matter;

“**ordinary resolution**” has the meaning given in section 298 of the Companies Regulations;

“**paid**” means paid or credited as paid;

“**partly paid**” in relation to a share means that part of that share’s issue price has not been paid to the company;

“**person**” means an individual, partnership, corporation (including a business trust), company, trust, unincorporated association, joint venture or other entity, whether a body corporate or an unincorporated association of persons, or a governmental authority, and “**persons**” shall be construed accordingly;

“**persons entitled**” has the meaning given in article 73(1)(b);

“**primary member**” has the meaning given in article 20(8)(a);

“**proxy notice**” has the meaning given in article 34(1);

“**proxy notification address**” has the meaning given in article 35(1);

“**relevant group companies**” means all of the group companies with the exception of Fertil, and “**relevant group company**” shall be construed accordingly;

“**relevant rate**” has the meaning given in article 52(2)(b);

“**relevant rules**” has the meaning given in article 46(1);

“**relevant system**” means a computer-based system and procedures, which enable title to a security to be evidenced and transferred without a certificate of title or any written instrument of transfer pursuant to the Uncertificated Securities Rules;

“**relevant topco**” means a holding company (as defined in section 1015 of the Companies Regulations) which:

- (a) is controlled by a governmental authority of the Emirate of Abu Dhabi or the UAE; and
- (a) is not itself a subsidiary of another holding company;

“**replacement director**” has the meaning given in article 20(6);

“**sanctioned entity**” means (i) any person with which dealings are restricted or prohibited by any sanctions, or any other person which is controlled by any such person, or (ii) a UAE sanctions target;

“**sanctions**” means any sanctions, laws, regulations, embargoes or restrictive measures administered, enacted or enforced by the United Nations Security Council (as a whole and not its individual members), any governmental authority of the UAE, the United States Department of Treasury Office of Foreign Assets Control, the United States Department of Commerce Bureau of Industry and Security, the United States Department of State, the European Union (as a whole and not its individual member states) or Her Majesty's Treasury of the United Kingdom;

“**senior management**” means the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Commercial Director and the General Counsel of the company;

“**shares**” means shares in the company;

“**special resolution**” has the meaning given in section 299 of the Companies Regulations;

“**specified related party**” means

- (a) any director;
- (b) any member of senior management;
- (c) any person that holds shares representing not less than fifteen per cent (15%) of the total shares issued and outstanding; and

- (d) any specified related person of any person referred to in paragraphs (a), (b) or (c);

**“specified related party transaction”** means any transaction or dealing (including (i) decisions relating to enforcement of rights, (ii) renewal or extension (including automatic renewal or extension) of an agreement or arrangement, and (iii) a waiver of rights under an agreement or arrangement) between any group company, on the one hand, and a specified related party, on the other hand; provided that the following shall not be deemed to be specified related party transactions:

- (a) any transaction or dealing to the extent consummated pursuant to, and in accordance with the terms of:
  - (i) any agreement in effect on or prior to the adoption date; or
  - (ii) any agreement or arrangement approved by the company in compliance with the provisions of article 7 (subject always to any conditions, limitations or restrictions to which such approval was made subject),  
  
(it being specified that, for the avoidance of doubt, any (x) decisions relating to enforcement of rights, (y) renewal or extension (including automatic renewal or extension), or (z) waiver of rights under, any agreement or arrangement referred to in paragraph (a) of this definition shall, in each case, be deemed to be a specified related party transaction); or
- (b) any issuance of shares where all members are able to exercise their right of pre-emption on the same terms;

**“specified related person”** with respect to any person, means:

- (a) any affiliate of such person;
- (b) where such person or any affiliate thereof is an individual:
  - (i) any father, mother, brother, sister, children, spouse, father-in-law, mother-in-law, cousin, niece, nephew and children of the spouse of such individual;
  - (ii) any trust, corporation, partnership or other estate planning vehicle for the benefit of such individual or any of the persons described in paragraph (b)(i) of this definition;
  - (iii) the estate, executor, administrator or committee of such individual or any of the persons named in paragraphs (b)(i) or (b)(ii) of this definition (acting in such capacity); or
  - (iv) any affiliates of any of the persons set forth in paragraphs (b)(i) or (b)(ii) of this definition;

- (c) any person in respect of whom such person and/or any other specified related person(s) thereof are beneficially entitled to twenty-five per cent (25%) or more in aggregate of the income or capital on a distribution when made amongst all beneficiaries on a *pari passu* basis; or
- (d) any investment fund or vehicle managed, sponsored or advised by such person or any other specified related person(s) thereof;

“**standalone director**” has the meaning given in article 20(8)(d);

“**subsidiary**” has the meaning given in section 1015 of the Companies Regulations;

“**sunset date**” has the meaning given in article 2(1)(a);

“**sunset determination notice**” has the meaning given in article 80(4);

“**terms of reference**” has the meaning given in article 9(2);

“**transmittee**” means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

“**UAE**” means the United Arab Emirates;

“**UAE sanctioned country**” means: (i) any country or territory that is, or whose government is, publicly identified or announced as the target of diplomatic, economic or trade sanctions (or restrictive measures having materially the same effect) either (A) under the laws, regulations or practice of the UAE or (B) announced by any governmental authority of the UAE; or (ii) any country or territory with whom, or with whose government, a governmental authority of the UAE has directed the company to restrict or otherwise prohibit transactions;

“**UAE sanctions target**” means: (i) any individual that is a national of, or any entity that is established, organised or incorporated under, the laws of a UAE sanctioned country; (ii) any government (including any political subdivision thereof, any agency, department, commission, board, bureau, court or other authority thereof, or any quasi-governmental or private body exercising any executive, legislative, judicial, administrative, police, regulatory or taxing authority or power of any nature therein) of any UAE sanctioned country; or (iii) any entity that is controlled, whether directly or indirectly, by any of the foregoing;

“**ultimate controlling person**” means, in relation to a specified person, the person that controls such specified person and is not itself controlled by any person; provided that where such specified person is directly or indirectly controlled by a governmental authority of the Emirate of Abu Dhabi or the UAE, the ultimate controlling person of such specified person and its affiliates shall be the relevant topco;

“**uncertificated**” in relation to a share means that, by virtue of the Uncertificated Securities Rules and any other legislation (other than section 715 of the Companies Regulations) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate;

“**Uncertificated Securities Rules**” means the Uncertificated Securities Rules 2021;

“**US Dollars**” or “**US\$**” means the then lawful currency of the United States;

“**vice-chairperson**” has the meaning given in article 15(2); and

“**writing**” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

(2) Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Regulations as in force on the adoption date.

(3) In these articles:

(a) the words “include” or “including” or similar expressions shall be deemed to be followed by “without limitation” or “but not limited to”, whether or not they are followed by such phrases or words of like import;

(b) references to the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Commercial Director or the General Counsel of the company, and any references to the Fertal CEO, include, in each case, similar officeholders regardless of the title used to describe such position; and

(c) unless expressly stated otherwise, a reference to the size of a director group or the number of directors comprising a director group (or any similar expression) is to be construed as a reference to the number of directors forming part of such group pursuant to article 20(8) and, in circumstances where there is any vacancy on the board, shall include the number of additional director(s) which would form part of that director group pursuant to article 20(8)(g) upon replacement director(s) being appointed to fill the relevant vacancy/ies.

## 2. **Sunset date and clearance date**

(1) In these articles:

(a) the “**sunset date**” means (subject to article 80(5)) the first date after the adoption date on which all governmental entities (taken together) cease to own at least twenty-five per cent (25%) in aggregate of the entire issued share capital of the company;

(b) “**subject major shareholder**” means a member that:

(i) is a major shareholder (or would be a major shareholder, if its holding of shares were aggregated with that of its affiliates);

(ii) is a governmental entity; and

- (iii) through the sale or other transfer of shares, triggers the occurrence of the sunset date; and
  - (c) the “**clearance date**” means the earlier of:
    - (i) the first date on or following the sunset date on which the board has received from each major shareholder either (i) a notification that no approval or notification is required, pursuant to article 2(2)(c); or (ii) a notice that such major shareholder has received all necessary approval(s) and made all necessary notification(s), pursuant to article 2(2)(f); and
    - (ii) the date which is nine (9) months following the sunset date.
- (2) Following the occurrence of the sunset date:
  - (a) The subject major shareholder shall promptly notify the company (by written notice to the board) of: (i) the occurrence of such sunset date; (ii) if the shares were sold in a *bona fide* on-market transaction (meaning a transaction through the trading system of the relevant market where buy and sell orders are anonymously matched and crossed), the number of separate trades of shares conducted by the subject major shareholder on the same day as the transaction which gave rise to the occurrence of the sunset date; and (iii) if the shares were sold in a *bona fide* off-market transaction (meaning a transaction conducted between an identified purchaser and an identified seller which is not an on-market transaction, including a ‘big block deal’ as referred to in the applicable broker and trading rules of the Abu Dhabi Securities Exchange): (x) the number of shares acquired by such purchasers (on a purchaser-by-purchaser basis) and (y) in each case to the extent known to the subject major shareholder (without any obligation to conduct enquiries), whether such acquisition of shares by the relevant purchaser(s) will trigger any merger filing requirements by such purchaser(s), where any such filings are required and the timing requirements for any such filings (“**sunset date information**”).
  - (b) Following receipt of notification of the occurrence of the sunset date by the company or, in any event, if the company otherwise learns of the occurrence of the sunset date, the company shall notify all other major shareholders of such sunset date information as the company has received from the subject major shareholder.
  - (c) Each major shareholder notified of the occurrence of the sunset date shall, within fifteen (15) days following receipt of notice from the board, notify the company (by written notice to the board) whether:
    - (i) it or its affiliate requires any approval(s) from a regulatory authority (“approval(s)”) in relation to, or are required to notify any regulatory authority (“notification(s)”) of, the occurrence of the sunset date and any termination of the approval rights referred to in article 11(3); or (ii) whether no such approval or notification is

required. If a major shareholder fails to notify within such fifteen- (15-) day period, the relevant major shareholder shall be deemed to have notified the company that no such approval or notification is required.

- (d) Each major shareholder that is required to obtain (or whose affiliate is required to obtain) any approval(s) or make any notification(s) shall use its reasonable best efforts to obtain such approval(s) or make such notification(s) as soon as reasonably practicable, provided that, for the avoidance of doubt, no major shareholder and none of its affiliates shall be required to dispose of any assets in order to comply with any material restrictive conditions attached to any approval.
- (e) The company shall provide to each major shareholder that has notified the company of a requirement to obtain (or whose affiliate is required to obtain) any approval(s) or make any notification(s) all relevant information reasonably required by such major shareholder at the company's disposal in order to obtain such approval(s) or make such notification(s).
- (f) Each major shareholder that is required to obtain (or whose affiliate is required to obtain) any approval(s) or make any notification(s) shall notify the company (by written notice to the board) promptly following the receipt of all such approval(s) and the making of all such notification(s). Any delay in obtaining such approvals or making such notifications, or any refusal by a regulatory authority to grant any relevant approval, shall not impact the validity of any sale or other transfer of shares by any shareholder.
- (g) Without prejudice to article 80, the board shall promptly disclose, in accordance with applicable law, any occurrence of the sunset date and of the clearance date.

### **3. Liability of members**

- (1) The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

### **4. Exclusion of model articles**

- (1) The relevant model articles (as defined in section 18 of the Companies Regulations) do not apply to the company.



## PART 2 BOARD'S POWERS AND RESPONSIBILITIES

### **5. Board's general authority**

- (1) Subject to the articles, the board is responsible for the overall management of the company's business, for which purpose it may exercise all the powers of the company.
- (2) The board shall, no later than forty-five calendar days prior to the end of each financial year, prepare and (subject to the articles) decide whether or not to approve:
  - (a) an annual update to the group's business plan, which shall set out the company's strategy and plan for developing, financing and operating the group and details of expansion plans, for a rolling period of five (5) financial years; and
  - (b) a budget for the following financial year, consistent with the first (1<sup>st</sup>) year of the most recently approved business plan (and if such budget is not approved by the board in accordance with these articles the last approved annual budget shall apply continue to apply and remain in effect (save that any capital expenditure shall be deleted, other than capital expenditure in respect of maintenance of plant and equipment, which shall continue to apply on the same basis) until the earlier of (i) approval of a new budget by the board in accordance with these articles and (ii) expiration of such following financial year).
- (3) The company shall comply with the terms of, and its affairs shall be conducted in accordance with, the governance and board composition policy adopted by the board from time to time in accordance with these articles.
- (4) The provisions of article 5(2) shall expire and be without effect as from the sunset date.

### **6. Members' reserve power and member supermajority resolutions**

- (1) The members may:
  - (a) prior to the sunset date, by member supermajority resolution; or
  - (b) after the sunset date, by special resolution,direct the board to take, or refrain from taking, specified action. No such member supermajority resolution or special resolution (as applicable) shall invalidate anything which the board has done before the passing of the resolution.
- (2) Notwithstanding article 6(1) and notwithstanding any other provision of these articles, prior to the sunset date:

- (a) the company shall not do, and shall not commit to do, or (where explicitly specified) cause or permit any other group company to do, or commit to do, any of the actions listed in Schedule 1 to these articles unless the relevant matter has first been approved by a member supermajority resolution; and
- (b) in relation to any proposed member supermajority resolution, the notice of the meeting must include the text of the resolution and specify the intention to propose the resolution as a member supermajority resolution.

## **7. Specified related party transactions**

- (1) Without prejudice to any requirement of applicable law, all specified related party transactions shall, subject to article 7(3), require the prior approval of the board.
- (2) Without prejudice to any requirement of applicable law (i) in relation to the consideration of any specified related party transaction, any director who is a specified related party (or in respect of whom the specified related party is a specified related person), or any director whose primary member is the relevant specified related party (or in respect of whose primary member the specified related party is a specified related person) shall be deemed to be interested in the relevant specified related party transaction unless an exception applies pursuant to article 17(4); and (ii) articles 17(4)(b), 17(4)(c), 17(4)(h)(ii), 17(4)(i)(ii) and 17(4)(j)(ii) shall not apply in relation to any specified related party transaction.
- (3) Prior to the sunset date, the board may exclusively delegate its power to approve and reject all specified related party transactions pursuant to article 7(1) to the executive committee, and such power may not be delegated to any other person or body. Any such delegation to the executive committee shall be recorded in the terms of reference of the executive committee and for these purposes:
  - (a) such exclusive delegation shall apply for so long as such delegation is included in the terms of reference of the executive committee;
  - (b) whilst such delegation is in force, all specified related party transactions shall be considered and subject to the approval (or rejection) of the executive committee to the exclusion of the board (subject to article 7(3)(f) below);
  - (c) the terms of reference of the executive committee containing such delegation may also contain exceptions to the requirement for any particular specified related party transaction to be approved or to the application or disapplication of articles 17(4)(b), 17(4)(c), 17(4)(h)(ii), 17(4)(i)(ii) and 17(4)(j)(ii) to any specified related party transaction. Such exclusions may be specific or general in nature;

- (d) any decision of the executive committee in relation to the approval (or otherwise) of a specified related party transaction shall, in the absence of fraud, be final;
- (e) the terms of reference of the executive committee shall also specify the circumstances in which members of such committee shall be excluded from the decision-taking process in relation to any specified related party transaction; and
- (f) in the event that all members of the executive committee are conflicted in relation to a specified related party transaction, the approval or rejection of the specified related party transaction shall be decided by a vote of a simple majority of the non-conflicted directors on the board and, in such case, articles 17(4)(b), 17(4)(c), 17(4)(h)(ii), 17(4)(i)(ii) and 17(4)(j)(ii) shall not apply in relation to such specified related party transaction.

## 8. Board may delegate

- (1) Subject to the articles (including article 7(3)), the board may delegate any of the powers which are conferred on it under the articles:
  - (a) to such person or committee (a “**board committee**”);
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;as it may decide.
- (2) If the board so specifies, any such delegation may authorise further delegation of the board’s powers by any person to whom they are delegated.
- (3) The board may revoke any delegation in whole or part, or alter its terms and conditions.

## 9. Committees

- (1) Subject to the relevant terms of reference, the board committees to which the board delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by the board.
- (2) Subject to the articles, the board may make rules of procedure for all or any board committees, which shall prevail over rules derived from the articles if such rules are not consistent with the articles (all of such procedures, authorities, roles, responsibilities and other rules relating to a board committee being that committee’s “**terms of reference**”). The number of

members of a board committee (the “**committee members**”) shall be specified in that board committee’s terms of reference.

(3) Prior to the sunset date and subject to the provisions of the relevant terms of reference, in relation to each board committee:

(a) the membership of such committee shall be determined as follows:

(i) in relation to the executive committee, as closely as possible, on a proportional basis, by reference to:

(A) where there are at least two (2) large director groups, the respective sizes of each large director group; or

(B) where the number of large director groups is less than two (2), the respective sizes of all director groups;

(ii) in relation to any other board committee, as closely as possible, on a proportional basis, by reference to the respective sizes of all director groups,

and, in each case, in accordance with this article 9(3). Each director group entitled to appoint committee members to such committee shall determine the identity of, and appoint, the relevant number of committee members by a decision of a simple majority of the members of that director group;

(b) committee members appointed by a director group may only be removed and replaced from time to time by simple majority decision of the members of that director group or otherwise as set out in this article 9(3);

(c) in the event that the relative sizes of the director groups on the board change and, as a result, the number of committee members appointed by the relevant director groups on any particular board committee does not represent the proportional sizes of those director groups in accordance with article 9(3)(a), any director who forms part of a director group which is entitled to appoint members to the board committee(s) in question may require the membership of each such committee to be reconstituted. Upon such request being made, each relevant director group shall promptly appoint the relevant number of committee members to reflect proportional representation on the relevant board committee as set out in article 9(3)(a) (which may include re-appointment of some or all of the existing committee members);

(d) in connection with each relevant director group’s entitlement to appoint committee members in accordance with article 9(3)(a):

(i) where a director group comprises a majority of the directors of the board, then the majority of the committee members will be comprised of members appointed by such director group;

- (ii) subject to article 9(3)(d)(i), any fractional entitlement to appoint committee members shall be rounded up or down (as applicable) to the nearest integer (applying the convention that a fractional entitlement of exactly  $\frac{1}{2}$  shall be rounded up, unless this would result in a greater number of members on the committee than contemplated by the relevant terms of reference, in which case the relevant director group with a fractional entitlement of exactly  $\frac{1}{2}$  which has the right to appoint the smallest number of members shall have its entitlement rounded up first, and then, if there remain any membership positions yet to be filled, the relevant director group with a fractional entitlement of exactly  $\frac{1}{2}$  with the right to appoint the next smallest number of members shall have its entitlement rounded up second, and so on until all membership positions have been filled); and
- (iii) it is clarified that:
  - (A) where there are at least two (2) large director groups, only the large director groups shall be entitled to nominate members to, and appoint members of, the executive committee; and
  - (B) without prejudice to article 9(3)(d)(iii)(A), a director group's entitlement to appoint committee members on any particular board committee may be nil (0) depending on (x) the total number of committee members specified in that board committee's terms of reference and (y) the relative sizes of each director group; and
- (e) by way of illustrative example, if director group A is comprised of six (6) directors, director group B is comprised of three (3) directors and director group C is comprised of two (2) directors, then where the number of committee members is five (5) such committee members shall be appointed as follows:
  - (i) in relation to a board committee other than the executive committee:
    - (A) three (3) such members shall be appointed by simple majority vote of the directors comprising director group A;
    - (B) one (1) such member shall be appointed by simple majority vote of the directors comprising director group B; and
    - (C) one (1) such member shall be appointed by simple majority vote of the directors comprising director group C; and

- (ii) in relation to the executive committee:
  - (A) director group A and director group B are both large director groups, whereas director group C is not. Given that there are at least two (2) large director groups, only those large director groups shall be entitled to appoint the members of the executive committee; and
  - (B) accordingly, three (3) members of the executive committee shall be appointed by simple majority vote of the directors comprising director group A, and two (2) such members shall be appointed by simple majority vote of the directors comprising director group B. Director group C shall not be entitled to appoint any members to such committee.

## **10. Management**

- (1) Subject to the articles, the board shall appoint and may remove such management personnel of the company as the board shall determine.
- (2) Prior to the sunset date:
  - (a) the board shall appoint (and may from time to time remove and replace):
    - (i) each of the following management positions of the company: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Commercial Director and General Counsel; and
    - (ii) deputies for each of the management positions referred to in article 10(2)(a)(i); and
  - (b) without prejudice to the management structure of any other member of the group, the company shall ensure that Fertel shall appoint (and shall from time to time remove and replace) the Fertel CEO and a deputy for that position, in each case only as approved by the board in accordance with the articles.
- (3) Prior to the sunset date, in the event there is a vacancy for the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Commercial Director or General Counsel of the company, or the Fertel CEO:
  - (a) the relevant deputy shall serve in an acting capacity in the relevant position on a temporary basis until such time as the board is able to appoint a full-time replacement; and
  - (b) in the event that there is no deputy appointed pursuant to article 10(2) at the relevant time, then if an appointment to fill the relevant vacancy has not been decided by the board within a period of five (5) business days following the vacancy arising, the board will appoint

person(s) to hold the relevant position on a temporary basis pursuant to article 10(4) below pending appointment of a full-time replacement.

- (4) Where article 10(3)(b) applies and the vacant position is:
  - (a) either the Chief Executive Officer or the Chief Operating Officer of the company, the board shall determine the identity of the temporary replacement by simple majority decision; or
  - (b) any of the Chief Financial Officer, Commercial Director or General Counsel of the company, or the Fertel CEO, the board shall appoint persons to temporarily hold the relevant position on a joint basis. In this regard, each large director group shall be entitled (but shall not be required) to nominate one candidate for appointment to the relevant position by simple majority vote of the directors comprising that director group. Once all nominations have been provided (or if earlier, after expiry of a period of five (5) business days following the large director groups being requested by the chairperson to provide their respective nominations), the board shall vote upon each candidate so nominated. Such vote shall be conducted by way of a separate resolution of the board for each candidate (the “**candidate resolutions**”). Each director shall be entitled to vote for only one candidate resolution. Each candidate receiving at least three (3) votes shall be appointed to the relevant position on a temporary basis and jointly with any other candidates also receiving at least three (3) votes, unless there is only one (1) candidate who receives at least three (3) votes (in which case such candidate shall be appointed on a temporary basis).
- (5) Any temporary appointee(s) to fill a vacancy pursuant to articles 10(3) and/or 10(4) (whether joint or otherwise) may subsequently be appointed on a full-time basis (joint or otherwise) to fulfil the relevant role (subject, prior to the sunset date, to obtaining the relevant board supermajority approval pursuant to paragraphs 22 or 23 of Schedule 2 of these articles).
- (6) Insofar as articles 10(3) and/or 10(4) apply to the Fertel CEO, such articles shall be construed on the basis that the company is required to ensure that Fertel complies with the relevant provisions pursuant to article 10(2)(b).

## **DECISION-MAKING BY THE BOARD**

### **11. Board Resolutions**

- (1) Subject to the articles (including articles 6 and 10(4)(b) above and articles 11(2), 17 and 80(5) below), the board shall make decisions by the following means:
  - (a) by resolution of such directors present at a duly convened and quorate meeting of the board, if approved by a simple majority of the directors attending that board meeting (where each director attending

a board meeting shall have one (1) vote). Minutes of board meetings shall be taken and shall be circulated to the directors for approval by a simple majority of directors in attendance at that meeting following the meeting (and such approval may be given in writing or by email, failing which approval of the minutes may be an agenda item for the next following board meeting). Following approval by the directors, minutes shall be signed by (i) the chairperson or the vice-chairperson and (ii) the board secretary, and once signed in this manner such minutes shall evidence the meeting and the resolutions of the directors at such meeting; provided that, prior to the sunset date, the full text of all resolutions requiring board supermajority approval shall be recorded in writing and signed by the directors approving the matter in question before the relevant resolution will (subject always to the required threshold for board supermajority approval actually being achieved) be considered to have been passed (and for these purposes directors may sign such resolutions in more than one counterpart and need not all sign the same copy); or

- (b) by written resolution without a meeting, in which case the written resolution must be signed by all directors who would have been entitled to vote on the matter in question had it been considered at a duly convened and held meeting of the board. Any such written resolution shall be as valid and effective for all purposes as a resolution passed by the directors at a board meeting duly convened, held and constituted, provided that:
  - (i) directors may sign written resolutions in more than one counterpart and need not all sign the same copy of the resolution;
  - (ii) all proposed written resolutions shall: (A) be circulated simultaneously to each director; (B) be accompanied by any relevant documentation; and (C) include a date by which each director shall be required to deliver to the chairperson a signed copy of the written resolution if they approve such written resolution; and
  - (iii) any director who fails to respond to a proposed written resolution by the deadline specified in the written resolution pursuant to article 11(1)(b)(ii)(C) shall be deemed to have rejected all proposed resolutions set out therein.
- (2) Notwithstanding article 11(1) and notwithstanding any other provision of these articles, prior to the sunset date:
  - (a) decisions taken by the board on the matters set out in Schedule 2 to these articles shall require board supermajority approval; and
  - (b) the company shall not do, and shall not commit to do any of the actions listed in Schedule 2 to these articles unless the relevant matter has first received board supermajority approval; and



- (c) the company shall not cause or permit any other group company or material group company, as the case may be, to do any of the actions listed as applying in respect of a group company or material group company in Schedule 2 to these articles unless the relevant matter has first received board supermajority approval.
- (3) Notwithstanding article 11(1), from the sunset date until the clearance date, any decision of the board in relation to the matters set out at items 7, 9, 12, 13, 22, 23 and 24 in Schedule 2 to these articles, shall require both (i) board supermajority approval; and (ii) if there is a subject major shareholder, the approval of the subject major shareholder (for the avoidance of doubt, in the absence of a subject major shareholder, clause (ii) shall not apply).
- (4) Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the company:
  - (a) that director and that director's alternate may not vote on any proposal relating to it, but
  - (b) this does not preclude the director's alternate from voting in relation to that transaction or arrangement on behalf of another director who does not have such an interest.

## **12. Calling a Board Meeting**

- (1) The chairperson, or in his or her absence, the vice-chairperson, may call, set the agenda for and chair each board meeting.
- (2) Subject to article 14(3), each director, and his or her alternate (if any), must be notified in writing of the relevant board meeting no later than fourteen (14) calendar days prior to the proposed date of such meeting (or less than fourteen (14) calendar days if (x) a simple majority in number of the directors and (y) prior to the sunset date, a simple majority of the directors in each large director group, consent to a shorter notice period). The notice of any board meeting must indicate:
  - (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Board meetings must be convened no less frequently than four (4) times per year (and at such other times following written request from any director to the chairperson).
- (4) The directors may propose to the chairperson items to be included on the agenda. The agenda shall be sent to each of the directors at least five (5) business days prior to the applicable board meeting and shall: (i) include

any items submitted by any director at least six (6) business days prior to the board meeting and (ii) be accompanied by any relevant documentation.

- (5) Any director may at any time waive the requirement that due notice of a board meeting be given to him or her. The presence of a director at a board meeting will constitute automatic waiver by him or her of such requirement in respect of such board meeting.
- (6) Breach of any of the provisions of this article 12 shall not affect the validity of any meeting of the board at which all directors are present nor shall it affect the validity of any written resolutions duly passed by the directors without a meeting.

### **13. Participation in board meetings**

- (1) Subject to the articles, directors participate in a board meeting, or part of a board meeting, when:
  - (a) the meeting has been called and takes place in accordance with the articles; and
  - (b) it is held either:
    - (i) subject to article 13(2) below, by telephone, video conferencing or other similar methods by means of which all persons participating in the meeting can at all times during such meeting hear and speak to each other (provided that if any directors participate in a board meeting by telephone, video conference or other similar method, the meeting shall be initiated in Abu Dhabi, and as such shall be deemed to be held in Abu Dhabi); or
    - (ii) in person.
- (2) At least half the directors participating in board meetings shall be present in person in Abu Dhabi for at least half of the board meetings in each year, provided that any failure to comply with the requirement in this article 13(2) shall not invalidate the proceedings of any board meeting nor shall it invalidate any decisions taken or resolutions passed by the board.
- (3) The directors may invite consultants or other persons to attend (as non-voting participants) a board meeting at which input from any such consultants or other persons is required or desirable.
- (4) Prior to the sunset date, each of the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of the company shall be entitled to attend board meetings as non-voting participants, provided that they shall not attend and participate in meetings (or the relevant part of meetings) at which matters concerning their employment will be discussed. This article 13(4) shall not apply to any of the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer if that person is also a director.

#### 14. Quorum for board meetings

- (1) At a board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) Subject to article 14(3) and article 17:
  - (a) prior to the sunset date, a quorum shall exist at any board meeting (or part of a meeting) if:
    - (i) subject to article 14(2)(a)(ii), at least nine (9) out of eleven (11) directors are present or are represented by an alternate director; or
    - (ii) in the event that, in relation to the relevant board meeting (or part of a meeting), there are two (2) or more conflicted directors, then:
      - (A) subject to article 14(2)(a)(ii)(B), at least seventy-five per cent (75%) of the total number of remaining directors who are entitled to participate in the decision making process are present or are represented by an alternate director, provided that at least one (1) non-conflicted director from each large director group is present or is represented by an alternate director (provided further that, for these purposes, any large director group which is comprised solely of conflicted directors shall be disregarded); or
      - (B) in circumstances where, either (x) there are no large director groups or (y) all large director groups are comprised solely of conflicted directors, at least seventy-five per cent (75%) of the total number of remaining directors who are entitled to participate in the decision making process are present or are represented by an alternate director; and
  - (b) following the sunset date, a quorum shall exist at any board meeting if a simple majority of the directors are present or are represented by an alternate director.
- (3) If a quorum is not present at a meeting of the board within one (1) hour following the commencement time specified in the notice, the meeting shall be adjourned and reconvened to discuss the same agenda. The directors will be given at least forty-eight (48) hours' notice of the reconvened meeting unless the directors unanimously agree otherwise. At a reconvened meeting in respect of which the immediately preceding meeting of the board was adjourned for a lack of a quorum, then, to the extent that the reconvened meeting considers the same agenda, a quorum shall exist if the majority of directors are present (whether in person or in any other manner permitted by these articles) or represented by alternate directors. Any such reduction in

the quorum requirement shall not affect the threshold required in order to pass any resolution of the board (including, where relevant, with board supermajority approval).

## 15. Chairing board meetings

- (1) Subject to the articles, the board may elect or replace a chairperson from time to time (the “**chairperson**”). The chairperson shall be one of the directors and shall chair board meetings.
- (2) Subject to the articles, the board may elect or replace a vice-chairperson from time to time (the “**vice-chairperson**”). The vice-chairperson shall be one of the directors (other than the chairperson) and shall chair board meetings in the chairperson’s absence.
- (3) In the event of an equality of votes at a meeting of the board, neither the chairperson nor the vice-chairperson shall have a second or casting vote.
- (4) Whenever a director holding the position of chairperson or vice-chairperson is subject to re-election by the members at the end of the board appointment period, such director shall immediately resume holding office as chairperson or vice-chairperson (as applicable) if he or she is immediately re-elected at the relevant annual general meeting, unless the identity of the chairperson or vice-chairperson (as the case may be) is changed by the board in accordance with these articles.
- (5) Where a director appointed as chairperson or vice-chairperson ceases to hold office as a director (other than where he or she is immediately re-elected as referred to in article 15(4)), such person shall automatically vacate his or her appointment as chairperson or vice-chairperson (as applicable).
- (6) If neither the chairperson nor the vice-chairperson is participating in a board meeting within ten (10) minutes following the time at which it was to start, the participating directors must appoint one of themselves to chair the meeting.

## 16. Board secretary

- (1) The board shall appoint a secretary (the “**board secretary**”) (or two (2) or more persons as joint board secretaries) for such term and upon such conditions as the board may think fit, and the board secretary (or joint board secretaries) so appointed may be removed by the board.
- (2) The board secretary shall be responsible, under the guidance of the chairperson, for giving notice, and administering and documenting the business of board and general meetings and such other things set out in the articles of association or as the board may determine from time to time.
- (3) The board secretary shall prepare minutes of each meeting of the board, including any matters resolved in such meeting, and circulate a draft of such minutes to each of the directors promptly following the meeting. Once approved by the board, such minutes (reflecting any approved changes)

shall be signed by (i) the chairperson or the vice-chairperson and (ii) the board secretary.

- (4) Any board secretary shall be a secretary of the company within the meaning of Chapter 1 of Part 12 of the Companies Regulations.

## **17. Conflicts of interest**

- (1) Without prejudice to Chapter 3 of Part 10 of the Companies Regulations, each director shall declare the nature and extent of his or her interest in a proposed transaction or arrangement involving any group company to the board.
- (2) Subject to article 17(3), if a board meeting, or part of a board meeting, is concerned with an actual or proposed transaction or arrangement with the company in which a director has an interest, that director shall be prohibited from participating in that meeting, or part of that meeting, at which the relevant proposed transaction or arrangement is considered and shall be prohibited from participating in any decision-making process or vote related thereto. Without prejudice to the preceding sentence, any such director is not to be counted as participating in that meeting, or part of that meeting, for quorum or voting purposes.
- (3) But if article 17(4) applies, a director who is interested in an actual or proposed transaction or arrangement with the company may participate in a board meeting, or part of a board meeting, at which the relevant proposed transaction or arrangement is considered and may participate in any decision-making process and vote related thereto. Any such director shall be entitled to be counted as participating in that meeting, or part of that meeting, for quorum and voting purposes.
- (4) Subject to article 7(2), this article 17(4) applies when:
  - (a) the directors (excluding any director(s) who are potentially conflicted), having considered the facts and circumstances of any such interest, have, by unanimous vote, determined that a director with any such interest may vote upon the relevant transaction or arrangement, provided that the directors (excluding any director(s) who are potentially conflicted):
    - (i) may, by unanimous vote, extend any such authorisation to any actual or potential conflict of interest which may arise out of the matter so authorised; and
    - (ii) shall also be entitled, by simple majority decision, to:
      - (A) make any such authorisation subject to any limits or conditions they expressly impose (whether at the time of the giving of the authorisation or subsequently); and
      - (B) terminate such authorisation at any time;

- (b) prior to the sunset date, the company by member supermajority resolution disapplies the provision of the articles which would otherwise prohibit a director from participating in, or voting at, a board meeting pursuant to paragraph 6 of Schedule 1;
  - (c) following the sunset date, the company by ordinary resolution disapplies the provision of the articles which would otherwise prohibit a director from participating in, or voting at, a board meeting;
  - (d) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (e) the director is not aware of the conflict of interest;
  - (f) the director's conflict of interest arises from a permitted cause as referred to in article 17(5);
  - (g) the conflict of interest is limited to the matters referred to in any of paragraphs 20, 21, 22, 23, 24, 25 or 26 of Schedule 2;
  - (h) the conflict of interest is limited to such director holding office as director of, or any other office or employment with:
    - (i) any group company; or
    - (ii) that director's primary member (or such primary member's affiliate);
  - (i) if such interest or duty is limited to such director being a participant in any scheme, transaction or arrangement for the benefit of the employees or former employees of:
    - (i) any group company; or
    - (ii) that director's primary member (or such primary member's affiliate); or
  - (j) if such interest or duty is limited to such director being interested in any shares or other securities of:
    - (i) any group company; or
    - (ii) that director's primary member (or such primary member's affiliate).
- (5) Subject to article 7(2), for the purposes of this article, the following are permitted causes:
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries; and

- (b) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

**18. Records of decisions to be kept**

- (1) The board must ensure that the company keeps a record, in writing, for at least ten (10) years from the date of the decision recorded, of every unanimous or majority decision taken by the board.

**19. Board discretion to make further rules**

- (1) Subject to the articles, the board may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

**APPOINTMENT OF DIRECTORS**

**20. Appointment and termination of directors**

- (1) Prior to the sunset date, the board shall comprise eleven (11) directors. Following the sunset date, the number of directors comprising the board may be increased or decreased pursuant to a vote of a simple majority of the board. Subject to this article 20, the entire board of directors shall be elected at every third annual general meeting of the company (each period between an annual general meeting at which the board is elected to the third annual general meeting thereafter being the “**board appointment period**”). Notwithstanding the preceding sentence, in relation to the board holding office as at the adoption date, the first board appointment period shall expire on the date of the third annual general meeting following the adoption date.
- (2) There shall not be any limit on the number of times any particular director may be re-appointed (and in these articles, references to the appointment of a director include his or her re-appointment).
- (3) Any member holding at least five per cent (5%) of the total number of issued shares (or members together holding at least such number of shares) shall be entitled to nominate one (1) or more candidates for election as directors. Such nomination(s) shall be made by notice to the company (by written notice addressed to the board) delivered to the company at least four (4) weeks prior to the date of the relevant annual general meeting to elect the board of directors at the end of the board appointment period. Any existing director may also nominate any one (1) or more candidates (including themselves) for election. Existing directors shall be automatically included in the list of candidates for election unless the director in question notifies the board in writing that such director does not intend to stand for re-election. The relevant member(s) or directors proposing any candidate(s) for election must also provide details of the experience and brief biographical details of such candidate(s), provided that such details shall not be required in relation to existing directors. Each candidate nominated in

accordance with this article 20(3) shall be included in the director election process referred to in article 20(4) other than to the extent that any such candidate is not entitled to serve as a director by virtue of any express restriction contained in applicable law.

- (4) In circumstances where the general meeting is to consider the appointment of any directors, the following procedures shall apply:
- (a) Each candidate nominated or proposed for election shall be subject to a separate appointment resolution (each a “**director election resolution**”). Director election resolutions shall only be approved in accordance with the procedures set out in this article 20 and not in any other manner.
  - (b) In relation to the director election resolutions (taken together), every member shall be entitled to an aggregate number of votes equal to the board vacancy number multiplied by the number of votes to which the member’s shares are entitled (the “**member votes**”).
  - (c) Every member shall be entitled to: (i) vote all of his or her member votes in favour of only one director election resolution; or (ii) distribute his or her member votes among more than one director election resolution in such manner as that member considers appropriate.
  - (d) The board shall ensure that the procedures adopted at the general meeting in relation to the consideration of the director election resolutions (i) enable members to clearly allocate their member votes among the director election resolutions in any manner permitted by these articles, (ii) provide for the number of member votes cast by each member to be verified to ensure that members do not cast more votes than their respective entitlements pursuant to these articles and (iii) enable the company to identify the director groups and the directors comprising each such group in accordance with these articles. Such procedures may include separate polling cards issued to each member present at the meeting which list all candidates for election as separate director election resolutions and enable the member to indicate the number of votes (if any) allocated to each separate director election resolution.
  - (e) In the event that a member allocates more member votes across the director election resolutions than they are entitled to cast, the number of votes allocated to each director election resolution by that member shall be reduced proportionately and any remaining fractions shall be rounded down to the nearest integer.
  - (f) The person(s) that shall be appointed director(s) shall first be the person who, as compared to the rest of the director election resolutions, receives the greatest number of “for” votes, and then shall second be the person who, as compared to the rest of the director election resolutions, receives the second greatest number of



“for” votes and so on until the number of directors appointed equals (but in no circumstance exceeds) the board vacancy number (and any remaining candidates for appointment shall not be appointed). The relevant director election resolutions shall be deemed to have been passed or rejected accordingly. Votes cast against a director election resolution and votes withheld shall have no legal effect. No show of hands shall be taken on a director election resolution.

- (g) For the purpose of this article 20, “**board vacancy number**” means the number of directors which constitutes the entire board under article 20(1).
- (5) A person ceases to be a director as soon as:
- (a) that person ceases to be a director by virtue of any provision of the Companies Regulations or is prohibited from being a director by law;
  - (b) that person becomes bankrupt;
  - (c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts;
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (e) by reason of that person’s mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
  - (f) notification is received by the company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.
- (6) In the event that a vacancy arises on the board during the board appointment period, the following procedures shall apply:
- (a) if the vacancy arises prior to the sunset date and:
    - (i) the director vacating his or her position was, immediately prior to vacating such position, a member of a director group where the relevant primary member was a major shareholder, such member (if still a major shareholder at the time the vacancy occurs) shall have the right to appoint a replacement director by written notice to the company; or
    - (ii) in circumstances other than those set out in article 20(6)(a)(i) above, the board shall appoint a replacement director pursuant to board supermajority approval;

- (b) if the vacancy arises following the sunset date, the board may appoint a replacement director pursuant to a vote of a simple majority of the board,

in each case, such director appointed pursuant to this article 20, a “**replacement director**”.

- (7) A replacement director appointed pursuant to this article 20 shall hold office for the remainder of the board appointment period. Accordingly, any such replacement director shall hold office until the next annual general meeting at which the entire board shall be elected pursuant to article 20(1), whereupon all positions on the board shall be vacant and subject to election at that time.
- (8) For the purposes of these articles, directors shall be allocated into separate groups (each a “**director group**”) determined in accordance with the following provisions:
  - (a) upon the election of the board, the number of votes cast for each director shall be assessed in order to determine the specific member which cast the largest number of votes for that director (in relation to that director, such member being the “**primary member**”);
  - (b) directors shall then, on a preliminary basis, be grouped according to the identity of their respective primary members;
  - (c) subject to article 20(8)(d):
    - (i) all of the directors which have the same primary member shall form a director group; and
    - (ii) where a member is the primary member for only one (1) director, such director may form a director group on his or her own;
  - (d) in the event that a member is the primary member for only one (1) director, and such primary member holds, in aggregate, less than five per cent (5%) of the total number of issued shares, that director shall be designated a “**standalone director**” and shall be grouped together with any other standalone directors into a separate director group. For the avoidance of doubt, if there is a single standalone director then that standalone director shall form a director group on his or her own;
  - (e) the board shall retain a record of the directors in each director group and may also, for administrative purposes, refer to each director group by such designation as may be appropriate (for example and without limitation, designations may include ‘director group A’, ‘director group B’, ‘director group C’, and so on);
  - (f) by way of illustrative example:

- (i) assume member A casts the largest number of votes received by each of directors 1, 2 and 3, member B casts the largest number of votes received by each of directors 4, 5, 6, 7 and 8, member C (who holds more than five per cent (5%) of the total number of issued shares) casts the largest number of votes received by director 9, member D (who holds less than five per cent (5%) of the total number of issued shares) casts the largest number of votes received by director 10 and member E (who holds less than five per cent (5%) of the total number of issued shares) casts the largest number of votes received by director 11;
- (ii) member A is the primary member for directors 1, 2 and 3, and those directors will form one director group. The board chooses to designate this as 'director group A';
- (iii) member B is the primary member for directors 4, 5, 6, 7 and 8, and those directors will form a separate director group. The board chooses to designate this as 'director group B';
- (iv) member C is the primary member for director 9. Because member C holds more than five per cent (5%) of the total number of issued shares, this director forms a director group on their own. The board chooses to designate this as 'director group C';
- (v) member D is the primary member for director 10. Because member D holds less than five per cent (5%) of the total number of issued shares and is the primary member for only one (1) director, this director is designated as a standalone director;
- (vi) member E is the primary member for director 11. Because member E holds less than five per cent (5%) of the total number of issued shares and is the primary member for only one (1) director, this director is also designated as a standalone director;
- (vii) therefore, directors 10 and 11 together form a director group. The board chooses to designate this as 'director group D';
- (g) any replacement director appointed pursuant to this article 20 shall be deemed to form part of the same director group as the relevant director who vacated his or her position and is being replaced;
- (h) the director groups shall be reconstituted after each election of the board; and
- (i) the director groups as at the adoption date shall be as specified by resolution of the board passed on or prior to such date (if passed on the adoption date, with board supermajority approval).

## **21. Alternate directors**

- (1) Any director (other than an alternate director) may appoint any other director or other person to be his or her alternate director and may remove from office any alternate director so appointed by him or her. Appointment or removal of an alternate director shall be made by written notice to the board and shall be effective upon receipt by the chairperson of such notice. Any appointment or removal of an alternate director by the chairperson shall be effective upon receipt by the company. For the avoidance of doubt, a person may act as an alternate director for more than one director simultaneously.
- (2) An alternate director shall, subject to giving to the company an address (and an e-mail address) to which notices may be sent to him or her, be entitled to receive notice of all meetings of the board in respect of which he or she has been appointed as alternate director. An alternate director shall not, in his or her capacity as such, be entitled to appoint his or her own alternate director (but if he or she is also a director he or she shall be entitled to appoint an alternate director in that capacity).
- (3) In the absence of any director who has appointed him or her, an alternate director: (i) shall be entitled to the same voting rights, and to perform all the functions, of such director, in addition to his or her own (if any); and (ii) shall be counted in the quorum for meetings of the board as each director for whom he or she acts as alternate director (and him or herself if he or she also acts as a director) and shall have one (1) vote for every director represented by him or her who is absent in addition to his or her own vote (if any).
- (4) If a director ceases to hold the office of director for any reason, the appointment of his or her alternate director, and his or her appointment as alternate director by any other director, shall thereupon automatically cease.

## **22. Directors' remuneration**

- (1) Directors may undertake any services for the company that the board decides.
- (2) Directors are entitled to such remuneration as the board determines:
  - (a) for their services to the company as directors; and
  - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may:
  - (a) take any form; and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

- (4) Unless the board decides otherwise, directors' remuneration accrues from day to day.
- (5) Unless the board decides otherwise (prior to the sunset date, by board supermajority approval), directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.
- (6) Directors shall not be accountable to the company for any remuneration which they receive as directors or other officers or employees of any major shareholder (or affiliate of any major shareholder).

**23. Directors' expenses**

- (1) The company may pay any reasonable expenses which the directors and the alternate directors properly incur in connection with their attendance at:
  - (a) meetings of directors or committees of directors;
  - (b) general meetings; or
  - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## **PART 3 DECISION-MAKING BY MEMBERS**

### **ORGANISATION OF GENERAL MEETINGS**

#### **24. Members can call general meeting if not enough directors**

- (1) If:
  - (a) the company has fewer than two directors; and
  - (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

#### **25. Attendance and speaking at general meetings**

- (1) Following resolution by the board to call a general meeting, the chairperson or, in his or her absence, the vice-chairperson, shall call, set the agenda for and chair each general meeting, which shall be convened:
  - (a) except as provided in article 26(3), by notifying each member no later than (i) fourteen (14) calendar days prior to the proposed date of the relevant general meeting; or (ii) twenty-one (21) calendar days prior to the proposed date of the annual general meeting; provided that, in each case, the meeting may be called on less than the relevant period of notice specified in (i) or (ii) if approved by the members in accordance with sections 324 or 356(2) of the Companies Regulations (as the case may be);
  - (b) on a business day; and
  - (c) at least once a year.
- (2) The board secretary, or in their absence, a proxy nominated by the chairperson from time to time, shall be responsible for, among other things, administering and documenting the business of a general meeting.
- (3) General meetings shall be held:
  - (a) by telephone, video conferencing or other similar methods, by means of which all persons participating in the meeting can at all times during such meeting hear and speak to each other, and such participation shall constitute presence in person at such meeting; or
  - (b) in person.
- (4) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting,

during the meeting, any information or opinions which that person has on the business of the meeting.

- (5) Without prejudice to article 20, a person is able to exercise the right to vote at a general meeting when:
  - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (6) The board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

## **26. Quorum for general meetings**

- (1) Subject to article 26(3) and due notice of a general meeting being given, a quorum shall exist at any general meeting of the company if: (i) members holding at least a simple majority of the aggregate number of voting rights attaching to the entire issued share capital of the company are present (in person or by proxy); and (ii) each major shareholder is present (in person or by proxy), provided that condition (ii) shall not be required to be satisfied from and after the sunset date.
- (2) No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (3) If a quorum is not present at a general meeting of the company within one (1) hour following the commencement time specified in the notice, the meeting shall be adjourned and reconvened to discuss the same agenda. At least forty-eight (48) hours' notice of the reconvened meeting will be given unless the members unanimously agree otherwise. At a reconvened general meeting in respect of which the immediately preceding general meeting was adjourned for a lack of a quorum, then, to the extent that the reconvened meeting considers the same agenda, a quorum shall exist regardless of the number of issued and outstanding shares present or the presence of each major shareholder.

## **27. Chairing general meetings**

- (1) If the board has appointed a chairperson, the chairperson shall chair general meetings if present and willing to do so.
- (2) If the board has appointed a vice-chairperson, and the chairperson is unwilling to chair the meeting or is not present within ten (10) minutes of the time at which a meeting was due to start, the vice-chairperson shall chair the general meeting if present and willing to do so.

- (3) If the board has not appointed a chairperson and a vice-chairperson, or if each of the chairperson and vice-chairperson is unwilling to chair the meeting or if both are not present within ten (10) minutes of the time at which a meeting was due to start:
  - (a) the directors present; or
  - (b) if no directors are present, the meeting,  
  
must appoint a director or member to chair the meeting, and the appointment of the chairperson of the meeting must be the first business of the meeting.
- (4) The person chairing a general meeting in accordance with this article is referred to as “**the chairperson of the meeting**”.

## **28. Attendance and speaking by directors and non-members**

- (1) Directors may attend and speak at general meetings, whether or not they are members.
- (2) The chairperson of the meeting may permit other persons who are not:
  - (a) members of the company; or
  - (b) otherwise entitled to exercise the rights of members in relation to general meetings,  
  
to attend and speak at a general meeting.

## **29. Adjournment**

- (1) The chairperson of the meeting must adjourn a general meeting if:
  - (a) such adjournment is required pursuant to article 26; or
  - (b) directed to do so by the meeting.
- (2) The chairperson of the meeting may adjourn a general meeting at which a quorum is present if:
  - (a) the meeting consents to an adjournment; or
  - (b) it appears to the chairperson of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) When adjourning a general meeting, the chairperson of the meeting must:
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the board; and



- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (4) If the continuation of an adjourned meeting is to take place more than fourteen (14) calendar days after it was adjourned, the company must give at least seven (7) clear calendar days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
  - (a) to the same persons to whom notice of the company's general meetings is required to be given; and
  - (b) containing the same information which such notice is required to contain.
- (5) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **VOTING AT GENERAL MEETINGS**

#### **30. Voting: general**

- (1) Subject to article 20, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- (2) If a matter is reserved by applicable law or these articles to the company's members, any such matter shall, unless a higher majority is required by applicable law, require the approval of:
  - (a) subject to articles 30(2)(b) and (c), a simple majority vote of the members attending (in person or by proxy) a duly convened and quorate general meeting, and each member shall have such number of votes as is equal to the shares held by such member; or
  - (b) prior to the sunset date, in respect of the matters set out in Schedule 1 of these articles, the members by member supermajority approval; or
  - (c) in relation to the appointment of directors, by the members in accordance with article 20.
- (3) In the event of an equality of votes in relation to a resolution of the shareholders, no person shall have a second or casting vote.

#### **31. Errors and disputes**

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

- (2) Any such objection must be referred to the chairperson of the meeting whose decision is final.

### **32. Demanding a poll**

- (1) A poll on a resolution may be demanded:
  - (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by:
  - (a) the chairperson of the meeting;
  - (b) two or more directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if:
  - (a) the poll has not yet been taken; and
  - (b) the chairperson of the meeting consents to the withdrawal.
- (4) This article 32 is without prejudice to the provisions of article 20.

### **33. Procedure on a poll**

- (1) Subject to the articles, polls at general meetings must be taken when, where and in such manner as the chairperson of the meeting directs.
- (2) The chairperson of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.
- (3) Subject to the articles, the result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- (4) A poll on:
  - (a) the election of the chairperson of the meeting; or
  - (b) a question of adjournment,must be taken immediately.
- (5) Other polls must be taken within thirty (30) days of their being demanded.

- (6) A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- (7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- (8) In any other case, at least seven (7) days' notice must be given specifying the time and place at which the poll is to be taken.
- (9) This article 33 is without prejudice to the provisions of article 20.

#### **34. Content of proxy notices**

- (1) Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) specifies the mandate for the member's proxy and the term for which the proxy notice may be used;
  - (d) is signed by or on behalf of the member appointing the proxy, or is otherwise authenticated in such manner as the board may determine; and
  - (e) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as:
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **35. Delivery of proxy notices**

- (1) Any notice of a general meeting must specify the address or addresses (“**proxy notification address**”) at which the company or its agents will

receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

- (2) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll or otherwise) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (3) Subject to articles 35(4) and 35(5), a proxy notice must be delivered to a proxy notification address not less than forty-eight (48) hours before the general meeting or adjourned meeting to which it relates.
- (4) In the case of a poll taken more than forty-eight (48) hours after it is demanded, the notice must be delivered to a proxy notification address not less than twenty-four (24) hours before the time appointed for the taking of the poll.
- (5) In the case of a poll not taken during the meeting but taken not more than forty-eight (48) hours after it was demanded, the proxy notice must be delivered:
  - (a) in accordance with article 35(3); or
  - (b) at the meeting at which the poll was demanded to the chairperson, secretary or any director.
- (6) An appointment under a proxy notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given to a proxy notification address.
- (7) A notice revoking a proxy appointment only takes effect if it is delivered before:
  - (a) the start of the meeting or adjourned meeting to which it relates; or
  - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- (8) If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

### **36. Amendments to resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - (a) notice of the proposed amendment is given to the company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty-eight (48) hours before the

meeting is to take place (or such later time as the chairperson of the meeting may determine); and

- (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- (2) A special resolution, member supermajority resolution or director election resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
    - (a) the chairperson of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
    - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
  - (3) If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

### **37. Corporate representatives**

- (1) In accordance with section 341 of the Companies Regulations, a corporation which is a member may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any general meeting of the company.
- (2) Section 349 of the Companies Regulations shall be deemed to also apply to a representative of a corporation (within the meaning of section 341 of those regulations) as if references in that section to a proxy were to both a proxy and such representative of a corporation.

### **38. No voting of shares on which money owed to company**

- (1) No voting rights attached to a partly paid share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, if a call has been made in respect of that share, such call has not been paid in full when due and such call remains outstanding at the relevant time.

### **39. Application to class meetings**

- (1) The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

## **PART 4 SHARES AND DISTRIBUTIONS**

### **SHARES**

#### **40. Powers to issue different classes of share**

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution or, if no such resolution has been passed, or so far as the resolution does not make special provision, as the board may decide subject to the articles.
- (2) Subject to the articles, the company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the board may determine the terms, conditions and manner of redemption of any such shares.

#### **41. Payment of commissions on subscription for shares**

- (1) Subject to the articles, the company may pay any person a commission in consideration for that person:
  - (a) subscribing, or agreeing to subscribe, for shares; or
  - (b) procuring, or agreeing to procure, subscriptions for shares.
- (2) Any such commission may be paid:
  - (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
  - (b) in respect of a conditional or an absolute subscription.

#### **42. Company not bound by less than absolute interests**

- (1) Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

#### **43. Share certificates**

- (1) Subject to the articles, the company must issue each member with one or more certificates in respect of the shares which that member holds.
- (2) This article does not apply to:
  - (a) uncertificated shares; or
  - (b) shares in respect of which the Companies Regulations permit the company not to issue a certificate.

- (3) Except as otherwise specified in the articles, all certificates must be issued free of charge.
- (4) No certificate may be issued in respect of shares of more than one class.
- (5) If more than one person holds a share, only one certificate may be issued in respect of it.
- (6) Every certificate must specify:
  - (a) in respect of how many shares, of what class, it is issued;
  - (b) the issue price of those shares;
  - (c) the amount paid up on them; and
  - (d) any distinguishing numbers assigned to them.
- (7) Certificates must:
  - (a) have affixed to them the company's common seal; or
  - (b) be otherwise executed in accordance with the Companies Regulations.

#### **44. Consolidated share certificates**

- (1) When a member's holding of shares of a particular class increases, the company may issue that member with:
  - (a) a single, consolidated certificate in respect of all the shares of a particular class which that member holds; or
  - (b) a separate certificate in respect of only those shares by which that member's holding has increased.
- (2) When a member's holding of shares of a particular class is reduced, the company must ensure that the member is issued with one or more certificates in respect of the number of shares held by the member after that reduction. But the company need not (in the absence of a request from the member) issue any new certificate if:
  - (a) all the shares which the member no longer holds as a result of the reduction; and
  - (b) none of the shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.
- (3) A member may request the company, in writing, to replace:
  - (a) the member's separate certificates with a consolidated certificate; or

- (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.
- (4) When the company complies with such a request it may charge such reasonable fee as the board may decide for doing so.
- (5) Subject to article 45, a consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the company for cancellation.

#### **45. Replacement share certificates**

- (1) If a certificate issued in respect of a member's shares is:
  - (a) damaged or defaced; or
  - (b) said to be lost, stolen or destroyed,that member is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A member exercising the right to be issued with such a replacement certificate:
  - (a) may at the same time exercise the right to be issued with a single certificate or separate certificate;
  - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the board decides.

#### **SHARES NOT HELD IN CERTIFICATED FORM**

#### **46. Uncertificated shares**

- (1) In this article, "**the relevant rules**" means:
  - (a) any applicable provision of the Companies Regulations and the Uncertificated Securities Rules about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
  - (b) any applicable legislation, rules or other arrangements made under or by virtue of such provision.
- (2) The provisions of this article have effect subject to the relevant rules.
- (3) Any provision of the articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.



- (4) Any share or class of shares may be issued or held on such terms, or in such a way, that:
  - (a) title to it or them is not, or must not be, evidenced by a certificate; or
  - (b) it or they may or must be transferred wholly or partly without a certificate.
- (5) Subject to the articles, the directors have power to take such steps as they think fit in relation to:
  - (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
  - (b) any records relating to the holding of uncertificated shares;
  - (c) the conversion of certificated shares into uncertificated shares; or
  - (d) the conversion of uncertificated shares into certificated shares.
- (6) Subject to the articles, the company may by notice to the holder of a share require that share:
  - (a) if it is uncertificated, to be converted into certificated form; and
  - (b) if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with the articles.
- (7) If:
  - (a) the articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares. In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (8) Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- (9) A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.

## PARTLY PAID SHARES

### 47. Company's lien over partly paid shares

- (1) The company has a lien (the “**company's lien**”) over every share which is partly paid for any part of that share's issue price which has not been paid to the company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.
- (2) The company's lien over a share:
  - (a) takes priority over any third party's interest in that share; and
  - (b) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- (3) The board may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part;

### 48. Enforcement of the company's lien

- (1) Subject to the provisions of this article, if:
  - (a) a lien enforcement notice has been given in respect of a share; and
  - (b) the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the board decide.
- (2) A lien enforcement notice:
  - (a) may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - (b) must specify the share concerned;
  - (c) must require payment of the sum payable within fourteen (14) days of the notice;
  - (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - (e) must state the company's intention to sell the share if the notice is not complied with.
- (3) Where shares are sold under this article:

- (a) the board may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
  - (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - (b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- (5) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date:
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

#### **49. Call notices**

- (1) Subject to the articles and the terms on which shares are allotted, the board may send a notice (a "**call notice**") to a member requiring the member to pay the company a specified sum of money (a "**call**") which is payable in respect of shares which that member holds at the date when the board decide to send the call notice.
- (2) A call notice:
- (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's shares;
  - (b) must state when and how any call to which it relates it is to be paid; and
  - (c) may permit or require the call to be paid by instalments.
- (3) A member must comply with the requirements of a call notice, but no member is obliged to pay any call before fourteen (14) days have passed since the notice was sent.

- (4) Before the company has received any call due under a call notice the board may:
- (a) revoke it wholly or in part, or
  - (b) specify a later time for payment than is specified in the notice,
- by a further notice in writing to the member in respect of whose shares the call is made.

**50. Liability to pay calls**

- (1) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- (2) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- (3) Subject to the terms on which shares are allotted, the board may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
  - (a) to pay calls which are not the same, or
  - (b) to pay calls at different times.

**51. When call notice need not be issued**

- (1) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share:
  - (a) on allotment;
  - (b) on the occurrence of a particular event; or
  - (c) on a date fixed by or in accordance with the terms of issue.
- (2) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

**52. Failure to comply with call notice: automatic consequences**

- (1) If a person is liable to pay a call and fails to do so by the call payment date:
  - (a) the board may issue a notice of intended forfeiture to that person; and
  - (b) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- (2) For the purposes of this article:

- (a) the “**call payment date**” is the time when the call notice states that a call is payable, unless the board gives a notice specifying a later date, in which case the “call payment date” is that later date;
- (b) the “**relevant rate**” is—
  - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
  - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the board;
  - (iii) if no rate is fixed in either of these ways, five per cent (5%) per annum.
- (3) The board may waive any obligation to pay interest on a call wholly or in part.

### **53. Notice of intended forfeiture**

- (1) A notice of intended forfeiture:
  - (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
  - (b) must be sent to the holder of that share or to a person entitled to it by reason of the holder’s death, bankruptcy or otherwise;
  - (c) must require payment of the call and any accrued interest by a date which is not less than fourteen (14) days after the date of the notice;
  - (d) must state how the payment is to be made; and
  - (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

### **54. Board power to forfeit shares**

- (1) If a notice of intended forfeiture is not complied with on or before the date by which payment of the call is required in the notice of intended forfeiture, the board may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

### **55. Effect of forfeiture**

- (1) Subject to the articles, the forfeiture of a share extinguishes:
  - (a) all interests in that share, and all claims and demands against the company in respect of it; and

- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.
- (2) Any share which is forfeited in accordance with the articles:
- (a) is deemed to have been forfeited when the board decides that it is forfeited;
  - (b) is deemed to be the property of the company; and
  - (c) may be sold, re-allotted or otherwise disposed of as the board thinks fit.
- (3) If a person's shares have been forfeited:
- (a) the company must send that person notice that forfeiture has occurred and record it in the register of members;
  - (b) that person ceases to be a member in respect of those shares;
  - (c) that person must surrender the certificate for the shares forfeited to the company for cancellation;
  - (d) that person remains liable to the company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
  - (e) the board may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- (4) At any time before the company disposes of a forfeited share, the board may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

## **56. Procedure following forfeiture**

- (1) If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the board may authorise any person to execute the instrument of transfer.
- (2) A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
  - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

- (3) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (4) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:
  - (a) was, or would have become, payable; and
  - (b) had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

#### **57. Surrender of shares**

- (1) A member may surrender any share:
  - (a) in respect of which the board may issue a notice of intended forfeiture;
  - (b) which the board may forfeit; or
  - (c) which has been forfeited.
- (2) The board may accept the surrender of any such share.
- (3) The effect of surrender on a share is the same as the effect of forfeiture on that share.
- (4) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

### **TRANSFER OF SHARES**

#### **58. Transfers: general**

- (1) Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the board, which is executed by or on behalf of:
  - (a) the transferor; and
  - (b) if any of the shares is partly paid, the transferee.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.

- (4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a certificated share if:
  - (a) the share is not fully paid;
  - (b) the transfer is not lodged at the company's registered office or such other place as the directors have appointed;
  - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
  - (d) the transfer is in respect of more than one (1) class of share; or
  - (e) the transfer is in favour of more than four (4) transferees.
- (6) The board may refuse to register the transfer of a share if it is in breach of these articles and, if it does so, the instrument of transfer must be returned to the transferee with the notice of refusal unless the board suspects that the proposed transfer may be fraudulent.

**59. Transfer of uncertificated shares**

- (1) All transfers of shares which are in uncertificated form shall be effected by means of a relevant system unless the Uncertificated Securities Rules provide otherwise.
- (2) A transfer of an uncertificated share must not be registered if it is in favour of more than four (4) transferees.

**TRANSMISSION**

**60. Transmission of shares**

- (1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.
- (3) A transmittee who produces such evidence of entitlement to shares as the board may properly require:
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.



- (4) But transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

**61. Exercise of transmittees' rights**

- (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the share is a certificated share and a transmitttee wishes to have it transferred to another person, the transmitttee must execute an instrument of transfer in respect of it.
- (3) If the share is an uncertificated share and the transmitttee wishes to have it transferred to another person, the transmitttee must:
  - (a) procure that all appropriate instructions are given to effect the transfer; or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- (4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmitttee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

**62. Transmittees bound by prior notices**

- (1) If a notice is given to a member in respect of shares and a transmitttee is entitled to those shares, the transmitttee is bound by the notice if it was given to the member before the transmitttee's name has been entered in the register of members.

**CONSOLIDATION OF SHARES**

**63. Procedure for disposing of fractions of shares**

- (1) This article applies where:
  - (a) there has been a consolidation or division of shares; and
  - (b) as a result, members are entitled to fractions of shares.
- (2) The board may:
  - (a) sell the shares representing the fractions to any person including the company for the best price reasonably obtainable;

- (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
  - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.
- (3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the board, that member's portion may be distributed to an organisation which is a charity for the purposes of the laws of the Emirate of Abu Dhabi and/or the Abu Dhabi Global Market.
  - (4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
  - (5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **NEW SHARE ISSUANCES**

### **64. Pre-emption rights in the Companies Regulations**

- (1) Without prejudice to the provisions of these articles (including, prior to the sunset date, paragraph 3 of Schedule 1), the provisions in the Companies Regulations shall apply in relation to the issuance and allotment of equity securities (including an allotment by operation of sections 519(2) and 519(3) of the Companies Regulations and including the sale, re-allotment or other disposal of shares pursuant to articles 55(2)(c) or 57(4)).
- (2) For the purposes of section 510 of the Companies Regulations and, prior to the sunset date, paragraph 3 of Schedule 1 of these articles, the directors may seek from the members a specific or a general authorisation to issue and allot equity securities (within the meaning of article 64(1)). Prior to the sunset date, equity securities may not be allotted pursuant to an existing general authorisation from the members unless board supermajority approval is also obtained. In no circumstances shall the directors be empowered to issue and allot any equity securities absent a valid authorisation.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **65. Procedure for declaring dividends**

- (1) Subject to the articles, the company may by ordinary resolution declare dividends, and the board may decide to pay interim dividends.
- (2) A dividend must not be declared unless the board has made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the board.

- (3) No dividend may be declared or paid unless it is in accordance with member's respective rights and the provisions of these articles.
- (4) Unless the members' resolution to declare or board decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The board may pay at intervals any dividend payable at a fixed rate if it appears to it that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

#### **66. Calculation of dividends**

- (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be:
  - (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
  - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

#### **67. Payment of dividends and other distributions**

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
  - (a) transfer to a bank account specified by the distribution recipient either in writing or as the board may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the board may otherwise decide;

- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the board may otherwise decide; or
  - (d) any other means of payment as the board agrees with the distribution recipient either in writing or by such other means as the board decides.
- (2) In the articles, the “**distribution recipient**” means, in respect of a share in respect of which a dividend or other sum is payable:
- (a) the holder of the share; or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.
- (3) No member shall have any right to demand any non-cash distribution.

**68. Deductions from distributions in respect of sums owed to the company**

- (1) If:
- (a) a share is subject to the company’s lien; and
  - (b) the board is entitled to issue a lien enforcement notice in respect of it,
- the board may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that the board is entitled to require payment under a lien enforcement notice.
- (2) Money so deducted must be used to pay any of the sums payable in respect of that share.
- (3) The company must notify the distribution recipient in writing of:
- (a) the fact and amount of any such deduction;
  - (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
  - (c) how the money deducted has been applied.

**69. No interest on distributions**

- (1) The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
- (a) the terms on which the share was issued; or

- (b) the provisions of another agreement between the holder of that share and the company.

**70. Unclaimed distributions**

- (1) All dividends or other sums which are:
  - (a) payable in respect of shares; and
  - (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the board for the benefit of the company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3) If:
  - (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
  - (b) the distribution recipient has not claimed it,the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

**71. Non-cash distributions**

- (1) Subject to the terms of issue of the share in question and these articles, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the company which are issued as a non-cash distribution in respect of them must be uncertificated.
- (3) Subject to the articles, for the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
  - (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

**72. Waiver of distributions**

- (1) Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:
  - (a) the share has more than one holder; or
  - (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

### **CAPITALISATION OF PROFITS**

#### **73. Authority to capitalise and appropriation of capitalised sums**

- (1) Subject to the articles, the board may, if it is so authorised by an ordinary resolution:
  - (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of any of the company's reserves or funds, including but not limited to, the merger reserve, revaluation reserve or the company's capital redemption reserve; and
  - (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.
- (2) Capitalised sums must be applied:
  - (a) on behalf of the persons entitled; and
  - (b) in the same proportions as a dividend would have been distributed to them.
- (3) Any capitalised sum may be applied in paying up new shares of an issue price equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the board may:
  - (a) apply capitalised sums in accordance with article 73(3) and 73(4) partly in one way and partly in another;

- (b) make such arrangements as it may decide to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 5 ADMINISTRATIVE ARRANGEMENTS

### 74. Means of communication to be used

- (1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Regulations provides for documents or information which are authorised or required by any provision of the Companies Regulations to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by the board may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight (48) hours.

### 75. Failure to notify contact details

- (1) If:
  - (a) the company sends two consecutive documents to a member over a period of at least twelve (12) months; and
  - (b) each of those documents is returned undelivered, or the company receives notification that it has not been delivered,that member ceases to be entitled to receive notices from the company.
- (2) A member who has ceased to be entitled to receive notices from the company becomes entitled to receive such notices again by sending the company:
  - (a) a new address to be recorded in the register of members; or
  - (b) if the member has agreed that the company should use a means of communication other than sending things to such an address, the information that the company needs to use that means of communication effectively.

### 76. Company seals

- (1) Any common seal may only be used by the authority of the board.
- (2) The board may decide by what means and in what form any common seal is to be used.



- (3) Unless otherwise decided by the board, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is:
  - (a) any director of the company;
  - (b) the company secretary; or
  - (c) any person authorised by the board for the purpose of signing documents to which the common seal is applied.
- (5) If the company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

## **77. Destruction of documents**

- (1) The company is entitled to destroy:
  - (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
  - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
  - (c) all share certificates which have been cancelled from one year after the date of the cancellation;
  - (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
  - (e) all proxy notices from one year after the end of the meeting to which the proxy notice relates.
- (2) If the company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the company that:
  - (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
  - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and

- (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the company.
- (3) This article does not impose on the company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- (4) In this article, references to the destruction of any document include a reference to it being disposed of in any manner.

**78. No right to inspect accounts and other records**

- (1) Except as provided by law or authorised by the board or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

**79. Provision for employees on cessation of business**

- (1) The board may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

**80. Notification to company by certain shareholders**

- (1) Prior to the sunset date, and for the purposes of enabling the company to monitor whether or not the sunset date has occurred, any governmental entity that:
  - (a) becomes a member of the company;
  - (b) ceases to be a member of the company;
  - (c) becomes a major shareholder, or acquires a number of shares that, aggregated with the shares held by its affiliates, represents twenty-five per cent (25%) or more of the entire issued share capital of the company (it being specified that any notification pursuant to this article 80(1)(c) shall only be required upon crossing such twenty-five per cent (25%) threshold);
  - (d) ceases to be a major shareholder, or ceases (together with its affiliates) to hold shares representing twenty-five per cent (25%) or more of the entire issued share capital of the company;
  - (e) is a member of the company at the time it becomes a governmental entity; or
  - (f) is a member of the company at the time it ceases to be a governmental entity,

shall promptly, and in any event within twenty (20) business days of the occurrence of the relevant event referred to in this article 80(1), notify the company (by written notice addressed to the board) of the occurrence of such event including the information set forth in article 80(2). For these purposes, a notification may be made by another person (whether or not themselves a member of the company) on behalf of such governmental entity.

- (2) The notification sent pursuant to article 80(1) shall include:
  - (a) the full name and address of the governmental entity and the date of occurrence of the relevant event referred to in article 80(1);
  - (b) the number of shares in the company held by the governmental entity at the date specified in article 80(2)(a);
  - (c) if the relevant governmental entity falls within the scope of paragraph (c) of the definition of “governmental entity” set forth in article 1(1), the relevant topco that controls such governmental entity;
  - (d) an address (and an e-mail address) to which notices pursuant to article 80(3) may be sent; and
  - (e) in circumstances where either article 80(1)(c) or (d) applies, the identity of each such affiliate whose shareholding is aggregated with that of the notifying governmental entity and, to the extent known by the notifying governmental entity, the information set forth in articles 80(2)(a)-(d) with respect to each such affiliate.
- (3) Prior to the sunset date, and for the purposes of enabling the company to monitor whether or not the sunset date has occurred, any governmental entity that, at the relevant date, is a member of the company, shall, upon the company’s request made by notice to the governmental entity to the address (and e-mail address) given by such governmental entity pursuant to article 80(1), notify the company (by written notice addressed to the board) of the number of shares in the company held by such governmental entity as of a date specified by the company in its notice. Any such notification by the governmental entity shall be made within twenty (20) business days of receipt of the company’s request (and, for these purposes, a notification may be made by another person (whether or not themselves a member of the company) on behalf of such governmental entity).
- (4) In circumstances where:
  - (a) the board has reasonable grounds to believe that the sunset date may have occurred (which may, depending on the circumstances and without limitation, include where the share ownership information available to the company (including, to the extent the company has the right to access the same, the information held by the Abu Dhabi Securities Exchange), when considered in conjunction with previous notifications given to the company regarding the holdings of shares by governmental entities (whether pursuant to article 80(1), article

80(3) or otherwise), indicates that the sunset date may have occurred); and

- (b) a governmental entity has not, pursuant to article 2(2)(a) or otherwise, notified the company in writing that the sunset date has actually occurred within a period of ten (10) business days following the date which the board has reasonable grounds to believe was the sunset date,

then the company shall give written notice to all members (in both the English and Arabic languages) that it has reasonable grounds to believe that the sunset date has occurred and that it is seeking to establish whether or not such date has actually occurred in fact (a “**sunset determination notice**”). Such sunset determination notice shall invite any members that are governmental entities to provide the company (by written notice addressed to the board within a period of twenty (20) business days following delivery of such sunset determination notice) with the information referred to in article 80(2) (such information to be given as of a date specified in the sunset determination notice) and shall state that the consequences of a failure to respond shall be as set out in the remainder of this article 80(4). Upon expiry of such twenty (20) business day period, in considering whether or not the sunset date has occurred, the company shall not be required to take into account any shares owned by a member in circumstances where all of the following conditions are satisfied in relation to that member:

- (i) such member has not responded to the sunset determination notice (and no other member has responded to the sunset determination notice indicating that it is an affiliate of the first member);
- (ii) such member has not previously notified the company (whether pursuant to article 80(1), article 80(3) or otherwise) that it is a governmental entity for the purposes of these articles; and
- (iii) either: (A) no other member (or former member) has previously notified the company (whether pursuant to article 80(1), article 80(3) or otherwise) that it is a governmental entity for the purposes of these articles and identifying itself as an affiliate of the member in question; or (B) another member (or former member) has notified the company (whether pursuant to article 80(1), article 80(3) or otherwise) that it is a governmental entity for the purposes of these articles and identifying itself as an affiliate of the member in question, but the member in question is not (at the relevant time) a governmental entity,

and for these purposes, references to a notification by a member include a notification made by another person (whether or not themselves a member of the company) on behalf of such member.

- (5) Notwithstanding article 2(1)(a), the company may, by a vote of a simple majority of the directors whose primary member is not a governmental

entity, postpone the sunset date pending completion of the process set forth in article 80(5).

- (6) Without prejudice to the final sentence of article 80(4), any failure by a member to comply with this article 80 shall not:
  - (a) invalidate or otherwise affect any transaction; nor
  - (b) result in any liability on the part of that member.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **81. Indemnity**

- (1) Subject to article 81(2), a relevant director, officer, senior manager or alternate director of the company or an associated company may be indemnified out of the company's assets against:
  - (a) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust by him or her or any other liability incurred by him or her in the execution of his or her duties, the exercise of his or her powers or otherwise in connection with his or her duties, powers or offices;
  - (b) any liability incurred by that person in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 222(6) of the Companies Regulations); or
  - (c) any other liability incurred by that person as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Regulations or by any other provision of applicable law, and article 81(1) shall be construed accordingly.
- (3) In this article:
  - (a) references to an "**associated company**" mean a member of the group from time to time other than the company; and
  - (b) a "**relevant director, officer, senior manager or alternate director**" means any director, officer, senior manager or alternate director or any former director, officer, senior manager or alternate director of the company or an associated company.

### **82. Insurance**

- (1) The board may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director, officer, senior manager or alternate director in respect of any relevant loss.

- (2) In this article:
- (a) “**associated company**” has the same meaning as given in article 81(3)(a);
  - (b) a “**relevant director, officer, senior manager or alternate director**” has the same meaning as given in article 81(3)(b); and
  - (c) a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant director, officer, senior manager or alternate director in connection with that person’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company.

## **SCHEDULE 1**

### **MEMBER SUPERMAJORITY APPROVAL MATTERS**

1. Any merger, amalgamation or consolidation of a group company with any other entity other than a relevant group company;
2. Any amendment to the articles;
3. Changes to the share capital of the company or to the rights attached to any shares;
4. The solvent winding up, dissolution or liquidation of the company;
5. The initiation or implementation of any safeguard proceedings, insolvency or receivership of the company; and
6. Any disapplication of any provision of the articles which would otherwise prohibit a director from participating in, or voting at, a board meeting.
7. Any other matter referred to in these articles as requiring a member supermajority resolution.

## SCHEDULE 2

### BOARD SUPERMAJORITY APPROVAL MATTERS

In this Schedule 2, “**approved scope**” means:

- (a) the production of urea, ammonia and other gas-based fertilizers (but not phosphatic fertilizers) for export and distribution; and
  - (b) any new lines of business entered into by the company after having obtained board supermajority approval.
1. Entry into new lines of business by a group company unrelated to the approved scope;
  2. Changes to the share capital of a material group company (other than with respect to a change in the share capital of a material group company that is directly or indirectly wholly owned by the company both immediately before and upon such change);
  3. Any issue or allotment of equity securities, or any sale, re-allotment or other disposal of shares pursuant to articles 55(2)(c) or 57(4)), in circumstances where (i) the members have passed an appropriate member supermajority resolution pursuant to paragraph 3 of Schedule 1 granting general authority (rather than a specific authority on defined terms for a specific transaction) to the directors to do the same and (ii) such authority from the members remains in force and capable of exercise in accordance with its terms;
  4. The solvent winding up, dissolution or liquidation of a material group company;
  5. The initiation or implementation of any safeguard proceedings, insolvency or receivership of a material group company unless required by applicable law;
  6. The sale, transfer, demerger, contribution or other disposition of any material assets of a group company, or the acquisition of any material assets by a group company, in each case outside the ordinary course of business (it being specified that the sale of nitrogen-based fertilizers shall be considered sales in the ordinary course of business) and having a fair market value exceeding US\$ fifty (50) million;
  7. Entry into, material amendment to the terms of, or termination of any joint ventures, partnerships or consortiums involving an investment exceeding US\$ fifty (50) million, or establishing nitrogen-based fertilizer production or trading operations in any new markets or geographies outside MENA, by a group company;
  8. Initiation or settlement of material litigations, arbitral proceedings or enforcement matters by a group company for an amount exceeding US\$ five (5) million;
  9. Major capital expenditure items by a group company (other than regular maintenance or turnaround capex) of more than US\$ fifty (50) million in any financial year;



10. Approval of, or any change to: (i) management incentive plans for the senior management and/or the Fertel CEO; or (ii) equity management incentive plans of a group company, or (iii) the compensation policy/ies applicable to the commercial team of a group company;
11. Any change to the company's or the group's financial year;
12. Approving the annual budget of the company and the group for any financial year (as referred to in article 5(2)(b)), or any amendment thereof;
13. Approving or amending the annual update to the group's business plan (as referred to in article 5(2)(a));
14. Any amendments to the group's dividend policy or approving any distribution not in accordance with such dividend policy;
15. In respect of any group company, the incurrence of bank or other debt or the giving of a guarantee or other credit support of more than US\$ one hundred (100) million per facility, or the execution of any revolving credit facility permitting total drawings outstanding of more than US\$ one hundred (100) million (for the avoidance of doubt, once such revolving facility is approved, drawdowns shall not require further approval), or granting security over any assets of a group company with a value of more than US\$ one hundred (100) million per security, including, in each case, re-financings, but excluding arrangements exclusively entered into between relevant group companies;
16. Changes to accounting principles except as required by applicable law;
17. Changing the company's tax residence or any group re-organisation that will materially affect the company's or the group's tax position;
18. Political or charitable donations by any group company (but excluding the implementation of all corporate social responsibility initiatives proposed by Fertel in accordance with relevant policies applicable to Fertel in connection with its occupation of land and operations at the Ruwais Industrial Area in Abu Dhabi);
19. Transactions involving any group company and a sanctioned entity or an affiliate of a sanctioned entity;
20. Any change to the company's governance and board composition policy, except as required by applicable law or regulation;
21. In relation to board committees:
  - (a) any change:
    - (i) to the terms of reference of any board committee;
    - (ii) to the number of members comprising any board committee;

- (iii) in the identity of the members of any board committee, except to the extent that any such changes in the identity of the members are effected in accordance with article 9(3); or
    - (iv) to the scope of the powers, roles or responsibilities of any board committee, unless required by applicable law;
  - (b) the dissolution of any board committee; or
  - (c) the creation of any new board committees;
- 22. Appointing any person as:
  - (a) Chief Financial Officer, Commercial Director or General Counsel of the company; or
  - (b) a deputy to any of the positions referred to in paragraph 22(a) above;
- 23. Appointing (or allowing Fertil to appoint) any person as Fertil CEO, or a deputy to the Fertil CEO;
- 24. Appointing a director as chairperson or vice-chairperson, or changing the identity of the chairperson or vice-chairperson (provided that where a director appointed as chairperson or vice-chairperson ceases to hold office as a director and therefore automatically vacates such appointment, this shall not, of itself, constitute a change in the identity of the chairperson or vice-chairperson (as the case may be), provided further that in these circumstances any subsequent appointment to either such position shall be subject to this paragraph 24);
- 25. Appointment of a replacement director in the circumstances set out in article 20(6)(a)(ii);
- 26. Any determination that the directors shall be accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested;
- 27. Any listing of any group company, or admission to listing or trading of any group company's shares or any other securities (whether equity, debt, depository receipts or other securities), on any stock market or other securities exchange (but excluding the admission of the company's shares to trading on the Abu Dhabi Securities Exchange on the adoption date);
- 28. Any delisting of any group company from, or cancellation of the listing or admission to trading of any group company's shares or any other securities (whether equity, debt, depository receipts or other securities) on, any stock market or other securities exchange (including the Abu Dhabi Securities Exchange);
- 29. Any other matter referred to in these articles as requiring board supermajority approval,

and for the purposes of these articles, approval of any business plan and/or annual budget as referred to in paragraphs 12 and/or 13 (as applicable) shall not imply or be deemed to be an approval of any other matter within that business plan and/or annual budget which would itself require board supermajority approval or a member supermajority resolution.

### Annex 3 -Receiving Banks' Branches

#### Lead Receiving Brank - First Abu Dhabi Bank PJSC

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
2	Al Ain New	Al Ain - Abu Dhabi	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Al Ain New, PO BOX: 17822
3	FAB One Tower, Abu Dhabi	Abu Dhabi	08: am to 03:00 pm (Sat- Thur);	8 am to 1 pm - Sat - Thurs.	Intersection of Shaikh Khalifa street and Baniyas street, PO BOX:2993
4	Al Batin	Abu Dhabi	08: am to 03:00 pm (Sat- Thur);	8 am to 1 pm - Sat - Thurs.	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall; PO BOX:7644
5	Sheikh Rashid Road Branch	Abu Dhabi	08: am to 02:00 pm (Sat- Thur);	8 am to 1 pm - Sat - Thurs.	Airport Street - Ramy Hotel Building - Abu Dhabi
6	Bur Dubai	Dubai	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
7	Sheikh Zayed Rd.	Dubai	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	ALQUZE NEXT TO GOLDEN DIAMOND; PO BOX:52053
8	Jumeirah Branch	Dubai	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Link International Building, Jumeirah Beach Road Umm Suqeim
9	Deira Branch (ABS)	Dubai	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Abu Baker Al Siddique Rd, Deira
10	Jabal Ali Branch	Dubai	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Near Gate No.5, Adjacent to Dubai Chamber Office
11	RAK (LNBAD)	RAK	08:00 am to 02:00 pm (Sat- Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	FAB RAK (LNBAD), Corniche Al Qawasim Road, Near to NMC Royal Medical Center, RAK
12	Fujairah	Fujairah	08:00 am to 02:00 pm (Sat- Wed); 08:00 am	8 am to 1 pm - Sat - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street; PO BOX:79

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
			to 01:00 pm (Thu)		
13	Sharjah	Sharjah	08:00 am to 02:00 pm (Sat-Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah; PO BOX:1109
14	Umm al-Quwain	UAQ	08:00 am to 02:00 pm (Sat-Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain; Po BOX:733
15	Ajman	Ajman	08:00 am to 02:00 pm (Sat-Wed); 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Lulu Center, Al Ittihad street, Downtown, Ajman
16	Salam Street	Abu Dhabi	08:00 am to 02:00 pm Sat - Wed 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Salam Street, Abu Dhabi
17	Khubeirah	Abu Dhabi	08: am to 02:00 pm (Sat- Thu);	8 am to 1 pm - Sat - Thurs.	Near Spinneys, Khalidya Street Abu Dhabi
18	Oud Al Touba	Al Ain - Abu Dhabi	08:00 am to 02:00 pm Sat - Wed 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Oud Al Touba Area, National housing loans building, Ali Bin Abi Talieb street, Al Ain.
19	Ruwais	Abu Dhabi	08:00 am to 02:00 pm Sat - Wed 08:00 am to 01:00 pm (Thu)	8 am to 1 pm - Sat - Thurs.	Central Market, ADNOC Housing complex, Ruwais
20	ADNOC HO	Abu Dhabi	08 am to 03:00 pm (Sun - Thu)	8 am to 1 pm - Sat - Thurs.	ADNOC HQ - ABUDHABI Corniche Street
21	ZADCO - Khalifa Energy Complex	Abu Dhabi	08 am to 03:00 pm (Sun - Thu)	8 am to 1 pm - Sat - Thurs.	ZADCO CASH OFFICE - Corniche Street = Abu Dhabi

#### Receiving Bank - Al Maryah Community Bank LLC<sup>7</sup>

S.No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1	Al Maryah Community Bank LLC	Abu Dhabi	08:00 am - 05:00 pm Sat - Thurs	08:00 am - 05:00 pm Sat - Thurs	454 Shakhbout Bin Sultan Street, Abu Dhabi, UAE

<sup>7</sup> Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

**Annex 4 - Company's Investments in the Subsidiaries<sup>8</sup> of the Company**

S No.	Name	Place of Incorporation	Legal Ownership/ Beneficial Holding	Issued Share Capital	Company's Contribution in Share Capital
1.	Fertiglobe Distribution Limited	United Arab Emirates (ADGM)	100% / 100%	<ul style="list-style-type: none"> <li>• USD 1,000 share capital</li> <li>• 1,000 shares at USD 1 per share</li> </ul>	USD 1,000 contributed by the Company
2.	Fertiglobe France SAS	France	100% / 100%	<ul style="list-style-type: none"> <li>• EUR 1,000 share capital</li> <li>• 1,000 shares at EUR 1 per share</li> </ul>	EUR 1,000 contributed by the Company
3.	Fertilizers 1 Holding Limited	United Arab Emirates (ADGM)	100% / 100%	<ul style="list-style-type: none"> <li>• USD 0.01 share capital</li> <li>• 100 shares at USD 0.0001 per share</li> </ul>	USD 0.01 contributed by the Company
4.	OCI Fertilizer Trading Limited	Virgin Islands (British)	100% / 100%	<ul style="list-style-type: none"> <li>• USD 1 share capital</li> <li>• USD 1 share at USD 1 per share</li> </ul>	USD 1 contributed by the Company
5.	OCI MENA B.V.	Netherlands	100% / 100%	<ul style="list-style-type: none"> <li>• EUR 10,000 share capital</li> <li>• 10,000 shares with a value of EUR 1 per share</li> </ul>	EUR 10,000 contributed by the Company
6.	OCI MEPCO Holding Limited	Virgin Islands (British)	100% / 100%	<ul style="list-style-type: none"> <li>• USD 100</li> <li>• 100 shares at USD 1 per share</li> </ul>	USD 100 contributed by the Company

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<sup>8</sup> Subsidiaries are entities in which the Company holds at least 50% of its share capital.

**Annex 5 - List of Company's Affiliates<sup>9</sup> (inclusive of the companies listed in Annex 4)**

<b>S No.</b>	<b>Name</b>	<b>Place of Incorporation</b>
1.	Fertiglobe Distribution Limited	United Arab Emirates (ADGM)
2.	Fertiglobe France SAS	France
3.	Fertilizers 1 Holding Limited	United Arab Emirates (ADGM)
4.	OCI Fertilizer Trading Limited	Virgin Islands (British)
5.	OCI MENA B.V.	Netherlands
6.	OCI MEPCO Holding Limited	Virgin Islands (British)

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<sup>9</sup> Affiliates are entities in which the Company holds at least 25% but less than 50% of its share capital.

## Annex 6 - Company's Organization Chart

