



OCI N.V.

Quarterly condensed consolidated financial statements

For the nine month period ended 30 September 2020

(unaudited)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT

\$ millions	Note	30 September 2020	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		6,295.4	6,570.6
Right-of-use assets		269.2	277.5
Goodwill and other intangible assets	(8)	484.9	599.8
Trade and other receivables		5.3	4.1
Equity-accounted investees		481.0	506.9
Financial assets at fair value through other comprehensive income		30.5	33.4
Deferred tax assets		4.6	6.5
<b>Total non-current assets</b>		<b>7,570.9</b>	<b>7,998.8</b>
<b>Current assets</b>			
Inventories		316.3	308.7
Trade and other receivables		497.2	508.4
Income tax receivables		1.9	3.2
Cash and cash equivalents		590.1	600.5
<b>Total current assets</b>		<b>1,405.5</b>	<b>1,420.8</b>
<b>Total assets</b>		<b>8,976.4</b>	<b>9,419.6</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

## AS AT

\$ millions	Note	30 September 2020	31 December 2019
<b>Equity</b>			
Share capital		5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(289.6)	(237.8)
Retained earnings		(4,796.7)	(4,726.6)
<b>Equity attributable to owners of the Company</b>		<b>1,235.6</b>	<b>1,357.5</b>
Non-controlling interest		1,416.7	1,461.2
<b>Total equity</b>		<b>2,652.3</b>	<b>2,818.7</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(9,14)	4,326.7	4,392.7
Lease obligations		238.4	244.3
Trade and other payables		27.0	30.7
Provisions		3.1	2.8
Deferred tax liabilities		485.9	490.2
<b>Total non-current liabilities</b>		<b>5,081.1</b>	<b>5,160.7</b>
<b>Current liabilities</b>			
Loans and borrowings	(9,14)	180.2	269.6
Lease obligations		42.9	41.0
Trade and other payables		873.5	991.3
Provisions		135.5	129.5
Income tax payables		10.9	8.8
<b>Total current liabilities</b>		<b>1,243.0</b>	<b>1,440.2</b>
<b>Total liabilities</b>		<b>6,324.1</b>	<b>6,600.9</b>
<b>Total equity and liabilities</b>		<b>8,976.4</b>	<b>9,419.6</b>

The notes on pages 8 to 13 are an integral part of these condensed consolidated financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

\$ millions	Note	Three month period ended 30 September 2020	Three month period ended 30 September 2019	Nine month period ended 30 September 2020	Nine month period ended 30 September 2019
Revenue	(12)	751.9	633.9	2,438.4	2,183.9
Cost of sales	(10)	(671.5)	(618.3)	(2,154.0)	(1,950.4)
<b>Gross profit</b>		<b>80.4</b>	<b>15.6</b>	<b>284.4</b>	<b>233.5</b>
Other income		1.0	2.0	14.4	4.8
Selling, general and administrative expenses	(10)	(59.1)	(45.4)	(168.3)	(143.9)
Other expenses		0.4	0.7	0.1	(2.5)
<b>Operating profit</b>		<b>22.7</b>	<b>(27.1)</b>	<b>130.6</b>	<b>91.9</b>
Finance income	(11)	79.9	31.0	111.8	48.1
Finance cost	(11)	(126.6)	(131.2)	(269.3)	(306.1)
<b>Net finance cost</b>	(11)	<b>(46.7)</b>	<b>(100.2)</b>	<b>(157.5)</b>	<b>(258.0)</b>
Income from equity-accounted investees (net of tax)		3.3	(32.0)	(24.1)	(39.9)
<b>Profit / (loss) before income tax</b>		<b>(20.7)</b>	<b>(159.3)</b>	<b>(51.0)</b>	<b>(206.0)</b>
Income tax		(8.5)	(10.8)	(11.9)	(6.7)
<b>Total net profit / (loss)</b>		<b>(29.2)</b>	<b>(170.1)</b>	<b>(62.9)</b>	<b>(212.7)</b>
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Movement in hedge reserve		0.9	17.9	1.5	(0.7)
Currency translation differences		(38.8)	35.9	(86.4)	31.2
Currency translation differences from equity-accounted investees		1.2	(0.6)	0.7	(0.7)
<b>Items that will not be reclassified to profit or loss</b>					
Changes in the fair value of financial assets at fair value through other comprehensive income		0.5	(0.3)	(3.0)	(4.7)
<b>Other comprehensive income, net of tax</b>		<b>(36.2)</b>	<b>52.9</b>	<b>(87.2)</b>	<b>25.1</b>
<b>Total comprehensive income</b>		<b>(65.4)</b>	<b>(117.2)</b>	<b>(150.1)</b>	<b>(187.6)</b>
<b>Profit / (loss) attributable to:</b>					
Owners of the Company		(37.0)	(182.5)	(120.8)	(243.8)
Non-controlling interest		7.8	12.4	57.9	31.1
<b>Net profit / (loss)</b>		<b>(29.2)</b>	<b>(170.1)</b>	<b>(62.9)</b>	<b>(212.7)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(73.5)	(125.7)	(176.2)	(211.2)
Non-controlling interest		8.1	8.5	26.1	23.6
<b>Total comprehensive income</b>		<b>(65.4)</b>	<b>(117.2)</b>	<b>(150.1)</b>	<b>(187.6)</b>
<b>(Loss) / earnings per share (in USD)</b>					
Basic (loss) / earnings per share		(0.176)	(0.871)	(0.576)	(1.164)
Diluted (loss) / earnings per share		(0.176)	(0.871)	(0.576)	(1.164)

The notes on pages 8 to 13 are an integral part of these condensed consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

\$ millions	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Balance at 1 January 2019</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(249.0)</b>	<b>(5,065.6)</b>	<b>1,007.3</b>	<b>469.8</b>	<b>1,477.1</b>
Net profit / (loss)	-	-	-	(243.8)	(243.8)	31.1	(212.7)
Other comprehensive income	-	-	32.6	-	32.6	(7.5)	25.1
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>32.6</b>	<b>(243.8)</b>	<b>(211.2)</b>	<b>23.6</b>	<b>(187.6)</b>
Business combination Fertigllobe	-	-	-	720.0	720.0	1,158.6	1,878.6
Impact difference in profit sharing non-controlling interest	-	-	-	-	-	9.3	9.3
Dividend to non-controlling interest	-	-	-	-	-	(6.1)	(6.1)
Treasury shares sold / delivered	-	-	7.0	(3.8)	3.2	-	3.2
Share-based payments	-	-	-	1.0	1.0	-	1.0
<b>Balance at 30 September 2019</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(209.4)</b>	<b>(4,592.2)</b>	<b>1,520.3</b>	<b>1,655.2</b>	<b>3,175.5</b>
<b>Balance at 1 January 2020</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(237.8)</b>	<b>(4,726.6)</b>	<b>1,357.5</b>	<b>1,461.2</b>	<b>2,818.7</b>
Net profit / (loss)	-	-	-	(120.8)	(120.8)	57.9	(62.9)
Other comprehensive income	-	-	(55.4)	-	(55.4)	(31.8)	(87.2)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(55.4)</b>	<b>(120.8)</b>	<b>(176.2)</b>	<b>26.1</b>	<b>(150.1)</b>
Business combination Fertigllobe	-	-	-	48.3	48.3	(59.6)	(11.3)
Impact difference in profit sharing non-controlling interest	-	-	-	-	-	15.4	15.4
Dividend to non-controlling interest	-	-	-	-	-	(26.4)	(26.4)
Treasury shares sold / delivered	-	-	3.6	(3.6)	-	-	-
Share-based payments	-	-	-	6.0	6.0	-	6.0
<b>Balance at 30 September 2020</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(289.6)</b>	<b>(4,796.7)</b>	<b>1,235.6</b>	<b>1,416.7</b>	<b>2,652.3</b>

The notes on pages 8 to 13 are an integral part of these condensed consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

\$ millions	Note	Three month period ended 30 September 2020	Three month period ended 30 September 2019	Nine month period ended 30 September 2020	Nine month period ended 30 September 2019
<b>Net profit / (loss)</b>		<b>(29.2)</b>	<b>(170.1)</b>	<b>(62.9)</b>	<b>(212.7)</b>
<b>Adjustments for:</b>					
Depreciation and amortization		149.0	132.9	438.6	357.7
Interest income		(1.2)	(1.3)	(3.8)	(4.4)
Interest expense		71.0	75.8	194.5	226.2
Net foreign exchange loss and others		(23.1)	25.7	(33.2)	36.2
Share in income of equity-accounted investees		(3.3)	32.0	24.1	39.9
Fertiglobe business combination		-	-	(13.3)	-
Equity-settled share-based payment transactions		2.2	(0.2)	6.0	4.9
Impact difference in profit-sharing non-controlling interest		1.9	4.1	15.4	9.3
Income tax expense		8.5	10.8	11.9	6.7
<b>Changes in:</b>					
Inventories		(67.5)	(1.3)	(8.1)	(11.6)
Trade and other receivables		(46.4)	118.9	(21.0)	204.4
Trade and other payables		14.9	(109.3)	(66.3)	(164.6)
Provisions		4.3	(4.1)	4.8	(1.9)
<b>Cash flows:</b>					
Interest paid		(19.7)	(40.5)	(176.2)	(192.4)
Interest received		1.4	1.7	3.0	3.7
Income taxes paid		(5.5)	(16.4)	(12.9)	(56.4)
<b>Cash flow from / (used in) operating activities</b>		<b>57.3</b>	<b>58.7</b>	<b>300.6</b>	<b>245.0</b>
Investments in property, plant and equipment		(47.3)	(138.7)	(211.1)	(247.1)
Cash acquired in business combination		-	45.8	-	45.8
Dividends from equity-accounted investees		-	-	2.6	1.6
<b>Cash flow from / (used in) investing activities</b>		<b>(47.3)</b>	<b>(92.9)</b>	<b>(208.5)</b>	<b>(199.7)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

\$ millions	Note	Three month period ended 30 September 2020	Three month period ended 30 September 2019	Nine month period ended 30 September 2020	Nine month period ended 30 September 2019
Proceeds from borrowings		43.6	615.4	555.9	835.1
Repayment of borrowings		(80.8)	(474.4)	(741.2)	(739.3)
Payment of lease obligations		(8.9)	(6.8)	(33.0)	(21.2)
Dividends paid to non-controlling interest		(26.4)	(6.1)	(26.4)	(6.1)
Financing derivatives		5.8	-	5.8	-
Transaction costs		0.3	-	(5.3)	(2.0)
Post closing adjustment Fertigllobe		-	-	166.8	-
<b>Cash flows from / (used in) financing activities</b>		<b>(66.4)</b>	<b>128.1</b>	<b>(77.4)</b>	<b>66.5</b>
<b>Net cash flows from / (used in)</b>		<b>(56.4)</b>	<b>93.9</b>	<b>14.7</b>	<b>111.8</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(56.4)</b>	<b>93.9</b>	<b>14.7</b>	<b>111.8</b>
Cash and cash equivalents at start of period		645.1	477.5	600.5	460.7
Effect of exchange rate fluctuations on cash held		1.4	(3.9)	(25.1)	(5.0)
<b>Cash and cash equivalents at 30 September</b>		<b>590.1</b>	<b>567.5</b>	<b>590.1</b>	<b>567.5</b>

The notes on pages 8 to 13 are an integral part of these condensed consolidated financial statements.

# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

### 1. General

OCI N.V. ('OCI' or 'Company') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI is registered in the Dutch commercial register under no. 56821166 dated 2 January 2013. The quarterly condensed consolidated financial statements comprise the financial statements of the Company, its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

The Group is primarily involved in the production of natural gas-based products.

### 2. Basis of preparation

#### 2.1 General

The quarterly condensed consolidated financial statements for the period ended 30 September 2020 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 2019. The quarterly condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019 which have been prepared in accordance with IFRS, as adopted by the European Union.

#### 2.2 Fertiglobe business combination

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, Fertiglobe, a subsidiary of the Group obtained OCI MENA under common control and 100% of the voting powers and economic returns from Ruwais Fertilizer Industries Ltd. ("Fertil"), a previously wholly owned subsidiary of ADNOC ('Combination'). Fertil has been 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.

The accounting for this business combination has been disclosed in our 2019 consolidated financial statements. As previously disclosed the accounting for this business combination at the end of 2019 was still provisional in respect of the accounting for the net debt settlement ('post-closing adjustment'). On 31 March 2020 the Company signed a final settlement with ADNOC for the post-closing adjustment which is considered to be an adjustment to the consideration transferred in this transaction. In our 2019 consolidated financial statements a settlement receivable was included of USD 49.7 million (which represented the uncontested amount at the time). In the final settlement a compensation of USD 178.0 million has been agreed with ADNOC as post-closing adjustment (of which USD 166.8 million was received in cash).

The measurement period adjustments recognized, compared to the 2019 consolidated financial statements, resulted in a decrease of goodwill (USD 115.1 million), trade and other receivables (USD 49.7 million) and non-controlling interest (USD 11.3 million) and an increase of cash (USD 166.8 million), which resulted in the identification of a gain on this transaction of USD 13.3 million.

Goodwill arising from the business combination has been recognized as follows:

\$ millions	
Consideration transferred	1,057.5
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities	710.6
Fair value of identifiable net assets	(1,603.4)
Additional consideration received	(178.0)
<b>Gain on transaction*</b>	<b>(13.3)</b>

\* Due to the final post-completion settlement between the Company and ADNOC, the total consideration transferred (USD1,590.1m) is less than the fair value of the identifiable net assets (USD1,603.4m), resulting in a gain on purchase of USD13.3m which is recorded in the profit or loss.

As per 30 September 2020, the Company finalized the Purchase Price Allocation ('PPA'). The finalization of the PPA did not result in any changes to the previously reported numbers for this business combination.

As part of the transaction, ADNOC and OCI agreed on several adjustments in the consideration for indemnities related to potential tax and legal exposures for both parties. Such indemnities could lead to a future settlement between both parties if such items materialize. The fair value of these contingent consideration arrangements as per acquisition date was assessed based on the estimated impact and likelihood (which are mostly supported by third party opinions). As per the acquisition date the aggregate fair value of the contingent consideration assets and liabilities was assessed to be zero. We did not identify new facts and/or circumstances that would require adjustment of these contingent consideration assets and liabilities during Q3 2020.

#### 2.3 COVID-19 impact

The outbreak of COVID-19 continues to impact the global economy and markets. However, our business operations have continued without interruption, as our industries and our products have been designated as essential by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. The second wave that we currently identify in Western-Europe has resulted in tightened social distancing procedures locally based on the specific circumstances, but the impact of the second wave on our business has been limited. Production at our plants is uninterrupted, we have currently not witnessed significant changes in demand, supply chains and distribution channels are intact, and our liquidity remains healthy. We noted decreasing selling prices for all our products over the course of the second quarter of 2020 and recovery of selling prices over the course of the third quarter of 2020, on the back of increased global energy prices, driving lower global operating rates and resulting in lower supply. Based on the recent recovery of the market, we expect



# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

this will not impact the long term outlook of our business and the valuation of our assets.

At the outset of the COVID 19 outbreak, we established an internal COVID-19 taskforce to ensure safety of our employees and business continuity. OCI applied strict protective measures, including sanitation, personal protection equipment, social distancing and thermal testing prior to accessing any group locations. The status of returning to workplace differs per jurisdiction. Currently the majority of the locations are now at 50%-70% employee occupancy rates. As our plants are heavily automated, essential on-site operating and logistics personnel can be limited and administrative and operational support personnel have worked remotely in order to maintain social distancing following governmental guidelines.

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

### 3. Summary of significant accounting policies

The accounting policies applied over the nine month period ended 30 September 2020 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

### 4. Seasonality of operations

Our product portfolio is diversified primarily by industry and 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. Supply and demand dynamics in the industrial chemicals industries in which we operate, including industrial ammonia, methanol, and melamine, are more evenly distributed throughout the year, thereby contributing to stability in sales volumes. The global sales and diversified product mix - both as fertilizers and chemical products - mitigate the impact of any one product or region's seasonal fluctuations.

### 5. Critical accounting judgment, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the condensed 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 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 2019 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements. As a result of the outbreak of COVID-19 in 2020, all our critical accounting judgments, estimates and assumptions have been reviewed and updated when necessary following this situation.

With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2019. The objectives and policies of financial risk and capital management are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2019.

### 6. Significant rates

The following significant exchange rates applied during the period:

	Average during the nine month period ended 30 September 2020	Average during the nine month period ended 30 September 2019	Closing as at 30 September 2020	Closing as at 31 December 2019
Euro	1.1246	1.1233	1.1722	1.1213
Egyptian pound	0.0631	0.0588	0.0635	0.0623
Algerian dinar	0.0080	0.0084	0.0077	0.0084

# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

### 7. Financial risk and capital management

#### 7.1 Financial risk management

Categories of financial instruments:

30 September 2020 \$ millions	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets through other comprehensive income at fair value
<b>Assets</b>			
Trade and other receivables	490.0	12.5	-
Financial assets at fair value through other comprehensive income	-	-	30.5
Cash and cash equivalents	590.1	-	-
<b>Total</b>	<b>1,080.1</b>	<b>12.5</b>	<b>30.5</b>
<b>Liabilities</b>			
Loans and borrowings	4,506.9	-	-
Trade and other payables	890.0	10.5	-
<b>Total</b>	<b>5,396.9</b>	<b>10.5</b>	<b>-</b>

31 December 2019 \$ millions	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets through other comprehensive income at fair value
<b>Assets</b>			
Trade and other receivables	507.5	5.0	-
Financial assets at fair value through other comprehensive income	-	-	33.4
Cash and cash equivalents	600.5	-	-
<b>Total</b>	<b>1,108.0</b>	<b>5.0</b>	<b>33.4</b>
<b>Liabilities</b>			
Loans and borrowings	4,662.3	-	-
Trade and other payables	1,004.4	17.6	-
<b>Total</b>	<b>5,666.7</b>	<b>17.6</b>	<b>-</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. Financial assets at fair value through other comprehensive income recognized as level 1 is USD 2.8 million (2019: USD 3.4 million), the investment in the Infrastructure and Growth Capital Fund of USD 6.6 million (2019: USD 6.8 million) was recognized as level 2 as the valuation is partially derived from listed shares. The investment in Notore Chemical of USD 21.1 million (2019: USD 23.2 million) is recognized as level 3.

Notore was listed on the Nigerian Stock Exchange in 2018, however due to the lack in trading volumes the investment is still valued within the hierarchy category level 3 based on audited financial statements.

In 2020 and 2019, there were no transfers between the fair value hierarchy categories. The carrying amounts of financial assets and liabilities carried at amortized cost (loans and borrowings, trade and other receivables and trade and other payables) approximates their fair values.

#### 7.2 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings 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.

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

\$ millions	30 September 2020	31 December 2019
Loans and borrowings	4,506.9	4,662.3
<b>Less:</b> cash and cash equivalents	590.1	600.5
<b>Net debt</b>	<b>3,916.8</b>	<b>4,061.8</b>
Total equity	2,655.7	2,818.7
<b>Net debt to equity ratio at</b>	<b>1.47</b>	<b>1.44</b>

### 8. Goodwill and other intangible assets

No impairment test was performed on goodwill in the period, as no impairment triggers were identified. The annual goodwill impairment test will be performed in the fourth quarter.

# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

### 9. Loans and borrowings

\$ millions	30 September 2020	31 December 2019
<b>At 1 January</b>	<b>4,662.3</b>	<b>4,580.3</b>
Proceeds from loans	555.9	1,765.5
Redemptions of loans	(741.2)	(1,654.4)
Newly incurred transaction costs	-	(24.1)
Amortization of transaction costs / (bond) premiums	12.8	25.6
Effect of movement in exchange rates	17.1	(24.4)
Debt modification gain	-	(6.2)
<b>Balance at</b>	<b>4,506.9</b>	<b>4,662.3</b>
Non-current	4,326.7	4,392.7
Current	180.2	269.6
<b>Total</b>	<b>4,506.9</b>	<b>4,662.3</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.

#### New and amended financing arrangements

There are no new or amended financing arrangements during the period ended 30 September 2020. Reference is made to note 14 (Subsequent events) for new financing arrangements completed in October 2020.

#### Covenants

Certain loan agreements include financial covenants. In the event the respective borrowing companies would not comply with the covenant requirements, its loans would become immediately due. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

### 10. Development of cost of sales and selling, general and administrative expenses

#### Expenses by nature

\$ millions	30 September 2020	30 September 2019
Raw materials and consumables and finished goods	1,457.9	1,400.6
Maintenance and repair	85.0	74.4
Employee benefit expenses	273.2	189.5
Depreciation and amortization	438.6	357.7
Consultancy expenses	21.4	19.8
Other	46.2	52.3
<b>Total</b>	<b>2,322.3</b>	<b>2,094.3</b>
Cost of sales	2,154.0	1,950.4
Selling, general and administrative expenses	168.3	143.9
<b>Total</b>	<b>2,322.3</b>	<b>2,094.3</b>

### 11. Net finance cost

\$ millions	30 September 2020	30 September 2019
Interest income on loans and receivables	3.8	4.4
Foreign exchange gain	108.0	43.7
<b>Finance income</b>	<b>111.8</b>	<b>48.1</b>
Interest expense and other financing costs on financial liabilities measured at amortized cost	(188.1)	(222.5)
Interest expense lease liabilities (IFRS 16)	(6.5)	(3.7)
Foreign exchange loss	(74.7)	(79.9)
<b>Finance cost</b>	<b>(269.3)</b>	<b>(306.1)</b>
<b>Net finance cost recognized in profit or loss</b>	<b>(157.5)</b>	<b>(258.0)</b>

The foreign exchange gains and losses mainly relate to external financing and to the revaluation of intercompany balances in foreign currencies (for which the statement of profit or loss impact is not eliminated in the consolidated financial statements).

# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

### 12. Segment reporting

30 September 2020 \$ millions	Methanol US <sup>1</sup>	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
<b>Total revenues</b>	<b>327.9</b>	<b>212.1</b>	<b>398.5</b>	<b>562.4</b>	<b>1,052.4</b>	<b>1.0</b>	<b>(115.9)</b>	<b>2,438.4</b>
EBITDA <sup>2</sup>	91.3	19.8	135.5	104.5	312.0	(37.7)	(56.2)	569.2
Adjusted EBITDA <sup>2</sup>	73.5	19.0	135.5	111.7	315.5	(48.2)	(3.1)	603.9
Income from equity- accounted investees	-	-	-	2.4	-	0.5	(27.0)	(24.1)
Depreciation and amortization	(105.1)	(20.8)	(104.8)	(60.4)	(200.7)	(2.8)	56.0	(438.6)
Finance income	0.5	0.3	0.2	16.3	23.6	153.3	(82.4)	111.8
Finance expense	(25.7)	(4.3)	(96.1)	(18.2)	(63.8)	(167.7)	106.5	(269.3)
Income tax (expense) / income	1.1	-	(0.1)	(11.1)	(20.8)	19.0	-	(11.9)
<b>Net profit / (loss)</b>	<b>(37.9)</b>	<b>(5.0)</b>	<b>(65.3)</b>	<b>33.5</b>	<b>50.3</b>	<b>(35.4)</b>	<b>(3.1)</b>	<b>(62.9)</b>
Equity-accounted investees	-	-	-	15.4	-	0.8	464.8	481.0
Capital expenditures PP&E	51.3	35.4	3.9	51.3	45.9	0.3	(8.5)	179.6
<b>Total assets</b>	<b>1,596.5</b>	<b>441.8</b>	<b>2,167.3</b>	<b>677.9</b>	<b>4,601.8</b>	<b>93.0</b>	<b>(601.9)</b>	<b>8,976.4</b>

<sup>1</sup> Including ammonia at OCIB

<sup>2</sup> OCI N.V. 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.

30 September 2019 \$ millions	Methanol US <sup>1</sup>	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
<b>Total revenues</b>	<b>424.4</b>	<b>186.4</b>	<b>407.0</b>	<b>617.9</b>	<b>697.7</b>	<b>-</b>	<b>(149.5)</b>	<b>2,183.9</b>
EBITDA <sup>2</sup>	66.1	(4.6)	158.7	109.2	251.4	(96.7)	(34.5)	449.6
Adjusted EBITDA <sup>2</sup>	81.1	(3.2)	158.7	111.1	245.5	(80.4)	(1.2)	511.6
Income from equity- accounted investees	1.4	-	-	3.6	-	-	(44.9)	(39.9)
Depreciation and amortization	(93.9)	(9.7)	(118.2)	(51.2)	(132.0)	(3.3)	50.6	(357.7)
Finance income	0.6	-	0.7	3.0	14.7	116.7	(87.6)	48.1
Finance expense	(52.3)	(0.3)	(85.8)	(5.6)	(117.1)	(160.2)	115.2	(306.1)
Income tax income / (expense)	0.1	(24.3)	(0.5)	(14.0)	(9.1)	41.1	-	(6.7)
<b>Net (loss) / profit</b>	<b>(78.0)</b>	<b>(38.9)</b>	<b>(45.1)</b>	<b>45.0</b>	<b>7.9</b>	<b>(102.4)</b>	<b>(1.2)</b>	<b>(212.7)</b>
Equity-accounted investees	-	-	-	14.9	-	0.6	507.6	523.1
Capital expenditures PP&E	19.2	59.0	30.9	63.1	19.2	0.6	(2.4)	189.6
<b>Total assets</b>	<b>1,654.4</b>	<b>337.4</b>	<b>2,292.7</b>	<b>650.3</b>	<b>4,951.1</b>	<b>172.9</b>	<b>(620.9)</b>	<b>9,437.9</b>

<sup>1</sup> Including ammonia at OCIB

<sup>2</sup> OCI N.V. 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.

Until 2019 OCI Fuels Ltd. was included in segment Methanol US. Effective 1 January 2020, OCI Fuels Ltd. will be combined with OCI Fuels B.V. in the segment Methanol Europe. The comparative numbers of 2019 are restated to reflect that change.

# NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

### 13. 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 2019.

### 14. Subsequent events

#### OCI N.V. completion of offering of senior secured notes

In October 2020, OCI N.V. completed a dual-tranche bond offering consisting of USD 400.0 million senior secured fixed rate notes due 2025 and EUR 400.0 million senior secured fixed rate notes due 2025. The Dollar Notes bear interest at a rate of 4.625% per annum and the Euro Notes bear interest at a rate of 3.625% per annum. The Notes were issued at par, are senior secured obligations of the Company and are guaranteed by certain of the Company's subsidiaries. Interest will be payable semi-annually.

The proceeds from the offering, along with a drawing of approximately \$290 million (equivalent) under the Company's revolving credit facility, were used to redeem the Company's approximately \$1,155 million (equivalent) euro and US dollar-denominated senior secured notes due 2023 and to pay fees and expenses incurred in connection with the offering.

#### Fertiglobe refinancing

In October 2020, Fertiglobe completed a USD 385 million refinancing (USD 310 million term loan and USD 75 million RCF) maturing in 2025 at an interest rate of LIBOR + 2.00%. This facility will replace the existing credit facilities at EFC that would mature in 2025 and 2026 with an interest rate of LIBOR + 3.75% on USD borrowings and CBE mid corridor + 0.25% on EGP borrowings.