

2018

**Quarterly Condensed  
Consolidated Financial  
Statements  
OCI N.V.**

for the three month period ended 31 March 2018

(Unaudited)

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT

\$ millions	Note	31 March 2018	31 December 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,102.9	5,143.2
Goodwill and other intangible assets	(8)	491.0	491.0
Trade and other receivables		63.5	62.0
Equity-accounted investees		623.6	626.9
Available-for-sale financial assets		-	50.0
Financial assets at fair value through other comprehensive income		44.5	-
Deferred tax assets		29.4	31.5
<b>Total non-current assets</b>		<b>6,354.9</b>	<b>6,404.6</b>
<b>Current assets</b>			
Inventories		239.8	190.8
Trade and other receivables		363.1	317.1
Income tax receivables		0.1	0.1
Cash and cash equivalents		331.1	231.0
<b>Total current assets</b>		<b>934.1</b>	<b>739.0</b>
<b>Total assets</b>		<b>7,289.0</b>	<b>7,143.6</b>
<b>Equity</b>			
Share capital		5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(322.6)	(242.9)
Retained earnings		(4,889.8)	(4,929.4)
<b>Equity attributable to owners of the Company</b>		<b>1,109.5</b>	<b>1,149.6</b>
Non-controlling interest		365.4	292.4
<b>Total equity</b>		<b>1,474.9</b>	<b>1,442.0</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(9)	4,154.8	3,844.5
Trade and other payables		18.1	19.3
Provisions		10.1	10.1
Deferred tax liabilities		228.0	224.6
<b>Total non-current liabilities</b>		<b>4,411.0</b>	<b>4,098.5</b>
<b>Current liabilities</b>			
Loans and borrowings	(9)	611.7	833.1
Trade and other payables		588.2	569.1
Provisions		127.8	126.9
Income tax payables		75.4	74.0
<b>Total current liabilities</b>		<b>1,403.1</b>	<b>1,603.1</b>
<b>Total liabilities</b>		<b>5,814.1</b>	<b>5,701.6</b>
<b>Total equity and liabilities</b>		<b>7,289.0</b>	<b>7,143.6</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTH PERIOD ENDED

\$ millions	Note	31 March 2018	31 March 2017
Revenue	(10)	744.8	473.4
Cost of sales		(575.1)	(369.1)
<b>Gross profit</b>		<b>169.7</b>	<b>104.3</b>
Other income	(12)	20.8	5.2
Selling, general and administrative expenses		(40.6)	(54.6)
Other expenses		(0.1)	(0.7)
<b>Operating profit</b>		<b>149.8</b>	<b>54.2</b>
Finance income	(13)	51.3	17.3
Finance cost	(13)	(122.5)	(86.5)
<b>Net finance cost</b>	(13)	<b>(71.2)</b>	<b>(69.2)</b>
Income from equity-accounted investees (net of tax)		(3.6)	(0.7)
<b>Profit / (loss) before income tax</b>		<b>75.0</b>	<b>(15.7)</b>
Income tax expense		(7.6)	(13.7)
<b>Total net profit / (loss)</b>		<b>67.4</b>	<b>(29.4)</b>
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Net change in fair value of financial assets at fair value through other comprehensive income		(5.9)	-
Currency translation differences		(40.2)	5.2
<b>Other comprehensive income, net of tax</b>		<b>(46.1)</b>	<b>5.2</b>
<b>Total comprehensive income</b>		<b>21.3</b>	<b>(24.2)</b>
<b>Profit / (loss) attributable to:</b>			
Owners of the Company		24.5	(47.3)
Non-controlling interest		42.9	17.9
<b>Net profit / (loss)</b>		<b>67.4</b>	<b>(29.4)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(21.6)	(41.1)
Non-controlling interest		42.9	16.9
<b>Total comprehensive income</b>		<b>21.3</b>	<b>(24.2)</b>
<b>Earnings per share (in USD)</b>			
Basic earnings per share		0.117	(0.226)
Diluted earnings per share		0.117	(0.226)

# 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 2017</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(112.3)</b>	<b>(4,776.9)</b>	<b>1,432.7</b>	<b>345.3</b>	<b>1,778.0</b>
Net (loss)	-	-	-	(47.3)	(47.3)	17.9	(29.4)
Other comprehensive income	-	-	6.2	-	6.2	(1.0)	5.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>6.2</b>	<b>(47.3)</b>	<b>(41.1)</b>	<b>16.9</b>	<b>(24.2)</b>
Impact difference in profit sharing non-controlling interest	-	-	-	-	-	6.7	6.7
Share-based payments	-	-	-	(0.6)	(0.6)	-	(0.6)
Treasury shares sold	-	-	0.1	-	0.1	-	0.1
<b>Balance at 31 March 2017</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(106.0)</b>	<b>(4,824.8)</b>	<b>1,391.1</b>	<b>368.9</b>	<b>1,760.0</b>
<b>Balance at 1 January 2018</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(242.9)</b>	<b>(4,929.4)</b>	<b>1,149.6</b>	<b>292.4</b>	<b>1,442.0</b>
Impact of adoption of IFRS 9	-	-	-	(7.3)	(7.3)	(0.4)	(7.7)
<b>Restated balance at 1 January 2018</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(242.9)</b>	<b>(4,936.7)</b>	<b>1,142.3</b>	<b>292.0</b>	<b>1,434.3</b>
Net profit	-	-	-	24.5	24.5	42.9	67.4
Other comprehensive income	-	-	(46.1)	-	(46.1)	-	(46.1)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(46.1)</b>	<b>24.5</b>	<b>(21.6)</b>	<b>42.9</b>	<b>21.3</b>
Impact difference in profit sharing non-controlling interest	-	-	-	-	-	10.2	10.2
Share-based payments	-	-	-	(0.8)	(0.8)	-	(0.8)
Treasury shares sold	-	-	2.5	-	2.5	-	2.5
Treasury shares acquired	-	-	(0.6)	-	(0.6)	-	(0.6)
Repayment of convertible bond (equity component)	-	-	(35.5)	23.2	(12.3)	-	(12.3)
Reduction of declared dividends to non-controlling interest <sup>1</sup>	-	-	-	-	-	23.1	23.1
Dividend to non-controlling interest (accrued)	-	-	-	-	-	(2.8)	(2.8)
<b>Balance at 31 March 2018</b>	<b>5.6</b>	<b>6,316.3</b>	<b>(322.6)</b>	<b>(4,889.8)</b>	<b>1,109.5</b>	<b>365.4</b>	<b>1,474.9</b>

<sup>1</sup>The reduction of declared dividends to non-controlling interest relates to the dividends declared by Sorfert relating to the financial year 2016, that were reduced by a resolution on the general meeting of shareholders of Sorfert in March 2018.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE THREE MONTH PERIOD ENDED

\$ millions	Note	31 March 2018	31 March 2017
<b>Net profit / (loss)</b>		<b>67.4</b>	<b>(29.4)</b>
<b>Adjustments for</b>			
Depreciation and amortization	(11)	102.3	75.4
Interest income	(13)	(3.4)	(1.4)
Interest expense	(13)	85.9	47.6
Foreign exchange (gain) / loss and others	(13)	(11.3)	23.0
Share in income of equity-accounted investees		3.6	0.7
Gain on sale of available-for-sale investment		-	(0.4)
Impact difference in profit sharing non-controlling interest		10.2	6.7
Equity-settled share-based payment transactions		(0.8)	(0.6)
Income tax expense		7.6	13.7
<b>Changes in</b>			
Inventories		(47.6)	(56.0)
Trade and other receivables		(47.0)	(17.1)
Trade and other payables		16.7	(6.3)
Provisions		(0.3)	-
<b>Cash flows</b>			
Interest paid		(52.7)	(44.4)
Interest received		1.7	1.6
Income taxes paid		(0.9)	(0.2)
<b>Cash flow from operating activities</b>		<b>131.4</b>	<b>12.9</b>
Investments in property, plant and equipment		(42.9)	(45.3)
Proceeds from sale of investment in equity instruments		-	1.5
<b>Cash flow (used in) investing activities</b>		<b>(42.9)</b>	<b>(43.8)</b>
Proceeds from sale of treasury shares		2.5	0.1
Purchase of treasury shares		(0.6)	-
Proceeds from borrowings	(9)	774.0	92.6
Repayment of borrowings	(9)	(730.8)	(130.6)
Repayment of convertible bond (equity component)	(9)	(12.3)	-
Debt modification costs on existing loans	(9)	(23.6)	(0.3)
<b>Cash flow from / (used in) financing activities</b>		<b>9.2</b>	<b>(38.2)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>97.7</b>	<b>(69.1)</b>
Cash and cash equivalents at 1 January		231.0	391.5
Effect of exchange rate fluctuations on cash held		2.4	2.0
<b>Cash and cash equivalents at</b>		<b>331.1</b>	<b>324.4</b>
<b>Presentation in the statement of financial position</b>			
Cash and cash equivalents		331.1	324.4
Bank overdraft		-	(0.7)
<b>Cash and cash equivalents at</b>		<b>331.1</b>	<b>323.7</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## **1. General**

This report contains the quarterly condensed consolidated financial statements of OCI N.V. ('OCI', 'the Group' or 'the Company'), a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI N.V. is registered in the Dutch commercial register under No. 56821166 dated 2 January 2013. The Group is primarily involved in the production of nitrogen-based fertilizers and industrial chemicals.

The quarterly condensed consolidated financial statements for the three month period ended 31 March 2018 have been authorized for issue by the Board of Directors on 9 May 2018.

The quarterly condensed consolidated financial statements for the three month period ended 31 March 2018 have not been audited or reviewed by an external auditor.

## **2. Basis of preparation**

The quarterly condensed consolidated financial statements for the three month period ended 31 March 2018 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 2017. The quarterly condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017 which have been prepared in accordance with IFRS, as adopted by the European Union.

## **3. Summary of significant accounting policies**

The accounting policies applied over the three month period ended 31 March 2018 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2017, except for the adoption of IFRS 9 and IFRS 15 as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **3.1 New standards adopted by the Group**

IFRS 9 and IFRS 15 became effective as of 1 January 2018. The impact of the adoptions and the accounting policies is disclosed below.

#### **3.1.1 IFRS 9 Financial instruments**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. In accordance with the transitional provisions in IFRS 9 comparative figures have not been restated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 3. Summary of significant accounting policies (continued)

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

\$ millions	Opening balance as previously reported 1 January 2018	Impact of adoption of IFRS 9	Restated opening balance as at 1 January 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5,143.2	9.6	5,152.8
Goodwill and other intangible assets	491.0	-	491.0
Trade and other receivables	62.0	-	62.0
Equity-accounted investees	626.9	-	626.9
Available-for-sale financial assets	50.0	(50.0)	-
Financial assets at fair value through other comprehensive income	-	50.0	50.0
Deferred tax assets	31.5	2.1	33.6
<b>Total non-current assets</b>	<b>6,404.6</b>	<b>11.7</b>	<b>6,416.3</b>
<b>Current assets</b>			
Inventories	190.8	-	190.8
Trade and other receivables	317.1	-	317.1
Income tax receivables	0.1	-	0.1
Cash and cash equivalents	231.0	-	231.0
<b>Total current assets</b>	<b>739.0</b>	<b>-</b>	<b>739.0</b>
<b>Total assets</b>	<b>7,143.6</b>	<b>11.7</b>	<b>7,155.3</b>
<b>Equity</b>			
Share capital	5.6	-	5.6
Share premium	6,316.3	-	6,316.3
Reserves	(242.9)	-	(242.9)
Retained earnings	(4,929.4)	(7.3)	(4,936.7)
<b>Equity attributable to owners of the Company</b>	<b>1,149.6</b>	<b>(7.3)</b>	<b>1,142.3</b>
Non-controlling interest	292.4	(0.4)	292.0
<b>Total equity</b>	<b>1,442.0</b>	<b>(7.7)</b>	<b>1,434.3</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	3,844.5	19.4	3,863.9
Trade and other payables	19.3	-	19.3
Provisions	10.1	-	10.1
Deferred tax liabilities	224.6	-	224.6
<b>Total non-current liabilities</b>	<b>4,098.5</b>	<b>19.4</b>	<b>4,117.9</b>
<b>Current liabilities</b>			
Loans and borrowings	833.1	-	833.1
Trade and other payables	569.1	-	569.1
Provisions	126.9	-	126.9
Income tax payables	74.0	-	74.0
<b>Total current liabilities</b>	<b>1,603.1</b>	<b>-</b>	<b>1,603.1</b>
<b>Total liabilities</b>	<b>5,701.6</b>	<b>19.4</b>	<b>5,721.0</b>
<b>Total equity and liabilities</b>	<b>7,143.6</b>	<b>11.7</b>	<b>7,155.3</b>

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured at amortized cost.



The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Financial liabilities

There was no impact on the group's accounting for financial liabilities, except for modifications of financial liabilities. That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognized in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

As IFRS 9 is required to be applied retrospectively, the modification gains and losses arising from financial liabilities that are still recognized at the date of initial application (1 January 2018) were calculated and adjusted through opening retained earnings on transition based on the transitional provisions in IFRS 9. Except for debt modification losses relating to Iowa Fertilizer Company ('IFCo'), which are adjusted in the opening balance of property, plant and equipment.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. 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 and loss.

Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ('FVOCI'). Movements in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in the profit and loss. On derecognition the cumulative gain or loss recognized in other comprehensive income is reclassified from equity to profit and loss.

The Group sells certain trade receivables under a factoring 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. All other trade receivables in the Group will fall under the 'hold-to-collect' business model and will continue to be measured at amortised cost.

#### Equity instruments

The Group subsequently measures all equity investments at fair value and fair value gains and losses are presented in other comprehensive income. There is no subsequent reclassification of these fair value gains and losses to profit and loss following the derecognition of the investment. Dividend income is recognized in profit and loss when the Group's right to received payment is established.

#### 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 no impact from the expected credit loss model. The Group will evaluate any possible impact going forward.

### 3.1.2 IFRS 15 Revenue from contracts with customers

IFRS 15 has been adopted retrospectively, however no opening balance adjustments were made as the impact was immaterial.

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 received or expected to be received in exchange for those goods or services. Revenue is recognized when control of the products has transferred, based on the agreed sales terms, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

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.

## 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. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 5. Critical accounting judgements, 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 2017 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. 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 2017, other than those described in note 3.1.1.

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 2017.

### 6. Significant rates

The following exchange rates applied during the financial period:

	Average during the three month period ended 31 March 2018	Average during the three month period ended 31 March 2017	Closing as at 31 March 2018	Closing as at 31 December 2017
Euro	1.2276	1.0648	1.2325	1.2020
Egyptian pound	0.0566	0.0570	0.0567	0.0561
Algerian dinar	0.0088	0.0091	0.0088	0.0088

### 7. Financial risk and capital management

#### 7.1 Financial risk management

The group measures the following financial instruments at fair value:

\$ millions	31 March 2018	31 December 2017	Category of fair value hierarchy
Derivatives receivables	1.9	2.5	2
Derivatives payable	(1.1)	(1.4)	2
<b>Total derivatives</b>	<b>0.8</b>	<b>1.1</b>	
OCL	4.7	4.4	1
Infra Structure and Growth Capital Fund	15.2	21.6	3
Notore Chemical Industries	24.6	24.0	3
<b>Total financial assets at fair value through other comprehensive income / Available-for-sale financial assets</b>	<b>44.5</b>	<b>50.0</b>	
<b>Total assets and liabilities at fair value</b>	<b>45.3</b>	<b>51.1</b>	

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. There have been no changes in valuation techniques of fair value level 3 instruments compared to the financial statements for the year ended 31 December 2017. There have been no reclassifications between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2017.

#### 7.2 Capital management

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

\$ millions	Note	31 March 2018	31 December 2017
Loans and borrowings	(9)	4,766.5	4,677.6
<b>Less: cash and cash equivalents</b>		<b>331.1</b>	<b>231.0</b>
<b>Net debt</b>		<b>4,435.4</b>	<b>4,446.6</b>
Total equity		1,474.9	1,442.0
<b>Net debt to equity ratio at</b>		<b>3.01</b>	<b>3.08</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.

## 9. Loans and borrowings

\$ millions	31 March 2018	31 December 2017
<b>At 1 January</b>	<b>4,677.6</b>	<b>4,586.0</b>
Impact of adoption of IFRS 9	19.4	-
<b>Restated balance at 1 January</b>	<b>4,697.0</b>	<b>-</b>
Proceeds from loans	774.0	140.1
Redemptions of loans	(715.5)	(288.9)
Redemption of bank overdrafts	(15.3)	-
Amortization of transaction costs / (bond) premiums	7.6	22.7
Debt modification costs on existing loans paid	(23.6)	(0.3)
Debt modification costs on existing loans accrued	(2.7)	-
Debt modification gain	(2.2)	-
Effect of movement in exchange rates	40.2	188.3
Accrued interest	7.0	29.7
<b>Balance at</b>	<b>4,766.5</b>	<b>4,677.6</b>
Non-current	4,154.8	3,844.5
Current	611.7	833.1
<b>Total</b>	<b>4,766.5</b>	<b>4,677.6</b>

### New and amended financing arrangements

#### IFCo refinancing

On 26 January 2018, IFCo received bondholder approval to exchange USD 425.0 million of its 2019 and 2022 bonds for a new issuance of 2033 and 2037 bonds. The new bonds are interest only until 1 June 2031 and the exchange extends the aggregate weighted average life of these bonds from 2.5 years to 16.7 years. The exchanged bonds are priced at a rate of 5.25% compared to a weighted average rate of 5.41% upon settlement for the original bonds.

The bondholders also agreed to modify terms of the IFCo bonds to, among other things, permit the debt service reserve fund to be funded in full by the deposit of a standby letter of credit; permit IFCo to satisfy its obligation to fund its project operating reserve up to the required balance incrementally over a thirty-six month period; and permit the replacement of OEC's performance security under the EPC Contract. IFCo incurred USD 14.0 million of debt issuance costs related to the bond exchange in 2018.

#### OCI Partners refinancing

On 13 March 2018, OCI Partners ('OCIP') successfully completed the closing of a USD 455.0 million term loan B facility (the "Term Loan B Facility") and a USD 40.0 million revolving credit facility. The new Term Loan B Facility of USD 455.0 million replaces and upsizes OCIP's USD 232 million term loan B facility and is priced at LIBOR + a margin of 4.25%, or 2.50% lower than the previous facility. The Term Loan B Facility matures in 2025, in contrast to OCIP's previous facility that matured in 2019. OCIP used the net proceeds of the Term Loan B Facility to repay in full OCIP's existing term loan B facility and to repay in full the outstanding intercompany loans from OCI N.V. of USD 200 million. OCIP incurred USD 8.1 million of debt issuance costs related to the new financing in 2018.

#### OCI N.V.

In March 2018, OCI N.V. entered into a bridge facility of USD 160.2 million (EUR 130 million). The short-term facility matures in March 2019 and carries an interest rate of EURIBOR plus a margin of 4.50%. Simultaneously, OCI N.V. entered into short-term facility with NNS Luxembourg (a related party) for an amount of USD 123.3 million (EUR 100 million). The maturity dates and interest rates for both facilities are identical. Total transaction costs were incurred for an amount of USD 4.2 million. Both facilities were fully utilized to redeem the convertible bond.

In March 2018, OCI N.V. announced an invitation to the bondholders of its USD 417.8 million (EUR 339 million) 3.875% convertible bonds due September 2018, to tender their bonds for purchase by OCI N.V. The purchase price was USD 124,637 (EUR 101,125) plus a buy back premium of USD 924 (EUR 750), for each bond with a nominal value of USD 123,250 (EUR 100,000).

As per 31 March 2018, the offer was accepted by bondholders holding convertible bonds for a principal amount of USD 403.6 million (EUR 327.5 million). A total amount of USD 412.9 million was paid to bondholders before 31 March 2018, of which USD 12.3 million was allocated to the equity component of the convertible bonds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 9. Loans and borrowings (continued)

#### Covenants

As per 31 March 2018 all financial covenants were met or a waiver has been obtained.

### 10. Segment reporting

31 March 2018 \$ millions	OCI Partners	IFCo and OCI Fertilizers USA	OCI Nitrogen and Trading	BioMCN	North Africa	Corporate and other	Total
Segment revenues	117.3	166.2	349.1	61.5	242.6	-	936.7
Inter-segment revenues	(7.5)	(75.4)	(21.8)	-	(87.2)	-	(191.9)
<b>Total revenues</b>	<b>109.8</b>	<b>90.8</b>	<b>327.3</b>	<b>61.5</b>	<b>155.4</b>	<b>-</b>	<b>744.8</b>
Fertilizers	15.9	85.7	270.3	-	155.4	-	527.3
Chemicals	93.9	5.1	57.0	61.5	-	-	217.5
<b>Total revenues</b>	<b>109.8</b>	<b>90.8</b>	<b>327.3</b>	<b>61.5</b>	<b>155.4</b>	<b>-</b>	<b>744.8</b>
<b>Net profit / (loss)</b>	<b>32.4</b>	<b>(29.9)</b>	<b>20.0</b>	<b>4.0</b>	<b>55.0</b>	<b>(14.1)</b>	<b>67.4</b>
<b>Total assets</b>	<b>635.8</b>	<b>2,306.4</b>	<b>704.2</b>	<b>138.0</b>	<b>2,699.2</b>	<b>805.4</b>	<b>7,289.0</b>

31 March 2017 \$ millions	OCI Partners	IFCo and OCI Fertilizers USA	OCI Nitrogen and Trading	BioMCN	North Africa	Corporate and other	Total
Segment revenues	92.9	7.0	321.7	45.5	203.7	-	670.8
Inter-segment revenues	(3.6)	(1.3)	(74.9)	-	(117.6)	-	(197.4)
<b>Total revenues</b>	<b>89.3</b>	<b>5.7</b>	<b>246.8</b>	<b>45.5</b>	<b>86.1</b>	<b>-</b>	<b>473.4</b>
Fertilizers	17.5	5.7	194.1	-	86.1	-	303.4
Chemicals	71.8	-	52.7	45.5	-	-	170.0
<b>Total revenues</b>	<b>89.3</b>	<b>5.7</b>	<b>246.8</b>	<b>45.5</b>	<b>86.1</b>	<b>-</b>	<b>473.4</b>
<b>Net (loss) / profit</b>	<b>16.7</b>	<b>(25.6)</b>	<b>18.7</b>	<b>7.1</b>	<b>(13.1)</b>	<b>(33.2)</b>	<b>(29.4)</b>
<b>Total assets</b>	<b>661.3</b>	<b>2,185.1</b>	<b>661.7</b>	<b>68.3</b>	<b>2,923.6</b>	<b>749.4</b>	<b>7,249.4</b>

### 11. Expenses by nature

\$ millions	31 March 2018	31 March 2017
Raw materials and consumables and finished goods	408.1	249.3
Employee benefit expenses	57.2	53.6
Depreciation and amortization	102.3	75.4
Consultancy expenses	6.1	2.4
Other	42.0	43.0
<b>Total</b>	<b>615.7</b>	<b>423.7</b>
Cost of sales	575.1	369.1
Selling, general and administrative expenses	40.6	54.6
<b>Total</b>	<b>615.7</b>	<b>423.7</b>

### 12. Other income

Other income of USD 20.0 million relates to the partial recognition of the insurance claim for the business interruption caused by an incident at Sorfert in 2017.

### 13. Net finance cost

\$ millions	31 March 2018	31 March 2017
Interest income on loans and receivables	3.4	1.4
Fair value gain on derivatives	0.4	0.1
Foreign exchange gain	47.5	15.8
<b>Finance income</b>	<b>51.3</b>	<b>17.3</b>
Interest expense on financial liabilities measured at amortized cost	(85.9)	(47.6)
Fair value loss on derivatives	(0.5)	(0.9)
Foreign exchange loss	(36.1)	(38.0)
<b>Finance cost</b>	<b>(122.5)</b>	<b>(86.5)</b>
<b>Net finance cost recognized in profit or loss</b>	<b>(71.2)</b>	<b>(69.2)</b>

Included in interest income is an amount of USD 2.2 million, which relates to debt modifications.

The increase in interest expense during the first quarter of 2018 compared to the same period in 2017 is mainly caused by interest expense relating to IFCo, which is no longer capitalized in 2018 and debt settlement expenses incurred for refinancing activities.

### 14. 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 2017.

### 15. Subsequent events

On 26 April 2018, OCI N.V. successfully completed the offering of a dual-tranche debut bond consisting of USD 650.0 million senior secured fixed rate notes due 2023 (the "Dollar Notes") and EUR 400.0 million senior secured fixed rate notes due 2023 (the "Euro Notes", and together with the Dollar Notes, the "Notes"). The Dollar Notes bear interest at a rate of 6.625% per annum and the Euro Notes bear interest at a rate of 5.0% per annum. The Notes were issued at par, are senior secured obligations of the Company and are, or will be, guaranteed by certain of the Company's subsidiaries. Interest will be payable semi-annually.

On 26 April 2018, OCI N.V. also entered into a new revolving credit facility and term loan A facility. The new revolving credit facility has a total commitment of USD 700 million (USD 500 million with a 5-year maturity and USD 200 million with a 3-year maturity), with two 1-year extension options. The new term loan A facility has a total commitment of USD 400 million equivalent denominated in euros and a 4-year maturity. Both facilities bear an initial interest rate margin of 4.0% over LIBOR, which declines with the Company's deleveraging profile.

In May 2018, EFC closed a refinancing of its existing financial indebtedness, with facilities from commercial banks (including Egyptian, regional and international) and Development Financing Institutions (EBRD and IFC). The facility size is USD 380 million and EGP 1.120 billion of debt, or approximately a total of USD 445 million, and bears an interest rate margin of 3.75% over LIBOR on the USD commitments and 0.75% over CBE Mid Corridor on the EGP commitments.

