OCI

Q2 2022 Results Report

Amsterdam, The Netherlands / 2 August 2022

OCI N.V. Reports Second Quarter 2022 Adjusted Net Income of $528 Million, Adjusted EBITDA of $1,290 Million

Highlights:

Financial and Outlook

- Q2 2022 revenues increased 95% to $2.9 billion and adjusted EBITDA increased 141% to $1.3 billion compared to the same period a year ago
- Q2 2022 adjusted net income increased 322% to $528 million versus $125 million in Q2 2021
- H1 2022 revenues were $5.2 billion, adjusted EBITDA $2.3 billion and adjusted net income $882 million
- OCI generated free cash flow of $928 million during Q2 2022 and $1.5 billion during H1 2022
- Net debt declined by $553 million during Q2 to $708 million as of 30 June 2022 after cash distributions to OCI and Fertiglobe shareholders (combined $490 million), or net leverage of 0.2x based on an LTM EBITDA of $3.8 billion
- OCI distributed cash to shareholders of €1.45 / share ($320 million) in June and proposes €3.55 / share (c.$765 million) to be paid in October, bringing the total cash return to shareholders in 2022 to €5.0 / share (c.$1.1 billion)
- Favourable farm economics and low global grain stocks, combined with high gas prices in Europe, provide support for nitrogen selling prices to remain above historical averages

Corporate Updates

- OCI has locked in c.50% of its US gas requirement for the 2023 – 2029 period at a WAP of $4.3 / mmBtu, giving - together with Fertiglobe's gas supply contracts - visibility on more than 90% of OCI's long-term gas requirement

Ahmed El-Hoshy, CEO of OCI N.V. commented:

"We are pleased with these financial results that have enabled us to accelerate our shareholder cash returns to almost $1.1 billion this year, while also substantially reducing gross debt and further lowering leverage to well within our investment grade financial policy parameters. This also positions us favorably to selectively pursue value-creative growth opportunities including organic expansions below replacement cost.

The outlook for the fundamentals of our nitrogen end markets continues to be underpinned by tight supply, healthy farm economics and decades low grain stocks globally that incentivize the use of nitrogen fertilizers. Forward curves imply that natural gas prices in Europe will remain at elevated levels through at least 2023, setting ammonia, urea and nitrates breakeven pricing well above historical averages.

Many European producers cannot recover cash costs due to high gas prices, especially those that cannot import ammonia. We benefit from our leading position in global ammonia markets and our flexibility to replace locally produced ammonia with imported ammonia shipped from our operations in North Africa and the US through our Rotterdam terminal.

We are now running our ammonia production platform in Europe at c.40% of capacity because of the high gas prices, but are able to operate our downstream production profitably with support from our imported ammonia. As a result, we remain able to satisfy the demand of our agricultural and industrial customers in Europe.

With the reduced ammonia production in Europe and as our methanol facility in the Netherlands remains shut due to the high gas prices, our European operations accounted for only 9% of our global natural gas consumption, but the nitrogen business in Europe represented c.24% of our total revenues during H1 2022. Our overall European business also benefits from the sale of excess EUAs, including $88 million recorded during the second quarter as part of adjusted EBITDA.

We continue to strengthen our competitive position in Europe: earlier this year we increased throughput capacity of our ammonia import terminal in Rotterdam to c.400,000 tons and are on track to expand to 1.2 million tons during 2023. We can leverage this unique supply chain in the future by importing low and no carbon hydrogen in the form of ammonia and methanol, which can help decarbonize the EU and reduce its reliance on imported natural gas.

In addition, with the prospect of increasing LNG exports from the US in coming years, we have hedged c.50% of our gas requirements in the US for the period 2023 – 2029 at a weighted average of $4.3 / mmBtu. For the period August – December 2022 we are hedged c.60% at a weighted average price of c.$5.3 / mmBtu, which compares to the Henry Hub US benchmark of on average $8.1 / mmBtu in Q2 2022.

As a result, we now have price visibility on more than 90% of our global natural gas requirements as a result of favourable gas supply agreements at Fertiglobe and the hedge position in the United States. With less than 10% of our natural gas supply exposed to market fluctuations in Europe, we have further enhanced our cost resiliency.

Separately, we are pleased that OCI was included in the MSCI World Index and STOXX 600 Index, some of the world's leading global equity indices, in June 2022.

Finally, we aim to help address potential grain shortfalls and food security concerns by focusing on operational excellence and producing as much product as possible to fill supply gaps that may arise. I would like to thank the whole team for their efforts to make this happen and their focus on safety. We look forward to continuing to create value to all our stakeholders."

Markets

Nitrogen outlook supported by crop fundamentals and high gas prices in Europe

Nitrogen product prices are supported by several market factors which suggest a structural shift to a multi-year demand driven environment .

i. Nitrogen pricing has support to remain significantly above historical averages. European nitrogen producers are currently the marginal producer with the forward curve for natural gas implying elevated input costs for the medium term:
    - Gas price futures in Europe currently indicate c.$60 / mmBtu for the balance of 2022 and $36 / mmBtu for 2023 and 2024, compared to $5 / mmBtu in the 2016 to 2020 period.
    - At these higher feedstock prices, the costs for marginal producers in Europe imply support levels for ammonia at >$2,000/t for the balance of 2022 and >$1,300/t in 2023 / 2024 (excluding CO_2 costs), which is 6-9x higher than the c.$230/t support level during 2016 – 2020.
    - This translates into price support of >$1,200 / ton for the balance of 2022 for urea and €800 / ton for CAN (and >$780 / ton and €600 / ton respectively for 2023)
    - Prices can drop below such floors particularly during off-season periods, but economics have historically prevailed when margins for producers remain negative for a longer period, triggering shutdowns as has been occurring in Europe over the past 12 months.

ii. Nitrogen supply is expected to be structurally tighter over 2022 – 2026, resulting in an estimated market deficit of c.7 million tons for urea. In addition:

- In Europe, c.7 million tons of ammonia capacity out of a total 19 million tons is currently shut due to the high gas prices. Given elevated gas price futures and risks related to Russian gas supply, more capacity may be shut down should selling prices remain below gas-based production costs.
- Russian ammonia exports from the Black Sea are limited due to logistical constraints (impacting c.2 million ton ammonia or c.10% of global trade)
- Urea exports from China, needed to balance the markets, are expected to remain low over the medium term, with controls to curb exports in place until H2 2023 at least and prioritization for domestic supply.

iii. Crop fundamentals remain supportive for nitrogen demand:

- Global grain stock-to-use ratio remains at decade lows and it will take at least until 2024 to replenish stocks
- Grain futures (US average corn futures at $6.0 and wheat at $8.0 / bushel from H2 2022 to the end of 2024) remain at levels that incentivize farmers globally to maximize yields by using more nitrogen
- Disruptions to agricultural supply chains with reduced fertilizer application in some regions, dry weather, and a late US season is expected to defer demand into 2023 given relative inelasticity of nitrogen demand

Methanol fundamentals remain healthy with significant upside in the hydrogen economy

Methanol market fundamentals remain supportive for the medium to longer term with expected continued demand growth and limited supply additions. Methanol is also supported by high oil prices: it is currently significantly cheaper than LNG and gasoline and can be used as a lower cost and cleaner alternative for multiple fuel applications worldwide including heating and transportation.

Over the period 2022 through 2026, we continue to expect tighter methanol market fundamentals with incremental demand expected to exceed new supply by c.8 million Mt, and no new major supply expected to come onstream in 2022. This does not consider the meaningful additional upside from hydrogen fuel demand, notably for road and marine fuel applications.

Dividends / capital allocation

In July, OCI announced a semi-annual distribution for the period H1 2022 of €3.55 per share, or c.$765 million at current exchange rates, consisting of a $200 million base return of capital and a variable element. This will bring the total cash distribution during calendar 2022 to €5.00 per share, or c.$1.1 billion.

OCI has scheduled an extraordinary shareholders meeting (EGM) on 19 August 2022 to request shareholder approval for the H1 2022 distribution through a repayment of capital. The convening notice and other materials can be found on our website at www.oci.nl.

The ex-dividend and record date for the distribution will be confirmed following the statutory two-month creditor opposition period, which lapses on 21 October 2022. In case of no objections, the ex-dividend date will be 26 October, the record date 27 October, and payment date 31 October.

Separately, Fertiglobe, which is 50% owned by OCI and fully consolidated, announced today, in line with its dividend policy of distributing excess free cash flows to its shareholders, a cash distribution of $750 million for H1 2022 payable in October 2022. OCI's share of the dividend will be $375 million.

Q2 2022 Results Report

Consolidated Financial Results at a Glance[1]

Financial Highlights ($ million unless otherwise stated)

$ million unless otherwise stated	Q2'22	Q2 '21	% Δ	H1'22	H1 '21	% Δ
Revenue	**2,857.7**	**1,462.9**	**95%**	**5,185.5**	**2,582.5**	**101%**
Gross Profit	1,169.4	404.6	189%	2,032.9	745.0	173%
Gross profit margin	40.9%	27.7%		39.2%	28.8%	
Adjusted EBITDA[2]	**1,289.9**	**535.4**	**141%**	**2,260.0**	**987.2**	**129%**
EBITDA	1,229.2	502.7	145%	2,164.9	933.5	132%
EBITDA margin	43.0%	34.4%		41.7%	36.1%	
Adjusted net income attributable to shareholders[2]	**527.5**	**125.1**	**322%**	**881.7**	**227.5**	**288%**
Reported net income attributable to shareholders	476.7	146.3	226%	886.4	244.9	262%
Earnings per share ($)						
Basic earnings per share	2.269	0.697	226%	4.218	1.167	261%
Diluted earnings per share	2.256	0.693	226%	4.194	1.160	262%
Adjusted earnings per share[2)]	2.510	0.596	321%	4.196	1.084	287%
Capital expenditure	74.1	30.7	141%	125.5	87.6	43%
Of which: Maintenance Capital Expenditure	45.1	29.5	53%	89.3	85.4	5%
Free cash flow[2, 3]	928.4	397.7	133%	1,537.7	723.3	113%

	30-Jun-22	31-Dec-21	% Δ
Total Assets	10,283.4	9,811.6	5%
Gross Interest-Bearing Debt	2,805.4	3,800.8	(26%)
Net Debt	708.0	2,220.5	(68%)

	Q2'22	Q2 '21	% Δ	H1'22	H1 '21	% Δ
Sales volumes ('000 metric tons)						
OCI Product Sold[4]	3,061.5	3,231.3	(5%)	5,650.0	6,221.9	(9%)
Third Party Traded	900.0	803.0	12%	1,754.6	1,335.2	31%
Total Product Volumes	**3,961.5**	**4,034.3**	**(2%)**	**7,404.6**	**7,557.1**	**(2%)**

1) Unaudited

2) OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates.

3) Free cash flow is an APM that is calculated as cash from operations less maintenance capital expenditures less distributions to non-controlling interests plus dividends from equity accounted investees, and before growth capital expenditures and lease payments.

4) Fully consolidated, not adjusted for OCI's proportionate ownership stake in plants, except OCI's 50% share of Natgasoline volumes

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 30 June 2022 was 0.37 incidents per 200,000 manhours
- OCI reported a 141% increase in adjusted EBITDA in Q2 2022 compared to Q2 2021 due to higher selling prices year-on-year for all products
- Own product sales volumes were 3.1 million metric tons during Q2 2022:
  - *Total own-produced nitrogen product sales volumes were up 2% compared to Q2 2021*
  - *Total own-produced methanol sales volumes declined 38% largely as BioMCN remained shut down due to the high gas price environment in Europe*
- Selling prices improved for all products in Q2 2022 compared to Q2 2021
- Higher gas prices in Q2 2022 versus Q2 2021 in Europe, the US and MENA resulted in a total negative impact of c.$307 million before natural gas hedges, with the biggest impact in Europe

Product Sales Volumes ('000 metric tons)

'000 metric tons	Q2'22	Q2 '21	% Δ	H1'22	H1 '21	% Δ
Own Product						
Ammonia	547.6	517.9	6%	934.3	1,104.9	(15%)
Urea	1,192.7	1,137.6	5%	2,234.8	2,240.8	0%
Calcium Ammonium Nitrate (CAN)	276.8	318.4	(13%)	568.2	646.8	(12%)
Urea Ammonium Nitrate (UAN)	426.1	443.9	(4%)	755.7	723.8	4%
Total Fertilizer	**2,443.2**	**2,417.8**	**1%**	**4,493.0**	**4,716.3**	**(5%)**
Melamine	30.1	32.8	(8%)	61.1	67.0	(9%)
DEF	217.7	186.0	17%	443.9	336.8	32%
Total Nitrogen Products	**2,691.0**	**2,636.6**	**2%**	**4,998.0**	**5,120.1**	**(2%)**
Methanol[1)]	370.5	594.7	(38%)	652.0	1,101.8	(41%)
Total Own Product Sold	**3,061.5**	**3,231.3**	**(5%)**	**5,650.0**	**6,221.9**	**(9%)**
Traded Third Party						
Ammonia	61.4	80.2	(23%)	118.6	121.2	(2%)
Urea	403.4	501.9	(20%)	853.2	722.4	18%
UAN	58.7	6.9	751%	83.0	20.5	305%
Methanol	74.2	20.7	258%	218.3	99.4	120%
AS	191.7	114.1	68%	285.8	232.6	23%
DEF	110.6	79.2	40%	195.7	139.1	41%
Total Traded Third Party	**900.0**	**803.0**	**12%**	**1,754.6**	**1,335.2**	**31%**
Total Own Product and Traded Third Party	**3,961.5**	**4,034.3**	**(2%)**	**7,404.6**	**7,557.1**	**(2%)**

1) Including OCI's 50% share of Natgasoline volumes

Benchmark Prices

			Q2'22	Q2 '21	% Δ	Q1 '22	% Δ	H1'22	H1 '21	% Δ
Ammonia	NW Europe, FOB	$/mt	**1,240**	**527**	135%	**1,335**	(7%)	**1,288**	451	186%
Ammonia	US Gulf Tampa contract	$/mt	**1,272**	**545**	133%	**1,168**	9%	**1,220**	453	169%
Granular Urea	Egypt, FOB	$/mt	**795**	**390**	104%	**841**	(5%)	**818**	378	116%
CAN	Germany, CIF	€/mt	**710**	**252**	182%	**708**	0%	**709**	240	195%
UAN	France, FCA	€/mt	**679**	**239**	184%	**708**	(4%)	**694**	224	210%
UAN	US Midwest, FOB	$/mt	**688**	**370**	86%	**674**	2%	**682**	325	110%
Melamine	Europe contract	€m/t	**3,765**	**1,965**	92%	**3,965**	(5%)	**3,865**	1,780	117%
Methanol	USGC Contract, FOB	$/mt	**634**	**533**	19%	**616**	3%	**625**	512	22%
Methanol	Rotterdam FOB Contract	€/mt	**550**	**418**	32%	**495**	11%	**523**	407	29%
Natural gas	TTF (Europe)	$ / mmBtu	**30.8**	**9.2**	235%	**32.2**	(4%)	**31.5**	7.9	299%
Natural gas	Henry Hub (US)	$ / mmBtu	**8.1**	**3.0**	170%	**4.6**	76%	**6.3**	2.9	117%

Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

Nitrogen Segments Performance in Q2 2022

Total own-produced nitrogen volumes increased by 2% during the second quarter of 2022 compared to the same period last year. The adjusted EBITDA for the nitrogen business increased 151% from $445 million in Q2 2021 to $1,115 million in Q2 2022, despite the higher gas prices.

Nitrogen US segment

- The adjusted EBITDA of the Nitrogen US segment increased by 149% to $216 million in Q2 2022, as a result of higher selling prices versus Q2 2021.
- Our DEF business continued to grow as volumes increased by 17%, as we have successfully grown our contract volumes in 2022. The higher netbacks for this product enable us to continue to enhance returns for our US nitrogen operations going forward.

Nitrogen Europe segment

- The Nitrogen Europe segment continued to perform well in a difficult market environment with volatile and record high natural gas input costs. We continue to benefit from OCI's flexible business model and in June 2022, we announced a tripling of throughput capacity at our ammonia import terminal in Rotterdam. This flexible model enables us to maintain production of our downstream products (CAN, UAN and melamine), despite reduced utilization of OCI Nitrogen's ammonia plants due to the high gas prices in Europe.
- Selling prices for all our products were up, which offset a $162 million negative impact year-on-year from higher natural gas prices, resulting in a 136% YoY increase in adjusted EBITDA to $134 million and an adjusted EBITDA margin of 19% for Q2 2022.
- CAN volumes were down 13% year-on-year in Q2 2022, but this was partly offset by higher UAN volumes.

Fertiglobe

- Fertiglobe has a significant competitive advantage through favourable gas supply agreements, including fixed prices in Abu Dhabi and profit-sharing mechanisms in North Africa.
- Fertiglobe's total own-produced sales volumes were up 7% during the second quarter of 2022 compared to the same period last year.
- Higher selling prices resulted in a 155% increase in adjusted EBITDA to $770 million in Q2 2022 from $301 million in Q2 2021. As a result, Fertiglobe's adjusted EBITDA margin expanded to 52.3% in Q2 2022 from 42.1% in Q2 2021.
- For more detail on Fertiglobe results, please also see www.fertiglobe.com

Methanol Segments Performance in Q2 2022

Own-produced methanol sales volumes decreased by 38% in Q2 2022 compared to the same period last year:

- Our methanol facility in the Netherlands was temporarily shut down in June 2021 and remains shut down due to the high gas price environment.
- In Q1 2022, OCI added low carbon MTBE to its product offering of clean fuels, and is expanding its geographic footprint across Europe with sales into Germany
- Natgasoline continues to run well and has achieved rates close to nameplate production capacity.

The adjusted EBITDA of the methanol business was higher in Q2 2022 due to higher methanol prices year-on-year, the sale of excess EUAs and the continued ramp-up of clean fuel sales into Europe, which together more than offset the impact of the shutdown of the methanol plants in Europe and higher gas prices compared to a year ago.

Segment overview Q2 2022

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe	Elim.	Total Nitrogen	US	Europe	Elim.	Total Methanol	Other	Elim.	Total
Total revenues	506.1	708.8	1,471.3	(91.9)	**2,594.3**	251.7	143.7	(73.7)	**321.7**	-	(58.3)	2,857.7
Gross profit	172.3	123.7	747.8	(4.9)	**1,038.9**	38.2	74.9	(3.7)	**109.4**	3.3	17.8	1,169.4
Operating profit	167.7	115.9	707.2	(4.3)	**986.5**	30.1	72.3	(3.3)	**99.1**	(20.7)	17.8	1,082.7
D,A&I	(42.6)	(18.1)	(62.8)	-	**(123.5)**	(37.1)	(3.7)	19.1	**(21.7)**	(1.3)	-	(146.5)
EBITDA	210.3	134.0	770.0	(4.3)	**1,110.0**	67.2	76.0	(22.4)	**120.8**	(19.4)	17.8	1,229.2
Adj. EBITDA	215.6	133.9	770.0	(4.3)	**1,115.2**	104.8	76.0	(1.1)	**179.7**	(22.8)	17.8	1,289.9

Segment overview Q2 2021

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe*	Elim. *	Total Nitrogen*	US *	Europe	Elim.*	Total Methanol*	Other*	Elim.*	Total
Total revenues	237.6	263.8	716.6	(25.4)	**1,192.6**	201.7	104.3	(0.2)	**305.8**	-	(35.5)	1,462.9
Gross profit	54.2	42.6	252.8	0.4	**350.0**	88.7	8.6	(38.9)	**58.4**	(3.8)	-	404.6
Operating profit	49.5	32.4	230.0	0.4	**312.3**	80.6	5.9	(37.2)	**49.3**	(19.3)	-	342.3
D,A&I	(37.0)	(24.4)	(72.5)	-	**(133.9)**	(39.3)	(7.5)	21.4	**(25.4)**	(1.1)	-	(160.4)
EBITDA	86.5	56.8	302.5	0.4	**446.2**	119.9	13.4	(58.6)	**74.7**	(18.2)	-	502.7
Adj. EBITDA	86.5	56.8	301.4	0.4	**445.1**	94.4	13.4	0.7	**108.5**	(18.2)	-	535.4

Segment overview H1 2022

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe	Elim.	Total Nitrogen	US	Europe	Elim.	Total Methanol	Other	Elim.	Total
Total revenues	959.8	1,262.1	2,656.1	(213.3)	**4,664.7**	509.2	278.8	(112.7)	**675.3**	-	(154.5)	5,185.5
Gross profit	293.2	187.5	1,335.6	(4.3)	**1,812.0**	202.8	77.5	(75.2)	**205.1**	(1.9)	17.7	2,032.9
Operating profit	282.8	173.7	1,264.8	(3.7)	**1,717.6**	185.2	73.2	(72.3)	**186.1**	(49.0)	17.7	1,872.4
D,A&I	(80.1)	(36.3)	(124.8)	-	**(241.2)**	(74.1)	(12.7)	38.1	**(48.7)**	(2.6)	-	(292.5)
EBITDA	362.9	210.0	1,389.6	(3.7)	**1,958.8**	259.3	85.9	(110.4)	**234.8**	(46.4)	17.7	2,164.9
Adj. EBITDA	368.2	210.2	1,394.6	(3.7)	**1,969.3**	239.7	85.9	(2.8)	**322.8**	(49.8)	17.7	2,260.0

Segment overview H1 2021

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe*	Elim.*	Total Nitrogen*	US*	Europe	Elim.*	Total Methanol*	Other*	Elim.*	Total
Total revenues	341.5	484.0	1,260.0	(43.3)	**2,042.2**	346.0	246.7	(4.8)	**587.9**	-	(47.6)	2,582.5
Gross profit	102.4	53.9	442.0	0.6	**598.9**	172.8	22.2	(46.6)	**148.4**	(2.3)	-	745.0
Operating profit	93.4	34.2	397.0	0.6	**525.2**	156.9	17.6	(43.0)	**131.5**	(33.8)	-	622.9
D,A&I	(72.8)	(49.0)	(136.3)	-	**(258.1)**	(78.6)	(14.9)	42.9	**(50.6)**	(1.9)	-	(310.6)
EBITDA	166.2	83.2	533.3	0.6	**783.3**	235.5	32.5	(85.9)	**182.1**	(31.9)	-	933.5
Adj. EBITDA	166.2	83.2	532.2	0.6	**782.2**	202.5	32.5	1.9	**236.9**	(31.9)	-	987.2

**As per Q4 2021 we have represented our segments Fertiglobe and Methanol for the year, and have included all non-production and holding entities, which were previously presented in the segment other. This change is also reflected in the comparative numbers per Q2 2021.*

Financial Highlights

Summary results

Consolidated revenue increased by 95% to $2,858 million in the second quarter of 2022 compared to the same quarter in 2021, driven mainly by higher prices for all our products.

Adjusted EBITDA increased by 141% to $1,290 million in Q2 2022 compared to $535 million in Q2 2021. The nitrogen and methanol segments benefited from higher selling prices, offsetting higher gas prices compared to a year ago.

Reported net profit attributable to shareholders was $477 million in Q2 2022 compared to $146 million in Q2 2021. The adjusted net profit attributable to shareholders was $528 million in Q2 2022 compared to $125 million in Q2 2021.

Consolidated Statement of Income*

$ million	Q2 '22	Q2 '21	H1 '22	H1 '21
Net revenue	**2,857.7**	**1,462.9**	**5,185.5**	**2,582.5**
Cost of sales	(1,688.3)	(1,058.3)	(3,152.6)	(1,837.5)
Gross profit	**1,169.4**	**404.6**	**2,032.9**	**745.0**
SG&A	(88.6)	(62.1)	(167.0)	(122.7)
Other income	1.9	0.2	6.5	1.1
Other expense	-	(0.4)	-	(0.5)
Adjusted EBITDA	**1,289.9**	**535.4**	**2,260.0**	**987.2**
EBITDA	**1,229.2**	**502.7**	**2,164.9**	**933.5**
Depreciation, amortization and impairment	(146.5)	(160.4)	(292.5)	(310.6)
Operating profit	**1,082.7**	**342.3**	**1,872.4**	**622.9**
Interest income	8.4	0.7	11.1	1.5
Interest expense	(113.6)	(63.6)	(157.5)	(129.6)
Other finance income / (cost)	50.7	(4.5)	78.5	(6.0)
Net finance costs	**(54.5)**	**(67.4)**	**(67.9)**	**(134.1)**
Income from equity-accounted investees	(1.8)	31.1	61.1	31.8
Net income before tax	**1,026.4**	**306.0**	**1,865.6**	**520.6**
Income tax expense	(138.6)	(42.6)	(278.6)	(72.7)
Net profit	**887.8**	**263.4**	**1,587.0**	**447.9**
Non-controlling interests	(411.1)	(117.1)	(700.6)	(203.0)
Net profit attributable to shareholders	**476.7**	**146.3**	**886.4**	**244.9**
Adjusted net profit attributable to shareholders	**527.5**	**125.1**	**881.7**	**227.5**

** Unaudited*

Reconciliation to Alternative Performance Measures

Adjusted EBITDA

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of underlying performance of OCI's operations. The main APM adjustments in the second quarters of 2022 and 2021 relate to:

- Natgasoline is not consolidated and an adjustment of c.$39 million was made for OCI's 50% share in the plant's EBITDA in Q2 2022. Natgasoline's contribution to adjusted EBITDA in Q2 2021 was c.$40 million.
- The unrealized results on natural gas hedge derivatives of $24 million in Q2 2022 relate to hedging activities at OCI Beaumont, IFCo and OCI NV.
- Note that OCI does not apply hedge accounting on commodity hedges, therefore mark-to-market gains and losses are recognized in the P&L statement, except for physical purchase contracts which are treated under the own use exemption. Mark-to-market gains or losses are excluded from adjusted EBITDA and adjusted net income.

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q2 '22	Q2 '21	H1 '22	H1 '21	Comment / Adjustment in P&L
Operating profit as reported	**1,082.7**	**342.3**	**1,872.4**	**622.9**	
Depreciation, amortization and impairment	146.5	160.4	292.5	310.6	
EBITDA	**1,229.2**	**502.7**	**2,164.9**	**933.5**	
<u>APM adjustments for</u>:					
Natgasoline	39.0	40.4	76.1	64.7	*OCI's share of Natgasoline EBITDA*
Unrealized Result Natural Gas Hedging	23.8	(6.6)	7.3	(9.9)	*(gain) / loss at OCIB, IFCo and OCI NV*
Provisions & other	(2.1)	(1.1)	11.7	(1.1)	
Total APM adjustments at EBITDA level	**60.7**	**32.7**	**95.1**	**53.7**	
Adjusted EBITDA	**1,289.9**	**535.4**	**2,260.0**	**987.2**	

Adjusted net income attributable to shareholders

At the net income level, the main APM adjustments in Q2 2022 relate to unrealized gas hedging at Natgasoline and the FX-gain on loans and borrowing on USD exposure at non-USD entities (mainly Sorfert and OCIN), as well as expenses related to refinancing activities.

Reconciliation of reported net income to adjusted net income

$ million	Q2 '22	Q2 '21	H1 '22	H1 '21	Adjustment in P&L
Reported net profit attributable to shareholders	**476.7**	**146.3**	**886.4**	**244.9**	
Adjustments for:					
Adjustments at EBITDA level	60.7	32.7	95.1	53.7	
Add back: Natgasoline EBITDA adjustment	(39.0)	(40.4)	(76.1)	(64.7)	
Result from associate (unrealized gas hedging Natgasoline)	17.9	(18.9)	(31.4)	(23.1)	*Finance income / expense*
Forex (gain) / loss on USD exposure	(54.4)	(4.2)	(86.6)	(4.4)	*Finance income / expense*
Expenses related to refinancing	65.2	4.1	66.1	12.1	*Finance expense*
NCI adjustment	12.0	(1.3)	27.2	2.0	*Minorities*
Accelerated depreciation and impairments of PP&E	6.0	9.2	12.5	9.2	*Depreciation & impairment*
Other adjustments	(4.4)	-	(4.4)	-	*Finance income / expense*
Tax effect of adjustments	(13.2)	(2.4)	(7.1)	(2.2)	*Income tax*
Total APM adjustments at net profit level	**50.8**	**(21.2)**	**(4.7)**	**(17.4)**	
Adjusted net profit attributable to shareholders	**527.5**	**125.1**	**881.7**	**227.5**	

Free Cash Flow and Net Debt

Free cash flow before growth capex and dividends to shareholders amounted to $928 million during Q2 2022, bringing the total for H1 2022 to $1.5 billion. The free cash flow reflects our operational performance for the quarter and net working capital inflows, offset by outflows for maintenance capex, tax, interest, and dividends to non-controlling interests.

The dividends to non-controlling interests include semi-annual dividends paid by Fertiglobe to shareholders (other than OCI) of $170 million, as well as payments to minority shareholders at EBIC in Egypt and in the Methanol Group.

Capital expenditures:

- Total cash capital expenditures including growth were $74 million in Q2 2022 compared to $31 million in Q2 2021
- Capital expenditures for growth projects amounted to $29 million during the quarter

During the quarter, OCI also incurred refinancing costs of c.$65 million and paid a cash distribution to its shareholders of c.$320 million.

The resulting net debt was $708 million as of 30 June 2022 versus $2,221 million as of 31 December 2021 or a decrease of $1,513 million during the first half of 2022, and a decrease of $553 million during the second quarter of 2022.

The trailing net debt / LTM adjusted EBITDA was 0.2x as of 30 June 2022 compared to 0.9x as of 31 December 2021. Proportionate leverage as of 30 June 2022, based on OCI’s ownership, was 0.5x versus 0.8x as of 31 March 2022 and 1.3x as of 31 December 2021.

Capital structure

In May, OCI closed an $837 million bond issuance to refinance in debt at Iowa Fertilizer Company at a weighted average cost of capital of 4.60% per annum and an average life of 22 years, significantly extending the group's debt maturity profile and de-risking the balance sheet.

Reconciliation of EBITDA to Free Cash Flow and Change in Net Debt

$ million	Q2 '22	Q2 '21	H1 '22	H1 '21
EBITDA	**1,229.2**	**502.7**	**2,164.9**	**933.5**
Working capital	46.5	57.3	(149.9)	37.0
Maintenance capital expenditure	(45.1)	(29.5)	(89.3)	(85.4)
Tax paid	(82.1)	(20.9)	(139.5)	(36.8)
Interest paid	(53.0)	(90.9)	(67.7)	(109.7)
Lease payments	(14.1)	(12.6)	(23.8)	(21.9)
Dividends from equity accounted investees	1.4	2.6	1.4	2.6
Dividends paid to non-controlling interest and withholding tax	(250.1)	(33.7)	(316.8)	(33.7)
Other	95.7	22.7	158.4	37.7
Free Cash Flow	**928.4**	**397.7**	**1,537.7**	**723.3**
Reconciliation to change in net debt:				
Growth capital expenditure	(29.0)	(1.2)	(36.2)	(2.2)
Methanol Group 15% sale (net)	-	-	373.7	-
Other non-operating items	15.0	(2.2)	12.7	(18.4)
Net effect of movement in exchange rates on net debt	26.9	3.7	19.0	15.0
Debt redemption cost	(65.2)	(4.1)	(66.1)	(12.1)
Other non-cash items	(3.2)	(3.6)	(7.9)	(8.9)
OCI dividend paid to shareholders	(320.4)	-	(320.4)	-
Net Cash Flow / Decrease (Increase) in Net Debt	**552.5**	**390.3**	**1,512.5**	**696.7**

Notes

This report contains unaudited second quarter consolidated financial highlights 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, 1071 DC 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.

Auditor

The financial highlights and the reported data in this report have not been audited by an external auditor.

Investor and Analyst Conference Call

On 2 August 2022 at 17:00 CET, OCI N.V. will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.oci.nl.

On 2 August at 13:30 CET, Fertiglobe will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.fertiglobe.com.

Market Abuse Regulation

This press release contains inside information as meant in clause 7(1) of the Market Abuse Regulation.

About OCI N.V.:

OCI N.V. (Euronext: OCI) is a leading global producer and distributor of hydrogen products providing low carbon fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world. OCI's production capacity spans four continents and comprises approximately 16.3 million metric tons per year of hydrogen products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 3,850 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam. Learn more about OCI at www.oci.nl. You can also follow OCI on Twitter and LinkedIn.

About Fertiglobe:

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertiglobe's production capacity comprises of 6.7 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertiglobe employs more than 2,600 employees and was formed as a strategic partnership between OCI N.V. ("OCI") and the Abu Dhabi National Oil Company ("ADNOC"). Fertiglobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertiglobe.com

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OCI stock symbols: OCI / OCI.NA / OCI.AS
Fertiglobe stock symbol: FERTIGLB