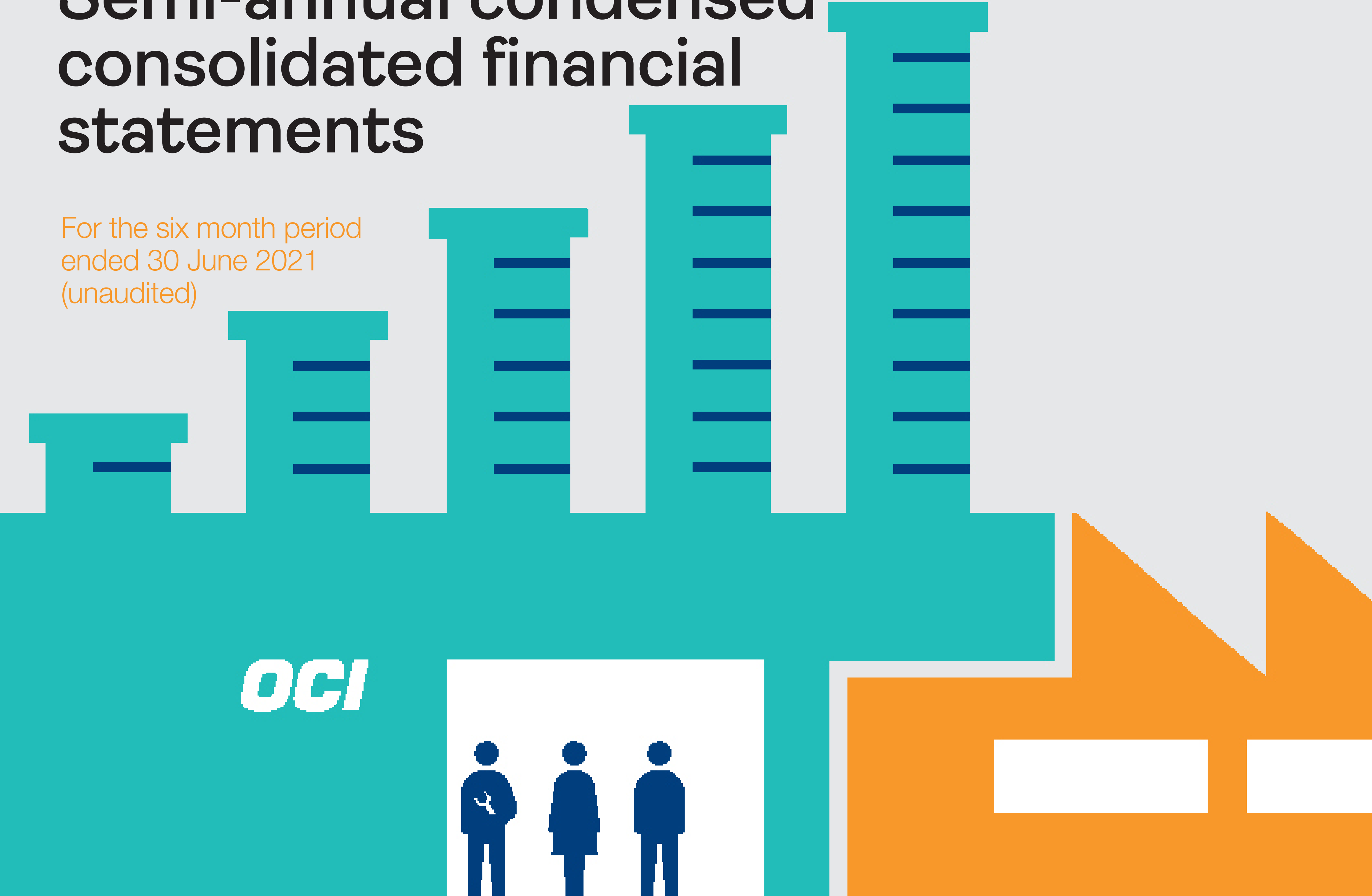
Semi-annual condensed consolidated financial statements

For the six month period ended 30 June 2021 (unaudited)



SEMI-ANNUAL MANAGEMENT REPORT

Condensed consolidated income statement

$ million	30 June 2021	30 June 2020
Revenue	**2,582.5**	**1,686.5**
Gross profit	745.0	204.0
Operating profit	622.9	107.9
Adjusted EBITDA[1]	**987.2**	**412.5**
Adjusted EBITDA margin[1]	38.2%	24.5%
Reported EBITDA	933.5	397.5
Reported EBITDA margin	36.1%	23.6%
Net finance cost	(134.1)	(110.8)
Net profit	447.9	(33.7)
Reported net profit / (loss) attributable to owners of the Company	244.9	(83.8)
Adjusted net profit / (loss) attributable to owners of the Company[1]	215.5	(101.9)

Outlook

The outlook for OCI and our end markets remain robust for the remainder of this year and beyond, supported by strong underlying demand for nitrogen fertilizers driven by healthy farm economics, and a continued recovery in our industrial markets for ammonia, methanol, melamine and DEF. We continue to see strong demand for a wide range of downstream products used across various end markets including construction, automotive and textiles. Furthermore, the recovery in transportation applications increasingly bolsters demand for our products, keeping market conditions tight. Based on the current market outlook for selling prices for 2021, we expect a drop in net leverage (net debt / adjusted EBITDA) to below our target of 2.0x through the cycle by year-end 2021.

Fertiglobe IPO

As mentioned in the press release dated 12 April 2021, OCI N.V. and Abu Dhabi National Oil Company (ADNOC) are considering an initial public offering (IPO) of their nitrogen-fertilizer partnership Fertiglobe.

Risks and uncertainties

A description of OCI's risk management system and an overview of potentially important risks for OCI are provided in the Annual Report 2020. OCI has reviewed the developments in the first six months of 2021 and assessed the risks for the year. Based on these assessments OCI has concluded that the most important risks and responses as reported in the Annual Report 2020 are still applicable.

Related party transactions

During the six-month period ended 30 June 2021, no related party transactions outside the normal course of business occurred. Reference is made to the Annual Report 2020 for an overview of related party transactions. OCI did not enter in any new related party transactions during the six-month period ended 30 June 2021.

$ million	Performance drivers six-month period ended 30 June 2021
Revenue	• Sales volumes: increased by 5% reaching a record 7.6 million metric tons, primarily due to a 4% increase in own product sold as well as an 8% increase in traded volumes sold. • Selling prices: improved substantially year-on-year for all our products. Together with the increased sales volumes this resulted in an increase of 53% in revenues compared to the six-month period ended 30 June 2020.
Adjusted EBITDA[1]	• Adjusted EBITDA increased by 139% or USD 574.7 million to USD 987.2 million for the six-month period ended 30 June 2021, primarily driven by the revenue growth. • EBITDA margin improved resulting from higher utilization rates of our plants and favorable selling prices, partly offset by unfavorable gas prices in mainly EU and US.
Operating profit	Operating profit increased by 477.3% or USD 515.0 million during the six-month period ended 30 June 2021 as compared to the same period in 2020, primarily as a result of: • Gross profit increased by USD 541.0 million due to a USD 896.0 million increase in revenue, partially offset by a USD 355.0 million increase in cost of sales. • Selling, general and administrative expenses increased by USD 13.5 million to USD 122.7 million.
Financing cost	• Finance income decreased by USD 25.5 million to USD 6.4 million, mainly driven by a decrease in foreign exchange gains. • Finance cost decreased by USD 2.2 million to USD 140.5 million. This was primarily due to a USD 8.3 million decrease in foreign exchange loss, partially offset by a USD 6.1 million increase in interest expense on financial liabilities. • The foreign exchange gains and losses mainly relate to external financing and to the revaluation of intercompany balances in foreign currencies. • Like-for-like interest on loans and borrowings was reduced by USD 28 million in the six-month period ended 30 June 2021.
Net profit	• Net profit of USD 447.9 million in the six-month period ended 30 June 2021, compared to a loss of USD 33.7 million in the same period in 2020, primarily driven by a higher operating profit. • Adjusted net profit / (loss) attributable to the owners of the Company was a profit of USD 215.5 million in the six-month period ended 30 June 2021, compared to a loss of USD 101.9 million in the same period in 2020.

[1] 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. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 16 - 17 of the report.

SEMI-ANNUAL MANAGEMENT REPORT

Condensed consolidated statement of cash flows

$ million	30 June 2021	30 June 2020
Cash and cash equivalents at 1 January	**686.3**	**600.5**
Cash flows from operating activities	830.7	238.1
Cash flows used in investing activities	(75.8)	(161.2)
Cash flows used in financing activities	(443.1)	(5.8)
Net cash flow	311.8	71.1
Currency translation adjustments	(10.9)	(26.5)
Cash and cash equivalents at 30 June	**987.2**	**645.1**
Free cash flow[1]	**723.3**	**81.5**

Net debt

$ million	30 June 2021	31 December 2020
Long-term interest-bearing debt	3,815.0	4,226.9
Short-term interest-bearing debt	205.8	189.7
Gross interest-bearing debt	**4,020.8**	**4,416.6**
Cash and cash equivalents	987.2	686.3
Net debt	**3,033.6**	**3,730.3**

$ million	Performance drivers six-month period ended 30 June 2021
Cash flows from operating activities	• Cash flows from operating activities primarily reflect the net profit of USD 447.9 million in the six-month period ended 30 June 2021, compared to the net loss of USD 33.7 million in the same period in 2020, an improvement of USD 481.6 million, and a positive working capital change of USD 26.8 million.
Cash flows used in investing activities	• Cash flows used in investing activities were USD 85.4 million lower than in the six-month period ended 30 June 2020, primarily due to lower cash capital expenditures of USD 87.6 million in 2021 compared to USD 163.8 million in 2020, of which maintenance capital expenditure was USD 85.4 million and USD 142.6 million respectively.
Cash flows used in financing activities	• Cash flows used in financing activities were USD 443.1 million in the six-month period ended 30 June 2021, compared to USD 5.8 million in the same period in 2020. • Net repayments of borrowings and proceeds from borrowings were USD 351.4 million (cash outflow), mainly related to the accelerated repayments of IFCo bonds and 10% of the 2024 and 2025 USD bonds (in total USD 247.2 million) and regular repayments of outstanding borrowings at Sorfert, Fertiglobe Holding and EFC. The remainder is related to regular borrowings and repayments of the revolving credit facilities.
Free cash flow[1]	• Free cash flow before growth capital expenditure amounted to USD 723.3 million in the six-month period ended 30 June 2021 reflecting the reported EBITDA for the year, working capital inflows, maintenance capital expenditure, dividends to non-controlling interests and cash interest paid of USD 110.2 million.
Gross debt	• Gross debt decreased by USD 395.8 million due to repayments of USD 845.8 million and impact of exchange differences on Euro denominated debt, partially offset by USD 494.4 proceeds from loans.
Cash and cash equivalents	• Cash and cash equivalents increased as a result of positive free cash flow to USD 987.2 million as at 30 June 2021 compared to USD 686.3 as at 31 December 2020.
Net debt	• Net debt stood at USD 3,033.6 million as at 30 June 2021, down from USD 3,730.3 million as at 31 December 2020, resulting from the positive free cash flow generation.

[1] 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. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 16 - 17 of the report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT

$ millions	Note	30 June 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment		5,969.1	6,244.3
Right-of-use assets		265.3	279.4
Goodwill and other intangible assets	(8)	485.8	486.5
Trade and other receivables		2.6	3.5
Equity-accounted investees		498.1	468.7
Financial assets at fair value through other comprehensive income		26.9	30.0
Deferred tax assets		0.7	0.8
Total non-current assets		**7,248.5**	**7,513.2**
Current assets			
Inventories		272.3	293.8
Trade and other receivables		641.3	600.9
Income tax receivables		19.3	2.8
Cash and cash equivalents		987.2	686.3
Total current assets		**1,920.1**	**1,583.8**
Total assets		**9,168.6**	**9,097.0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED
AS AT

$ millions	Note	30 June 2021	31 December 2020
Equity			
Share capital		5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(358.8)	(338.4)
Retained earnings		(4,606.8)	(4,851.8)
Equity attributable to owners of the Company		**1,356.3**	**1,131.7**
Non-controlling interests		1,506.8	1,540.1
Total equity		**2,863.1**	**2,671.8**
Liabilities			
Non-current liabilities			
Loans and borrowings	(9)	3,815.0	4,226.9
Lease obligations		239.2	248.6
Trade and other payables		23.7	25.7
Provisions		3.0	3.0
Deferred tax liabilities		523.3	515.5
Total non-current liabilities		**4,604.2**	**5,019.7**
Current liabilities			
Loans and borrowings	(9)	205.8	189.7
Lease obligations		41.7	43.6
Trade and other payables		1,293.7	1,003.6
Provisions	(14)	135.9	158.3
Income tax payables		24.2	10.3
Total current liabilities		**1,701.3**	**1,405.5**
Total liabilities		**6,305.5**	**6,425.2**
Total equity and liabilities		**9,168.6**	**9,097.0**

The notes on pages 10 to 15 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 June 2021	Three month period ended 30 June 2020	Six month period ended 30 June 2021	Six month period ended 30 June 2020
Revenue	(13)	1,462.9	875.4	2,582.5	1,686.5
Cost of sales	(10)	(1,058.3)	(748.7)	(1,837.5)	(1,482.5)
Gross profit		**404.6**	**126.7**	**745.0**	**204.0**
Other income		0.2	(0.4)	1.1	13.4
Selling, general and administrative expenses	(10)	(62.1)	(52.1)	(122.7)	(109.2)
Other expenses		(0.4)	(0.3)	(0.5)	(0.3)
Operating profit		**342.3**	**73.9**	**622.9**	**107.9**
Finance income	(11)	(1.7)	(4.1)	6.4	31.9
Finance cost	(11)	(65.7)	(41.7)	(140.5)	(142.7)
Net finance cost	(11)	**(67.4)**	**(45.8)**	**(134.1)**	**(110.8)**
Income from equity-accounted investees (net of tax)		31.1	(20.1)	31.8	(27.4)
Profit / (loss) before income tax		**306.0**	**8.0**	**520.6**	**(30.3)**
Income tax		(42.6)	(6.2)	(72.7)	(3.4)
Net profit / (loss)		**263.4**	**1.8**	**447.9**	**(33.7)**
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Movement in hedge reserve		(1.8)	0.8	(7.7)	0.6
Currency translation differences		0.3	(50.0)	(19.9)	(47.6)
Currency translation differences from equity-accounted investees		0.1	(0.2)	(0.5)	(0.5)
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets at fair value through other comprehensive income		(4.5)	(1.1)	(5.7)	(3.5)
Other comprehensive income, net of tax		**(5.9)**	**(50.5)**	**(33.8)**	**(51.0)**
Total comprehensive income		**257.5**	**(48.7)**	**414.1**	**(84.7)**
Profit / (loss) attributable to:					
Owners of the Company		146.3	(2.4)	244.9	(83.8)
Non-controlling interests		117.1	4.2	203.0	50.1
Net profit / (loss)		**263.4**	**1.8**	**447.9**	**(33.7)**
Total comprehensive income attributable to:					
Owners of the Company		143.6	(37.7)	221.1	(102.7)
Non-controlling interests		113.9	(11.0)	193.0	18.0
Total comprehensive income		**257.5**	**(48.7)**	**414.1**	**(84.7)**
Earnings / (loss) per share (in USD)					
Basic earnings / (loss) per share		0.697	(0.011)	1.167	(0.400)
Diluted earnings / (loss) per share		0.693	(0.011)	1.160	(0.400)

The notes on pages 10 to 15 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 interests	Total equity
Balance at 1 January 2020	**5.6**	**6,316.3**	**(237.8)**	**(4,726.6)**	**1,357.5**	**1,461.2**	**2,818.7**
Net profit / (loss)	-	-	-	(83.8)	(83.8)	50.1	(33.7)
Other comprehensive income	-	-	(18.9)	-	(18.9)	(32.1)	(51.0)
Total comprehensive income	**-**	**-**	**(18.9)**	**(83.8)**	**(102.7)**	**18.0**	**(84.7)**
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	13.5	13.5
Treasury shares sold / delivered	-	-	3.6	(3.6)	-	-	-
Business combination Fertiglobe	-	-	-	48.3	48.3	(59.6)	(11.3)
Share-based payments	-	-	-	3.8	3.8	-	3.8
Balance at 30 June 2020	**5.6**	**6,316.3**	**(253.1)**	**(4,761.9)**	**1,306.9**	**1,433.1**	**2,740.0**
Balance at 1 January 2021	**5.6**	**6,316.3**	**(338.4)**	**(4,851.8)**	**1,131.7**	**1,540.1**	**2,671.8**
Net profit / (loss)	-	-	-	244.9	244.9	203.0	447.9
Other comprehensive income	-	-	(23.8)	-	(23.8)	(10.0)	(33.8)
Total comprehensive income	**-**	**-**	**(23.8)**	**244.9**	**221.1**	**193.0**	**414.1**
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	33.3	33.3
Treasury shares sold / delivered	-	-	4.2	(4.2)	-	-	-
Treasury shares acquired	-	-	(0.8)	-	(0.8)	-	(0.8)
Dividend to non-controlling interests	-	-	-	-	-	(259.6)	(259.6)
Share-based payments	-	-	-	4.3	4.3	-	4.3
Balance at 30 June 2021	**5.6**	**6,316.3**	**(358.8)**	**(4,606.8)**	**1,356.3**	**1,506.8**	**2,863.1**

The notes on pages 10 to 15 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

$ millions	Note	Three month period ended 30 June 2021	Three month period ended 30 June 2020	Six month period ended 30 June 2021	Six month period ended 30 June 2020
Net profit / (loss)		**263.4**	**1.8**	**447.9**	**(33.7)**
Adjustments for:					
Depreciation and amortization	(10)	160.4	147.5	310.6	289.6
Interest income	(11)	(0.7)	(1.0)	(1.5)	(2.6)
Interest expense	(11)	63.6	71.5	129.6	123.5
Net foreign exchange loss / (gain) and others	(11)	4.5	(24.7)	6.0	(10.1)
Share in income of equity-accounted investees		(31.1)	20.1	(31.8)	27.4
Fertiglobe business combination		-	-	-	(13.3)
Equity-settled share-based payment transactions		2.4	2.1	4.4	3.8
Impact difference in profit-sharing non-controlling interests		20.3	2.8	33.3	13.5
Income tax expense		42.6	6.2	72.7	3.4
Changes in:					
Inventories		14.0	68.0	16.7	59.4
Trade and other receivables		84.4	132.0	(65.6)	25.4
Trade and other payables		(29.0)	(74.0)	97.6	(81.2)
Provisions		(22.6)	1.4	(21.9)	0.5
Cash flows:					
Interest paid		(91.2)	(115.7)	(110.2)	(156.5)
Lease interest paid		(2.1)	(2.6)	(4.3)	(5.2)
Interest received		0.3	0.4	0.6	1.6
Income taxes paid		(20.9)	(2.1)	(53.4)	(7.4)
Cash flow from / (used in) operating activities		**458.3**	**233.7**	**830.7**	**238.1**
Investments in property, plant and equipment		(21.5)	(68.1)	(78.4)	(163.8)
Dividends from equity-accounted investees		2.6	2.6	2.6	2.6
Cash flow from / (used in) investing activities		**(18.9)**	**(65.5)**	**(75.8)**	**(161.2)**

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

$ millions	Note	Three month period ended 30 June 2021	Three month period ended 30 June 2020	Six month period ended 30 June 2021	Six month period ended 30 June 2020
Proceeds from borrowings	(9)	127.0	48.0	494.4	512.3
Repayment of borrowings	(9)	(305.4)	(521.7)	(845.8)	(660.4)
Payment of lease obligations		(10.6)	(12.6)	(17.7)	(18.9)
Newly incurred transaction costs / call premium		(3.0)	(2.0)	(8.9)	(5.6)
Purchase of treasury shares		(0.8)	-	(0.8)	-
Dividends paid to non-controlling interests		(33.7)	-	(33.7)	-
Settlement FX derivatives		10.7	-	(30.6)	-
Net debt settlement business combination Fertiglobe		-	-	-	166.8
Cash flows from / (used in) financing activities		**(215.8)**	**(488.3)**	**(443.1)**	**(5.8)**
Net cash flow		**223.6**	**(320.1)**	**311.8**	**71.1**
Net increase / (decrease) in cash and cash equivalents		**223.6**	**(320.1)**	**311.8**	**71.1**
Cash and cash equivalents at start of period		770.1	974.5	686.3	600.5
Effect of exchange rate fluctuations on cash held		(6.5)	(9.3)	(10.9)	(26.5)
Cash and cash equivalents at 30 June		**987.2**	**645.1**	**987.2**	**645.1**

The notes on pages 10 to 15 are an integral part of these condensed consolidated financial statements.

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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 semi-annual 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 semi-annual condensed consolidated financial statements for the period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 which have been prepared in accordance with IFRS, as adopted by the European Union.

The figures in this document have not been audited or reviewed by our external auditor.

2.2 COVID-19 impact

Since the outbreak of COVID-19, our business operations including our global supply chain and distribution channels have continued without interruption throughout the pandemic to-date, 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. During the pandemic, we noted extreme volatility in our selling prices (decreased selling prices for all our products during the second quarter of 2020, followed by rapidly increased selling prices since the fourth quarter of 2020). Our current outlook is that our financial and operating performance remains solid supported by healthy market fundamentals.

3. Summary of significant accounting policies

The accounting policies applied over the six month period ended 30 June 2021 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2020, except for the implementation of net investment hedging and cash flow hedge accounting with the effective date 1 January 2021. 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.

3.1 Net investment hedging

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3.2 Cash flow hedge accounting

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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.

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE CONTINUED

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 2020 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the 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 2020. 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 2020.

Impairment indicators BioMCN

As a result of an assessment for impairment indicators performed as at 30 June 2021, an impairment indicator was identified for the property plant and equipment of BioMCN which represents approximately 3.2% of total assets. The sharp increase in European gas prices, benchmarked by the Dutch Title Transfer Facility (TTF), has a significantly negative effect on the performance of BioMCN and management decided to temporarily shut down the facility from June 2021 onwards due to the high gas price environment. Consequently, an impairment test was performed to estimate the recoverable amount (based on value in use) for BioMCN. The impairment test showed that there is limited headroom available and that a reasonably possible change in key assumptions would cause the carrying amount of BioMCN to exceed its recoverable amount. The key assumptions included in the estimation of the recoverable amount are the forecasted methanol prices, the forecasted TTF prices and proceeds from excess carbon emission certificates. These assumptions are both derived from analyst publications and/or published market prices available on 30 June 2021. A marginal increase in the forecasted TTF price or a marginal decrease in the forecasted price of methanol used to calculate the terminal value would cause the carrying amount of BioMCN to exceed its recoverable amount.

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the six month period ended 30 June 2021	Average during the six month period ended 30 June 2020	Closing as at 30 June 2021	Closing as at 31 December 2020
Euro	1.2051	1.1019	1.1849	1.2225
Egyptian pound	0.0638	0.0632	0.0637	0.0635
Algerian dinar	0.0075	0.0081	0.0074	0.0076

7. Financial risk and capital management

7.1 Financial risk management

Categories of financial instruments:

30 June 2021 $ million	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables	620.4	23.5	-
Financial assets at fair value through other comprehensive income	-	-	26.9
Cash and cash equivalents	987.2	-	-
Total	**1,607.6**	**23.5**	**26.9**
Liabilities			
Loans and borrowings	4,020.8	-	-
Trade and other payables	1,165.8	151.6	-
Total	**5,186.6**	**151.6**	**-**

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE CONTINUED

7. Financial risk and capital management (continued)

31 December 2020 $ millions	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables	585.1	19.3	-
Financial assets at fair value through other comprehensive income	-	-	30.0
Cash and cash equivalents	686.3	-	-
Total	**1,271.4**	**19.3**	**30.0**
Liabilities			
Loans and borrowings	4,416.6	-	-
Trade and other payables	921.6	107.7	-
Total	**5,338.2**	**107.7**	**-**

The Group has several 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 (2020: USD 2.9 million), the investment in the Infrastructure and Growth Capital Fund of USD 7.1 million (2020: USD 6.3 million) was recognized as level 2 as the valuation is partially derived from listed shares. The investment in Notore Chemical Industries of USD 17.0 million (2020: USD 20.8 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 published financial statements.

In 2021 and 2020, 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.

For a general description of the risks related to financial instruments, reference is made to the 2020 Annual Report.

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 interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group is required by external financial institutions to maintain certain capital requirements compared to its debt.

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

$ millions	30 June 2021	31 December 2020
Loans and borrowings	4,020.8	4,416.6
Less: cash and cash equivalents	987.2	686.3
Net debt	**3,033.6**	**3,730.3**
Total equity	2,863.1	2,671.8
Net debt to equity ratio	**1.06**	**1.40**

8. Goodwill and other intangible assets

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

9. Loans and borrowings

$ millions	30 June 2021	31 December 2020
At 1 January	**4,416.6**	**4,662.3**
Proceeds from loans	494.4	2,070.4
Repayment and redemptions of loans and borrowings[1]	(845.8)	(2,396.0)
Newly incurred transaction costs	-	(14.6)
Amortization of transaction costs / (bond) premiums	12.1	34.1
Effect of movement in exchange rates	(56.5)	60.4
Balance at	**4,020.8**	**4,416.6**
Non-current	3,815.0	4,226.9
Current	205.8	189.7
Total	**4,020.8**	**4,416.6**

[1] In February 2021 IFCo redeemed the outstanding principal amount of the 5.875% bond of USD 147.2 million. In April 2021 OCI N.V. redeemed 10% of the 5.25% Senior Secured Notes due 2024 (USD 60 million) and 10% of the 4.625% Senior Secured Notes due 2025 (USD 40 million).

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group's presentation currency.

There are no new or amended financing arrangements during the period ended 30 June 2021.

Covenants

Certain loan agreements include financial covenants. As per 30 june 2021 all financial covenants were met. In the event the respective borrowing companies would not comply with the covenant requirements, its loans would become immediately due.

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE CONTINUED

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

Expenses by nature

$ millions	30 June 2021	30 June 2020
Raw materials and consumables and finished goods	1,331.6	1,022.3
Maintenance and repair	72.2	56.3
Employee benefit expenses	200.0	177.5
Depreciation and amortization	310.6	289.6
Consultancy expenses	15.7	15.3
Other	30.1	30.7
Total	**1,960.2**	**1,591.7**
Cost of sales	1,837.5	1,482.5
Selling, general and administrative expenses	122.7	109.2
Total	**1,960.2**	**1,591.7**

The extreme cold weather and spike in gas prices in the US in February resulted in temporary downtime at IFCo. Due to this downtime IFCo sold back its forward purchased gas to its supplier, which resulted in a gain from the resale of gas of USD 61 million. This figure does not include and is partly offset by the lost margin due to the lower production volumes and additional expenses associated with the downtime. The gain on the resale of gas is recorded as part of raw materials and consumables and finished goods.

11. Net finance cost

$ millions	30 June 2021	30 June 2020
Interest income on loans and receivables	1.5	2.6
Foreign exchange gain	4.9	29.3
Finance income	**6.4**	**31.9**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(129.6)	(123.5)
Foreign exchange loss	(10.9)	(19.2)
Finance cost	**(140.5)**	**(142.7)**
Net finance cost recognized in profit or loss	**(134.1)**	**(110.8)**

The decrease in both foreign exchange gains and losses is primarily driven by the application of net investment hedging and by designating intercompany loans to form part of a net investment in foreign operations. The effect of this accounting treatment is that foreign exchange gains and losses on designated (hedging) instruments are recognized in other comprehensive income, instead of profit or loss.

For the first half year of 2021, a total of USD 31.1 million of foreign exchange gains were credited to other comprehensive income due to the designation of intercompany loans. The application of net investment hedging resulted in a loss of USD 72.1 million that was recognized in other comprehensive income.

12. Income taxes

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2021 was 14.6% (for the six-month period ended 30 June 2020: -11.1%).

The change in effective tax rate was caused mainly by the following factors:

• In the six-month period ended 30 June 2020, the Group reported a consolidated loss before tax of USD 30.3 million whereas in certain tax jurisdictions taxable profits were realized and tax expenses were recognized accordingly. As a consequence, on a consolidated level, this resulted in a negative effective tax rate. In the six-month period ended 30 June 2021 profitability increased substantially resulting in taxable profits for the majority of the tax jurisdictions in which the Group operates. This is mainly driven by a recovery in sales prices for both Fertilizer and Methanol products and higher utilization of our production facilities.

Compared to the statutory tax rate applicable in the Netherlands (25%) the following elements are the main driver for the lower effective tax rate:

• Higher profits generated by the export activities of Sorfert and increased profitability of EBIC for the six-month period ended 30 June 2021 resulted in a lower effective tax rate compared to the same period in 2020.

• As a result of the increased profitability noted for the six-month period ended 30 June 2021, tax carryforward losses that were previously unrecognized could be utilized. As a result, it was determined that previously unrecognised tax losses can be utilized in financial year 2021, resulting in a decrease of the effective tax rate. This change has been reflected in calculating the expected annual effective tax rate and will be apportioned between the interim periods.

• The before mentioned was partially offset by an increase in non-deductible expenses, an increase in dividend withholding taxes, higher minimum tax requirements and an increase in uncertain tax positions.

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FOR THE SIX MONTH PERIOD ENDED 30 JUNE CONTINUED

13. Segment reporting

30 June 2021 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	**351.2**	**246.7**	**341.5**	**484.0**	**1,260.0**	**0.7**	**(101.6)**	**2,582.5**
EBITDA[2]	238.7	32.5	166.2	83.2	538.3	(40.0)	(85.4)	933.5
Adjusted EBITDA[2]	205.6	32.5	166.2	83.2	537.2	(40.0)	2.5	987.2
Income from equity-accounted investees	-	-	-	1.5	-	-	30.3	31.8
Depreciation and amortization	(78.2)	(14.9)	(72.8)	(49.0)	(136.1)	(2.6)	43.0	(310.6)
Finance income	0.1	-	0.2	2.5	7.3	22.8	(26.5)	6.4
Finance expense	(14.8)	(2.2)	(41.2)	(3.9)	(41.2)	(77.9)	40.7	(140.5)
Income tax (expense) / income	-	0.2	(0.9)	(8.2)	(63.7)	(0.1)	-	(72.7)
Net profit / (loss)	**145.8**	**15.6**	**51.5**	**26.1**	**304.6**	**(97.8)**	**2.1**	**447.9**
Equity-accounted investees	-	-	-	14.1	-	0.2	483.8	498.1
Capital expenditures PP&E	12.3	7.7	7.4	22.8	12.4	1.5	(8.5)	55.6
Total assets	**1,610.8**	**396.0**	**2,094.1**	**710.2**	**4,678.3**	**274.9**	**(595.7)**	**9,168.6**

30 June 2020 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	**227.9**	**130.8**	**284.0**	**392.3**	**737.5**	**0.7**	**(86.7)**	**1,686.5**
EBITDA[2]	52.6	7.8	99.2	78.9	205.6	(19.5)	(27.1)	397.5
Adjusted EBITDA[2]	50.2	7.8	99.2	78.9	209.1	(30.2)	(2.5)	412.5
Income from equity-accounted investees	-	-	-	2.0	-	0.6	(30.0)	(27.4)
Depreciation and amortization	(70.0)	(12.4)	(70.3)	(39.5)	(133.6)	(2.0)	38.2	(289.6)
Finance income	0.4	-	0.2	4.2	21.7	61.3	(55.9)	31.9
Finance expense	(17.7)	(1.8)	(63.7)	(5.2)	(37.8)	(88.9)	72.4	(142.7)
Income tax income / (expense)	1.2	(0.1)	(0.1)	(10.4)	(11.5)	17.5	-	(3.4)
Net (loss) / profit	**(33.5)**	**(6.5)**	**(34.7)**	**30.0**	**44.4**	**(31.0)**	**(2.4)**	**(33.7)**
Equity-accounted investees	-	-	-	14.5	-	0.5	461.8	476.8
Capital expenditures PP&E	46.0	30.8	1.6	31.6	24.3	0.3	(5.6)	129.0
Total assets	**1,551.9**	**385.0**	**2,166.7**	**678.5**	**4,616.7**	**132.5**	**(569.2)**	**8,962.1**

[1] Including ammonia at OCIB

[2] 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. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 16 - 17 of the report.

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE CONTINUED

14. Provisions

There have been no significant changes in provisions compared to the situation as described in the consolidated financial statements for the year ended 31 December 2020, except for the provision for indemnifications.

Provision for indemnifications

In June 2021, OCI N.V. reached an agreement related to one of its indemnification provisions, as a result the historical provision of USD 23.6 million was reclassed to other payables as timing of payment is certain and due in July. The excess provision amounting to USD 1.1 million was released to the profit or loss and other comprehensive income.

15. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the consolidated financial statements for the year ended 31 December 2020, except for the EBIC free zone status.

EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones (‘GAFI’) filed an appeal before the Administrative Court. In May 2021, the Administrative Court rendered its final ruling in favor of EBIC.

16. Subsequent events

No material subsequent events occurred.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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. OCI believes that an understanding of its financial performance is enhanced by reporting the following APMs:

- EBITDA
- Adjusted EBITDA
- Adjusted net income
- Free cash flow

EBITDA, adjusted EBITDA, adjusted net income and free cash flow are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. Therefore, EBITDA, adjusted EBITDA, adjusted net income and free cash flow should be viewed as supplemental but not as a substitute for measures presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, which are determined in accordance with IFRS.

External stakeholders should not consider EBITDA, adjusted EBITDA, adjusted net income and free cash flow (a) as an alternative to operating profit or profit/(loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, and (b) as an alternative to any other measure of performance under IFRS. Because not all companies define adjusted EBITDA, EBITDA, adjusted net income and free cash flow in the same way, these measures may not be comparable to similarly titled measures used by other companies.

Definitions and explanations of the use of the APMs are described below. Reconciliations of the APMs to the most directly reconcilable line item are presented on the following pages.

EBITDA

EBITDA is defined as the total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees.

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA, adjusted for additional items and costs that management considers not reflective of our core operations.

Adjusted net income

Adjusted net income is the total net profit, adjusted for additional items and costs that management considers not reflective of our core operations.

Free cash flow

Free cash flow (FCF) reflects an additional way of viewing our liquidity that we believe is useful to our investors and is defined as cash flow reflecting the EBITDA for the year, change in working capital, maintenance capital expenditure, taxes paid, cash interest paid, lease payments, dividends from equity accounted investees, dividends paid to non-controlling interests and adjustment for other non-cash items.

Reconciliation of operating profit to adjusted EBITDA

$ million	30 June 2021	30 June 2020
Operating profit	622.9	107.9
Depreciation and amortization	310.6	289.6
EBITDA	933.5	397.5
APM adjustments	53.7	15.0
Adjusted EBITDA	**987.2**	**412.5**

APM adjustments at EBITDA level

$ million	30 June 2021	30 June 2020
Natgasoline	64.7	23.8
Unrealized result natural gas hedging	(9.9)	(0.9)
Gain on purchase related to Fertiglobe	-	(13.3)
Transaction costs	-	1.7
Other including provisions	(1.1)	3.7
Total APM adjustments at EBITDA level	**53.7**	**15.0**

ALTERNATIVE PERFORMANCE MEASURES (APMs) CONTINUED

The main APM adjustments at EBITDA level in H1 2021 and H1 2020 relate to:

- Natgasoline is not consolidated and an adjustment of USD 64.7 million was made for OCI's 50% share in the plant's EBITDA in 2021. Natgasoline's contribution to adjusted EBITDA in 2020 was USD 23.8 million
- The unrealized results on natural gas hedge derivatives of USD (9.9) million in 2021 and USD (1.0) million in 2020 relate to hedging activities at OCI Beaumont and in the Netherlands
- Due to the final post-completion settlement related to Fertiglobe, a gain on purchase of USD 13.3 million was recorded in the income statement in 2020
- Other adjustments of USD (1.1) million in 2021 and USD 3.8 million in 2020 mainly relates to movements in provisions related to ongoing litigation and claims

$ million	30 June 2021	30 June 2020
Reported net profit / (loss) attributable to owners of the Company	**244.9**	**(83.8)**
Adjustments at EBITDA level	53.7	15.0
Add back: Natgasoline EBITDA adjustment	(64.7)	(23.8)
Result from associate (change in unrealized gas hedging Natgas)	(23.1)	(0.8)
Forex (gain) / loss on USD exposure	(4.4)	(16.3)
Non-controlling interests adjustment / release interest accrual	2.0	7.1
Accelerated depreciation	9.2	1.2
Tax effect of adjustments	(2.1)	(0.5)
Total APM adjustments at net profit / (loss) level	**(29.4)**	**(18.1)**
Adjusted net profit / (loss) attributable to owners of the Company	**215.5**	**(101.9)**

The main APM adjustments at net profit / (loss) level in H1 2021 and H1 2020 relate to:

- Result from associate of USD (23.1) million in 2021 and USD (0.8) million in 2020 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas
- FX impact of USD (4.4) million in 2021 and USD (16.3) million in 2020 relates to the foreign exchange gains or losses on loans and borrowings and related instruments on USD exposure carried at entities which do not have USD as functional currency
- Accelerated depreciation of USD 9.2 million in 2021 relates to the accelerated depreciation of the shiploader at Fertil
- Non-controlling interests adjustment of USD 5.0 million in 2021 and USD 7.1 million in 2020 is related to the calculated profit attributable to non-controlling interests on all APM adjustments and the release of the interest accrual
- Tax effect of adjustments of USD (2.1) million in 2021 and USD (0.5) million in 2020 is related to the calculated tax effect of all APM adjustments

Free cash flow

$ million	30 June 2021	30 June 2020
Cash flow from operating activities	**830.7**	**238.1**
Maintenance capital expenditure	(85.4)	(142.5)
Lease payments	(17.7)	(18.9)
Dividend to non-controlling interests	(33.7)	-
Other non-operating items	29.4	4.8
Free cash flow	**723.3**	**81.5**

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Article 5:25d of the Dutch Financial Supervision Act, the members of the board of directors of OCI N.V. declare that, to the best of their knowledge, the semi-annual condensed consolidated financial statements included in this semi-annual report, which have been prepared in accordance with IAS 34 'Interim Financial Reporting', give a true and fair view of OCI N.V.'s assets, liabilities, financial position and profit or loss of OCI N.V. and its consolidated group companies taken as a whole and the half-year press release attached to this semi-annual report gives a fair view of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Market Supervision Act.

Amsterdam, the Netherlands, 30 July 2021

The OCI N.V. Board of Directors