Q4 2020 Results Report

Amsterdam, The Netherlands / 25 February 2021

OCI N.V. Reports Fourth Quarter 2020 Results

Highlights:

Financial Summary

- Revenues increased 22% to $1,036 million and adjusted EBITDA increased 12% to $266 million in Q4 2020 YoY
- OCI-produced volumes sold increased 15% to 3.4 million metric tons in Q4 2020 compared to Q4 2019
- Adjusted net loss of $45 million in Q4 2020 compared to adjusted net loss of $43 million in Q4 2019
- Net debt of $3.7 billion as of 31 December 2020, down $187 million from 30 September 2020, resulting in a reduction of $332 million for the full year 2020
- Based on the current market outlook for selling prices and our growth expectations for production and sales volumes for 2021, we expect a drop in net leverage to below 3.0x by year-end 2021

Markets

- Outlook for nitrogen markets is positive for 2021, supported by healthy farm economics and strong demand growth
- The recent increases in feedstock prices support higher nitrogen prices and have strengthened OCI's competitive position on the global cost curve
- The recent extreme cold weather and spike in gas prices in the US has resulted in temporary downtime at OCI's US plants, but the impact was meaningfully more than offset by cash gains from physical and financial gas hedges
- Methanol markets have strengthened significantly through Q4 and into 2021

Corporate and ESG Update

- OCI solidifies its leading position in the growing biofuels market with a new agreement to supply Essar Oil (UK) Ltd with bio-methanol as part of a biofuel alcohol mix
- OCI continues its strategic review to explore multiple value-enhancing opportunities for its methanol group, which is benefiting from a considerably stronger outlook

Statement from the Chief Executive Officer – Ahmed El-Hoshy:

Q4 2020 strongest quarter of the year

"We are pleased that we ended the year with a strong quarter of robust volume growth and healthy cash generation. As a result, we achieved a reduction in net debt of $332 million during 2020, despite selling prices for all our products nearing trough cycle levels during the year and on average at materially lower levels than in 2019. We look forward to delivering another year of robust volume growth in 2021, against a backdrop of nitrogen markets that have not looked as positive since at least 2015.

Favourable market outlook for 2021 underpinned by healthy fundamentals

We are starting to benefit from a significant recovery in selling prices compared to last year, as global nitrogen markets enjoy strong tailwinds and the outlook for our methanol end markets has strengthened significantly.

Global nitrogen prices have recovered from trough cycle levels reached in 2020, with urea rising over 30% in the first two months of 2021. Ammonia, nitrates, and US nitrogen prices were lagging in the fourth quarter of 2020 and were lower year-on-year but have since strengthened, also increasing by more than 30% in the first two months of 2021.

These price increases are underpinned by healthy fundamentals for nitrogen markets in 2021. The steady increase in corn prices over the past few months to near 8-year highs, driven by strong global demand, is supportive of farm economics and as a result, nitrogen demand and prices, especially as nitrogen is the most important crop input with limited price elasticity of demand. Higher feedstock prices in Europe and Asia have raised marginal costs, supporting higher ammonia prices in particular, whereas expectations of an Indian tender next month is further supportive of continued strength in global pricing.

Lower supply and additional logistics disruptions have resulted in a significantly tighter balance in the market which is supportive of higher US nitrogen prices ahead of the start of the spring season. This is particularly the case for UAN where despite prices having risen by c.70% from trough levels, there is further room to increase as the ratio of corn to UAN prices remains close to decade lows and UAN continues to be at a discount to urea on a nitrogen tonne basis.

The outlook for our methanol end markets has also continued to improve. Spot methanol prices have almost tripled since reaching trough cycle levels in 2020 and the market has remained tight so far in 2021. High-cost methanol capacity has been shutting down and natural gas shortages in Iran, Trinidad and China have tightened global methanol supplies, which combined with delayed new supply continues to support prices. Demand from Methanol-to Olefins (MTO) plants in China was strong in 2020 and MTO utilization rates continue to be high on the back of healthy economics. Downstream demand is expected to continue to improve as the global economy and industrial activity recovers.

Interest savings to materialize in 2021

This year, we will also start to see the benefits from our recent refinancing activities. We expect the Q4 2020 bond offering and the refinancing at Fertiglobe to generate cash interest savings of more than $32 million per year, as we lowered our weighted average cost of gross debt by c.60 bps to below 4.5%. In February, we also redeemed c.$147 million of bonds at IFCo, which will result in additional recurring cash interest savings and a reduction in subsidiary debt consistent with our strategy. We will continue to evaluate opportunities to achieve similar objectives and further simplify our capital structure.

Green focus

Finally, we are pleased that we made further progress in our effort to grow our green portfolio and anticipate new growth opportunities for OCI.

Ammonia and methanol are some of the best-positioned products to create carbon-free food, fuels and industrial feedstocks and therefore can help decarbonize a wide range of end markets and industries. The use of ammonia or methanol as a shipping fuel is particularly promising as these products are among the best-placed alternatives to help this sector decarbonize in a cost-effective way.

We have therefore made it a top priority to make ammonia an established fuel for shipping, and we are also working on accelerating the transition to producing blue and green ammonia at our plants. OCI is one of the largest producers and traders of ammonia globally, with our ammonia plants and storage tanks located directly on the major global shipping routes, and in regions with access to ample and cost-effective solar and wind resources.

We are also pleased that we recently reached another key milestone in growing our biofuels business as we started supplying Essar Oil, strengthening our market-leading position in renewable methanol. We will continue to roll out bio-methanol as a fuel, which helps reduce the carbon intensity of road transportation fuels in a highly efficient way and we also see many opportunities in other industrial applications where this versatile product can be used.

We intend to announce our 2030 scope 1 and 2 emission reduction targets at our upcoming ESG Investor Seminar scheduled to take place March 8, 2021. We believe we can achieve these targets based on a differentiated strategy focused on value creation and capital discipline, that will help enable the world transition to the hydrogen economy.

We will outline how we will accelerate our operational excellence program which we expect to yield tangible shorter-term returns and how we can grow our existing portfolio of lower-carbon products. We will also detail value-enhancing strategic initiatives focused on low- or no-carbon technologies, where we, together with our partners and customers, can leverage our unique geographical and product footprint to capture exciting growth opportunities."

Outlook

Nitrogen

- The outlook for our nitrogen fertilizer portfolio is considerably more favourable on higher global pricing and we maintain a solid order book:
    - Global nitrogen demand is supported by rising corn prices driven by higher corn imports from China.
    - Demand in all our key markets is forecast to remain robust in 2021 on improved farm economics and a recovery in industrial consumption.
    - We expect a favourable spring application season in our core US Midwest market with attractive affordability levels for farmers on the back of rising crop prices.
    - Our nitrates order book in Europe is healthy going into the second quarter of 2021.
    - Higher fertilizer demand in China on strong domestic crop prices combined with a recovery in industrial urea consumption, is expected to likely limit urea exports from China in 2021 to a lower level than in 2020.
- Industrial nitrogen markets remained relatively subdued in Q4 2020 due to GDP/industrial activity slowdown, but continue to recover and have shown resilience to ongoing lockdowns:
    - Ammonia prices lagged the increases in urea prices, but have started to benefit from higher feedstock prices, a recovery in industrial markets, high-cost capacity shutdowns, and gas supply curtailments in Trinidad and China.
    - OCI's DEF sales in the US reached record levels in Q4 2020 which combined with the higher urea sales prices in the US supports an improving trend going into 2021.
    - Melamine prices increased by 15% in the first quarter of 2021, driven by reduced supply in the fourth quarter and solid demand in our core European markets continuing into 2021 driving a tighter market.

Methanol

- Following a solid performance of OCI Beaumont and BioMCN in H2 2020, normalization of production and improved onstream efficiency is expected to drive volume growth in the methanol segments in 2021, in turn driving earnings growth for the methanol group.
- The outlook for our methanol end markets has also strengthened:
    - US methanol spot prices have almost tripled since reaching a bottom below $150 / ton in June.
    - Rising utilization rates of MTO plants in China on the back of healthy MTO economics versus naphtha crackers have been a key driver of a rebound in methanol demand.

- The outlook for downstream demand has improved, with fuel consumption picking up, and a gradual return of global industrial and construction activity.
- Resurgence in Covid-19 cases particularly for Europe and the US, adds some downside risk for methanol demand if these economies see another downturn, but the supply and demand balance has remained tight so far in 2021.

Gas Markets

The recent increase in feedstock prices has driven up marginal costs of production and supports selling prices for all our products. It also benefits OCI as one of the most efficient producers in the US and Europe and strengthens Fertiglobe's significant competitive advantage as a result of its fixed gas supply agreements.

Consolidated Financial Results at a Glance[1)]

Financial Highlights ($ million unless otherwise stated)

	Q4 '20	Q4 '19	% Δ	FY20	FY19	% Δ
Revenue	**1,035.7**	**847.8**	*22%*	**3,474.1**	**3,031.7**	*15%*
Gross Profit	127.7	89.3	*43%*	412.1	322.8	*28%*
Gross profit margin	12.3%	10.5%		11.9%	10.6%	
Adjusted EBITDA[2)]	**265.9**	**236.8**	*12%*	**869.8**	**748.4**	*16%*
EBITDA[2)]	209.9	200.1	*5%*	779.1	649.7	*20%*
EBITDA margin	*20.3%*	*23.6%*		*22.4%*	*21.4%*	
Adj. net income (loss) attributable to shareholders	**(44.8)**	**(43.4)**	*nm*	**(213.4)**	**(208.4)**	*nm*
Net income (loss) attributable to shareholders	(56.9)	(90.8)	*nm*	(177.7)	(334.7)	*nm*
Earnings / (loss) per share ($)						
Basic earnings per share	(0.271)	(0.434)	*nm*	(0.847)	(1.598)	*nm*
Diluted earnings per share	(0.271)	(0.434)	*nm*	(0.847)	(1.598)	*nm*

	31-Dec '20	31 Dec '19	% Δ
Total Assets	9,097.0	9,419.6	*(3%)*
Gross Interest-Bearing Debt	4,416.6	4,662.3	*(5%)*
Net Debt	3,730.3	4,061.9	*(8%)*

	Q4 '20	Q4 '19	% Δ	FY20	FY19	% Δ
Free cash flow[3)]	245.0	43.4		304.7	127.5	
Capital Expenditure	51.5	52.9	*(3%)*	262.6	300.0	*(12%)*
Of which: maintenance capital expenditure	50.4	46.5	*8%*	239.4	169.8	*41%*
Sales volumes ('000 metric tons)[4)]						
OCI Product	3,397.7	2,945.0	15%	12,249.0	9,921.5	23%
Third Party Traded	696.6	386.6	80%	2,434.7	1,783.7	36%
Total Product Volumes	**4,094.3**	**3,331.6**	**23%**	**14,683.7**	**11,705.2**	**25%**

1) Unaudited

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. A detailed reconciliation between APM and the most directly comparable IFRS measure can be found in this report.

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 non-controlling interests, and before growth capital expenditures and lease payments.

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

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 31 December 2020 0.23 incidents per 200,000 manhours.
- Own product sales volumes increased 15% to 3.4 million metric tons during the fourth quarter of 2020 compared to the fourth quarter of 2019:
  - *Total own-produced nitrogen product volumes were up 10%, driven by strong growth in all regions and most products except ammonia volumes, which were lower partly due to a turnaround of an ammonia line in Algeria*
  - *Total own-produced methanol sales volumes increased 48% due to a significant step-up in production at OCI Beaumont and despite downtime at Natgasoline.*

Product Sales Volumes ('000 metric tons)

	Q4 2020	Q4 2019	% Δ	2020	2019	% Δ
Own Product						
Ammonia	380.0	490.3	(22%)	1,656.8	1,907.1	(13%)
Urea	1,472.4	1,187.2	24%	4,763.2	3,110.8	53%
Calcium Ammonium Nitrate (CAN)	290.7	258.7	12%	1,371.8	1,140.8	20%
Urea Ammonium Nitrate (UAN)	434.2	411.2	6%	1,749.9	1,489.6	17%
Total Fertilizer	**2,577.3**	**2,347.4**	**10%**	**9,541.7**	**7,648.3**	**25%**
Melamine	37.0	39.2	(6%)	144.6	135.8	6%
DEF	181.0	152.2	19%	636.2	508.7	25%
Total Nitrogen Products	**2,795.3**	**2,538.8**	**10%**	**10,322.5**	**8,292.8**	**24%**
Methanol[1)]	602.4	406.2	48%	1,926.5	1,628.7	18%
Total Own Product Sold	**3,397.7**	**2,945.0**	**15%**	**12,249.0**	**9,921.5**	**23%**
Traded Third Party		**0.0**		**0.0**	**0.0**	
Ammonia	108.1	18.4	488%	284.3	160.6	77%
Urea	275.1	65.2	322%	910.5	329.5	176%
UAN	22.6	3.7	511%	41.3	24.1	71%
Methanol	35.2	84.8	(58%)	258.8	482.6	(46%)
Ammonium Sulphate (AS)	200.7	195.5	3%	712.8	713.6	(0%)
DEF	54.9	19.0	nm	227.0	73.3	nm
Total Traded Third Party	**696.6**	**386.6**	**80%**	**2,434.7**	**1,783.7**	**36%**
Total Own Product and Traded Third Party	**4,094.3**	**3,331.6**	**23%**	**14,683.7**	**11,705.2**	**25%**

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

Benchmark Prices

			2020	2019	% Δ	Q4 '20	Q4 '19	% Δ	Q3 '20	% Δ
Ammonia	NW Europe, FOB	$/mt	**253**	286	(12%)	**261**	275	(5%)	235	11%
Ammonia	US Gulf Tampa	$/mt	**233**	248	(6%)	**242**	255	(5%)	208	16%
Granular Urea	Egypt, FOB	$/mt	**249**	262	(5%)	**264**	238	11%	259	2%
CAN	Germany, CIF	€/mt	**170**	197	(14%)	**175**	180	(3%)	165	6%
UAN	France, FOT	€/mt	**154**	182	(15%)	**160**	162	(1%)	152	5%
UAN	US Midwest, FOB	$/mt	**180**	228	(21%)	**172**	204	(16%)	169	2%
Melamine	Europe contract	€m/t	**1,380**	1,510	(9%)	**1,390**	1,450	(4%)	1,330	5%
Methanol	USGC Contract, FOB	$/mt	**336**	387	(13%)	**372**	336	11%	278	34%
Methanol	R'dam FOB Contract	€/mt	**253**	319	(21%)	**263**	270	(3%)	225	17%
Natural gas	TTF (Europe)	$ / mmBtu	**3.1**	4.5	(31%)	**5.0**	4.1	22%	2.5	100%
Natural gas	Henry Hub (US)	$ / mmBtu	**2.0**	2.6	(23%)	**2.7**	2.4	13%	1.9	42%

Source: CRU, Argus, ICIS, Bloomberg

Operational Performance

COVID-19 has not had a direct impact on OCI's operations, and all of OCI's products have been deemed as essential to ensure uninterrupted supply of food and other essential products. Supply chains and distribution channels continue to perform resiliently.

Nitrogen Segments Performance in Q4 2020

Total own-produced nitrogen sales volumes increased 10% during the fourth quarter of 2020 compared to the same period last year, reflecting strong demand for nitrogen fertilizers in our core markets amidst favourable weather conditions:

- Robust import demand in India, Europe, and Latin America, driving a 22% increase in urea sales volumes, as Fertiglobe delivered inventories that were built up during the low summer season.
- Ammonia volumes were lower YoY due to a combination of turnaround activities of one of the ammonia lines at Sorfert, as well as some weakness in industrial end markets outside China offsetting the increase in ammonia volumes in the US on good fall demand.
- Significant increase in CAN volumes in Europe compared to Q4 2019.
- Record annual production achieved for all products at IFCo. UAN volumes in the United States were 17% higher in 2020 compared to a strong 2019, reflecting IFCo's 2019 stabilization and debottlenecking of production and OCI's strengthening competitive position in the US Midwest through its N-7 Joint Venture.
- Record DEF volumes in the US in Q4 2020

The adjusted EBITDA for the nitrogen business decreased from $233 million in Q4 2019 to $214 million in Q4 2020.

The significant increase in sales volumes across the nitrogen segment could not offset the lower selling prices in Q4 2020, especially ammonia and nitrates, which was the main driver of a decline in adjusted EBITDA for the Nitrogen US and Nitrogen Europe segments.

However, Fertiglobe's adjusted EBITDA improved compared to both the fourth quarter of 2019 and the third quarter of 2020. We continue to benefit from our fixed gas price agreements at Fertiglobe, and the increase in higher spot gas pricing and its correlation with product pricing.

Methanol Segments Performance in Q4 2020

Own-produced methanol sales volumes increased by 48% in Q4 2020 compared to the same period last year driven by a significant step-up in production at OCI Beaumont and BioMCN:

- OCI Beaumont's methanol plant has delivered consistent high utilization rates following an extensive turnaround finalised in Q1 2020. The plant was running at high levels in Q4 2020 with an average utilization rate of around 101% for the quarter.
- Our methanol facility in the Netherlands continued to achieve steady utilization rates above 95% at both production lines in the fourth quarter of 2020.
- Production downtime at Natgasoline resulted in relatively low utilization rates for the quarter. A final insurance settlement of $120 million as compensation for properly damages and business interruption losses was agreed, of which $55 million was received in prior periods. For the remaining balance, $5 million was received in Q4 2020 and $60 million in early 2021.

The adjusted EBITDA of the methanol business was higher in Q4 2020 compared to Q4 2019 due to the increase in volumes, higher methanol prices, and the insurance proceeds more than offsetting slightly higher gas prices in the Netherlands and the US, compared to a year ago.

Segment overview Q4 2020

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	149.4	190.5	498.4	(30.1)	**808.2**	137.8	127.0	(19.3)	**245.5**	0.3	(18.3)	1,035.7
Gross profit	10.7	4.5	101.5	(1.5)	**115.2**	(15.9)	(7.3)	35.3	**12.1**	0.4	-	127.7
Operating profit	7.6	(1.9)	81.8	(1.5)	**86.0**	8.9	(4.4)	7.0	**11.5**	(41.1)	-	56.4
D&A	(37.9)	(22.5)	(67.3)	-	**(127.7)**	(48.0)	(7.6)	30.8	**(24.8)**	(1.0)	-	(153.5)
EBITDA	45.5	20.6	149.1	(1.5)	**213.7**	56.9	3.2	(23.8)	**36.3**	(40.1)	-	209.9
Adj. EBITDA	45.5	20.6	149.1	(1.5)	**213.7**	62.1	2.6	2.3	**67.0**	(14.8)	-	265.9

Segment overview Q4 2019

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US***	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	134.0	194.2	357.8	(13.6)	**672.4**	87.7	93.7	(2.8)	**178.6**	-	(3.2)	847.8
Gross profit	30.4	30.3	59.3	2.2	**122.2**	(45.8)	(5.7)	3.9	**(47.6)**	14.7	-	89.3
Operating profit	26.3	21.2	27.8	2.2	**77.5**	(51.6)	(6.6)	5.9	**(52.3)**	(12.1)	-	13.1
D&A	(34.5)	(20.1)	(90.7)	-	**(145.3)**	(57.7)	(4.9)	21.9	**(40.7)**	(1.0)	-	(187.0)
EBITDA	60.8	41.3	118.5	2.2	**222.8**	6.1	(1.7)	(16.0)	**(11.6)**	(11.1)	-	200.1
Adj. EBITDA	60.8	41.3	128.9	2.2	**233.2**	10.7	(1.7)	(1.0)	**8.0**	(4.4)	-	236.8

Segment overview 2020

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	547.9	752.9	1,550.8	(72.1)	**2,779.5**	465.7	339.1	(62.9)	**741.9**	1.3	(48.6)	3,474.1
Gross profit	54.1	75.7	271.6	(0.6)	**400.8**	(11.4)	(4.3)	27.2	**11.5**	(0.2)	-	412.1
Operating profit	38.3	42.2	193.1	(0.6)	**273.0**	(4.9)	(5.4)	5.9	**(4.4)**	(81.6)	-	187.0
D&A	(142.7)	(82.9)	(268.0)	-	**(493.6)**	(153.1)	(28.4)	86.8	**(94.7)**	(3.8)	-	(592.1)
EBITDA	181.0	125.1	461.1	(0.6)	**766.6**	148.2	23.0	(80.9)	**90.3**	(77.8)	-	779.1
Adj. EBITDA	181.0	132.3	464.6	(0.6)	**777.3**	135.6	21.6	(1.7)	**155.5**	(63.0)	-	869.8

Segment overview 2019

$ million	Nitrogen US	Europe	Fertiglobe*	Elim.	Total Nitrogen	Methanol US***	Europe	Elim.**	Total Methanol	Other	Elim.	Total
Total revenues	541.0	812.1	1,055.5	(89.6)	**2,319.0**	512.1	280.1	(52.0)	**740.2**	-	(27.5)	3,031.7
Gross profit	84.0	114.6	196.6	1.0	**396.2**	(57.2)	(17.1)	15.8	**(58.5)**	(14.9)	-	322.8
Operating profit	66.8	79.2	147.2	1.0	**294.2**	(79.4)	(20.9)	23.2	**(77.1)**	(112.1)	-	105.0
D&A	(152.7)	(71.3)	(222.7)	-	**(446.7)**	(151.6)	(14.6)	72.5	**(93.7)**	(4.3)	-	(544.7)
EBITDA	219.5	150.5	369.9	1.0	**740.9**	72.2	(6.3)	(49.3)	**16.6**	(107.8)	-	649.7
Adj. EBITDA	219.5	152.4	374.4	1.0	**747.3**	91.8	(4.9)	(1.0)	**85.9**	(84.8)	-	748.4

** Previously Nitrogen MENA segment. Fertil consolidated from Q4 2019*

*** Mainly related to elimination of Natgasoline, which is included in Methanol US segment*

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

Financial Highlights

Summary results

Consolidated revenue increased by 22% to $1,036 million in the fourth quarter of 2020 compared to the same quarter in 2019, driven mainly by higher sales volumes.

Adjusted EBITDA increased by 12% to $266 million in Q4 2020 compared to $237 million in Q4 2019. The nitrogen segments benefited from higher sales volumes, offsetting on average lower selling prices and higher gas prices in Europe. The methanol group's adjusted EBITDA was higher in Q4 2020 compared to Q4 2019 due to an increase in production volumes, higher methanol prices and insurance payments.

The adjusted net loss was $45 million in Q4 2020 compared to an adjusted net loss of $43 million in Q4 2019. The reported net loss (after non-controlling interest) was $57 million in Q4 2020 compared to a net loss of $91 million in Q4 2019.

Consolidated Statement of Income*

$ million	Q4 2020	Q4 2019	2020	2019
Net revenue	**1,035.7**	847.8	**3,474.1**	3,031.7
Cost of Sales	(908.0)	(758.5)	(3,062.0)	(2,708.9)
Gross profit	**127.7**	89.3	**412.1**	322.8
SG&A	(51.0)	(75.2)	(219.3)	(219.1)
Other Income	3.2	1.0	17.6	5.8
Other expense	(23.5)	(2.0)	(23.4)	(4.5)
Adjusted EBITDA	**265.9**	236.8	**869.8**	748.4
EBITDA	209.9	200.1	779.1	649.7
Depreciation & amortization	(153.5)	(187.0)	(592.1)	(544.7)
Operating profit	56.4	13.1	**187.0**	105.0
Interest income	0.6	1.5	4.4	5.9
Interest expense	(119.4)	(89.3)	(307.5)	(311.8)
Other finance income / (cost)	76.4	18.9	103.2	(21.0)
Net finance costs	**(42.4)**	(68.9)	**(199.9)**	(326.9)
Income from equity-accounted investees	(12.6)	(16.7)	(36.7)	(56.6)
Net income before tax	**1.4**	(72.5)	**(49.6)**	(278.5)
Income tax expense	(32.6)	(15.0)	(44.5)	(21.7)
Net profit / (loss)	**(31.2)**	(87.5)	**(94.1)**	(300.2)
Non-Controlling Interest	(25.7)	(3.3)	(83.6)	(34.5)
Net profit / (loss) attributable to shareholders	**(56.9)**	(90.8)	**(177.7)**	(334.7)

** Unaudited*

Reconciliation to Alternative Performance Measures

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 fourth quarters of 2020 and 2019 relate to:

- Natgasoline is not consolidated and an adjustment of c.$29 million was made for OCI's 50% share in the plant's EBITDA in Q4 2020, which includes an insurance amount of $32.5 million (OCI's share) as compensation for business interruption losses and damages. Natgasoline's contribution to adjusted EBITDA in Q4 2019 was $19.2 million, which included an insurance payment of $15 million (OCI's share).
- OCI Beaumont and Natgasoline were pre-emptively shut down ahead of the arrival of hurricane Laura in 2020. The resulting total impact of lost methanol revenues and margin was estimated to be $10 million of which $0.5 million was in Q4 2020.
- The unrealized results on natural gas hedge derivatives of $2 million in Q4 2020 and ($0.7) million in Q4 2019 relate to hedging activities at OCI Beaumont and in the Netherlands.
- Other including provisions of $29.5 million in 2020 mainly relates to movement in various provisions.

Reconciliation of reported operating income to adjusted EBITDA

$ million	Q4 '20	Q4 '19	2020	2019	Adjustment in P&L
Operating profit as reported	56.4	13.1	187.0	105.0	
Depreciation and amortization	153.5	187.0	592.1	544.7	
EBITDA	**209.9**	**200.1**	**779.1**	**649.7**	
APM adjustments for:					
Natgasoline	28.9	19.2	65.9	59.8	*OCI's share of Natgasoline EBITDA*
Unrealized result natural gas hedging	2.0	(0.7)	(8.6)	4.8	*COGS*
Gain on purchase related to Fertiglobe	-	-	(13.3)	-	*Other income*
Hurricane Laura	0.5	-	10.0	-	
Transaction costs	-	3.1	-	19.3	
Mandatory inspection at OCI Nitrogen	-	-	7.2	-	
Other including provisions	24.6	15.1	29.5	14.8	
Total APM adjustments	**56.0**	**36.7**	**90.7**	**98.7**	
Adjusted EBITDA	**265.9**	**236.8**	**869.8**	**748.4**	

Net income attributable to shareholders

At the net income level, the main APM adjustments relate to non-cash foreign exchange gains or losses on US$ exposure, as well as $51 million expenses related to refinancing activities during 2020 including bond redemption costs.

Reconciliation of reported net income to adjusted net income

$ million	Q4 '20	Q4 '19	2020	2019	Adjustment in P&L
Reported net loss attributable to shareholders	**(56.9)**	**(90.8)**	**(177.7)**	**(334.7)**	
Adjustments for:					
Adjustments at EBITDA level	56.0	36.7	90.7	98.7	
Add back: Natgasoline EBITDA adjustment	(28.9)	(19.2)	(65.9)	(59.8)	
Result from associate (change in unrealized gas hedging Natgas and insurance)	2.7	5.0	(13.5)	12.0	*Finance expenses*
Accelerated depreciation	-	36.0	2.2	53.6	*Depreciation*
Derecognition of deferred tax assets and other	-	-	-	26.1	
Expenses related to refinancing	51.3	9.1	51.3	9.1	
Forex (gain)/loss on USD exposure	(71.9)	(18.6)	(108.5)	9.6	*Finance income and expense*
Non-controlling interest adjustment / release interest accrual	3.5	(1.5)	8.7	(12.9)	*Interest expense / minorities*
Tax effect of adjustments	(0.6)	(0.1)	(0.7)	(10.1)	*Income tax*
Total APM adjustments at net income level	**12.1**	**47.4**	**(35.7)**	**126.3**	
Adjusted net loss attributable to shareholders	**(44.8)**	**(43.4)**	**(213.4)**	**(208.4)**	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to $245 million during Q4 2020 reflecting our operational performance for the quarter and net operating working capital inflows as inventories built up during summer were delivered to customers during the fourth quarter, as well as monetization of CO_2 emission rights. This was offset by maintenance capital expenditures, semi-annual interest payments and one-off expenses related to the refinancing activities during the fourth quarter of 2020.

Total cash capital expenditures including growth capex were $52 million in Q4 2020 compared to $53 million in Q4 2019. For the full year 2020, total cash capital expenditures were $263 million compared to $300 million in 2019.

As a result, total deleveraging of $187 million has been achieved during the fourth quarter of 2020, and $332 million during 2020, resulting in a net debt position of $3,730 million as of 31 December 2020.

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

$ million	Q4 ‘20	Q4 ‘19	2020	2019
EBITDA	209.9	200.1	779.1	649.7
Working capital	205.6	(21.2)	119.9	(38.6)
Maintenance capital expenditure	(50.4)	(46.5)	(239.4)	(169.8)
Tax paid	(12.5)	(3.5)	(25.4)	(59.9)
Interest paid	(105.9)	(79.6)	(279.1)	(268.3)
Lease payments	(12.9)	(8.8)	(45.9)	(30.0)
Dividends from equity accounted investees	0.4	-	3.0	1.6
Dividends paid to non-controlling interests	(17.0)	-	(43.2)	(6.1)
Insurance received Sorfert	-	-	-	31.8
Adjustment other non-cash expenses	27.8	2.9	35.7	17.1
Free Cash Flow	**245.0**	**43.4**	**304.7**	**127.5**
Reconciliation to change in net debt:				
Growth capital expenditure	(1.1)	(6.4)	(23.2)	(130.2)
Cash received for Fertiglobe closing settlement	-	-	166.8	-
Other non-operating items	-	(0.7)	-	45.1
Other non-current items	0.5	(6.2)	(4.4)	5.4
Net effect of movement in exchange rates on net debt	(5.3)	(23.8)	(41.7)	24.2
Debt redemption cost 2023 bonds and Fertiglobe refinancing	(51.3)	-	(51.3)	6.2
Other non-cash items	(1.3)	(9.0)	(19.4)	(20.3)
Net Cash Flow / Decrease (Increase) in Net Debt	**186.5**	**(2.7)**	**331.5**	**57.9**

Notes

This report contains unaudited fourth 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 25 February 2021 at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Investors can access the call by dialling +44 (0) 20 3009 5710 or 1 (866) 869 2321 using conference ID 5218599.

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 nitrogen products and methanol providing sustainable solutions to agricultural and industrial customers around the world. OCI's production capacity spans four continents and comprises approximately 16.1 million metric tons per year of nitrogen fertilizers, methanol, diesel exhaust fluid, melamine, and other nitrogen products. OCI is headquartered in the Netherlands and listed on Euronext in Amsterdam.

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OCI stock symbols: OCI / OCI.NA / OCI.AS

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