OCI Global

Q1 2023 Results Report

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OCI Global Reports Q1 2023 Results

Highlights

- Q1 2023 revenues decreased 41% to $1.4 billion, adjusted EBITDA decreased 65% to $336 million YoY, mainly due to significantly lower selling prices and volumes, and realized gas hedging losses, partly offset by lower gas prices
- Results reflect $98 million realized losses from natural gas hedges and an estimated $77 million impact on adjusted EBITDA from unplanned outages in Texas
- Adjusted net loss was $(15) million in Q1 2023, versus adjusted net profit of $354 million in Q1 2022
- OCI generated free cash flow of $151 million in Q1 2023
- Net debt declined by 9% to $1.06 billion as of 31 March 2023, or consolidated net leverage of 0.3x
- OCI has recently launched a cost optimization initiative to reinforce its first quartile positioning on the global cost curve, with a target to be announced in August 2023; Fertiglobe has already identified a run-rate of at least $50 million in savings per annum to be achieved over the next 12 - 18 months
- Board approved strategic review of all business lines, including evaluation of OCI's listing in the Netherlands

Outlook

- **Nitrogen:** prices declined as result of energy price volatility, short term buying patterns and completion of ramp-up of new supply commissioned in 2022, but markets have begun to tighten into the second quarter and prices started to improve in some regions. Decades low grain stocks and high farmer profitability continue to support a demand recovery with limited new supply from 2023 onwards
- **Methanol**: delivery of first methanol-fueled ships in coming months combined with an expected rebound in China in H2 2023 provide support for future methanol demand and pricing

Growth initiatives

- OCI has signed an agreement with NuStar that allows OCI to cost-effectively transport ammonia from the Gulf Coast to the premium US Midwest and includes a new connection to link NuStar's pipeline to OCI's facilities in Iowa, strengthening OCI's competitive Midwest position. Completion is expected in early 2024
- OCI and Petrofac have entered into a strategic partnership where Petrofac will be OCI's exclusive global engineering partner for gasification-based hydrogen fuels projects

OCI Global (Euronext: OCI), a global producer and distributor of hydrogen products providing fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world, today reported first quarter 2023 revenues of $1.4 billion and adjusted EBITDA of $336 million, reflecting lower selling prices, a decline in own-produced volumes of 12% compared to a year ago, and realized gas hedging losses of $98 million.

In particular, own-produced volumes in Europe were 46% lower YoY. Margins in the European nitrogen segment were also impacted by high-cost inventories produced in Q4 2022 and sold in Q1 2023 following a sharp drop in gas prices, and restart delays post Q4 2022 turnarounds. The combined impact was $74 million during the quarter.

In the methanol segment, unplanned outages had an estimated negative impact of $77 million on adjusted EBITDA, of which c.$30 million due to the winter freeze in the US. Following the restart, the plants in Texas have been running well.

We reduced net debt and maintained consolidated net leverage at 0.3x as of 31 March 2023. In April, OCI returned $800 million to shareholders and Fertiglobe distributed $700 million of dividends, of which $350 million to OCI, with respect to the period H2 2022. Guidance on the return of capital to shareholders with respect to H1 2023 will be provided with the Q2 2023 results.

Ahmed El-Hoshy, CEO of OCI Global commented:

“Our Q1 results were affected by challenging market conditions, but underlying fundamentals remain healthy for our existing nitrogen and methanol businesses. European gas futures over next winter and 2024 are pricing in expectations of a tighter market than current levels, implying ammonia cost support of ~$815/t including CO_2 and $650/t excluding CO_2. This should result in closures of European marginal production if pricing remains below cost for a sustained period.

I am also pleased about a growing diversified customer base from both existing traditional and new applications for our low carbon ammonia and methanol businesses as we started delivering low carbon fertilizers to several food & beverages customers, and expect demand for green methanol to power new methanol-powered container ships.

Our hydrogen growth initiatives are progressing well, reinforcing our role as a leader in the global energy transition. We are already the largest green methanol producer in the world and are establishing a comprehensive low carbon platform by decarbonizing our existing platform and executing new projects. We are well ahead of our peers, with the first large-scale blue ammonia project set to start production in the US in early 2025.

We have been receptive to comments made by shareholders, including Inclusive Capital, regarding the significant share price discount to OCI’s intrinsic value, despite strong incumbent positions in our markets and the tangible steps we are taking in executing on our hydrogen strategy. In this regard, we have started a comprehensive review of all our business lines with the aim to unlock value, including an evaluation of our listing in the Netherlands.

We also reiterate our commitment to our operational excellence program, which is on track to deliver operational and EBITDA efficiencies. In addition, we recently launched an initiative to further optimize OCI's and Fertiglobe's cost structures and reinforce our top quartile cash cost positioning. Fertiglobe has already identified a run-rate of at least $50 million per annum savings to be achieved over the next 12 - 18 months.”

Progress on hydrogen fuels initiatives

- **Green methanol**: OCI is already the largest green methanol producer in the world, and is evaluating an innovative gasification project at our Dutch facilities:
    - Gasification units to convert municipal solid waste and wood waste to produce green syngas
    - One line at BioMCN to produce a mix of ~450 ktpa of bio-methanol, e-methanol, and RCF methanol
    - EU Innovation Fund application was submitted in March 2023 and discussions with the Dutch government through the Tailor-Made Agreement process for additional support are on-going
- **Blue / low carbon ammonia**: in addition to OCI's existing blue and low carbon ammonia business, we have several new projects to expand capacity including:

- **Texas Blue Ammonia**: the 1.1 mtpa project is on track to start production in early 2025. Linde (NYSE: LIN) recently announced that it has signed a long-term agreement with ExxonMobil (NYSE: XOM) for the offtake and sequestration of CO_2 generated by the project. The feedstock supply agreement contains provisions for the IRA benefit to be shared between OCI and Linde

- **Renewable ammonia**: we are already producing in Egypt (green ammonia) and the US (bio-ammonia):
  - First on-spec green ammonia produced by **Egypt Green Hydrogen** during Q1, ramping up in 2023
  - Further potential to scale up, including in the US transitioning from blue to green, leveraging green hydrogen tax credits alongside the development of scalable technology
- We are expanding our **Rotterdam ammonia import terminal** to 1.2 million tons throughput capacity by Q1 2024

In addition, the business benefits from OCI's global methanol and ammonia infrastructure and logistics including storage, leased ships and railcars, and inland barges.

Market outlook

OCI believes the outlook for nitrogen markets continues to be supported by crop fundamentals and tight supply dynamics in the medium term

- **Nitrogen demand is expected to recover to support rebuilding of global grain stocks:**
  - Global grain stock-to-use ratios remain at the lowest levels in 20 years, and it will likely take at least until 2025 to replenish stocks
  - Forward grain prices (US corn futures >$5 / bushel to the end of 2025, compared to $3.7 / bushel from 2015 - 2019) support farm incomes and incentivize nitrogen demand to be above historical trend levels
  - The recent decline in nitrogen pricing is supportive of improving affordability and demand
- **Nitrogen supply is expected to be tighter over 2023 – 2027**:
  - In 2022, six million tons of new urea capacity commissioned, with some plants ramping up in 2023. Industry consultants expect no new major greenfield urea supply in 2023 and limited additions to 2027
  - Chinese urea exports are expected to remain low over the medium term in the range of 3 – 4 mtpa
- **Feedstock pricing is expected to remain well above historical averages**:
  - 2023 - 2025 forward European gas prices are c.$16/mmBtu (c.3x higher than 2015-2019), with higher prices anticipated for next winter
  - The gas forwards imply marginal cost support levels for ammonia of ~$815/t including CO_2, and $650/t excluding CO_2 for next winter and 2024, which should result in closures of European marginal production if pricing remains below cost for a sustained period

OCI believes the methanol outlook is positive on higher oil prices, rebound in China, new marine fuel demand and limited supply

- **Methanol demand** is expected to recover during the second half of 2023 on the back of China re-opening, which combined with higher oil prices and improved methanol affordability should support higher methanol-to-olefins (MTO) operating rates which have been low.
- **There is potential meaningful upside from demand for hydrogen fuels, notably as a cleaner alternative for road and marine fuel applications:**
    - The first methanol-fueled container ships are being delivered starting this year
    - Incremental demand from the maritime sector is expected to be more than 4 mtpa by the mid-2020's based on current orders from the container vessel segment alone
- There are limited new methanol greenfield supply additions in the near/medium term, and we continue to expect tighter methanol market fundamentals over the period 2023 through 2027

Consolidated Financial Results at a Glance[1]

Financial Highlights ($ million unless otherwise stated)

$ million unless otherwise stated	Q1 '23	Q1 '22	% Δ
Revenue	**1,371.3**	**2,327.8**	**(41%)**
Gross profit	197.4	863.5	(77%)
Gross profit margin	14.4%	37.1%	
Adjusted EBITDA[1]	**336.2**	**970.1**	**(65%)**
EBITDA	249.1	935.7	(73%)
EBITDA margin	18.2%	40.2%	
Adjusted net profit / (loss) attributable to shareholders[1]	**(15.2)**	**354.2**	**(104%)**
Reported net profit / (loss) attributable to shareholders	(71.7)	409.7	(118%)
Earnings per share ($)			
Basic earnings per share	(0.341)	1.952	(117%)
Diluted earnings per share	(0.341)	1.942	(118%)
Adjusted earnings per share	(0.072)	1.688	(104%)
Capital expenditure	156.5	51.4	204%
Of which: Maintenance Capital Expenditure	103.3	44.2	134%
Free cash flow[1,2]	**150.8**	**609.3**	**(75%)**

1 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.

2 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.

	31-Mar-23	31-Dec-22	% Δ
Total Assets	10,402.0	9,771.1	6%
Gross Interest-Bearing Debt	3,516.3	2,875.7	22%
Net Debt	1,055.5	1,158.7	(9%)

	Q1 '23	Q1 '22	% Δ
Sales volumes ('000 metric tons)			
OCI Product Sold[1]	2,273.7	2,588.5	(12%)
Third Party Traded	573.6	854.8	(33%)
Total Product Volumes	**2,847.3**	**3,443.3**	**(17%)**

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

[1] Unaudited

Operational Highlights

Highlights:

- 12-month rolling recordable incident rate to 31 March 2023 was 0.39 incidents per 200,000 manhours
- Own product sales volumes were 2.3 million metric tons during Q1 2023, a decrease of 12% YoY:
    - *Total own-produced nitrogen product sales volumes decreased* 11% compared to *Q1 2022*
    - *Total own-produced methanol sales volumes decreased 21% compared to Q1 2022*
- Nitrogen Europe segment was impacted by low volumes, and high-cost inventories sold in Q1 2023 following the sharp drop in gas prices
- Unplanned shutdowns in Texas resulted in lost contribution margin and incremental maintenance costs
- Lower natural gas prices resulted in realized gas hedging losses of $98 million in Q1 2023

Product sales volumes ('000 metric tons)

'000 metric tons	Q1 '23	Q1 '22	% Δ
Own Product			
Ammonia	321.8	386.7	(17%)
Urea	1,168.7	1,042.1	12%
Calcium Ammonium Nitrate (CAN)	176.6	291.4	(39%)
Urea Ammonium Nitrate (UAN)	200.1	329.6	(39%)
Total Fertilizer	**1,867.2**	**2,049.8**	**(9%)**
Melamine	10.1	31.0	(67%)
DEF	174.8	226.2	(23%)
Total Nitrogen Products	**2,052.1**	**2,307.0**	**(11%)**
Methanol[1]	221.6	281.5	**(21%)**
Total Own Product Sold	**2,273.7**	**2,588.5**	**(12%)**
Traded third Party			
Ammonia	42.8	57.2	(25%)
Urea	231.7	449.8	(48%)
UAN	52.4	24.3	116%
Methanol	129.5	144.1	(10%)
Ethanol & other	14.0	-	nm
AS	50.9	94.1	(46%)
DEF	52.3	85.1	(39%)
Total Traded Third Party	**573.6**	**854.8**	**(33%)**
Total Own Product and Traded Third Party	**2,847.3**	**3,443.3**	**(17%)**

1 Including OCI's 50% share of Natgasoline volumes

Benchmark prices[1]

			Q1 '23	Q1 '22	% Δ	Q4'22	% Δ
Ammonia	NW Europe, FOB	$/mt	**688**	**1,335**	(48%)	**1,109**	(38%)
Ammonia	US Gulf Tampa contract	$/mt	**744**	**1,168**	(36%)	**1,116**	(33%)
Granular Urea	Egypt, FOB	$/mt	**409**	**841**	(51%)	**616**	(34%)
CAN	Germany, CIF	€/mt	**434**	**708**	(39%)	**687**	(37%)
UAN	France, FCA	€/mt	**452**	**708**	(36%)	**649**	(30%)
UAN	US Midwest, FOB	$/mt	**394**	**674**	(42%)	**617**	(36%)
Melamine	Europe contract	€/mt	**2,815**	**3,965**	(29%)	**3,315**	(15%)
Methanol	USGC Contract, FOB	$/mt	**583**	**616**	(5%)	**581**	0%
Methanol	Rotterdam FOB Contract	€/mt	**478**	**495**	(3%)	**505**	(5%)
Natural gas	TTF (Europe)	$/mmBtu	**16.8**	**32.2**	(48%)	**28.4**	(41%)
Natural gas	Henry Hub (US)	$/mmBtu	**2.8**	**4.6**	(39%)	**6.1**	(54%)

1 Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

Nitrogen Segments Performance

Total own-produced nitrogen volumes decreased by 11% during the first quarter of 2023 compared to the same period last year.

The adjusted EBITDA for the nitrogen business decreased by 61% from $854 million in Q1 2022 to $329 million in Q1 2023, mainly as a result of lower selling prices for all products, lower volumes, nitrates in particular, and high-cost inventory related losses in Europe, as well as negative realized gas hedging results of $60 million in Q1 2023. EUA sales had a positive impact of $2 million for the nitrogen segments.

Nitrogen US segment

- Revenues, including third-party sales of our N-7 joint venture with Dakota Gasification Company, decreased 39% in Q1 2023 to $278 million compared to Q1 2022, mainly due to:
  - Own-produced and traded volumes decreased by 27%; and
  - Product prices were lower YoY
- The adjusted EBITDA of the Nitrogen US segment decreased from $153 million in Q1 2022 to $89 million in Q1 2023, due to the lower revenues as well as realized gas hedging losses of $43 million
  - The adjusted EBITDA margin was 32% in Q1 2023 versus 34% in Q1 2022
  - Excluding trading results of the N-7 joint venture, the underlying adjusted EBITDA margin was 49% in Q1 2023 compared to 72% in Q1 2022

Nitrogen Europe segment

- The Nitrogen Europe segment reported a loss at the adjusted EBITDA level of $60 million in Q1 2023, compared to a positive $76 million in Q1 2022. The main reasons for the negative result are:
    - Own-produced sales volumes in the segment were low, declining by 46% in Q1 2023 compared to the same quarter last year, due to a delay in demand for both fertilizers and industrial products, including melamine
    - A significant drop in natural gas prices resulted in a squeeze in margins as high-cost inventories from Q4 2022 were sold at lower Q1 2023 prices, and inventory valuation was lowered on the remaining stocks as a result of the lower prices in Q1 2023, with a combined effect of $52 million
    - Restart delays post the Q4 2022 turnaround amounted to $22 million
    - In addition, there were $17 million realized gas hedging losses as a result of the volatile natural gas price environment
- Our European nitrogen business focuses on high value-added downstream products such as nitrates and melamine, and is introducing new products such as CAN+S (CAN + Sulphur) and, from Q1 2024, production of AdBlue®.

Fertiglobe

- Fertiglobe's total own-produced sales volumes were up 9% during the first quarter of 2023 compared to the same period last year, driven by a 6% increase in ammonia own-produced sales volumes and a 9% increase in urea own-produced sales volumes
- Lower selling prices during the quarter resulted in a 41% YoY decrease in revenues to $694 million in Q1 2023. This translated into a 52% decline in adjusted EBITDA to $297 million in Q1 2023 from $625 million in Q1 2022
- As a result, Fertiglobe's adjusted EBITDA margin dropped to 43% in Q1 2023 from 53% in Q1 2022
- Fertiglobe has a significant competitive advantage through favorable gas supply agreements, including fixed prices in Abu Dhabi and profit-sharing mechanisms in North Africa. Fertiglobe's average gas price in Q1 2023 amounted to $3.7 per mmBtu
- For more detail on Fertiglobe results, please also see www.fertiglobe.com

Methanol Segments Performance

Total own-produced methanol sales volumes decreased by 21% in Q1 2023 compared to the same period last year. The adjusted EBITDA of the methanol business was 83% lower in Q1 2023 compared to Q1 2022 mainly due to downtime in the US and realized hedging losses of $38 million. EUA sales contributed $33 million to adjusted EBITDA in Q1 2023.

- The US facilities were shut down for part of the first quarter following the winter freeze in North America at the end of December 2022. This resulted in a significant loss of production and additional maintenance costs for the unplanned outages

- The unplanned outages had an estimated negative impact of $77 million on adjusted EBITDA, of which c.$30 million due to the winter freeze in the US. Following the restart in February, the plants have been running well
- Furthermore, our methanol facility in the Netherlands was temporarily shut down in June 2021 and remains shut down due to the high gas price environment
- The HyFuels business, the world's largest producer of green methanol, and a leader in green methanol transportation fuels applications, continues to contribute positively to the results in the Methanol Europe segment, more than offsetting costs related to the shutdown in Europe. During Q1 2023, the fuels business contributed $21 million to adjusted EBITDA

Segment overview Q1 2023

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe	Elim.	Total Nitrogen	US	Europe	Elim.	Total Methanol	Other	Elim.	Total
Total revenues	277.8	280.8	693.7	(77.0)	**1,175.3**	137.6	110.1	(33.7)	**214.0**	-	(18.0)	1,371.3
Gross profit	34.2	(56.7)	269.1	2.4	**249.0**	(132.6)	52.9	21.3	**(58.4)**	(0.4)	7.2	197.4
Operating profit	25.6	(66.6)	227.8	2.4	**189.2**	(140.5)	48.6	23.4	**(68.5)**	(28.2)	7.2	99.7
D,A&I	(38.4)	(18.4)	(67.4)	-	**(124.2)**	(42.7)	(0.6)	19.6	**(23.7)**	(1.5)	-	(149.4)
EBITDA	64.0	(48.2)	295.2	2.4	**313.4**	(97.8)	49.2	3.8	**(44.8)**	(26.7)	7.2	249.1
Adjusted EBITDA	89.4	(60.2)	297.3	2.4	**328.9**	(28.9)	49.2	3.8	**24.1**	(24.0)	7.2	336.2

Segment overview Q1 2022

$ million	Nitrogen					Methanol						
	US	Europe	Fertiglobe	Elim.	Total Nitrogen	US	Europe	Elim.	Total Methanol	Other	Elim.	Total
Total revenues	453.7	553.3	1,184.8	(121.4)	**2,070.4**	257.5	135.1	(39.0)	**353.6**	-	(96.2)	2,327.8
Gross profit	120.9	63.8	587.8	0.6	**773.1**	164.6	2.6	(71.5)	**95.7**	(5.2)	(0.1)	863.5
Operating profit	115.1	57.8	557.6	0.6	**731.1**	155.1	0.9	(69.0)	**87.0**	(28.3)	(0.1)	789.7
D,A&I	(37.5)	(18.2)	(62.0)	-	**(117.7)**	(37.0)	(9.0)	19.0	**(27.0)**	(1.3)	-	(146.0)
EBITDA	152.6	76.0	619.6	0.6	**848.8**	192.1	9.9	(88.0)	**114.0**	(27.0)	(0.1)	935.7
Adjusted EBITDA	152.6	76.3	624.6	0.6	**854.1**	134.9	9.9	(1.7)	**143.1**	(27.0)	(0.1)	970.1

Financial Highlights

Summary results

Consolidated revenue was $1.4 billion in the first quarter of 2023, a decrease of 41% compared to the first quarter in 2022.

Adjusted EBITDA decreased by 65% to $336 million in Q1 2023 compared to $970 million in Q1 2022, driven by lower selling prices mainly, as well as lower volumes and realized hedging losses of $98 million, only partially offset by lower gas prices in Q1 2023 compared to Q1 2022. EUA sales in Q1 2023 amounted to $36 million.

Reported net loss attributable to shareholders was $(72) million in Q1 2023 compared to a reported net profit of $410 million in Q1 2022. The adjusted net loss attributable to shareholders was $(15) million in Q1 2023 compared to an adjusted net profit of $354 million in Q1 2022.

Consolidated statement of income[1]

$ million	Q1 '23	Q1 '22
Net revenue	**1,371.3**	**2,327.8**
Cost of sales	(1,173.9)	(1,464.3)
Gross profit	**197.4**	**863.5**
SG&A	(103.0)	(78.4)
Other income	5.3	4.6
Other expense	-	-
Adjusted EBITDA	**336.2**	**970.1**
EBITDA	**249.1**	**935.7**
Depreciation, amortization and impairment	(149.4)	(146.0)
Operating profit	**99.7**	**789.7**
Interest income	5.7	2.7
Interest expense	(46.9)	(43.9)
Other finance income / (cost)	(14.3)	27.8
Net finance costs	**(55.5)**	**(13.4)**
Income from equity-accounted investees	(26.0)	62.9
Net profit before tax	**18.2**	**839.2**
Income tax expense	17.7	(140.0)
Net profit	**35.9**	**699.2**
Non-controlling interests	(107.6)	(289.5)
Net profit / (loss) attributable to shareholders	**(71.7)**	**409.7**
Adjusted net profit / (loss) attributable to shareholders	**(15.2)**	**354.2**

1 *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 first quarters of 2023 and 2022 relate to:

- Natgasoline is not consolidated and an adjustment of $12 million was made for OCI's 50% share in the plant's EBITDA in Q1 2023, with results affected by downtime during the quarter. Natgasoline's contribution to adjusted EBITDA in Q1 2022 was $37 million
- OCI does not apply hedge accounting on commodity hedges, therefore unrealized mark-to-market gains and losses are recognized in the P&L statement. Unrealized mark-to-market gains or losses are excluded from adjusted EBITDA and adjusted net profit
- An adjustment of $64 million was made in Q1 2023 for unrealized mark-to-market losses on natural gas hedge derivatives relating to OCI Beaumont, IFCo and the Netherlands
- Unrealized result on EUA derivatives amounted to a gain of $3 million in Q1 2023

Reconciliation of reported operating profit to adjusted EBITDA

$ million	Q1 '23	Q1 '22	Comment
Operating profit as reported	99.7	789.7	
Depreciation, amortization and impairment	149.4	146.0	
EBITDA	**249.1**	**935.7**	
APM adjustments for:			
Natgasoline	11.8	37.1	*OCI's share of Natgasoline EBITDA*
Unrealized result natural gas hedging	64.0	(16.5)	*(Gain) / loss at OCIB, IFCo and the Netherlands*
Unrealized result EUA derivatives	(2.8)	0.2	*(Gain) / loss at OCIN*
Provisions & other	14.1	13.6	
Total APM adjustments at EBITDA level	**87.1**	**34.4**	
Adjusted EBITDA	**336.2**	**970.1**	

Adjusted net profit / (loss) attributable to shareholders

At net profit / (loss) level, the main APM adjustments in Q1 2023 relate to unrealized mark-to-market losses on natural gas hedge derivatives at Natgasoline, and valuation allowance on investment tax credits.

Reconciliation of reported net profit / (loss) to adjusted net profit / (loss)

$ million	Q1 '23	Q1 '22	Adjustment in P&L
Reported net profit / (loss) attributable to shareholders	**(71.7)**	**409.7**	
Adjustments for:			
Adjustments at EBITDA level	87.1	34.4	
Add back: Natgasoline EBITDA adjustment	(11.8)	(37.1)	
Result from associate (unrealized gas hedging)	11.6	(49.3)	*(Gain) / loss at Natgasoline*
Forex (gain) / loss on USD exposure	(4.3)	(32.2)	*Finance income / expense*
Expenses related to refinancing	-	0.9	*Finance expense*
NCI adjustment / uncertain tax positions	(25.9)	15.2	*Minorities / uncertain tax positions*
Recognition of valuation allowance	10.8	-	*Income tax*
Accelerated depreciation and impairments of PP&E	1.4	6.5	*Depreciation & impairment*
Tax effect of adjustments	(12.4)	6.1	*Income tax*
Total APM adjustments at net profit / (loss) level	**56.5**	**(55.5)**	
Adjusted net profit / (loss) attributable to shareholders	**(15.2)**	**354.2**	

Free Cash Flow and Net Debt

Free cash flow before growth capex and dividends to shareholders amounted to an inflow of $151 million during Q1 2023. The free cash flow reflects our operational performance for the quarter, offset by outflows for maintenance capex, tax and interest.

Capital expenditures:

- Total cash capital expenditures including growth were $157 million in Q1 2023 compared to $51 million in Q1 2022
- Capital expenditures for growth projects amounted to $53 million during the quarter, including capex for our blue ammonia project in Texas

The resulting net debt was $1,056 million as of 31 March 2023 versus $1,159 million as of 31 December 2022, a decrease of $103 million during 2023.

The trailing net debt / LTM adjusted EBITDA was 0.3x as of 31 March 2023 at the same level as 31 December 2022.

Proportionate leverage as of 31 March 2023, based on OCI's ownership and including OCI's share of Natgasoline net debt, was 1.1x versus 0.9x as of 31 December 2022.

Bond offering

In March 2023, OCI successfully placed a 10-year USD benchmark bond offering of $600 million senior unsecured notes due 2033, with fixed rate coupon of 6.70%, the company's debut in the investment grade bond market. In addition to extending OCI's conservative debt maturity profile, the transaction also sets a benchmark for future issuances. OCI will continue to evaluate opportunities to strengthen its balance sheet as we position ourselves at the forefront of the hydrogen energy transition.

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

$ million	Q1 '23	Q1 '22
EBITDA	**249.1**	**935.7**
Working capital	35.4	(196.4)
Maintenance capital expenditure	(103.3)	(44.2)
Tax paid	(19.8)	(57.4)
Interest paid	(11.9)	(14.7)
Lease payments	(15.8)	(9.7)
Dividends paid to non-controlling interest and withholding tax	-	(66.7)
Other	17.1	62.7
Free Cash Flow	**150.8**	**609.3**
Reconciliation to change in net debt:		
Growth capital expenditure	(53.2)	(7.2)
Methanol Group 15% sale (net)	-	373.7
Other non-operating items	2.4	(2.3)
Net effect of movement in exchange rates on net debt	4.4	(7.9)
Debt redemption cost	-	(0.9)
Other non-cash items	(1.2)	(4.7)
Net Cash Flow (Increase) / Decrease in Net Debt	**103.2**	**960.0**

Notes

This report contains unaudited first quarter consolidated financial highlights of OCI Global ('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 Global 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 9 May 2023 at 16:00 CET, OCI 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-global.com.

On 9 May 2023 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 Global:

OCI is a global leader in nitrogen, methanol and hydrogen, driving forward the decarbonization of the energy-intensive industries that shape, feed and fuel the world. OCI's production capacity spans four continents and comprises approximately 16.7 million metric tons per year of hydrogen-based products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 4,000 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam. Learn more about OCI at www.oci-global.com. 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 Global 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