OCI Global

Semi-annual report Q2 2023

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Semi-annual management report

Condensed consolidated income statement

$ million unless otherwise stated	30 June 2023	30 June 2022
Revenue	2,743.4	5,185.5
Adjusted EBITDA	661.8	2,260.0
Adjusted EBITDA margin	*24.1%*	*43.6%*
EBITDA	510.6	2,164.9
EBITDA margin	*18.6%*	*41.7%*
Depreciation, amortization and impairment	(302.1)	(292.5)
Operating profit	208.5	1,872.4
Net finance cost	(114.2)	(67.9)
Adjusted net profit / (loss) attributable to owners of the Company	(21.7)	881.7
Reported net profit / (loss) attributable to owners of the Company	(162.1)	886.4
Basic earnings per share (USD)	(0.770)	4.218

Revenue

Selling prices

Selling prices decreased year-on-year for all products. Benchmark prices decreased on average for ammonia, urea and methanol with decreases of 58%, 55% and 8% respectively.

Sales volumes

Own product sales volumes were lower at 5,348.9 million metric tons in 30 June 2023, compared to 5,650.0 million metric tons in 30 June 2022. Own-produced nitrogen product volumes decreased 5% compared to 30 June 2022.

Own-produced methanol volumes were 4% lower compared to 30 June 2022. Traded third-party volumes decreased 22% compared to 30 June 2022.

Adjusted EBITDA[1]

- Adjusted EBITDA decreased by 71% versus 30 June 2022 and reported EBITDA decreased by 76%, mainly due to decreased selling prices partially offset by lower gas prices in Europe and the United States.

Operating profit

Operating profit decreased by 89% to USD 208.5 million in 30 June 2023 versus USD 1,872.4 million in 30 June 2022, primarily as a result of:

- Gross profit decreased by USD 1,636.0 million due to a USD 2,442.1 million decrease in revenue, partially offset by a USD 806.1 million decrease in cost of goods sold (mainly driven by decreased gas prices and overall decrease in total sales volumes). Depreciation, amortization and impairment increased by USD 9.6 million.
- Selling, general and administrative expenses increased by USD 10.0 million compared to 30 June 2022.

Net finance cost

Net finance cost increased by 68% to USD 114.2 million in 30 June 2023 versus 30 June 2022, primarily as a result of:

- Interest expense and other financing cost on financial liabilities measured at amortized cost decreased by USD 45.7 million to USD 111.8 million in 30 June 2023 following the Company's deleveraging and refinancing efforts.
- Net foreign exchange results decreased by USD 110.1 million to a USD 31.2 million loss in 30 June 2023 mainly due to the appreciation of the Algerian dinar and Euro against the US dollar, generating foreign exchange results on revaluation of USD balances in entities which have DZD and EUR as functional currency.

Adjusted net profit / (loss)

Adjusted net loss attributable to owners of the Company was USD 21.7 million in 30 June 2023, compared to a net profit of USD 881.7 million in 30 June 2022.

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 in section 'Other information'.

Semi-annual management report continued

Condensed consolidated statement of cash flows

$ million	30 June 2023	30 June 2022
Cash and cash equivalents in statement of financial position at 1 January	**1,717.0**	**1,580.3**
Bank overdraft repayable on demand	-	(383.0)
Cash and cash equivalents in statement of cash flows at 1 January	**1,717.0**	**1,197.3**
Cash flows from operating activities	540.2	1,959.9
Cash flows used in investing activities	(333.6)	(124.1)
Cash flows used in financing activities	(298.2)	(993.6)
Net cash flows	**(91.6)**	**842.2**
Currency translation adjustments	13.8	(43.0)
Cash and cash equivalents in statement of financial position	**1,639.2**	**2,097.4**
Bank overdraft repayable on demand	(12.3)	(100.9)
Cash and cash equivalents in statement of cash flows	**1,626.9**	**1,996.5**

Cash flows from operating activities

- Cash flows from operations primarily reflect the change in net profit in 30 June 2023 compared to 30 June 2022, and changes in working capital.
- Net profit was USD 14.6 million in 30 June 2023 compared to USD 1,587.0 million in 30 June 2022, a decrease of USD 1,572.4 million.
- Working capital inflows of USD 141.5 million in 30 June 2023 compared to outflows of USD 141.5 million in 30 June 2022, a increase of USD 283.0 million.

Cash flows from investing activities

- Cash flows used in investment activities were USD 209.5 million higher than in 30 June 2022, primarily due to an increase in capital expenditures in property, plant and equipment and intangible fixed assets.
- Total cash capital expenditures were USD 327.0 million in 30 June 2023 compared to USD 125.5 million in 30 June 2022, of which maintenance capital expenditure was USD 165.0 million and USD 89.3 million respectively.

Cash flows from financing activities

- Proceeds from borrowings in 30 June 2023 totalled USD 1,176.4 million (30 June 2022: USD 839.0 million), which mainly consisted of proceeds of bonds issued in March 2023 and changes in the outstanding amounts of revolving credit facilities.
- Repayments of borrowings were USD 225.2 million in 30 June 2023 (30 June 2022: USD 1,511.5 million), mainly related to changes in the outstanding amounts of inventory financing facilities.
- In 30 June 2023 dividends have been paid to the shareholders of the Company in the amount of USD 814.2 million (30 June 2022: USD 320.4 million). Dividends of subsidiaries resulted in a net cash outflow to non-controlling interests of USD 412.6 million in 30 June 2023 compared to USD 301.7 million in 30 June 2022.

Free cash flow[1]

Free cash flow before growth capital expenditure amounted to USD (71.1) million in 30 June 2023 reflecting the reported EBITDA for the year, working capital inflows, maintenance capital expenditure, cash tax, cash interest paid of USD 68.2 million and dividends to non-controlling interests (NCI). A decrease of USD 1,608.8 million compared to 2022 is mainly driven by the decreased EBITDA.

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 in section 'Other information'.

Semi-annual management report continued

Net debt

$ million	30 June 2023	31 December 2022
Long-term interest-bearing debt	3,699.3	2,572.3
Short-term interest-bearing debt	153.7	303.4
Gross interest-bearing debt	**3,853.0**	**2,875.7**
Cash and cash equivalents	(1,651.5)	(1,717.0)
Net debt	**2,201.5**	**1,158.7**

Gross interest-bearing debt

Gross interest-bearing debt increased by USD 977.3 million due to proceeds of bonds issued, the debt repayments, refinancing, and negative impact of exchange differences on Euro denominated debt.

Cash and cash equivalents

As a result of a negative free cash flow, cash and cash equivalents decreased to USD 1,651.5 million.

Net debt

- Net debt stood at USD 2,201.5 million as of 30 June 2023, from USD 1,158.7 million as of 31 December 2022.
- The trailing net debt / LTM adjusted EBITDA was 1.0x as of 30 June 2023 compared to 0.3x as of 31 December 2022.

Outlook

- Nitrogen: prices bottomed in Q2 and have begun rebounding into Q3, with Egypt urea prices up ~60% from trough levels in June 2023, underpinned by demand recovery, record low inventories and very tight supply:
  - Decade-low grain stocks driving rising crop futures and favorable farm economics incentivize significant increases in nitrogen demand, and support nitrogen price recovery.
  - New capacity that was added and ramped up during 2022 and early 2023 has been absorbed, with limited new supply additions expected in the next four years.
  - Warm weather is leading to higher gas demand for residential cooling, and causing reductions in global ammonia production in some countries as a result.
- Methanol: prices have declined amid a weak economic environment, but are expected to be supported by a recovery in the global macro environment, higher oil prices and improving MTO affordability, boosted by an accelerating delivery of methanol-fueled ships in coming months.

Risk and uncertainties

A description of OCI's risk management system and an overview of potential important risks for OCI are provided in the Annual Report 2022. OCI has reviewed the developments in the first six months of 2023 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 2022 are still applicable.

Related party transactions

During the six-month period ended 30 June 2023, no material related party transactions occurred outside the normal course of business. Reference is made to the Annual Report 2022 for an overview of related party transactions. OCI did not enter in any new material related party transactions during the six-month period ended 30 June 2023, except as disclosed in note 16.

Semi-annual condensed consolidated financial statements

For the six-month period ended 30 June 2023

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Consolidated statement of financial position
As at

$ millions	Note	30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	(8)	5,441.7	5,391.1
Right-of-use assets		265.8	240.2
Goodwill and other intangible assets	(9)	497.4	491.5
Trade and other receivables		90.4	61.7
Equity-accounted investees		479.2	522.3
Financial assets at fair value through other comprehensive income		14.2	18.8
Deferred tax assets	(14)	42.6	81.3
Total non-current assets		**6,831.3**	**6,806.9**
Current assets			
Inventories		303.6	421.4
Trade and other receivables		616.6	820.2
Income tax receivables	(14)	10.0	5.6
Cash and cash equivalents		1,651.5	1,717.0
Assets held for sale		15.5	-
Total current assets		**2,597.2**	**2,964.2**
Total assets		**9,428.5**	**9,771.1**

Consolidated statement of financial position continued

As at

$ millions	Note	30 June 2023	31 December 2022
Equity			
Share capital		5.6	5.6
Share premium		4,472.8	5,261.7
Reserves		(436.3)	(442.7)
Retained earnings		(2,681.4)	(2,500.9)
Equity attributable to owners of the Company		**1,360.7**	**2,323.7**
Non-controlling interests		1,016.8	2,016.0
Total equity		**2,377.5**	**4,339.7**
Liabilities			
Non-current liabilities			
Loans and borrowings	(10)	3,699.3	2,572.3
Lease obligations		240.9	227.5
Trade and other payables	(11)	216.5	114.1
Provisions	(16)	14.0	13.9
Deferred tax liabilities	(14)	441.9	485.3
Total non-current liabilities		**4,612.6**	**3,413.1**
Current liabilities			
Loans and borrowings	(10)	153.7	303.4
Lease obligations		62.6	48.6
Trade and other payables	(11)	1,902.4	1,284.3
Provisions	(16)	76.2	130.3
Income tax payables	(14)	243.5	251.7
Total current liabilities		**2,438.4**	**2,018.3**
Total liabilities		**7,051.0**	**5,431.4**
Total equity and liabilities		**9,428.5**	**9,771.1**

The notes on pages 12 to 20 are an integral part of these semi-annual condensed consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the period ended 30 June

$ millions	Note	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022
Revenue	(15)	2,743.4	5,185.5
Cost of sales	(12)	(2,346.5)	(3,152.6)
Gross profit		**396.9**	**2,032.9**
Other income		6.9	6.5
Selling, general and administrative expenses	(12)	(177.0)	(167.0)
Other expenses		(18.3)	-
Operating profit		**208.5**	**1,872.4**
Finance income	(13)	142.3	188.4
Finance cost	(13)	(256.5)	(256.3)
Net finance cost		**(114.2)**	**(67.9)**
Share of results of equity-accounted investees		(26.8)	61.1
Profit before income tax		**67.5**	**1,865.6**
Income tax	(14)	(52.9)	(278.6)
Net profit / (loss)		**14.6**	**1,587.0**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in hedge reserve		0.1	25.0
Movement in hedge reserve equity-accounted investees		(0.4)	-
Currency translation differences		23.0	(85.2)
Currency translation differences from equity-accounted investees		0.7	(3.4)
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		(4.6)	3.3
Other comprehensive income, net of tax		**18.8**	**(60.3)**
Total comprehensive income		**33.4**	**1,526.7**
Net profit / (loss) attributable to owners of the Company		(162.1)	886.4
Net profit / (loss) attributable to non-controlling interests		176.7	700.6
Net profit / (loss)		**14.6**	**1,587.0**
Total comprehensive income attributable to owners of the Company		(158.3)	854.3
Total comprehensive income attributable to non-controlling interests		191.7	672.4
Total comprehensive income		**33.4**	**1,526.7**
Basic earnings per share (in USD)		(0.770)	4.218
Diluted earnings per share (in USD)		(0.770)	4.194

Consolidated statement of changes in equity

For the period ended 30 June

$ millions	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2022	**5.6**	**6,316.3**	**(384.0)**	**(3,938.9)**	**1,999.0**	**1,509.2**	**3,508.2**
Net profit / (loss)	-	-	-	886.4	886.4	700.6	1,587.0
Other comprehensive income	-	-	(32.1)	-	(32.1)	(28.2)	(60.3)
Total comprehensive income	**-**	**-**	**(32.1)**	**886.4**	**854.3**	**672.4**	**1,526.7**
Impact difference in profit sharing non-controlling interests[1]	-	-	-	-	-	154.1	154.1
Share capital increase	321.4	(321.4)	-	-	-	-	-
Share capital decrease	(14.2)	14.2	-	-	-	-	-
Capital repayment	(307.2)	-	-	-	(307.2)	-	(307.2)
Dividend payment	-	-	-	(14.4)	(14.4)	-	(14.4)
Dividend to non-controlling interests	-	-	-	-	-	(656.2)	(656.2)
Treasury shares sold / delivered	-	-	7.7	(7.7)	-	-	-
Treasury shares acquired	-	-	(1.9)	-	(1.9)	-	(1.9)
Sale of shares in OCI Methanol Group	-	-	-	221.4	221.4	7.8	229.2
Share-based payments	-	-	-	4.4	4.4	-	4.4
Balance at 30 June 2022	**5.6**	**6,009.1**	**(410.3)**	**(2,848.8)**	**2,755.6**	**1,687.3**	**4,442.9**
Balance at 1 January 2023	**5.6**	**5,261.7**	**(442.7)**	**(2,500.9)**	**2,323.7**	**2,016.0**	**4,339.7**
Net profit / (loss)	-	-	-	(162.1)	(162.1)	176.7	14.6
Other comprehensive income	-	-	3.8	-	3.8	15.0	18.8
Total comprehensive income	**-**	**-**	**3.8**	**(162.1)**	**(158.3)**	**191.7**	**33.4**
Impact difference in profit sharing non-controlling interests[1]	-	-	18.2	(23.8)	(5.6)	28.0	22.4
Dividend to non-controlling interests	-	-	-	-	-	(1,218.9)	(1,218.9)
Share capital increase[2]	798.0	(798.0)	-	-	-	-	-
Capital repayment[2]	(798.0)	-	-	-	(798.0)	-	(798.0)
Issuing shares	-	9.1	(9.1)	-	-	-	-
Treasury shares sold / delivered	-	-	(6.5)	-	(6.5)	-	(6.5)
Share-based payments	-	-	-	5.4	5.4	-	5.4
Balance at 30 June 2023	**5.6**	**4,472.8**	**(436.3)**	**(2,681.4)**	**1,360.7**	**1,016.8**	**2,377.5**

[1] In the Sorfert partnership agreement between the Group and the partner, a profit-sharing arrangement is agreed, where the other partner will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner. The impact difference in profit sharing is recognized in cost of sales.

[2] Share capital movements relate to the increase and subsequent decrease in the nominal value of the ordinary shares, to facilitate a capital repayment in relation to the H2 2022 distribution.

The notes on pages 12 to 20 are an integral part of these semi-annual condensed consolidated financial statements.

Consolidated statement of cash flows

For the period ended 30 June

$ millions	Note	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022
Net profit / (loss)		**14.6**	**1,587.0**
Adjustments for:			
Depreciation, amortization and impairment	(12)	302.1	292.5
Interest income	(13)	(28.9)	(11.1)
Interest expense	(13)	111.9	157.5
Net foreign exchange (gain) / loss and others	(13)	31.2	(78.5)
Share of results of equity-accounted investees		26.8	(61.1)
Equity-settled share-based payment transactions		5.4	4.4
Impact difference in profit-sharing non-controlling interests		22.4	154.1
Income tax expense	(14)	52.9	278.6
Changes in:			
Inventories		121.1	(156.7)
Trade and other receivables		172.7	-
Trade and other payables	(11)	(156.9)	24.0
Provisions	(16)	4.6	(8.8)
Cash flows:			
Interest paid		(79.6)	(68.7)
Lease interest paid		(5.1)	(4.1)
Interest received		11.4	1.0
Settlement interest derivatives		-	4.4
Income tax paid	(14)	(45.9)	(139.5)
Withholding tax paid on subsidiary dividends	(14)	(20.5)	(15.1)
Cash flow from operating activities		**540.2**	**1,959.9**
Investments in property, plant and equipment and intangible fixed assets	(8)	(327.0)	(125.5)
Proceeds from sale of property, plant and equipment	(8)	1.2	-
Dividends from equity-accounted investees		1.2	1.4
Investment in financial assets		(9.0)	-
Cash flow used in investing activities		**(333.6)**	**(124.1)**

Consolidated statement of cash flows continued

For the period ended 30 June

$ millions	Note	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022
Proceeds from borrowings	(10)	1,176.4	839.0
Repayment of borrowings	(10)	(225.2)	(1,511.5)
Payment of lease obligations		(25.6)	(19.7)
Purchase of treasury shares		-	(0.2)
Newly incurred transaction costs / call premium	(10)	(13.4)	(52.0)
Distributions paid to owners of the Company		(814.2)	(320.4)
Dividends paid to non-controlling interests		(412.6)	(301.7)
Proceeds from the sale of shares in OCI Methanol Group		-	375.0
Fees related to the sale of shares in OCI Methanol Group		-	(1.3)
Settlement FX derivatives	(13)	16.4	(0.8)
Cash flows used in financing activities		**(298.2)**	**(993.6)**
Net cash flow		**(91.6)**	**842.2**
Net increase in cash and cash equivalents		**(91.6)**	**842.2**
Cash and cash equivalents at start of period		1,717.0	1,197.3
Effect of exchange rate fluctuations on cash held		13.8	(43.0)
Cash and cash equivalents at end of period		**1,639.2**	**1,996.5**
Cash and cash equivalents in statement of financial position		1,651.5	2,097.4
Bank overdraft repayable on demand		(12.3)	(100.9)
Cash and cash equivalents in statement of cash flows		**1,639.2**	**1,996.5**

The notes on pages 12 to 20 are an integral part of these semi-annual 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 Global', '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.

OCI N.V. is a global producer and distributor of hydrogen products providing fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world.

2. Basis of preparation

The semi-annual condensed consolidated financial statements for the period ended 30 June 2023 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 2022. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022 which have been prepared in accordance with IFRS, as adopted by the European Union.

3. Summary of material accounting policies

The accounting policies applied over the six-month period ended 30 June 2023 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2022. 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.

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.

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 semi-annual 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 2022 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements.

With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2022. 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 2022.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the six-month period ended 30 June 2023	Average during the six-month period ended 30 June 2022	Closing as at 30 June 2023	Closing as at 31 December 2022
Euro	1.0808	1.0931	1.0909	1.0711
Egyptian pound	0.0329	0.0581	0.0324	0.0404
Algerian dinar	0.0074	0.0070	0.0074	0.0073

7. Financial risk and capital management

7.1 Financial risk management

Categories of financial instruments:

30 June 2023 $ millions	Note	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		697.4	9.6	-
Financial assets at fair value through other comprehensive income		-	-	14.2
Cash and cash equivalents		1,651.5	-	-
Total		**2,348.9**	**9.6**	**14.2**
Liabilities				
Loans and borrowings	(10)	3,853.0	-	-
Trade and other payables	(11)	1,924.1	194.8	-
Total		**5,777.1**	**194.8**	**-**

31 December 2022 $ millions	Note	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		859.0	22.9	-
Financial assets at fair value through other comprehensive income		-	-	18.8
Cash and cash equivalents		1,717.0	-	-
Total		**2,576.0**	**22.9**	**18.8**
Liabilities				
Loans and borrowings	(10)	2,875.7	-	-
Trade and other payables	(11)	1,220.3	178.1	-
Total		**4,096.0**	**178.1**	**-**

The Group has several financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2 based on market prices. Financial assets at fair value through other comprehensive income recognized as level 1 based on quoted market prices for listed shares is USD 2.1 million (2022: USD 2.2 million), the investment in the Infrastructure and Growth Capital Fund of USD 0.5 million (2022: USD 1.5 million) was recognized as level 2 as the valuation is partially derived from market prices of listed shares. The investment in Notore Chemical Industries of USD 11.6 million (2022: USD 15.1 million) is recognized as level 3. Notore is listed on the Nigerian Stock Exchange since 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 using a market approach valuation technique.

In 2023 and 2022, 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) approximate their fair values.

For a general description of the risks related to financial instruments, reference is made to the 2022 consolidated financial statements.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

7.2 Gas hedging

The Group enters into gas hedges in order to hedge future gas price levels over a certain period of time. The Group uses derivatives (basis swaps, index swaps and options) in order to do so and does not apply hedge accounting on these instruments, therefore all fair value changes related to these financial instruments are recognized in profit or loss. Where there is no past practice of being net cash-settled, fixed price gas contracts and month-ahead swaps are accounted for under the 'own use' exemption.

The outstanding gas hedges in MMBtu for our US and NL operations as at 30 June 2023 for the years 2023 - 2029 are:

- Flat priced contracts: 286.0 million (31 December 2022: 317.6 million)
- Options (delta equivalent): 10.4 million (31 December 2022: 7.3 million)
- Basis swaps: nil (31 December 2022: 0.9 million)

7.3 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	Note	30 June 2023	31 December 2022
Loans and borrowings	(10)	3,853.0	2,875.7
Less: cash and cash equivalents		1,651.5	1,717.0
Net debt		**2,201.5**	**1,158.7**
Total equity		2,377.5	4,339.7
Net debt to equity ratio		**0.93**	**0.27**

8. Property, plant and equipment

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	748.6	9,208.8	73.8	147.8	10,179.0
Accumulated depreciation	(209.1)	(4,380.3)	(46.1)	-	(4,635.5)
At 1 January 2022	**539.5**	**4,828.5**	**27.7**	**147.8**	**5,543.5**
Additions	38.9	42.2	2.6	310.4	394.1
Disposals	(1.7)	(1.1)	0.1	(2.2)	(4.9)
Depreciation	(29.0)	(495.0)	(5.9)	-	(529.9)
Impairment	-	(22.3)	-	-	(22.3)
Transfers	0.4	193.8	1.0	(195.2)	-
Reclassification	-	32.5	-	(1.1)	31.4
Asset retirement obligation	-	-	(6.3)	-	(6.3)
Movement in exchange rates	0.4	(10.7)	(1.1)	(3.1)	(14.5)
At 31 December 2022	**548.5**	**4,567.9**	**18.1**	**256.6**	**5,391.1**
Cost	778.6	9,371.6	67.8	256.6	10,474.6
Accumulated depreciation	(230.1)	(4,803.7)	(49.7)	-	(5,083.5)
At 31 December 2022	**548.5**	**4,567.9**	**18.1**	**256.6**	**5,391.1**
Additions	0.7	14.4	1.6	292.5	309.2
Disposals	-	(0.9)	-	(0.7)	(1.6)
Depreciation	(13.8)	(256.3)	(2.4)	-	(272.5)
Impairment	-	(1.2)	-	-	(1.2)
Transfers	2.4	89.6	1.6	(93.6)	-
Reclassification	-	0.4	-	-	0.4
Movement in exchange rates	0.7	12.7	0.3	2.6	16.3
At 30 June 2023	**538.5**	**4,426.6**	**19.2**	**457.4**	**5,441.7**
Cost	783.2	9,396.9	70.2	457.4	10,707.7
Accumulated depreciation	(244.7)	(4,970.3)	(51.0)	-	(5,266.0)
At 30 June 2023	**538.5**	**4,426.6**	**19.2**	**457.4**	**5,441.7**

Impairment of USD 1.2 million in 2023 (31 December 2022: USD 12.8 million) is related to the impairment loss of BioMCN. Reference is made to note 12.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

9. Goodwill and other intangible assets

The Company has assessed its goodwill balances for indications of impairment, inclusive of the recent decline in market prices. Based on the assessment performed, no impairment indicators were identified and as a result, no impairment test was performed. The annual goodwill impairment test will be performed in the fourth quarter.

10. Loans and borrowings

$ millions	30 June 2023	31 December 2022
At 1 January	**2,875.7**	**3,800.8**
Proceeds from loans	2,076.4	1,073.0
Repayment / proceeds from bank overdraft facility	12.2	(354.8)
Repayment and redemption of loans and borrowings	(1,125.2)	(1,587.8)
Newly incurred transaction costs / (bond) premiums	(12.9)	(2.5)
Amortization of transaction costs / (bond) premiums	2.9	28.1
Effect of movement in exchange rates	23.9	(81.1)
At end of period	**3,853.0**	**2,875.7**
Non-current	3,699.3	2,572.3
Current	153.7	303.4
Total	**3,853.0**	**2,875.7**

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

Accrued interest on loans and borrowings amounted to USD 40.5 million in 2023 (31 December 2022: USD 12.6 million) and is included in trade and other payables. Reference is made to note 11.

Covenants

Certain loan agreements include financial covenants. As at 30 June 2023 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.

Refinancing Fertiglobe

On 4 January 2023, Fertiglobe executed the drawdown of USD 900 million from the 2022 Term Loan Facility. The proceeds were directly received by the agent and were used to repay the existing Bridge Loan Facility in full. The Bridge Loan Facility is no longer available following this settlement. This is a material non-cash transaction during the period.

Bond issuance OCI N.V.

On 16 March 2023, OCI N.V. completed a bond offering consisting of USD 600 million senior unsecured fixed rate notes due 2033 as part of a USD 2 billion global medium term program. The notes bear interest at a fixed rate coupon of 6.7% per annum. The notes are senior unsecured obligations of the Company and are guaranteed by IFCo. Interest will be payable semi-annually. The proceeds from the offering will be used for general corporate purposes of the Group.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

11. Trade and other payables

$ millions	30 June 2023	31 December 2022
Trade payables	303.8	273.7
Trade payables due to related parties	100.0	142.4
Amounts payable under the securitization agreement	151.4	177.4
Accrued dividend to non-controlling interests	923.9	102.8
Other payables	68.9	77.8
EUA liabilities	-	36.7
Employee benefit liabilities	14.1	14.1
Accrued expenses	300.1	345.9
Accrued interest	40.5	12.6
Customer advance payment / deferred revenue	16.6	69.1
Other tax payable	4.8	4.5
Derivative financial instruments	194.8	141.4
Total	**2,118.9**	**1,398.4**
Non-current	216.5	114.1
Current	1,902.4	1,284.3
Total	**2,118.9**	**1,398.4**

Accrued dividend to non-controlling interests

The increase in accrued dividend to non-controlling interests is primarily driven by a dividend of USD 824.2 million declared by Sorfert to Sonatrach, as well as the minimum dividend liability for the full period of USD 99.4 million (31 December 2022: USD 102.5 million) recorded as a result of the 15% sale of OCI Methanol Group. The Company has agreed with the buyers a yearly guaranteed dividend for the period 2022-2025.

Derivative financial instruments

Derivative financial instruments consist of commodity gas hedges contracts in order to hedge future gas price levels. The fair value of these contracts amounts to USD 194.8 million as at 30 June 2023 (31 December 2022: USD 141.4 million). All derivatives included in trade and other payables are classified in the fair value hierarchy level 2.

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

$ millions	30 June 2023	30 June 2022
Raw materials and consumables and finished goods	1,793.8	2,655.3
Maintenance and repair	91.3	77.5
Employee benefit expenses	240.7	225.7
Depreciation, amortization and impairment	302.1	292.5
Consultancy expenses	41.4	20.4
Other	54.2	48.2
Total	**2,523.5**	**3,319.6**
Cost of sales	2,346.5	3,152.6
Selling, general and administrative expenses	177.0	167.0
Total	**2,523.5**	**3,319.6**

The decrease in raw materials and consumables and finished goods is primarily driven by the relatively high gas prices for the six-month period ended 30 June 2022.

Depreciation, amortization and impairment includes an impairment loss of USD 1.2 million related to BioMCN for the six-month period ended 30 June 2023 (30 June 2022: USD 12.5 million).

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

13. Net finance cost

$ millions	30 June 2023	30 June 2022
Interest income and other financing income on loans and receivables	14.9	1.3
Derivatives gain	14.0	9.8
Foreign exchange gain	113.4	177.3
Finance income	**142.3**	**188.4**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(111.8)	(157.5)
Derivatives loss	(0.1)	(0.4)
Foreign exchange loss	(144.6)	(98.4)
Finance cost	**(256.5)**	**(256.3)**
Net finance cost recognized in profit or loss	**(114.2)**	**(67.9)**

The decrease in foreign exchange gains is driven by intercompany loans which impacted the profit and loss statement in the first half year of 2022. From July 2022 onwards these loans are not expected to be settled in the near future as a result of which the accounting treatment of the related foreign exchange gains or losses are recognised in other comprehensive income, instead of profit or loss.

14. Income taxes

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2023 was 78.2% (2022: 14.6%). The change in effective tax rate was caused mainly by the following factors:

- A key item that significantly negatively impacted the Q2 2023 effective tax rate is an increase in valuation allowance. The increase in valuation allowance is mainly related to IFCo and disclosed below.
- The above mentioned negative impact was partially offset by the devaluation of the Egyptian pound, resulting in a tax benefit of USD 36.3 million.
- The before mentioned effect was partially offset by the fact that the profits generated by the export activities of Sorfert and EBIC in the six-month period ended 30 June 2023 represent a relatively higher share of profit before tax compared to 2022, resulting in a higher contribution of income not subject to tax in the effective tax rate.

Derecognition of IFCo Iowa state tax credits

Due to the decline in commodity market prices in Q1 2023, it was determined that it is more likely than not that the Iowa state investment tax credits could not be utilized before they expire. The derecognition will result in an increase of tax expense of USD 76.2 million in 2023. For interim reporting purposes, the derecognition of the deferred tax asset is factored in the estimated annualized effective tax rate and apportioned to the quarters based on the distribution of earnings throughout the year.

As a result of this calculation, an amount of USD 44.3 million was derecognized in Q2 2023 (USD 10.8 million in Q1 2023) and the remaining balance of USD 21.1 million will be derecognized in the remaining part of the year.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

15. Segment reporting

30 June 2023 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other[2]	Eliminations	Total
Total revenues	309.9	232.9	650.4	535.0	1,245.2	0.1	(230.1)	2,743.4
EBITDA[3]	(58.4)	48.7	144.8	(55.3)	512.5	(63.8)	(17.9)	510.6
Adjusted EBITDA[3]	9.1	47.6	188.7	(70.5)	515.5	(40.9)	12.3	661.8
Share of results of equity-accounted investees	-	-	-	3.0	-	-	(29.8)	(26.8)
Depreciation, amortization and impairment	(89.3)	(1.4)	(77.6)	(38.1)	(136.3)	(3.0)	43.6	(302.1)
Finance income	16.5	1.7	12.2	9.1	33.9	104.0	(35.1)	142.3
Finance expense	(35.0)	(2.4)	(37.8)	(10.9)	(98.1)	(124.1)	51.8	(256.5)
Income tax (expense) / income	25.5	(12.3)	(68.7)	25.1	(14.8)	(7.4)	(0.3)	(52.9)
Net profit / (loss)	**(140.7)**	**34.3**	**(27.1)**	**(67.1)**	**297.2**	**(94.3)**	**12.3**	**14.6**
Equity-accounted investees	-	-	-	34.2	-	0.2	444.8	479.2
Capital expenditures non-current assets	19.1	1.6	41.8	64.1	50.0	142.5	(3.6)	315.5
Total assets	**1,541.4**	**106.4**	**1,954.6**	**735.0**	**5,259.6**	**377.4**	**(545.9)**	**9,428.5**

[1] Including ammonia at OCIB.

[2] Including OCI Clean Ammonia LLC. OCI Clean Ammonia LLC is identified as an operating segment, but due to the pre-operating phase aggregation criteria are not yet met.

[3] 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 in section 'Other information'.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

15. Segment reporting continued

30 June 2022 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	509.2	278.8	959.8	1,262.1	2,656.1	-	(480.5)	5,185.5
EBITDA[2]	259.3	85.9	362.9	210.0	1,389.6	(46.4)	(96.4)	2,164.9
Adjusted EBITDA[2]	239.7	85.9	368.2	210.2	1,394.6	(49.8)	11.2	2,260.0
Share of results of equity-accounted investees	-	-	-	4.7	-	-	56.4	61.1
Depreciation, amortization and impairment	(74.1)	(12.7)	(80.1)	(36.3)	(124.8)	(2.6)	38.1	(292.5)
Finance income	6.6	1.7	0.4	7.2	58.4	134.6	(20.5)	188.4
Finance expense	(15.9)	(1.1)	(105.8)	(9.0)	(78.3)	(81.1)	34.9	(256.3)
Income tax (expense) / income	(28.3)	-	(54.7)	(44.9)	(154.7)	4.3	(0.3)	(278.6)
Net profit / (loss)	**147.6**	**73.8**	**122.7**	**131.7**	**1,090.2**	**8.8**	**12.2**	**1,587.0**
Equity-accounted investees	-	-	-	41.9	-	0.2	516.2	558.3
Capital expenditures non-current assets	24.6	12.2	16.0	17.9	24.0	12.6	(1.6)	105.7
Total assets	**1,731.1**	**119.6**	**2,263.7**	**912.3**	**5,440.0**	**419.6**	**(602.9)**	**10,283.4**

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 in section 'Other information'.

Notes to the semi-annual condensed consolidated financial statements continued

For the six-month period ended 30 June

16. Provisions, contingent assets and liabilities

There have been no significant changes, other than changes in exchange rates, in provisions, contingent assets and liabilities compared to the situation as described in the consolidated financial statements for the year ended 31 December 2022, except for the following:

OCI S.A.E. tax dispute and donation provision

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, Orascom Construction Industries S.A.E. ('OCI S.A.E.'). The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement with the ETA whereby EGP 7.1 billion would be paid over a 5-year period. The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Subsequently, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and additionally by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision. In March 2015, OCI S.A.E. received EGP 1.9 billion from the ETA. In 2016 OCI S.A.E. was required to pay a second installment of EGP 900 million related to the original settlement agreement. OCI S.A.E. has lodged a reimbursement claim for this amount. On 23 January 2023, a judgement was issued in favor of OCI S.A.E. rejecting the appeal of the ETA and on 14 May 2023, the judgement has become irrevocable, as a result the EGP 1.9 billion paid to OCI S.A.E. in 2015 may no longer be reclaimed by the ETA and OCI S.A.E. has a claim of EGP 900 million against the ETA.

On 13 November 2014, OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to an Egyptian development fund. Following the guidance under IAS 37 (constructive obligations), the Company has presented the transfer of rights to the fund as a donation provision.

As part of the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, parties agreed that OCI S.A.E. would retain the reimbursed sum of EGP 1.9 billion and reimbursement claim of EGP 900 million to fulfill the constructive donation obligation upon final verdict of the case. Any excess liabilities and recoveries were agreed to be shared on a 50:50 basis between OCI N.V. and OC.

In June 2023, OCI N.V. entered into an agreement (USD 26.7 million payable in July 2023 which is net of prior payments) with OC to pay the respective 50% share in the reimbursed sum, to assign 50% in the reimbursement claim against the ETA and split the constructive donation obligation on a 50:50 basis. As a result of this settlement and due to the devaluation of the EGP the donation provision was reduced to USD 30.9 million. Neither receipt of the undue paid tax nor the payment of the donation has taken place in Q2 2023.

17. Commitments

There have been no significant changes in capital commitments and the related projects compared to the situation as described in the consolidated financial statements for the year ended 31 December 2022, except for the following:

Low carbon ammonia plant

On 13 February 2023, Fertiglobe plc initiated the procurement phase for the low carbon ammonia plant in the UAE. Fertiglobe's share of costs is expected to be 30%, following the creation of the company and the novation of the EPC contract to it. The total capital commitments per 30 June 2023 amount to approximately USD 100.0 million.

Blue ammonia plant

On 27 February 2023, OCI Clean Ammonia LLC signed a contract for the construction activities to build the blue ammonia plant in Texas, with production expected in Q1 2025. The total capital commitments per 30 June 2023 amount to USD 546.3 million.

18. Subsequent events

OCI interim dividend distribution

On 31 July 2023, OCI Board of Directors approved an interim dividend distribution of approximately USD 200.0 million for the period H1 2023. The ex-dividend date, record date and payment date for the distribution will be confirmed in due course.

Other information

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Alternative Performance Measures (APM)

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 profit / (loss)
- Free cash flow

EBITDA, adjusted EBITDA, adjusted net profit / (loss) 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 profit / (loss) 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 profit / (loss) and free cash flow (a) as an alternative to operating profit or profit 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 profit / (loss) 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, amortization and impairment, foreign exchange gains and losses and income from equity accounted investees.

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA, adjusted for additional items that management considers not reflective of our core operations, such as unrealized gains and losses, exceptional operations related events, expenses related to expansion projects, transaction related expenses and litigation and claims.

Adjusted net profit / (loss)

Adjusted net profit / (loss) is the total net profit / (loss), adjusted for additional items that management considers not reflective of our core operations, such as accelerated depreciation, deactivation of assets, expenses related to refinancing and exceptional tax items.

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 for the six-month period ended:

$ millions	30 June 2023	30 June 2022
Operating profit	208.5	1,872.4
Depreciation, amortization and impairment	302.1	292.5
EBITDA	**510.6**	**2,164.9**
APM adjustments	151.2	95.1
Adjusted EBITDA	**661.8**	**2,260.0**

Alternative Performance Measures (APM) continued

APM adjustments at EBITDA level for the six-month period ended:

$ millions	30 June 2023	30 June 2022
Natgasoline	40.8	76.1
Unrealized (gain) / loss on natural gas hedging	79.8	7.3
Unrealized (gain) / loss on EUA derivatives	(2.8)	(1.9)
Provisions and other	33.4	13.6
Total APM adjustments at EBITDA level	**151.2**	**95.1**

The main APM adjustments at EBITDA level relate to:

- Natgasoline is not consolidated and an adjustment of USD 40.8 million was made for OCI's 50% share in the plant's EBITDA in 2023. Natgasoline's contribution to adjusted EBITDA in 2022 was USD 76.1 million.
- The unrealized results on natural gas hedge derivatives of USD 79.8 million in 2023 and USD 7.3 million in 2022 relate to hedging activities at OCI Beaumont, IFCo and in the Netherlands.
- The unrealized results on EUA derivatives of USD (2.8) million in 2023 and USD (1.9) million in 2022 relate to the unrealized gain on EUA hedges at OCIN.
- Other adjustments of USD 33.4 million in 2023 and USD 13.6 million in 2022 mainly relates to movements in provisions related to ongoing litigation and claims and other adjustments.

Reconciliation of reported net profit / (loss) to adjusted net profit / (loss) for the six-month period ended:

$ millions	30 June 2023	30 June 2022
Reported net profit / (loss) attributable to owners of the Company	**(162.1)**	**886.4**
Adjustments at EBITDA level	151.2	95.1
Add back: Natgasoline EBITDA adjustment	(40.8)	(76.1)
Result from associate (change in unrealized gas hedging Natgas)	10.6	(31.4)
Forex (gain) / loss on USD exposure	11.4	(86.6)
Expenses related to refinancing	-	66.1
Accelerated depreciation and impairments of PP&E	2.1	12.5
Recognition of valuation allowance	55.2	-
Non-controlling interests adjustment / uncertain tax positions	(17.9)	27.2
Other adjustments	(5.2)	(4.4)
Tax effect of adjustments	(26.2)	(7.1)
Total APM adjustments at net profit / (loss) level	**140.4**	**(4.7)**
Adjusted net profit / (loss) attributable to owners of the Company	**(21.7)**	**881.7**

Alternative Performance Measures (APM) continued

The main APM adjustments at net profit / (loss) level relate to:

- The adjustment on result from associate of USD 10.6 million in 2023 and USD (31.4) million in 2022 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas.
- FX impact of USD 11.4 million in 2023 and USD (86.6) million in 2022 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.
- Refinancing expenses of USD 66.1 million in 2022 relates to early redemption costs and accelerated amortization at OCI N.V.
- Accelerated depreciation and impairments of PP&E of USD 2.1 million in 2023 mainly relates to the impairment of BioMCN. Accelerated depreciation of USD 12.5 million in 2022 fully relates to the impairment of BioMCN.
- Recognition of valuation allowance of USD 55.2 million in 2023 is related to the valuation allowance recognized at IFCo.
- Non-controlling interests adjustment of USD (17.9) million in 2023 and USD 27.2 million in 2022 is mainly related to the calculated profit attributable to non-controlling interests on all APM adjustments.
- Tax effect of adjustments of USD (26.2) million in 2023 and USD (7.1) million in 2022 is related to the calculated tax effect of all APM adjustments.

Free cash flow

$ millions	30 June 2023	30 June 2022
Cash flow from operating activities	**540.2**	**1,959.9**
Maintenance capital expenditure	(165.0)	(89.3)
Lease payments	(25.6)	(19.7)
Dividends paid to non-controlling interests	(412.6)	(301.7)
Dividend from equity accounted investees	1.2	1.4
Other non-operating items	(9.3)	(12.9)
Free cash flow	**(71.1)**	**1,537.7**

Director's 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 semi-annual management report and half-year press release 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, 1 August 2023

The OCI N.V. Board of Directors

Review report

To: the board of directors of OCI N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2023 of OCI N.V., Amsterdam, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period then ended and the notes to the semi-annual condensed consolidated financial statements. The board of directors is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 1 August 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by D. van Ameijden RA