OCI Global

Annual Report 2022

Powering a cleaner future sooner

Board Report

The Board Report consists of the chapters 1. Introduction, 2. About Us, 3. Our Performance, 4. Risk Management, and 5. Corporate Governance (paragraphs Board Report and Declarations).

OCI Global Brand

OCI N.V. recently rebranded to OCI Global, and is referred to as OCI Global, OCI, OCI N.V., the Company, or the Group throughout this Annual Report, but OCI N.V. and its subsidiaries' registered business names have not changed. OCI's business unit names have rebranded under two Business Units: OCI Nitrogen and OCI Methanol. Subsidiaries are referred to in this Annual Report by their new brand names or by their registered names in the notes to the financial statements. OCI Clean Ammonia LLC is in the financial statements identified as the segment 'Other', as due to the pre-operating phase, aggregation criteria are not yet met.

Forward-looking statements

This Annual Report contains forward-looking statements. By their nature, these statements involve risks and uncertainties. Readers should not put reliance on these statements.
In addition, future actual events, results and outcomes likely differ from these statements made.

European single electronic reporting format (ESEF) and PDF version

This is the PDF/printed version of OCI N.V.'s 2022 Annual Report. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on our website at https://oci-global.com/investor-center/results-and-presentations/. In case of any discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

1 Introduction

Letter from the CEO

"I am very pleased with what the OCI team has achieved during 2022, a year full of milestones in our strategy and value creation that propelled OCI forward and will shape OCI's future."

Chief Executive Officer Ahmed El-Hoshy reflects on a year of positive change and progress for OCI...

Letter from the CEO continued

We are OCI Global

The challenging geopolitical and macroeconomic environment in 2022 created volatile commodity markets and impacted the lives of many people across the globe. Despite these volatile times, I am pleased that the OCI team continued to work diligently and achieved a year full of milestones in our strategy and value creation that propelled OCI forward and will shape OCI's future.

Reflecting on our history, a central theme emerges: we've been building, growing, and powering successful change. From our origins in construction to our future in hydrogen, we've always been driving innovation because we are not afraid to seize opportunities and make bold decisions.

Today, we are proud to be a global producer and distributor of hydrogen-based products, driving forward the decarbonization of food, fuel, and industrial feedstock.

To better convey our identity, we have rebranded to **OCI Global.** With this change, we highlight the breadth and uniqueness of our global footprint, and our ability to deliver our products reliably at speed and scale to our customers. It also underlines our role in supporting global food security and energy-intensive industries today, and powering a cleaner future tomorrow through low carbon hydrogen-based products and practical, real-world solutions.

Health and safety first

Safety is our number one priority in the company, and it is our responsibility to protect our people, our operations and our communities. We also recognize the importance of safety for our business and sustainability performance: reliability and even energy efficiency will increase as we improve occupational and process safety.

We reported a lost-time injury rate (LTIR) of 0.08 and a total recordable injury rate (TRIR) of 0.40 per 200,000 man-hours at the end of 2022. These numbers beat industry averages, but unfortunately reflect a slight deterioration compared with our 2021 results.

While we are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by 52% since 2014, we do not take a decline in safety performance lightly.

We are committed to a zero-incident culture across our organization, both with our own employees and with contractors. Looking ahead, we will therefore continue our relentless focus on safety throughout the organization, and have ongoing campaigns and learning programs to foster a healthy work environment, and in this have ongoing support and oversight from the Board and the HSE & Sustainability Committee.

A strong foundation for future growth and value creation

Despite the challenging global markets and volatile energy markets, we delivered strong 2022 results, utilizing our globally diversified, state-of-the-art platform with highly competitive feedstock, and production and logistics advantages.

This enabled us to produce and distribute essential products to the global markets during a year when energy pricing and supply chains jeopardized the availability of fertilizers and other essential products and forced shutdown of production in Europe including partially our facilities in the Netherlands.

We generated free cash flow of more than USD 1.9 billion in 2022, which accelerated a reset of our balance sheet to a very low net leverage of 0.3x. This enabled us to return capital to shareholders for the first time in over a decade, with a total of around USD 1.5 billion of cash earmarked for financial year 2022.

The strong balance sheet also supports the acceleration of our decarbonization projects, driving our future growth, supporting the energy transition goals we share with many of our stakeholders and establishing us as a leader in low carbon fuels, industrial feedstocks and food.

Powering a cleaner future sooner

Our two core products – ammonia and methanol – are the keys to the hydrogen economy, because they are the most effective carriers of hydrogen. We're revolutionizing the energy-intensive industries by making transport cleaner, products greener and crops better, delivering what is needed to accelerate change and realize a cleaner future sooner. We are doing this by:

1. providing a more sustainable and diverse product offering through our existing platform of renewable and low carbon products: for example, we are a global leader in green methanol and have developed our sustainable ammonia offer, with pilot shipment sales of blue and green ammonia.

   OCI was the first ammonia producer in Europe to produce and sell ISCC PLUS certified green ammonia, and the first to receive ISCC EU and ISCC PLUS certification for green methanol for sales into regulatory fuels markets.
2. expanding our product offering substantially by investing in transformational renewable and low carbon methanol and ammonia projects.

We are able to move quickly to capitalize on such growth opportunities thanks to our flexible business model and

Analyst's corner

GRI 2-22

Letter from the CEO continued

advantaged asset base. We are fast-tracking sustainability-focused value accretive projects across our platform, and achieved a number of significant milestones across our platform during 2022, establishing OCI Global as a world-leader in this space. The OCI team was well positioned to achieve FID on our blue ammonia project in Texas within one month of the passage of the Inflation Reduction Act, with completion expected in 2025, the first greenfield project of this scale in the United States.

Recognition

We are pleased that our strong financial and ESG performance was recognized by global indices and respective rating agencies for both OCI and Fertiglobe, our 50%-owned strategic partnership with ADNOC in the Middle East and North Africa, listed on the Abu Dhabi Securities Exchange (ADX) since October 2021.

OCI was included in the MSCI World Index and STOXX 600 Index, some of the world's leading global equity indices, in June 2022. In April 2022, credit rating agencies S&P, Moody's, and Fitch upgraded OCI's ratings to investment grade (BBB-, Baa3 and BBB- respectively), recognizing OCI's strong underlying performance, financial policy and outlook.

Our sustainability ratings profile also made progress with an upgrade by MSCI (from BBB in 2021 to A in 2022), alongside stable ratings by the other agencies positioning OCI as one of the best performers in the sector.

In addition, Fertiglobe was included in the FTSE ADX 15 and FTSE Emerging Markets indices and was also issued its first investment grade ratings by S&P, Moody's, and Fitch (BBB-, Baa3 and BBB-, respectively) in 2022.

Analyst's corner

GRI 2-22

Looking ahead: creating value now and in the future

Looking ahead into 2023 and beyond, market fundamentals remain solid and we are excited about our medium- to long-term growth opportunities, as incremental demand for our products emerges in a range of new applications and sectors.

Despite recent volatility and lower selling prices, the outlook for nitrogen markets is healthy, underpinned by robust crop fundamentals, healthy farm economics, and decades low global grain stocks, giving strong incentives to apply nitrogen fertilizers. At the same time, supply dynamics are tight.

We also expect increased demand for our industrial nitrogen and methanol businesses, driven by the improved industrial outlook in Europe and Asia, and the re-opening of China following the end of their zero-COVID policy.

After a year of range-bound methanol prices and major turnarounds at our facilities in the fourth quarter of 2022, the methanol market outlook is much more positive as we move into 2023.

We are excited about the prospects arising from significant demand uptake for methanol as a hydrogen fuel, notably in the road and marine fuels sector, which will help expand our already fast-growing low carbon fuels business.

The use of methanol as a marine fuel is expected to start accelerating significantly from the second half of 2023, when the first large methanol-fueled container vessels are scheduled for delivery. Incremental demand is potentially in excess of 3 million tons per year from the mid-2020's based on current orders, which is significant in a globally traded market of around 30 million tons.

To conclude, we are excited about the opportunities ahead. We see significant upside potential from our end markets, and believe our transformative low carbon growth initiatives place us in a leading position within the industry. We have a strong legacy of executing projects and, with our competitive global platform, world-scale young assets and strong logistics capabilities, we can continue to grow – creating value for all of our stakeholders – our employees, customers, partners, shareholders and communities.

I would like to thank all our employees for their strong commitment to improving and growing our business, while maintaining safety as the key priority. I look forward to a bright future where we continue to relentlessly focus on value creation.

Together we can power a cleaner future sooner.

Ahmed El-Hoshy
Chief Executive Officer

The year in review

Sustainability projects across our platform in 2022

Low Carbon Ammonia

We are building a world-scale blue ammonia plant in Texas, with low carbon hydrogen and nitrogen supplied by Linde. We are on track to start production in 2025, ready for the expected ramp-up in incremental demand for low carbon ammonia as a low carbon fuel and in the power sector. It will be the first greenfield blue ammonia facility of this scale to come onstream in the United States.

Fertiglobe has, on behalf of the project, also signed the EPC contract with Tecnimont S.p.A. for a **1 million ton low carbon ammonia project** in the UAE in partnership with Ta'ziz, GS Energy Corporation and Mitsui & Co., Ltd.

Renewable Ammonia

EGYPT GREEN HYDROGEN

Our green ammonia project, Egypt Green Hydrogen, Africa's first integrated green hydrogen plant, started commissioning its first unit of 15 MW in November 2022. We were pleased to announce this important step towards green hydrogen production during COP27 in Sharm El Sheikh. At full scale, we will produce up to 90 ktpa of green ammonia at our Egyptian facilities.

Fertiglobe kicked off 2022 announcing a landmark collaboration with Masdar and ENGIE to study the co-development of a **green hydrogen facility in the UAE** to support production of green ammonia. The project represents a great opportunity for both Fertiglobe and the UAE as a whole, as the country continues to ramp up its sustainability efforts in lead up to COP28.

COP28 UAE

Low Carbon Methanol

As we continue to grow our fuels business and shift towards green fuels and industrial feedstocks, **we are evaluating a gasification opportunity at our methanol facility in the Netherlands**.

This would be the first plant in the Netherlands to transform biomass-derived feedstocks such as wood waste, agricultural waste or non-recyclable municipal solid waste into bio-methanol to cater to growing demand in the marine and vehicle fuels markets and the chemicals market.

The year in review continued

2022 performance highlights

Financial performance
Revenue ($ million)
9,713.1 ↑
2021: 6,318.7

Financial performance
Adjusted EBITDA ($ million)
3,891.0 ↑
2021: 2,526.5

Climate change action
GHG Intensity (scope 1 & 2 ton CO_2e / N-ton)
2.38 ↑
2021: 2.29

Climate change action
Energy Intensity (ammonia & methanol GJ / ton gross)
36.02 ↑
2021: 35.88

Health, safety and wellbeing
Lost Time Injury Rate
0.08 ↓
2021: 0.20

Health, safety and wellbeing
Total Recordable Injury Rate
0.40 ↑
2021: 0.35

Financial performance
Adjusted net income ($ million)
1,343.4 ↑
2021: 731.8

Financial performance
Earnings per share ($)
5.885 ↑
2021: 2.719

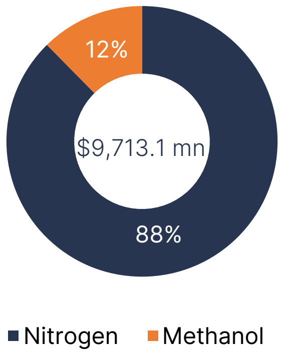
Climate change action
Purchased electricity from renewable sources
33.9% ↑
2021: 0%

Water in our operations
Freshwater cons. in water stressed regions (million m^3)
6.05 ↓
2021: 7.26

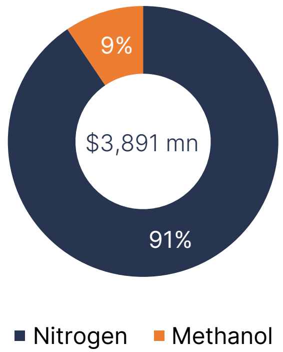
Diversity & inclusion in our own workforce
Women in senior leadership positions
21.8% ↓
2021: 24.0%

Responsible business practices
Compliance concerns investigated
100% =
2021: 100%

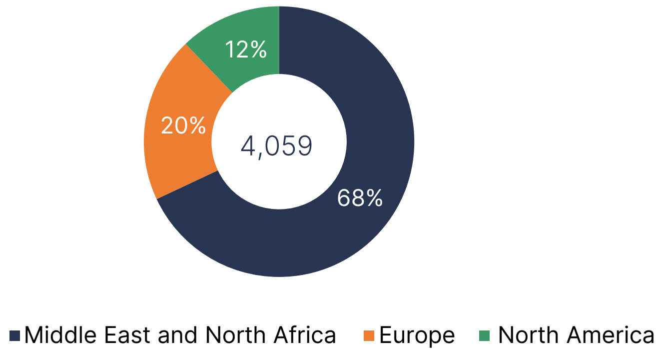
Revenue by segment



Adjusted EBITDA by segment



Employees by region



The year in review

0%
freshwater consumption in water-stressed regions achieved in October

Achieved **investment grade ratings**
across all **three major agencies:**

Baa3 Moody's
BBB- FitchRatings
BBB- S&P Global

Announced CCS at IFCo

$250,000 donation
to the Lee County Career Advantage Center in southeast Iowa

Port of Rotterdam

Announced expansion of our ammonia terminal at the **Port of Rotterdam**

OCI | NorthH$_2$

Partnered with **NorthH$_2$**
allowing us to develop the first large-scale green ammonia and methanol value chains in the Netherlands

In partnership with
Beaumont Independent School District
$200,000 donation
to purchase a **mobile STEM lab**

Donated $1.5 million to the World Central Kitchen to fund 500,000 meals

Joined
hynetherlands
a large-scale hydrogen-based value chain in the north of the Netherlands

Egypt Green
Our green ammonia project commissioned, launching **Africa's first integrated green hydrogen plant**

Breaks Ground
On 1.1 Mtpa
Blue Ammonia Site in Texas

Proud participant
at **COP27** in Egypt

2 About Us

Our company

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

Our business

OCI's global production capacity spans four continents and comprises 16.7 million metric tons per year of hydrogen products, including ammonia, nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, and other nitrogen products. OCI Global has 4,059 employees, is headquartered in the Netherlands, and listed on Euronext in Amsterdam.

We aim to drive forward the decarbonization of food, fuel, and feedstock through our transition to low carbon products and offering of practical, real-world solutions, to help achieve a more sustainable future:

- Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality.
- Our fuel solutions provide low carbon alternatives to significantly reduce greenhouse gas emissions versus conventional fuels.
- Our ammonia and methanol are excellent hydrogen carriers for the energy transition and decarbonized feedstocks for downstream industrial processes.

Powering a cleaner future sooner

Our ambition is to power a cleaner future by decarbonizing the energy-intensive industries that shape, feed and fuel our world through practical solutions that address global challenges and realize shared opportunities.

We aim to achieve this by:

- Bringing together the best, brightest, and most tenacious talent.
- Working to decarbonize our own production and distribution network, optimizing and leveraging our strategic assets and capabilities globally.
- Collaborating with private and public sector partners to develop credible solutions that enable the transition from carbon-intensive energy sources and realize shared environmental goals.
- Delivering on our commitments as a trustworthy and reliable business partner using our knowledge, experience, and expertise. To become a leading influential voice in shaping agendas and creating the conditions for change.

Analyst's corner | GRI 2-1; GRI 2-6

Our company continued

Our products

During 2022, we sold 14.5 million metric tons of hydrogen products, including ammonia, nitrogen fertilizers, other nitrogen products, methanol, and diesel exhaust fluid.

We are committed to develop products and initiatives to provide low carbon and more sustainable solutions to our customers. We aim to grow the share of sustainable products in our portfolio, which include renewable ammonia, low carbon ammonia, green methanol, low carbon methanol and diesel exhaust fluid, and ultimately reduce our share of grey products. These products are further described on pages 14 - 17.

Our nitrogen fertilizers

Merchant ammonia
Ammonia (16% of our total volume) is a colorless gas that is a building block for industrial chemicals and nitrogen fertilizers, and can be applied as a direct fertilizer. Ammonia is the highest energy density non-hydrocarbon product. The principal raw material used in the production of ammonia is natural gas, which we purchase through long term supply contracts.

Granular urea
Granular urea (40% of our total volume) is a white crystalline solid fertilizer with a nitrogen content of approximately 46%, which is produced by reacting ammonia with carbon dioxide. Its high nitrogen content, straightforward handling and transportation make it the most traded nitrogen fertilizer in the world by volume.

Calcium ammonium nitrate (CAN)
Calcium ammonium nitrate (7% of our total volume), branded as OCI Nutramon, is a nitrogen fertilizer with an addition of dolomite. While the nitrate enables immediate nutrient uptake by crops due to its high absorption properties, the added dolomite reduces soil acidification potential and subsequent liming need.

Urea ammonium nitrate (UAN)
Urea ammonium nitrate (12% of our total volume) is a liquid fertilizer solution, which consists of urea and ammonium nitrate. Due to its nitrate component it is easily absorbed by plants.

Ammonium sulphate (AS)
Ammonium sulphate (4% of our total volume) is a solid crystalline fertilizer, which contains nitrogen and sulphur. It is highly soluble in water and easily stored and transported.

Our other nitrogen products
Melamine (1% of our total volume) is an organic based substance, which consists of 66% nitrogen. Its application lies predominantly within home renovation and construction markets as an intermediate in wood-based panels and a component of glue. OCI Nitrogen Europe is the world's largest melamine producer.

Carbon dioxide (CO_2) is an odorless gas, which can be captured from industrial processes and sold to third parties for use in various applications, such as carbonated drinks production, and food and beverage preservation.

Our methanol
Methanol (11% of our total volume) is a clear chemical liquid predominantly produced from natural gas, which is highly versatile in its application ranging from powering ships and vehicles to heating homes.

Green methanol can either be produced by using biogas instead of natural gas in existing facilities or from biogenic fraction of gasification of municipal solid and biomass waste. We use waste, residues and by-products as feedstocks.

Our diesel exhaust fluid (DEF)
Diesel exhaust fluid (9% of our total volume), which is also known as AdBlue in Europe and marketed as AdGreen by Fertiglobe, is a non-hazardous aqueous urea solution consisting of approximately 67.5% deionized water and approximately 32.5% urea.

Analyst's corner | GRI 2-1; GRI 2-6

Our company continued

Our products continued

Our sustainable product offerings

Ammonia

Renewable ammonia: We are one of the only producers today of renewable ammonia, either using biogas at our Dutch and United States ammonia plants or using hydrogen from electrolysis of renewable electricity at our Egyptian ammonia facilities.

Low carbon ammonia: We offer low carbon (blue) ammonia from our United States ammonia plant using low carbon hydrogen produced from natural gas with carbon capture and utilization (CCU).

Value propositions

- Our bio- and green ammonia are ISCC PLUS certified. We are the first ammonia producer in Europe to use bio-methane to produce and sell green ammonia. The sustainable product and mass balance system is ISCC PLUS certified and can be used to produce green downstream products. The GHG footprint is at least 50% lower compared to grey ammonia and can be decarbonized further depending on customer requirements.
- We convert our sustainable ammonia to downstream products such as CAN, UAN and melamine. This results in the production of an ISCC PLUS certified CAN fertilizer with a lower GHG footprint compared to conventional CAN fertilizer.
- We have developed our own proprietary Blue Ammonia (BlueAm) standard, with the support of SCS Consulting, that targets a 60% GHG reduction to current industry benchmark of GHG emissions for ammonia production.

Analyst's corner	GRI 2-1; GRI 2-6; GRI 306-1; GRI 306-2

Main demand areas

- Sustainable fertilizers made from renewable or low carbon ammonia offers GHG intensity reduction, help lowering GHG footprint of the food value chain.
- Power generation is expected to become a significant new source of demand for low carbon ammonia. Ammonia co-firing has significant emissions reduction potential for large coal-fired electricity plants.
- Marine fuel to lower GHG emission and other air pollutants in shipping to meet FuelEUMartime mandates, lower EU's Emission Trading Scheme exposure, and voluntary scope 3 reduction.
- Decarbonization of scope 3 in the chemical industriy: ammonia is a base chemical that goes into many products such as consumer goods, medicines and is used in processes such as paper and textile production.

Customers: We supply bio-ammonia, under Eco ammonia brand, from our Dutch plant to AnQore for their sustainable acrylonitrile, under Econitrile brand. By providing OCI's ISCC PLUS certified CAN fertilizer, we contribute to a low carbon alternative to traditional crop cultivation.

Expanding our renewable and low carbon ammonia production capacity across our network

- Additional 1.1 MTA of blue ammonia coming online in Beaumont, Texas in 2025.
- Various green hydrogen to ammonia projects in development globally.
- Partnership with RWE's FUREC to off-take bio and recycled hydrogen from their waste gasification project in the Netherlands.
- Fertigobe is a shareholder in a 1 MTA low carbon ammonia project in the UAE, in partnership with Ta'ziz, GS Energy Corporation and Mitsui & Co.

Ammonia

Types and characteristics

Grey ammonia: conventional ammonia produced from natural gas without carbon capture, utilization and storage (CCUS).

Renewable ammonia: ammonia produced from renewable feedstocks. There are two types of renewable ammonia that can be produced by OCI today:

- Bio-ammonia: can either be produced by using biogas instead of natural gas in existing facilities or from biogenic fraction of gasification of municipal solid and biomass waste.
- Green ammonia: can be produced from hydrogen from electrolysis based on renewable electricity.

Low carbon ammonia: ammonia produced from virgin fossil with lower carbon intensity (CI) than grey ammonia and industry average emission or from recycled fossil feedstocks.

- Blue ammonia: can be produced with lower carbon hydrogen from natural gas with CCS that can achieve CI reduction of at least 60% compared to industry average (2.6 tCO_2e/t ammonia) on a cradle to gate scope.
- Circular ammonia: can be produced from recycled fossil hydrogen from gasification of municipal solid waste.
- Low carbon ammonia: is produced using hydrogen with lower CI compared to industry average. The sources can include by-product hydrogen from steam crackers or chlor-alkali.

Our company continued

Our sustainable product offerings

Methanol

Green methanol: We are a green methanol producer, using biogas rather than natural gas at our Dutch and United States methanol plants.

Value propositions

- When used as a fuel, green methanol provides at least 60% reduction in greenhouse gas emissions versus petrol or diesel, which means it is an excellent hydrogen fuel to meet renewable fuel standards.
- Green methanol is an advanced second-generation biofuel that is produced using bio-waste, meaning it not only reduces our own consumption of natural gas, but also provides an outlet for waste that would otherwise emit methane, which represents 16% of global GHG emissions and traps ~36 times more heat in the atmosphere than CO_2 over 100 years.
- Our green methanol is ISCC EU and ISCC PLUS certified.

Main demand areas

- Transport fuel blend in the UK and Europe today to meet EU's Renewable Energy Directive and the UK's Renewable Transport Fuel Obligation.
- Incremental demand for methanol as a marine fuel is expected to start accelerating from 2023 onwards. Methanol engines have been commercialized since 2015 and we are at the 3rd generation today. There are already 30 methanol ships on the water today with many on order from shipping majors.
- Decarbonization of scope 3 in the chemical industries as methanol is the basic building block of many critical ingredients such as plastics (e.g., for consumer goods and automotive industries) and laminates for furniture, among many other uses.
- Sustainable methanol can be used as an effective fuel for power generation in fuel cells or turbines in off-grid locations, emergency power generation or special events and outdoors.

Customers: exclusive supply agreements with ExxonMobil, Essar and Greenergy in the UK. Other customers of green methanol include Celanese, Dupont, BP, and Shell.

Expanding our green and low carbon methanol platform

We are expanding our green and low carbon offerings to serve the growing demand for this sustainable fuel and industrial feedstock through:

- Expanding our biogas portfolio with long-term off-take contracts and upstream investments.
- Developing gasification projects globally to produce sustainable methanol from waste feedstocks. Gasification is an effective way to recycle valuable resources that are today considered waste, enabling a circular economy.
- Producing e-methanol (green methanol from hydrogen from electrolysis based on renewable electricity) at our existing facilities by partnering with renewable hydrogen suppliers.

Analyst's corner	GRI 2-1; GRI 2-6; GRI 306-1; GRI 306-2

Methanol

Types and characteristics

We aim to produce our products according to standards required by the end markets we serve in (e.g., EU's renewable energy directive (RED), FuelEUMaritime) and our customers.

Grey methanol: conventional methanol produced from natural gas without CCS.

Green methanol: methanol produced from renewable feedstocks. There are 2 types of green methanol that can be produced by OCI today or under development:

- Green methanol: can either be produced by using biogas instead of natural gas in existing facilities or from biogenic fraction of gasification of municipal solid and biomass waste. We use waste, residues and by-products as feedstocks. Forestry waste and residues must originate from Forest Stewardship Council (FSC) certified forest or equivalent. Green methanol will have at least 60% CI reduction compared to fossil comparator.
- E-methanol: can be produced by combining hydrogen from hydrogen from electrolysis based on renewable electricity and biogenic or recycled CO_2. This definition is in line with the EU's Renewable Fuels of Non-biological Origin (RFNBO) requirements. E-methanol will have at least 70% CI reduction compared to fossil comparator.

Low carbon methanol:

- Recycled carbon fuel (RCF) methanol: can be produced from recycled fossil fraction of gasification of municipal solid waste. RCF methanol can be used in marine shipping and as an effective chemical recycling route to plastic (e.g. via methanol to olefin).
- Low carbon methanol: can be produced with lower carbon hydrogen from natural gas with CCS.

Our company continued

Our sustainable product offerings

Diesel exhaust fluid (DEF)

Value propositions

- DEF is used in Selective Catalytic Reduction (SCR) systems to lower harmful vehicle exhaust emissions from diesel engines, with the added advantage of improving vehicle fuel economy by approximately 5% and using diesel fuel more efficiently.
- DEF breaks down nitrogen oxides emissions into nitrogen gas and water vapor, thereby eliminating environmentally harmful emissions from cars, trucks, buses and other heavy-duty vehicles.
- Providing a transitional option for emissions abatement for truck and rail in the near to medium term as the switch to electric vehicles has proven to be challenging to date for heavy duty trucks or farm vehicles due to poor power-to-weight ratios, leaving few near-term alternatives to DEF for emissions abatement in truck and rail.

Main demand areas

- Regulations in the United States, Europe and China are driving demand growth by requiring the replacement of older vehicles, particularly heavy-duty trucks, coupled with higher dosing rates in newer generation diesel engines.

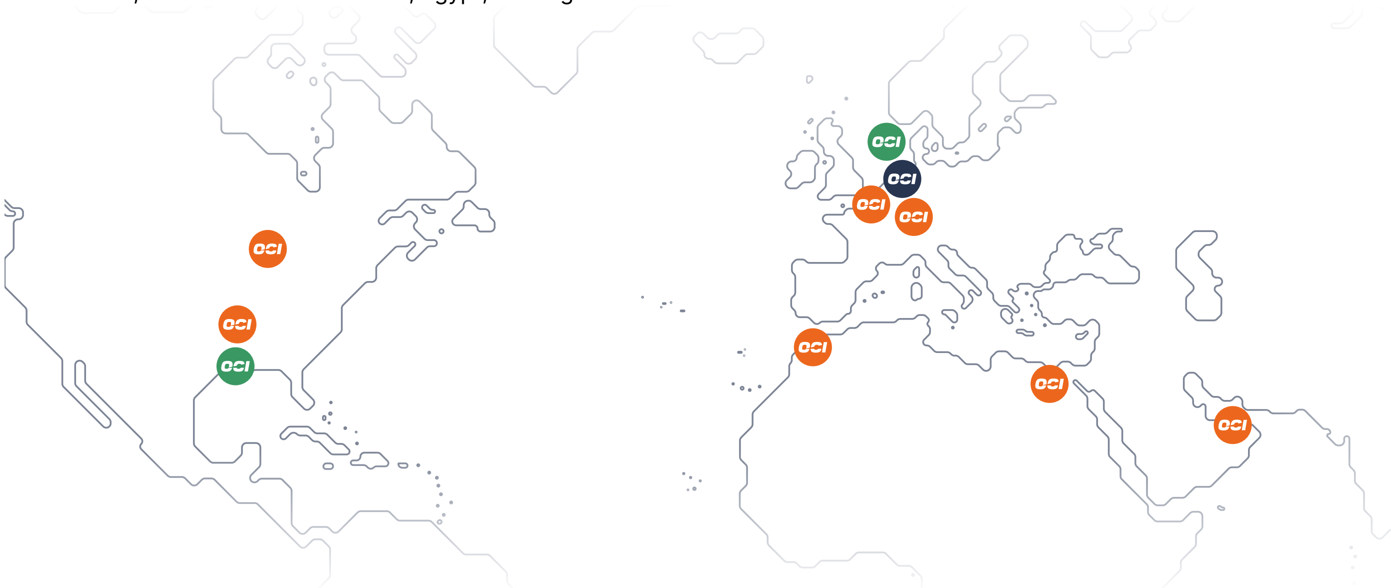
Customers: Truckstop chains, wholesale retailers and packagers, and smaller regional distributors.

Analyst's corner	GRI 2-1; GRI 2-6; GRI 306-1; GRI 306-2

Our company continued

Where we are

Our production facilities are located in the United States, the Netherlands, the United Arab Emirates, Egypt, and Algeria.



Nitrogen

Producing and distributing ammonia, fertilizers and nitrogen-based solutions.

Beaumont, USA

Wever, USA

Rotterdam, The Netherlands

Geleen, The Netherlands

Abu Dhabi

Egypt

Algeria

Methanol

Producing and distributing methanol and fuel solutions.

Beaumont, USA

Farmsum, The Netherlands

Corporate

Our global corporate and business functions play a key role in developing our strategy and supporting our operations.

Amsterdam, The Netherlands

Our position in the value chain

Suppliers

- Natural gas (primary raw material)
- Inorganic & organic chemicals
- Industrial gases
- Steam
- Electricity
- Traded goods
- Renewable and low carbon hydrogen suppliers

OCI

- Producer of nitrogen & methanol products
- Importer
- Trading
- Storage
- Wholesale distribution

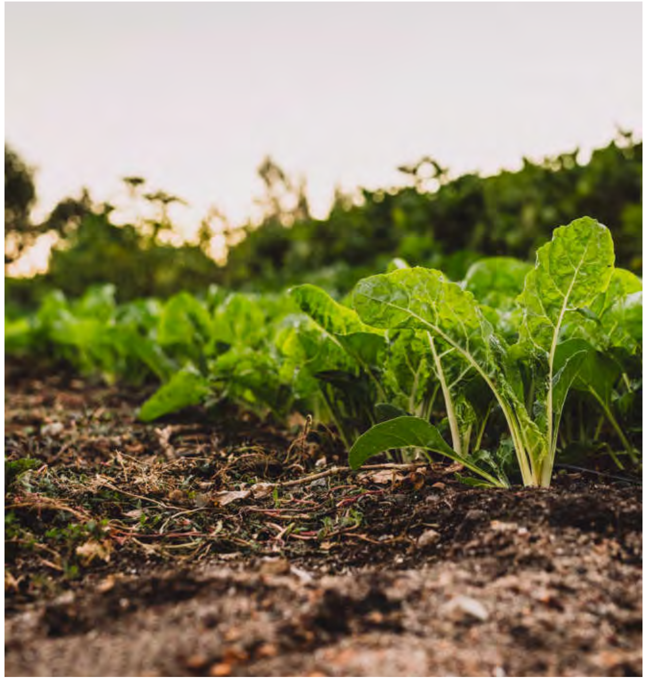
Customers

- Nitrogen fertilizers for agricultural customers
- Fuel solutions for transportation customers
- Feedstocks for industrial customers

Analyst's corner	GRI 2-1; GRI 2-6

Our operating environment

These megatrends and their associated risks, challenges, and opportunities inform our strategy to better serve our customers and develop the tools, products, and services that promote sustainable farm and fuel practices to holistically improve our global environmental and social impact.



Megatrends

Climate change

The changing climate, with its increased unpredictability and severity, has substantial implications for the livelihood of millions of people. For example, agricultural productivity is impacted by increasing pest pressure, drought, and flooding, which in turn negatively affect crop yields and global food security. The global push to decarbonization to mitigate the impact of climate change is well underway with developed and developing countries as signatories of the Paris Climate Agreement to keep the world on the path to limiting global warming to 1.5 Celsius. The energy transition is at the center of the global decarbonization drive as energy fuels all aspects of the global economy and touches everyday life. The balance needs to be reached to improve living standards for billions of people, but not at the cost of environmental destruction. At the same time, adaptation solutions are needed, especially for sectors on the front line of climate change such as agriculture.

Population growth and food security

The consequences of global population growth coupled with environmental degradation, resource scarcity, changing societal expectations, and geopolitical threats require careful reconsideration of global food systems, balancing expected population growth to 10 billion people by 2050 with preserving and restoring ecological landscapes.

To meet the growing food demand alone, the agricultural sector will need to increase production by 60% in the same time frame. The transition to a more resource-efficient, environmentally friendly, and low carbon agricultural system can only be achieved through meaningful partnerships between the agricultural and food industries, the employment of sustainable farming techniques, and the adoption of digital and technological innovations. Crop yield optimization through more efficient fertilizer use and lower water consumption is essential. Fundamentally, the world needs to produce more and better while utilizing fewer resources.

Growing sustainability awareness has impacted consumer behaviour, particularly in high-income economies, characterized by a shift to more sustainable and plant-based alternatives. This trend, however, is counterbalanced by increased global demand for meat-based nutrition in developing countries driven by economic prosperity and a growing middle class.

Water stress

Freshwater is critical for all aspects of life and the economy, such as growing our food, producing goods we need, and drinking water. Many of the world's critical water systems have become stressed, resulting in disruptions in key infrastructure like power generation, industrial production, and threatening food security as agriculture consumes more water than any other source and much is wasted through inefficiencies. Climate change is altering patterns of weather and water around the world, causing shortages and droughts in some areas and floods in others. At the current consumption rate, this situation will only get worse, which will have detrimental impacts on food security, human lives and industrial productions, especially in water stressed areas. Solutions have to come from all sectors to conserve and restore waster ecosystems that we rely on.

Soil degradation

Soil degradation affects global food security with significant environmental implications. At present, it is estimated that more than a third of the earth’s soil is degraded, primarily due to soil erosion, nutrient depletion, loss of biodiversity, and pollution. With poor farming techniques exacerbating the problem, many farmers are now focusing on soil health and regenerative agriculture by adopting sustainable farming techniques that improve soil structure, increase carbon sequestration, and promote biodiversity.

Our operating environment continued

Digital and technological innovations

Digital innovation and technological transformation significantly impact all aspects of the economy, from manufacturing to energy to food production. The use of advanced technologies such as precision agriculture, the Internet of Things (IoT), big data and analytics, and automation enable farmers and food companies to make better decisions, improve safety, energy efficiency, production productivity, and optimized fertilizer usage. From a transparency perspective, digitalization allows for greater traceability in the value chain, enabling consumers and businesses to track origin and journey of products as well as environmental and social impacts of everything they consume.

Geopolitics

The ongoing war in Ukraine has had a significant impact on the global economy, from the energy crisis in Europe to global food and fertilizer shortages. Russia and Ukraine both constitute major contributors to global grain production and export, and Russia is a leading producer and exporter of fertilizers and natural gas. The direct impacts of the war range from supply shocks and disruptions to an unprecedented surge in the prices of raw materials, such as natural gas in Europe. Accordingly, a shift in global energy and material trade flow is expected in the coming years.

Risks and opportunities from the megatrends

Analyzing megatrends helps us identify opportunities in key sectors such as agriculture, transportation, and industrial production, as well as the major risks that require our attention by implementing mitigating actions.

Opportunities

- Development of resilient food, fuel, and feedstock systems by expanding the product offering of sustainable, and resource-efficient solutions
- Increasing focus on regenerative agriculture and soil health, which requires expertise, knowledge, and technology that combines carbon sequestration, biodiversity, and resource conservation with optimal fertilizer usage
- Increasing demand for sustainable fuel and feedstock solutions, which leads to diversification of gas supplies, reduced dependence on finite resources, and improved energy security
- Expansion of collaboration and information-sharing to promote greater transparency and more efficient decision-making across the entire supply and value chain

Risks

- Disruptions and other physical impacts on our operations, value, and supply chain, resulting from climate change, extreme weather events, heat stress, and water scarcity
- Changes in customer preferences, societal expectations, and the regulatory environment, resulting in decreased demand for our products and increased operational and environmental costs
- Increasing competition for finite resources, leading to higher price levels and increased geopolitical tensions
- Slow transition from fossil fuels to clean energy sources, leading to continued dependence on fossil fuels and missed opportunities for investment in clean energy, increasing production cost, and loss of customers

Our strategy

Our mission is to drive the decarbonization of food, fuel, and feedstock. We produce and distribute hydrogen and nitrogen-based products, providing low carbon fertilizers, fuels and feedstock to agricultural, transport and industrial customers around the world.

Our integrated growth strategy

Our strategic choices are built on our ambition to power a cleaner future sooner by revolutionizing energy intensive industries through value-creating solutions. They are the foundation for our balanced top-and-bottom-line growth, and position us to decarbonize food, fuel, and feedstock through cleaner products and practical, real-world solutions.

Our strategy continued

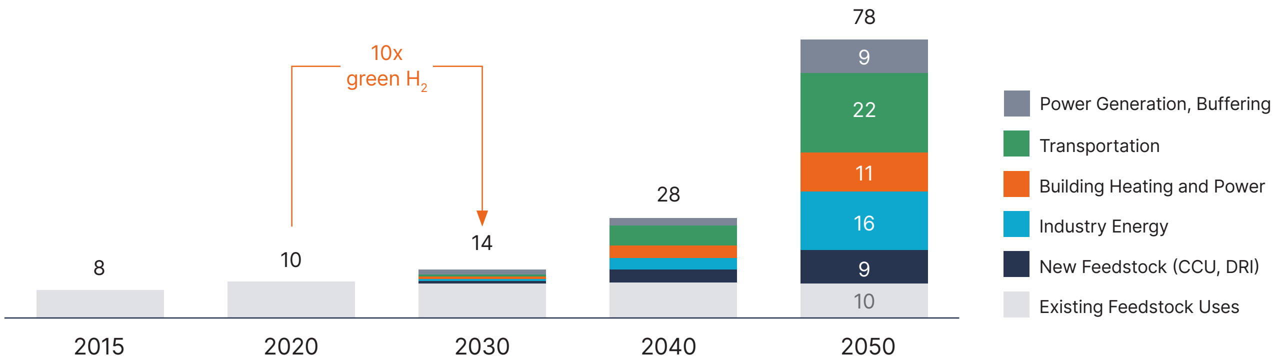
Hydrogen at our core
Capitalizing on the hydrogen opportunity

OCI is building a sustainable company for the future that drives the global transition to a hydrogen economy.

In a decarbonized world by 2030, hydrogen demand could grow up to 10-fold, supported by drop in production costs and regulatory push to address climate change.

Growth in hydrogen demand driven key OCI sectors[1]

EJ



Supportive Regulatory Environment

US passed the Inflation Reduction Act (IRA) which includes significant subsidies for blue and green hydrogen development, e.g., up to **$3/kg of green hydrogen** and up to **$85/t$CO_2$ CCS** tax credits in addition to other renewable and clean tech investment and production tax credits

REPowerEU plan's aim is to rapidly reduce dependence on Russian fossil fuels by 2027, requiring significant expansion of renewable energy shares in the electricity, transport and heating sectors

Renewable Energy Directive and **FuelEUMaritime** provides mandates for low carbon and renewable fuels

South Korea and **Japan** to announce Clean Hydrogen Certification & incentive program in 2023

Several governments announced hydrogen subsidies and grant programs, such as **Germany's H2Global initiative for green hydrogen imports,** consisting in a €2bn strategy to support electrolyzer projects abroad

[1] Subject to supportive regulatory environment, subsidies, technology advancements and national environmental targets.

Our strategy continued

Hydrogen at our core continued

As hydrogen carriers, ammonia and methanol can decarbonize approximately 90% of today's greenhouse gas emissions across our end markets of agriculture, fuel, and feedstock, in addition to indirect markets in power and waste (see also page 42).

OCI opportunities: ammonia and methanol are the only hydrogen carriers capable of decarbonizing our key sectors

Our two core products – ammonia and methanol – represent more than 50% of grey hydrogen use today and are key products to accelerate the transition to a hydrogen economy.

Although most countries are working towards developing a hydrogen economy, it is not feasible to produce sufficient hydrogen to meet expected demand given limitations on renewable energy power in many regions, including Europe. This means that hydrogen will need to be transported over long distances, but as hydrogen needs to be cooled down to -252 degrees Celsius, this results in a huge loss of scarce green energy and the cooled hydrogen has a very low energy density. However, ammonia and methanol are the ideal energy carriers for several reasons:

- Their respective energy densities are higher than hydrogen's,
- They are widely used products, and
- They are easier to store with extensive global distribution and storage infrastructure in place.

Our end-markets cover food, fuel, and feedstock, representing an opportunity to decarbonize approximately 60% of today's global greenhouse gas emissions across agriculture, industry and transportation.

Our entrepreneurial track record means we have the relationships and global reach to drive change without having to choose between sustainability and value creation.

	Global GHG emissions	A Low carbon and renewable ammonia	B Low carbon and renewable methanol
Agriculture	20%	• Enabler for low carbon agricultural value chain	
Fuel	10%	• No CO_2, SO_x, or particulate emissions upon combustion • Needs less refrigeration (-33°C NH_3 vs -253°C H_2)	• Effective and easier to handle than H_2 • Cleaner burning low carbon fuel in marine transport • Widely used in road transport • Versatile base chemicals with established routes to gasoline and aviation fuels
Feedstock or Energy carrier	30%	• Green feedstock for chemicals and low-cost solution to transport H_2 • 70% higher energy density than H_2 • Direct use in power generation, e.g., co-firing in coal or gas turbines	• Efficient and promising green feedstock for chemicals in many end-markets • 84% higher energy density than H_2 • Ideal fuel for power generation such as use in fuel cells or turbines for off-the-grid or emergency power generation

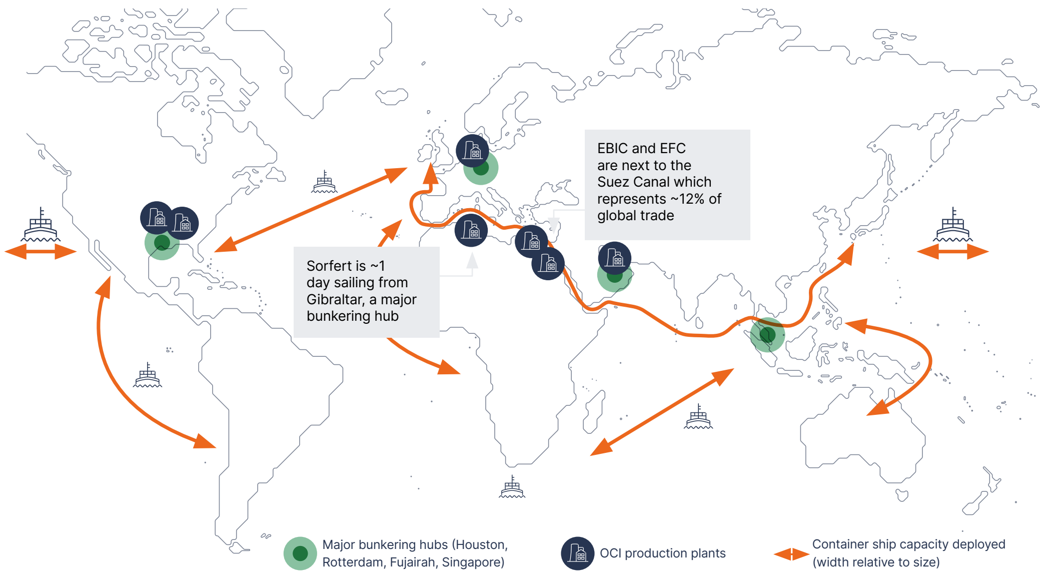
Our strategy continued

Hydrogen at our core continued

Marine fuel represents a substantial market opportunity for us

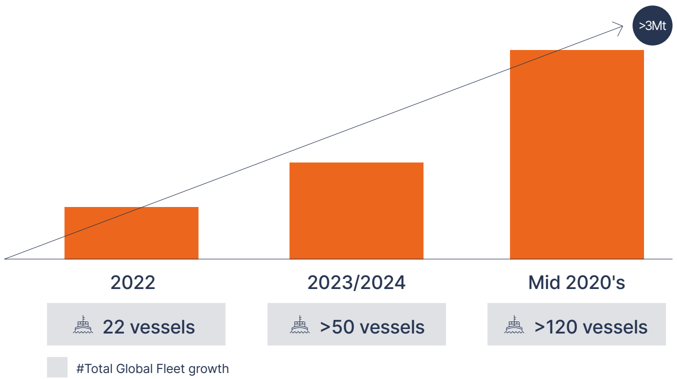
- Ammonia and methanol are the only practical alternatives for long-distance shipping, even without decarbonization technologies, since they have a lower environmental footprint than heavy fuel oil (HFO).
- The existing footprint creates strategic potential for bunkering stations stopovers, with limited investment for ammonia and methanol-fueled ship engines.
- Major ship owners, engine manufacturers and ports, are all endorsing the use of methanol and ammonia as the shipping fuel of the future.
- Methanol use as a marine fuel is expected to start accelerating significantly from 2023 onwards, when the first large methanol-fueled container vessels are scheduled for delivery. Incremental demand is potentially in excess of 3 million tons per year from the mid-2020's based on current orders, which is significant in a globally traded market of around 30 million tons.
- Ammonia burns cleanest when used as energy source vs other fuels, therefore using blue ammonia in a ship would potentially result in > 50% GHG reduction.
- Maritime HFO fuel demand is expected to grow to ~430 Mt by 2050, translating in ammonia and methanol equivalents of 650 - 900 Mt while the current combined global production is ~290 Mt.

OCI's Network Located at Key Bunkering Hubs on Major Shipping Lanes

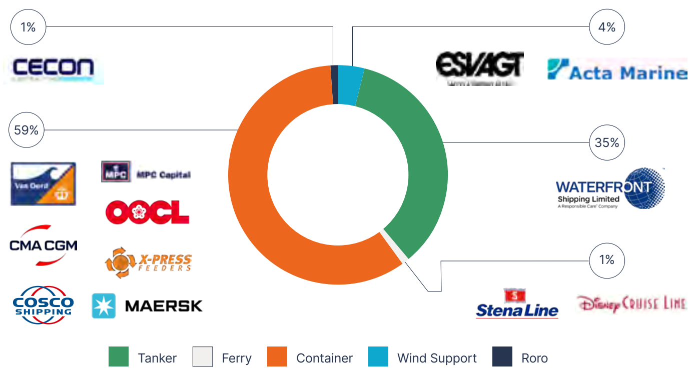


Methanol As Marine Fuel Accelerating Exponentially

Incremental Methanol Demand From Marine Fuels, Mt



Current Confirmed Methanol DF Engines Orderbook



Our strategy continued

Hydrogen at our core continued

Our growth ambitions in the hydrogen economy

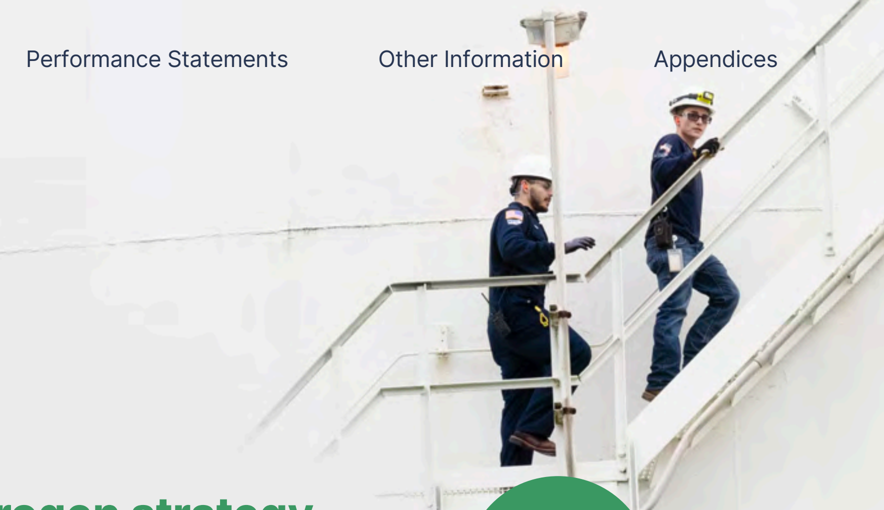
OCI's competitive advantage

We are a global producer of ammonia and methanol and are one of the largest traders in these products.

We benefit from several strategic advantages, including:

- We are the only producer with facilities and extensive distribution and storage capabilities in the United States, Europe and the MENA region.
- Our coastal assets are all located on major global shipping lanes next to key bunkering hubs for the transportation of renewable fuels.
- Almost all our assets have access to abundant solar and wind energy, meaning we can shift to a renewable production process. As such, we can play a key role in supplying major hydrogen-deficit markets such as Europe and Asia.
- Our European assets, including an ammonia import terminal in Rotterdam, are strategically positioned to play a major role in fulfilling hydrogen import needs as demand ramps up.

In addition, our fuel platform, OCI HyFuels is the first commercial platform to provide customers with low carbon hydrogen-based fuel products.



Our hydrogen strategy

We aim to be the global leader in clean hydrogen solutions.

H_2

Our track-record in project execution allows us to drive the energy transition by bringing large-scale and innovative projects online fast.

Our strategy focuses on **growing in production capacity of low carbon and renewable hydrogen solutions, creating value for stakeholders** through commercial excellence, and enhancing competitiveness through operational excellence and transformation.

With our low carbon solutions, we enable our customers to reduce their GHG emissions, from agriculture to chemicals, consumer goods, transport to marine shipping. We focus on technologies th at are market ready (at least technology readiness level (TRL) 8 and above), we then move them through the pipeline at speed:

- Green pathway – producing hydrogen from water electrolysis using renewable electricity.
- Blue pathway – producing low carbon hydrogen by capturing CO_2 emissions from the process to be sequestered in geological storage.
- Circular pathway – producing renewable and recycled hydrogen and derivatives from chemical recycling of waste feedstocks either through biogas or gasification.

Partnerships with leading technology licensors, engineering and construction companies, project developers and value chain players are key to realize our ambitions. More on our growth projects on pages 49 - 52.

Our strategy continued

Sustainable long-term value creation

Committed to a consistent base distribution and a variable component linked to free cash flow to shareholders

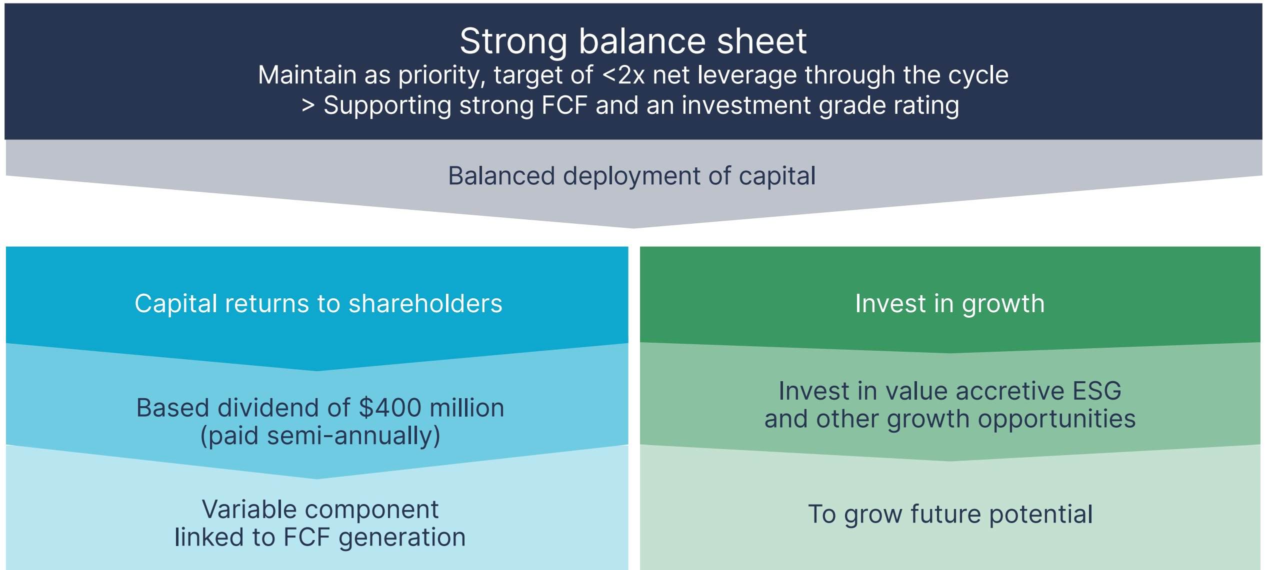
Having achieved our net leverage goals in 2021, we balance the availability of funds and excess free cash flows to return capital to shareholders while pursuing value accretive sustainability and other growth opportunities.

Our capital returns policy (see page 259) combines a base dividend of USD 400 million per year distributed on a semi-annual basis, with a variable component linked to the generation of free cash flow.

The variable component can be in the form of repayments of capital, dividends or share buybacks and is based on surplus free cash flows after providing for growth CapEx and base dividends.

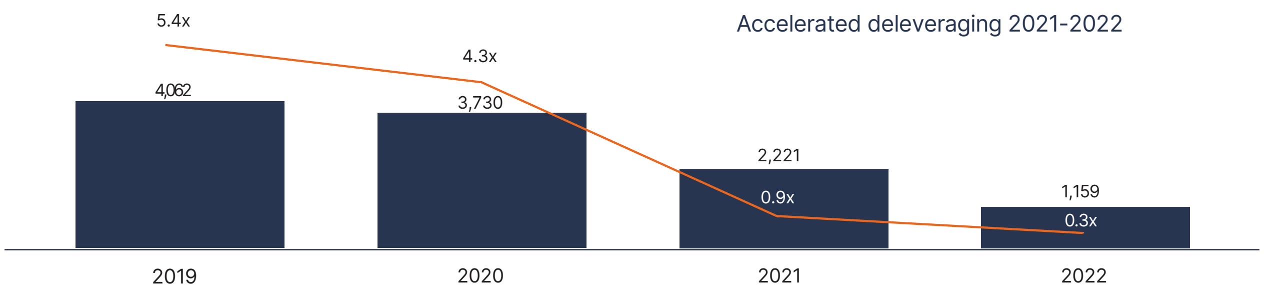
Going forward, the policy is subject to maintaining an investment grade credit profile with a target of net leverage below 2x through the cycle, and balance availability of funds and excess FCF for profit distribution to shareholders while pursuing value accretive sustainability and other growth opportunities.

Total cash return to shareholders with respect to FY 2022 will amount to EUR 7.05 per share, approximately USD 1.5 billion.



Leverage Targets Achieved of Below 2x Through the Cycle

Net Debt ($ million)



Our strategy continued

Strategic assets

Operational excellence and low carbon growth
Our strategy starts with a strong focus on our strategic asset base that enables us to have an optimized cost position through the cycles and position us to capture the hydrogen opportunity.

Optimizing our asset reliability and energy efficiency

- We have a young asset base that, on average, can achieve better (1) gas-conversion (2) higher on-stream times, and (3) needs lower maintenance CapEx versus older plants
- The young asset base together with a globally competitive position with access to cheap feedstock result in our strategic advantages:
    - We are competitively positioned in the first quartile of the global cost curve, with sustainably low levels of maintenance CapEx
    - As the industry cost curve moves up, our cost advantage is increasing
- Going forward, we will optimize our energy efficiency and utilization rates to improve energy intensity and operating rates for organic volume growth, as well as improve reliability and reduce planned and unplanned downtime

Driver of improving FCF generation

Decarbonizing our existing asset base and growing low carbon capacity

Growing from grey to green:

- Focus on growing our sustainble product portfolio, including decarbonized ammonia and methanol to capitalize on the hydrogen opportunity and energy transition (see pages 14 - 16)
- Continue to pursue low/smart CapEx projects and opportunities to achieve our GHG reduction target by 2030 (see pages 44 - 52), while balancing with our commitment to deleverage
- Grow our asset footprint in areas with optimal sustainable feedstock positions and proximity to end-customers
- For more information on our sustainability and hydrogen strategy, please refer to the hydrogen and sustainability sections

Driving decarbonization through the hydrogen economy

Our strategy continued

Commercial excellence

Our integrated and centralized commercial platform will continue to capitalize on our strategic global reach, implement our disciplined commercial model, and grow our trading activities to deepen our market penetration and enhance our netback pricing globally.

Nitrogen

Market opportunities

- Broad market opportunities are arising for low carbon ammonia (blue and green), as the next wave of industry growth will be driven by new applications such as the power sector in the near to medium-term and marine fuels longer-term, generating +25 Mt of additional demand for ammonia by 2030, +40 Mt by 2035, on top of expected demand for the decarbonization of existing applications.
- **Key trends in our core markets**:
  - The European nitrogen industry is under pressure from the energy crisis and increasing environmental cost (e.g. from ETS's free allowances being phased out until ~2035), driving local supply rationalization combined with a new wave of market consolidation and increasing ammonia imports.
  - Due to the introduction of EU's Carbon Border Adjustment Mechanism (CBAM), imports with low carbon intensity can benefit from lower CO_2 levy.
  - In the United States, the recent introduction of the Inflation Reduction Act (IRA) is sparking large interest in blue ammonia, that will drive up the competitiveness of US nitrogen production versus hydrogen deficit markets such as Europe and East Asia. OCI's Texas Blue Ammonia 1.1 Mta project will be the first large scale-blue plant to come online in the US, at least two to three years ahead of other projects.
  - Asian markets are also facing major transformations in the ammonia space:
    - East Asian power companies, stimulated by governments in Japan and South Korea, are kick-starting low carbon ammonia imports for power generation, an application expected to represent >10 million Mta of demand growth in this decade, and 4-5x incremental demand by 2035 depending on technological advancements in increasing ammonia requirements from 20-30% in co-firing power generation.
    - Singapore is expected to become a strategic location for ammonia in the region and a leading hub for low carbon ammonia in marine fuel.
  - Strategic growth markets for traditional nitrogen applications such as Latin America, Oceania, South-East Asia and Africa will also continue to drive significant demand.
- There are significant barriers to entry for building new low carbon ammonia plants especially for new entrants, with the need to have long-term offtake agreements to secure financing and large investments needed for ammonia logistics infrastructure. OCI already has in place an established ammonia commercial platform with essential infrastructure at key export hubs, and is expanding ammonia import throughput capacity at our Rotterdam terminal.
- The ammonia / nitrogen markets are expected to be tight over 2023 - 2027 with limited new major greenfield capacities coming online, and good visibility on new supply given a 4-6 years' lag to build a plant from design to commissioning. Merchant ammonia demand is expected to exceed supply from 2023 - 2026.

First ISCC PLUS certified green ammonia from Egypt

#3 in nitrogen capacity

Only ammonia import terminal in Port of Rotterdam

Power generation to become major new end market for ammonia

Our strategy

- Our renewed commercial strategy aims to capture growth opportunities by securing demand through downstream partnerships, optimizing supply chain synergies, enhancing logistics, and diversifying our product portfolio with sustainable and commodity+ products, backed by agronomy and branding capabilities.
- OCI is well-positioned to capture aforementioned market opportunities and reinforce its leadership position in key regions, by investing in expansion of mid-stream infrastructure (e.g., our import terminal footprint), product portfolio diversification and selective downstream positions in strategic markets.
- In line with our strategy to provide solutions for a cleaner future, we continue to expand and strengthen our global DEF / AdBlue platform, a product that offers the only viable option for emission abatement for heavy vehicles in the foreseeable future. We also started promoting ISCC PLUS certified green fertilizers in Europe.

Our strategy continued

Commercial excellence continued

Methanol

Market opportunities

- Methanol demand is expected to rebound in 2023 on the back of China re-opening, also resulting in higher methanol-to-olefins (MTO) operating rates which have been low. Lower energy prices are also boosting industrial demand.
- There is potential meaningful upside from demand for hydrogen fuels, notably as a cleaner alternative for road and marine fuel applications:
  - Demand from the European vehicle fuels markets continues to grow, with increased demand for direct blending of green methanol and bio-MTBE.
  - Incremental demand from the maritime sector is expected to be more than 3 mtpa by the mid-2020's based on current orders from the container vessel segment alone.
  - We are also encouraged by the recent orders from non-container segments, underscoring significant potential demand growth from non-consumer freight segments.
- 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.

"Our facilities are ready to import renewable hydrogen and biogenic CO_2 to produce e-methanol."

Our strategy

- Sustainable growth for our methanol business is built on decarbonization across fuel and feedstock. We are evaluating gasification opportunities to produce methanol across our production facilities to continue to grow our market leading position in green fuels and feedstocks. In addition to gasification, we continue to expand our access to biogas in the United States through upstream partnerships. Our facilities are ready to import renewable hydrogen and biogenic CO_2 to produce e-methanol.
- Our HyFuels business is a pioneer, being the world's largest producer of green methanol and a leader in green methanol transportation fuels applications. We aim to become the first large-scale commercial platform with green and renewable hydrogen-based fuel products, leveraging:
  - Capability to produce green methanol and its derivatives in addition to offering RNG directly into US transportation markets
  - Portfolio of renewable natural gas located in the United States
  - Global distribution with extensive import and export infrastructure and last mile capabilities. Terminals in Texas, the UK and Europe with our main hub and blending operations located in the Port of Rotterdam.

OCI HYFUELS

~3.3 Mt[1] Of total current owned capacity

#2 in the United States

#1 in Europe

Global production
Sole producer with facilities in both the United States and Europe leading to enhanced netbacks

Global distribution
with extensive import / export infra with network to reach Europe, the United States and Asia and centralized commercial, with experienced senior traders in methanol and petrochemicals

Leader in **Hydrogen Fuels**

Hydrogen advantage with methanol ideally positioned to capitalize on the hydrogen economy as a hydrogen liquid carrier

1 Includes 50% of Natgasoline capacity and 365ktpa of ammonia capacity at OCI Beaumont

Our strategy continued

Engaged organization

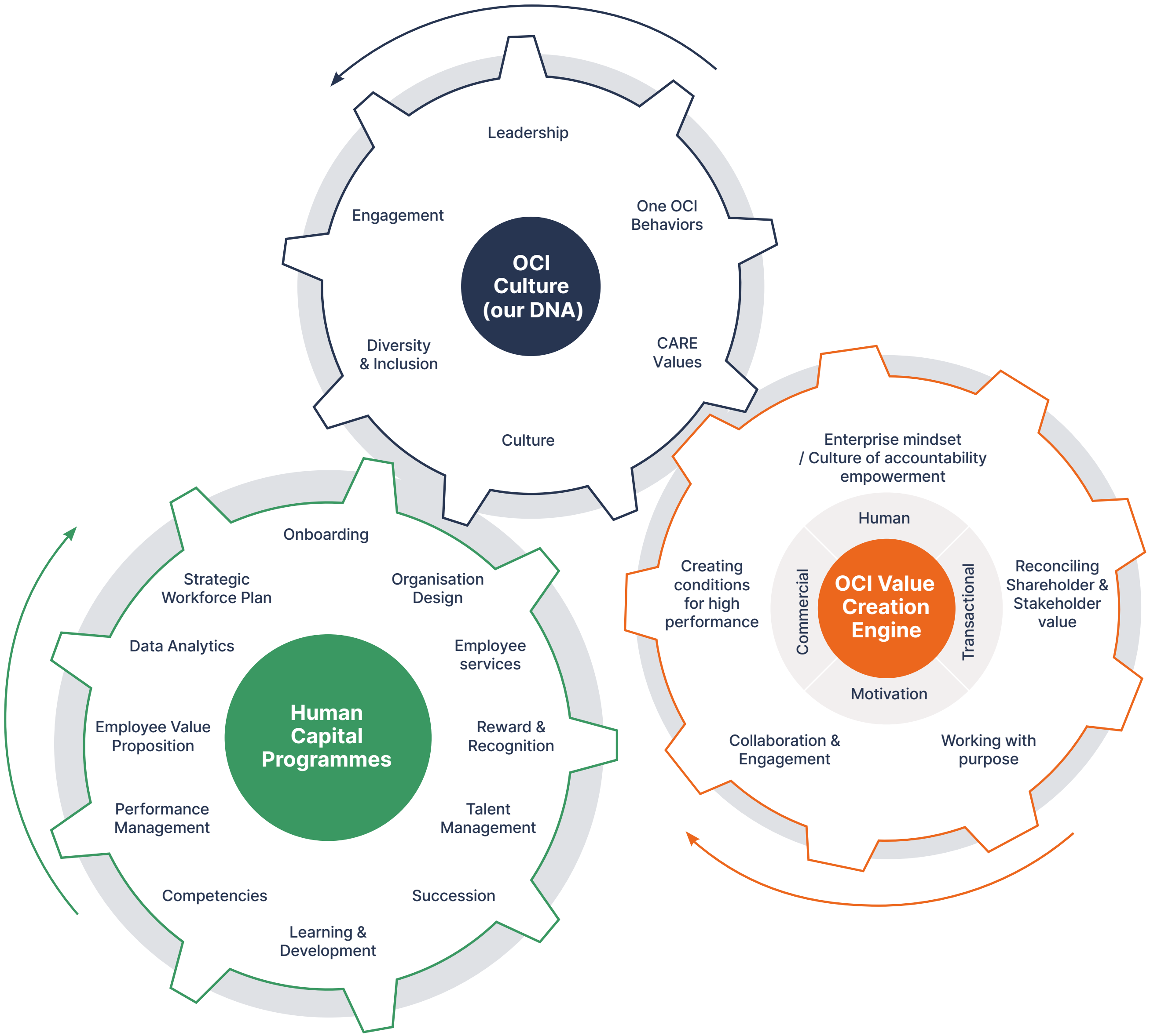
Our Human Capital strategy

The Human Capital strategy supports our integrated growth strategy by delivering an inclusive, agile and high-performing organization. With engaged and diverse teams, by acquiring the best talent in the market and developing, engaging, motivating, rewarding and retaining them.

Our culture and behaviors enable the business to operate locally and globally with trust, consistency and speed.

We use our DNA to configure our Human Capital programmes, to support the value creation engine that delivers our business growth. The maturity, cohesion and impact of our Human Capital programmes is improving as we configure them with our DNA at their heart; improving engagement, capability, performance and productivity.

The insights on how we create value as a business help to guide, motivate and engage our employees and enables them to focus on the right priorities and ways of working to create long term sustainable value for our stakeholders.



Our strategy continued

Sustainable benefits

Our sustainability strategy

We are committed to sustainability principles, with environmental, social, and governance matters fully integrated into our strategic objectives and executive compensation. Our Board of Directors is collectively responsible for sustainability and has mandated our Executive Directors with direct day-to-day oversight on these matters.

As a leader in our industries, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, supply chains, and communities. We are committed to our purpose of cultivating a sustainable world and believe our products are essential to achieving cleaner transportation, lower carbon industrial processes, and global food security. We have aligned our strategic priorities to create sustainable long-term value for all our stakeholders—our customers, our employees, our communities, and our shareholders—and develop a greener future for the world. Below, an overview of our sustainability strategy is shown. We refer to Environmental performance, Social performance and Governance performance for a description of our performance during the year.

ENVIRONMENTAL		SOCIAL		GOVERNANCE	
Climate change action	Water in our operations	Diversity & inclusion in our own workforce	Health, safety & wellbeing	Robust governance, reporting and compliance framework	
Committed to 20% GHG intensity reduction by 2030 compared to 2019 and carbon neutrality by 2050 **100% purchased electricity from renewable sources from 2030 onwards**	**Committed to zero freshwater consumption in our water stressed sites from 2023 onwards**	**Committed to 25% female senior leadership by 2025**	**Target zero injuries at all facilities**	**Compliant with CSRD requirements**	**Committed towards implementation of our Compliance Framework globally**
- Leading player in sustainable agricultural and fuel solutions - Uniquely positioned to enable the energy transition for transport, feedstock, and industrial applications - Delivering rapidly through operational excellence while leveraging strategic partnerships for long-term projects	- Understand and mitigate our water risks and impacts by focusing on first on our sites in water-stressed areas - Maximize water efficiency in our operations - Ensure safe discharge of water - Ensure WASH access to all our employees and contractors	- Committed to fostering an inclusive culture with a diverse workforce, where every person is recognized, valued, and thrives. - Groupwide multi-year D&I program aims to translate our commitment into action, allowing us to firmly anchor an inclusive culture in every aspect of our business	- OCI is committed to providing a safe and healthy workplace for all employees and stakeholders by implementing the highest international standards to avoid any potential risks to people, communities, assets - Goal to achieve leadership in safety and health standards by fostering culture of zero injuries at all production facilities	- Robust governance structure with sustainability oversight at the Board level and focus in the HSE & Sustainability Committee - Executive Directors' compensation tied to a basket of sustainability metrics and operational excellence	- All 46 compliance concerns received (2021: 12) are investigated

Materiality assessment

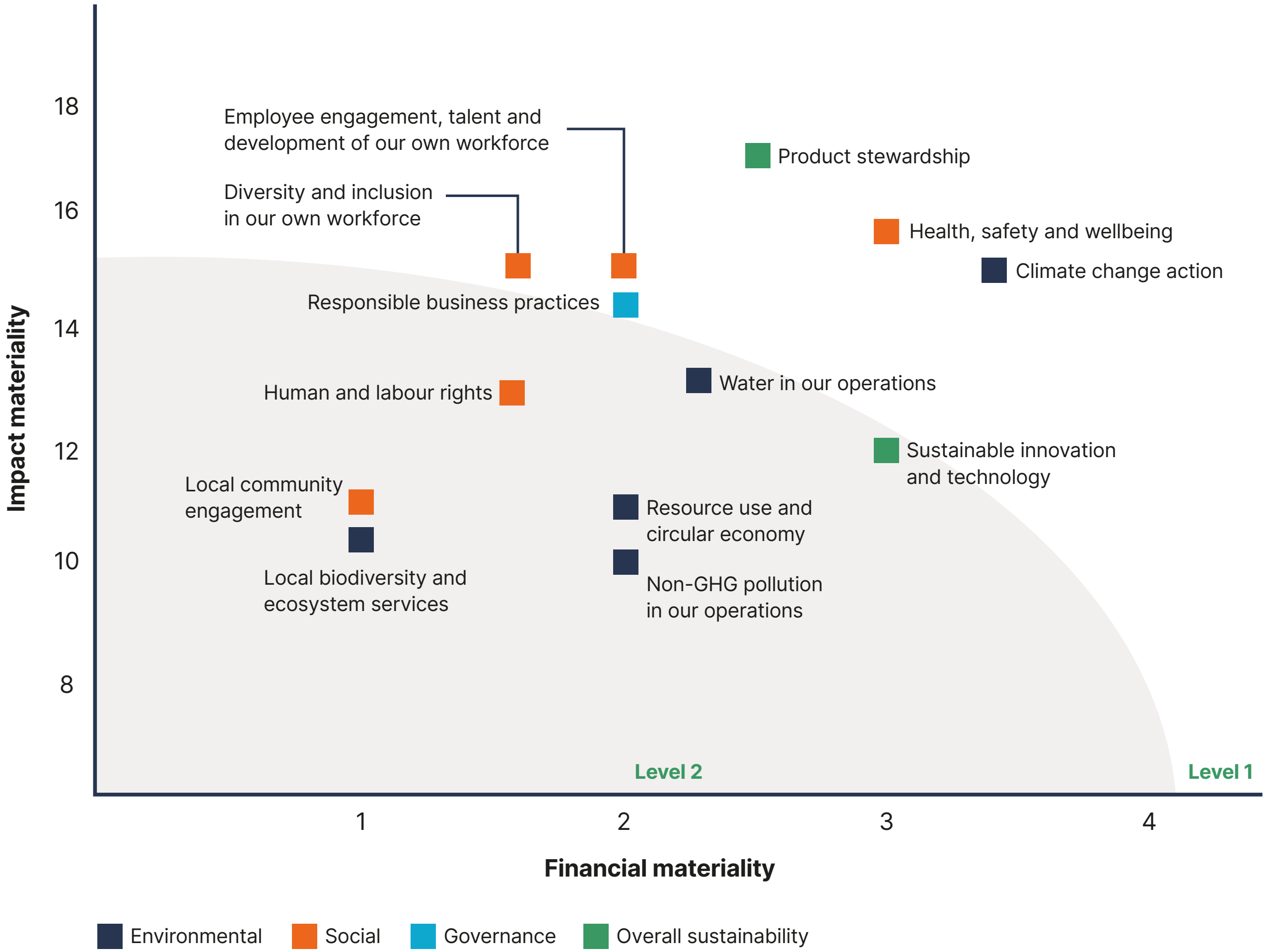
In 2022, we conducted an extensive materiality assessment to identify our material impacts, risks and opportunities.

Double materiality assessment

To identify our most material ESG topics, we carried out a materiality assessment based on the double materiality concept. This concept has two dimensions:

- **Impact materiality**: our material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term time horizons
- **Financial materiality**: risks and opportunities that trigger or may trigger material financial effects on our company

We compiled a long list of material ESG topics, based on peer benchmarks, our operating environment, internal and external expertise and the regulatory landscape. We mapped the topics along the value chain: upstream, direct operations or downstream. Each ESG topic was assessed in terms of impact and financial materiality, cross-checked with our risk register and Enterprise Risk Management principles and grouped into ESG matters. The ESG matters were validated with internal and external stakeholders through workshops and interviews, resulting in the materiality matrix as shown on the right. The results were approved by the Board of Directors.



Analyst's corner	GRI 2-14; GRI 3-1; GRI 3-2; GRI 3-3

Materiality assessment continued

Double materiality assessment continued

The results of the materiality assessment are the basis for further strategy development and ESG reporting. While all topics in the materiality matrix are deemed material, we allocated the topics in level 1 and level 2 topics:

Level 1
Level 1 topics are strategically important and at the core of our strategy.

These topics are reported through strategic KPIs, to the extent possible. For some level 1 topics, target- and KPI-setting is ongoing.

Level 2
Level 2 topics are materially important.

We set targets and report on these topics according to required frameworks and regulations.

The table on the next page describes the interpretation of the topics and how these are addressed in our strategy. A more detailed description of the materiality assessment and the topics can be found on pages 230 - 235. For the stakeholder engagement, refer to pages 235 - 238.

"Engagement with affected stakeholders is central to our materiality assessment."

Analyst's corner	GRI 2-14; GRI 3-1; GRI 3-2; GRI 3-3

Materiality assessment continued

Double materiality assessment continued

Strategic implication	Topic	Description	Up-stream	Direct operations	Down-stream	Chapter
Level 1 Level 1 topics are strategically important and at the core of our strategy. These topics are reported through strategic KPIs, to the extent possible. For some level 1 topics, target- and KPI-setting is ongoing.	**Climate change action**	Taking measures to reduce our cradle to gate GHG emissions, in line with regulatory requirements as well as new business opportunities presented by the energy transition and net zero economy.	●	●		Environmental performance
	Health, safety and wellbeing	Promoting a healthy and safe working environment that protects the physical and mental wellbeing of our employees (incl. contractors) while at work.		●		Social performance
	Product stewardship	The development and promotion of products and services to minimize the impacts and dependencies on the environment (e.g., climate change, water and soil pollution, biodiversity and ecosystems) and maximize the impacts on society (e.g., food security, land use changes, health and safety).			●	Environmental performance
	Diversity and inclusion in our own workforce	Building an inclusive and diverse working environment, and ensuring fair treatment and equal opportunities for all employees.		●		Social performance
	Employee engagement, talent and development of our own workforce	Attracting, retaining and developing the best talent through policies and practices related to employees. Promoting entrepreneurship and agility.		●		Social performance
	Responsible business practices	Policies and practices to promote ethical behavior and decision making, protect data, mitigate financial risks, enable speaking up, and contribute positively to the economy.	●	●	●	Governance performance
Level 2 Level 2 topics are materially important. We set targets and report on these topics according to required frameworks and regulations.	**Water in our operations**	Ensuring sustainable withdrawals of freshwater especially in areas with water stress, improving our water efficiency over time, and ensuring safe water discharge.	●	●		Environmental performance
	Human and labour rights	Upholding and promoting the basic internationally recognized rights and freedoms of employees in our own workforce and workers in the value chain.	●	●	●	Social performance
	Sustainable innovation and technology	Promoting the use of digitalization, low carbon technologies and feedstocks, and product innovation to drive operational excellence and value chain decarbonization.	●	●	●	Environmental performance
	Resource use and circular economy	Using circular feedstocks in our production, minimizing waste, ensuring compliance in our operations and safe disposal of hazardous waste.	●	●		Environmental performance
	Non-GHG pollution in our operations	Minimizing any pollutants from our operations such as NOx, SOx, N_2O and VOC emissions, pollution of soils, substances of concern, and harmful substances.		●		Environmental performance
	Local community engagement	Establishing and maintaining mutually beneficial relationships with the communities in which we operate.		●		Social performance
	Local biodiversity and ecosystem services	Aiming to minimize impact on biodiversity and ecosystem services (e.g., water for our operations, flood protection).	●	●		Environmental performance

Analyst's corner

GRI 2-14; GRI 3-1; GRI 3-2; GRI 3-3

How we create value

Our strategic foundation

Our purpose
Revolutionizing energy intensive industries through value-creating solutions.

Our integrated growth strategy

- Strategic assets
- Sustainable long-term value creation
- Commercial excellence
- Hydrogen at our core
- Engaged organization
- Sustainable benefits

	Input capital	Output capital	Material topics	Key performance indicators	Sustainable development goals impact
Financial	Assets Equity	Revenue Adj. EBITDA	Financial performance	Revenue Adj. EBITDA	8 Decent work and economic growth
Environmental	Energy consumed Natural gas Water withdrawn	GHG emissions Water discharged Non-GHG emissions Waste	Climate change action Product stewardship Water in our operations Sustainable innovation and technology Resource use and circular economy Non-GHG pollution in our operations Local biodiversity and ecosystem services	GHG intensity Energy intensity Purchased electricity from renewable sources Freshwater consumption in water stressed regions Hazardous & non-hazardous waste Non-GHG emissions	13 Climate action 2 Zero hunger 7 Affordable and clean energy
Social	Employees People working for OCI	Turnover Incidents Stakeholder engagement	Health, safety & wellbeing Diversity and inclusion in our own workforce Employee engagement, talent & development in our own workforce Human and labour rights Local community engagement	Lost Time Injury Rate Total Recordable Injury Rate Female senior leadership	5 Gender equality
Governance	Robust governance and compliance framework	Anti-bribery & corruption e-learning Compliance concerns	Responsible business practices	Compliance concerns investigated	16 Peace, justice and strong institutions

3 Our Performance

Financial performance

We generated free cash flows of USD 1.9 billion, enabling us to deleverage and distribute USD 1.1 billion of cash to our shareholders in 2022, and a further USD 785 million with respect to the period H2 2022 scheduled for payment in April 2023. Utilizing our balance sheet and our execution capabilities, we are accelerating our sustainability-focused projects across our global platform to deliver on our hydrogen strategy and drive future growth.

Performance summary

$ million unless otherwise stated	2022	2021
Revenue	**9,713.1**	**6,318.7**
Adjusted EBITDA	**3,891.0**	**2,526.5**
Adjusted EBITDA margin	*40.1%*	*40.0%*
EBITDA	3,604.2	2,454.4
EBITDA margin	*37.1%*	*38.8%*
Operating profit	3,004.3	1,562.8
Depreciation, amortization and impairment	(599.9)	(891.6)
Net finance cost	(186.0)	(274.2)
Adjusted net profit attributable to owners of the Company	**1,343.4**	**731.8**
Reported net profit attributable to owners of the Company	1,237.4	570.5
Basic earnings per share (USD)	**5.885**	**2.719**

Revenue

Selling prices

Selling prices improved year-on-year for all products, which helped offsetting the negative impact of significantly higher gas prices. Benchmark prices increased on average for ammonia, urea and methanol with increases of 96%, 43% and 9% respectively.

Sales volumes

Own product sales volumes were lower at 10.9 million metric tons in 2022, compared to 11.4 million metric tons in 2021. Own-produced nitrogen product volumes were in line with last year. Lower own-produced methanol volumes (-28%) were largely related to planned turnarounds and no production from our methanol facility in the Netherlands, which has been shut down since mid-2021 due to the high gas price environment in Europe. Traded third-party volumes increased 22% compared to 2021.

Adjusted EBITDA[1]

- Adjusted EBITDA increased by 54% versus 2021, while reported EBITDA increased by 47%.
- The nitrogen and methanol segments benefited from higher selling prices, offsetting lower sales volumes and higher gas prices in Europe and the United States.

Operating profit

Operating profit increased by 92% to USD 3,004.3 million in 2022 versus USD 1,562.8 million in 2021, primarily as a result of:

- Gross profit increased by USD 1,518.7 million due to a USD 3,394.4 million increase in revenue, partially offset by a USD 1,875.7 million increase in cost of goods sold (mainly driven by increased gas prices). Depreciation, amortization and impairment decreased by USD 291.7 million (mainly due to the full impairment of our methanol facility in the Netherlands in 2021).
- Selling, general and administrative expenses increased by USD 106.1 million compared to 2021.

1. OCI N.V. uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 256 - 258 of this report.

Analyst's corner

GRI 201-1

Financial performance continued

Performance summary continued

Net finance cost

Net finance cost decreased by 32% to USD 186.0 million in 2022 versus 2021, primarily as a result of:

- Interest expense and other financing cost on financial liabilities measured at amortized cost decreased by USD 37.5 million to USD 243.5 million in 2022 following the Company's deleveraging and refinancing efforts.
- Net foreign exchange gains increased by USD 24.6 million to USD 27.1 million in 2022 due to depreciation of the Egyptian Pound and Euro against the US Dollar in 2022 compared to a more stable environment in 2021.

Adjusted net profit

- Adjusted net profit attributable to owners of the Company was USD 1,343.4 million in 2022, compared to USD 731.8 million in 2021.

Statement of cash flows

$ million	2022	2021
Cash and cash equivalents at 1 January	**1,197.3**	**686.3**
Cash flows from operating activities	3,348.7	2,264.1
Cash flows used in investing activities	(390.8)	(243.5)
Cash flows used in financing activities	(2,436.7)	(1,495.0)
Net cash flows	521.2	525.6
Currency translation adjustments	(1.5)	(14.6)
Cash and cash equivalents in statement of financial position	**1,717.0**	**1,580.3**
Bank overdraft repayable on demand	-	(383.0)
Cash and cash equivalents in statement of cash flows	**1,717.0**	**1,197.3**

Cash flows from operating activities

- Cash flows from operations primarily reflect the change in net profit in 2022 compared to 2021, and changes in working capital.
- Net profit was USD 2,426.3 million in 2022 compared to USD 1,158.8 million in 2021, an improvement of USD 1,267.5 million.
- Working capital outflows of USD 207.3 million in 2022 compared to inflows of USD 70.9 million in 2021, a deterioration of USD 278.2 million.

Cash flows from investing activities

- Cash flows used in investment activities were USD 147.3 million higher than in 2021, primarily due to an increase in capital expenditures in property, plant and equipment and intangible fixed assets.
- Total cash capital expenditures were USD 394.1 million in 2022 compared to USD 248.9 million in 2021, of which maintenance capital expenditure was USD 263.5 million and USD 225.4 million respectively.

Cash flows from financing activities

- Proceeds from borrowings in 2022 totalled USD 1,073.0 million, which consisted of the proceeds of the new financing arrangements at IFCo.
- Repayments of borrowings were USD 1,587.8 million in 2022, mainly related to refinancing at IFCo and changes in the outstanding amounts of revolving credit facilities.
- In 2022 dividends have been paid to the shareholders of the Company in the amount of USD 1,059.0 million (2021 nil). Dividends of subsidiaries resulted in a net cash outflow to non-controlling interests of USD 1,112.2 million in 2022 compared to USD 799.7 million in 2021.

Free cash flow[1]

Free cash flow before growth capital expenditure amounted to USD 1,918.7 million in 2022 reflecting the reported EBITDA for the year, working capital inflows, maintenance capital expenditure, cash tax, cash interest paid of USD 150.7 million and dividends to non-controlling interests (NCI). An increase of USD 324.8 million compared to 2021 is mainly driven by the increased EBITDA partially offset by increased dividends paid to non-controlling interests.

1. OCI N.V. uses Alternative Performance Measures (APM) to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 256 - 258 of this report.

Analyst's corner | GRI 201-1

Financial performance continued

Performance summary continued

Net debt as at 31 December

$ million	2022	2021
Long-term interest-bearing debt	2,572.3	3,290.2
Short-term interest-bearing debt	303.4	510.6
Gross interest-bearing debt	**2,875.7**	**3,800.8**
Cash and cash equivalents	(1,717.0)	(1,580.3)
Net debt	**1,158.7**	**2,220.5**

Gross interest-bearing debt
Gross interest-bearing debt decreased by USD 925.1 million due to the debt repayments, refinancing, and positive impact of exchange differences on Euro denominated debt.

Cash and cash equivalents
As a result of a positive free cash flow, cash and cash equivalents increased to USD 1,717.0 million.

Net debt

- Net debt stood at USD 1,158.7 million as of 31 December 2022, from USD 2,220.5 million as of 31 December 2021.
- The trailing net debt / adjusted EBITDA was 0.3x as of 31 December 2022 compared to 0.9x as of 31 December 2021.

Outlook

OCI believes the outlook for nitrogen markets continues to be supported by crop fundamentals and tight supply dynamics. Despite nitrogen price volatility towards the end of 2022 and into 2023, industry fundamentals are healthy, with high farmer profitability, decades low grain stocks and improved nitrogen affordability driving a demand recovery ahead of the application season including an expected material rebound in US corn acreage in 2023. Industrial outlook has also improved, particularly in Europe and Asia supportive of ammonia demand.

After a year of range-bound methanol prices and major turnarounds in the fourth quarter and into early 2023, our methanol and fuels businesses are well-placed to benefit from expected demand upside from a re-opening in China and lower natural gas prices boosting industrial demand. Methanol is also buoyed by growth in the use as a marine fuel, expected to start accelerating from later this year, when the first large methanol-fuelled ships are scheduled for delivery. Incremental demand is in excess of 3 million tons per year from the mid-2020's based on current orders from the container vessel segment alone, which is significant in a globally traded market of around 30 million tons.

For the medium to longer term, OCI is well placed with a strong position in both nitrogen and methanol to capitalize on the opportunity arising from a structural demand pull for lower carbon fuels, industrial feedstock and food. Utilizing our balance sheet and our execution capabilities, we are accelerating our sustainability focused projects across our global platform to deliver on our hydrogen strategy and drive future growth.

Analyst's corner

GRI 201-1

Financial performance continued

Market review

'000 metric tons	2022	2021
Own Product		
Ammonia	1,986.7	2,090.3
Urea	4,241.4	4,327.6
Calcium Ammonium Nitrate (CAN)	1,018.5	1,176.3
Urea Ammonium Nitrate (UAN)	1,383.0	1,354.8
Total Fertilizer	**8,629.6**	**8,949.0**
Melamine	83.8	131.9
DEF	917.2	612.0
Total Nitrogen Products	**9,630.6**	**9,692.9**
Methanol[1]	1,255.1	1,747.2
Total Own Product Sold	**10,885.7**	**11,440.1**
Traded third Party		
Ammonia	358.5	255.5
Urea	1,541.7	1,295.2
UAN	329.7	48.5
Methanol	381.3	524.4
Ethanol & other	23.3	-
AS	542.2	467.8
DEF	419.3	362.2
Total Traded Third Party	**3,596.0**	**2,953.6**
Total Own Product and Traded Third Party	**14,481.7**	**14,393.7**

[1] Including OCI's 50% share of Natgasoline volumes

Analyst's corner

GRI 201-1

Nitrogen

2022 market review

- Nitrogen prices reached higher levels in 2022 compared to 2021, underpinned by strong crop fundamentals and robust farmer profitability in a backdrop of elevated natural gas feedstock costs.
- Despite the strong fundamentals, 2022 also saw demand deferral and in some regions destruction, as well as supply shortages, triggered by production loss, particularly during peak European curtailments of nitrogen capacity as a result of the high natural gas prices.
- Nitrogen markets saw continued price support in a demand-driven environment, given limited capacity additions. Nitrogen prices began to ease in Q4 following the relief in gas markets doubled by seasonality.

Market outlook

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

1. Nitrogen demand is expected to recover to support rebuilding of global grain stocks:
   a. Global grain stock-to-use ratios are at the lowest levels in 20 years, and it will likely take at least until 2025 to replenish stocks.
   b. 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 should incentivize increased planted acreage and nitrogen demand to help rebuild these grain stocks.
   c. As a result, global demand is expected to be above trend levels at least until 2025 driven by:
      i. Higher demand in key grain exporting regions (US, Europe, Australia, Brazil)
      ii. Higher demand in 2023 from major importing countries with focus on food security.
      iii. The recent decline in nitrogen pricing is supportive of improving affordability and demand.
      iv. China recovery and lower energy prices are supporting recovery of industrial demand, particularly for ammonia.
2. Nitrogen supply is expected to be tighter over 2023 – 2027:
   a. Industry consultants expect no new major greenfield urea supply to come online in 2023, and limited additions to 2026, whereas new Russian supply is still delayed.
   b. The ammonia market is also tight, with merchant demand expected to exceed supply from 2023 – 2026 compared to a net surplus in 2015 – 2019.
   c. There is good visibility on the supply outlook given long lead times of four to five years to build new plants and replacement costs have risen materially due to inflationary pressures.
   d. Chinese urea exports in 2022 were 47% lower year-over-year and are expected to remain low over the medium term, with export controls in place until H2 2023 to prioritize domestic demand.
3. Feedstock pricing is expected to remain volatile in the short-term given weather and regulatory intervention, but is expected to remain well above historical averages.

Financial performance continued

Market review continued

Methanol

2022 market review

- Methanol prices initially saw strength in Q1 2022 but remained range-bound throughout the year, despite being cheaper than LNG and gasoline - methanol can be used as a lower-cost and cleaner alternative for multiple fuel applications worldwide including heating and transportation.
- China reopened in Q4 and began a recovery in global methanol pricing on the back of improving demand into olefins through Methanol to Olefins units.

Market outlook

OCI believes the methanol outlook is positive on improving industrial demand, rebound in China and limited supply.

1. Methanol demand is expected to rebound in 2023 on the back of China re-opening, also resulting in higher methanol-to-olefins (MTO) operating rates which have been low. Lower energy prices are also boosting industrial demand.
2. There is potential meaningful upside from demand for hydrogen fuels, notably as a cleaner alternative for road and marine fuel applications:
    a. Demand from the European vehicle fuels markets continues to grow, with increased demand for direct blending of green methanol and bio-MTBE.
    b. Incremental demand from the maritime sector is expected to be more than 3 mtpa by the mid-2020's based on current orders from the container vessel segment alone.
    c. We are also encouraged by the recent orders from non-container segments, underscoring significant potential demand growth from non-consumer freight segments.
3. 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.

Analyst's corner

GRI 201-1

Environmental performance

Performance summary

Climate change action
GHG Intensity (scope 1 & 2 ton CO_2e / N-ton)

2.38 ↑
2021: 2.29

Climate change action
Energy Intensity (ammonia & methanol GJ / ton gross)

36.02 ↑
2021: 35.88

Climate change action
Absolute scope 1 emissions (million tons of CO_2e)

13.18 ↓
2021: 13.91

Climate change action
Absolute scope 2 emissions (million tons of CO_2e)

0.48 ↓
2021: 0.66

Climate change action
Purchased electricity from renewable sources

33.9% ↑
2021: 0%

Water in our operations
Freshwater cons. in water stressed regions (million m^3)

6.05 ↓
2021: 7.26

Environmental performance continued

Climate change action

Our approach to Climate Change Action

To limit global warming, the world needs to rapidly reduce annual emissions. OCI's focus markets need to contribute to these emission reductions. As shown in the graph below, our products could help contribute to the decarbonization of sectors accounting for nearly 90% of global emissions.

Our nitrogen fertilizers are essential to achieving the crop yields necessary to meet global food demand. We believe that ammonia and methanol are the most promising products to enable the energy transition, with their application as shipping fuels being particularly promising as these products can help this sector decarbonize in a cost-effective way.

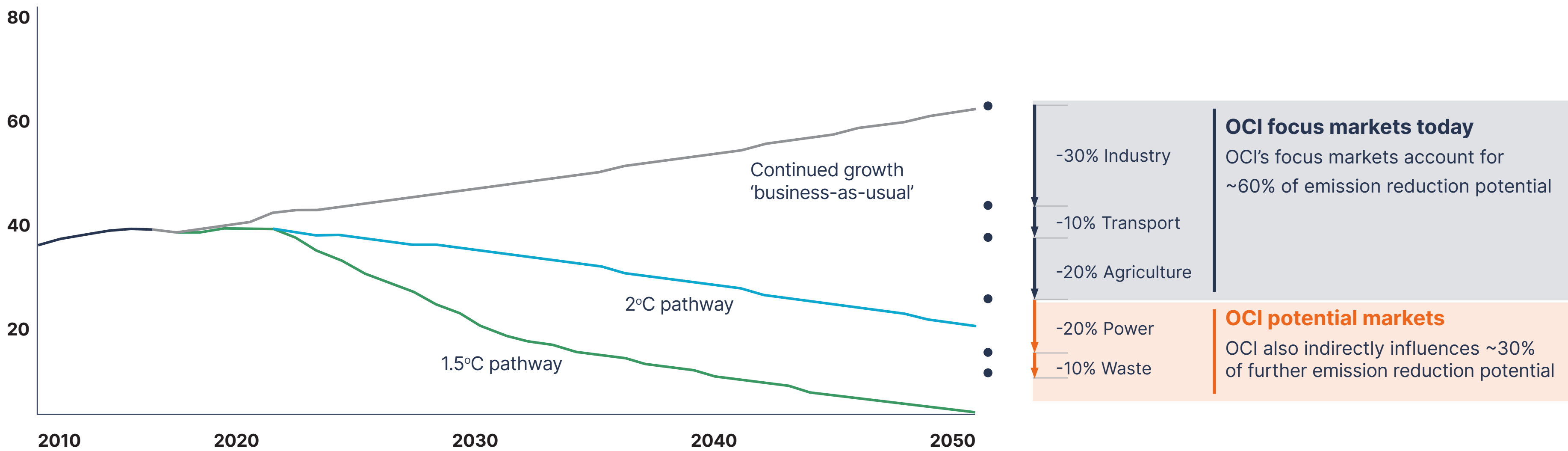
With production facilities in five countries around the world, our operations are subject to different environmental regulations, but we are unequivocal in our goal to reduce our environmental impact wherever possible. This has been our policy since we first entered the nitrogen space in 2008.

We have invested in achieving this by both minimizing our environmental footprint through continuous investment in technologies to maintain young and efficient asset fleets, and maximizing our development of greener products, including our cleaner fuel solutions portfolio.

Our environmental targets to reduce our scope 1 and 2 greenhouse gas emissions intensity by 20% by 2030 as described on pages 44 - 46 underscore our commitment to reduce our climate impact throughout our value chain. We aim to achieve our targets through a comprehensive climate strategy that includes investing in cleaner technologies and projects, recycling and reusing resources, and cooperating with all our stakeholders, industry peers, governments, and other institutions in the fight against climate change.

"We are committed to being an environmental steward and have aligned our strategy to the world's goal of combating climate change, as established through the 2015 Paris Climate Agreement."

Global CO_2 emissions, Gt CO_2/ year



Analyst's corner	GRI 305-5 SASB RT-CH-110a.2 TCFD Strategy c); M&T b)

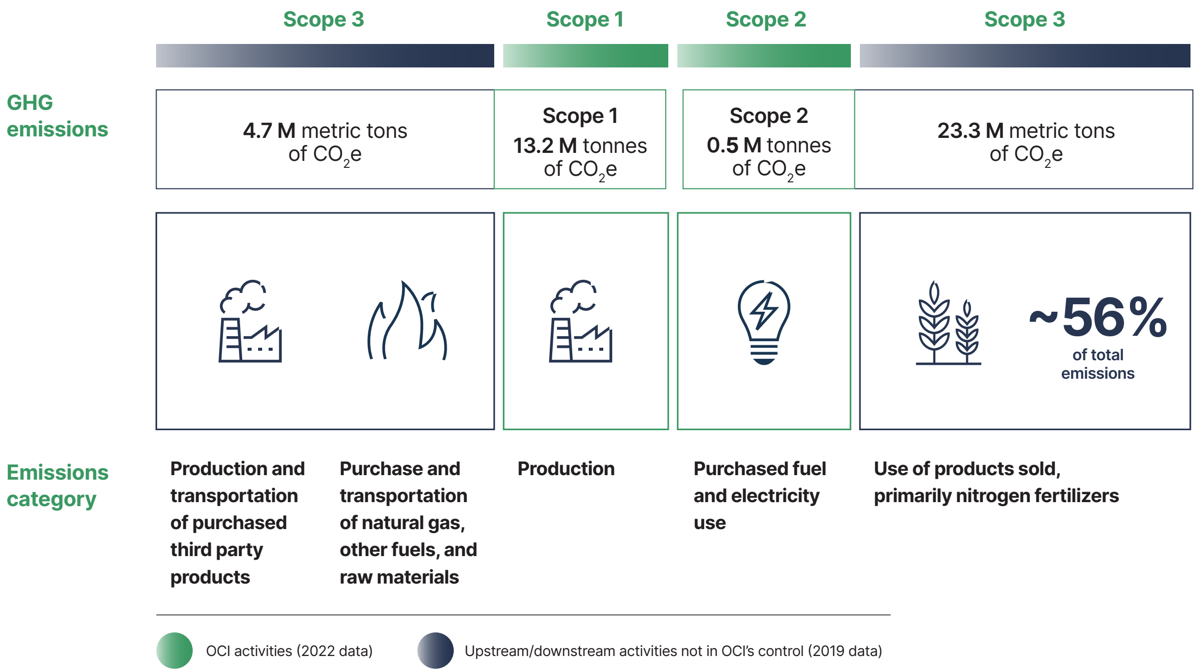
Environmental performance continued

Climate change action continued

Our GHG emissions profile

Our groupwide target is to reduce our Scope 1 and 2 greenhouse gas (GHG) emission intensity by 20% by 2030 and aim to achieve carbon neutrality by 2050. This target brings us close to aligning to the 2°C pathway, and we are exploring joining the Science Based Target Initiative (SBTi) in the next few years to move to a science-based target in the future. The gross Scope 1 and 2 greenhouse gas emissions are calculated using the EU ETS methodology. This means that the CO_2 used in the production of urea and other downstream processes, which is defined as Scope 3 as per the GHG Protocol, is included. By including the CO_2 that goes into downstream processes, we eliminate the fluctuations that may occur when we make any changes or experience downtime in our downstream product mix and present a transparent view of the CO_2 produced when making ammonia. This also better aligns us to the SBTi's methodology.

2019 was chosen as the base year in line with the Science Based Target Initiative's (SBTi) recommendations. It was the first year following completion of our expansion program and includes a full year of emissions from Fertil and 50% of Natgasoline. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology. We refer to page 238 for the reporting boundaries.



Analyst's corner

GRI 305-1; GRI 305-2; GRI 305-3
SASB RT-CH-110a.2
TCFD Strategy c); M&T b)

Environmental performance continued

Climate change action continued

Decarbonization roadmap

5-7.5% emission reduction through operational excellence

- ~5% expected at **no/low costs** in the short-to-medium term, **~$75 million p.a. EBITDA to be delivered over 3-5 years**
- ~0-2.5% with capital in the medium-to-long term with focus on economic payback[1]

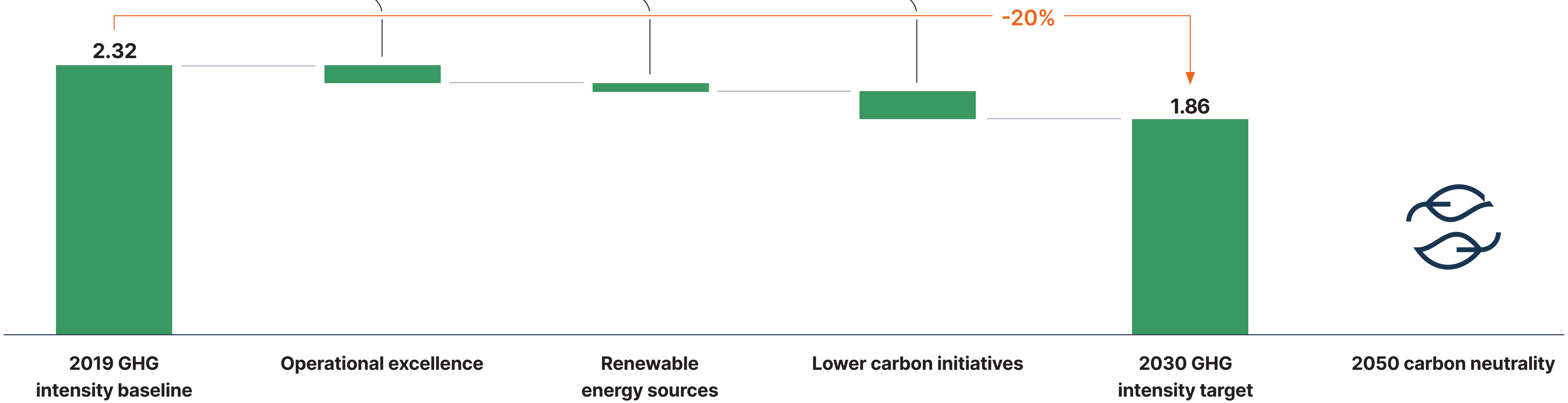
Accelerated focus on **reliability, capital performance and energy efficiency**.

4% emission reduction through switching to renewable energy sources at relatively low/no economic cost.

10-12% emission reduction through new strategic, lower carbon initiatives.

Ongoing activities in lower carbon products Partnerships and lower carbon technologies **ensure optimal value creation.**

Transition Pathway		
Blue	**Green**	**Circular**
CCS/U Purchased blue hydrogen	Biofuels Green hydrogen, ammonia, and methanol renewables	Waste gasification Bio-methanol from advanced biogas



[1] Consolidated scope 1+2 calculated on EU ETS methodology on total ammonia and methanol production on a nutrient ton basis. Ability to achieve these targets is subject to supportive regulatory environment, subsidies, technology advancements, and national environmental targets. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

[2] $75 million annual incremental EBITDA achieved through Operational Excellence was based on January 2021 pricing when the target was established, and will be dependent on the prevailing pricing environment

Analyst's corner

GRI 305-5
SASB RT-CH-110a.2
TCFD M&T b) c)

Environmental performance continued

Climate change action continued

Decarbonization roadmap continued

"We are committed to reducing our Scope 1 and 2 greenhouse gas (GHG) emission intensity by 20% by 2030 vs. 2019 level and aim to achieve carbon neutrality by 2050."

We developed a roadmap to achieve our targets, consisting of both sustainable short-to-medium term and long-term value-enhancing initiatives offering sustained environmental and operational benefits. Our decarbonization roadmap has 3 pillars:

1. **Operational excellence:** Through a strong focus on energy efficiency and asset reliability, we expect to deliver approximately 5-7.5% of our target, which will be achieved through short-to-medium term quick wins at no or low capital expenditure requirements while simultaneously generating more than USD 75 million[1] of annual incremental EBITDA. This is further described on pages 46 - 48.
2. **Renewable energy sources**: Switching our facilities to renewable energy sources (RES) through power purchase agreement and renewable energy certificates for our purchase electricity (scope 2) will contribute approximately 4% of our target at relatively low economic cost and allow us to better hedge price volatility. This is further described on page 48.
3. **Low carbon growth initiatives**: We believe we can deliver approximately 10-12% of our target through new strategic, lower carbon initiatives that follow the transition pathway of grey to blue to green and circular, capitalizing on both new and established technologies such as waste gasification, CCS, purchased blue and green hydrogen. This is further described on pages 49 - 52.

1. USD 75 million annual incremental EBITDA achieved through Operational Excellence was based on January 2021 pricing when the target was established, and will be dependent on the prevailing pricing environment

Analyst's corner	GRI 305-5 SASB RT-CH-110a.2 TCFD M&T b) c)

Environmental performance continued

Climate change action continued

Decarbonization roadmap continued

Operational excellence

The Global Operational Excellence Program is already set in motion and is being rolled out across all our sites.

We continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and maintain our health and safety records. Operational excellence is integral to optimizing energy efficiency, which in turn is necessary to minimizing our scope 1 GHG emissions as the bulk of our scope 1 GHG emissions are emitted when we consume natural gas to produce ammonia and methanol. Our assets hold global certifications recognizing the quality of our environmental management processes, such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and RC 14001 Responsible Care Management System, on which employees are also trained. Other certifications include REACH, International Sustainability and Carbon Certification (ISCC), and Fertilizers Europe Product Stewardship. We are compliant with the applicable environmental regulations at each of our locations.

The program is founded on three key pillars that are tightly interlinked: **Process Safety**, **Reliability** and **Energy Efficiency**, underpinned by our commitments to minimize waste and maximizing resource productivity. The program is expected to yield significant reductions in GHG intensity and contribute approximately USD 75 million per year in incremental EBITDA over the next three to five years. This is further explained on the next page.

Environmental performance continued

Climate change action continued

Decarbonization roadmap continued

Process safety enables reliability, which in turn enables energy efficiency to achieve lower GHG emissions

Process safety

- **Leading process safety design elements** featured by OCI's young asset base
- **Site led improvement programs** reflecting the site-specific process safety priorities
- **Groupwide leading performance KPIs** and best practices for Process Safety Fundamentals.

Reliability

- **Site-led improvement programs** reflecting site-specific priorities and the "Focus & Follow Through" approach
- **Global reliability program** focused on the identification and elimination of repeat issues
- **Structured readiness reviews** for major turnarounds to improve completion times, competitiveness and predictability.

Energy efficiency

- **Energy-efficient designs** featured by OCI's young asset base
- **Immediate focus on operational excellence**, supported by monitoring tools
- **Reviewing our energy and feedstock purchases** with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks
- **Identify and pursue further efficiency through select value accretive investments.**

Best-in-class facilities, minimizing emissions and waste

N_2O and NOx abatement

We have invested in our nitric acid plants to bring our nitrogen oxide (NOx) and N_2O emissions down by installing best available abatement technology such as de-NOx or selective catalytic reduction units and catalyst replacements through our responsible catalyst management processes.

Best Available Control Technology

All of our facilities in the United States implement Best Available Control Technology (BACT), a pollution control standard mandated by the United States Clean Air Act, to minimize our environmental impact.

Waste heat capture and recovery

The waste heat and steam systems in all our plants are highly integrated and we endeavor to use all heat within our processes to make use of energy in the most efficient way possible.

CO_2 capture, recycling, and sale

Our production facilities emit greenhouse gases directly from the conversion of natural gas into our products, and indirectly through the generation of purchased electricity and steam. We diligently work to minimize our CO_2 emissions by investing in reduction technologies, recycling CO_2 within our downstream processes, and selling CO_2 to third parties. We are also exploring carbon capture and storage (CCS) opportunities as described on page 49.

Environmental performance continued

Climate change action continued

Decarbonization roadmap continued

Renewable energy sources

OCI commits to source 100% renewable electricity for our global operations from 2030 onwards.

We aim at sourcing from solutions with higher additionality available in the markets where we operate, such as Power Purchase Agreements (PPAs) and Energy Attribute Certificates (EACs) purchased in the same market where consumption takes place, where possible.

In 2022, we have finalized our renewable energy market evaluation and developed a purchasing strategy based on best available options in the markets where we operate. We will focus on procuring PPAs in the United States and Europe where they are more readily available. For Egypt and the UAE, we focus on EACs in the short-term while monitoring the development of corporate PPA market when this option becomes available. We will continue to assess new renewable sourcing opportunities in Algeria, in order to encourage the construction of new renewable projects, such as with corporate PPAs.

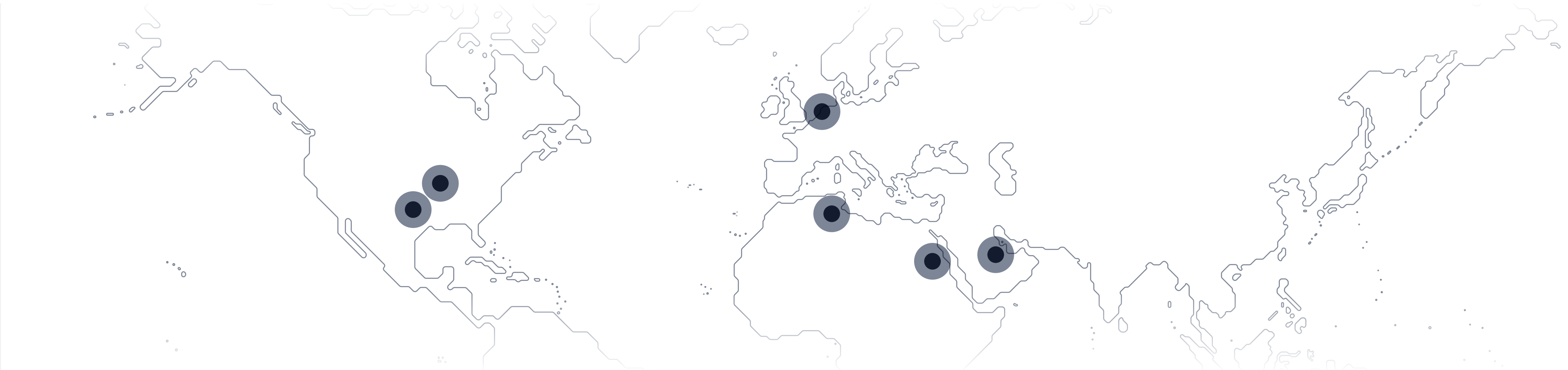
In 2022, we started to implement our strategy in Egypt and the UAE with the purchase of solar EACs (i-RECs) for 100% of our purchased energy consumption while pursuing PPA opportunities in the United States and Europe.

"We are committed to source 100% renewable electricity from 2030 onwards."

Environmental performance continued

Low carbon growth initiatives

OCI is building a sustainable company via key projects that drives its global transition to a hydrogen economy.



North America - selected examples

OCI Nitrogen North America CCS – 450 KTPA CO_2

- Phase 1: 2025

Blue Ammonia in Beaumont, Texas

- Phase 1 – 2025: 1.1 MTPA
- Expansion Potential to 2.2 MTPA
- Current: Bio-Ammonia (ISCC PLUS) & BlueAm® available for production at OCI Methanol North America.

Middle East & North Africa - selected examples

Africa's first integrated green hydrogen plant in Egypt in commissioning phase

- Commissioning of first phase announced at COP27 in Egypt
- When fully developed 100 MW of electrolyzers, powered by 260 MW of solar and wind
- Close collaboration with Egyptian and Norwegian governments.

1 MTPA Greenfield Low Carbon Ammonia in TA'ZIZ, Abu Dhabi

Status: pre-FID

Europe - selected examples

Gasification project Methanol Europe

Bio and recycled ammonia at OCI Nitrogen Europe through waste gasification

- Partner: RWE, project FUREC

Replacing fossil H_2 with green H_2

- Various partnerships with key H_2 developers in NL: NorthH_2 (4GW), Engie (100 MW‣1.5 GW), RWE (50 MW‣500 MW), Djewels (20 MW‣200 MW)
- Leveraging HyWay27, Dutch H_2 pipeline

Expanding Rotterdam ammonia terminal throughput

Environmental performance continued

Sequestering 1.7 Mnt ton of CO_2 emissions per year

Hydrogen production with CO_2 being captured through Carbon Capture and Storage (CCS) via pore sequestration.

- Ammonia production
- Haber Bosch
- State of the art new ammonia synthesis loop.

Global logistic capability

Ammonia production

At least 70% CO_2 emission reduction on a life cycle basis compared to conventional ammonia production.

Construction of New World-Scale Hydrogen-Based Blue Ammonia Facility in Beaumont, Texas Underway

- **1.1 mtpa blue ammonia plant in Texas**, with infrastructure to double capacity to 2.2 mtpa
- **Project is well underway** with the EP contract awarded in March 2022, long-lead equipment committed and construction agreement awarded in February 2023
- **Optimal location in Texas** adjacent to our existing facilities in Beaumont, with easy access to both the North American and export markets
- **Complementary to our European Rotterdam ammonia terminal** to provide full value chain with blue ammonia, especially in Europe, not just existing Industrial Chemicals & Fertilizers markets but also new Marine Fuels and Power Generation segments.

Environmental performance continued

Renewable energy from Solar, Wind 260 MW new capacity

Electrolyzer of 100MW capacity when fully developed

c.15,000 tons of green hydrogen as feedstock for production of up to 90 ktpa of green ammonia in Fertiglobe's existing ammonia plants.

Global logistic capability

Project partners

EGYPT GREEN HYDROGEN

Green ammonia project in Egypt

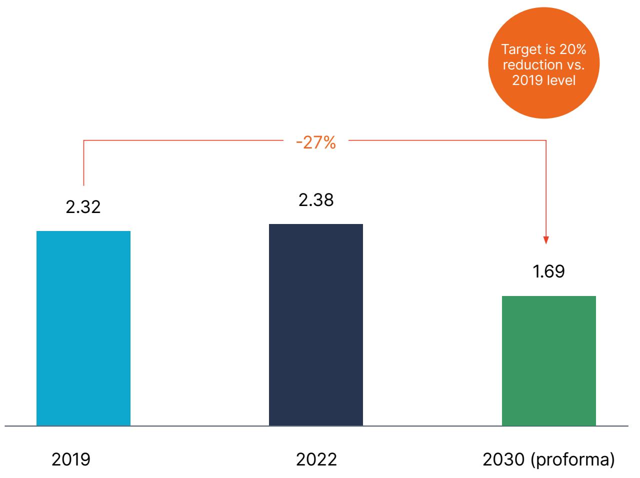
- During COP27, **the project started commissioning** the first phase of the green hydrogen plant which consists of 15MW PEM electrolyzer capacity, first of its kind in Africa.
- Fertiglobe's Egyptian facility is the first Green Ammonia production site to receive **ISCC Plus Certification which is a significant milestone for the group.**
- The consortium is in the process of finalizing engineering and technology choices for the 100 MW full-scale plant, aim to reach FID in 2023.
- **Ain Sokhna is strategically located,** being close to the Suez Canal Economic Zone
- **Fertiglobe has a strong global network** through its shareholders OCI N.V. and ADNOC and is an early mover in Hydrogen and Blue Ammonia

Environmental performance continued

Climate change action continued

Decarbonization roadmap towards 2030

We are on track to meet our 2030 Scope 1 and 2 GHG intensity reduction target by executing our 3 decarbonization pillars: operational excellence, renewable energy sources (RES) and low carbon growth initiatives. While we have made progress on our operational excellence and renewable energy strategies as well as low carbon growth initiatives with 2 projects reaching final investment decision (FID) milestones in 2022 (e.g., Blue Ammonia in Beaumont and Carbon Capture and Storage in Iowa), the energy crisis in Europe resulted in unfavorable economic environment to produce methanol and ammonia at our plants in the Netherlands. This has resulted in our 2022 GHG intensity being 2.38 ton CO_2 / product ton, which is +3% vs 2019 baseline:



Our 2022 performance

- Our **operational excellence performance**: methanol has shown improvement (more on Operational Excellence 2022 highlights on page 48) while ammonia remains flat.
- **Renewable energy purchase**: we have purchased solar i-RECs for 100% of electricity purchased in the UAE and Egypt
- **Product mix change**: Our Dutch methanol production site stopped production in June 2021 due to the high gas price environment driving negative margins on a cash cost basis. Methanol carbon intensity is on average 4 times lower compared to ammonia (0.7 vs. 2.9), resulting in a significant impact on the group's GHG intensity score (+0.1). We also produced less ammonia in Geleen with the shortfall made up by imports to continue our downstream fertilizer and chemical production, and fulfilling customer commitments. This also resulted in higher GHG intensity for our Dutch nitrogen facilities, since we produced less ammonia (i.e., Nutrien-N ton used in our GHG intensity calculation) while downstream was running at higher capacity (+0.02).

If we factor in growth projects that have reached Final Investment Decision (FID), our GHG intensity will be 2.11, which is 9% lower than 2019 level. Factoring in other initiatives across the 3 pillars, we are on track to reduce our GHG intensity by 27% by 2030 vs. 2019 level.

- Operational excellence initiatives could result in an additional 6% improvement (our strategy stated 5-7.5% reduction where 5% requires low/no cost with medium-term impact while the rest would require capital investment with longer-term impact). Our aim in the coming years is to accelerate focus on reliability, capital performance and energy efficiency.
- By moving the rest of our electricity purchase to renewable sources, we can realize the full 4% reduction vs. 2019 level.
- Low carbon growth projects subject to FID include projects in Europe such as FUREC and gasification at our Dutch methanol facility, and at Fertiglobe such as Egypt Green and Ta'ziz project in the UAE will also contribute to further reduction of GHG intensity.

Analyst's corner	GRI 305-5 SASB RT-CH-110a.2 TCFD M&T c)

Environmental performance continued

Product stewardship

Our approach to Product Stewardship

We aim to develop and promote products and services to minimize the impacts and dependencies on the environment (e.g., climate change, air, water and soil pollution, biodiversity and ecosystems) and maximize the impacts on society (e.g., food security, land use changes, health and safety).

Our approach to product stewardship has 3 pillars, underpinned by our commitment to product safety:

Providing low carbon and renewable products through our decarbonization initiatives to help decarbonize downstream

- Food: Low carbon and renewable nitrogen fertilizers using blue, green, circular and bio based hydrogen as feedstocks
- Feedstocks: Low carbon industrial chemicals allowing customers to decarbonize a wide range of products in the chemical value chain
- Fuels: Low carbon green fuels such as methanol and ammonia which help our downstream value chain minimize emissions

Innovating in enhancing nutrient use efficiency products and services

- Supporting farmer education programs (e.g.: 4Rs)
- Driving the adoptions of more sustainable practices and products (OCI's Nutramon)
- Developing fertilizers with urease and/or nitrification inhibitors, which are among the most credible pathways to reduce N2O emission during field applications, which contributes to over 50% of GHG emissions in the nitrogen fertilizer value chain
- Evaluating the introduction of sulfur to our products for better nutrient use efficiency

Going beyond GHG emissions to reduce other environmental impacts

- Reducing air pollutions from transports and shipping:
  - Marine shipping: Blue and green ammonia and methanol as the fuel of the future that has much lower NOx, SOx and PM pollutants compared to conventional fuels
  - Green methanol for various transportation modes
  - DEF to abate NOx emissions from diesel
- Enhanced fertilizers have positive impacts on water, soil, air pollutions and biodiversity
- Recycling finished products at end-of-life in a waste-to-syngas process to be used as a perpetual feedstock in OCI's plants and contributes to the circular

Product safety

Ensures that our products and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed, and used in a way which safeguards health, occupational and public safety, the environment, and which ensures security.

Analyst's corner	SASB RT-CH-410b.2

OCI HyFuels

Established in 2015, OCI HyFuels is the first commercial platform to provide customers with renewable hydrogen-based fuel products, being the world's largest producer of green methanol and a leader in renewable methanol transportation fuels. We produce a variety of renewable methanol products to help customers lower emissions and comply with regulatory targets, including green methanol, Bio-MTBE, blue ammonia, green ammonia, and an alcohol mix consisting of green methanol and ethanol blends.

OCI's green methanol is used by the World Rally Championship (WRC) as the exclusive renewable hydrogen fuel in partnership with P1 Fuels. As part of WRC's commitment to using hydrogen fuel from 2022, our HyFuel is the first of its kind to be used in an FIA World Championship series and the start of a new era for racing. The WRC enables the testing of new, sustainable technologies through practical application. As proven through the impressive race times in the 2022 WRC season, our HyFuels produce the same vehicle performance as fossil fuels but with a significant reduction in net CO_2 emissions.

Environmental performance continued

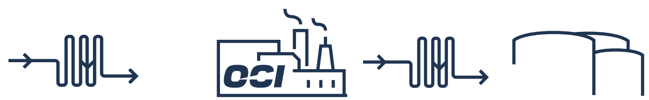
Product stewardship continued

Low carbon products

We are committed to developing products and initiatives to provide cleaner and more sustainable solutions to our customers. We aim to grow the share of low carbon products in our portfolio, which include green methanol, blue and green ammonia, and diesel exhaust fluid.

Serving wide-range of end-markets

Fertilizers	Textiles	Plastics & Resins	Durable Consumer Goods
Animal Nutrition	Automotive	Healthcare	Cosmetics
Electronics	Shipping	Transport	Energy



Natural gas

Green gas, biogas, H_2 by electrification or other

Downstream production at OCI and end customers

Carbon Capture Utilization and Storage

Energy efficiency and reliability

Switching to renewable energy for utilities

Fertilizer → **Green fertilizer**

Melamine → **Green Melamine**

Ammonia, ACN, Caprolactam, etc → **Green Ammonia, ACN, Caprolactam, etc**

Methanol, Formaldehyde, Acetic Acid → **Green Methanol, Formaldehyde, Acetic Acid**

Silicone, other → **Green Silicone, other**

End customer →

OCI growth opportunities

Sustainability push is a major catalyst for demand for OCI's decarbonized products

- Low carbon ammonia and methanol as industrial feedstocks
- Low carbon ammonia and methanol as shipping fuel
- Biofuels
- Low carbon ammonia for use in consumer products to reduce our customers' scope 3 emissions
- Low carbon ammonia feedstocks for fertilizer
- Controlled-release and stabilized fertilizers (inhibitors)
- Variable rate fertilizers

AnQore

Acrylonitrile is a product that is widely used in a broad range of applications. With OCI's low carbon ammonia, combined with low carbon propylene sourced separately, AnQore's Econitrile achieves 60% GHG emission reduction.

Analyst's corner	SASB RT-CH-410b.2

Environmental performance continued

Product stewardship continued

Enhancing nutrient use efficiency and food security

We are committed to working towards global food security. Through various programs, we work with our customers around the world to maximize yields, strengthen crops, prevent soil degradation, promote sustainable agricultural practices, and accelerate growth to meet the world's rising food demands. We also work to ensure our products are used in a way which safeguards health, occupational and public safety and security, biodiversity, and the environment.

Agriculture both contributes to global warming (~30% of GHG emissions from agriculture) and bears the impacts of climate change, threatening food security, especially for the most vulnerable populations. Ensuring food security for a growing population is a challenge will as the world will need to produce about 70% more food by 2050 to feed an estimated 9 billion people. The challenge is intensified by agriculture's extreme vulnerability to climate change. Climate change's negative impacts are already being felt, in the form of increasing temperatures, weather irregularity, shifting agroecosystem borders, invasive pests and crops, and more frequent extreme weather events. On farms, climate change is reducing crop yields, the nutritional quality of major grains, and lowering livestock productivity.

We are actively working on solutions to address environmental impacts and improve yield across the value chain. Our strategy are 3-fold: 1) reducing embedded carbon footprint of nitrogen fertilizers through using alternative feedstocks (e.g., green, bio-based and recycled hydrogen) and carbon capture and storage; 2) developing products that will enhance nutrient use efficiency, hence reducing losses and increasing yield; 3) collaborating across the value chain to promote sustainable intensification.

Analyst's corner	SASB RT-CH-410b.2

Fertilizer use is essential to maximize yields, minimize soil degradation, and sequester carbon dioxide

Nitrogen fertilizers are the key nutrient for crop growth and development. High quality soil maximizes farm yields and ensures healthy crops, which in turn naturally sequester carbon dioxide to help fight climate change.

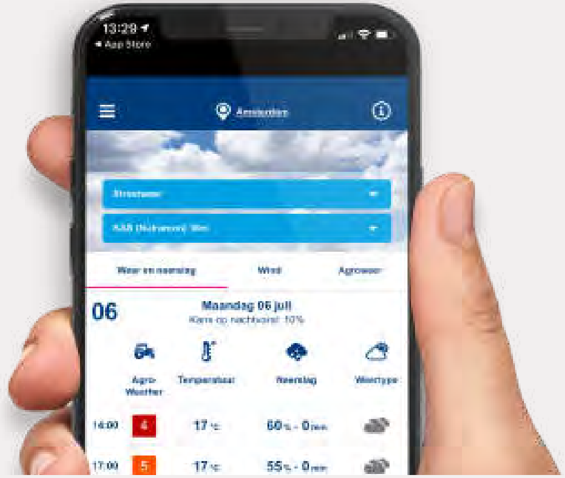
Efficient farming through correct fertilizer application helps farmers maximize the use of existing farmland and reduces land sequestration. OCI's fertilizer products help achieve sustainable agriculture by providing an effective and environmentally sound source of nitrogen. By using nitrogen fertilizers effectively, farmers can:

- grow more food on their land,
- reduce soil nutrient loss and improve soil quality, and
- reduce the need for new farmland to be sequestered, which therefore reduces GHG emissions by limiting deforestation.

Without annual application of nitrogen fertilizers to replenish soil nutrients, soil health is eroded resulting in lower yields and biodiversity loss amongst many issues.

Promoting sustainable intensification

Inappropriate fertilization practices can lead to the loss of nutrients to the environment. If those nutrients are not replaced, soil health will decline and eventually lead to soil degradation. In order to prevent the expansion of agricultural production onto uncultivated land, and thus avoid further loss of biodiversity and the release of sequestered carbon , it is crucial to supply existing agricultural land with a sufficient amount of nutrients.



Digital farming

While nitrogen fertilizers offer a sustainable means of maximizing yields, farmer education is essential to ensure nitrogen fertilizer application is optimized for both production and environmental protection. We work with farmers around the world through various initiatives to achieve this goal.

Our digital offerings include the Nutrinorm agronomy website, and two applications developed specifically for farmers:

- OCI Agro Weather app to optimize farmers' activity planning.
- OCI Nutrition app for an optimal nutrition application.

Using these resources, our customers can ensure fertilizer quality is maintained through correct storage, blend products correctly, ensure spreading settings are correct to maximize even fertilization, calculate optimal fertilizer release, accurately track the weather, and receive 24/7 access to the support they need.

Environmental performance continued

Product stewardship continued

Enhancing nutrient use efficiency and food security continued

Promoting sustainable intensification continued

The importance of healthy soils for agricultural production is particularly crucial in the current geopolitical situation, where we are confronted with a serious food security threat, also resulting from an abrupt reduction in fertilizer production, with consequences across the whole agri-food supply chain. By applying sustainable intensification practices, farmers will be able to maximise the use and efficiency of existing farmland while minimising the environmental impact on the same land area. Sustainable intensification can therefore represent an effective and valid approach to the sustainability of the agri-food supply chain, while contributing to food security and, including measures such as:

- The use of harmonised standards and indicators such as the Nitrogen Use Efficiency (NUE) Indicator, for example, one developed by the EU Nitrogen Expert Panel , which is able to provide information about resource use efficiency.
- The use of precision farming tools and techniques that can help farmers to effectively assess crop nutrients requirements.
- An increase in the replacement of conventional mineral fertilisers with Enhanced Efficiency Fertilisers (EEF's) which improve fertiliser use efficiency, mitigate climate change and reduce nitrogen losses to the environment significantly.
- The adoption of "4R" principles: using the right fertiliser source at the right rate, at the right time and in the right place.
- The use of targeted fertigation techniques.
- The use of low carbon and renewable ammonia in fertiliser production, helping to reduce overall Scope 1 GHG emissions.

Analyst's corner	SASB RT-CH-410b.2

We work with industry associations to educate farmers on fertilizer application, storage, provide digital resources, and to encourage sustainable farming. In the US, we support the 4R Nutrient Stewardship program through our membership in The Fertilizer Institute (TFI).

Environmental performance continued

Product stewardship continued

Reducing other (non-GHG) environmental impacts

Diesel Exhaust Fluid (DEF) – improving fuel efficiency and abating NOx emission

DEF, which is also known as AdBlue in Europe and marketed as AdGreen by Fertiglobe, is a non-hazardous aqueous urea solution consisting of approximately 67.5% deionized water and approximately 32.5% urea. DEF is used in Selective Catalytic Reduction (SCR) systems to lower harmful vehicle exhaust emissions from diesel engines, with the added advantage of improving vehicle fuel economy by approximately 5% and using diesel fuel more efficiently. DEF breaks down nitrogen oxides emissions into nitrogen gas and water vapor, thereby eliminating environmentally harmful emissions from cars, trucks, buses and other heavy-duty vehicles.

We are seeing strong regulatory-driven growth DEF, often our highest-margin product out of Iowa. We are one of the largest producers and distributors of DEF in the United States, with our nitrogen facility in Iowa capable of producing a million tons, and our United States distribution arm, N-7, also marketing DEF produced by Dakota Gasification and Dyno Nobel. We also have DEF production capabilities of approximately 450 thousand metric tons at Fertiglobe.

Regulations in the United States, Europe and China are driving demand growth by requiring the replacement of older vehicles, particularly heavy-duty trucks, coupled with higher dosing rates in newer-generation diesel engines.

We see this as being the only viable option for emissions abatement for trucks and rail in the foreseeable future as the switch to electric vehicles has proven to be unsuccessful to date for heavy-duty trucks or farm vehicles due to poor power-to-weight ratios, leaving few near-term alternatives to DEF for emissions abatement in truck and rail.

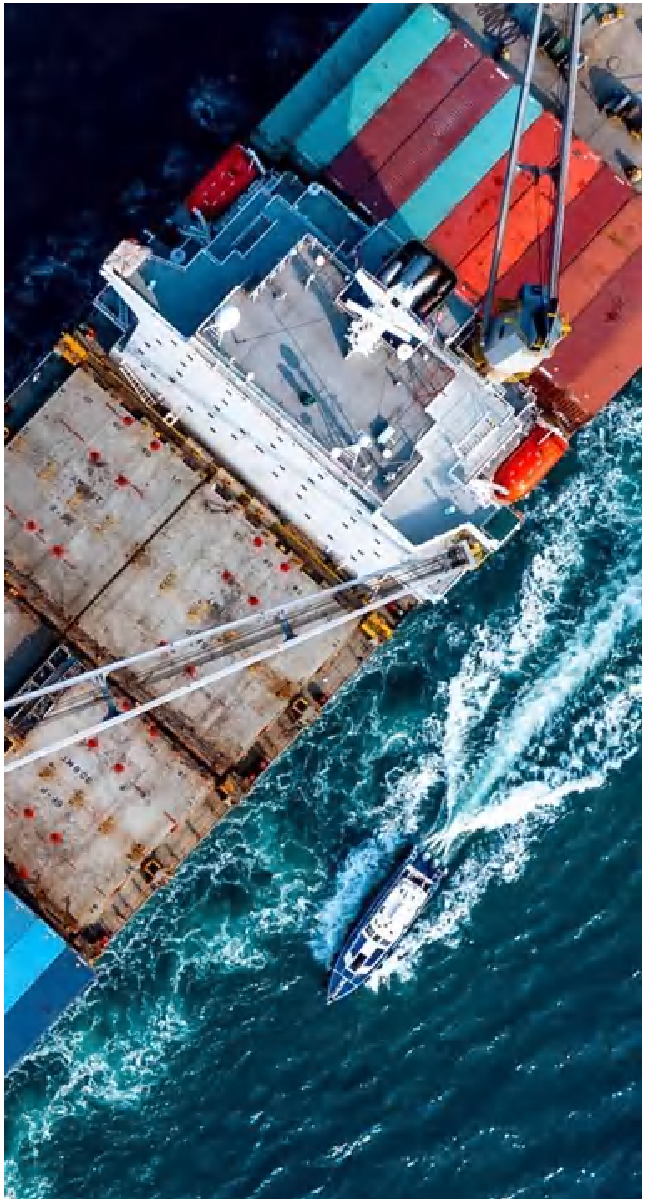
Analyst's corner	SASB RT-CH-410b.2

Sustainable methanol and ammonia as marine fuels – reducing air pollutants

According to the environmental assessment of methanol used as ship fuel conducted by the International Maritime Organization (IMO) and DNV GL, the life-cycle NOx emissions from methanol are approximately 45% of those from conventional fuels per unit energy and the life-cycle SOx emissions of methanol are approximately 8 % of those from conventional fuels per unit energy. In the case of both NOx and SOx, the emissions reductions are due to the fact that methanol results in lower emissions during the combustion phase.

While ammonia engines are still being developed for use in marine shipping, ammonia fuel cells offer the potential to eliminate emissions of all the gaseous, PM and GHG emissions from power generation, especially the direct NH3 fuel cell conversion; the main emissions from the electrochemical process are N2, H2O and O2.

SOx and NOx emissions are important in a maritime context primarily because of their harmful effects on human health, land-based infrastructure and natural habitats. Their emissions near ports or where humans are present is where they do the most damage, but on a regional level they also contribute to acid rain creation and potentially local acidification of the marine environment. Their life-cycle emissions are therefore quantified here. Particulate emissions are important from a human health perspective, with black carbon also seeing attention as a short-lived climate change forcer and a potential ice-melt accelerator. Additionally, methanol combustion does emit formaldehyde, which has a human health effect.



Environmental performance continued

Product stewardship continued

Product safety

Product stewardship ensures that our products and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed, and used in a way which safeguards health, occupational and public safety, the environment, and which ensures security.

Our approach to product safety

Product stewardship and chemical safety is supervised by the Board HSE & Sustainability Committee and subject experts from each facility contribute to risks assessments and internal audits of the HSE impact of our product portfolio. We use the best available technologies to minimize our carbon footprint and implement the Product Stewardship guidelines developed by Fertilizers Europe and International Fertilizer Association (IFA) throughout our production processes to monitor and minimize our environmental, health and safety impact from feedstock to farmer.

We comply with international standards as members of IFA, Fertilizers Europe, The Fertilizer Institute (TFI), the International Methanol Producers & Consumers Association (IMPCA), the European Melamine Producers Association (EMPA), the Ammonia Energy Association, and the Melamine REACH consortium, among others.

We are committed to our obligations regarding any environmental and health regulatory aspects of the chemicals we handle, and we closely monitor regulatory and safety developments for all our chemicals. Our products do not include ozone depleting substances, persistent organic pollutants (POPs), polyaromatic hydrocarbons (PAHs), or polychlorinated biphenyls (PCBs). In December 2022, the European Commission concluded that unprocessed melamine is a Substance of Very High Concern (SVHC) for inclusion in the REACH Candidate List due to scientific evidence of probable serious effects to human health and the environment which give rise to an equivalent level of concern to PMT (Persistent, Mobile, Toxic) properties in the environment. The inclusion in the Candidate List brings immediate obligations. These obligations, which are effective from the date of inclusion, refer not only to the listed substances on their own or in mixtures but also to their presence in articles. As a producer of melamine, we provide our customers and partners with an updated safety data sheet (SDS) with Section 15 updated to reflect the identification of the substance as an SVHC. In addition, we use information in the Chemical Safety Reports (CSR) in our site to minimize exposures and emissions to humans and the environment. We strive to substitute any identified SVHC as raw material or intermediate where possible and if a product cannot be substituted, we comprehensively assess the risk potential of the substance by weighing the degree of HSE risk and regulatory restrictions or classification, technical and financial feasibility of developing a substitute, and stakeholder concerns, amongst other considerations. We fulfil our obligations by enforcing strict process and occupational safety and product handling measures to minimize risks of exposure to health and to the environment. We have identified five chemical substances of concern, which we monitor and manage carefully in line with regulatory processes and our HSE, product stewardship, and chemical compliance policies and procedures. We are also assessing alternative substances and regulatory actions for these chemicals.

In line with our commitment to leadership in product and HSE stewardship, during 2020 the Board formally ratified our policy to not produce, sell or trade solid ammonium nitrate (AN) given the product's public safety concerns. This also allows us to ensure that our business trajectory is in line with global insurance and directors' liability advice, which is increasingly stringent around AN. With ever-increasing concerns surrounding AN, the product could be substituted by much safer urea or other nitrates going forward.

Safe product handling

We publish Safety Data Sheets (SDS) on our website for all our products and substances. We monitor and evaluate the environmental, health and safety data continuously and update the information published in the SDS section of our website regularly. SDSs provide safe handling, storage, disposal, and personal protection equipment (PPE) information and disclosure on potential health and safety effects due to exposure or mishandling. All SDSs and product labels comply with applicable laws and regulations, including but not limited to REACH, US EPA, CEPA, and CLP. The safety data sheets are translated into several languages to make them more accessible for our global customers.

Stem cell technology, nanotechnology, genetic engineering, and other emerging technologies

We do not make use of stem cell technology, nanotechnology, genetic engineering, or any other emerging technologies.

Genetically Modified Organisms (GMOs) and neonicotinoids

We do not produce GMOs or neonicotinoids (pesticides), nor do we make use of the technology. Through our participation in farmer education programs, we promote the safe use of such products in our supply chain.

Animal testing

We do not conduct animal testing.

Analyst's corner	SASB RT-CH-410b.2

Environmental performance continued

Other environmental impacts

Water in our operations

Our approach to Water in our operations

Ensuring sustainable withdrawals of freshwater especially in areas with water stress, improving our water efficiency over time, and ensuring safe water discharge.

Our beliefs

- Understand and mitigate our water risks and impacts by focusing first on our sites in water-stressed areas
- Maximize water efficiency in our operations
- Work towards water stewardship in our value chain, from our operations to our products
- Ensure safe discharge of water
- Ensure WASH access to all our employees and contractors

"We are committed to zero freshwater consumption in our water stressed sites by 2023."

Water management approach

As water is an essential but finite resource, we work diligently to maximize our water efficiency and are focused on reducing our water use wherever possible at all our sites. We primarily use water in our production processes for cooling, steam generation, or in our downstream aqueous products. Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for freshwater. Most of our water consumption is recycled several times in closed loop systems to reduce our intake of freshwater wherever possible and use non-potable water sources such as treated water from industrial sources and seawater to reduce our impact. We have made significant investments to reduce our use of freshwater wherever possible, and particularly at our sites in water stressed regions such as the Middle East and North Africa where we have installed desalination units to use seawater instead of freshwater.

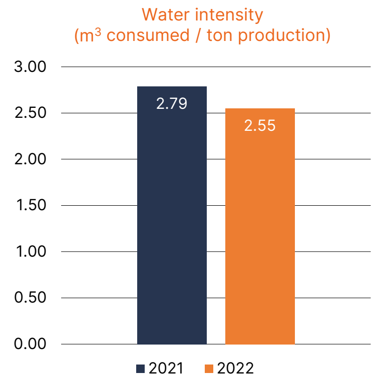
Analyst's corner	GRI 303-1; GRI 303-2; GRI 303-3; GRI 303-4; GRI 303-5 SASB RT-CH-140a.3

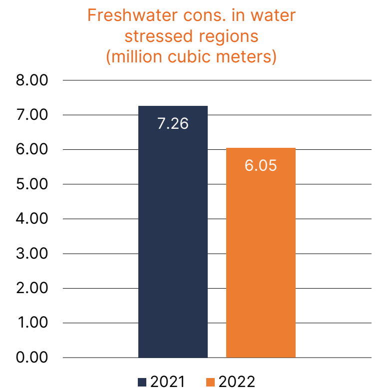
Withdrawal and discharge

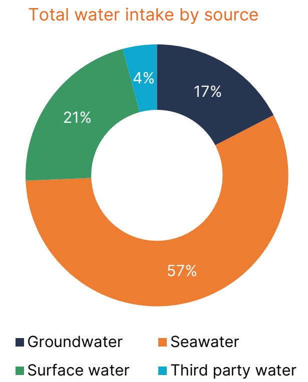
We closely monitor our water withdrawals and discharges at every facility and ensure any discharged water is treated to meet applicable environmental requirements and safely discharged. At several facilities, including those in Egypt and Iowa, we have invested in on-site pools to safely evaporate discharged water, or treat the collected water for irrigation. Some of our facilities benefit from interconnections with neighboring plants, allowing them to safely recycle water for use in other facilities' production processes. We meet or exceed all water quality regulations and permits through our water management and treatment processes to ensure we do not impact local water sources. Water management - including water quality - is a key element of our overall HSE and resource use management systems and is monitored by the Board of Directors' HSE & Sustainability Committee. We continuously review our water management processes, our water use, and evaluate ways in which we can improve our water stewardship at every facility.

Minimizing freshwater use in water stressed sites

Our Middle East and North African (MENA) operations work diligently to minimize their use of freshwater given the high stress on water resources in the region. We have invested in reverse osmosis and seawater desalination units on-site at all our MENA locations.

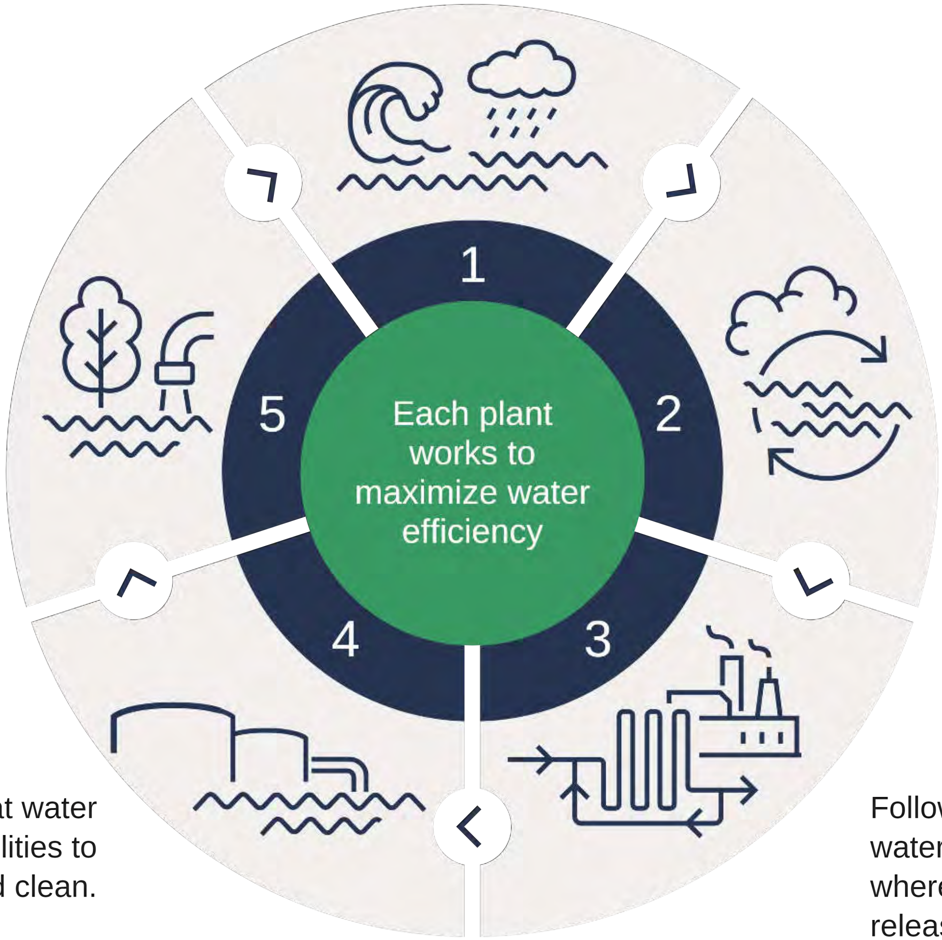






Environmental performance continued

Water is sourced from seawater, municipal sources, wells, and surface water.



Water is used in the production process in several ways, such as cooling water, as steam, or as a raw material for our downstream products.

Water is circulated and re-used many times throughout our production cycles.

Following several cycles through our plants, water is recycled by neighbouring plants where interconnections exist or is safely released as unpolluted water vapour.

Water is treated at water treatment facilities to ensure it is safe and clean.

Water is safely discharged as per local regulations, or further recycled as irrigation water.

Analyst's corner	GRI 303-1; GRI 303-2; GRI 303-3; GRI 303-4; GRI 303-5 SASB RT-CH-140a.3

Environmental performance continued

Minimizing freshwater consumption in water stressed regions

As of October 2022, EFC fully substituted its freshwater consumption with desalinated water, fully eliminating Fertiglobe's dependence on freshwater at all sites. The desalinated water is supplied from a recently built desalination plant at Ain Al Sokhna on a contractual basis. The desalinated water is further treated in polishing units. A calcination unit is under construction for further treatment of the desalinated water for better operating properties. Remainder water supply comes from unpotable groundwater and is treated in reverse osmosis plants owned and operated by Fertiglobe.

Desalinated water has better operating properties compared to previously used freshwater. Since switching to desalinated water, efficiency has improved remarkably leading to water savings. Blow down of cooling towers decreased by ~50%, reducing makeup water and wastewater discharge as a result. Wastewater flow reduced by ~30%.

Regeneration cycle of demin trains increased from 8hrs to 24hrs and lead to decreasing chemicals consumption for water treatment by ~50%

Overall water consumption decreased by 2500m3/day and led to higher reliability and efficiency of heat exchangers across the plant.

Zero effluent discharge

Both Fertil and EFC have implemented a novel solution to the large quantity of water produced as a by-product of the urea manufacturing process. The facilities invested in the construction of irrigation and evaporation ponds to avoid discharging effluents into the environment. EFC is the only plant in Egypt to do this, with three ponds capable of holding a total of 15,000 cubic meters of water. Fertil has two ponds capable of holding a total of 24,800 cubic meters of water.

Water recycling and reuse

EBIC implemented a wastewater treatment and re-use closed loop system for cooling water that reduces the plant's water intake by approximately 5%.

Land reclamation in the Egyptian desert

The water collected at EFC's irrigation ponds is used to irrigate 50 acres of forestry that was planted by EFC in the nearby desert, contributing to essential land reclamation in the Egyptian desert and creating an additional source of carbon sequestration. The 50 acres of forestry sequester an estimated 39 metric tons of carbon dioxide a year.

Analyst's corner

GRI 303-1
SASB RT-CH-140a.3

Environmental performance continued

Sustainable innovation and technology

Our approach to Sustainable Innovation and Technology

Accelerating the development and deployment of technologies to decarbonize our economy is at the core of tackling climate change effectively at the speed required. **Many of the technologies we need are already market-ready today, the challenge is how to scale them up fast**. This is where OCI comes in. Our track record of rapidly building up and consolidating capacities across industries, from construction to cement and chemicals, in the last 6 decades, demonstrates our ability to drive global decarbonization and energy transition at speed. We bring our strengths to bridge the gap between climate innovations and technologies and market, at scale, at speed:

- Project development and execution: from idea to engineering, procurement and construction, financing, and project execution, we bring projects to life at speed.
- Operational excellence: once the project is built, our operational capabilities will ensure the plants run reliably and efficiently and products delivered to customers consistently.
- Commercial optimization: as a global producer and trader of hydrogen-based products, we focus on ensuring the sustainable products reach the end customers while maximizing value.

Our approach to scaling climate technologies and innovation:

		What we have done in 2022
Partnering with innovative technology licensors and project developers	KBR, Tecnimont, thyssenkrupp, ENGIE, Scatec, RWE, MASDAR, Linde	- We are not an R&D company, we are an innovative project developer and business model innovator, with a 30-year track record of greenfield developments in multiple geographies. Therefore, we partner with the most trusted names in technologies and other project developers: ∘ We work with KBR, Tecnimont and Linde to engineer, build and supply low carbon hydrogen, respectively, to our Blue Ammonia project in Beaumont. ∘ We partner with Scatec, Engie, Masdar, and RWE respectively, on various renewable and low carbon hydrogen developments where we are either an equity partner or off-taker or both.
Scaling up commercially and technically viable climate technologies quickly	Carbon Capture and Storage Electrolyzer Gasification Biogas	- We focus on technologies that are market ready (at least TRL 8 and above), we then move them through the pipeline at speed: ∘ In 2022, we reached financial close for 2 projects: new 1.1 MTA Blue Ammonia in Beaumont, Texas, where construction has started, and carbon capture and storage of 450 KTA of CO2 emission at our nitrogen facility in Iowa. At commissioning in 2025, Blue Ammonia is the largest project of its kind globally. ∘ In November 2022, we commissioned the first 15MW PEM electrolyzer in Egypt to produce green hydrogen and ammonia. It is the first of its kind in Africa and the Middle East.
Selectively investing in downstream innovations to accelerate demand	Bulk Vessels Container Vessels Engines Inland barges Transport fuels UNIBARGE WRC FIA World Rally Championship	- To encourage demand development, we partner with our customers and others in the network to develop technologies that are sustainable: ∘ We partner with World Rally Championship (WRC) and P1 FUELS to produce a first-of-its-kind blend of green and synthetic fuel for an FIA World Rally Championship series, demonstrating the potential for green methanol in low carbon transport. ∘ With our partner UniBarge B.V., we are to develop Europe's first dual-fueled bunker barge powered by green methanol to be deployed at the Port of Rotterdam, Europe's largest port, in 2024. The barge will be the first green inland waterway craft in Europe to also serve as a methanol bunker delivery vessel, both delivering and operating on green methanol.

Environmental performance continued

Resource use and circular economy

Our approach to Resource Use and Circular Economy

Our production processes for nitrogen and methanol products produce limited by-products and are not waste intensive. Our distribution processes are primarily bulk shipments with minimal packaging required. Almost all the waste we produce is non-hazardous and primarily result from maintenance activities. Each facility monitors and minimizes its hazardous and non-hazardous waste through active waste management programs. The primary source of hazardous waste is spent catalyst, which is disposed of safely as per local regulations. We minimize potential waste leakage, effluents, or spills through primary and secondary containment systems that are regularly inspected. All processes undergo regular reviews by our HSE teams to identify and implement waste reduction opportunities where possible.

Non-GHG pollution in our operations

Our approach to Non-GHG Pollution in our Operations

Nitrous oxide (N_2O) is almost 300 times more potent than carbon dioxide (CO_2) as a greenhouse gas and is primarily produced by our nitric acid plants. We have invested in our nitric acid plants to bring our nitrogen oxide (NOx) and N_2O emissions down by installing best available abatement technology such as de-NOx or selective catalytic reduction units and catalyst replacements through our responsible catalyst management processes.

As a result of these investments, our global N_2O emissions are lower than the global average for nitric acids plants, and our overall NOx emissions are lower than the global average for nitric acid plants. We continue to evaluate ways to achieve further reductions of our NOx and N_2O emissions.

Local biodiversity and ecosystem services

Our approach to Local Biodiversity and Ecosystem Services

None of our production facilities are located near protected areas or areas of high biodiversity, and we are not required to maintain a biodiversity management plan for any of our sites. We comply with all relevant regulatory requirements and environmental policies when assessing new projects, which would include environmental and biodiversity impact assessments wherever relevant.

EU Taxonomy

As of 2021, we have started to report on the EU Taxonomy. For FY 2022, we have disclosed eligibility and alignment on the first two environmental objectives (climate change mitigation and climate change adaptation) in our total turnover, capital expenditures (CapEx) and operating expenditures (OpEx). We concluded that 25% of our turnover activities (refer to page 224), 31% of our CapEx activities (refer to page 224) and 26% of our OpEx activities (refer to page 227) qualifies as eligible.

We determined that our activities are categorized under activity 3.15 – Manufacture of anhydrous ammonia. The manufacturing of methanol, blends, and melamine was assessed and is not eligible under the economic activities currently in scope of the EU Taxonomy.

We evaluated the eligible activities in relation to the substantial contribution, the DNSH and MS criteria. For FY 2022, we do not report Taxonomy-aligned activities as we do not formally meet all substantial contribution, DNSH and MS criteria yet. We will continue to improve our processes to meet these applicable criteria of the EU Taxonomy. For further details, see EU Taxonomy in the ESG performance statements.

Analyst's corner	GRI 304-1; GRI 305-7; GRI 306-1; GRI 306-2

Social performance

Our people are fundamental to our success. We strive to create a safe and encouraging workplace where there is mutual trust and respect. We promote our CARE values in every aspect of our business by investing in our people to accelerate their development and invest in their passion to excel.

Performance summary

Health, safety and wellbeing
Lost Time Injury Rate
0.08 ↓
2021: 0.20

Health, safety and wellbeing
Total Recordable Injury Rate
0.40 ↑
2021: 0.35

Diversity & inclusion in our own workforce
Women in senior leadership positions
21.8% ↓
2021: 24.0%

Health, safety & wellbeing

Our approach to Health, Safety & Wellbeing

As described on page 46, our Global Operational Excellence Program is founded on three key pillars that are tightly interlinked: Process Safety, Reliability and Energy Efficiency. Process safety enables reliability, which in turn enables energy efficiency to achieve lower GHG emissions.

Our approach focuses on the following health, safety and environment (HSE) priorities:

- Commitment to zero injuries
- Focus on operational excellence
- Continuous improvement of our processes
- Health and wellness of all employees

Our HSE Framework

The HSE Framework provides our sites, employees, and contractors with a set of standards and procedures based on industry standards and global best practices. Our

HSE policies and standards apply to all employees and contractors, regardless of employment type.

Each facility additionally implements tailored initiatives and supplemental procedures to enhance their HSE standards depending on their specific needs and technologies.

The Board HSE & Sustainability Committee, which is also responsible for supervising the group's overall HSE performance, receives quarterly updates. The HSE function is led by the Corporate HSE Director, who reports to the VP Manufacturing. The HSE organization comprises corporate and local teams who are responsible for HSE compliance, monitoring, and reporting.

"The health and safety of our employees is essential to the successful conduct and future growth of our business and are in the best interests of our stakeholders."

HSE performance monitoring

The Corporate HSE team reviews and monitors all facilities' site-specific programs and performance metrics, which are implemented, maintained, and reported by each facility's management team in compliance with the HSE Policy. The Corporate HSE team also assists the sites in implementing the OCI HSE policy when required and reports each site's performance to the HSE Committee on a quarterly basis. The HSE & Sustainability Committee sets groupwide targets that are cascaded to site-specific HSE targets annually.

The Executive Directors review each site's monthly HSE performance and trends with local site leadership during the monthly business review. In addition, HSE audits at each site periodically assess the implementation of OCI's HSE policy.

Analyst's corner

GRI 2-8; 403-1; 403-2; 403-3; GRI 403-4; 403-5; 403-6; 405-7; GRI 405-8; SASB RT-CH-320a.2

Social performance continued

Health, safety & wellbeing continued

Commitment to zero injuries

Safety is a core focus in every aspect of our operations. Our goal is to achieve leadership in safety and occupational health standards across our operations by fostering a culture of zero injuries at all our production facilities, and continuously improving health, safety and environmental monitoring, prevention and reporting across our plants.

We have integrated this goal into our corporate values, and into the programs and policies of each of our production facilities. Safety is considered an integral part of plant operation, quality control, cost reduction and efficiency, and we are committed to providing resources to enable this.

Occupational safety

The lost-time injury rate (LTIR) decreased from 0.20 in 2021 to 0.08 in 2022. The total recordable injury rate (TRIR) remained more or less flat at 0.40 (2020: 0.35). We take every incident seriously and have conducted full investigations and incident reports for each, sharing learning and best practices across the group after each incident in an effort to avoid repetition.

We are committed to enforcing a culture of zero injuries, where every person is safe at all times. During the year, one of our sites achieved zero injuries, and five of our sites achieved zero lost-time injuries.

We are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by around 50% since 2014. Accordingly, we maintain awareness activities for all employees and contractors as part of our training program. We also reinforce our HSE standards among contractors, which have historically consistently suffered more incidents than our employees.

Analyst's corner	GRI 2-8; 403-1; 403-2; 403-3; GRI 403-4; 403-5; 403-6; 405-7; GRI 405-8; SASB RT-CH-320a.2

We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors.

Emergency preparedness

Every facility has emergency preparedness plans in place with emergency response teams. The emergency preparedness plans and response teams are tested and trained regularly. All sites also align closely with local police, fire, and other emergency response providers to ensure the best possible response protocols are implemented. Facilities located on shared industrial sites also coordinate closely with the industrial site facilities management teams.

Focus on operational excellence

We promote excellence in every aspect of our operations to ensure a safe and healthy work environment, protect our communities, and optimize operational costs. We continuously train all employees to implement the best sustainable practices and maintain our focus on operational excellence.

Process safety

We implement a process safety management framework across our sites, which was developed based on international industry best practices and standards including the U.S. OSHA Process Safety Management regulations and AIChE Technology Alliance – Center for Chemical Process Safety (CCPS) information. Our PSM is further enhanced by case studies on industry incidents and lessons learned and based on learning from underlying leading KPIs.

We track process safety incidents (PSI's) in three categories of severity and take all incidents very seriously. The PSI rate (PSIR) improved from 0.55 in 2021 to 0.51 in 2022.

All PSIs are reviewed with a root-cause-analysis with lessons learned shared across all sites. We continue to work diligently to reduce the number of PSIs at all our sites every year.

Global management and quality assurance standards

Our assets hold global certifications recognizing the quality of our products and management processes, including ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and ISO 45001 Occupational Health and Safety Management Systems. Other certifications include International Sustainability and Carbon Certification (ISCC), Fertilizers Europe Product Stewardship, and OCI Methanol Texas is an OSHA VPP Star Site.

Continuous improvement of our processes

We regularly assess our HSE management systems to ensure our processes enable operational excellence. We do so through internal and external HSE audits, insurance reviews, performance reviews, incident analysis, and groupwide knowledge sharing. We reward HSE excellence, encourage best practice sharing across our sites, and provide additional support wherever needed to ensure all sites meet or exceed our standards.

Groupwide knowledge sharing

We have set up several avenues to enhance and facilitate communication and knowledge sharing across our global HSE community. Examples include:

- Monthly groupwide safety calls to share learnings of occupational and process safety incidents and to initiative companywide improvement initiatives.
- All sites generate one-page flyers of incidents and near misses that are shared, and lessons learned with fellow colleagues during the monthly Process Safety Sharing Incident Teleconferences.

Social performance continued

Health, safety & wellbeing continued

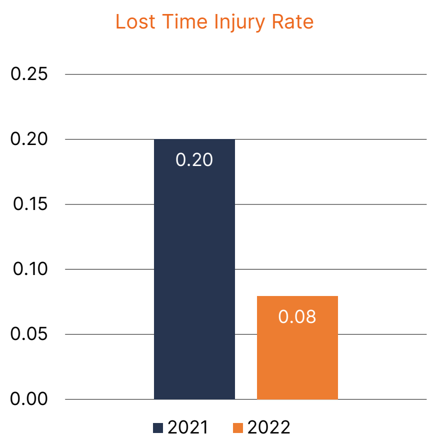
Health and wellness of all employees

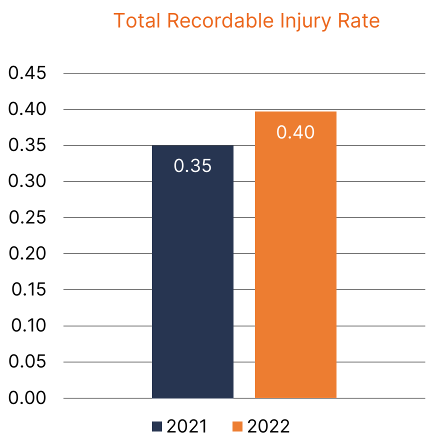
Occupational health and general well-being are part of our overall HSE management, and we implement wellness programs across the organization to ensure that everyone working at OCI remains healthy.

A Fitness for Duty Process is set up to ensure that each employee can safely perform the essential physical and mental requirements of the job. A Health Risk Assessment approach is in place to estimate the nature and probability of adverse health effects to people by identifying the adverse health effects that can be caused by any exposure to any hazardous agent or the work environment.

Plant certifications

Plant	ISO 9001	ISO 14001	ISO 45001	ISO 50001	Others
OCI Nitrogen Europe	●				- Fertilizers Europe - Product Stewardship certificate - ISCC PLUS Green Ammonia
OCI Methanol Europe	●	●			- ISCC
OCI Methanol Texas					- OSHA VPP STAR - ISCC - BlueAm Standard
EFC	●	●	●	●	- DEF added to ISO 9001
EBIC	●	●	●	●	
Fertil	●	●	●	●	- RC 14001 – Responsible Care Management System





Analyst's corner	GRI 2-8; GRI 403-1; GRI 403-6 SASB RT-CH-320a.2

Social performance continued

Diversity & inclusion in our own workforce

We are OCI Global

As a global employer present in ten countries, we value the breadth and depth of talent available to us across our locations and are proud to have cultivated a strong community-focused identity as a local employer with 4,059 employees around the world.

We are committed to maximizing the use of local resources whenever possible by drawing local people into our company and developing their skills, and by choosing local partners where possible to supply materials and other services.

This approach has allowed us to develop a diverse global workforce encompassing 56 nationalities, with multiple ethnicities, religious beliefs, cultures, ages, orientations, and other traits working together respectfully and with a shared sense of purpose. Together, we are powering a cleaner future sooner.

However, we know there is more work to be done to nurture the diversity of thought, experience, backgrounds, and viewpoints that we believe is crucial to enriching our performance, quality of decision making and culture. We are committed to fostering an inclusive culture that allows every voice in our organization to be protected, heard, and valued. We have translated this commitment into action through our group-wide D&I program, which aims to ensure fairness, equality, and diversity in recruiting, rewarding, motivating, retaining, and promoting employees.

Though we operate in traditionally male-dominated industries, we are focused on improving our gender diversity in both technical and non-technical roles and at all levels of our organization. We have set internal benchmarks and targets to improve our recruitment processes, conduct de-biasing training, provide sponsorship and mentorship opportunities, and develop employee networks that help them succeed.

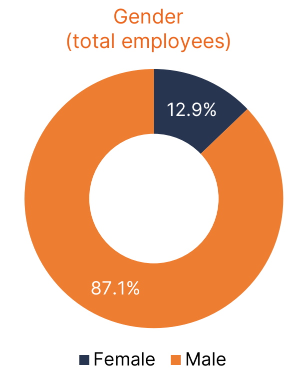
During the year, we implemented multiple initiatives to improve our gender diversity, including mentoring of women by senior leadership, interaction between women and executive leaders, and specific attention for women during talent review and succession planning. Our D&I program is supported and monitored through a D&I forum in which senior leaders review, discuss progress, and action necessary interventions or improvements across our D&I agenda to champion and drive further progress to achieve our goals.

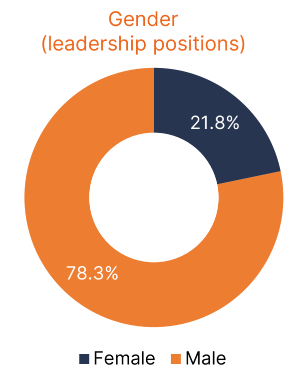
We believe these initiatives will enhance inflow, development, growth, and retention of talented women at OCI Global.

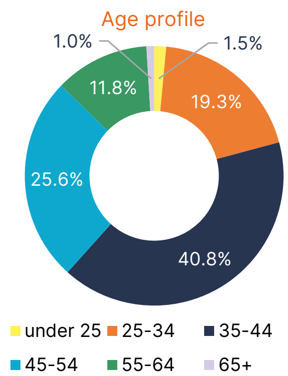
Talent recruitment, development, and retention

We are committed to fostering an environment that encourages individuals to seek opportunities for professional growth and enrichment. We recognize the importance of training and development of new employees, improving the performance of experienced employees, and building future leaders. We invest in our employees through training and development programs focused on professional growth and enrichment. Opportunities are tailored to the needs of each employee and can include on-the-job practical training programs, sponsoring higher education, mentorships and leadership programs for succession planning, and online courses

During the year, our recruitment process supported our gender diversity program by using diverse recruitment sources, training employees engaged in our recruitment to ensure that they recognize conscious and unconscious bias to select the best candidates fairly for every role, and investing in the development of a pipeline of talented female students through the strong school links we have across our







Analyst's corner	GRI 401-1; GRI 405-1

Social performance continued

locations. Through sizable donations in Iowa and Beaumont, we have supported the establishment of STEM-focused educational opportunities for students of all ages. We have also encouraged female participation in STEM by attracting more female co-ops, interns and apprentices, and investing in the Society of Female Engineers conference in the USA. For more information on our STEM-focused community initiatives, refer to the Local community engagement section of this report. These developments to our talent pipeline demonstrate our commitment to improving the gender balance in our industry, attract a more diverse pool of candidates, build a stronger talent pipeline, and create a more diverse and inclusive workplace culture.

In terms of the development of our employees, we continue to focus on a fair and equitable distribution of potential successors for each role and are committed to promoting diversity and inclusion in our succession planning process. We are also cognizant of the importance of creating safe spaces for employees to be heard, and have set up multiples avenues to encourage this, including mentorship opportunities, informal meetings for direct access to female leaders and senior management, workshops and training sessions on inclusive behavior, and feedback sessions for female employees to discuss the status of our D&I agenda.

At the Board level, we continue to prioritize the recruitment of female candidates should a board vacancy arise, with the percentage of female Executive Directors currently at 25% and the percentage of female Non-Executive Directors as per the upcoming AGM subject to shareholder approval at 33%, in line with diversity legislation. Women as a percentage of total employees increased to 12.9% in 2022 from 11.4% in 2021. Approximately 21.8% of senior leadership positions across the organization were held by women, indicating we are making progress to achieve our 25% by 2025 target, despite this being a stretching goal given the expected growth in the business will be in manufacturing rather than corporate roles going forward. In non-technical roles we have already achieved 32.0% female employees. We will continue to work towards increasing gender diversity while continuing to hire and promote based on merit.

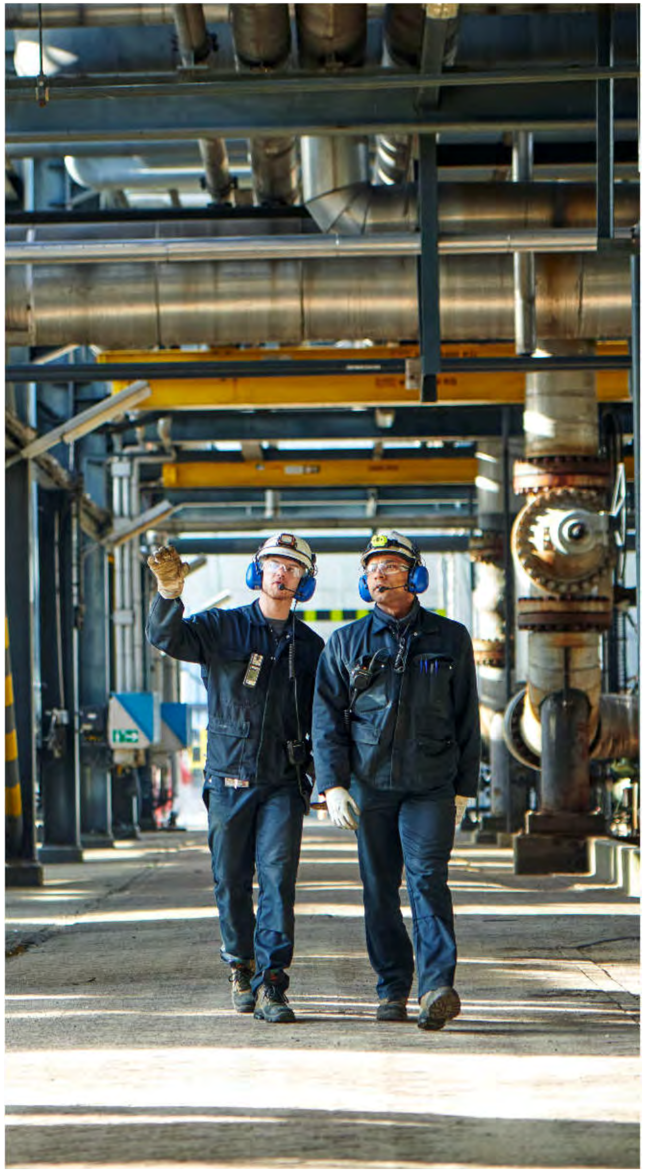
> “We are committed to an inclusive culture with a diverse workforce, where every person is recognized, valued, and thrives.”

Competitive Pay

We are mindful of the importance of ensuring that all employees are well rewarded and recognized for their contribution to the business and have crafted our local compensation frameworks to ensure that we pay well.

We believe that when an employee can afford their family’s needs including discretionary income, they are more motivated to succeed. We consistently rank between median and upper quartile of employers by annual compensation in each of our communities.

In addition to the ability to earn top quartile compensation, we offer all employees, including part-time employees, a range of benefits, including but not limited to health insurance, retirement plans, parental leave, and other non-financial benefits in line with local employment laws.



Analyst's corner	GRI 401-1; GRI 405-1

Social performance continued

Employee engagement

Employee engagement and culture

We strive to encourage open dialogue across all levels of the organization, including with senior management. The OneOCI platform provides employees with regular updates on a variety of corporate, operational, and industry matters, enhances communication across the group, creates opportunities for employees to connect across countries and functions, and provides an additional means to reach senior management. We also conduct surveys at the group and local levels to gather feedback on various topics.

We value the feedback from these engagement channels and are continuously making improvements to enhance all employees' experiences at OCI. As part of our wider engagement efforts under the OneOCI program, we plan to conduct a groupwide employee engagement survey in 2023 to identify our internal baseline and develop targeted engagement actions per site and function.

During the year, we launched a culture change program to make our culture more explicit and promote our shared values of **Collaboration, Agility, Resourcefulness and Excellence** by developing OCI Behaviors to complement and reinforce our values. Our behaviors promote three areas of leadership:

- Results: driving relentlessly for results and acting as an entrepreneur,
- People: empowering people and working collaboratively, and
- Thought: managing complexity while having the ability to reflect and learn.

We have deployed our values and behaviors extensively throughout several of our key talent initiatives including training and performance management. We have supported the values and engaged our employees in promoting our OCI behaviors within our performance management system to ensure we focus on improving both what we do and how we do it across the company.

Analyst's corner	GRI 2-30 SASB RT-CH-530a.1

We have also adopted a lean functional organization which has now been implemented with global centers of expertise supporting networks of technical and functional experts across our operating units. As a global business with a consistent culture and way of working, we are creating new career opportunities for our existing employees to develop their careers locally, regionally, and globally.

Other social impacts

Human and labour rights

Our approach to Human and Labour Rights

We are committed to respecting and promoting human rights and safe working conditions.

We conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. We maintain a Business Partner Code of Conduct which outlines our expectations towards our business partners with regards to the same compliance topics as are included in our Code of Conduct.

These principles are based on global human rights standards, including the International Bill of Human Rights, the International Labour Organization's declaration on Fundamental Principles and Rights at Work, and the United Nations International Children's Emergency Fund (UNICEF). Accordingly, our suppliers cannot use forced or child labor, or engage in slavery or human trafficking.

These principles also form part of our Human Rights Policy, which falls within our Compliance Framework and aims to ensure that salient human rights issues potentially arising through our supply chain are tackled effectively. We perform customary due diligence to ensure our suppliers and business partners are compliant and have an anonymous reporting hotline where employees can report suspected violations throughout our supply chain.

Unions and Works Councils

Our employees can join a union, works council, employee association, trade union, or similar labour organizations in line with local regulations. As such, approximately 32.7% of our total workforce is covered by Collective bargaining or unions. We strive to maintain productive relationships with the labour organizations representing our employees and engage with them regularly.

Our human rights policy principles

- No forced or child labor
- No harassment or discrimination
- Safe and healthy workplace
- Fair compensation and living wage
- Equal employment
- Freedom of association and collective bargaining

Social performance continued

Local community engagement

Our approach to Local Community Engagement

As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally. Accordingly, we have cultivated local social development programs tailored to the specific needs of each of our communities to maximize the impact of our donations. In addition to our sponsorships and financial contributions to various causes, our employees personally invest their time in our local communities by participating in fundraisers and volunteering at events.

Our community outreach and philanthropic philosophy are founded on two core development pillars: education, with a focus on Science, Technology, Engineering, and Mathematics (STEM), and local social development, with a focus on food security.

Our Impact in 2022

Our tailored approach allows us to create a meaningful and sustained impact through long-standing partnerships with charities and non-profits serving our communities, such as Southeastern Iowa Community College's Building the Dream program, JINC in the Netherlands, World Central Kitchen, the Southeast Texas Food Bank, Sawiris Foundation for Social Development (SFSD), and Fertil's College Students Internship Program. Please refer to Our Stories on our website for more examples of how we create value for our communities.

Education

We endow time and resources into the entire education value chain, from donating school supplies to children in need and rewarding high achievers by funding university scholarships and providing on-site training and internship opportunities. Our local operations have worked hard to encourage students of all ages to pursue an education in fields of science, technology, engineering and mathematics (STEM) through various initiatives. In 2022, 1,624 students and young professionals benefited from the training or education opportunities availed through the programs we participated in or sponsored in Europe, the United States, and North Africa.

We also participate in programs specifically designed to encourage girls and young women to pursue STEM, such as the Girlsday science and technology program in the Netherlands and Lamar University's Society of Women Engineers.

In addition, we continue to partner with JINC in the Netherlands to provide underprivileged 8–16-year-olds with mentorship opportunities in various professions, helping them find out what kind of work suits their talents and how to apply for a job. During the year, we hosted 259 students at our nitrogen facility in Geleen and in our Amsterdam office. OCI employees provided mentorship and coaching on digital skills, career paths, and job applications, and provided short internships. In addition, two JINC students participated in "CEO for a Day", taking over a leadership role by shadowing our Chief Legal and Human Capital officer in Amsterdam, and the head of our nitrogen facility in Geleen.

In the United States, we made several sizeable donations to develop education opportunities in Iowa and Texas. We donated USD 200,000 to the Beaumont Independent School District to develop opportunities to expand STEM education for students through a mobile STEM lab, continuing our years-long partnership with the school district.

We also made a USD 250,000 donation to the Lee County Career Advantage Center to provide additional educational opportunities for individuals and families in southeast Iowa. The Lee County Career Advantage Center is a collaboration between the Fort Madison, Central Lee and Keokuk school districts, Southeastern Community College, Lee County Economic Development Group, and the southeast Iowa business community, including OCI Nitrogen Iowa. The center will provide a premier learning space designed to provide students and parents with additional workforce skills tailored to specific industries in the region and connect those learners with local employment opportunities.

Analyst's corner	SASB RT-CH-210a.1

Social performance continued

Food Security and Social Development

We pay close attention to the social causes that matter to each community to effectively participate in local development. Such causes include sponsoring or donating time to local sports teams, music and arts festivals, food banks, toy runs, youth programs, and animal rights causes. In addition, we have strong ties to local healthcare initiatives that provide necessary physical, mental, and emotional support to our communities. Our plants work with trusted partners focusing on the issues that significantly impact their communities, including elderly care centers, cancer treatment and support, essential supplies for the underprivileged, and programs that encourage healthy living.

A key social issue both locally and globally is food security. At OCI, advancing global food security is at the heart of what we do, with our nitrogen fertilizer products providing the key nutrient for crops. Our unique global nitrogen fertilizer production footprint gives us unparalleled agility in responding to volatile market conditions, which means we are one of the few producers to continue to provide essential nitrogen fertilizers to our European agricultural customers today.

This has allowed us to help address potential grain shortfalls and be part of the solution to a very real, human, global problem, helping to alleviate food security concerns by producing as much product as possible and filling in any supply gaps that may arise.

In addition to nitrogen fertilizer security of supply, we have consistently supported food security through local and regional community programs, including providing over 400,000 meals through the Southeast Texas Food Bank since 2015.

Analyst's corner	SASB RT-CH-210a.1

Case Study: Partnering with World Central Kitchen

As part of our commitment to help address food security concerns, we are proud to provide meaningful support to World Central Kitchen (WCK) a nonprofit organization that is first to the frontlines, providing fresh meals in responses to crises around the world, while working to build resilient food systems with locally-led solutions.

As a first investment, we made a USD 1.5 million donation to assist World Central Kitchen in mobilizing to cook and serve 500,000 meals to people in need. This donation helped support the WCK Relief Team in continuing their work around the world. During 2022, WCK responded to crises in more than 30 countries and served a milestone number of meals - 195 million, which is more meals distributed this year than all of WCK's history.

"This donation will be meaningful in helping WCK serve comforting meals to survivors of disasters, quickly and effectively," said Erin Gore, WCK's Senior VP for Development. "We know that good food provides not only nourishment, but also comfort and hope, especially in times of crisis."

For more information about World Central Kitchen and how to support their work, visit www.wck.org.

Governance performance

OCI's governance is aimed at supporting our ambition to provide a cleaner future, sooner, and providing sustainable long-term value creation for all our stakeholders. Our CARE values and OCI Behaviors shape our governance, our culture and our compliance framework.

Performance summary

Responsible business practices

Compliance concerns investigated

100% =

2021: 100%

Analyst's corner	GRI 2-12; GRI 2-13

Strategy and sustainable long-term value creation

Our strategic priorities as described in Our strategy aim to deliver sustainable long-term value creation for our stakeholders. These priorities are supported by the Board and are underpinned by our commitment to invest in technology and products that help achieve our purpose of powering a cleaner future sooner by revolutionizing energy-intensive industries that shape, feed, and fuel our world.

The Board focuses on matters contributing to sustainable long-term value creation and continues to be involved in shaping the strategy, for example through continuous engagement with all its stakeholders, including investors, employees, customers and suppliers, regulators and governmental bodies, and extensive and recurring Board discussions on strategy. Our Board carefully weighs the interests of stakeholders in developing the vision for this sustainable long-term value creation, and regularly monitors and evaluates the progress and realization of our sustainable long-term value creation. Topics our Board paid attention to in 2022 were, amongst others, sustainability in general and in particular sustainability projects to decarbonize, health and safety within our global organization, commercial strategy and operational excellence and the people & culture. The Executive Directors present the Company's progress and realization of key strategic objectives and initiatives at every Board meeting.

Stakeholder engagement

We have a comprehensive stakeholder engagement program through which we maintain regular dialogue with our stakeholders, and our Board is fully apprised of shareholders' areas of focus, concerns, and feedback at each Board meeting. Please refer to 235 of this Annual Report for an overview of our approach to each stakeholder group and our engagement in 2022.

Governance performance continued

Sustainability governance framework

Sustainability is embedded into all aspects of our organization, including our strategic objectives, risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making. The Board has overall responsibility for OCI's strategy, business objectives, and risk management, including sustainability.

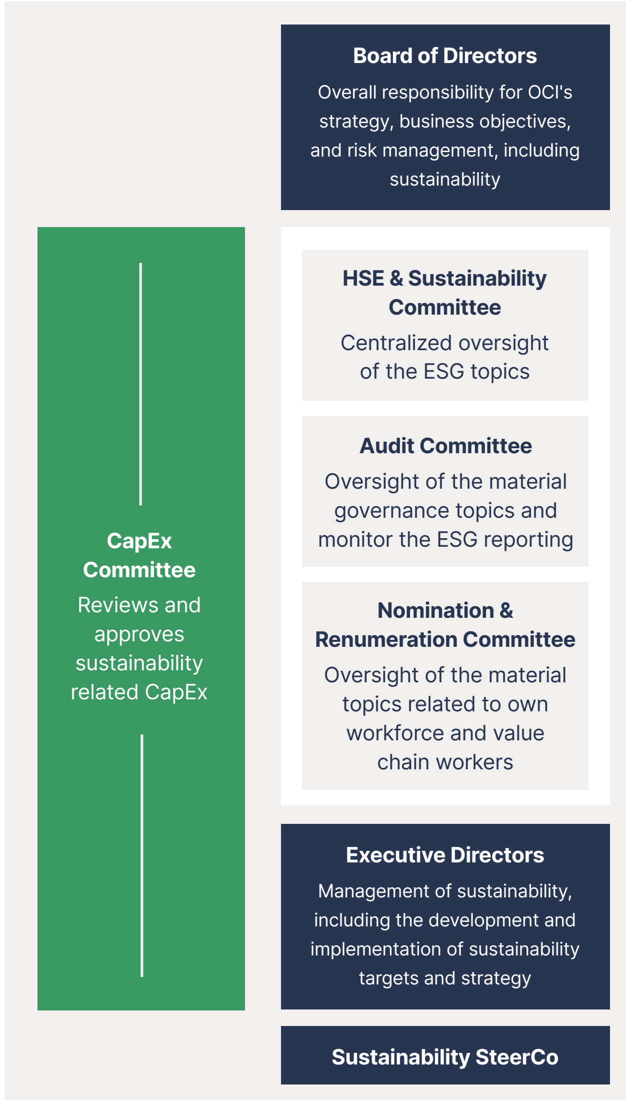
To demonstrate our commitment to sustainability, we took further steps to improve our Sustainability Governance Framework in 2022: at the Board level, we have amended the governance structure around all ESG topics with the HSE&S Committee having oversight and the Audit Committee and N&RC Committee having responsibilities for the monitoring of the Company's material impacts and risks and opportunities of specific topics (see figure on the right), including the Company's strategy, targets, action plans and performance measurement. The Board Committees monitor the progress made in the material ESG areas, the current and emerging topics, technologies and trends relating to sustainability, including new or emerging opportunities and projects that may affect the business, operations, performance or public image of the Company or are otherwise pertinent to the Company and its stakeholders, review and evaluate the KPIs with a longer term view towards achieving announced Company targets and review the Company's ESG disclosures.

The HSE&S Committee's responsibilities include overseeing the Company's strategy, policies, targets and action plans relating to all material ESG matters with a particular focus on climate change, water & marine resources, biodiversity & ecosystems, pollution and circular economy, as well as affected communities and consumers/end-users.

The N&RC Committee is responsible for identification, remuneration/equal opportunities, working conditions and other material work-related rights of its own workforce and managing the Company's material impacts on value chain workers and related material risks and opportunities.

The responsibilities and duties of the Audit Committee include the monitoring of the ESG reporting process, the monitoring of the process to identify the information reported according to the relevant ESG reporting standards, submitting recommendations or proposals to ensure integrity of the sustainability information, the monitoring of the effectiveness of internal quality control and risk management systems and internal audit regarding ESG reporting, the monitoring of the assurance of the annual and consolidated ESG reporting, reviewing and monitoring independence of the statutory auditors or the audit firms and monitoring the disclosure of information enabling users of the Company's sustainability statements to understand the governance structure, and its internal control and risk management systems and strategy and approach, processes and procedures as well as its performance in respect of responsible business conduct.

The Board has tasked the Executive Directors with the management of sustainability objectives, including the development and implementation of our sustainability targets and strategy, supported by the newly created Sustainability Steering Committee, chaired by the Chief Legal and Human Capital Officer (CLHCO) and including the Sustainability, Finance, Manufacturing, Human Capital, HSE, Legal, Compliance, Risk Management, Corporate Affairs, Government & Public Affairs, IT and ESG Reporting group functions.



Analyst's corner

GRI 2-12; GRI 2-13

Governance performance continued

Sustainability governance framework continued

Each production facility's leadership team is responsible for identifying and evaluating sustainability projects and opportunities, and report on their progress to the Executive Directors during the site's monthly business reviews. The CapEx Committee reviews and approves sustainability related CapEx with a view to balance our sustainability goals with our other commitments and investment returns thresholds.

The CEO, supported by the VP Sustainability, oversees the group's sustainability function and execution of our group-wide sustainability strategy in close cooperation with other group functions and local leadership. We created a new ESG reporting team within the Finance function in 2022.

In 2022, we also continued and expanded our work with state governments, politicians and authorities across our regions to advance our business objectives and the energy transition, in particular with regard to the decarbonization projects that we are developing on the basis of our sustainability strategy. In the Netherlands, we have signed a non-binding Expression of Principles with the Dutch Government and the provinces of Limburg and South Holland, to accelerate our decarbonization strategy and discuss tailored government support related to regulatory hurdles and funding gaps.

Analyst's corner	GRI 2-12; GRI 2-16; GRI 2-23; GRI 2-24; GRI 2-25; GRI 2-26

Our approach to responsible business practices

Our compliance framework

As part of our **CARE values**, our standard of **Excellence** emphasizes the requirement to act with integrity, by all of our employees during all of our business activities. This is also reflected in our OCI behaviours (see further Social performance, pages 64-71) and our Code of Conduct, which requires all employees to act responsibly, transparently and with integrity and respect towards all stakeholders. Whereas our Code of Conduct sets out the principles every employee should observe to do business with integrity, its underlying Policies contain further guidance on specific topics, such as anti-bribery and anti-corruption, competition, sanctions, human rights, data privacy and whistleblowing.

The Compliance function provides advice on these topics and ensures that our employees are aware of and trained on the Policies.

Our compliance organisation

The Board is ultimately responsible for compliance. The Global Compliance Director reports to the CLHCO and is responsible for maintaining OCI's Compliance Framework to ensure it is in line with applicable laws and regulations and tailored to the needs of our company, as well as setting the compliance agenda and the implementation thereof.

Operations and business management are responsible for compliance within their respective operations and businesses and are supported by a Local Compliance Officer. The Local Compliance Officer reports to both operations management and to corporate leadership. On a quarterly basis, the Local Compliance Officers report to OCI's Compliance function on the implementation of the Compliance Framework in the operations and any compliance issues. Our partnership Fertiglobe has its own framework in place which is based on OCI's Compliance Framework and applicable laws and regulations. Since Fertiglobe has become more independent, it has further matured through the year by aligning it's OCI based Compliance Framework priorities to the local environment as well as applicable laws and regulations, thereby also meeting the requirements and targets set by OCI.

In 2022, we have held regular Knowhow meetings with the Local Compliance Officers of all OCI operations to share knowledge, best practices and discuss dilemmas.

On a quarterly basis, the Compliance function reports on the progress of compliance projects, compliance developments in the operations and businesses and compliance incidents investigations to the Audit Committee. Key elements of our Compliance Framework are embedded in our controls.

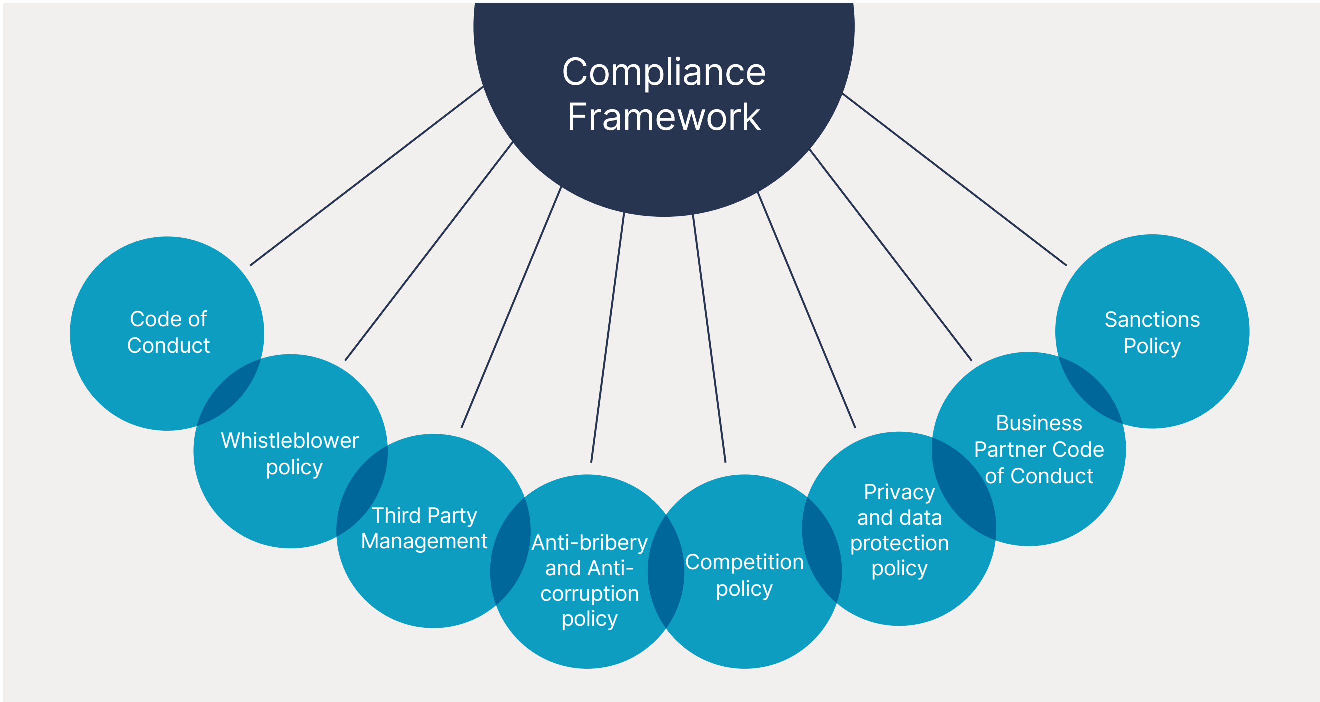
> "At OCI we want to do business the right way, and by doing so we safeguard our reputation and long-term success."

Maud de Vries, Chief Legal and Human Capital Officer OCI N.V.

Governance performance continued

Our approach to responsible business practices continued

Our compliance framework continued



Our whistleblowing framework

We encourage our employees to speak up about compliance concerns which gives us the opportunity to investigate and if required remediate the issue. Our Whistleblowing Framework is described in our Whistleblower Policy. We offer several channels to report compliance concerns, both locally and at corporate level, also anonymously. An independent third party provider operates our whistleblower hotline through which reports can be made by phone or online. External parties, including our business partners, can also report potential compliance incidents.

All reports are treated confidentially. Investigations are executed in line with our procedures which ensure prompt, objective and fair investigations. Should compliance incidents qualify as material, the Integrity Committee, consisting of the CFO, the CLHCO and the Global Compliance Director, handles the investigation. We do not tolerate retaliation and, should retaliation occur, treat this as a disciplinary matter.

During 2022, 46 compliance concerns were reported, the majority of which originating from Fertiglobe. This significant increase vis-à-vis the previous year likely results from increased employee awareness and trust, achieved by continuous communications about our whistleblowing framework in any online and offline compliance training and other communications. Reported concerns mainly related to conflicts of interest, workplace behaviour and human resources matters. Of these reports, 16 were closed as substantiated and 29 as unsubstantiated, and 1 case is still open at the time of finalisation of this Annual Report. None of these compliance incidents qualified as material. All investigators handling these cases were independent from the chain of management involved in the matters. Where required, remediation actions have been taken which include process- and control improvements and learning and awareness initiatives.

Third party management

We seek to do business with customers, suppliers and other third parties which uphold the same values as OCI. A key aspect of our Third Party Management is our Integrity Due Diligence Program. As part of this program, we screen our prospective third parties to identify potential issues regarding bribery & corruption, violations of sanctions laws, human rights, labour conditions and other compliance issues. Where required, we perform additional in-depth due diligence and take action to remediate risks or do not engage with a certain third party. When a third party is included in our Integrity Due Diligence tool, it is subject to ongoing monitoring which means that we receive alerts on any new potential compliance issues. Local Compliance Officers monitor compliance with our Integrity Due Diligence Program in their operations and report to Corporate Compliance, which keeps oversight and provides advice where needed. Key business stakeholders are trained on the program.

We continuously monitor relevant sanctions developments, with focus in 2022 on Russia-related sanctions pursuant to the invasion of Ukraine.

Analyst's corner	GRI 2-16; GRI 2-23; GRI 2-24; GRI 2-25; GRI 2-26

Governance performance continued

Our approach to responsible business practices continued

Our compliance framework continued

Third party management continued

A new addition to our Integrity Due Diligence Program as of Q4 is vessel sanctions screening, whereby sea freight vessels and their associates, are screened against various sanctions watchlists prior to vessel appropriation. We maintain a Business Partner Code of Conduct which outlines our expectations towards our business partners with regards to the same compliance topics as are included in our Code, and invites our business partners to report any potential compliance incidents to OCI directly or through our whistleblowing hotline.

With regards to competition compliance, we have updated our risk assessment and provided workshops and training sessions to senior management and commercial staff.

Our learning & awareness program

During 2022, our employees, including new joiners, were trained via a group-wide E-learning platform on our Code of Conduct, Diversity & Inclusion, Conflict of Interest, Anti-Bribery and Anti-Corruption. We have launched a dedicated and mandatory compliance onboarding webinar in selected operations and have launched a new mandatory e-learning on Anti-Bribery & Corruption (AB&C). We have provided risk-based training to relevant audiences on specific topics including Integrity Due Diligence, sanctions, third party payments and competition compliance both through webinars and in-person training sessions. We have regularly communicated on (specific topics of) our Compliance Framework to our employees.

Tax management

OCI aims to be a strongly committed member of the communities within which it operates and will be a good corporate citizen acting at all times with explicit and demonstrable responsibility, transparency, and integrity in all its dealings. OCI therefore aims to have positive relationships with all its key internal and external stakeholders (including Tax Authorities) and to manage its tax affairs efficiently, effectively and within the boundaries of OCI's CARE values. As a key principle, OCI should ensure that all tax activities are carried out in adherence to both the letter and the spirit of applicable tax laws and regulations. OCI's approach to tax is further outlined in the Tax Management Policy adopted in 2020 which is published on OCI's website.

On 20 December 2021, the jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (OECD BEPS) released the so-called Pillar Two Model Rules (also referred to as the "Anti Global Base Erosion" or "GloBE" Rules) which are designed to ensure that large multinational enterprises (MNEs) pay a minimum level of tax of 15% on the aggregated qualifying income arising in each jurisdiction where they operate ('Pillar Two'). On 15 December 2022, the EU Member States unanimously adopted an EU directive ensuring a global minimum level of taxation and agreed to apply these rules for fiscal years starting on or after 31 December 2023.

A taxpayer will fall within the scope of Pillar Two if it has foreign presence, more than EUR 750 million in consolidated revenues and is not listed as an out-of-scope entity.

A qualifying taxpayer calculates its effective tax rate for the aggregated activities in each jurisdiction where it operates and pays top-up tax for the difference between its effective tax rate per jurisdiction and the global minimum tax rate of 15%. Any resulting top-up tax is generally charged in the jurisdiction of the ultimate parent of the MNE (OCI N.V.).

The OCI group is at risk of a top-up tax for the activities held by the Fertiglobe group due to respective source jurisdictions having a potential effective tax rate below 15% as determined under the Pillar Two rules. As the Pillar Two rules allow for a levy by the source jurisdiction under the so-called Qualifying Domestic Minimum Top-up Tax as well as by an intermediate holding jurisdiction under the Partially Owned Parent Entity rules, it remains uncertain in which jurisdiction the top-up tax will need to be remitted as well as based on which ownership percentage. It is expected that in the course of 2023 other relevant jurisdictions will announce further guidance on the implementation of the Pillar Two rules in their respective jurisdictions.

Analyst's corner	GRI 2-23; GRI 2-24

4 Risk Management

Enterprise risk management and internal control

Our businesses inherently involve risks. Our management is cognizant of these risks and takes a measured mitigation approach. Our Board and management foster a transparent company-wide approach to risk management and internal controls, driven by our conviction that risk management is most effective when it is aligned with our strategy, is integrated at all management levels, and is as dynamic as the industry and environments where we operate, allowing us to quickly act on value creation opportunities.

Our approach to Risk Management

Enterprise risk management (ERM) framework

Risk management is a company-wide activity with roles and responsibilities allocated across all levels of the group to secure our in-control position. Equipped with updated insights from the market, industry, and geopolitics, we follow a bottom-up and top-down approach to ensure that all relevant business and ESG risks are identified, managed, and reported in a timely and comprehensive manner. The Internal Audit & Risk Team is tasked with providing reasonable assurance to the audit committee that this risk management approach is designed and working effectively throughout the year.

The Board has the overall responsibility of maintaining a sound and effective risk management and internal control program. The Audit Committee supports the Board in monitoring our risk exposure, including the design and effectiveness of our internal control program. While every OCI employee is responsible for managing risk within his or her own area of activity, the Executive Directors – and particularly the CFO – own the Group-wide risk landscape and lead the effort in mitigating all types of risks.

Each quarter, executive management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial and compliance risks with the involvement of key stakeholders. The Internal Audit & Risk team assists the Audit Committee, Executive management, and local management by facilitating the identification of risks and the promotion of risk awareness and ownership across our organization.

Internal control framework (ICF)

The Internal Audit & Risk team is centrally managed at the group level and operates across the operating companies. This ensures our ICF is properly institutionalized and applied, and we are continuously aligned with our external auditors.

Our ICF is aligned with the Internal Control Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Dutch Corporate Governance Code. It is designed to provide reasonable assurance that the risks we face are properly evaluated and mitigated, and that management is provided with all information necessary to make informed decisions. Our Internal Audit function is certified by the Institute of Internal Auditors (IIA).

Our Internal Audit & Risk team performs fraud risk assessments across the organization which are built into our ERM, ICF and Internal Audit activities. Our fraud risk assessments include the identification of internal controls that mitigate fraud risks.

The EU's Corporate Sustainability Reporting Directive (CSRD) will go into effect in 2024 and management, with the support of the Internal Audit & Risk team, is expanding the internal control framework to incorporate the necessary ESG controls. During 2022, an independent readiness assessment was performed to review the four selected ESG KPIs: GHG Intensity, Energy Efficiency, Loss Time Injury Rate, and Total Recordable Injury Rate. The scope of review included the internal control environment and process level controls.

To prepare for the external assurance engagement in 2023, the Internal Audit & Risk team will support management in establishing the necessary controls over the reporting of the additional 2023 in-scope KPIs.

Analyst's corner	GRI 201-2 TCFD Gov. a) b); Strategy a) b) TCFD Risk Management a) b) c)

Enterprise risk management and internal control continued

These categories allow management to identify & manage risk, and protects OCI's ability to create sustainable long-term value.

	OPERATING COMPANIES	CORPORATE MANAGEMENT	INTERNAL AUDIT & RISK	BOARD OVERSIGHT
Key responsibilities	- First line of defense responsibility for the establishment of an effective control environment based on corporate directives and policies - Operational management reporting, risk assessment and mitigation - Internal controls implementation and self-assessment	- Risk reporting, assessment, and mitigation - Steering and supervision of the Compliance Framework - Identification of and capitalization on key opportunities - Assessment of key market, financial regulatory, and technological developments against strategy execution	- Independent and objective assurance on the effectiveness of governance, risk management, compliance, and internal controls	- Defines risk appetite and oversees risk management strategies and activities - Delegates responsibility to the Executive Directors and provides resources to achieve the objectives of the organization - Oversees an independent Internal Audit function
Review and reporting processes	- Detailed monthly review of performance, financials, operating issues, and key risks, including Material ESG KPIs. - Quarterly risk assessments and reporting of business risk profiles to corporate leaders and executive directors - Local Internal Control Officer is responsible for supporting local management on the effective implementation of internal controls, the compliance framework, and assists in monitoring and investigating Whistleblower reports - Local management signs the Non-Financial Letter of Representation to annually certify the in-control position in relation to the Code of Conduct, Corporate policies, and other non-financial requirements, which includes an assessment of our business conduct in relation to the treatment of the environment, people, and our policies and procedures to address corruption. - Operational, health, safety, environmental, quality, security and emergency preparedness systems are in place at each subsidiary	- Consolidated budget and forecasts are used by management to evaluate KPIs, investment strategy, and operations - Each quarter, Corporate management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial, sustainability, and compliance risks with the involvement of key executives and corporate function heads - Management is responsible for compliance with OCI's policies, internal control system and risk management process. Internal Audit & Risk facilitates, supervises and provides proactive advice on the internal control system and the risk management process. - Additional control leadership from other corporate functions including Corporate Technical and HSE, Compliance, Internal Control, Legal, Tax, Strategic Planning, Group Controller, ESG Reporting and Sustainability.	- Quarterly reporting by the Internal Audit & Risk department to the Audit Committee of the results of internal audits, status of internal controls implementations, operating company risk assessments and Group consolidated risk dashboard, highlighting effectiveness of actions taken to mitigate the risks, risk trends and the status of risks and issues - Internal Audit & Risk facilitates management's monitoring and assessment of enterprise risks and risk mitigation using a risk management application. - Internal Audit & Risk performs periodic independent internal audits of subsidiaries. Management is engaged in the identification and remediation of control gaps - The progress of audit action plans is monitored by the Internal Audit & Risk department, local internal control officers and by local as well as Corporate senior management - Internal Audit & Risk assists the compliance function in monitoring the Whistleblower Hotline and in carrying out investigations as deemed necessary	- Board of Directors is given a full financial and operational update by the Executive Directors at each Board meeting - Audit Committee (on behalf of the Board) monitors and reviews the internal control and risk management system and provides guidance or investigates specific topics as needed - The Board oversees the performance of both the Internal Audit & Risk team and the external auditor, and receives regular updates and reports from both functions

Enterprise risk management and internal control continued

Our key business risks with management's assessment of each risk's potential development

Our risk appetite is flexible to account for our diversified market presence and product portfolio and is tailored to four main categories. These categories tie into our strategic priorities and aim to support our ability to mitigate against risks and protect OCI's ability to create sustainable long-term value.

STRATEGIC	OPERATIONAL	FINANCIAL	REGULATORY
Description Risks that may impede our ability to achieve strategic objectives that we believe are critical to our performance and growth. These are risks that are considered strategic matters for the Board and Executive Directors, and may impact the company as a whole.	**Description** Risks that may impede our ability to achieve operational objectives and performance. These risks can be internal or external, and are typically directly managed and monitored by the local management teams of each operating company and supervised by our Executive Directors.	**Description** Risks related to financial, accounting, and reporting controls and processes that may impede our ability to meet financial commitments, obligations, and daily operating needs.	**Description** Risks related to non-compliance with or changes in laws and regulations that may require changes in the way we do business.
Risk appetite As a leading player in our markets, we are able to take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our stakeholders while maintaining a stellar reputation in the markets where we operate. We take a measured approach to strategic risk management with the risk appetite set by our Board for required investment returns, ESG goals, market risk appetite, growth capital expenditures, and corporate actions.	**Risk appetite** We aim to minimize operational risks while maximizing our ability to capitalize on our leadership positions in our markets. We strive to maximize operational excellence across our company, striving to recruit, develop and retain a diverse and talented workforce, while fostering a 'safety first' culture across our organization and facilities with a zero-tolerance approach to HSE risks. We continually assess and update our IT security controls and IT defense strategies to maintain data integrity, data privacy, and cybersecurity.	**Risk appetite** We implement a financial strategy to maintain an efficient balance sheet whilst securing access to financing through our investment grade credit rating while balancing our capital expenditure needs. Our risk appetite and key policies are described throughout the annual report.	**Risk appetite** We comply with applicable laws and regulations everywhere we do business. All employees are bound by our Compliance Framework, which we are continuously embedding throughout our organization. It is in our core values to act with honesty, integrity and fairness to foster a business climate that maintains such standards.

Analyst's corner

GRI 201-2
TCFD Gov. a) b); Strategy a) b)
TCFD Risk Management a) b) c)

Strategic risks

Associated Strategic Priority	Commercial Excellence

Risk	Risk trend	Risk appetite	Description	Risk management approach
POLITICAL AND GEOPOLITICAL RISK, RISK OF UNILATERAL SOVEREIGN ACTIONS, AND MACROECONOMIC CHANGES	Risk increasing	Moderate	OCI does business in both developed and emerging markets, which means that we are exposed to some countries where there is a risk of political or socioeconomic instability, including the risk of adverse sovereign actions. Accordingly, developments in any of the countries in which we operate can create an uncertain environment for investment and business activity and may adversely impact our business. This includes certain partnerships and joint ventures that involve various economic, operational, and legal risks that are different from the risks involved in owning facilities and operations independently. In addition, as our products and key inputs are global commodities, we are exposed to the impacts of global geopolitical instability. The macroeconomic and geopolitical volatility, such as the Russian-Ukrainian war and any political instability around the world has resulted in economic and market disruptions. Our businesses may also be affected by potential unilateral actions by governments to control socioeconomic impacts.	We mitigate the impact of potential risks in any single market by maintaining diversified sales destinations and geographic locations of our production facilities. We sell our products around the world, reaching more than 50 countries in 2022. Our maximum proven production capacity (MPC) of 16.7 million metric tons is geographically split, with 35% in the USA, 23% in Europe, and 42% in the Middle East and North Africa. We continue to closely monitor regulatory developments and maintain flexibility to change trade flows that optimize net profits while adhering to applicable regulatory frameworks. We actively monitor economic, political, and regulatory developments. As part of our effort to be a 'local' player in each of our markets, we have strategically partnered with sovereign-backed entities and maintain positive relationships with governmental bodies in the countries where we operate. Our legal and compliance teams diligently monitor and review our practices, to ensure we stay compliant with any changes in relevant laws and regulations. Management maintains contingency plans for various unforeseen events and adverse scenarios. We proactively perform due diligence procedures and continuously assess and monitor our customers, suppliers, service providers and business partners to ensure our and our partners' compliance with sanction legislation and mitigate the risk of supply disruptions. Evaluation of credit exposure and credit limits, supply alternatives and back-up solutions are other enablers to ensure business continuity.

Risk trend Risk decreasing Risk stable Risk increasing

Strategic risks continued

Associated Strategic Priority	Sustainable Benefits	Hydrogen at our Core

Risk	Risk trend	Risk appetite	Description	Risk management approach
ABILITY TO EXECUTE STRATEGIC PROJECTS AND INVESTMENTS RELATED TO OUR DECARBONIZATION STRATEGY	Risk stable	High	The success of our projects, investments and initiatives related to our hydrogen strategy and development of our low carbon portfolio, is dependent on several exogenous factors such as regulatory support and government decarbonization policies, the timely development of sustainable technologies, supply and demand dynamics for blue and green ammonia and methanol, and the timing of the global transition to a hydrogen economy. Other risk considerations include internal factors such as our ability to execute timely and on-budget, the quality of our construction, and our reliance on third parties. Accordingly, our strategic projects, expansion of existing assets, and construction of new assets may not be as profitable as anticipated, and may be subject to integration, regulatory, environmental, political, legal and economic risks, which could adversely affect our business. Please refer to page 274 for a description of the risks and opportunities related to climate change.	We have a comprehensive decarbonization strategy and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change, including capitalizing on the substantial hydrogen economy opportunities afforded to us by our primary products – ammonia and methanol. We follow a strong value creation logic to evaluate our sustainability projects, with clear capital allocation targets, a focus on strategic partnerships and low-capex solutions, and conservative pricing assumptions for emerging products. We are committed to maintaining a robust and disciplined capital allocation policy designed to balance the availability of funds and dividend distribution with growth opportunities and value accretive sustainability initiatives, while maintaining an optimal balance sheet and an investment grade debt profile. We have an extensive history of successfully building projects of large scale and complexity, both individually and in partnership with our investment partners.
CLIMATE, ADVERSE WEATHER CONDITIONS, AND NATURAL DISASTERS	Risk stable	Moderate	Climate change and adverse weather conditions can negatively impact field work and fertilizer application seasons, which may affect the demand for our products. Climate change also poses a global transition risk which may result in changes to market dynamics, legislation, and technology. Please refer to page 274 for a description of the risks and opportunities presented by climate change. Adverse weather conditions and natural disasters, health epidemics or pandemics, and other extraordinary events could result in property damage, loss of life, production interruptions, price volatility, and supply chain disruptions.	We have a balanced product split with no single product representing more than approximately 34% of our MPC. Our products have inherently different industrial dynamics, including different supply/demand drivers, seasonal cycles, customers, competitors, and other factors that may affect prices and demand patterns. This mitigates the risk of the impact of an individual product's fluctuations and results in a more stable revenue stream. We are also geographically diversified, reducing the risk of local or regional weather events. We are committed to exploring and promoting the highest standards of environmental responsibility, through low carbon investments, reduction of our environmental footprint and digital solutions. Please refer to Our strategy and Environmental performance for a description of how we intend to reduce our environmental impact and contribute to achieving global decarbonization goals. In terms of natural disasters and pandemics, we have comprehensive emergency preparedness systems in place that allow us to quickly react to extraordinary events, and our assets have business interruption insurance policies in place that cover natural disasters.

Risk trend Risk decreasing Risk stable Risk increasing

Operational risks

Associated Strategic Priorities	Commercial Excellence	Strategic Assets

Risk	Risk trend	Risk appetite	Description	Risk management approach
CHANGES TO CONDITIONS AFFECTING OUR MARKETS AND COMMODITIES	Risk increasing	Moderate	Our products are global commodities whereby supply-demand dynamics can be affected by global trends such as population growth which impacts demand for food, swings in crop and agricultural prices; and global production capacity. The price volatility of raw materials, particularly natural gas, can impact our profitability and production. The price of natural gas can be impacted by increased demand, global weather patterns, country sanctions and restrictions, and supply deterioration.	Our diversified product mix is exposed to a variety of cyclical and seasonal patterns which mitigates the impact of an individual product's fluctuations and results in a more stable revenue stream. We continuously evaluate our price exposure and have hedged both our products and our raw material feedstock positions where appropriate based on our risk appetite and our understanding of market factors. We also occupy a leading market position in many of our products. We have policies in place to respond to competitive factors and maintain mutually beneficial relationships with our key customers to effectively compete and achieve our business plans. We have global sales, marketing, distribution, and logistics teams that work diligently to expand our sales channels, develop new and repeat customer relationships, negotiate favorable contracts, and create market contacts by attending various industry and trade conferences. Our manufacturing teams work diligently to ensure our plants operate efficiently to produce high quality products that meet or exceed international standards. In terms of the availability and cost of our key feedstock – natural gas – we have hedged our global exposure to natural gas price fluctuations through a mix of long-term contracts in the United Arab Emirates, Egypt and Algeria, and hedge positions in the United States and the Netherlands, based on a risk management strategy approved by executive management.
BUSINESS INTERRUPTION AND PRODUCTION	Risk stable	Low	Our production facilities may experience unplanned shutdowns or utilization rate reductions, which may result in lost volumes and unplanned costs. Examples of our risk exposure include insufficient reliability and maintenance programs and poor management of major turnarounds.	We have consistently invested in best-in-class technologies at all our facilities, which maximizes reliability and efficiency. Our facilities on average are young compared to our peers in the industry. We have also invested heavily in our older facilities to refurbish, debottleneck, and improve efficiency and reliability. We have a well-developed preventative maintenance system, including scheduled maintenance turnarounds, frequent follow ups on action items from previous shutdowns, and regular knowledge- sharing amongst all sites including comprehensive training programs for our plant employees. We maintain adequate spare parts positions and winterization procedures (where appropriate) as well as reliability initiatives where required. We perform third-party expert audits on plant reliability and pre turnaround audits. Our plants have Business Continuity plans to respond to adverse events, and for large and extended shutdowns, our plants have business interruption insurance.

Risk trend Risk decreasing Risk stable Risk increasing

Operational risks continued

Associated Strategic Priorities	Engaged Organization	Long-Term Sustainable Value Creation

Risk	Risk trend	Risk appetite	Description	Risk management approach
HUMAN CAPITAL	Risk increasing	Low	Our ability to compete effectively and meet market demands depends heavily on the competence, engagement, enablement, and performance of our employees. Our ability to recruit, develop and retain talented employees is essential in maintaining our high-quality operations, strategic expansion opportunities and to meet the expanded social and governance demands.	We have been able to attract, motivate and retain knowledgeable and experienced employees thanks to our reputation and market position, our in- house training and talent development programs, our Employee Incentive Plans (as described in note 22 of the financial statements). Additionally, we have engaged in strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies. The success of our company is dependent on positive employee relationships across diverse backgrounds. We continue to foster a positive and respectful working environment and equal opportunity workplace, through our expanded diversity and inclusion program, code of conduct training, tuition reimbursement and employee engagement. We also provide training to our employees, to raise awareness on these topics. We continue to institute employee succession programs for key positions across the group to ensure effective knowledge transfer in support of the continuity of our business operations.
CYBER-SECURITY	Risk stable	Low	Despite our IT security measures, our information technology and infrastructure may be vulnerable to cyber-attacks or breaches. Any such breach could result in business disruption or compromise our systems and result in downtime or leak of personal and/or business sensitive data adversely affecting our reputation.	We continuously assess and update our security controls and defense strategies to strengthen our security posture and minimize our vulnerabilities to cyber-attacks. Our IT team is focused on the monitoring and enhancement of our group IT security posture for both our IT infrastructures and Operational Technology. We invested in the migration to SAP S/4 Hana, which will create a consistent enterprise resource planning (ERP) application across our Company. In addition, we invest in internal resources, training, and engage with external security experts to support the implementation of various action plans that are part of our comprehensive cyber security management system. Throughout the year, we run several internal and external security assessments across the group to ensure that our risk levels are acceptable. We also maintain a group wide cyber insurance program as last line of defense in case of adverse incidents. Additionally, we regularly run IT audits and security assessments to ensure the continuous effectiveness of our security measures.

Risk trend Risk decreasing Risk stable Risk increasing

Operational risks continued

Associated Strategic Priority	Engaged Organization	Sustainable Benefits

Risk	Risk trend	Risk appetite	Description	Risk management approach
ABILITY TO MAINTAIN OUR HEALTH, SAFETY AND ENVIRONMENT (HSE) STANDARDS	Risk stable	Low	Securing safe and healthy working conditions is our highest priority. Our production sites are large industrial plants, and many of our raw materials are classified as substances dangerous and hazardous to health. Such a working environment contains potential occupational health risks, as well as process and occupational safety risks to employees and contractors working on site.	We aim to minimize the exposure to conditions that could negatively affect health, security, and safety. Furthermore, we aim to minimize the probability and consequences of process safety and product safety accidents negatively affecting people, environment, and our assets. We strive to promote the highest standard of environmental responsibility with few to no incidents that cause environmental damage. We implement strict HSE training and operating discipline at every plant to minimize HSE risks, and we closely monitor our plants through regular management site visits and HSE audits, in addition to comprehensive knowledge sharing across the group. Our safety and emissions records meet or exceed international standards, underscoring our commitment to providing our employees with a safe, secure, and environmentally conscious workplace. We are actively monitoring our material ESG KPIs.

Risk trend Risk decreasing Risk stable Risk increasing

Financial risks

Associated Strategic Priority | Long-Term Sustainable Value Creation

Risk	Risk trend	Risk appetite	Description	Risk management approach
CAPITAL STRUCTURE, ALLOCATION, AND CURRENCY FLUCTUATIONS		Moderate	Our ability to deploy and raise capital effectively can impact our ability to achieve our strategic priorities or capitalize on business opportunities. We are experiencing extremely volatile debt markets with a high cost of capital for acquisitions, capital projects and debt refinancing. This could therefore have an adverse impact on our business prospects, earnings and/ or our financial position. In addition, a substantial portion of our consolidated revenue, operating expenses and long-term debt is denominated in foreign currencies. Significant changes in the exchange rates of certain operational currencies, such as the US Dollar, the Euro, and the Algerian Dinar, can have a material effect on our financial performance.	We have a robust capital allocation strategy that aligns to our strategic priorities, with governance and decision-making measures in place to balance opportunities and risks. In 2022, we achieved investment grade status, which allows us uninterrupted access to the capital markets. We closely monitor our cash position and credit lines to ensure our financial flexibility. We have diversified our funding sources to avoid dependence on a single market, staggered our debt maturity profile to reduce repayment burdens and have implemented other working capital improvement programs. OCI has robust in-house financing expertise and a proven track record in both refinancing debt and accessing new funding. We hedge our foreign exchange cash flow risk on a consolidated basis by hedging our transactional foreign currency exposure. We also hedge our interest rate risks by maintaining a debt portfolio which predominantly carries fixed rates.

Risk trend Risk decreasing Risk stable Risk increasing

Regulatory risks

Associated Strategic Priority | Sustainable Benefits

Risk	Risk trend	Risk appetite	Description	Risk management approach
CHANGES IN REGULATORY CONDITIONS IN THE MARKETS IN WHICH WE OPERATE	Risk increasing	Low	Changes in laws, regulations and the related interpretations may alter the environment in which we do business. This includes changes in governance, health and safety, competition and product-related laws and regulations, as well as changes in accounting standards and taxation requirements. This also includes the impact of proposed climate change related regulations at both the international and national levels, such as the European Union's proposed carbon dioxide reduction targets, more stringent regulations in verifying sustainability and greenhouse gas emissions, the proposed carbon border adjustment mechanism and the potential EU restrictions on nitrogen fertilizer application. Failure to comply with these laws may result in substantial fines, penalties, or other sanctions such as the obligation to invest in newer equipment, permit revocations or facility shutdowns. Consequently, we may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations. In addition, global geopolitics have created uncertainty around tariff implementation in key markets, which may affect product or feedstock pricing. Our ability to manage regulatory, tax and legal matters and to resolve pending matters within current estimates may impact our results.	We actively monitor regulatory developments to ensure we comply with the laws and regulations of the countries where we operate, including climate and HSE legislation. Additionally, we provide comments and feedback regarding proposed or draft rules when given the opportunity, specifically when draft rules are open for public comments. We have committed to reducing our greenhouse gas emissions to minimize our environmental impact and contribute to achieving the decarbonization goals set by the Paris Agreement. Please refer to Our strategy for more information. We therefore maintain relationships with state governments, authorities and agencies in the countries where we operate, to advance our business objectives and our decarbonization strategy. In the Netherlands, we have signed a non-binding Expression of Principles with the Dutch Government and the provinces of Limburg and South Holland, to accelerate the reduction of industrial CO_2 emissions from our Dutch operations and discuss tailored government support such as on regulatory hurdles and funding gaps. We continue to closely monitor and maintain flexibility to change trade flows that minimize tariffs and optimize regulatory developments while continuing to comply with regulations.

Risk trend Risk decreasing Risk stable Risk increasing

5 Corporate Governance

Co-Chair's introduction

I am pleased to report another outstanding year for OCI. Our success this year is a testament to our unique global presence, which gives us unparalleled agility in responding to volatile market conditions as exemplified by our ability to optimize ammonia production and imports in the Netherlands to continue production profitably despite the major European natural gas price challenges. We have also made significant progress in developing our lower-carbon offering to deliver on our ambition to power a cleaner future sooner, with the Board of Directors (Board) approving the development of a 1.1 million metric ton per year blue ammonia project in Texas and a carbon capture and sequestration project in Iowa, which would abate a combined 2.2 million metric tons per year of carbon dioxide once both are operational in 2025, the equivalent of taking over 460 thousand passenger vehicles off the road per year.

In addition to our focus on decarbonizing the energy-intensive industries that shape, feed, and fuel our world, the Board oversaw and approved several strategic, governance, and structural developments at OCI that we believe support the resilience of our business model, including:

1. the strategic partnership for a 15% stake in the Methanol group with Alpha Dhabi Holding and ADQ;
2. the expansion of our diesel exhaust fluid production portfolio into Europe and North Africa;
3. initiatives in our Manufacturing Excellence Program to further improve capacity utilization across our platform to achieve the full potential from our existing young asset base;
4. refinancing of debt at OCI Nitrogen Iowa and OCI NV that resulted in a strong balance sheet and capital allocation policy that received investment-grade ratings from all three major rating agencies;
5. program to align OCI's existing governance procedures to comply with the newly published 2022 Dutch Corporate Governance Code, replacing the 2016 Code; and
6. the transition from KPMG to PwC as the Company's statutory auditor for the financial year 2023, following the completion of KPMG's maximum tenure as part of the mandatory audit firm requirements in the Netherlands.

For the year ended 31 December 2022, the Board reports the following:

- The Board has reviewed and discussed the audited financial statements for the year 2022.
- The Board discussed with the external auditor the outcome of their performed audits in accordance with International Standards on Auditing.
- The Board has received written confirmation of the external auditor's independence.
- Based on the review and discussions referred to above, the Board has approved that the audited consolidated and parent company financial statements be included in the 2022 Annual Report (Annual Report).

The Board recommends that the General Meeting of Shareholders (GM) adopts the 2022 financial statements included in this Annual Report and looks forward to overseeing continued excellence in every aspect in 2023.

Michael Bennett
Co-Chair

22 March 2023

Board report

OCI N.V. is a public limited liability company (*naamloze vennootschap*) established under the laws of the Netherlands, with its official seat in Amsterdam, the Netherlands. Its shares are listed on the Amsterdam stock exchange, Euronext Amsterdam.

Governance framework

Introduction

OCI is committed to the principles of good corporate governance and has implemented a robust governance structure. The Board believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and sustainable long-term value creation of the Company.

OCI's strategic priorities aim to deliver sustainable long-term value creation for the Company and its stakeholders. These priorities are supported by the Board and are underpinned by OCI's commitment to invest in products that help achieve OCI's purpose of revolutionizing energy intensive industries and cultivating a sustainable world through value creating sustainable solutions to decarbonize industries, transport and ensure food security. Please refer to the About us section of this Annual Report for the Board's view on OCI's strategy and its implementation.

Analyst's corner	GRI 2-9; GRI 2-10

Organizational and corporate structure

OCI Global is organized by its two core divisions, the OCI Nitrogen Group and the OCI Methanol Group.

The Board sets the strategic mandate with operational, financial, and sustainability goals relayed to management.

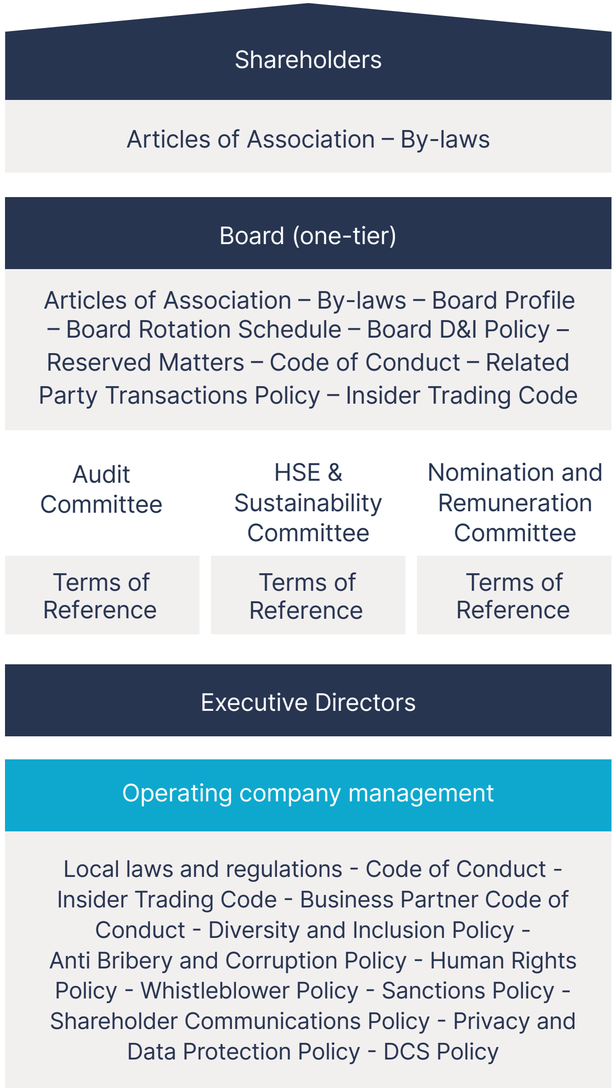
The Executive Directors manage the achievement of these goals and the day-to-day operations. In executing the goals, the Executive Directors are supported by and collaborate with expert teams, several corporate functions and operating companies and their teams. Each principal subsidiary is led by a managing director and a finance director who report to the Executive Directors.

Governance structure

OCI has designed its corporate governance structure in compliance with its articles of association, by-laws, the requirements of the Dutch civil code, the applicable Dutch corporate governance code (Code), the applicable securities laws, rules and regulations of the Amsterdam stock exchange and international best practices. All governance and compliance policies and procedures are available on our website under Corporate Governance. We refer to page 73 for the Sustainability Governance Framework.

The Board of Directors

OCI is managed by a one-tier Board comprised of Executive Directors and Non-Executive Directors. The Board maintains three committees as part of its supervisory role: the Audit Committee, the Nomination and Remuneration Committee and the Health, Safety and Environment & Sustainability Committee (Committees).



Board report continued

The Board of Directors continued

The Board is collectively responsible for OCI's management and strategy. The Board promotes a culture of openness and accountability within the Board and throughout the entire organization. The tasks, responsibilities and procedures of the Board are set out in OCI's by-laws, which are available on OCI's website.

The Board has delegated the operational management of the business to the Executive Directors, apart from certain reserved matters as set out in OCI's articles of association, by-laws and Board resolution delegation of authorities and reserved matters.

The Board is authorized to represent OCI. In addition, the Co-Chair of the Board and each Executive Director are authorized to solely represent OCI.

OCI has a Group Delegation of Internal Authority Policy in place in which the Executive Directors delegate the authority to management to internally approve commitments that relate to daily management and operations of the Company. It governs which internal approvals are required for which actions leading to an efficient yet controlled process. Checks and balances have been set by implementing three authorizing steps for entering into external commitments; consisting of consultation, internal approval and a dual signing authority of two individuals that commit in the name of OCI group entities.

Executive Directors

The Executive Directors are charged with the day-to-day management of OCI. They are responsible for the continuity of OCI, to pursue the strategies set by the Board, the optimization of its business, and creating a culture that contributes to sustainable long-term value creation for stakeholders. Each Executive Director has an individual responsibility for certain business segments, functional areas, projects and tasks.

Our ambition to seize the greatest opportunities for progress, to create a cleaner, more prosperous and sustainable future sooner and our commitment to drive the decarbonization of food, fuel, and feedstock is steered by a differentiated strategy focused on capital discipline and value creation, coupled with a unique green portfolio that enables the hydrogen economy, underpinned by strong governance. It is our mission to unlock a more secure and sustainable future for a rapidly growing world, through practical solutions that address global challenges and realize shared opportunities. We have a responsibility to decarbonize and we choose to do this in a practical way that brings results now, as well as setting the path for the future. To deliver on this, our strategic priorities are organized in six key pillars of OCI's integrated growth strategy: sustainable long-term value creation, commercial excellence, engaged organization, hydrogen at our core, sustainable benefits and strategic assets, as described in the About us section of this Annual Report.

During 2022, the Board was composed of the following four Executive Directors: Mr. Nassef Sawiris (Executive Chair), Mr. Ahmed El-Hoshy (CEO), Mr. Hassan Badrawi (CFO) and Ms. Maud de Vries (CLHCO). The Executive Chair is, amongst others, responsible for determining the strategy of the Group and providing guidance to the other Executive Directors. Further details about the Executive Directors can be found in the Board profile section in this Annual Report.

Non-Executive Directors

The role of the Non-Executive Directors is essentially supervisory in nature. The Non-Executive Directors supervise the general course of affairs of the Company and its business, including, the interests of all stakeholders, fostering a culture aimed at sustainable long-term value creation, the operational, financial and sustainability goals, the effectiveness of the internal risk management and control systems, the establishment and maintenance of internal procedures to ensure that all relevant information is known to the Board in a timely fashion, and stakeholder engagement.

During 2022, the Board was composed of nine Non-Executive Directors: Mr. Michael Bennett, Mr. Sipko Schat, Mr. Jérôme Guiraud, Mr. Robert Jan van de Kraats, Mr. Gregory Heckman, Ms. Anja Montijn-Groenewoud, Mr. David Welch, Mr. Dod Fraser and Ms. Heike van de Kerkhof. Mr. Michael Bennett is the Co-Chair and Senior Independent Non-Executive Director and Mr. Sipko Schat is the Vice-Chair and Independent Non-Executive Director. Further details about the Non-Executive Directors can be found in the Board profile section in this Annual Report.

The Co-Chair is primarily responsible for the functioning of the Board and its Committees. Together with the Company Secretary, the Co-Chair sets the agenda for Board meetings and leads an induction program for new Directors tailored to their respective needs. The Vice-Chair acts as the contact for shareholders and other stakeholders of the Company with respect to concerns which have not been resolved through the normal channels of the Co-Chair, the Executive Chair or the other Executive Directors.

Appointment of Directors

The GM can appoint, suspend or dismiss an Executive Director or a Non-Executive Director by an absolute majority of the votes cast upon a proposal of the Board.

Analyst's corner	GRI 2-9; GRI 2-10

Board report continued

The Board of Directors continued

Board rotation schedule

OCI has implemented the standard appointment terms under the Code (four years for Executive Directors and two times four years with possible extensions of two times two years for Non-Executive Directors provided that in the event of a reappointment after an eight-year period, reasons will be given in the board report) to facilitate that the Directors can focus on sustainable long-term value creation in the performance of their work. It furthermore enables the Executive Directors to ensure continuity in the Company's management and strategy and enables the Non-Executive Directors to further ensure continuity in their supervision of the Company's strategy.

OCI's rotation schedule as included in the table on the right aims to avoid, as far as possible, a situation in which Directors retire at the same time.

Name	Date of first appointment	End of current term	Code retirement (max. 8 (12) years)
Nassef Sawiris	16 Jan 2013	2024	None
Ahmed El-Hoshy	17 June 2020	2024	None
Hassan Badrawi	24 May 2018	2024	None
Maud de Vries	1 Jun 2019	2024	None
Michael Bennett	25 Jan 2013	2023	2021(25)
Sipko Schat	9 Dec 2013	2024	2022(26)
Jérôme Guiraud	26 Jun 2014	2024	2022(26)
Robert Jan van de Kraats	26 Jun 2014	2024	2022(26)
Gregory Heckman	10 Jun 2015	2024	2023(27)
Anja Montijn-Groenewoud	28 Jun 2016	2024	2024(28)
David Welch	29 May 2019	2024	2027(31)
Dod Fraser	29 May 2019	2024	2027(31)
Heike van de Kerkhof	20 October 2020	2024	2028(32)

Board composition and independence

The composition of the Board strives to arm OCI with leadership that is diverse in skills, experience, nationality, age, gender and background, thereby maximizing the Board's ability to independently and critically act without emphasis on particular interests. The Board maintains independency by ensuring the majority of the Non-Executive Directors, including the Co-Chair of the Board, are independent. Currently the majority - 8 of the 9 Non-Executive Directors, which is 88.89% - qualify as independent. Mr. Jérôme Guiraud is not considered independent within the meaning of the Code.

The Board's composition, independence, competencies, and qualifications are detailed in the Board Profile and the Board Diversity & Inclusion Policy that can both be found on the company's website. The Board Profile is assessed annually, taking into account the required competencies and expertise required for OCI's mission and strategic priorities, opportunities and threats, and its aim of sustainable long-term value creation. Appointments of new Board members are made based on objective selection criteria highlighting the specific skills and experience needed to ensure a balanced Board composition and to match the overall Board profile, thereby taking into account the bill on gender diversity that entered into force on 1 January 2022.

Analyst's corner

GRI 2-9; GRI 2-10; GRI 2-11

Board report continued

The Board of Directors continued

Diversity & inclusion

The Board acknowledges the importance of diversity and inclusion within its Board and the organization generally. Diversity and inclusion foster a sense of belonging and allow us to seek deeper connections with our increasingly diverse employees, customers, suppliers and other stakeholders.

The composition of the Board is such that the requisite expertise, background, competencies and independence - as regards the Non-Executive Directors - are present, enabling the Board to carry out its duties properly. The N&RC is assessing the Board's composition, Board rotations, and Committees' composition and rotation. As to diversity within the Board itself, the Board intends to increase the female representation in the Board as per the upcoming AGM (currently 25.0% of the Executive Directors and 22.2% of the Non-Executive Directors are female). The Board has an international geographical representation, both in terms of nationality or residence and in terms of experience, as is included in the Board profile. OCI understands and values the benefits that diversity and inclusion can bring to its Board. Diversity and inclusion in the Boardroom in its broadest sense is recognized as a driver of OCI's Board effectiveness. A diverse combination of demographics (age, race, ethnicity, gender, education), knowledge, skills, experience and personalities is important in providing a range of perspectives, approach, insights and challenge needed to support judicious decision-making and achieving meaningful discussions within the Board.

Board involvement

Members of the Board regularly visit one or more of OCI's plants, headquarters and corporate offices to gain greater familiarity with the workforce and senior management and to develop deeper knowledge of local operations, local customs, operational opportunities and challenges, and the business in general.

In 2022, the Board conducted an in-person visit of our nitrogen production complex in the Netherlands. After a tour of the site, multiple interactive small group sessions with different disciplines from across the production complex's teams presented key plant-related strategic topics to the Board: the new functional organization, the manufacturing excellence journey, the cooperation between the facility and OCI's terminal in Rotterdam, the sustainability strategy and projects contributing to the transition to a more sustainable Dutch economy. Great focus was given to sustainability, in line with focus of our Board and senior management. The products and production processes were further explained during a tour of the site.

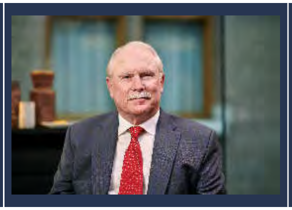
The Board interacts with senior management throughout the entire organization on various occasions and in various settings. The Board is regularly informed about relevant topics by OCI's senior leaders and experts during Board and Committee meetings, annual site visits, and also as part of their ongoing professional education.

In 2022, the Board was further trained on the European decarbonization pathways, socioeconomic implications, sustainability, and sustainability initiatives that reduce OCI's environmental impact, grow OCI's green portfolio and innovate more effective ways of reaching the world's carbon-neutral goals and sustainability governance.

Analyst's corner	GRI 2-9; GRI 405-1

Board report continued

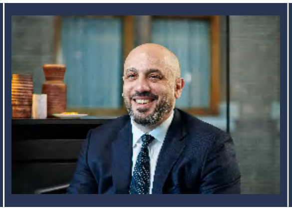
Board profile

	 **Michael Bennett** Co-Chair and Senior Independent Non-Executive Director	 **Nassef Sawiris** Executive Chair	 **Ahmed El-Hoshy** Chief Executive Officer (CEO)
Year of birth	1953	1961	1984
Gender	Male	Male	Male
Nationality	American	Egyptian/Belgian	Egyptian/American
Initial appointment date	January 2013	January 2013	June 2020
Date of last re-appointment	June 2020	June 2020	-
End of current term	2023	2024	2024
Ordinary shares owned[1]	28,500	81,732,796	182,714
Committee membership[2]	N&RC	-	-
Attendance at Board and Committee meetings[3]	BoD (6/6) N&RC (7/7)	BoD (6/6)	BoD (6/6)
Current external appointments	- Director Morningside College	- Supervisory Director Adidas AG - Executive chairman of Aston Villa FC Member of the: - J.P. Morgan International Council - Cleveland Clinic's International Leadership Board Executive Committee - University of Chicago's Board of Trustee - Exor N.V. Partners Council	- Board member International Fertilizer Association - Steering member Hydrogen Council
Expertise and experience	- Wide range of knowledge and experience in the nitrogen and methanol industry both internationally and in the United States. - Please see the summary of skills and experience on page 98.	- Wide range of international knowledge and experience in the nitrogen and methanol industry, the businesses conducted by OCI N.V. and corporate finance. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and experience in the nitrogen and methanol industry, the businesses conducted by OCI N.V. and corporate finance. - Please see the summary of skills and experience on page 98.

[1] As at publication date of the 2022 Annual Report
[2] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE&SC: Health, Safety and Environment & Sustainability Committee and N&RC: Nomination and Remuneration Committee
[3] In addition to 6 Board meetings the Board participated in additional Board calls to discuss/approve specific projects and visited OCI Nitrogen Europe

Board report continued

Board profile continued

	 **Hassan Badrawi** Chief Financial Officer (CFO)	 **Maud de Vries** Chief Legal and Human Capital Officer (CLHCO)	 **Sipko Schat** Vice-Chair and Independent Non-Executive Director
Year of birth	1976	1972	1960
Gender	Male	Female	Male
Nationality	Egyptian/British	Dutch	Dutch
Initial appointment date	May 2018	June 2019	December 2013
Date of last re-appointment	June 2020	June 2020	June 2020
End of current term	2024	2024	2024
Ordinary shares owned[1]	202,299	58,950	5,000
Committee membership[2]	-	-	AC, N&RC (chair)
Attendance at Board and Committee meetings[3]	BoD (6/6)	BoD (6/6)	BoD (5/6) AC (5/5) N&RC (7/7)
Current external appointments	-	- Director NNS Luxembourg S.à r.l. - Supervisory Board member Majorel Group Luxembourg S.A. - Member of the Board of VEUO (a representative organization of listed companies which looks after the interest of companies listed at Euronext Amsterdam)	- Member Supervisory Board: ∘ Rothschild & Co. ∘ Rothschild Bank A.G. ∘ Trafigura Group Pte Ltd ∘ Drienim B.V. - Director Randstad Beheer B.V.
Expertise and experience	- Wide range of knowledge and experience in the nitrogen and methanol industry, the businesses conducted by OCI N.V. and corporate finance. - Risk management. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and experience in the nitrogen and methanol industry, the fields of governance, social, HR, ESG, sustainability, legal, compliance and risk management. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and experience in banking and finance within a multinational business environment. - Please see the summary of skills and experience on page 98.

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[3] In addition to 6 Board meetings the Board participated in additional Board calls to discuss/approve specific projects and visited OCI Nitrogen Europe

Board report continued

Board profile continued

	 **Jérôme Guiraud** Non-Executive Director	 **Robert Jan van de Kraats** Independent Non-Executive Director	 **Gregory Heckman** Independent Non-Executive Director
Year of birth	1961	1960	1962
Gender	Male	Male	Male
Nationality	French	Dutch	American
Initial appointment date	June 2014	June 2014	June 2015
Date of last re-appointment	June 2020	June 2020	June 2020
End of current term	2024	2024	2024
Ordinary shares owned[1]	-	3,725	40,000
Committee membership[2]	AC, N&RC	AC (chair), N&RC	HSE&SC
Attendance at Board and Committee meetings[3]	BoD (6/6) AC (5/5) N&RC (7/7)	BoD (5/6) AC (5/5) N&RC (6/7)	BoD (6/6) HSE&SC (5/5)
Current external appointments	- CEO NNS Limited - Non-Executive Chairman Orascom Construction Plc - Non-Executive Director BESIX Group - Director various NNS Group entities and OS Luxembourg S.à r.l.	- Non-Executive Chairman TMF Group - Supervisory Board Member Royal Schiphol Group N.V. - Director Randstad Beheer B.V. - Vice-Chair Supervisory Board Goldschmeding Foundation	- Member of the board and CEO Bunge Ltd - Member Rabobank North America Agribusiness Advisory Board - Member NYSE Board Advisory Council - Member of University of Illinois Division of Intercollegiate Athletics Campaign Steering Committee
Expertise and experience	- International banking and financial markets experience in the EMEA region. - Please see the summary of skills and experience on page 98.	- Experienced finance executive within a multinational business environment. - Accounting and auditing. - Risk Management. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and experience in the agricultural and energy industries both internationally and in the United States. - Please see the summary of skills and experience on page 98.

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[3] In addition to 6 Board meetings the Board participated in additional Board calls to discuss/approve specific projects and visited OCI Nitrogen Europe

Board report continued

Board profile continued

	 **Anja Montijn-Groenewoud** Independent Non-Executive Director	 **David Welch** Independent Non-Executive Director	 **Dod Fraser** Independent Non-Executive Director	 **Heike van de Kerkhof** Independent Non-Executive Director
Year of birth	1962	1953	1950	1962
Gender	Female	Male	Male	Female
Nationality	Dutch	American	American	German
Initial appointment date	June 2016	May 2019	May 2019	October 2020
Date of last re-appointment	June 2020	June 2020	June 2020	-
End of current term	2024	2024	2024	2024
Ordinary shares owned[1]	-	4,131	4,000	3,500
Committee membership[2]	HSE&SC (chair), N&RC	HSE&SC	AC	HSE&SC
Attendance at Board and Committee meetings[3]	BoD (6/6) HSE&SC (5/5) N&RC (7/7)	BoD (6/6) HSE&SC (4/5)	BoD (6/6) AC (5/5)	BoD (6/6) HSE&SC (5/5)
Current external appointments	- Member of the Supervisory Board of Fugro N.V. - Member of the Board VEUO (a representative organization of listed companies which looks after the interest of companies listed at Euronext Amsterdam) - Member of the Supervisory board of Plan Nederland	- Member of the Council on Foreign Relations and the American Academy of Diplomacy	- Independent Director Subsea 7 S.A. - Non-Executive Chairman Rayonier Inc. - Member of the Board of Fleet Topco Limited, the private holding company of Argus Media Ltd.	- Chief Executive Officer and Member of the Board of Directors at Archroma - Non-Executive Director at Venator Materials PLC
Expertise and experience	- Wide range of knowledge and experience in consultancy services, IT implementation processes, organisation strategy and management design. - Please see the summary of skills and experience on page 98.	- Broad range of knowledge and experience in government and in business, both internationally and in the United States, including Europe, Africa, and the Middle East. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and experience in corporate finance and investment banking both internationally and in the United States. - Please see the summary of skills and experience on page 98.	- Wide range of knowledge and broad international experience in chemicals industry, in both operational and strategic roles, thought leadership in sustainability strategy and strong focus on innovation and sustainability. - Please see the summary of skills and experience on page 98.

1 As at publication date of the 2022 Annual Report
2 Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE&SC: Health, Safety and Environment & Sustainability Committee and N&RC: Nomination and Remuneration Committee
3 In addition to 5 Board meetings the Board participated in additional Board calls to discuss/approve specific projects and visited OCI Nitrogen Europe

Board report continued

Board summary of skills and experience

	M. Bennett	N. Sawiris	A. El-Hoshy	H. Badrawi	M. de Vries	S. Schat	J. Guiraud	R.J. van de Kraats	G. Heckman	A. Montijn	D. Welch	D. Fraser	H. van de Kerkhof
Independent	●					●		●	●	●	●	●	●
International business experience	●	●	●	●	●	●	●	●	●	●	●	●	●
Commercial/Marketing		●	●			●		●	●	●			●
HSE	●	●	●						●	●	●		●
Strategic management	●	●	●	●	●	●	●	●	●	●	●	●	●
Financial expertise: banking		●	●	●		●	●	●				●	
Financial expertise: accounting				●		●	●	●				●	
Nitrogen/Methanol experience	●	●	●	●	●				●			●	
Emerging Markets experience	●	●	●	●	●	●	●	●	●	●	●		●
Tax/Legal/Compliance		●		●	●	●	●	●				●	
HR & executive compensation	●	●			●	●	●	●		●		●	
Risk management / Internal Control & Audit			●	●	●	●	●	●			●	●	●
Government/Regulatory knowledge	●	●	●	●	●	●		●	●		●		
Sustainability	●	●	●	●	●			●	●	●	●		●
Change management / Business consolidation	●	●	●	●	●	●	●	●	●	●	●	●	●
Technology / IT			●	●			●		●			●	

Analyst's corner

GRI 2-9

Board report continued

2022 Board and Committee meetings

The following paragraphs summarize how the duties of the Board and the Committees were carried out during 2022, including the focus topics that were reviewed, discussed and advised on.

Board

General

The Board focused on matters contributing to sustainable medium and long-term value creation and continues to be involved in shaping the strategy through regular discussions and focus on supervising medium to long-term strategic targets aligned with OCI's mission. The Board's strategic targets are focused on guiding and supervising the company's journey to achieving its commitment to sustainable long-term value-creating solutions by focusing on its integrated growth strategy of sustainable long-term value creation, commercial superiority, engaged organization, hydrogen at our core, sustainable benefits and strategic assets.

Tasks, responsibilities and procedures

The Board is entrusted with the management of the Company. In the exercise of their duties, the Directors must be guided by the interests of the Company and the business connected with it. Each Director is responsible for the general course of affairs. The Executive Directors are charged with the daily management of the business related to the Company and the Non-Executive Directors must supervise the performance of duties by the Executive Directors as well as the general course of affairs of the Company and the business connected with it. The Board is charged with the following duties and responsibilities:

- Develop strategy with a view on sustainable long-term value creation
- Identify and analyze risks associated with the company's strategy and activities and design, implement and maintain internal risk management and control systems;
- Responsible for the internal audit function;
- Responsible for the financial reporting,

as further set out in the **by-laws**.

Composition

The Board consists of one or more Executive Directors and two or more Non-Executive Directors. The total number of Directors, as well as the number of Executive and Non-Executive Directors, shall be determined by the General Meeting, taking into account that the majority of the Directors shall be Non-Executive Directors. Currently, the Board is composed of 13 Directors, of which four are Executive and nine are Non-Executive Directors, as mentioned in the Board profile section on page 94 of this Annual Report.

Number of meetings held

The Board shall meet as often as deemed necessary for the proper functioning of the Board and shall meet at least four times a year. Six meetings were held during 2022 and several interim updates (in writing and via calls), training and a site visit throughout the year.

Focus topics

- Medium- and long-term strategy
- Budget and business plan
- HSE and sustainability
- Sustainability strategy, sustainability governance, ESG reporting (preparation CSRD), sustainability/ growth projects
- partnerships, including Fertiglobe and OCI Methanol Group
- People and culture
- Diversity and inclusion
- Refinancing strategy/ debt capital structure optimization / net debt reduction
- M&A opportunities
- Dividend plan/strategy
- Hedging strategy
- Commercial strategy, sales and inventories strategy / market developments
- Operational performance and cost optimization
- Succession planning and organization design
- OCI Nitrogen Europe site visit
- Internal controls
- Cybersecurity
- Related party transactions
- Corporate Governance
- COP27
- Board evaluation
- General meetings of shareholders

Analyst's corner | GRI 2-12; GRI 2-13

Board report continued

2022 Board and Committee meetings continued

Audit Committee

General
The audit committee (AC) is a standing committee of the Board of OCI N.V. The Non-Executive Directors established Terms of Reference for the AC. The Terms of Reference indicate the role and responsibility of the AC, its composition, and the manner in which it performs its duties.

Tasks, responsibilities and procedures
The Chair sets the agenda for the AC meeting and the agenda is sent to all members of the AC, to the extent possible, accompanied by written explanations and/or other related documents for each item on the agenda.

The AC informs the Board about the way it has used its powers and of major developments in the area of its responsibilities, reports annually of the functioning of and its dealings with the external auditor and reports its deliberations and findings to the Board. The AC is charged with the following responsibilities and duties:

- Supervision of the external auditor, among others assess and evaluate the external auditor and lead partner;
- Supervision of the internal audit function, among others review the internal audit function reports and discuss the internal audit function’s responsibilities, budget and staffing;
- Supervision of financial reporting and publications, among others the Annual Report and the Board report, interim financial statements and the reports of the external auditor;
- Discuss with the Board the Company's major financial risk exposures and the steps the Board has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies;
- Discuss the earnings press release with the Board;
- Supervision of compliance with legislation and regulations, among others obtain reports from the Executive Directors, the compliance officer, the Director Internal Audit & Risk and the External Auditor to the effect that the Company and its subsidiaries comply with the applicable legislation and regulations and the internal rules of the Company;
- Discuss consequences of legislative and regulatory initiatives with the Board and external auditor;
- Review and discuss financing and finance-related strategies;
- Monitor the ESG reporting process, including risk management, internal control and internal audit regarding ESG reporting;
- ESG reporting requirements and review of the Company’s disclosures in the Annual Report, as well as any periodic disclosures on sustainability,

as further set out in the **Terms of Reference of the Audit Committee**.

Composition
The AC consists of at least three Non-Executive Directors of which more than half shall be independent within the meaning of clause 3 of the Board Profile and at least one member shall have competence in accounting or auditing. Currently the AC is composed of the following four Non-Executive Directors:

- Mr. Robert Jan van de Kraats (Chair given his competence in accounting and auditing as per section 2(3) of the Audit Committee Decree 2016);
- Mr. Sipko Schat;
- Mr. Jérôme Guiraud;
- Mr. Dod Fraser.

Number of meetings held
The AC shall meet as often, and at least four times a year, as required for a proper functioning of the AC and at least once a year with the External Auditor without the Executive Directors being present. The Chair of the AC met with the internal and external auditor in advance of every AC meeting to secure that all relevant issues were sufficiently addressed. The head of the internal audit function, the External Auditor and the CFO attended all AC meetings in 2022. The external auditor was able to meet with the AC without the presence of management. Five meetings were held during 2022.

Analyst's corner	GRI 2-9; GRI 2-10

Board report continued

2022 Board and Committee meetings continued
Audit Committee continued

Focus topics

- Evaluation Risk Management and Internal Controls including the key risks facing the Group
- IT and IT (cyber) security
- Fertiglobe governance and in-control
- Auditor transition process
- Audit report
- Quarterly financial reports and Annual Report
- In-control statement and underlying in-control situation
- Evaluation Related Party Transactions
- Tax review
- Dividend plan/strategy
- ESG reporting (preparation CSRD)
- Finance organization
- Refinancing/net debt reduction
- Evaluation Group's Compliance Framework and effectiveness
- Financial hedging control framework
- Monitoring of material claims and litigation
- Assessment of the functioning of the external auditor, its appointment, including scope, risk assessment and materiality
- Internal Audit Plan and Internal Audit findings

Analyst's corner	GRI 2-9; GRI 2-10

Board report continued

2022 Board and Committee meetings continued

Nomination and Remuneration Committee

General

The nomination and remuneration committee (N&RC) is a standing committee of the Board of OCI N.V. The Non-Executive Directors established Terms of Reference for the N&RC. The Terms of Reference indicate the role and responsibility of the N&RC, its composition, and the manner in which it performs its duties. More information on the Remuneration Policy and the 2022 remuneration review can be found in the Remuneration Report beginning on page 107.

Tasks, responsibilities and procedures

The Chair will set the agenda for the N&RC meeting with nomination and remuneration topics and the agenda is sent to all members of the N&RC, to the extent possible, accompanied by written explanations and/or other related documents for each item on the agenda. The human resources director of the Company was regularly invited to attend meetings of the N&RC.

Analyst's corner

GRI 2-9; GRI 2-10

The N&RC informs the Non-Executive Directors about the way it has used its powers and of major developments in the area of its responsibilities and reports its deliberations and findings to the Non-Executive Directors. The N&RC is charged with the following responsibilities and duties:

Nomination:

- Review composition and size of the Board to ensure appropriate expertise, diversity and independence;
- Succession planning for the Board and its Committees;
- Asses the functioning of individual Directors and the Board as a whole;
- Supervise policy of the Board on selection criteria and appointment procedures and talent management for senior management,

all while taking the Board D&I Policy and Diversity and Inclusion Policy into consideration.

Remuneration:

- Propose a clear Remuneration Policy for Executive Directors to the Board;
- Make plans and proposals for Executive Directors compensation including STI and LTI;
- Plan and prepare targets for Executive Directors;
- Prepare the Remuneration Report;
- Propose Non-Executive Directors remuneration;
- Responsible for its own workforce (except for the health and safety management system) and for managing the Company's impacts on value chain workers and related risks and opportunities,

as further set out in the **Terms of Reference of the Nomination and Remuneration Committee**.

Composition

The N&RC consists of at least three Non-Executive Directors, among which the Senior Independent Director, and of which more than half shall be independent within the meaning of clause 3 of the Board Profile. Currently the N&RC is composed of five Non-Executive Directors:

- Mr. Sipko Schat (Chair);
- Mr. Michael Bennett (Senior Independent Director);
- Mr. Jérôme Guiraud;
- Mr. Robert Jan van de Kraats;
- Ms. Anja Montijn-Groenewoud.

Number of meetings held

The N&RC shall meet as often, and at least twice a year, as required for a proper functioning of the N&RC. Seven meetings were held during 2022.

Focus topics

- Remuneration cycle and policy review
- HR roadmap: succession planning and talent management and development
- Strengthening key positions in the internal organization
- Evaluation Board profile and composition including diversity and inclusion
- Evaluation of the 2021 targets for the Executive Directors
- Setting 2022 targets for the Executive Directors
- Reviewed and advised on the compensation of the Executive Directors including one-off share award
- Reviewed compensation levels senior management
- Board succession / composition
- Fertiglobe Board fees
- Non-Executive Director remuneration
- Diversity legislation and Group-wide diversity and inclusion program

Board report continued

2022 Board and Committee meetings continued

HSE & Sustainability Committee

General
The health, safety, environment and sustainability committee (HSE&SC) is a standing committee of the Board of OCI N.V. The Non-Executive Directors established Terms of Reference for the HSE&SC. The Terms of Reference indicate the role and responsibility of the HSE&SC, its composition, and the manner in which it performs its duties. More information on HSE and sustainability can be found in 'Our performance' beginning page 41.

Tasks, responsibilities and procedures
The Chair will set the agenda for the HSE&SC meeting with HSE and Sustainability topics and the agenda is sent to all members of the HSE&SC, to the extent possible, accompanied by written explanations and/or other related documents for each item on the agenda. The HSE&SC members meet with Executive Directors and expert employees of the Company regularly. The HSE&SC informs the Board about the way it has used its powers and of major developments in the area of its responsibilities and reports its deliberations and findings to the Board. The HSE&SC is charged with the following responsibilities and duties:

HSE:

- Assess the effectiveness of the HSE programs;
- Review status of HSE policies and performance;
- Review and approve scope and budget of the HSE audit program;
- Review communication practices concerning the importance of developing a culture of HSE responsibilities;

Sustainability:

- Oversee sustainability strategy, policies and initiatives;
- Monitor and discuss sustainability goals, targets, risk management, objectives and progress;
- Monitor and discuss emerging topics, technologies and trends relating to sustainability;
- Review sustainability performance metrics and KPIs;
- Review the sustainability disclosures in the Annual Report;
- The HSE&SC shall have the sole authority to retain special legal counsel and other advisors and experts as it deems necessary or appropriate to carry out its duties;
- Oversee the Company's strategy, policies and initiatives relating to ESG and sustainability matters (linked to OCI's overall strategy), with a particular focus on climate change, water & marine resources, biodiversity & ecosystems, pollution and circular economy, as well as affected communities and consumers/end-users,

as further set out in the **Terms of Reference of the HSE & Sustainability Committee**.

Composition
The HSE&SC consists of at least three Non-Executive Directors. Currently the HSE&SC is composed of the following four Non-Executive Directors.

- Ms. Anja Montijn-Groenewoud (Chair);
- Mr. Gregory Heckman;
- Mr. David Welch;
- Ms. Heike van der Kerkhof.

Number of meetings held
The HSE&SC shall meet as often, and at least twice a year, as required for a proper functioning of the HSE&SC. Five meetings were held during 2022.

Focus topics

- 2021 HSE strategy and performance
- 2022 HSE plan and 2022 target setting
- Material safety incidents
- Incident reporting protocol
- HSE audit schedule and quality and outcome of the HSE audits
- Safety performance and process safety initiatives, including a deep dive into OCI Nitrogen Europe
- OCI Group annual process safety conference and safety award
- Sustainability strategy and journey linked to OCI's overall strategy including the commitment to reduce scope 1 and 2 CO_2 emission intensity by 20% by 2030 and achieve carbon neutrality by 2050
- GHG intensity methodology and performance
- ESG reporting (preparation CSRD)
- Safeguarding sustainability duties in the committee Terms of Reference
- OCI Nitrogen Europe site visit
- Monitor and periodically discuss the Company's sustainability goals, targets, risk management and objectives and the progress made in these areas
- Sustainability reporting requirements and review of the Company's disclosures in the Annual Report, as well as any periodic disclosures on sustainability

Analyst's corner	GRI 2-9; GRI 2-10

Board report continued

Assessment and evaluation of the Board

The Board annually conducts a self-assessment under the responsibility of the Co-Chair, assisted by the Company Secretary. This evaluation of the Board is performed every year by an independent external party. OCI engaged the services of Lintstock to assist with the 2022 review of the Board's performance. Lintstock is a corporate governance advisory firm that specializes in facilitating Board reviews and has no connection with OCI.

The first stage of the review involved Lintstock engaging with the Co-Chair and Company Secretary to set the context for the evaluation and to tailor the survey content to the specific circumstances of OCI. All Board members were then invited to complete an online survey addressing the performance of the Board and its Committees. The anonymity of the respondents was ensured throughout the process in order to promote an open exchange of views.

The exercise was weighted to ensure that core areas of Board and Committee performance were addressed, with a particular focus on the following topics:

- Board composition:
  - The evolvement of the overall Board profile and composition of the Committees over the coming years to match OCI's strategic goals, taking into account Board rotation and diversity law;
- Stakeholder oversight:
  - The understanding amongst Board members of the views and requirements of investors, customers, suppliers and employees, and the development of the mechanisms by which the Board engages with key stakeholder groups;
  - The culture and behaviour throughout OCI including diversity and inclusion and the level of employee engagement;
- Board dynamics and support:
  - Non-Executive engagement with management in providing effective support and constructive challenge;
  - The quality of information and support available to the Board;
- Board focus:
  - The focus on organic and inorganic growth opportunities;
- Strategic oversight:
  - The development, clarity and achievability of OCI's strategic plan and the strength of OCI's investment case;
  - The effectiveness of monitoring opportunities and treats to the business of new technologies and digitalization and OCI's strengths and weaknesses relative to competitors;
  - The integration of sustainability into OCI's business strategy and operations including ESG reporting and communications;
  - The oversight of the governance and operating models of OCI's strategic alliances and partnerships;
  - The oversight of various aspects of risk, including the geopolitical and macroeconomic developments and change in the regulatory landscape and competitor performance and strategies;
- Risk management and internal control:
  - The Board's oversight of risks;
  - The effectiveness of OCI's approach to HSE and to sustainability and monitoring compliance with relevant regulations and legislation;
- Succession planning and Human Capital oversight:
  - The organizational structure of OCI at senior levels, and the Board's oversight of the succession plans for the Executive Directors and the layer of management below the Board to manage and develop talent;
- The auditor transition process;
- The individual performance and personal development of each of the Board members.

The report on the results of the evaluation of the Board and its Committees are discussed in the Board and Committee meetings. The overall feedback from the evaluation in 2022 was that the Board members feel the Board generally functions well. The composition of the Board was rated highly. Suggestions were made to further strengthen the Board and its Committees with deep dives on industry and ESG. The value of continuing the Board site visits was highlighted now the international travel restrictions due to COVID-19 have been eased. The above topics have the constant attention of the Board throughout the year, and key observations and points for reflection the Board and its Committtees will focus on in 2023 include strategic matters, growth, ESG, digitalization, operational excellence, market developments, culture and behaviour, people and talent, Board composition and succession.

Analyst's corner | GRI 2-18

Board report continued

Shareholders' rights and meetings

OCI's shareholders exercise their rights through the GM. An Annual General Meeting (AGM) is held no later than six months after the end of OCI's financial year (which equals a calendar year). The 2022 AGM was held on 24 May 2022.

The GM has the authority to discuss and decide on inter alia the following main items:

- The adoption of the annual accounts;
- The release of the Directors from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts and/or otherwise disclosed to the GM prior to the adoption of the annual accounts;
- The appointment of the external auditor;
- The (re)appointment, dismissal and suspension of the Directors;
- Amendments to the Remuneration Policy applicable to the Board;
- An advisory vote regarding the Remuneration Report applicable to the Board;
- The issue of shares and the restriction or exclusion of pre-emptive rights of shareholders (both insofar not delegated to the Board);
- The reduction of share capital; and
- The approval of those decisions of the Board that entail a significant change in the identity or character of OCI or its business.

The agenda for each GM is published on OCI's website in advance of the GM. After the GM the minutes and specific voting results are made available on OCI's website as well.

Shareholders representing more than 3% of the issued share capital may submit proposals for the agenda, if substantiated and submitted in writing at least 60 calendar days in advance of the GM.

Additional General Meetings, Extraordinary General Meetings (EGM), may be convened at any time by the Board or by one or more shareholders representing more than 10% of the issued share capital. During 2022, the Board convened two EGM's that were held on 28 March 2022 (March EGM) and 19 August 2022 (August EGM).

Votes representing shares can usually be cast at the GM either personally or by proxy. No restrictions are imposed on these proxies, which can be granted electronically or in writing to OCI or independent third parties. OCI's shareholders may cast one vote for each share. All resolutions adopted by the GM are passed by an absolute majority of the votes cast, unless Dutch law or OCI's articles of association prescribe a larger majority.

In 2022, the AGM and March EGM were held virtually per the Temporary Dutch COVID-19 Justice and Security Act (Tijdelijke wet COVID-19 Justitie en Veiligheid). Shareholders were invited to follow the AGM and March EGM remotely through a live web or audio cast. Prior to the GM, shareholders were invited to vote via a proxy and submit written questions about the items on the agenda which were answered during the GM. The August EGM was held at the company's offices.

The following proposals were voted on during the 2022 GM's:

- The adoption of the Annual Accounts 2021 and allocation of profits;
- The discharge of the Executive Directors and Non-Executive Directors from liability;
- The granting of a One-off share award to certain executive directors for their 2021 performance (further information on this topic can be found in the Remuneration Report);
- The amendment of the 2020 Remuneration Policy (further information on this topic can be found in the Remuneration Report);
- To advise on the 2021 Remuneration Report;
- The extension of the designation of the Board as the authorised body to issue shares in the share capital of OCI, to restrict or exclude pre-emptive rights upon the issuance of shares and to repurchase shares in the share capital of OCI; and
- The appointment of KPMG Accountants N.V. as auditor charged with the auditing of the annual accounts for the financial year 2022;
- The appointment of PWC as auditor charged with the auditing of the annual accounts for the financial year 2023;
- Twice two proposals to amend of the articles of association of the Company (the Articles of Association) to first increase, and subsequently decrease the nominal value of the shares in the Company's share capital, to facilitate capital repayments.

Board report continued

External auditor

OCI's external auditor is appointed by the AGM. The Audit Committee evaluates the functioning of the external auditor during the year and recommends to the Board the external auditor to be proposed for (re)appointment by the AGM. At the 2022 AGM, KPMG Accountants N.V. was appointed as external auditor for OCI for that same year.

The external auditor attends all Audit Committee meetings. During these meetings, the external auditor discusses the outcomes of the audit procedures and key audit topics. The external auditor receives the financial information per quarter and can comment on and respond to such information, which is also included in OCI's quarterly condensed financial statements.

The external auditor is also present at the AGM and may be questioned on its statement of the fairness of the financial statements.

As part of the mandatory audit firm rotation requirements in the Netherlands, KPMG can continue as external auditor of OCI through the financial year 2022 audit. OCI completed an audit tender process to replace KPMG as external auditor as from the start of financial year 2023 in due observance of the EU Audit Regulation in the selection, nomination, and appointment process. PwC was ultimately chosen because of its relevant industry experience. At the 2022 AGM on 24 May 2022, PwC Accountants N.V. was appointed as external auditor for OCI for the financial year 2023.

Independence of the auditor is a continued area of focus. In accordance with OCI's external audit independence policy, the Audit Committee reviews the independence of the auditor annually.

Internal auditor

The internal Audit & Risk team assists the Audit Committee, Executive Directors, and local management by facilitating the identification of risks and the promotion or risk awareness and ownership across our organization. The internal Audit & Risk department reports the results from internal audits, risk assessments from operating companies and group consolidated risk dashboards to the Audit Committee quarterly and performs periodic independent internal audits to review any specific issues at the subsidiary and holding company levels. More information on risk management can be found in the risk management section on pages 74 to 87.

Decree Article 10 EU Takeover Directive

OCI confirms that it has no anti-takeover instruments, i.e.: measures that are primarily intended to block future hostile public offers for its shares. Although the members of the Sawiris family have not entered into any formal shareholders agreement, they have historically coordinated their voting on the OCI shares and should therefore be regarded as parties acting in concert (personen die in onderling overleg handelen) as defined in section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). Their collective voting rights of 52.93% as at 31 December 2022 act as an implicit anti-takeover element.

Compliance with the Code

OCI complies with the applicable principles and best practice provisions of the Code as in effect for the financial year 2022.

Potential conflicts of interest

Potential or actual conflicts of interest are governed by OCI's articles of association and by-laws which regulations are in line with the relevant principles of the Code and Dutch law. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the other Directors and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he/she has a potential conflict of interest with OCI.

During 2022, no transactions occurred in respect of which a Director had a conflict of interest.

Related party transactions

OCI has a Related Party Transactions Policy in place, providing adequate protection for the interests of OCI and its stakeholders which has been prepared with due observance of the requirements of Dutch law, the Code, OCI's articles of association and by-laws.

The overview of related party transactions in 2022 is disclosed in the Financial Statements in note 30.

Remuneration Report

We have structured this report to comply with article 2:135b of the Dutch Civil Code, the European Shareholder Rights Directive (SRD II) and the Dutch Corporate Governance Code.

Introduction from the Nomination and Remuneration Committee

Letter from the Chair of the Nomination and Remuneration Committee

On behalf of the Board, I am pleased to present our 2022 Remuneration Report.

This Report explains our remuneration policies, principles and elements. It shows how the variable incentives to the Executive Directors tie to and support OCI's performance. It is prepared in the spirit of the draft, non-binding guidelines of the European Commission for disclosure.

Our 2021 Remuneration Report was approved by 96.77% of the votes in favor. With this in mind, we have prepared this Report a similar format.

The purpose of our remuneration plan is to accelerate sustainable long-term value creation for all our stakeholders, as described throughout this Annual Report. Our strategy is to provide the optimal mix of rewards and incentives to meet our financial, operational, commercial, and sustainability objectives.

To this end, both our short-term and long-term incentives include a mix of financial, environmental and social targets. We have chosen these complementary targets to ensure focus on each of our strategic priorities, which include operational excellence, a commitment to health and safety, business optimization, a global commercial strategy, sustainable solutions, decarbonization, and maximizing free cash flow.

With every policy decision we strive to align the incentives provided to our Executive Directors with the long term interests of our shareholders, the group's long-term value creation, and the targets and objectives that are fundamental to the group's long-term success.

Based on on-going conversations with our shareholders and the positive feedback from other stakeholders on the performance of our Executive Directors and the Company's results, I am confident the current and proposed Remuneration Policy supports OCI's strategic and operational objectives.

The Remuneration Report and newly Proposed Remuneration Policy will be subject to an advisory vote and binding vote, respectively at our 2023 AGM.

On behalf of the Nomination and Remuneration Committee,

Sipko Schat
Chair, Nomination and Remuneration Committee

22 March 2023

Remuneration Report continued

Introduction from the Nomination and Remuneration Committee continued

Looking back on 2022

Base salaries

We will review the 2023 fixed pay for Executive Directors in the first half of 2023. Any potential changes will be based on performance, external circumstances and the consideration of no increase to pay in 2022, and will be disclosed in the 2023 report.

Company performance and variable pay

During the year, the Executive Directors steered the Company to successfully deliver on its strategy.

- 2022 revenues increased 54% to USD 9,713.1 million.
- Adjusted EBITDA was up 54% to USD 3,891.0 million.
- Adjusted net profit increased 84% to USD 1,343.4 million compared to 2021.
- Net debt declined by USD 1,061.8 million during 2022 to USD 1,158.7 million as of 31 December 2022, or consolidated net leverage of 0.3x, after capital returns to shareholders of USD 1.1 billion during calendar year 2022.

We are making good progress with our transformational sustainability projects. These include:

- Gasification project at OCI Methanol Europe: OCI is evaluating a gasification opportunity at its methanol facility in the north of the Netherlands, to continue to grow its market leading position in green fuels and feedstocks.
- 1 mtpa low carbon ammonia project in the UAE: Fertiglobe (a minority shareholder in this project) has signed the EPC contract with Tecnimont S.p.A. on behalf of the project.
- Linde is to supply low carbon hydrogen and nitrogen to our new 1.1 mtpa blue ammonia plant in Texas under a long-term agreement; the project is on track to start production in 2025.

We are proud of how our products were able to safely meet customer needs while protecting associates and supporting communities.

Short term incentive performance and outcome

The Nomination & Remuneration Committee choices are informed by the strong financial performance in 2022.

- The group delivered adjusted EBITDA of USD 3,891.0 million.
- The company delivered 95.8% of its sales volumes.
- Performance against non-financial objectives linked to the Short Term Incentive were fully met in the areas of Human Resources and Information Technology, and were above target in HSE.

Moreover, the Nomination and Remuneration Committee recognises the management's achievements in supporting the Company's strategy to focus on operational and commercial excellence and best position OCI amongst its peers to capitalize on the opportunities for the business. Management delivered a step change to the quality and depth of talent and succession planning to ensure that the Company has the appropriate level of human capital capability to support the future growth of the Company and the ability to continuously improve. In addition, the successful onboarding and retention of new hires was monitored and measured with more than 98.5% of new recruits being retained and performing in their first year. As part of the the investment to support business growth the successful roll out of SAP S4Hana continued with the project delivering to scope on time and on budget.

This resulted in 141% vesting of the annual bonus award for the CEO and 113% vesting for the the CFO and CLHCO.

Long-term incentive performance and outcome

Appropriate steps are being taken to reflect that over the three-year LTIP period, the share price rose from EUR 16.95 to EUR 29.90, a rise of 76%. Total Shareholder Return was 117.6%. Starting TSR based on a 3-month average TSR up to and including day preceding 7 February 2020 and closing TSR based on the average TSR index between 7 November 2022 to 6 February 2023, placing OCI at the 71st percentile against the TSR peer group resulting in 109.6% of the target grant of 125% of salary vesting. This resulted in 109.6% vesting of the 2019 PSUs for Executive Directors.

Stakeholder engagement

In all decisions, we strive for the full support of our shareholders. Their support is critical and their input is always welcome.

We ran a consultation with shareholders in 2022 in light of key remuneration events during the year under review. Namely, response to the one-off grant of stock made to certain executives in 2022, the amendment of the existing Remuneration Policy (which led to a voting outcome of 74.7%) and the proposed Remuneration Policy (2024-2027). Those conversations were constructive and led to improvements in our remuneration practices.

Through frequent and open engagement we have taken input from our top investors and advisers and met shareholders to explain and demonstrate clearly the link between OCI's strategy, business performance and our remuneration philosophy.

The results of the previous year's policy amendment vote and the feedback from investor meetings informed a number of changes in remuneration design and disclosure, including the nature of the disclosures in this Annual Report.

Analyst's corner	GRI 2-19; GRI 2-20

Remuneration Report continued

Introduction from the Nomination and Remuneration Committee continued

Stakeholder engagement continued

We will continue to consult with our key shareholders and proxy advisors throughout the year and are always open to discuss any questions and concerns.

Looking forward to 2023

We have addressed all shareholder feedback. Having reviewed internally, we will continue to enhance our disclosures going forward.

At the 2023 AGM, we will propose new remuneration policies for Executive and Non-Executive Directors. Subsequent remuneration reports will be provided with enhanced disclosures similar to that provided in this report.

Statement of voting at general meetings

The table below sets out the votes at the 2022 AGM. This Remuneration Report and the proposed Remuneration Policy will be put to an advisory and binding vote, respectively, at the AGM, on 3 May 2023.

Resolution	Percentage of votes cast for the resolution
Resolution to approve the Directors' Remuneration Report (2022 AGM)	96.6%
Resolution to amend the Directors' Remuneration Policy (2022 AGM)	74.7%
Resolution to approve one-off share award to certain executive directors (2022 AGM)	80.4%
Resolution to approve the Directors' Remuneration Policy (2020 AGM)	99.4%

Analyst's corner	GRI 2-19; GRI 2-20

Nomination and Remuneration Committee meetings during the year

Meeting date	Topics of discussion
26/01/22	- Board Composition - 2021 Performance Review - 2022 Target Setting - Senior Management Pay
18/2/22	- 2022 Targets - Remuneration Report
15/3/22	- Committee Evaluation - Board Succession
24/5/22	- Board Composition - AGM preparation
24/8/22	- Talent Update - Mid Year Performance Review - Evaluation 2022 AGMs - Remuneration Policy Review
24/10/22	- Executive Director Remuneration - Non-Executive Director Remuneration
21/11/22	- Succession Planning

Nomination and Remuneration Committee attendance

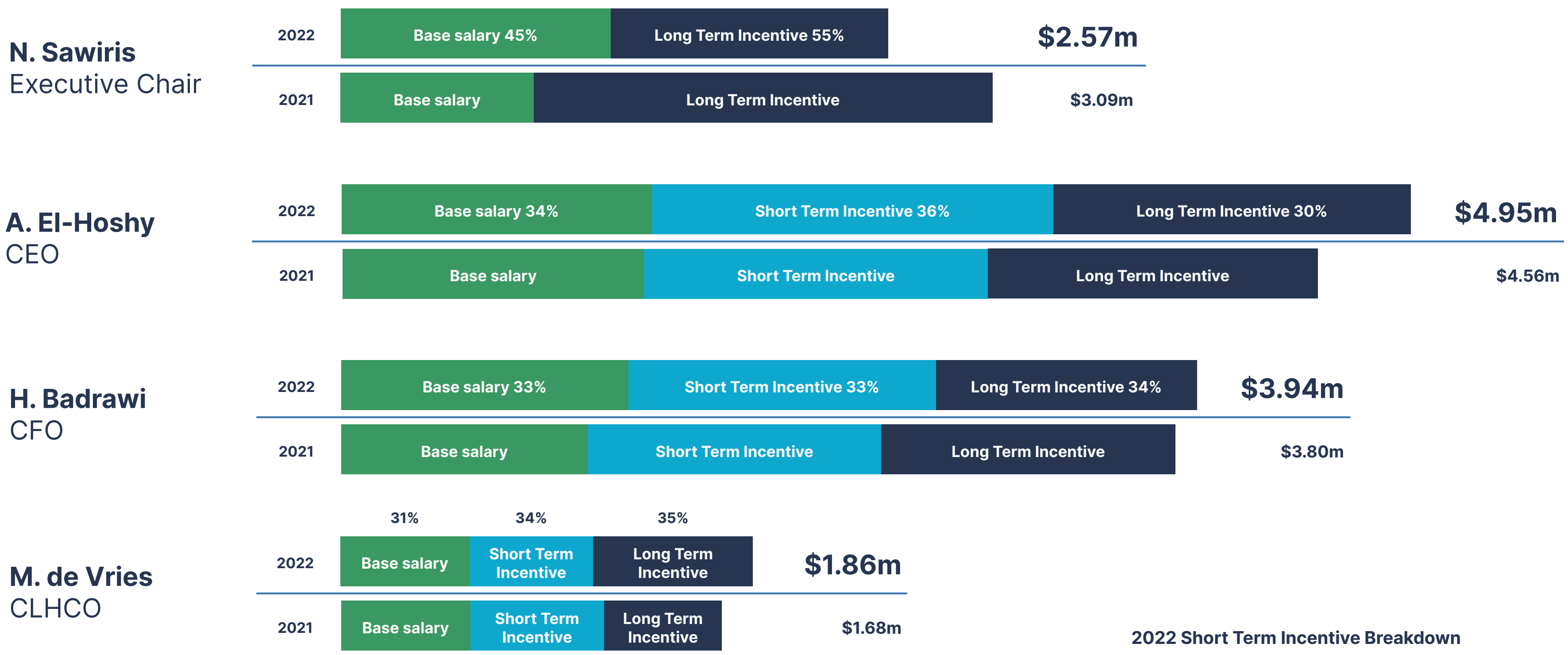
Committee Member	Meeting Attendance
Sipko Schat	7 / 7
Michael Bennett	7 / 7
Anja H. Montijn-Groenewoud	7 / 7
Jérôme Guiraud	7 / 7
Robert-Jan van de Kraats	6 / 7

Remuneration Report continued

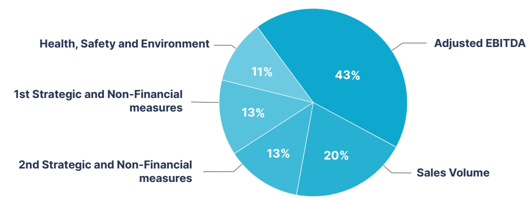
2022 Executive Director pay

This section of the Remuneration Report explains how the Existing Remuneration Policy was applied in 2022 for the Executive Directors. The following pages provide an at-a-glance overview. For more details, please see the 2022 Executive Director pay in detail section beginning page 113.

2022 Management Board remuneration at a glance



2022 Short Term Incentive Breakdown



Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

2022 Short term incentive at a glance

The Short Term Incentive (STI) plan supports and reflects our long and short term strategic priorities.

The Executive Chair is not entitled to an STI.

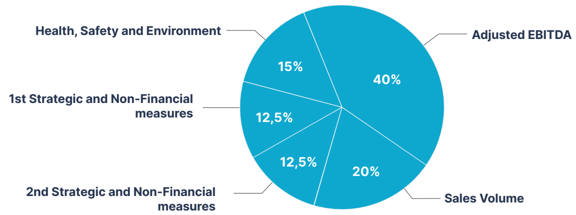
For the CEO the on-target annual STI opportunity is 75% of annual base salary.

For the other Executive Directors the on-target opportunity is 60% of annual base salary.

The STI opportunity is limited to 200% of target. This translates to a maximum opportunity of 150% of base salary for the CEO, and 120% of base salary for the other Executive Directors.

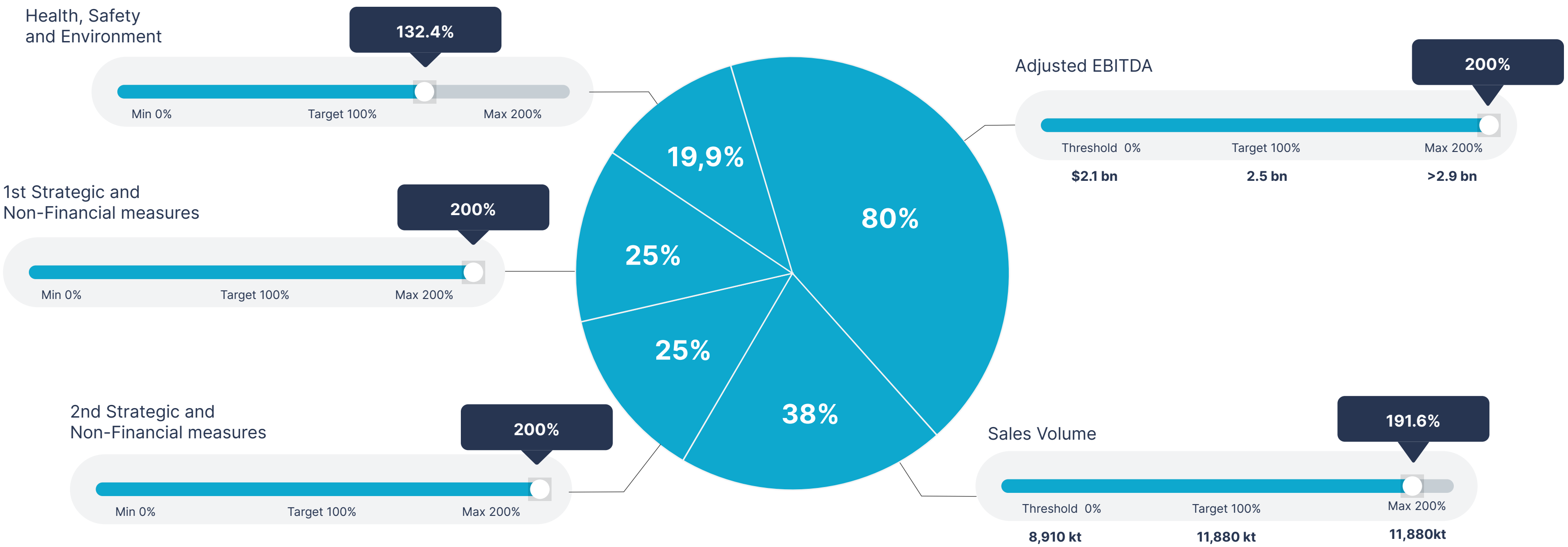
Weighting of KPIs used in STI

CEO target STI: 75% base salary
Other Exective Directors target STI: 60% base salary



Achieved STI: 188% of bonus opportunity

CEO: 141% base salary
Other Exective Directors: 113% base salary



1. In 2022, due to the Ukraine crisis, and resulting higher natural gas prices, the forecast was much greater than budget and targets were moved in reaction to the higher forecast.

Remuneration Report continued

2022 Executive Director pay continued

2023 Long term incentive at a glance

The Long Term Incentive (LTI) paid out in 2023 was based on conditional shares granted to the CEO, CFO and CLHCO in 2020.

The vesting of these shares was conditional on OCI's TSR performance in the 3-year performance period, ending 6 February 2023.

TSR performance is measured by the relative TSR ranking against the selected peer group of 9 international fertilizer/chemicals/gas companies with the fertilizer companies double-weighted as decribed on page 118. The percentage of vesting for peer group ranking between threshold, target and maximum is interpolated on a straight-line basis.

Over the 3-year performance period, OCI's TSR performance ranked 3rd in the TSR peer group at the 71st percentile with a TSR of 117.6%. As a result, the award vested at 109.6% of target.

Benchmark peer group
Celanese
CF Industries
Lanxess
Methanex
Mosaic
Nutrien
Solvay
Westlake Chemical
Yara International

This achievement translates to the number of shares equivalent to 137%of salary. (125% salary x 109.6% vesting)

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

2022 Executive Director pay in detail

Executive Directors

The Executive Directors referred to in this Remuneration Report, their appointment terms and base salaries are set out in the table on the right.

Name	Title	Date of appointment	Current time commitment	Base salary
N. Sawiris	Executive Chair	16 January 2013	Full time	$1,000,000
A. El-Hoshy	CEO	17 June 2020	Full time	$1,250,000
H. Badrawi	CFO	1 October 2017	Full time	$1,150,000
M. de Vries	CLHCO	1 June 2019	80%	$560,000

Pay structure

The total remuneration package and pay mix for the Executive Directors comprises three key building blocks:

- Base Salary
- Short-Term Incentive (annual performance-based cash reward)
- Long-Term Incentive (annual conditional award of performance shares).

Analyst's corner

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Remuneration Report continued

2022 Executive Director pay continued

2022 Executive Director pay in detail continued

Summary of 2022 pay

		Fixed remuneration		Variable remuneration			Fixed: Variable	
Executive Director	Year	Annual base salary incl. 25% benefits allowance[1]	Additional payment[2]	Annual bonus	Long-term incentives cost-to-company[3]	Total Remuneration	Fixed	Variable
N. Sawiris	2022	1,000,000	150,000	n/a[4]	1,415,114	2,565,114	45%	55%
	2021	1,000,000		n/a[4]	2,086,600	3,086,600	32%	68%
A. El-Hoshy	2022	1,562,500[5]	150,000	1,764,328[3]	1,469,509	4,946,337	34%	66%
	2021	1,250,000	57,692	1,714,688	1,533,043	4,555,423	29%	71%
H. Badrawi	2022	1,150,000	150,000	1,298,546[3]	1,345,970	3,944,516	33%	77%
	2021	1,150,000		1,262,010	1,385,030	3,797,040	30%	70%
M. de Vries	2022	560,000	16,335	632,335[3]	654,897	1,863,567	31%	69%
	2021	560,000		614,544	509,197	1,683,741	33%	67%

1 These figures exclude employer's social security payments (impact USD 1.077 million).
2 Following the listing of Fertiglobe per 27 October 2021, the Executive Directors receive an additional base salary payment as a Board fee for their position in Fertiglobe PLC Boards/Committees in addition to their Executive Director roles at OCI (payments relate to 2021).
3 The amounts mentioned in this column are based on accounting standards (IFRS).
4 As Executive Chair, Mr Sawiris is not entitled to an annual bonus. He requested the Nomination and Remuneration Committee to waive his annual bonus entitlement.
5 This figure includes base salary for the additional position as Chief Executive Officer Fertiglobe for the full year 2022.

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Salary benchmark peer group

The Nomination and Remuneration Committee regularly assesses the effectiveness of the Remuneration Policy. To ensure the competitiveness of the remuneration, the remuneration levels, components and mix are benchmarked annually against the remuneration data from a peer group of international companies set out in the accompanying table.

In addition, the Committee also refers to remuneration levels at Dutch listed companies of a similar size to OCI.

European peers	Non-European peers
- K + S - Tessenderlo Group - Wacker Chemie	- Celanese - CF Industries - Koppers Holdings - Methanex - The Mosaic Company - Nutrien - Olin - Westlake Chemical

Remuneration Report continued

2022 Executive Director pay continued

Short term incentive

An overview of the Short Term Incentive (STI) performance measures and calculations can be found on page 111.

The chart on the right taken from page 111 shows the relative weightings of these measures.

The STI comprises two financial measures (combined weight 60%) and three Strategic and Non-Financial measures (combined weight of 40%).

An explanation of the Strategic and Non-Financial measures is provided on the following page.

Strategic and non-financial performance measures

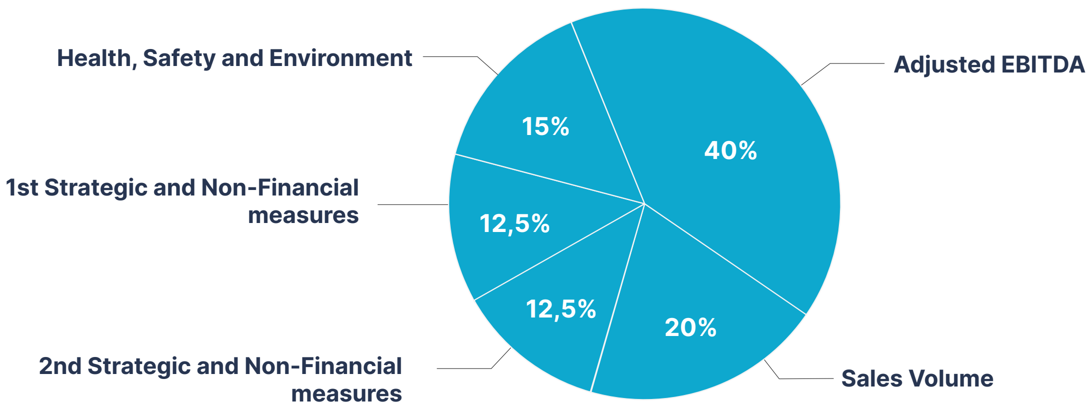
The STI includes two Strategic and Non-Financial Measures:

1. HR—Investing in our people
2. Securing execution of the strategtic OCI Fuse project
   Each have a weighting of 12.5%, for a combined total weight of 25%.

The strategic and non-financial performance measures link directly to the strategic priorities of operational excellence, business optimization, global commercial strategy, and sustainable solutions which contribute to maximizing cash flow. The table on the next page shows the target achievement based on the assessment of all targets by the Nomination and Remuneration Committee and as approved by the Board.

Weighting of KPIs used in STI

CEO target STI: 75% base salary
Other Exective Directors target STI: 60% base salary



Analyst's corner	GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

Short term incentive continued

Strategic and non-financial performance measures continued

Performance measure and weighting	Target(s)	Achievements in 2022	Payout as a % of salary
1st Strategic and Non-financial measure (12.5%) **HR-Investing in our people**	- Ensure an engaged and inspired workforce, which is essential to achieve maximal business performance. - This will be measured against objectives in career development and onboarding. - Develop talent development framework based on Talent Strategy. - Implement 9 box grid with scope Exco-1 and Exco-2. - Implement succession planning/talent mapping for ExCo-1 and -2 and draft action plan to close identified succession gaps.	- Career Development: The Company successfully implemented a talent development framework and completed succession planning for the top two tiers of the Company and critical roles below these levels. The Company has confirmed that it has assessed its succession risks and is satisfied that these are appropriately mitigated and has reviewed the Company development and training plans. Additionally, for all ExCo-1 position emergency successors are identified. - Onboarding: The Company has taken steps to ensure that the onboarding of employees is successful to support the growth of the Company and has measured 1st year attrition rates which are at 1.43% better than the target set.	12.5%
2nd Strategic and Non-financial measure (12.5%) **Securing execution of the strategic OCI Fuse project**	- OCI Fuse is the consolidation and replacement of the underlying OCI Technology Landscape along with the harmonization of key business practices across the wholly owned OCI subsidiaries (excluding Fertiglobe). - Given the significant impact of this project, the Executive Directors will be charged with securing the execution of this project. - This will be measured against objectives in four areas: operational, financial, security risk, change management. - Attrition rate employees within 1 year after joining <5% (determined by the number of joiners in the twelve months immediately preceding the month of departure). - Operational: Sign-off 'Prepare Phase', 'Explore Phase' and 'Realize' for OCI and SAP Consulting; deploy solution to pilot site with zero critical outstanding items and no material business disruption. - Financial: Ensure Fuse spend remains within a 10% variance of the agreed 2022 budget (USD 13 million) - Security: Ensure 95% of outstanding items due in 2022 are closed and zero outstanding critical items open. - Change Management: Participation and leadership through the OCIFUSE Steering Committee.	- Operational: The planning and initial deployments were completed successfully. - Financial: Spend is well managed and below budget (USD 11.1 million) - Security risk: Penetration testing and cybersecurity assessments have been completed successfully as per plan. 95% of outstanding items are closed or pending validation. - Change: Communication and engagement of the core affected functions and wider workforce are highly effective and interest and engagement in the program are high. Strong attendance at the Fuse Steering Committee.	12.5%

Analyst's corner

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Remuneration Report continued

2022 Executive Director pay continued

Short term incentive continued

HSE performance measures

The following table summarizes performance against the 2022 HSE performance measures. The combined weight of the HSE performance measures is 15%. The 2022 HSE-performance as assessed by the HSE&S Committee and approved by the Board.

Performance Measure and weighting	Threshold **50**	Target **100**	Maximum **200**	Achievement	Payout score
Lagging - (Output 60%)					
Lost Time Injury Rate (LTIR) (10%)	0.125	0.100	0.075	0.080	18/10
Total Recordable Incidents Rate (TRIR) (10%)	0.450	0.360	0.270	0.400	8/10
Process Safety Incidents Rate (PSIR) (20%)	0.700	0.560	0.420	0.510	27/20
Environmental Stewardship / EIR (10%)	0.450	0.360	0.270	0.190	20/10
Energy Efficiency Improvement (v. 2021 (10%)	0.450	0.360	0.270	-0.390	0/10
Leading - Safety, Culture and Awareness (40%)					
OpCo specific KPIs on HSE plan[1] (10%)	See footnote 1		-	Tracking plans in place (tracking showed 89% ye)	9/10
Progress HSE audits, out of 8 leading PS KPIs for overdues not met (10%)	3	1	-	<1	10/10
Employee health via PPE compliance[1] (10%)	See footnote 1		-		5/10
Safety Culture promotion via average number of observations per year of MT (10%)	9/year/MT member	12/year/MT member			9/10
Full year corporate HSE score					106/160

[1] Assessment at discretion of HSE&S Committee

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

One off share grant

As of 31 December 2022, the Executive Directors held 56,268 One Off Share Awards are shown in the table below:

To reward the exceptional performance of the Executive Directors in 2021, One Off Share Awards were granted to the CEO, CFO and CLHCO.

The One Off Share Awards granted on 25 May 2022, after the approval of the AGM, comprise of conditional share units with the value of one OCI share.

For the purpose of this exceptional One-Off Share Award, vesting of the conditional stock units have an employment condition only. These conditional shares shall vest on the third anniversary of the date of grant and are subject to a two-year holding period.

As of 31 December 2022, the Executive Directors held 56,268 One Off Share Awards are shown in the table below:

Executive Director	Award Cycle	Granted # of conditional shares	Dividend Equivalent Shares granted	Unvested # of conditional shares ultimo 2022	Value at grant date in USD	Vesting date	End of holding period
A. El-Hoshy	2022	18,737	2,554	21,291	700,000	25-05-2025	25-05-2027
H. Badrawi	2022	18,737	2,554	21,291	700,000	25-05-2025	25-05-2027
M. de Vries	2022	12,045	1,641	13,686	450,000	25-05-2025	25-05-2027

Long term incentive plan

2020 – 2023 Long Term Incentive Plan (LTIP) grants (vested on 07-02-2023)

Details of the 2020— 2022 Long Term Incentive are provided on page 112: 2023 Long term incentive at a glance.

Vesting of the 2020 PSU awards was based solely on the relative TSR ranking against the selected peer group of 9 international fertilizer/ chemicals/gas companies in the table on the right.

The percentage of vesting for peer group ranking between threshold, target and maximum is interpolated on a straight-line basis.

Relative TSR

Benchmark peer group

Rank	Company	TSR performance
1-2	Mosaic	158.5%
3-4	CF Industries	136.4%
5	OCI N.V.	117.6%
6-7	Nutrien	91.6%
8	Westlate Chemical	73.2%
9-10	Yara International	58.1%
11-12	Methanex	18.7%
13	Solvay	7.2%
14	Celenese	1.4%
15	Lanxess	-27.3%

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

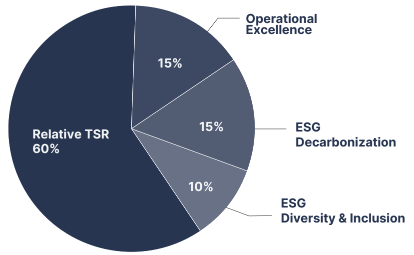
Long term incentive plan continued

2021 – 2024 LTIP grants (vest on 07-02-2024)

Performance measure structure

- 60% financials (relative TSR)
- 40% non-financials:
  - 15% Operational Excellence - Plant Reliability
  - 15% Decarbonisation
  - 10% Diversity and Inclusion

Vesting of the 2021 PSU awards is partially based on the relative TSR ranking against the selected peer group of international fertilizer/chemicals/gas companies with the fertilizer companies double-weighted as decribed on page 118.



Benchmark TSR peer group
Celenese
CF Industries
Lanxess
Methanex
Mosaic
Nutrien
Solvay
Westlate Chemical
Yara International

Performance measure and weighting	
Operational Excellence – Plant Reliability (15%)	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency 1% improvement per year on 3-year weighted reliability average (based on Maximum Proven Capacity (MPC) and % economic ownership) of plants
Sustainability – Decarbonization (15%)	Development, implementation and execution of decarbonization plan. The decarbonization target is built on OCI's commitment to confirm the GHG reduction targets and the development of the strategy to achieve these targets. The aim is to have a clear decarbonization plan including the required organizational structure and implementation plan in place with projects underway, decarbonization project investment criteria defined, and quick wins achieved. Vesting will be dependent on the achievement of key milestones.
Sustainability – Diversity & Inclusion (10%)	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities. For the 2021 PSU award, the target is set at an increase of 5%. This 5% increase will be measured against the 2019 baseline in order to result in increased representation of women in senior management to achieve our goal of 25%.

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

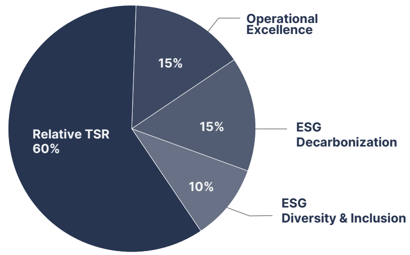
Long term incentive plan continued

2022 – 2025 LTIP grants (vest on 07-02-2025)

Performance measure structure

- 60% financials (relative TSR)
- 40% non-financials:
    - 15% Operational Excellence - Plant Reliability
    - 15% Decarbonisation
    - 10% Diversity and Inclusion

Vesting of the 2021 PSU awards is partially based on the relative TSR ranking against the selected peer group of international fertilizer/chemicals/gas companies with the fertilizer companies double-weighted as decribed on page 118.



Benchmark TSR peer group
Celenese
CF Industries
Lanxess
Methanex
Mosaic
Nutrien
Solvay
Westlate Chemical
Yara International

Performance measure and weighting	
Operational Excellence – Plant Reliability (15%)	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency + improvement per year on 3-year weighted reliability average (based on Maximum Proven Capacity (MPC) and % economic ownership) of plants
Sustainability – Decarbonization (15%)	Development, implementation and execution of decarbonization plan. The decarbonization target is built on OCI's commitment to confirm the GHG reduction targets and the development of the strategy to achieve these targets. The aim is to have a clear decarbonization plan including the required organizational structure and implementation plan in place with projects underway, decarbonization project investment criteria defined, and quick wins achieved. Vesting will be dependent on the achievement of key milestones.
Sustainability – Diversity & Inclusion (10%)	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities. For the 2022 PSU award, the target is set at an increase of 5%. This 5% increase will be measured against the starting baseline, to result in increased representation of women in senior management to achieve our goal of 25%.

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

Share ownership guidelines
Subject to the Share Ownership Guidelines for the Executive Directors of the Board, all Executive Directors are required to accrue a value in OCI shares as a percentage of base salary. These percentages are 300% for the CEO and Executive Chair and 150% for the other Executive Directors. The table on the right summarizes the holdings (based on the closing share price on 31 December 2022). Executive Directors have a grace period of five years of the date of appointment.

Executive Director	Shares held 2022	Shareholding (% of salary)	Shares held 2021	Shareholding (% of salary)
N. Sawiris	81,564,223	Majority shareholder in OCI N.V.	81,564,223	Majority shareholder in OCI N.V.
A. El-Hoshy	94,214	216%	80,848	169.92%
H. Badrawi	105,370	328%	130,370	296.72%
M. De Vries	18,494	118%	18,258	85.34%

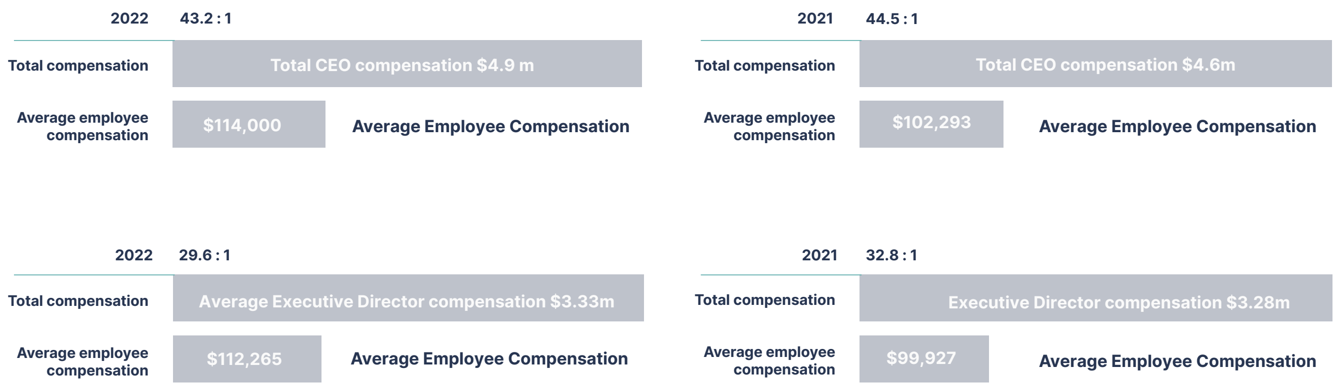
Internal pay ratio
The internal pay ratio is calculated on the basis of the following parameters:

- Average total direct compensation of a reference group consisting of all our employees globally (on a FTE basis).
- Total remuneration of our CEO, including the value of the long-term incentive based on accounting standards.

The global internal pay ratio as measured per 31 December 2022 is 43.2% for the CEO and on average 29.6% for the Executive Directors.

In 2021, these global internal pay ratios were 44.5 for the CEO and on average 32.8 for the Executive Directors. The decrease of the internal pay ratio compared to 2021 is mainly arising from increased employee pay levels due to inflation and new hires. The Remuneration Committee considers these ratios to be appropriate given the size of OCI, the nature of its staffing model and ratios of comparable companies.

CEO Global Pay Ratio



Analyst's corner | GRI 2-19; GRI 2-20; GRI 2-21

Remuneration Report continued

2022 Executive Director pay continued

Arrangements

Application of malus & clawback

The short and long-term incentive of the Executive Directors are subject to adjustment and claw back provisions. These may be applied in certain conditions: i) Where there is material misstatement of financial results which resulted in an Award being greater than would have been the case if the misstatement had not been made; ii) The extent to which any performance target and/or condition satisfied was based on an error, or on inaccurate or misleading information or assumptions which results in an Award being greater than would have been the case had the error not been made; iii) Serious misconduct of the individual; iv) Circumstances arose during the vesting period which would have warranted summary dismissal or dismissal for urgent cause; and v) Any other circumstances allowed under Article 2: 135(8) of the Dutch Civil Code.

No variable remuneration was clawed-back in 2022.

Costs and expenses

Unless relevant law provides otherwise, Executive Directors and the Supervisory Board shall be reimbursed by the Company for various costs and expenses.

Contractual arrangements

Executive Directors are engaged by a service contract with a maximum of four years ending on the date of the Annual General Meeting of Shareholders in the fourth calendar year after the appointment. Executive Directors are appointed for a maximum period of four years, subject to re-appointment by the General Meeting of Shareholders. Termination of the services contract is subject to a notice period of 3 months minimum and 12 months maximum. The terms and conditions of these service agreements have been aligned with the relevant Dutch Corporate Governance Code provisions.

Severance arrangements

Contractual severance arrangements of Executive Directors comply with the Dutch Corporate Governance Code and provide for compensation for the loss of income resulting from a termination of employment and are capped at 100% of annual base salary. No severance is payable in case the agreement is terminated early at the initiative of an Executive Director.

Loans

OCI and its subsidiaries do not grant personal loans or guarantees to the Executive Directors. This may only be different in very exceptional cases and only after approval of the Board.

Development of directors' remuneration, company performance and employee remuneration

The tables on the next two pages set out the change in remuneration for each individual Director, the change in OCI's performance and the average change in remuneration for the employees at OCI (excluding Directors) over the past 5 years. The Relative TSR performance is the main metric for Company performance sustained over the long-term. This is in line with our Performance Share Unit Plan which has historically only been measured on relative TSR performance. For the average employee remuneration, the same data as for the calculation of the internal pay ratio was used.

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

2022 Executive Director pay continued

Development of directors' remuneration, company performance and employee remuneration continued

Total Remuneration										
Executive Director	2022	% change	2021	% change	2020	% change	2019	% change	2018	% change
N. Sawiris	2,565,114	-16.9%	3,086,600	-22.4%	3,976,525	-31.9%	5,841,951	-7.1%	6,290,697	+29.9%
A El-Hoshy	4,946,337	+8.6%	4,555,423	+32.7%	3,432,976[1]	n/a	n/a	n/a	n/a	n/a
H. Badrawi	3,944,516	+3.9%	3,797,040	+17.8%	3,222,671	+25.6%	2,565,471	+7.0%	2,397,640	n/a
M. de Vries	1,863,567	10.7%	1,683,741	+31.0%	1,285,142	n/a	522,460[2]	n/a	n/a	n/a
Non-Executive Director										
M. Bennett	307,500	-	307,500	-	307,500	+2.1%	301,250	-15.5%	356,575	-16.8%
S. Schat	190,000	-	190,000	-	190,000	+4.1%	182,500	+14.1%	160,000	-
A. Montijn Groenewoud	177,500	+2.4%	173,333	+3.5%	167,500	+8.9%	153,750	+11.8%	137,500	-2.7%
R.J. van de Kraats	182,500	-	182,500	-	182,500	+2.8%	177,500	+9.2%	162,500	-
G. Heckman	157,500	-	157,500	-	157,500	+2.4%	153,750	+9.8%	140,000	-
J. Guiraud	177,500	-	177,500	-	177,500	+2.9%	172,500	+9.5%	157,500	-
D. Welch	607,198[3]	+162.4%	231,359	-6.5%	247,500	n/a	92,460[4]	n/a	n/a	n/a
D. Fraser	170,000	-	170,000	-	170,000	n/a	98,710[5]	n/a	n/a	n/a
H. van de Kerkhof	157,500	-	157,500	n/a	30,815[6]	n/a	n/a	n/a	n/a	n/a

1 A. El-Hoshy was appointed COO on 25 November 2019 and appointed member of the Board at the 2020 AGM on 17 June 2020; the amount represents his remuneration for the full year 2020.
2 M. de Vries was appointed Executive Director and member of the Board per 1 June 2019; the amount represents her remuneration for the part of 2019 financial year she was a Director.
3 D. Welch received an additional fee of USD 449,698 for additional responsibilities sitting on the Board of Fertiglobe plc. (relating to the financial year 2021)
4 D. Welch was appointed as Non-Executive Director per May 2019.
5 D. Fraser was appointed as Non-Executive Director per May 2019.
6 H. van de Kerkhof was appointed as Non-Executive Director per October 2020.

Analyst's corner

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Remuneration Report continued

2022 Executive Director pay continued

Development of directors' remuneration, company performance and employee remuneration continued

Total Remuneration								
Performance at OCI	2022	% change	2021	% change	2020	% change	2019	% change
TSR Performance	159.34	65.3%	96.38	+46.4%	65.82	-16.2%	78.50	+5.3%
Average Employee Remuneration and Internal Pay Ratios								
Average employee remuneration global employee reference group (FTE, full remuneration costs)	112,265	12.3%	99,927	7.3%	93,170	-2.2%	95,287[1,2]	n/a
Internal pay ratio – global employee reference group	43.2	-2.9%	44.5	13.5%	39.2[3]	n/a[4]	33.2	n/a

1 Per 2019 we changed the employee reference group for calculating our internal pay ratio from regional to global. The 2018 ratio on a regional basis was 29.6
2 The 2019 numbers are restated compared to our 2019 Remuneration Report as the numbers reported in 2019 were erroneously based on the consolidated, Q4 compensation for the employees of Fertil instead of the full year.
3 In line with market practice, the calculation of the internal pay ratio is changed per 2020 to include the value of the long-term incentives (Performance Share Units).
4 Due to the change in calculation methodology per 2020, the % of change between 2019 and 2020 would not correctly reflect the actual change in the internal pay ratio.

Analyst's corner

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Remuneration Report continued

2022 Executive Director pay continued

This page presents the shares awarded or due to Executive Directors for the last three reported financial years and unvested or subject to a holding period as of 31 December 2022.

Restricted stock unit plan (legacy agreement)

As of 31 December 2022, the Restricted Stock Units holdings are shown below. Vesting of the Restricted Stock Units is contingent on continued employment with OCI.

Executive Director	Award Cycle	Outstanding year-end 2022	Value at grant date in USD	Vesting date	End of holding period
A. El-Hoshy	2019	14,750[1]	354,900	14-02-2023	07-02-205

[1] 12,981 RSU shares and 1,769 Dividend Equivalent Shares granted

Performance share units

As of 31 December 2022, the Executive Directors held 815,869 conditional performance shares. In 2021, the Executive Directors held 777,899 shares including the conditional performance shares granted to A. El-Hoshy prior to his appointment to the Board.

Executive Director	Award Cycle	Outstanding year-end 2021	Granted conditional in 2022	Dividend Equivalent Shares granted	Outstanding year-end 2022	Value at grant date in USD	Vesting date	End of holding period
N. Sawiris	2020	135,354	-	18,453	153,807	2,500,000	14-02-2023	07-02-2025
	2021	58,235	-	7,938	66,173	1,250,000	07-02-2024	07-02-2026
	2022	-	43,093	5,875	48,968	1,250,000	07-02-2025	07-02-2027
A. El-Hoshy	2020	71,061	-	9,688	80,749	1,312,500	14-02-2023	07-02-2025
	2021	72,794	-	9,923	82,717	1,562,500	07-02-2024	07-02-2026
	2022	-	53,867	7,343	61,210	1,562,500	07-02-2025	07-02-2027
H. Badrawi	2020	77,829	-	10,610	88,439	1,437,500	14-02-2023	07-02-2025
	2021	66,971	-	9,130	76,101	1,437,500	07-02-2024	07-02-2026
	2022	-	49,558	6,756	56,314	1,437,500	07-02-2025	07-02-2027
M. de Vries	2020	32,485	-	4,428	36,913	600,000	14-02-2023	07-02-2025
	2021	32,612	-	4,445	37,057	700,000	07-02-2024	07-02-2026
	2022	-	24,132	3,289	27,421	700,000	07-02-2025	07-02-2027

One off share awards

Executive Director	Award Cycle	Granted conditional in 2022	Dividend Equivalent Shares granted	Outstanding year- end 2022	Value at grant date in USD	Vesting date	End of holding period
A. El-Hoshy	2022	18,737	2,554	21,291	750,000	25-05-2025	25-05-2027
H. Badrawi	2022	18,737	2,554	21,291	750,000	25-05-2025	25-05-2027
M. de Vries	2022	12,045	1,641	13,686	450,000	25-05-2025	25-05-2027

Analyst's corner

GRI 2-19; GRI 2-20

Remuneration Report continued

Non-Executive Director pay in FY22

The remuneration of the Non-Executive Directors consists of fixed fees for their board membership and for services on OCI's Committees. To ensure independence, Non-Executive Directors are not granted any variable, performance related remuneration.

The remuneration is set at the level required to attract qualified Non-Executive Directors with the (diversity in) personal skills competencies and international experience required to oversee the Company's strategy and contribute to its performance and the long-term value creation.

The Non-Executive Directors do not receive any benefits other than reimbursement for OCI-related expenses for travel, accommodation and representation.

The table below summarizes the remuneration of the Non-Executive Directors (in USD).

	Chairman	Member
Main Board	300,000	150,000
Audit	25,000	20,000
N&R	20,000	7,500
HSE&S	20,000	7,500

Non-Executive Director	2022				2021			
	Main Fee	Committee Fee	Additional Fees	Total	Main Fee	Committee Fee	Additional Fee	Total
M. Bennett	300,000	7,500	-	307,500	300,000	7,500	-	307,500
S. Schat	150,000	40,000	-	190,000	150,000	40,000	-	190,000
A. Montijn Groenewoud	150,000	27,500	-	177,500	150,000	23,333[1]	-	173,333
R.J. van de Kraats	150,000	32,500	-	182,500	150,000	32,500	-	182,500
G. Heckman	150,000	7,500	-	157,500	150,000	7,500	-	157,500
J. Guiraud	150,000	27,500	-	177,500	150,000	27,500	-	177,500
D. Welch	150,000	7,500	449,698[2]	607,198	150,000	7,500	73,859[3]	231,359
D. Fraser	150,000	20,000	-	170,000	150,000	20,000	-	170,000
H. van de Kerkhof	150,000	7,500	-	157,500	150,000	7,500	-	157,500

[1] At the 2021 AGM, the annual fee for the Chair of the Health, Safety, Environment and Sustainability Committee is increased from USD 10,000 to USD 20,000 because of the increase of the responsibility of this Committee with Sustainability matters. These additional responsibilities include responsibility for Sustainability.

[2] The amount reported as extraordinary item for Mr Welch in 2022 is the fee for services on the Board of Fertiglobe PLC for 2021. We note that Fertiglobe is a separately listed entity and Mr Welch's fees, received from Fertiglobe, are in line with the local market practice.

[3] The amount reported as extraordinary item for Mr Welch in 2021 is the fee for services on the Board of Fertiglobe Holding Ltd, and will be offset against future OCI fees as a result of footnote 2.

Analyst's corner

GRI 2-19; GRI 2-20

Declarations

Introduction

This 2022 Annual Report comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

For the consolidated and OCI 2022 financial statements (jaarrekening) within the meaning of section 2:361 of the Dutch Civil Code, reference is made to the financial statements. OCI's Directors have signed the 2022 financial statements in line with section 2:101 paragraph 2 of the Dutch Civil Code.

Corporate governance statement

As referred to in article 2a of the Decree laying down additional requirements for Annual Reports (Besluit inhoud bestuursverslag) effective 1 January 2018 (the AR Decree), OCI is required to make a statement on corporate governance.

Information required to be included in the corporate governance statement as described in articles 3, 3a and 3b of the AR Decree can be found in the following sections of this Annual Report:

- Information concerning compliance with the Code, as required by article 3 of the AR Decree, can be found in the section Compliance with the Code on page 106;
- information concerning OCI's risk management and control frameworks relating to the financial reporting process, as required by article 3a(a) of the AR Decree, can be found in the section Enterprise Risk Management beginning on page 78;
- information regarding the functioning of the GM, and the authority and rights of OCI's shareholders, as required by article 3a(b) of the AR Decree, can be found in the section Shareholders' rights and meetings on page 105;
- information regarding the composition and functioning of OCI's Board and its Committees, as required by article 3a(c) of the AR Decree, can be found beginning on page 90;
- information regarding the diversity policy concerning the composition of the Board, as required by article 3a(d) of the AR Decree, can be found in the sections Board composition and independence and Diversity & Inclusion on pages 92 to 93; and
- information concerning the inclusion of the information required by the Decree Article 10 Takeover Directive (Besluit artikel 10 overnamerichtlijn), as required by article 3b of the AR Decree, can be found in the section Decree Article 10 Takeover Directive on page 106.

The Dutch Corporate Governance Code (the 'Code') was first adopted in 2003 and amended in 2008, 2016 and 2022. The Code applicable to the financial year 2022 was last amended in 2016 with effect from 1 January 2017 and is available at the website of the Corporate Governance Monitoring Committee (http://www.mccg.nl). On 20 December 2022, the Corporate Governance Code Monitoring Committee published an updated Code which is, subject to a formal designation by governmental decree applicable to the financial year 2023 going forward and is available at the website of the Corporate Governance Monitoring Committee (http://www.mccg.nl).

In control statement

The Board is responsible for the design, implementation and operation of the internal risk management and control systems. In discharging this responsibility, the Board has made an assessment of the effectiveness of OCI's internal control and risk management systems, which includes an assessment of our business conduct in relation to the treatment of the environment, people, and our policies and procedures to address bribery and corruption. Based on the aforementioned assessment and in accordance with the Dutch Governance Code, the Board states to the best of its knowledge and belief that:

- There are no material failures in the effectiveness of the internal risk management and control systems;
- The internal risk management and control systems provide reasonable assurance that the Annual Report does not contain any errors of material importance;
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- There are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of OCI's business in the coming twelve months.

Above statements do not imply that our systems and procedures provide absolute assurance as to the realization of our operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

Declarations continued

Directors' statement pursuant to article 5:25c of the Dutch Financial Supervision Act

In accordance with Article 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the Directors declare that to the best of their knowledge:

- The 2022 financial statements (jaarrekening) provide a true and fair view of the assets, liabilities, financial position and results of OCI and its subsidiaries included in the consolidated statements; and
- the Board Report (bestuursverslag) provides a true and fair view of the situation as at 31 December 2022, and of OCI's and its group companies' state of affairs for the financial year 2022, as well as the principal risks and uncertainties that OCI faces.

Non-Financial Statement pursuant to Directive 2014/95/EU

Directive 2014/95/EU requires large companies to disclose non-financial information. This Directive has been implemented into Dutch law through the Decree disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie) (the NF Disclosure Decree).

Pursuant to article 2 of the NF Disclosure Decree, OCI has included the information included in article 3 of the NF Disclosure Decree in the following sections of this Annual Report:

- A description of OCI's business model is included on page 12.
- A description, including applied procedures and the results of its policy in relation to:
    - Environmental, social and employee matters is included on pages 41 to 70, and
    - respect for human rights is described on page 69 and in our Human Rights Policy; and
    - anti-corruption and bribery matters are described in the section Governance performance on pages 72 to 76; and
    - the principal risks related to the policy and how the risks are managed as described throughout the sustainability and ERM sections of this Annual Report; and
    - the non-financial performance indicators which are relevant for OCI's business activities are described on pages 217 to 223.

Amsterdam, the Netherlands, 22 March 2023

The Board

Michael Bennett
Nassef Sawiris
Ahmed El-Hoshy
Hassan Badrawi
Maud de Vries
Sipko Schat
Jérôme Guiraud
Gregory Heckman
Robert Jan van de Kraats
Anja Montijn-Groenewoud
David Welch
Dod Fraser
Heike van de Kerkhof

6 Performance Statements

Financial statements

Consolidated statement of financial position

As at

$ millions	Note	31 December 2022	31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	(7)	5,391.1	5,543.5
Right-of-use assets	(7)	240.2	248.2
Goodwill and other intangible assets	(8)	491.5	485.7
Trade and other receivables	(9)	61.7	33.6
Equity-accounted investees	(10)	522.3	494.9
Financial assets at fair value through other comprehensive income	(11)	18.8	19.2
Deferred tax assets	(12)	81.3	207.7
Total non-current assets		**6,806.9**	**7,032.8**
Current assets			
Inventories	(13)	421.4	343.5
Trade and other receivables	(9)	820.2	851.6
Income tax receivables	(12)	5.6	3.4
Cash and cash equivalents	(14)	1,717.0	1,580.3
Total current assets		**2,964.2**	**2,778.8**
Total assets		**9,771.1**	**9,811.6**

Consolidated statement of financial position continued
As at

$ millions	Note	31 December 2022	31 December 2021
Equity			
Share capital	(15)	5.6	5.6
Share premium	(15)	5,261.7	6,316.3
Reserves	(16)	(442.7)	(384.0)
Retained earnings		(2,500.9)	(3,938.9)
Equity attributable to owners of the Company		**2,323.7**	**1,999.0**
Non-controlling interests	(17)	2,016.0	1,509.2
Total equity		**4,339.7**	**3,508.2**
Liabilities			
Non-current liabilities			
Loans and borrowings	(18)	2,572.3	3,290.2
Lease obligations	(19)	227.5	237.5
Trade and other payables	(20)	114.1	23.7
Provisions	(21)	13.9	12.8
Deferred tax liabilities	(12)	485.3	614.4
Total non-current liabilities		**3,413.1**	**4,178.6**
Current liabilities			
Loans and borrowings	(18)	303.4	510.6
Lease obligations	(19)	48.6	39.7
Trade and other payables	(20)	1,284.3	1,357.5
Provisions	(21)	130.3	144.7
Income tax payables	(12)	251.7	72.3
Total current liabilities		**2,018.3**	**2,124.8**
Total liabilities		**5,431.4**	**6,303.4**
Total equity and liabilities		**9,771.1**	**9,811.6**

The notes on pages 137 to 194 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

$ millions	Note	2022	2021
Revenue	(27)	9,713.1	6,318.7
Cost of sales	(22)	(6,365.4)	(4,489.7)
Gross profit		**3,347.7**	**1,829.0**
Other income	(23)	29.6	1.4
Selling, general and administrative expenses	(22)	(372.5)	(266.4)
Other expenses	(24)	(0.5)	(1.2)
Operating profit		**3,004.3**	**1,562.8**
Finance income	(25)	294.3	34.6
Finance cost	(25)	(480.3)	(308.8)
Net finance cost		**(186.0)**	**(274.2)**
Income from equity-accounted investees (net of tax)	(10)	21.8	7.3
Profit before income tax		**2,840.1**	**1,295.9**
Income tax	(12)	(413.8)	(137.1)
Net profit		**2,426.3**	**1,158.8**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in hedge reserve	(16)	9.7	(16.9)
Movement in hedge reserve equity-accounted investees	(10)	9.7	-
Currency translation differences	(16)	(26.8)	(51.8)
Currency translation differences from equity-accounted investees	(10)	(2.3)	(2.2)
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	(16)	-	(10.8)
Other comprehensive income, net of tax		**(9.7)**	**(81.7)**
Total comprehensive income		**2,416.6**	**1,077.1**
Net profit attributable to owners of the Company		1,237.4	570.5
Net profit attributable to non-controlling interests	(17)	1,188.9	588.3
Net profit		**2,426.3**	**1,158.8**
Total comprehensive income attributable to owners of the Company		1,179.6	521.1
Total comprehensive income attributable to non-controlling interests	(17)	1,237.0	556.0
Total comprehensive income		**2,416.6**	**1,077.1**
Basic earnings per share (in USD)	(26)	5.885	2.719
Diluted earnings per share (in USD)	(26)	5.849	2.703

The notes on pages 137 to 194 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December

$ millions	Note	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2021		**5.6**	**6,316.3**	**(338.4)**	**(4,851.8)**	**1,131.7**	**1,540.1**	**2,671.8**
Net profit		-	-	-	570.5	570.5	588.3	1,158.8
Other comprehensive income		-	-	(49.4)	-	(49.4)	(32.3)	(81.7)
Total comprehensive income		**-**	**-**	**(49.4)**	**570.5**	**521.1**	**556.0**	**1,077.1**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	104.6	104.6
Dividend to non-controlling interests	(17)	-	-	-	-	-	(788.1)	(788.1)
Treasury shares sold / delivered	(16)	-	-	4.8	(4.8)	-	-	-
Treasury shares acquired	(16)	-	-	(1.0)	-	(1.0)	-	(1.0)
Acquisition of additional shares in EBIC	(17)	-	-	-	6.0	6.0	(44.4)	(38.4)
Sale of shares in Fertiglobe plc	(17)	-	-	-	332.7	332.7	141.0	473.7
Share-based payments	(15)	-	-	-	8.5	8.5	-	8.5
Balance at 31 December 2021		**5.6**	**6,316.3**	**(384.0)**	**(3,938.9)**	**1,999.0**	**1,509.2**	**3,508.2**
Net profit		-	-	-	1,237.4	1,237.4	1,188.9	2,426.3
Other comprehensive income		-	-	(57.8)	-	(57.8)	48.1	(9.7)
Total comprehensive income		**-**	**-**	**(57.8)**	**1,237.4**	**1,179.6**	**1,237.0**	**2,416.6**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	318.4	318.4
Dividend to non-controlling interests	(17)	-	-	-	-	-	(1,056.4)	(1,056.4)
Share capital increase	(15)	1,083.0	(1,083.0)	-	-	-	-	-
Share capital decrease	(15)	(13.9)	13.9	-	-	-	-	-
Capital repayment	(15)	(1,069.1)	-	-	-	(1,069.1)	-	(1,069.1)
Issuing shares	(15)	-	14.5	(14.5)	-	-	-	-
Dividend payment	(15)	-	-	-	(14.4)	(14.4)	-	(14.4)
Treasury shares sold / delivered	(16)	-	-	15.6	(15.6)	-	-	-
Treasury shares acquired	(16)	-	-	(2.0)	-	(2.0)	-	(2.0)
Sale of shares in OCI Methanol	(17)	-	-	-	221.4	221.4	7.8	229.2
Share-based payments	(15)	-	-	-	9.2	9.2	-	9.2
Balance at 31 December 2022		**5.6**	**5,261.7**	**(442.7)**	**(2,500.9)**	**2,323.7**	**2,016.0**	**4,339.7**

The notes on pages 137 to 194 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December

$ millions	Note	2022	2021
Net profit		**2,426.3**	**1,158.8**
Adjustments for:			
Depreciation, amortization and impairment	(22)	599.9	891.6
Interest income	(25)	(38.2)	(4.3)
Interest expense	(25)	251.3	281.0
Net foreign exchange (gain) / loss and others	(25)	(27.1)	(2.5)
Share in income of equity-accounted investees	(10)	(21.8)	(7.3)
Equity-settled share-based payment transactions	(15)	9.2	8.5
Impact difference in profit-sharing non-controlling interests	(17)	318.4	104.6
Income tax expense	(12)	413.8	137.1
Changes in:			
Inventories	(13)	(114.1)	(41.7)
Trade and other receivables	(9)	(2.2)	(277.3)
Trade and other payables	(20)	(123.2)	391.7
Provisions	(21)	32.2	(1.8)
Cash flows:			
Interest paid		(163.7)	(209.2)
Lease interest paid	(19)	(8.2)	(8.5)
Interest received		13.0	4.3
Settlement interest derivatives		25.0	-
Income tax paid	(12)	(226.8)	(160.9)
Withholding tax paid on subsidiary dividends	(12)	(15.1)	-
Cash flow from operating activities		**3,348.7**	**2,264.1**
Investments in property, plant and equipment and intangible fixed assets	(7)	(394.1)	(248.9)
Proceeds from sale of property, plant and equipment		1.5	2.7
Dividends from equity-accounted investees	(10)	1.8	2.7
Cash flow used in investing activities		**(390.8)**	**(243.5)**

Consolidated statement of cash flows continued

For the year ended 31 December

$ millions	Note	2022	2021
Proceeds from borrowings	(18)	1,073.0	2,248.3
Repayment of borrowings	(18)	(1,587.8)	(3,186.1)
Payment of lease obligations	(19)	(39.2)	(38.8)
Purchase of treasury shares	(16)	(0.2)	(1.0)
Newly incurred transaction costs / call premium	(18)	(52.3)	(48.9)
Distributions paid to owners of the Company	(15)	(1,059.0)	-
Withholding tax on dividends to owners of the Company	(15)	(2.2)	-
Dividends paid to non-controlling interests	(17)	(1,112.2)	(799.7)
Acquisition of additional shares in EBIC	(17)	-	(43.0)
Proceeds from the sale of shares in Fertiglobe plc	(17)	-	461.1
Fees related to the sale of shares in Fertiglobe plc	(17)	-	(14.1)
Proceeds from the sale of shares in OCI Methanol Group	(17)	375.0	-
Fees related to the sale of shares in OCI Methanol Group	(17)	(1.3)	-
Settlement FX derivatives	(25)	(30.5)	(72.8)
Cash flows used in financing activities		**(2,436.7)**	**(1,495.0)**
Net cash flow		**521.2**	**525.6**
Net increase in cash and cash equivalents		**521.2**	**525.6**
Cash and cash equivalents at 1 January		1,197.3	686.3
Effect of exchange rate fluctuations on cash held		(1.5)	(14.6)
Cash and cash equivalents at 31 December		**1,717.0**	**1,197.3**
Cash and cash equivalents in statement of financial position		1,717.0	1,580.3
Bank overdraft repayable on demand		-	(383.0)
Cash and cash equivalents in statement of cash flows		**1,717.0**	**1,197.3**

For non-cash movements in loans and borrowings and lease obligations, reference is made to notes 18 and 19, respectively.

The notes on pages 137 to 194 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December

1. General

OCI N.V. ('OCI' or 'Company') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI is registered in the Dutch commercial register under no. 56821166 dated 2 January 2013. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

The Group is primarily involved in the production and distribution of hydrogen-based and natural gas-based products.

2. Basis of preparation

2.1 General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU). The consolidated financial statements have been prepared on the historical cost convention, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December. The Company's functional currency is the Euro ('EUR'). The Group presentation currency is the US dollar, as the Group's major foreign operations have the US dollar as their functional currency. All values are rounded to the nearest tenth of a million (in millions of USD), except when stated otherwise.

These financial statements have been authorized for issue by the Company's Board of Directors on 22 March 2023. These consolidated financial statements are subject to adoption by the Annual General Meeting of Shareholders.

2.2 Climate action integrated in strategic objectives

OCI is committed to environmental principles integrated into our strategic objectives. These strategic objectives include a commitment to 20% green house gas intensity reduction by 2030 in comparison to 2019 and carbon neutrality by 2050 as well as 100% purchased electricity from renewable sources by 2030.

For OCI's decarbonization roadmap, refer to section Decarbonization roadmap and for the latest environmental performance, refer to section Environmental performance.

The impact of this climate roadmap has been considered when preparing these consolidated financial statements. For more information, refer to note 5 Critical accounting judgment, estimates and assumptions.

3. Summary of significant accounting policies

The Group has applied the accounting policies set out in note 3 consistently over both periods presented in these consolidated financial statements.

3.1 Consolidation

The consolidated financial statements include the financial statements of OCI, its subsidiaries and the Group's interests in associates and joint ventures.

Subsidiaries

Subsidiaries are all companies to which OCI is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. If it becomes an associate or joint venture, the interest retained is subsequently measured in accordance with the equity method. The principal subsidiaries are listed in note 34.

Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Notes to the consolidated financial statements continued

For the year ended 31 December

3.1 Consolidation continued

Non-controlling interests

Non-controlling interests is presented as a separate component in equity. ‘Profit or loss’ and ‘Total comprehensive income’ attributable to the non-controlling interests are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interests is measured at its proportionate share of the acquiree’s identifiable net assets at the balance sheet date. Changes in Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.2 Equity-accounted investees

Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, and are presumed to exist when the Group holds 20% to 50% of the shareholding and related voting rights of the other entity. Associates are accounted for under the equity method. The Group’s share of profit or loss of an associate is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases.

Investments in associates with negative shareholder’s equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for under the equity method that do not result from profit or loss are recognized in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Unrealized gains on transactions between two associates are not eliminated.

Joint ventures

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. Those joint arrangements that are assessed as joint ventures are accounted for using the equity method. Joint operations are accounted for using line by line accounting. Joint ventures are accounted for under the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted subsequently for the Group’s share in the post-acquisition profit or losses and movements in comprehensive income.

When the Group’s share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group’s net investment in joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

3.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value of the assets and liabilities assumed and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the classification of particular financial assets and financial liabilities assumed as, at fair value through profit or loss, or at amortized cost or as a financial asset measured at fair value through other comprehensive income. The Group makes an assessment of whether embedded derivatives of the acquiree should be separated from their host contracts. If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

The consideration transferred in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The Group recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

Changes in the fair value of consideration that are not measurement period adjustments shall be adjusted as follows:

- Contingent consideration classified as equity shall not be remeasured.
- Other contingent consideration shall be measured at fair value with changes recognized in profit or loss.

Notes to the consolidated financial statements continued

For the year ended 31 December

3.4 Foreign currency

Foreign currency transactions

The financial statements of subsidiaries and joint operations are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are revalued into the entity's functional currency at the then prevailing closing-rates.

Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for financial assets at fair value through other comprehensive income and the effective part of qualifying cash flow hedges.

Foreign currency translation

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollars are translated into US dollars using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollars are translated into US dollars using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint arrangements and associates and monetary items that form part of net investments are included in other comprehensive income, as 'Currency translation differences'.

When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are recycled to profit or loss as part of the gain or loss on disposal or sale. Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

3.5 Financial instruments

Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through profit or loss ('FVTPL') and at fair value through other comprehensive income ('FVOCI').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Amortized cost

Trade and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the 'hold-to-collect' business model criteria for amortized cost measurement. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognized directly in profit or loss.

The Group sells certain trade receivables under a securitization agreement to a third party. For these selected debtors the Group will use the 'hold-to-collect-and-sell business model' as defined under IFRS 9 and will measure these receivables going forward at FVOCI.

Fair value through profit or loss ('FVTPL')

Derivative financial instruments held by the Group are classified in the category FVTPL, unless the instrument is designated in a hedge relationship and the hedge meets the requirements for hedge accounting. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Fair value through other comprehensive income ('FVOCI')

Equity investments, previously recognized as available-for-sale assets, are measured at FVOCI, based on the irrevocable election made by the Group. The Group elected this approach as these investments are not held for trading. Movements in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in the profit or loss. On derecognition the cumulative gain or loss recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividend income is recognized in profit or loss when the Group's right to receive payment is established.

Gas purchase contracts

The Group has physical purchase contracts in place to procure natural gas for its production activities. These contracts are not accounted for as financial instruments if they meet the criteria for the own use exemption. The own use exemption applies to contracts that are entered into and continue to be held for the receipt of a non-financial item in accordance with

Notes to the consolidated financial statements continued

For the year ended 31 December

3.5 Financial instruments continued

the Group's expected purchase, sale or usage requirements and do not have a past practice of being net cash-settled.

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

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

Financial liabilities
Financial liabilities, like loans and borrowings and trade and other payables, are measured at amortized cost, unless the financial liability:

- Is a derivative at FVTPL;
- Arose from the transfer of a financial assets that does not qualify for derecognition or if the continuing involvement approach applies;
- Is a financial guarantee contract;
- Is a commitment to provide a loan at a below-market interest rate; and
- Is a contingent consideration resulting from a business combination to which IFRS 3 applies, measured at FVTPL.

Impairment
The impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses. The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit definitions from agencies (Standard & Poor's). Exposure within each credit risk grade are segmented by geographic region classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past seven years (if possible). These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Impairment of non-derivative financial assets
For the assessment of loss allowance for expected credit losses, a simplified model for trade receivables is applied. The loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. They are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- The contractual cash flows that are due to an entity under the contract; and
- The cash flows that the holder expects to receive.

In order to assess the lifetime ECLs for trade receivables, both historic credit losses experience and forward-looking information is assessed. Expected losses on trade receivables are recognized on a separate line item in the statement of profit and loss, if any.

For other receivables (and other financial assets) the Group measures the loss allowance at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition. If at the reporting date, the credit risk of other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Notes to the consolidated financial statements continued

For the year ended 31 December

3.5 Financial instruments continued

Impairment of derivative financial assets

Derivative financial assets are measured at fair value and the Group investigates whether the counterparty's creditworthiness gives rise to an impairment. When determining the fair value, credit value and debit value adjustments are taken into account.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Restricted cash comprises cash balances where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash deposited as collateral for letters of credit issued by the Company. Restricted funds include bank balances reserved by the lending institution for installments of loan payments to be made in the near future.

3.7 Equity attributable to owners of the Company

Ordinary shares are classified as equity. Share premium is the excess amount received over the par value of the shares. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the proceeds. When ordinary shares are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a deduction from 'Reserves'. Repurchased shares are classified as treasury shares and are presented in 'Reserves'. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in 'Reserves', and the resulting surplus or deficit on the transaction is presented in share premium.

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes cost of material, direct labour, other directly attributable cost incurred to bring the asset ready to its intended use, cost of asset retirement obligations and any capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare parts of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, the cost exceeds USD 10 thousand and the part is key for the functioning of the plant. Other spare parts are recognized within inventories.

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property, plant and equipment. Assets under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis through profit or loss over the estimated useful lives of each component, taking into account any residual values. Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary by the Group.

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Plant and equipment	5 - 25
Fixtures and fittings	3 - 10

Notes to the consolidated financial statements continued

For the year ended 31 December

3.8 Property, plant and equipment continued

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognized as part of the cost of those assets. All other borrowing costs are recognized as 'Finance cost' in the period in which they are incurred.

3.9 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the Groups' share of identifiable assets acquired and liabilities assumed of businesses acquired that were directly attributable to the legal entities comprising the Group. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Goodwill and intangible assets'. Goodwill on acquisitions of entities that qualify as associates or joint ventures is included in 'Equity-accounted investees'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets is recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets with a finite useful life (licenses, customer relations, trade names, software and other rights that are acquired separately or through business combinations) are amortized on a straightline basis in profit or loss over their estimated useful lives taking into account any residual value and impairment losses, from the date that they are available for use. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

The estimated useful lives of intangible assets are as follows:	Years
Licenses and trade names	3 - 10
Purchased rights and other	4 - 10
Software	1 - 5

3.10 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories of raw materials, spare parts and supplies are based on the weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.11 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by continued use.

For the purpose of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment be (partially) reversed. Impairment losses on goodwill are not reversed.

Notes to the consolidated financial statements continued
For the year ended 31 December

3.11 Impairment of non-financial assets continued
For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

3.12 Provisions
Provisions are recognized when a present legal or constructive obligation based on past events exists, and it is probable that an outflow of economic benefits is required to settle the obligation. If the outflow is probable, but cannot be determined reliably, the obligation is disclosed. The non-current part of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Asset retirement obligations
The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to cleanup of contamination of land, and a reliable estimate can be made. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning.

The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability.

Claims and contingencies
The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Company. If it is probable that an obligation to the Group exists, which will result in an outflow of resources and the amount of the outflow can be reliably estimated, a provision is recognized.

Donation provision
The donation provision is recognized as a constructive obligation, the amount is undiscounted as the Group expects settlement within 12 months, as such the provision is classified as current.

Onerous contracts
Onerous contracts are contracts for which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on both the incremental costs necessary to fulfil the obligation under the contract and an allocation of other costs that relate directly to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.13 Revenue from contracts with customers
Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of the Group's fertilizer and chemical products to customers. Revenue from the sale of fertilizer and chemical products are the two main revenue streams of the Group.

Goods are transferred when the customer obtains control of the asset. The timing of when control transfers depends on the sales and shipping terms agreed. Depending on its nature and the agreed sales terms, a performance obligation is either satisfied at certain point in time or over a certain period of time.

Revenue is recognized net of expected discounts and rebates to customers. Accumulated experience and management judgement is used to estimate and provide for the discounts and rebates and revenue is only recognized to the extent that it is highly probably that a significant reversal will not occur. The Group does not have any contracts where the period of time between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, no adjustment is made to transaction prices for the time value of money.

Notes to the consolidated financial statements continued
For the year ended 31 December

3.14 Government grants
Government grants that compensate the Group for expenses incurred are recognized in profit or loss as ‘Other income’ on a systematic basis in the periods in which the expenses are recognized. When the grant relates to an asset, it is recognized at the nominal amount of the grant and subsequently recognized as income in equal amounts over the expected useful life of the related asset, if applicable.

Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as ‘Other income’ on a systematic basis over the useful life of the asset.

European Emission Allowances
The Group receives European Emission Allowances (“EUAs”) as a result of its industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO_2 emissions in the Netherlands and the effective European emission legislation. In arrears, the Group must refund allowances to the Dutch Emission Authority based on actual CO_2 emissions during the year. In December 2022, the European Parliament (“EP”) and the Council reached a provisional agreement on the reform of the EU Emissions Trading System (“ETS”) as a result of which the free allocation of allowances within the EU ETS will be phased out gradually.

The grant of these allowances is within the scope of IAS 20 Government Grants. EUAs are accounted for slightly different than the above accounting policy. Upon initial recognition, the EUA’s are recognized as inventory at the nominal amount of the grant (nil). Concurrently, a liability is recognized for the obligation to refund the allowances for CO_2 emissions during the compliance period. When no excess or deficit is identified, no liability is recognized as the Group has sufficient EUAs to settle the liability.

The excess or deficit is calculated and recorded separately for each production facility. If a deficit in EUAs is identified, the Group has to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority. Purchased EUAs are recognized at cost and classified as inventory. The cost of the purchased EUAs to settle the liability for emission allowances during any given compliance period are recognized in cost of sales.

EUAs in excess of the liability to the Dutch Emission Authority that are controlled by OCI can be sold for the benefit of the Group. Sales of EUAs in excess of the liability for emission allowances during any given compliance period are recognized in cost of sales.

3.15 Lease accounting
Whether an arrangement is, or contains a lease is assessed at the commencement date of the lease. In general, an arrangement is considered to be or to contain a lease when all of the following apply:

- There is an identified asset;
- OCI obtains substantially all economic benefits from the use of the asset; and
- OCI can direct the use of the identified asset.

Lease obligations are recognized based on the present value of the future minimum lease payments.

Right-of-use assets are valued equal to the lease liabilities. As leases do not easily provide for an implicit rate, OCI uses the incremental borrowing rate. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

For leases, each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the term of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

OCI has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For assets in the class leases of offices and buildings, we account for the lease and non-lease components separately. For these types of leases the allocation of the consideration between lease and non-lease components is based on the relative stand-alone prices of lease components included in the lease arrangements. Leases are presented as ‘Right-of-use assets’ and ‘Lease obligations’. Short term leases (less than 12 months) or low value leases (less than USD 5,000) are expensed through the statement of profit or loss as incurred.

Notes to the consolidated financial statements continued

For the year ended 31 December

3.16 Finance income and cost

Finance income comprises:

- Interest income on funds invested (including on financial assets at fair value through other comprehensive income);
- Gains on the disposal of financial assets at fair value through other comprehensive income;
- Dividend income (excluding dividend from equity-accounted investees and subsidiaries);
- Fair value gains on financial assets at fair value through profit or loss; and
- Gains on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income.

Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprises:

- Interest expense on borrowings;
- Unwinding of the discount on provisions and contingent consideration;
- Interest expense related to lease obligations;
- Losses on disposal of financial assets at fair value through other comprehensive income;
- Fair value losses on financial assets at fair value through profit or loss;
- Loss on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- Impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss and expensed as incurred. Foreign currency gains and losses are recognized on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Employee benefits

Defined contribution plan

Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group long-term employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on triple-A ('AAA') credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. OCI recognizes termination benefits when OCI is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when OCI is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

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For the year ended 31 December

3.17 Employee benefits continued

Equity settled share-based payments

Certain employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period (the vesting period) that the employees render service and becomes unconditionally entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. At each reporting date, the progress of non-market conditions is measured and the expenses are recorded accordingly with true-ups recorded.

3.18 Income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from the declaration of dividends. Current income tax receivable and payable are offset when there is a legally enforceable right to offset and when the current income tax relates to the same fiscal authority.

Deferred tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ('balance sheet' method). Deferred tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also, no deferred income tax is recognized regarding the initial recognition of goodwill and regarding investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date, and reflects uncertainty related to income taxes, if any.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

In cases where it is concluded it is not probable that tax authorities will accept a tax treatment, the effect of the uncertainty is reflected in the recognition and measurement of tax assets and liabilities or, alternatively, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax expense in the period during which such a determination is made.

3.19 Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker ('CODM') to make decisions about resource allocation to the segment and to assess its performance and for which discrete financial information is available. The Group determines and presents operating segments on the basis of information that internally is provided to the CODM during the period. Operating segments are grouped into reporting segments based on similar economic environments and similar products.

Notes to the consolidated financial statements continued

For the year ended 31 December

3.20 Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared using the ‘indirect’ method. Cash flows in foreign currencies have been translated applying average exchange rates. Currency translation differences on cash are shown separately in the consolidated statement of cash flows. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as acquisition of subsidiary, net of cash. Cash flows relating to capitalized borrowing cost are presented as cash flows from operating activities. Cash flows from financing activities consist of aquisition or divestment of non-controlling interests and settlement of derivatives, with the exception of interest rate derivatives which are presented as cash flows used in operating activities. Cash flows from discontinued operations / assets held for demerger are presented separately from the cash flows from continuing operations.

The presentation of withholding tax paid on subsidiary dividends changed from cash flows used in financing activities to cash flows used in operating activities in 2022. Withholding tax paid on subsidiary dividends in 2021 amounts to USD 10.6 million and is presented in dividends paid to non-controlling interests.

3.21 Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options multiplied by the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. These new accounting standards, amendments and revisions to existing standards and interpretations are subject to endorsement by the European Union.

4.1 Standards, amendments, revisions and interpretations that became effective to OCI during 2022

The Group has applied the following amendments that became effective during 2022:

Amendments to IAS 37 - Onerous Contracts

On 14 May 2020, the IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The changes specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the amendments are effective. Comparatives are not restated.

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks has been undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group’s main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the Secured Overnight Financing Rate (SOFR). The USD LIBOR will cease as per 30 June 2023. Reference is made to note 6.3.

Notes to the consolidated financial statements continued

For the year ended 31 December

4.2 Standards, amendments, revisions and interpretations not yet effective to OCI

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. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

5. Critical accounting judgment, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the 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.

The most critical accounting policies, involving a higher degree of judgment and complexity in applying these principles and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

Goodwill and other intangible assets

Intangible assets with finite useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

For intangible assets with finite useful lives, OCI assesses annually or more frequently whether indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of intangible assets, OCI makes estimates and assumptions about future cash flows based on the value in use. In doing so, OCI also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. OCI tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts.

The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In determining the recoverable amount, OCI makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital ('WACC') and future inflation rates.

Property, plant and equipment

Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. OCI assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts.

In the useful life reassessment and in assessing for impairment indicators OCI also considers the impact of its ESG targets and of relevant transition and physical climate risks, if identified for a specific country or region. Transition risks are risks associated with transitioning to a lower-carbon economy and are primarily related to cost of climate impacts, new technologies, market developments and climate litigations. Physical risks are risks that arise from the physical effects of climate change.

In determining the recoverable amounts of property, plant and equipment, OCI makes estimates and assumptions about future cash flows based on the value in use. The discount rate to be used in order to calculate the net present value of the future cash flows in the impairment analysis is based on the WACC.

Notes to the consolidated financial statements continued

For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions

continued

Financial instruments

The fair value of financial instruments traded in active markets (financial instruments in the fair value hierarchy level 1) is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market with observable market prices (financial instruments in the fair value hierarchy level 2) is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate, or on a yield-curve based on market conditions existing at the balance sheet date.

The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. If the financial instrument contains a floating interest rate, the future expected interest rates are determined based on forward rates. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Gas price option and gas swap contracts are valued using applicable market yield curves.

All inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short-term nature. The fair value of financial instruments with no observable market prices (financial instruments in the fair value hierarchy level 3) is based on assumptions that market participants would use when pricing these assets or liability, including assumptions about risk. Assumptions about risk include the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and the risk inherent in the inputs to the valuation technique, including a risk adjustment when there is significant measurement uncertainty.

The fair value of non-current financial liabilities is estimated by discounting the future cash flows using original effective yield-curves. Unlisted equity securities in the financial assets at fair value through other comprehensive income category (financial instruments in the fair value hierarchy level 3) are measured at cost less impairments. A significant and prolonged decline in the fair value of a financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired.

If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative losses previously recognized in other comprehensive income is recognized in the profit or loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss.

Impairment financial instruments (including trade receivables)

Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy, or has failed on the repayments of principal and interest. In other circumstances OCI uses judgment to determine whether financial assets may be impaired. OCI uses judgment to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. For listed equity securities in the financial assets at fair value through other comprehensive income category, the Group uses the assumption that if the market value declined by more than 25 percent and more than 6 months, the asset is assumed to be impaired.

For unlisted equity securities in the financial assets at fair value through other comprehensive income category, an impairment test is performed if objective evidence becomes available to the Group that the asset might be impaired. For debt-securities, an impairment trigger exists when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties. The impairment is determined based on the carrying amount and the recoverable amount. The recoverable amount is determined as the present value of estimated future cash flows using the original effective interest rate.

Inventories

In determining the net realizable value of inventories, OCI estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, OCI makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of specific goods and spare parts and the impact of new environmental legislation).

Provisions

Recognition of provisions include significant estimates, assumptions and judgments. IFRS requires only those provisions to be recognized if there is an expected outflow of resources and if the cost of these outflows can be estimated reliably.

Notes to the consolidated financial statements continued

For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions

continued

Accordingly, management exercises considerable judgment in determining whether it is more likely than not that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. These judgments are subject to change as new information becomes available.

The required amount of a provision may change in the future due to new developments in the matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, the Group may incur charges in excess of the recorded provisions for such matters.

Provisions for asset retirement obligations, represent estimated costs of decommissioning. Due to the long time period over which future cash outflows are expected to occur, including the respective interest accretion, assumptions are required to be made. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements. The Group has not recognized any asset retirement obligations because a reliable estimate of the amount of the obligations cannot be made.

With respect to legal cases, the Group has to estimate the outcome. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. The Company periodically reviews the status of these proceedings with both the internal and external legal counsels.

Income taxes

OCI is subject to income taxes in several jurisdictions. Estimates are required in determining the groupwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. OCI recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered.

This is based on estimates of taxable future income by jurisdiction in which OCI operates and the period over which deferred tax assets are expected to be recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss.

Leases

The assessment of whether a contract is or contains a lease requires judgment with respect to whether the lessor has substantive substitution rights, who obtains economic benefits from use of the asset and who takes the ‘how and for what purpose’ decisions during the period of use. Judgment is also applied in order to assess whether the entity will exercise any extension or cancelation options of a lease. The group applies judgments in order to determine the incremental borrowing rate in order to calculate the lease liabilities.

Control assessment subsidiaries

Subsidiaries that OCI controls are fully consolidated from the date that control commences until the date that control ceases. To determine whether OCI has control over its subsidiaries, an assessment of control is required. This assessment is based on the requirements of IFRS 10 and evaluates whether OCI is exposed or has rights to variable returns from its involvement with the investee and whether OCI has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. In certain circumstances, the control assessment may require OCI to evaluate the effect of ownership structures, determination of relevant activities and other arrangements including the rights of other shareholders that could have an impact on the assessment of control, this specifically relates to control assessment of Fertiglobe and Sorfert. The significance of this evaluation is inversely correlated with OCI’s shareholding in the subsidiary as shown in note 17 Non-controlling interests.

Control over investees

In determining whether OCI shall consolidate certain investments in joint arrangements, OCI makes assumptions about whether certain decision rights are substantive or protective in nature. In doing so, OCI applies judgment regarding shareholder agreements it has with those other investees. If OCI determines it holds the majority of the substantive decision rights, it assumes that it holds power over the investee. OCI also makes assumptions whether it is exposed to variable returns and whether these are linked to the power OCI holds. The linkage is tested by making assumptions whether OCI might be acting as a principal rather than an agent. If OCI meets all three criteria, OCI assumes it controls the investee.

Notes to the consolidated financial statements continued

For the year ended 31 December

5. Critical accounting judgment, estimates and assumptions continued

Liquidity risk

As part of the preparation of the financial statements, the Company has assessed its liquidity risk and going concern. Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates and the ability to arrange financing and obtain waivers for potential covenant breaches.

CO_2 emissions

The Company periodically reviews its obligations with respect to CO_2 emission under the ETS program. The estimation of CO_2 emissions is primarily based on the expected utilization of the production capacity for the remaining part of the compliance period. The estimation of the utilization of the production capacity is dependent on a number of assumptions with inherent uncertainty making it a critical accounting estimate. The identification of the number of excess EUAs is dependent on this estimate.

Financial implications of climate change

OCI faces significant risks and opportunities as a result of climate change and governmental actions to reduce greenhouse gas (GHG) emissions and create low-carbon and climate-resilient economies. Refer to section 5 Climate change risks and opportunities and Strategic risks for a description of these risks and opportunities. These risks and opportunities are integrated in the Group's risk management and strategy development processes, resulting in a decarbonization strategy. Accordingly this is also embedded in OCI's governance structure e.g. by way of the mandate of the HSE & Sustainability Committee. OCI's decarbonization strategy includes a commitment to 20% greenhouse gas intensity reduction by 2030 compared to 2019 and carbon neutrality by 2050.

In 2022 OCI has continued to assess global climate related risks and opportunities relevant for its business and continues to embed climate risks and opportunities into all relevant key business processes such as business planning, business performance reviews and capital value processes. Risk mitigating actions and new business opportunities are being targeted and developed. The risks of climate change for OCI's financial performance can be classified as physical risks or transition risks.

Physical risks caused by rising global temperatures include extreme weather events (hurricanes, floods), changing weather patterns, increased water stress, and rising sea levels. These events and changes can impact our supply chain, disrupt planting cycles and growing conditions, and impede farmers' ability to apply crop nutrients. Transition risks associated with transitioning to a lower-carbon economy are primarily related to (i) changes in carbon-linked regulations and policies, such as the ETS system, the proposed European carbon border adjustment mechanism, and other potential carbon taxation mechanisms, (ii) costs associated with transitioning to lower emissions technology and resource efficiency, and (iii) dietary shifts to more plant-based nutrition. Both types of risks can affect OCI in a multitude of ways.

As of year end 2022, the main key transitional risks identified in the time frame before 2030 relates to proposed climate change related regulations at both the international and national levels, such as the European Union's proposed carbon dioxide reduction targets, the proposed carbon border adjustment mechanism and the potential EU restrictions on nitrogen fertilizer application. The main physical risks identified refer to the impact to operations and the value chain by climate change in terms of more extreme weather conditions and natural disasters. Climate risks may result in material adjustments to the carrying amounts of assets and liabilities as a result of, among other things, future re-assessment of useful lives of tangible or intangible assets, changed assumptions used as basis for impairment testing of such assets, changes to environmental and decommission provisions, and changes to cost of capital. Significant judgment may be needed to estimate such adjustments.

As of year end 2022, any current and future financial impact to OCI of climate risks and opportunities are highly uncertain. OCI expects potential effects on margins due to higher emission costs as well as higher capital expenditure to reduce the impact of climate change. These factors have been taken into account in the impairment testing of major tangible assets (plants) and intangible assets, including goodwill. However, such effects are currently assessed as limited due to replacement of assets with greener alternatives mostly after the useful lives ended and has not led to impairments in 2022 nor to significant adjustment to useful lives of such assets. Consequently, OCI has not identified significant assets which may be of reduced or no value as of year end 2022 as a result of climate risk ("stranded assets"). Information on decommission provisions are provided in note 28 Contingencies.

Notes to the consolidated financial statements continued

For the year ended 31 December

6. Financial risk and capital management

The Group has exposure to credit, liquidity and market risks from financial instruments. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks, additionally it also includes the Group's management of capital.

Risk management framework

The Board of Directors has oversight responsibility on the establishment and monitoring of the Group's risk management framework. Senior (local) management is responsible for the effective operation of the internal risk management and control systems. The Audit and Risk department is responsible for the facilitation and supervision of the Risk Management function, compliance with OCI Internal Control Framework and supports the Board of Directors in the exercise of their aforementioned risk management duties.

The Group's risk management policies and practices are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's business activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Audit and Risk Department. The Audit and Risk Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The Company mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating.

The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods. No collateral is received. The Group establishes an allowance, if needed, for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected based on historical performance. IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. As at 31 December 2022, management assessed any significant increase in credit risk based on internal and external factors related to the financial instruments and concluded no such significant credit risk was present. Hence, no allowance related to credit risk has been recognized.

As of September 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. The agreement permits securitization of trade receivables up to EUR 400.0 million (USD 428.4 million). As per 31 December 2022 an amount of EUR 257.1 million (USD 270.0 million) of trade receivables were transferred.

With respect to transactions with financial institutions, the Group sets a minimum credit rating for the counterparties. The maximum exposure to credit risk is the carrying amount of financial instruments, for an overview reference is made to the tables financial instruments by category. There is no significant concentration by counterparty of credit risk in trade and other receivables or financial assets at fair value through other comprehensive income. Concentrations of receivables by region can be seen in the table below.

The maximum exposure to credit risk at the reporting date is as follows:

$ millions	Note	2022	2021
Trade and other receivables	(9)	881.9	885.2
Financial assets at fair value through other comprehensive income	(11)	18.8	19.2
Cash and cash equivalents	(14)	1,717.0	1,580.3
Total		**2,617.7**	**2,484.7**

Notes to the consolidated financial statements continued

For the year ended 31 December

6.1 Credit risk continued

The maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

$ millions	2022	2021
Middle East and Africa	138.4	175.0
Asia and Oceania	171.5	216.4
Europe	382.0	301.4
Americas	190.0	192.4
Total	**881.9**	**885.2**

The maximum exposure to credit risk for cash and cash equivalents by geographic region is as follows:

$ millions	2022	2021
Middle East and Africa	1,442.0	899.1
Europe	193.1	462.2
Americas	81.9	219.0
Total	**1,717.0**	**1,580.3**

6.2 Liquidity risk

6.2.1 General

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2022 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(18)	2,875.7	3,863.7	371.1	2,010.0	1,482.6
Lease obligations	(19)	276.1	515.2	50.0	101.0	364.2
Trade and other payables	(20)	1,257.0	1,257.0	1,167.0	87.2	2.8
Derivatives	(20)	141.4	142.1	82.4	59.7	-
Total		**4,550.2**	**5,778.0**	**1,670.5**	**2,257.9**	**1,849.6**

31 December 2021 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(18)	3,800.8	4,311.1	597.6	3,112.6	600.9
Lease obligations	(19)	277.2	484.9	35.7	86.0	363.2
Trade and other payables	(20)	1,368.4	1,368.4	1,345.5	22.5	0.4
Derivatives	(20)	12.8	12.8	12.0	0.8	-
Total		**5,459.2**	**6,177.2**	**1,990.8**	**3,221.9**	**964.5**

The interest on floating rate loans and borrowings is based on forward interest rates at period-end. This interest rate may change as the market interest rate changes. The future obligations will be managed by the future incoming cash from operations, currently available non-restricted cash and cash equivalents of USD 1,692.2 million (2021: USD 1,439.5 million) and unused amounts on credit facility agreements in the amount of USD 1,750.0 million (2021: USD 800.0 million), reference is made to note ' Undrawn bank facilities'.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk. The Group's financing strategy is to secure external financing primarily at OCI N.V. and Fertiglobe plc with debt at an operating company level only if there is a compelling economic rationale. OCI N.V. acts as the financing company thus limiting the number of cross relationships within the Group and maximizing flexibility to divest operating companies.

Notes to the consolidated financial statements continued

For the year ended 31 December

6.2 Liquidity risk continued

The liquidity risk is monitored internally at Group level. On an ongoing basis the Group prepares liquidity forecasts to verify whether the Group is able to meet its future debt obligations. The Company has also carefully evaluated the funding of its Business Plan for at least the next 12 months from the date of issuance of the financial statements, taking into account the measures mentioned below and has applied sensitivities to the forecast level of liquidity headroom available. Key assumptions include product pricing, natural gas pricing and utilization rates. Management has applied these assumptions to the forecasts, which would leave sufficient liquidity headroom.

6.2.2 Refinancing activity

The following refinancing activities were completed during 2022 to optimize the Group's finance cost and enhance its cashflow up-streaming to OCI N.V.:

- On 8 April 2022, OCI N.V. announced that it has closed a new unsecured multicurrency Revolving Credit Facility ("RCF") for a total of USD 1.1 billion, which replaced a facility of USD 850 million, which was undrawn at the time of refinancing and originally entered into in 2018. The new facility carried an interest margin at inception of 1.10% and has a tenor of 60 months.
- On 18 May 2022, OCI N.V. announced that its wholly-owned subsidiary IFCo has refinanced in full its outstanding capital markets debt. The refinancing involves the issuance by the Iowa Finance Authority of USD 838.8 million Midwestern Disaster Area Revenue Refunding Bonds (Iowa Fertilizer Company Project), Series 2022. The Series 2022 Bonds bear interest at a weighted average cost of capital of 4.60% per annum, payable semi-annually, and an average life of 22 years, and include:
    - USD 150.0 million 10-year par bond with 4.00% coupon;
    - USD 344.375 million 20-year premium bond with 5.0% coupon yielding 4.65%; and
    - USD 344.370 million 28-year premium bond with 5.0% coupon yielding 4.80%.
- On 23 December 2022, Fertiglobe announced that it has refinanced its outstanding USD 900 million bridge facility, originally due in 2024, with new 3-year (USD 300 million) and 5-year (USD 600 million) term facilities with interest rates of SOFR + 150bps and SOFR + 175bps respectively. It further announced that it has increased its revolving credit facility from USD 300 million to USD 600 million and extended the facility's maturity from December 2026 to 2027. The margin on the RCF has been reduced from 175bps to 140bps over SOFR. The new term facilities were drawn on 4 January 2023 and the bridge facility repaid on the same date.

For an overview of all loans and borrowings, reference is made to note 18.

6.3 Market risk

6.3.1 General

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

6.3.2 Foreign currency risk

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange transaction risk

The Group entities predominantly execute their activities in their respective functional currencies. The Group is however exposed to foreign exchange transaction risk when Group entities enter into foreign currency denominated transactions. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The nominal amount of the foreign currency derivatives outstanding used to hedge transaction risk as per 31 December 2022 was USD 62.3 million (2021: USD 142.6 million) and relates to the USD exposure of the Group (on Euro currencies).

The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD / EGP exchange rates and Fertil has exposure to fluctuations in the USD / AED echange rates.

Foreign exchange translation risk

The Group is exposed to the translation of foreign currency denominated monetary assets and liabilities. These exposures are managed by the Group's treasury function, which may hedge a portion of the foreign currency exposures estimated to arise in the foreseeable future. For the unhedged portion the Group seeks to mitigate translation risk by matching the remaining currency of debt with available cashflows in the respective currency. As per 31 December 2022 there were no foreign currency derivatives outstanding (2021: nil) related to the exposure of foreign currency denominated monetary assets and liabilities.

Notes to the consolidated financial statements continued

For the year ended 31 December

6.3 Market risk continued

The summary of balances of the Group's exposure to foreign exchange translations, where there is exposure for monetary items denominated in foreign currencies which differ from their functional currencies, including intercompany balances, is as follows:

31 December 2022 $ millions	USD	EUR	EGP
Trade and other receivables	72.7	20.0	72.9
Trade and other receivables - Intercompany	183.5	285.8	40.7
Trade and other payables	(124.3)	(3.4)	(7.4)
Trade and other payables - Intercompany	(88.5)	(247.7)	(0.4)
Loans and borrowings	-	-	-
Loans and borrowings - Intercompany	(475.1)	(109.3)	-
Provisions	-	-	(76.8)
Cash and cash equivalents	890.0	22.8	16.5

31 December 2021 $ millions	USD	EUR	EGP
Trade and other receivables	20.6	6.3	93.1
Trade and other receivables - Intercompany	1,980.6	67.6	0.3
Trade and other payables	(10.5)	(11.4)	(8.0)
Trade and other payables - Intercompany	(161.2)	(20.0)	(0.5)
Loans and borrowings	(1,107.0)	-	-
Loans and borrowings - Intercompany	(1,212.6)	(123.1)	-
Provisions	-	-	(120.8)
Cash and cash equivalents	411.6	13.9	24.0

The Algerian dinar is not included in the above table of foreign exchange translation exposure, since there are no entities in the Group which have monetary items denominated in Algerian dinar, except for Sorfert, which has the Algerian dinar as its functional currency.

Significant exchange rates

The following significant exchange rates applied during the year against the US dollar:

	Average 2022	Average 2021	Closing 2022	Closing 2021
Euro	1.0533	1.1828	1.0711	1.1370
Egyptian pound	0.0530	0.0637	0.0404	0.0636
Algerian dinar	0.0070	0.0074	0.0073	0.0072

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate to increase or (decrease) against the EUR, EGP and DZD, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

31 December 2022 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	10 percent	(49.0)	(34.7)
	(10) percent	49.0	34.7
EGP - USD	10 percent	4.5	-
	(10) percent	(4.5)	-
DZD - USD	4 percent	36.7	-
	(4) percent	(36.7)	-

31 December 2021 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	1.9	31.0
	(5) percent	(1.9)	(31.0)
EGP - USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD - USD	3 percent	21.9	-
	(3) percent	(21.9)	-

Notes to the consolidated financial statements continued

For the year ended 31 December

6.3 Market risk continued

The figures in the above overview are determined based on the currency volatility of the respective years. A significant part of the Group's exposure to foreign currency transaction risk relates to intercompany balances.

6.3.3 Interest rate risk

The Group's cash flow interest rate risks arise from the exposure to variability in future cash flows of floating rate financial instruments and refinancing fixed rate borrowings. The Group regularly reviews its exposure to the global interest rate environment. As per 31 December 2022 there were no interest rate derivatives outstanding. The interest rate derivatives were settled in 2022 due to a change in refinancing planning. In 2021, the Group had entered into interest rate derivatives with a notional amount of USD 125.0 million to manage the interest rate risk on floating rate instruments and the refinancing of fixed rate borrowings.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a higher volatility compared to prior years. The interest rate sensitivity calculation is based on the interest-bearing liabilities. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2022	2021
Effect on profit before tax for the coming year	+ 200 bps	(26.9)	(35.9)
	- 200 bps	26.9	35.9

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks has been undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group's main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the Secured Overnight Financing Rate (SOFR). The USD LIBOR will cease as per 30 June 2023. The Group has finished the process of amending contractual terms in response to IBOR reform during 2022.

All financial instruments that are subject to the interest rate benchmark reform have contractual provisions in place to seamlessly transition to a new reference rate when publication of USD LIBOR ceases. All instruments subject to the reform are non-derivative financial liabilities.

6.3.4 Commodity price risk

Natural gas is one of the primary raw materials used in the Group's production processes. The Group is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on this data in order to make operational and hedging decisions.

For the entities that are impacted by changes in natural gas prices during FY 2023, a change in the average natural gas prices by USD 1 per MMBtu would impact the total annual cost of sales by USD 81.0 million (2021: USD 91.6 million).

The Group enters into gas hedges in order to hedge future gas price levels over a certain period of time (reference is made to note 20). 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 fiscal year 2023 gas price risk is reduced by the Group to an extent of 81% (including both physical pricings and financial hedges). The outstanding gas hedges in MMBtu as per 31 December 2022 for the years 2023-2025 are:

- Flat priced contracts 181.0 million (2021: 15.8 million);
- Options (delta equivalent) 7.3 million (2021: 14.6 million);
- Basis Swaps 0.9 million (2021: 0.1 million)

The flat priced contracts in MMBtu as per 31 December 2022 for the years 2026 and beyond are 136.6 million.

The Group has a cash collateral obligation for the outstanding gas hedges with one counterparty for any mark-to-market liability that exceeds USD 25 million. These hedges in MMBtu approximate 40% of the outstanding volume of gas hedges. As at 31 December 2022, no margin calls have taken place under this obligation.

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For the year ended 31 December

6.3 Market risk continued

European Emission Allowance

During the year, the Group has generated additional liquidity by selling EUAs to the market. This generated total net proceeds of USD 94.6 million (2021: USD 116.5 million) resulting from the sale and repurchase of EUAs. Included in the net proceeds received, a gross amount of USD 132.2 million (2021: USD 133.8 million) was recognized in cost of sales related to the sale of excess EUAs. When EUAs are sold for cash management purposes, a liability is recognized for the obligation to refund the allowances for CO_2 emissions during the compliance period. This liability is subsequently measured at fair value. The total liability recorded as per 31 December 2022 amounts to USD 36.7 million (2021: USD 116.2 million).

To manage the fair value risk of the EUA liability, the Group entered into financial hedges to purchase 0.9 million (2021: 1.3 million) EUAs. As per 31 December 2022, the fair value of these forward contracts amounts to USD (5.2) million (2021: USD 42.7 million). The group does not apply hedge accounting to these contracts.

Financial instruments

The following table presents the various categories of financial instruments:

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	(9)	859.0	22.9	-
Financial assets at fair value through other comprehensive income	(11)	-	-	18.8
Cash and cash equivalents	(14)	1,717.0	-	-
Total		**2,576.0**	**22.9**	**18.8**
Liabilities				
Loans and borrowings	(18)	2,875.7	-	-
Trade and other payables	(20)	1,220.3	178.1	-
Total		**4,096.0**	**178.1**	**-**

31 December 2021 $ 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	(9)	831.8	53.4	-
Financial assets at fair value through other comprehensive income	(11)	-	-	19.2
Cash and cash equivalents	(14)	1,580.3	-	-
Total		**2,412.1**	**53.4**	**19.2**
Liabilities				
Loans and borrowings	(18)	3,800.8	-	-
Trade and other payables	(20)	1,252.2	129.0	-
Total		**5,053.0**	**129.0**	**-**

The Group has limited financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2. Financial assets at fair value through other comprehensive income recognized as level 1 is USD 2.2 million (2021: USD 2.8 million), the investment in the Infrastructure and Growth Capital Fund of USD 1.5 million (2021: USD 2.8 million) was recognized as level 2 as the valuation is partially derived from listed shares.

The investment in Notore Chemical of USD 15.1 million (2021: USD 13.6 million) is recognized as level 3, reference is made to note 11. 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 audited financial statements.

In 2022 and 2021, there were no transfers between the fair value hierarchy categories. The fair value of loans and borrowings and receivables are disclosed in notes 18 and 9, respectively.

Notes to the consolidated financial statements continued

For the year ended 31 December

6.4 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. Reference is made to note 18 for a description of financial covenants.

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

$ millions	Note	2022	2021
Loans and borrowings	(18)	2,875.7	3,800.8
Less: cash and cash equivalents	(14)	1,717.0	1,580.3
Net debt		**1,158.7**	**2,220.5**
Total equity		4,339.7	3,508.2
Net debt to equity ratio at 31 December		**0.27**	**0.63**

In 2021, loans and borrowings included an amount of USD 383.1 million (2022: nil) related to the bank overdraft facility of OCI N.V. The amount drawn on this facility was also included in cash and cash equivalents and held by other entities within the Group. These amounts were not offset as they did not comply with the offsetting requirements for financial instruments.

7. Property, plant and equipment and right-of-use assets

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	751.9	9,328.1	60.4	146.2	10,286.6
Accumulated depreciation	(185.7)	(3,813.7)	(42.9)	-	(4,042.3)
At 1 January 2021	**566.2**	**5,514.4**	**17.5**	**146.2**	**6,244.3**
Movements in carrying amount:					
Additions	2.0	25.1	4.8	203.3	235.2
Disposals	-	(2.4)	-	-	(2.4)
Depreciation	(24.8)	(531.8)	(3.5)	-	(560.1)
Impairment	(1.3)	(244.7)	(0.3)	(30.0)	(276.3)
Transfers	0.6	163.0	1.2	(164.8)	-
Reclassification to inventory	-	(19.0)	-	-	(19.0)
Asset retirement obligation	-	-	8.7	-	8.7
Movement in exchange rates	(3.2)	(76.1)	(0.7)	(6.9)	(86.9)
At 31 December 2021	**539.5**	**4,828.5**	**27.7**	**147.8**	**5,543.5**
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 31 December 2021	**539.5**	**4,828.5**	**27.7**	**147.8**	**5,543.5**
Movements in carrying amount:					
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**

Notes to the consolidated financial statements continued

For the year ended 31 December

7. Property, plant and equipment and right-of-use assets

continued

As at 31 December 2022, the Group has land with a carrying amount of USD 69.7 million (2021: USD 35.3 million). The transfers of USD 195.2 million (2021: USD 164.8 million) are assets under construction that were put into use during the year. Transfers mainly relate to OCIB for USD 72.6 million, OCIN for USD 42.0 million, Fertil for USD 41.0 million and EBIC for USD 30.6 million. The additions of USD 394.1 million (2021: USD 235.2 million) mainly relate to OCIN for USD 96.6 million, OCIB for USD 68.1 million, Fertil for USD 47.7 million and IFCo for USD 36.3 million.

The effect of movement in exchange rates in 2022 mainly relates to Sorfert, BioMCN and OCIN, which have different functional currencies (Algerian dinar and Euro respectively) compared to the Group's presentation currency. The Algerian dinar increased by 1.4% and the Euro decreased by 5.8% against the US dollar in 2022. The capitalized borrowing costs during the year ended 31 December 2022 amounts to USD 1.0 million (2021: nil).

The difference between the additions in the above schedule and the investments in property, plant and equipment mentioned in the consolidated statement of cash flows is mainly caused by changes in capital expenditure creditors not yet paid and capitalized borrowing costs, which are presented as part of interest expenses under cash flows from operating activities in the consolidated statement of cash flows. For capital commitments reference is made to note 29.

In 2022, no property, plant and equipment (2021: USD 1,835.9 million) has been pledged as security for external loans and borrowings of IFCo. Reference is made to note 18.

Impairment BioMCN

During 2022 an impairment loss of USD 12.8 million (2021: USD 264.5 million) and USD 5.2 million (2021: 13.8 million) was recognized in cost of sales on the property, plant and equipment and right of use assets, respectively, of BioMCN. Over the course of the year 2021, European gas prices reached historically high price levels, which has a significant negative impact on the financial performance of BioMCN. In response to the high gas price environment, management decided to temporarily shut down the production facilities at BioMCN from June 2021 onwards. The carrying amount of these asset is nil as of December 31, 2022. The shutdown of the production facilities was initiated to avoid significant contribution losses caused by the historically high gas prices.

The impairment loss on BioMCN property, plant and equipment recognized 2022 pertains to investments made to maintain the ability to quickly respond to changes in market prices. These investments are subsequently impaired as the recoverable amount for the cash generating unit is deemed zero. The impairment recognized for right-of-use assets relates to a lease modification that was subsequently impaired due to the aforementioned.

Right-of-use assets

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Total
At 1 January 2021	**147.8**	**81.8**	**49.8**	**279.4**
Movements in carrying amount:				
Additions	18.7	12.9	1.7	33.3
Modifications	1.0	3.3	-	4.3
Disposals	(2.4)	(2.7)	-	(5.1)
Depreciation	(9.2)	(22.4)	(9.8)	(41.4)
Impairment	(3.9)	(9.9)	-	(13.8)
Movement in exchange rates	(6.2)	(2.3)	-	(8.5)
At 31 December 2021	**145.8**	**60.7**	**41.7**	**248.2**
Movements in carrying amount:				
Additions	12.6	27.8	2.4	42.8
Modifications	0.4	2.9	-	3.3
Disposals	-	(0.3)	-	(0.3)
Depreciation	(10.3)	(22.0)	(9.6)	(41.9)
Impairment	(0.5)	(4.7)	-	(5.2)
Movement in exchange rates	(5.5)	(1.2)	-	(6.7)
At 31 December 2022	**142.5**	**63.2**	**34.5**	**240.2**

The additions of USD 42.8 million (2021: USD 33.3 million) mainly relate to N-7 for USD 12.5 million, OMM US for USD 7.7 million and OCIN for USD 6.4 million. The effect of movement in exchange rates of USD 6.7 million (2021: USD 8.5 million) mainly relates to OCIN and OCI UK, which have a different functional currency (Euro) compared to the Group's presentation currency.

Notes to the consolidated financial statements continued

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8. Goodwill and other intangible assets

$ millions	Goodwill	Licences and trademarks	Other intangible assets	Under construction	Total
Cost	1,808.8	74.0	5.4	-	1,888.2
Accumulated amortization and impairment	(1,322.9)	(74.0)	(4.8)	-	(1,401.7)
At 1 January 2021	**485.9**	**-**	**0.6**	**-**	**486.5**
Movements in carrying amount:					
Additions	-	-	1.1	-	1.1
Amortization	-	-	(0.2)	-	(0.2)
Movement in exchange rates	(1.7)	-	-	-	(1.7)
At 31 December 2021	**484.2**	**-**	**1.5**	**-**	**485.7**
Cost	1,807.1	74.0	6.5	-	1,887.6
Accumulated amortization and impairment	(1,322.9)	(74.0)	(5.0)	-	(1,401.9)
At 31 December 2021	**484.2**	**-**	**1.5**	**-**	**485.7**
Movements in carrying amount:					
Additions	-	-	-	6.4	6.4
Reclassification	-	-	-	1.1	1.1
Amortization	-	-	(0.3)	-	(0.3)
Movement in exchange rates	(1.2)	-	(0.2)	-	(1.4)
At 31 December 2022	**483.0**	**-**	**1.0**	**7.5**	**491.5**
Cost	1,805.9	70.7	6.3	7.5	1,890.4
Accumulated amortization and impairment	(1,322.9)	(70.7)	(5.3)	-	(1,398.9)
At 31 December 2022	**483.0**	**-**	**1.0**	**7.5**	**491.5**

Goodwill

Goodwill has been allocated to the cash generating units as follows:

Cash generating units $ millions	Reporting segment	2022	2021
Egyptian Fertilizers Company ('EFC')	Fertiglobe	440.0	440.0
OCI Beaumont ('OCIB')	Methanol US	23.0	23.0
OCI Nitrogen ('OCIN')	Nitrogen Europe	20.0	21.2
Total		**483.0**	**484.2**

Goodwill impairment testing

The determination of the recoverable amounts for the cash generating units requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant. The terminal growth rate was determined based on the long term US Treasury constant maturity yield. The discount rate is a post-tax measure estimated based on the capital asset pricing model. Selling price and natural gas price assumptions are based on a published independent price outlook prepared by global experts. The other assumptions used are based on past experiences and external sources, but that are unpredictable and inherently uncertain.

The impairment tests are based on specific estimates for cash flow projections for the years 2023 to 2027 (this period captures the cyclical nature of the industry). For the subsequent years, the residual values were calculated based on the average EBITDA margin of the last two years of the projection period and whereby a perpetual growth rate of 4.08% was used. The estimated cash flows are discounted using a present value technique.

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For the year ended 31 December

8. Goodwill and other intangible assets continued

The following rates were applied in performing the impairment test:

Percentage	2022	2021
Pre-tax discount rate	19.85%	12.62%
Perpetual growth rate	4.08%	2.02%

Result of the impairment test

For all cash generating units the recoverable values significantly exceed their carrying amounts. No reasonably possible change in a key assumption would cause the cash generating unit's carrying amount to exceed the recoverable amount.

9. Trade and other receivables

$ millions	2022	2021
Trade receivables (net)	500.7	577.2
Loans and trade receivables due from related parties	25.8	5.0
Prepayments	135.0	57.6
Other tax receivables	102.4	116.9
Supplier advance payments	39.0	31.2
Commodity and natural gas derivatives	18.7	10.7
EUA derivatives	0.4	42.7
Foreign currency derivatives	3.8	-
Other derivatives	-	-
Other receivables	56.1	43.9
Total	**881.9**	**885.2**
Non-current	61.7	33.6
Current	820.2	851.6
Total	**881.9**	**885.2**

In 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. By doing so, the Group is able to receive cash flows from selected debtors sooner than would normally be the case.

Upon transfer of the balances, OCI derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. The agreement permits securitization of trade receivables up to EUR 400.0 million (USD 428.4 million) (2021: EUR 200.0 million). As per 31 December 2022 an amount of EUR 257.1 million (2021: EUR 200.0 million) of trade receivables had been transferred. The transferred trade receivables are pledged as security under the securitization program.

The other tax receivable contains an amount of EGP 900 million (USD 36.4 million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note OCI S.A.E. tax dispute. USD 61.4 million (2021: USD 53.1 million) is related to paid VAT to be collected in various jurisdictions.

The carrying amount of 'Trade and other receivables' as at 31 December 2022 approximates its fair value.

The aging of current trade receivables at the reporting date were as follows:

$ millions	2022	2021
Neither past due nor impaired	480.9	559.7
Past due 1 - 30 days	16.3	14.2
Past due 31 - 90 days	1.7	1.8
Past due 91 - 360 days	1.5	1.2
More than 360 days	0.3	0.3
Total	**500.7**	**577.2**

Management believes that the unimpaired amounts that are past due by more than 30 days (USD 3.5 million) are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Group has not recognized any allowance for trade receivables.

Notes to the consolidated financial statements continued

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10. Equity-accounted investees

The following table shows the movements in the carrying amount of the Group's associates and joint ventures:

$ millions	2022	2021
At 1 January	**494.9**	**468.7**
Share in income	21.7	7.3
Investment in Rainbow Holdco	-	23.6
Dividends	(1.8)	(2.5)
Other comprehensive income	9.7	-
Effect of movement in exchange rates	(2.2)	(2.2)
At 31 December	**522.3**	**494.9**
Joint ventures	1.2	1.1
Associates	521.1	493.8
Total	**522.3**	**494.9**

The Group has interests in the following associates and joint ventures:

Name	Type	Participation via	Country	Participation
Firewater LLC (Natgasoline)	Associate	Firewater B.V.	United States	50.0%
White Rock Insurance PCC Ltd.	Associate	OCI N.V.	The Netherlands	5.0%
Sitech Manufacturing Services C.V.	Associate	OCI Nitrogen B.V.	The Netherlands	35.0%
Sitech Services B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	23.0%
Rainbow Holdco B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	43.0%
Egypt Green Hydrogen SAE	Associate	Fertiglobe Green Investments LLC	UAE	20.0%
Nitrogen Iberian Company SL.	Joint venture	OCI Nitrogen B.V.	Spain	50.0%
Shanxi Fenghe Melamine Company Ltd.	Joint venture	OCI Nitrogen B.V.	China	49.0%

The following table summarizes the financial information of the Group's associates and joint ventures (on a 100% basis):

	2022			2021		
$ millions	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Non-current assets	2,041.4	-	2,041.4	2,161.8	-	2,161.8
Current assets	457.1	33.7	490.8	315.0	15.5	330.5
Non-current liabilities	(1,115.1)	(5.5)	(1,120.6)	(1,121.4)	(8.7)	(1,130.1)
Current liabilities	(294.1)	(25.7)	(319.8)	(323.1)	(4.5)	(327.6)
Net assets	**1,089.3**	**2.5**	**1,091.8**	**1,032.3**	**2.3**	**1,034.6**
Income	1,109.6	43.4	1,153.0	867.3	27.2	894.5
Expenses	(1,060.8)	(43.1)	(1,103.9)	(844.7)	(27.0)	(871.7)
Net profit	**48.8**	**0.3**	**49.1**	**22.6**	**0.2**	**22.8**

Notes to the consolidated financial statements continued

For the year ended 31 December

10. Equity-accounted investees continued

The following chart summarizes the financial information of significant associates (on a 100% basis):

	Firewater LLC (Natgasoline)		Sitech Services B.V.	
$ millions	2022	2021	2022	2021
Non-current assets	1,846.4	1,973.8	121.2	124.4
Current assets (excluding cash and cash equivalents)	190.4	108.7	26.5	30.0
Cash and cash equivalents	60.5	52.3	21.4	20.3
Non-current liabilities	(1,051.6)	(1,050.8)	(63.4)	(70.6)
Current liabilities	(95.7)	(178.4)	(43.9)	(44.6)
Net assets	**950.0**	**905.6**	**61.8**	**59.5**
Group's share of net assets	475.0	452.8	14.2	13.7
Revenues	518.2	319.5	220.9	222.3
Depreciation	(153.9)	(157.4)	(11.9)	(13.8)
Interest income	0.8	-	-	-
Interest expense	(61.5)	(56.1)	(1.3)	(1.3)
Profit / (loss) before taxes	32.0	(0.4)	15.1	17.4
Tax expense	(8.5)	-	(3.5)	(5.0)
Profit / (loss) after taxes	23.5	(0.4)	11.6	12.4
Other comprehensive income	19.4	-	-	-
Total comprehensive income	**42.9**	**(0.4)**	**11.6**	**12.4**
Group's share in total comprehensive income	22.8	(0.2)	2.7	2.8
Dividends	**-**	**-**	**5.9**	**11.0**

Included in the associates is Firewater LLC, the holding company of Natgasoline LLC, which is a methanol plant in Texas USA, and Sitech, which operates at the Chemelot site in Geleen, the Netherlands, where the factory of OCIN is based. The Chemelot site is also used by other companies.

11. Financial assets at fair value through other comprehensive income

$ millions	2022	2021
Infrastructure and Growth Capital Fund LP (UAE)	1.5	2.8
Notore Chemical Industries (Mauritius)	15.1	13.6
Orascom Construction PLC (UAE)	2.2	2.8
Total	**18.8**	**19.2**
Non-current	18.8	19.2
Current	-	-
Total	**18.8**	**19.2**

The Group holds an investment in the Infrastructure and Growth Capital Fund LP, which is managed by the Abraaj Group. Abraaj Holdings and Abraaj Investment Management are in provisional liquidation in the Cayman Islands and their court-appointed joint provisional liquidators, Deloitte and PwC, are overseeing the restructuring of Abraaj's debt.

The investment in Notore Chemical Industries represents a 13.18 percent shareholding. Further, OCI N.V. holds shares in Orascom Construction PLC.

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For the year ended 31 December

12. Income taxes

12.1 Income tax in the statement of profit or loss

$ millions	2022	2021
Current tax	(241.5)	(242.5)
Deferred tax	(172.3)	105.4
Total income tax reported in profit or loss	**(413.8)**	**(137.1)**

Current tax expense

$ millions	2022	2021
Current year	(223.6)	(222.5)
Minimum tax requirements	(2.0)	(9.6)
Dividend withholding tax	(18.0)	(10.6)
Changes in estimates relating to prior years	2.1	0.2
Income tax expense reported in profit or loss	**(241.5)**	**(242.5)**

The main contributor to the current year tax expense is Fertil.

Deferred tax expense

$ millions	2022	2021
Origination and reversal of temporary differences	(246.3)	(60.5)
Movement in uncertain tax positions	48.9	(92.7)
Changes in tax rates	(0.4)	-
Recognition of previously unrecognized tax assets	39.6	264.7
Unrecognized tax assets	(14.1)	(0.1)
Dividend withholding tax	-	(6.0)
Income tax benefit / (expense) reported in profit or loss	**(172.3)**	**105.4**

12.2 Other comprehensive income

$ millions	2022	2021
Cash flow hedges, effective portion of changes in fair value	2.5	4.8
Income tax benefit reported in OCI	**2.5**	**4.8**

12.3 Reconciliation of effective tax rate

OCI's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0.0% to 25.8%, which results in a difference between the effective income tax rate and the Netherlands' statutory income tax rate of 25.8%. Reconciliation of the statutory income tax rate in the Netherlands with the effective income tax rate can be summarized as follows:

$ millions	2022	%	2021	%
Profit before income tax	2,840.1		1,295.9	
Enacted income tax rate in the Netherlands	25.8%		25.0%	
Income tax expense calculated at the enacted Dutch tax rate	**(732.7)**	**(25.8)**	**(324.0)**	**(25.0)**
Effect of tax rates in foreign jurisdictions	98.2	3.5	40.1	3.1
Expenses non-deductible	(44.1)	(1.6)	(58.5)	(4.5)
Income not subject to tax	208.6	7.3	123.2	9.5
Adjustments prior years	2.1	0.1	0.2	-
Change in tax rates	(0.4)	-	-	-
Recognition of previously unrecognized tax assets	39.6	1.4	264.7	20.4
Unrecognized tax losses	(14.1)	(0.5)	-	-
Unrecognized temporary differences	-	-	(65.6)	(5.1)
Dividend withholding tax	(18.0)	(0.6)	(16.6)	(1.3)
Minimum tax requirements	(2.0)	(0.1)	(9.6)	(0.7)
Uncertain tax positions	1.4	-	(92.7)	(7.1)
Foreign exchange effects	47.5	1.7	-	-
Other	0.1	-	1.7	0.1
Total income tax in profit or loss	**(413.8)**	**(14.6)**	**(137.1)**	**(10.6)**

Notes to the consolidated financial statements continued

For the year ended 31 December

12.3 Reconciliation of effective tax rate continued

The Group's consolidated effective tax rate in respect of continuing operations for the period ended 31 December 2022 was 14.6% (2021: 10.6%). Compared to the statutory tax rate applicable in the Netherlands (25.8%) the following elements are the main drivers for the lower effective tax rate of 14.6%:

- The main driver for the lower effective tax rate are the export activities of Sorfert and the status of EBIC as a free zone company. The profits generated by these activities are tax exempt and therefore result in a significant reduction of the effective tax rate for the group.
- OCI's activities in foreign jurisdictions also contributed favorably to the effective tax rate. The blended statutory rate based on the 2022 profitability was 22.3% (2021: 21.9%).
- The effective tax rate was also favorably impacted by currency devaluations on uncertain tax positions and lower non-deductible costs.

Recognition of previously unrecognized tax losses

During 2022, a portion of BioMCN's property plant and equipment was impaired for tax purposes, thereby reversing a deductible temporary difference related to these assets. This tax benefit was offset against current year taxable income of BioMCN. During 2021, a deferred tax asset related to net operating losses was recognized at IFCo. The recognition resulted in a net deferred tax asset of USD 200.3 million and therefore was a significant component of the 2021 tax expense. All available net operating losses and tax credits available for IFCo were recognized in 2021. In addition to the losses recognized for IFCo, the BioMCN tax group was able to utilize all available tax losses in 2021 due to strong financial performance of OCI Fuels and the sale of excess EUAs of BioMCN.

Pillar Two global minimum tax

On 20 December 2021, the jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting ('OECD BEPS') released the so-called Pillar Two Model Rules (also referred to as the "Anti Global Base Erosion" or "GloBE" Rules) which are designed to ensure that large multinational enterprises (MNEs) pay a minimum level of tax of 15% on the aggregated qualifying income arising in each jurisdiction where they operate ('Pillar Two'). On 15 December 2022, the EU Member States unanimously adopted an EU directive ensuring a global minimum level of taxation and agreed to apply these rules for fiscal years starting on or after 31 December 2023.

A taxpayer will fall within the scope of Pillar Two if it has foreign presence, more than EUR 750 million in consolidated revenues and is not listed as an out-of-scope entity.

A qualifying taxpayer calculates its effective tax rate for the aggregated activities in each jurisdiction where it operates and pays top-up tax for the difference between its effective tax rate per jurisdiction and the global minimum tax rate of 15%. Any resulting top-up tax is generally charged in the jurisdiction of the ultimate parent of the MNE (OCI N.V.).

The OCI group is at risk of a top-up tax for the activities held by the Fertiglobe group due to respective source jurisdictions having a potential effective tax rate below 15% as determined under the Pillar Two rules. As the Pillar Two rules allow for a levy by the source jurisdiction under the so-called Qualifying Domestic Minimum Top-up Tax as well as by an intermediate holding jurisdiction under the Partially Owned Parent Entity rules, it remains uncertain in which jurisdiction the top-up tax will need to be remitted as well as based on which ownership percentage. It is expected that in the course of 2023 other relevant jurisdictions will announce further guidance on the implementation of the Pillar Two rules in their respective jurisdictions.

12.4 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

$ millions	2022	2021
At 1 January	**(406.7)**	**(514.7)**
Profit or loss	(172.3)	105.4
Reclassification to current income tax payable	183.0	-
Effect of movement in exchange rates (recognized in equity)	(8.0)	2.6
At 31 December	**(404.0)**	**(406.7)**

Notes to the consolidated financial statements continued

For the year ended 31 December

12.4 Deferred income tax assets and liabilities continued

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	2022	2021	2022	2021	2022	2021
Intangible assets	63.8	82.9	(63.0)	(62.9)	0.8	20.0
Property, plant and equipment	-	-	(650.8)	(587.1)	(650.8)	(587.1)
Inventory	13.2	0.4	(16.8)	(14.9)	(3.6)	(14.5)
Investment in partnership	-	-	-	(75.2)	-	(75.2)
Trade and other receivables	0.5	0.2	(0.4)	(0.3)	0.1	(0.1)
Loans and borrowings	47.9	31.3	6.4	(0.6)	54.3	30.7
Trade and other payables	23.4	12.9	(13.9)	-	9.5	12.9
Provisions	-	-	-	(3.0)	-	(3.0)
Uncertain tax positions	-	-	(14.3)	(148.6)	(14.3)	(148.6)
Undistributed earnings	-	-	(24.5)	(21.7)	(24.5)	(21.7)
Operating losses carry forward and tax credits	224.5	379.9	-	-	224.5	379.9
At 31 December	**373.3**	**507.6**	**(777.3)**	**(914.3)**	**(404.0)**	**(406.7)**
Netting of fiscal positions	(292.0)	(299.9)	292.0	299.9	-	-
Amounts recognized in the Statement of Financial Position	**81.3**	**207.7**	**(485.3)**	**(614.4)**	**(404.0)**	**(406.7)**

The deferred tax asset relating to intangible assets mainly related to capitalized start-up costs for IFCo for USD 51.3 million. These costs are capitalized and amortized for tax purposes and were expensed for book purposes. Deferred tax liabilities relating to intangible assets mainly relates to goodwill of EFC for USD 62.6 million. This deferred tax liability will be reversed in case the asset is impaired. Deferred tax liabilities recognized in relation to property, plant and equipment will be realized over the depreciation period of the related asset, and mainly relate to IFCo (USD 252.8 million), Fertil (USD 232.4 million), OCIB (USD 81.2 million), EFC (USD 56.7 million) and OCIN (USD 22.8 million).

The deferred tax liability for investments in partnership has been reclassed to other categories, following a change in the partnership structure for OCIB.

The majority of the deferred tax liability was attributed to the property, plant and equipment category as presented in the table above.

The uncertain tax position of USD 14.3 million is disclosed below. The deferred tax liability 'undistributed earnings' relates to income tax consequences of undistributed earnings of subsidiaries and associates that will reverse in the foreseeable future. The Company does not anticipate any other income tax consequences resulting from the undistributed earnings of subsidiaries and associates.

Deferred tax assets relate to temporary differences, tax credits and tax losses carry forward. The Company has net tax losses carry forward and tax credits totalling USD 332.3 million, for which an amount of USD 184.0 million has not been recognized. The losses carry forward mainly relate to the US and Egyptian operations. Tax credits are available amounting to USD 76.2 million mainly relating to the US operations.

Uncertain tax positions

The group is subject to the application of complex tax laws in multiple jurisdictions. Application of these complex tax laws may lead to uncertainties in determining tax positions. We aim to resolve these uncertainties in discussions with the tax authorities. The financial effect of the existing uncertainties per balance sheet date are determined in accordance with IAS 12 and IFRIC 23, which requires us to estimate the potential outcome of any tax position. Our estimate for the potential outcome of any uncertain tax position is judgmental.

As of 31 December 2022, the Group recorded uncertain tax positions to an amount of USD 14.3 million related to taxable profits, which is classified as a deferred tax liability. These uncertain tax positions are classified as deferred tax since settlement is not expected within 12 months after the reporting period. An uncertain tax position amounting to USD 183.0 million was reclassified from deferred tax liabilities to current tax liabilities as settlement is expected within twelve months after the reporting period. In total, the Group recorded USD 220.0 million of current uncertain tax positions. Expected interest and penalties related to uncertain income tax liabilities have been accrued for and are included in the uncertain tax positions and in the income tax expense. In addition to the uncertain tax liability, the Group also has a contingent tax asset that currently does not meet the recognition criteria of IFRIC 23. For more information we refer to note 28.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Notes to the consolidated financial statements continued

For the year ended 31 December

12.4 Deferred income tax assets and liabilities continued

Sorfert reinvestment case

On 29 December 2020 the Large Multinationals Directorate of the Algerian Tax Authorities ("DGE") issued a letter to Sorfert in which its initial claim of DZD 7,296 million (USD 53.3 million) was maintained relating to the alleged non-compliance with the reinvestment obligations under a tax exemption as granted in 2014 by the Agency Nationale de Developpement de l'Investissement ("ANDI"). The DGE is of the opinion that Sorfert did not timely carry out the reinvestment obligations as required under ANDI exemption. As a result, the DGE required Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith. On 1 February 2021, Sorfert appealed to this decision and as part of the appeal process made an initial payment of DZD 2,189 million, representing 30% of the total tax claim.

On 31 October 2021, the appeal of Sorfert to the initial claim was rejected by the Internal Appeals Committee of the DGE (and the total exposure was increased with a 25% penalty) and it had to pay DZD 1,824 million (20% of the initial claim and penalties added with penalties on the amount already paid in February 2021). Although Sorfert is of the opinion that it has complied with its reinvestment obligations, the DGE applied a different interpretation of the reinvestment law. Since there is no detailed guidance on the interpretation, the ability to firmly assess the technical merits of this case is limited. Due to this lack of detailed guidance and negative outcome of the first appeal, management is currently of the opinion that when weighing all the current facts and circumstances and application of interpretive guidance of IFRIC 23, it has become probable that Sorfert will be required to settle the remainder of the disputed tax amount.

On 24 February 2022 Sorfert pursued, supported by its external advisors, the next instance of appeal to the Central Appeals Commission as Sorfert management continues to have the view that Sorfert has satisfied the reinvestment obligations under the ANDI regime and therefore the grounds of the claim should be ruled as unfounded.

As a result, the Company recorded the full impact of the reinvestment case as an income tax expense amounting to USD 65.8 million in 2021. The remaining position as per 31 December 2022 is an uncertain tax position of USD 37.3 million, included in income tax payables.

Unrecognized tax assets

Expiration scheme of gross unrecognized carry forward tax losses, tax credits and deductible temporary differences:

2022 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	15.5	61.9	74.7	-	-	-	152.1
Tax losses and credit carry forwards	45.2	176.0	7.8	-	-	852.6	1,081.6
Tax assets - unrecognized	**60.7**	**237.9**	**82.5**	**-**	**-**	**852.6**	**1,233.7**

2021 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	28.5	113.7	137.1	-	-	-	279.3
Tax losses and credit carry forwards	46.8	204.5	7.3	-	-	803.5	1,062.1
Tax assets - unrecognized	**75.3**	**318.2**	**144.4**	**-**	**-**	**803.5**	**1,341.4**

The above unrecognized temporary differences, tax losses and tax credit carry forwards relate to tax jurisdictions in which OCI has suffered a tax loss in the current or a preceding period. Significant judgment is required in determining whether deferred tax assets can be utilized. OCI determines this based on expected taxable profits arising from the reversal of recognized deferred tax liabilities and based on budget, cash flow forecasts and impairment models and the recent history of taxable results. Where utilization is not considered probable, deferred tax assets are not recognized. The above unrecognized temporary differences, tax losses and credit carry forwards mainly stem from our Dutch, Egyptian and US operations.

Notes to the consolidated financial statements continued

For the year ended 31 December

12.4 Deferred income tax assets and liabilities continued

Changes in income tax receivables and payables:

$ millions	2022	2021
At 1 January	**(68.9)**	**(7.5)**
Profit or loss	(241.5)	(242.5)
Changes in estimates relating to prior years	2.1	0.2
Other comprehensive income	2.5	4.8
Payments	241.9	171.6
Reversal of uncertain tax positions	3.3	1.1
Reclassification from deferred tax liabilities (note 12.4)	(183.0)	-
Effect of movement in exchange rates	(2.5)	3.4
At 31 December	**(246.1)**	**(68.9)**
Income tax receivable	5.6	3.4
Income tax payable	(251.7)	(72.3)
Total	**(246.1)**	**(68.9)**

13. Inventories

$ millions	2022	2021
Finished goods	280.6	185.2
Raw materials and consumables	25.3	21.3
Spare parts, fuels and others	115.5	137.0
Total	**421.4**	**343.5**

During 2022, the total write-downs amount to USD 22.8 million (2021: USD 19.2 million) of which USD 15.1 million (2021: USD 17.6 million) relates to spare parts. During 2022 there were no reversals of write downs (2021: nil). As a result of the IFCo refinancing in 2022, no inventory has been pledged as security for external loans of IFCo 2021: USD 36.7 million). Reference is made to note 18.

14. Cash and cash equivalents

$ millions	2022	2021
Cash on hand	0.1	0.2
Bank balances	1,692.1	1,439.3
Restricted cash	24.8	140.8
Total	**1,717.0**	**1,580.3**

Restricted cash

Restricted cash in 2022 decreased as result of the refinancing at IFCo. In 2021, restricted cash of USD 128.4 million (2022: nil) was held as part of IFCo's debt service requirements for the outstanding bonds, of which USD 43.4 million was held as a required deposit in a major maintenance reserve account and is to be used to fund capital expenditure, and USD 80.0 million was held as required deposit in a project operating reserve account which is to be used to fund operating expenses in three month increments.

The remaining restricted balances are held as collateral against letters of credit and letters of guarantees issued.

15. Equity attributable to owners of the Company

The movements in the number of shares can be summarized as follows:

	2022	2021
Number of shares at 1 January	210,306,101	210,306,101
Number of issued shares	405,903	-
On issue at 31 December - fully paid	**210,712,004**	**210,306,101**
Par value per share (in EUR)	0.02	0.02
At 31 December (in millions of USD)	**5.6**	**5.6**

The authorized capital of the Company amounts to EUR 12.0 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each.

Notes to the consolidated financial statements continued

For the year ended 31 December

15. Equity attributable to owners of the Company continued

Movements in equity attributable to owners of the Company in 2022:

- The 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 distribution. The distribution to shareholders that elected to receive a capital repayment (USD 1,069.1 million) was debited from share capital. The remaining distribution of USD 14.4 million was debited to retained earnings as a dividend distribution to owners of the Company.
- The sale of shares in the OCI Methanol Group resulted in an increase in retained earnings of USD 221.4 million and an increase in non-controlling interests of USD 7.8 million. Reference is made to note OCI Methanol Group.
- An amount of USD 9.2 million related to share-based compensation expense was recognized in retained earnings.

Movements in equity attributable to owners of the Company in 2021:

- The acquisition of additional shares in EBIC resulted in an increase in retained earnings of USD 6.0 million and a decrease in non-controlling interests of USD 44.4 million. Reference is made to note 17.
- The IPO of Fertiglobe resulted in an increase in retained earnings of USD 332.7 million and an increase in non-controlling interests of USD 141.0 million. Reference is made to note 17.
- An amount of USD 8.5 million related to share-based compensation expense was recognized in retained earnings.

16. Reserves

$ millions	Hedge reserve	Financial assets at fair value through other comprehensive income	Currency translation	Treasury shares	Total
At 1 January 2021	**5.7**	**(7.0)**	**(322.4)**	**(14.7)**	**(338.4)**
Movement in hedge reserve	(16.9)	-	-	-	(16.9)
Currency translation differences	-	-	(21.7)	-	(21.7)
Financial assets at fair value through other comprehensive income	-	(10.8)	-	-	(10.8)
Other comprehensive income	**(16.9)**	**(10.8)**	**(21.7)**	**-**	**(49.4)**
Treasury shares sold / delivered	-	-	-	4.8	4.8
Treasury shares acquired	-	-	-	(1.0)	(1.0)
At 31 December 2021	**(11.2)**	**(17.8)**	**(344.1)**	**(10.9)**	**(384.0)**
Movement in hedge reserve	19.4	-	-	-	19.4
Currency translation differences	-	-	(78.0)	0.8	(77.2)
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Other comprehensive income	**19.4**	**-**	**(78.0)**	**0.8**	**(57.8)**
Treasury shares sold / delivered	-	-	-	15.6	15.6
Treasury shares acquired	-	-	-	(2.0)	(2.0)
Issuing shares	-	-	-	(14.5)	(14.5)
At 31 December 2022	**8.2**	**(17.8)**	**(422.1)**	**(11.0)**	**(442.7)**

OCI is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The hedging reserve, the financial assets at fair value through other comprehensive income reserve, the currency translation reserve and other legal reserves are legal reserves that limit distributions to shareholders to the extent that these reserves individually have a credit balance.

Notes to the consolidated financial statements continued

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16. Reserves continued

Treasury shares

During the financial year ended 31 December 2022 the company acquired 54,935 shares (2021: 40,583) and sold and delivered out of share-based payment plans 155,586 shares (2021: 195,512).

	2022	2021
Number of shares	306,346	406,997
Average carrying value per share (USD)	35.95	23.43
Total (in millions USD)	**11.0**	**9.5**
Foreign exchange effect	-	**1.4**
Total carrying value of treasury shares (in millions of USD)	**11.0**	**10.9**

17. Non-controlling interests

The non-controlling interests in the respective entities can be summarized as follows:

2022 $ millions	Fertil	EFC	EBIC	Sorfert	OCI Methanol Group	Other[1]	Total
Non-controlling interests	50.00%	50.06%	62.50%	74.51%	15.00%	-	-
Non-current assets	808.7	818.8	174.6	670.9	169.2	1,028.3	3,670.5
Current assets	141.6	209.8	66.3	827.4	189.8	1,935.2	3,370.1
Non-current liabilities	(149.1)	(60.1)	(4.2)	(143.1)	(94.3)	(1,891.9)	(2,342.7)
Current liabilities	(56.3)	(145.9)	(37.2)	(125.9)	(305.7)	(2,010.9)	(2,681.9)
Net assets	744.9	822.6	199.5	1,229.3	(41.0)	(939.3)	2,016.0
Revenues	593.5	439.4	326.9	973.5	239.7	3,502.1	6,075.1
Profit	249.9	153.0	155.2	617.6	15.3	(2.1)	1,188.9
Other comprehensive income	-	-	-	46.7	1.4	-	48.1
Total comprehensive income	249.9	153.0	155.2	664.3	16.7	(2.1)	1,237.0
Dividend cash flows	-	-	(87.4)	(374.8)	(105.0)	(545.0)	(1,112.2)

[1] Other consists of N-7 and all remaining Fertiglobe entities.

Notes to the consolidated financial statements continued

For the year ended 31 December

17. Non-controlling interests continued

2021 $ millions	Fertil[1]	EFC[1]	EBIC[1]	Sorfert[1]	Other[2]	Total
Non-controlling interests	50.00%	50.06%	62.50%	74.51%	-	-
Non-current assets	843.8	820.0	176.2	516.7	19.9	2,376.6
Current assets	213.9	75.1	122.5	451.4	2,124.0	2,986.9
Non-current liabilities	(159.9)	(128.4)	(4.4)	(193.7)	(981.0)	(1,467.4)
Current liabilities	(112.8)	(97.2)	(40.9)	(60.0)	(2,076.0)	(2,386.9)
Net assets	**785.0**	**669.5**	**253.4**	**714.4**	**(913.1)**	**1,509.2**
Revenues	466.3	307.3	195.9	614.6	1,916.0	3,500.1
Profit	151.6	83.9	84.4	280.4	(12.0)	588.3
Other comprehensive income	-	-	-	(33.0)	0.7	(32.3)
Total comprehensive income	**151.6**	**83.9**	**84.4**	**247.4**	**(11.3)**	**556.0**
Dividend cash flows	**-**	**-**	**(3.9)**	**(189.5)**	**(606.3)**	**(799.7)**

[1] Non-controlling interests in all Fertiglobe entities increased due to the sale of shares by OCI as part of the Fertiglobe IPO. OCI has sold 8% of the total shares in Fertiglobe plc.
[2] Other consists of N-7 and all remaining Fertiglobe entities.

Movements in equity attributable to non-controlling interests:

- The sale of shares in the OCI Methanol Group resulted in an increase in non-controlling interests of USD 7.8 million.
- Total dividends declared to non-controlling interests amounted to USD 1,056.4 million (2021: USD 788.1 million).
- Impact difference in profit sharing non-controlling interests: In the partnership agreement of Sorfert between OCI and the partner, a profit-sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner, which is recognized in cost of sales. As a result of this agreement the non-controlling interests increased by USD 318.4 million (2021: USD 104.6 million). The effect of the profit sharing agreement represents the gross amount allocated to the partner. This amount is subsequently diluted by other non-controlling interests in Fertiglobe.
- In 2021, the Fertiglobe IPO resulted in an increase in non-controlling interests of USD 141.0 million.
- In 2021, the acquisition of additional shares in EBIC resulted in a decrease in non-controlling interests of USD 44.4 million.

OCI Methanol Group

On 18 February 2022, a 15% stake of the OCI Methanol Group was sold for a total consideration of USD 375.0 million. As a result of this transaction OCI's share in the OCI Methanol Group decreased from 100% to 85%. The following table summarises the effect of the transaction on the Company's equity attributable to owners of the Company:

$ millions	
Proceeds from sale of shares	375.0
Fees related to the sale of shares	(1.3)
Fair value of earn-out consideration	(17.1)
Net proceeds from the sale of shares	**356.6**
Non-controlling interests	135.2
Effect on equity attributable to owners of the Company	**221.4**

Notes to the consolidated financial statements continued

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17. Non-controlling interests continued

Acquisition of additional shares in EBIC

In August 2021, Fertiglobe acquired an additional 25% stake in OCI MEPCO Cayman Limited from KBR. As a result of this transaction OCI's share in Egypt Basic Industries Corporation (EBIC) increased from 34.8% to 43.5% (prior to the Fertiglobe IPO). The consideration of USD 43.0 million includes a transfer of KBR's receivable related to unpaid dividends of USD 4.6 million, resulting in a net consideration of USD 38.4 million.

The following table summarises the effect of the transaction on the Company's equity attributable to shareholders:

$ millions	
Carrying amount of non-controlling interests acquired	44.4
Consideration paid to non-controlling interests in cash	(38.4)
Effect on equity attributable to owners of the Company	**6.0**

Fertiglobe IPO

On 27 October 2021, Fertiglobe listed on the Abu Dhabi Securities Exchange ("ADX") under the ticker “FERTIGLB” and the International Securities Identification Numbering (Isin) code “AEF000901015”.

OCI sold 8% of the total shares in Fertiglobe, in total 13.8% of the Fertiglobe’s share capital was listed. Following the IPO, OCI’s shareholding percentage in Fertiglobe is 50% plus one share (and OCI retains control over Fertiglobe). OCI’s proceeds from the sale of its shares amount to USD 461.1 million and fees related to Fertiglobe IPO amount to USD 14.1 million, resulting in net proceeds of USD 447.0 million.

As part of the equity offering indemnifications were agreed between shareholders. In 2021, this resulted in a change of the indemnifications previously recorded as part of the Fertiglobe PPA. Reference is made to note 21.

The following table summarises the effect of the transaction on the Company's equity attributable to shareholders:

$ millions	
Proceeds from sale of shares	461.1
Fees related to the sale of shares	(14.1)
Net proceeds from the sale of shares	**447.0**
Indemnities	26.7
Effect on total equity	**473.7**
Non-controlling interests	141.0
Effect on equity attributable to owners of the Company	**332.7**

18. Loans and borrowings

$ millions	2022	2021
At 1 January	**3,800.8**	**4,416.6**
Proceeds from loans	1,073.0	2,248.3
Repayment / proceeds from bank overdraft facility	(354.8)	398.4
Repayment and redemption of loans and borrowings	(1,587.8)	(3,186.1)
Newly incurred transaction costs / (bond) premiums	(2.5)	(10.0)
Amortization of transaction costs / (bond) premiums	28.1	39.3
Effect of movement in exchange rates	(81.1)	(105.7)
At 31 December	**2,875.7**	**3,800.8**
Non-current	2,572.3	3,290.2
Current	303.4	510.6
Total	**2,875.7**	**3,800.8**

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group’s presentation currency. Information about the Group’s exposure to interest rate, foreign currency and liquidity risk is disclosed in the financial risk and capital management paragraph in note 6.

Notes to the consolidated financial statements continued

For the year ended 31 December

18. Loans and borrowings continued

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount ($ millions)[1]	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / guarantee
Sorfert	Secured loan facility	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95%	June 2026	231.9	165.6	66.3	N/a	2
IFCo	Unsecured senior notes	USD 150.0	Fixed 4.00%	December 2032	148.1	148.1	-	143.7	3
		USD 344.4	Fixed 5.00%	December 2042	349.6	349.6	-	323.6	3
		USD 344.4	Fixed 5.00%	December 2050	345.4	345.4	-	322.7	3
Fertiglobe plc	Unsecured loan facility	USD 1,100.0	LIBOR + 1.05%	February 2023 (extendable)	900.0	900.0	-	900.0	4
		USD 300.0	SOFR +1.50%	January 2026	-	-	-	-	4
		USD 600.0	SOFR +1.75%	January 2028	-	-	-	-	4
Fertiglobe plc	Unsecured loan facility	USD 600.0	SOFR +1.4%	December 2027	-	-	-	-	N/a
OCI N.V.	Unsecured senior notes	USD 324.0	Fixed 4.625%	October 2025	285.8	285.8	-	273.9	5
		EUR 360.0 (USD 385.6)	Fixed 3.625%	October 2025	384.0	384.0	-	380.9	5
OCI N.V.	Unsecured loan facility	USD 1,100.0	Libor + 0.85%	April 2027	(6.2)	(6.2)	-	-	6
OCIN	Inventory financing	USD 213.7 (EUR 199.6)	EURIBOR +0.85%	No defined maturity	213.8	-	213.8	213.8	7
FD, FFT	Trade finance facility	USD 95.0	SOFR + 1.00%	Renewed annually	23.3	-	23.3	23.3	N/a
FD, FFT, Fertil	Working capital facility	USD 50.0	LIBOR/EIBOR/SOFR + 1.50%	April 2023 (extendable)	-	-	-	-	8
Total 31 December 2022					**2,875.7**	**2,572.3**	**303.4**	**N/a**	

1 As at 31 December 2022 the carrying amount of loans and borrowings excludes interest of USD 12.6 million.

2 Debt service reserve account, ban for any disposal or decrease of the Company share and assets.

3 The Notes are guaranteed, jointly and severally, by IFCo and OCI N.V.

4 The loan is guaranteed, jointly and severally, by Fertiglobe plc, EFC, Fertil, FFT, FD and OFTS.

5 The Notes are guaranteed, jointly and severally, by BioMCN, BioMCN Holding II B.V., OCIN, OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., OCI Chem 4 B.V., OCI Partners LP and OCI Beaumont LLC.

6 Guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V. and OCI Intermediate B.V.

7 Guaranteed, jointly and severally, by OCIN and OCI N.V.

8 Guaranteed, jointly and severally, by FD, Fertil and FFT.

Notes to the consolidated financial statements continued

For the year ended 31 December

18. Loans and borrowings continued

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount ($ millions)[1]	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / guarantee
Sorfert	Secured loan facility	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95%	June 2026	294.0	228.6	65.4	N/a	[2]
IFCo	Secured senior notes	USD 429.0	Fixed 5.25%	December 2025	427.0	427.0	-	559.0	[3]
		USD 425.4	Fixed 5.25%	December 2050	413.0	413.0	-	423.5	[3]
Fertiglobe plc	Secured loan facility	USD 1,100.0	LIBOR + 1.05%	February 2023 (extendable)	1,091.8	1,097.6	(5.8)	1,100.0	[4]
Fertiglobe plc	Secured loan facility	USD 300.0	LIBOR + 1.75%	August 2026	-	-	-	-	N/a
OCI N.V.	Secured senior notes	USD 324.0	Fixed 4.625%	October 2025	321.3	321.3	-	336.6	[5]
		EUR 360.0 (USD 409.3)	Fixed 3.625%	October 2025	405.7	405.7	-	423.4	[5]
OCI N.V.	Secured loan facility	USD 850.0	LIBOR + 1.50%	April 2023	397.0	397.0	-	397.0	[6]
OCI N.V.	Bank overdraft	N/a	N/a	No defined maturity date	383.0	-	383.0	N/a	N/a
OCIN	Inventory financing	USD 70.2 (EUR 57.4)	1.25%	No defined maturity, facility is uncommitted with monthly roll overs	68.0	-	68.0	68.0	[7]
Total 31 December 2021					**3,800.8**	**3,290.2**	**510.6**	**N/a**	

[1] As at 31 December 2021 the carrying amount of loans and borrowings excludes interest of USD 10.9 million.

[2] Debt service reserve account, ban for any disposal or decrease of the Company share and assets.

[3] Certain bank accounts, property of IFCo, inventories, all funds, including equity contributions of USD 1,555.4 million by OCI.

[4] The loan is guaranteed, jointly and severally, by Fertiglobe plc, EFC, Fertil, FFT (previously OCI Fertilizer Trading Ltd), FD and OFTS.

[5] The Notes are guaranteed, jointly and severally, by BioMCN, BioMCN Holding II B.V., OCIN, OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., OCI Chem 4 B.V., OCI Partners LP and OCI Beaumont LLC.

[6] Guaranteed, jointly and severally, by BioMCN, BioMCN Holding II B.V., OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V. and OCI Intermediate B.V.

[7] Stand by letter of credit of EUR 6.0 million (USD 6.8 million) and OCI N.V. guarantee of EUR 60 million (USD 68.2 million).

Notes to the consolidated financial statements continued

For the year ended 31 December

18. Loans and borrowings continued

Covenants

Certain loan agreements include financial covenants. The definitions for calculating the financial covenants applicable to the facilities within the Group can be summarized as follows:

- Debt Service Coverage Ratio: Income Available (revenue earned less operating expenses) to Debt Service (net finance charges including the capital element of finance leases) or gross profit less change in working capital to interest and principal payments.
- Debt to Equity Ratio: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).
- Net Leverage Ratio: the Group’s Net Debt (meaning the aggregate amount of all obligations of the Group, excluding intergroup loans and cash and cash equivalents, but including finance leases) to adjusted EBITDA.
- Interest Coverage Ratio: EBITDA, EBIT or Distribution Receipts (cash received by the borrower by way of dividends or repayments of loans) to Finance Charges (meaning finance payments in respect of borrowings including the interest element of finance leases).

As per 31 December 2022 all financial covenants were met.

In the event the respective borrowing companies would not comply with the covenant requirements, in total an amount of USD 1,132.1 million (2021: USD 2,648.6 million) of the loans would become immediately due. Refer to note 6.2 for additional discussion of the Company’s liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

Fair value measurement loans and borrowings

Except for the IFCo bonds, the senior secured notes of OCI N.V. and the loan of Sorfert, the fair value of all other loans and facilities is calculated within hierarchy category level 2. The bonds of IFCo and OCI N.V. are measured following hierarchy category 1. The fair value of the loan of Sorfert cannot be determined as no observable market data is available.

New and amended financing arrangements in 2022

Reference is made to note 6.2.2 Refinancing activity.

Proceeds from borrowings

Proceeds from borrowings in 2022 totaled an amount of USD 1,073.0 million (2021: USD 2,248.3) million, which consisted of net proceeds of the IFCo bonds, changes in OCIN's inventory financing and proceeds of the trade finance facility of FD and FFT.

Redemptions

Redemptions of borrowings in 2022 totaled an amount of USD 1,587.8 million (2021: USD 3,186.1 million), which consisted of the partial repayment of the USD bond at OCI N.V., full repayment of the IFCo bonds, partial repayment of the Fertiglobe bridge loan, regular installments for borrowings and changes in the outstanding amounts of the revolving credit and trade finance facilities within the Group.

Undrawn bank facilities

As of 31 December 2022, the Group had not drawn external bank facilities in the amount of USD 1,750.0 million (2021: USD 800.0 million). This relates to an external bank facility at OCI N.V. of USD 1,100.0 million, Fertiglobe revolving credit facility of USD 600.0 million and a working capital facility of USD 50.0 million. The Fertiglobe term loan of USD 900.0 million, which is undrawn at 31 December 2022, will replace the Fertiglobe bridge loan in January 2023.

Bank overdraft

As of 31 December 2022, the bank overdraft facility of OCI N.V. amounts to zero (2021: USD 383.0 million). Reference is made to note 6.4.

Notes to the consolidated financial statements continued

For the year ended 31 December

19. Lease obligations

The Group leases a number of office spaces, warehouses, land, employee accommodation, computers, machinery and vehicles. Lease terms vary from 1 year to indefinite renewal options. Calculations of the lease obligation for leases with indefinite renewal options are done using a lease term based on the expected renewal periods and can be more than 100 years.

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2021	**248.6**	**43.6**	**292.2**
Movements in carrying amount:			
Payments	-	(47.3)	(47.3)
Accretion of interest	8.1	0.4	8.5
Additions	30.5	2.3	32.8
Disposals	(4.8)	-	(4.8)
Transfers	(40.6)	40.6	-
Modifications	3.3	1.0	4.3
Effect of movement in exchange rates	(7.6)	(0.9)	(8.5)
At 31 December 2021	**237.5**	**39.7**	**277.2**
Movements in carrying amount:			
Payments	-	(47.4)	(47.4)
Accretion of interest	7.6	0.6	8.2
Additions	33.2	9.8	43.0
Disposals	(0.4)	0.1	(0.3)
Transfers	(46.7)	46.7	-
Modifications	3.3	-	3.3
Effect of movement in exchange rates	(7.0)	(0.9)	(7.9)
At 31 December 2022	**227.5**	**48.6**	**276.1**

20. Trade and other payables

$ millions	Note	2022	2021
Trade payables		273.7	425.3
Trade payables due to related parties	(30)	142.4	87.9
Amounts payable under the securitization agreement		177.4	149.7
Accrued dividend to non-controlling interests		102.8	4.1
Other payables		77.8	66.9
EUA liabilities	(6.3)	36.7	116.2
Employee benefit liabilities		14.1	14.5
Accrued expenses		345.9	264.9
Accrued interest		12.6	10.9
Customer advance payment / deferred revenue		69.1	222.7
Other tax payable		4.5	5.3
Derivative financial instruments		141.4	12.8
Total		**1,398.4**	**1,381.2**
Non-current		114.1	23.7
Current		1,284.3	1,357.5
Total		**1,398.4**	**1,381.2**

Information about the Group's exposure to currency and liquidity risk is included in note 6. The carrying amount of 'Trade and other payables' approximates its fair value.

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 141.4 million as per 31 December 2022 (2021: USD 12.8 million). All derivatives included in trade and other payables are classified in the fair value hierarchy level 2.

Notes to the consolidated financial statements continued

For the year ended 31 December

21. Provisions

$ millions	Claims and other provisions, onerous contracts	Donation provision	Total
At 1 January 2022	**36.4**	**121.1**	**157.5**
Recorded during the year	51.2	-	51.2
Used during the year	(9.1)	-	(9.1)
Reversed	(9.9)	-	(9.9)
Effect of the movement in exchange rates	(1.3)	(44.2)	(45.5)
At 31 December 2022	**67.3**	**76.9**	**144.2**
Non-current	13.9	-	13.9
Current	53.4	76.9	130.3
Total	**67.3**	**76.9**	**144.2**

Provision for indemnifications

As a consequence of the Fertiglobe IPO, all other shareholders of Fertiglobe plc will be indemnified for the outcome of certain legacy legal exposures. An indemnification asset of USD 28.2 million (2021: USD 26.7 million) was recognized in other receivables as the offsetting criteria are not met. Reference is made to note 17.

Claims and other provisions

The Group is involved in various litigations, arbitrations and commercial disputes. In cases where it is probable that the outcome of the legal proceedings and commercial disputes will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to note 28 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

Egypt training fund

Articles 133 and 134 of the Egyptian Labor Law No. 12 of 2003 requires all businesses in Egypt with more than 10 employees to contribute 1% of their net profit into a National Training Fund ('Fund'). No application guidance was issued and its constitutionality was being challenged on multiple grounds including duplication of financial burden and contradiction to advantages under other laws.

As such, this Law was not applied in general by businesses in the region. Following a supreme court ruling which found the article to be constitutional in March 2022, the General Secretary of the National Training Fund issued a circular on 18 May 2022 which re-triggered the obligation on employers to pay such contribution of 1% of their annual net profit to the Fund in accordance with Article 134 of the Egyptian Labor Law.

External legal counsel assisted in analysing the key aspects in preparing a best estimate for such contribution. Key assumptions included i) the treatment of such contribution as tax, fee or other, ii) the statute of limitation and iii) how to consider forex translation. Other considerations included the applications for tax free zone entities (relevant for EBIC) and potential waiver or reduction as result of an internal training program (EFC) and impact of interest and penalties. The maximum exposure is estimated to be around USD 167.0 million. When taking a statute of limitation of five years into consideration the maximum exposure is limited to USD 31.9 million (excluding interest or penalties). Based on the most likely scenario according to external legal counsel, OCI has recognized a total provision of USD 17.7 million (USD 14.5 million for OCI SAE, USD 3.2 million for EFC and none for EBIC) considering the treatment as a fee, a statute of limitations of five years and translation at the respective year exchange rate.

Considering the current limited application guidance and as this is impacting majority of business in Egypt, there is an expectation that further application guidance will be issued by the regulator in due course.

Donation provision

On 13 November 2014, the Company announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million at the 2014 exchange rate) to a Egyptian development fund (reference is made to note 28 for the claim in relation to the OCI S.A.E. tax dispute). No formal agreement has been drafted with the fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCI's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations), the Company has presented the transfer of rights to the fund as a donation provision. In March 2015, the Company received a cheque of EGP 1,904 million (approximately USD 266.2 million at the 2015 exchange rate) from the Egyptian Authorities. At year end 2022 the carrying amount in US dollars had been reduced to USD 76.9 million, due to the devaluation of the EGP since March 2015.

Notes to the consolidated financial statements continued

For the year ended 31 December

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

22.1 Expenses by nature

$ millions	Note	2022	2021
Raw materials and consumables and finished goods		5,351.0	3,203.5
Maintenance and repair		163.0	150.2
Employee benefit expenses	(22.2)	454.6	408.9
Depreciation, amortization and impairment	(7)	599.9	891.6
Consultancy expenses		43.2	34.0
Other		126.2	67.9
Total		**6,737.9**	**4,756.1**
Cost of sales		6,365.4	4,489.7
Selling, general and administrative expenses		372.5	266.4
Total		**6,737.9**	**4,756.1**

A gross amount of USD 132.2 million (2021: USD 133.8 million) was recognized in cost of sales related to the sale of excess EUAs.

In February 2021, the extreme cold weather and spike in gas prices in the US resulted in temporary downtime at IFCo. Due to this downtime IFCo sold back its forward purchased gas to its supplier, which resulted in a gain from the resale of gas of USD 61.0 million. This figure does not include and is partly offset by the lost margin due to the lower production volumes and additional expenses associated with the downtime. The gain on the resale of gas is recorded as part of raw materials and consumables and finished goods.

22.2 Employee benefit expenses

$ millions	Note	2022	2021
Wages and salaries		293.8	263.0
Social securities		9.3	8.2
Employee incentive plans		54.5	51.2
Pension cost		26.7	24.3
Share-based compensation expenses	(22.3)	9.2	8.5
Other employee expenses		61.1	53.7
Total		**454.6**	**408.9**

During the financial year ended 31 December 2022, the number of key executives was 4 (2021: 4 key executives), which represents the Executive Board members; Nassef Sawiris (Executive Chair), Hassan Badrawi (Chief Financial Officer) Maud de Vries (Chief Legal and Human Capital Officer) and Ahmed El-Hoshy (Chief Executive Officer). During the financial year ended 31 December 2022, the number of staff employed in the Group amounted to 4,059 employees (2021: 3,853 employees).

22.3 Share-based compensation arrangements

OCI has currently award agreements outstanding under four different share-based compensation plans. In 2022 share based compensation Awards were granted under the Performance Share Unit Plan for Executive Directors, the One Off Share Awards, the Restricted Stock Unit Plan and the Employee Performance Share Unit Plan.

Executive Director Performance Share Units Plan

In 2019, a Performance Share Unit plan was introduced for the Executive Board as replacement for the performance share plan. The Performance Share Unit plan comprises the conditional granting of shares in OCI. Each year a plan with a 3-year vesting period starts. Up to 2021, Total Shareholder Return ('TSR') was the only performance measure. In 2021, the plan was amended and new performance measures were added. For each Award, starting with the 2021 Award made on 8 February 2021 vesting will be dependent on relative TSR (60% weight) and additional performance measures (40% weight), being operational excellence, decarbonization and diversity & inclusion. The relative TSR performance is measured against a peer group of companies operating in a similar or the same market.

Notes to the consolidated financial statements continued

For the year ended 31 December

22.3 Share-based compensation arrangements continued

Between 0% and 150% of this award will vest at the end of 3-year performance period based on the actual performance. The fair value of these awards has been calculated using a Monte-Carlo simulations model. The number of performance stock units comprising Shares has been calculated based on the average OCI N.V. closing sales price of the Shares as quoted in Euronext Amsterdam on the date of the grant.

The relative TSR ranking that OCI achieves in the peer group and the achievements on the other performance measures determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the members of the Executive Board for a period of 2 years. The expected volatility is based on the annualised volatility of the historic daily share price return data prior to the grant date over a period equal to the remaining performance period.

Performance Share Units Plan	2022 Grant	2021 Grant	2020 Grant	2019 Grant
Conditional shares granted	170,650	230,612	316,729	230,558
Fair value at grant date (EUR)	4,075,463	4,065,690	4,336,020	4,486,659
Weighted average fair value at grant date (EUR per share)	23.88	17.63	13.69	19.46
Vesting period at issuance (years)	3	3	3	3
Risk free interest rate	-0.171%	-0.728%	-0.660%	-0.659%
Expected share price volatility	44.3%	44.2%	34.5%	34.7%
Dividend yield	0.0%	0.0%	0.0%	0.0%
Outstanding 31 December 2021	**-**	**230,612**	**316,729**	**230,558**
Vested in 2022	-	-	-	-
Expired in 2022	-	-	-	(230,558)
Dividend equivalent shares[1]	23,263	31,436	43,179	-
Outstanding 31 December 2022	**193,913**	**262,048**	**359,908**	**-**

[1] In 2022 dividend equivalents shares were granted with the dividend payment on June 22nd, 2022 (€1.45) and on October 31st, 2022 (€3.55)

Executive Director One Off Share Award

To reward the exceptional performance of the Executive Directors in 2021, One Off Share Awards were granted to the CEO, CFO and CLHCO. The One Off Share Awards granted on May 25th, 2022 comprise of conditional stock units which each cover the value of one fully paid OCI share. For the purpose of this exceptional One Off Share Award, vesting of the conditional stock units shall not be subject to forward-looking performance conditions. Apart from this, the terms and conditions of the One Off Share Awards are in line with the terms and conditions as set out in the Executive Performance Stock Unit Plan 2019. The One Off Share Awards concern a grant of conditional stock units that will generally vest, subject to the Executive Directors' continued engagement as an Executive Director of the Company on the date which is the third anniversary of the Date of Grant, with Shares (to the extent applicable, net of tax or following sell-to-cover) being subject to a two-year holding period, in line with the Dutch Corporate Governance Code. The fair value of the One Off Share Awards is based on OCI's share price at the grant date. Furthermore, when measuring the fair value of One Off Share Awards, there may be an adjustment for any expected dividends. In this case, there will be no adjustment for dividends since the participants are entitled to dividend equivalents during the vesting period.

One Off Share Award	2022 Grant
Conditional shares granted	49,519
Fair value at grant date (EUR)	1,736,136
Fair value at grant date (EUR per share)	35.06
Vesting period at issuance (years)	3
Dividend yield	0.0%
Outstanding 31 December 2021	**-**
Dividend equivalent shares[1]	6,749
Outstanding 31 December 2022	**56,268**

[1] In 2022 dividend equivalents shares were granted with the dividend payment on June 22nd, 2022 (€1.45) and on October 31st, 2022 (€3.55)

Notes to the consolidated financial statements continued

For the year ended 31 December

22.3 Share-based compensation arrangements continued

Restricted Stock Units Plan

For the level below the Board, a Restricted Stock Units Plan was implemented to replace the Bonus Matching Plan. First award granted under this plan was made in 2019. Executive Directors are not eligible for RSU grants. The Restricted Stock Units Plan comprises the conditional granting of shares in OCI. The total gross entitlement of an eligible employee under the applicable short-term incentive plan will be paid out partly in cash in accordance with the short-term incentive plan and partly in awards in accordance with this RSU plan. Shares will vest for one third of the restricted stock units comprising the award at the second anniversary of the date of grant and for two thirds of the restricted stock units comprising the award on the third anniversary of the date of grant subject to still being employed by OCI. The RSU entitles the participants to dividend equivalents.

The fair value of the RSUs awarded is based on OCI's share price at the grant date. Furthermore, when measuring the fair value of RSU share awards, there may be an adjustment for any expected dividends. In this case, there will be no adjustment for dividends since the participants are entitled to dividend equivalents during the vesting period.

Restricted Stock Units Plan	2022 Grant	2021 Grant	2020 Grant	2019 Grant
Conditional shares granted	251,415	132,666	89,900	206,253
Fair value at grant date (EUR)	7,130,129	2,409,215	945,748	5,455,392
Fair value at grant date (EUR per share)	28.36	18.16	10.52	26.45
Vesting period at issuance (years)	3	3	3	3
Dividend yield	0.0%	0.0%	0.0%	0.0%
Outstanding 31 December 2021	**-**	**125,157**	**79,027**	**120,615**
Forfeited in 2022	-	(9,869)	(2,729)	(1,931)
Vested in 2022	-	(1,748)	(35,122)	(118,684)
Initial awards (new joiners)	-	13,652	10,925	-
Dividend equivalent shares[1]	33,426	16,797	7,728	-
Outstanding 31 December 2022	**284,841**	**143,989**	**59,829**	**-**

[1] In 2022 dividend equivalents shares were granted with the dividend payment on June 22nd, 2022 (€1.45) and on October 31st, 2022 (€3.55)

Employee Performance Share Units Plan

In 2021, the Employee Performance Share Units Plan was introduced for key Employees. The Employee Performance Share Units Plan is similar to the Executive Director Performance Share Units Plan. For the 2021 Award made on 8 February 2021 vesting will be dependent on relative TSR (60% weight) and additional performance measures (40% weight), being operational excellence, decarbonization and diversity & inclusion. The relative TSR performance is measured against a peer group of companies operating in a similar or the same market. Between 0% and 150% of this award will vest at the end of 3-year performance period based on the actual performance. The fair value of these awards has been calculated using a Monte-Carlo simulations model. The number of performance stock units comprising Shares has been calculated based on the average OCI N.V. closing sales price of the Shares as quoted in Euronext Amsterdam on the date of the grant.

The relative TSR ranking that OCI achieves in the peer group and the achievements on the other performance measures determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the employees for a period of 2 years. The expected volatility is based on the annualised volatility of the historic daily share price return data prior to the grant date over a period equal to the remaining performance period.

Employee Performance Share Units Plan	2022 Grant	2021 Grant
Conditional shares granted	12,234	14,006
Fair value at grant date (EUR)	292,172	246,926
Weighted average fair value at grant date (EUR per share)	23.88	17.63
Vesting period at issuance (years)	3	3
Risk free interest rate	-0.171%	-0.728%
Expected share price volatility	44.3%	44.2%
Dividend yield	0.0%	0.0%
Outstanding 31 December 2021	**-**	**14,006**
Vested in 2022	-	-
Dividend equivalent shares[1]	1,666	1,909
Outstanding 31 December 2022	**13,900**	**15,915**

[1] In 2022 dividend equivalents shares were granted with the dividend payment on June 22nd, 2022 (€1.45) and on October 31st, 2022 (€3.55)

Notes to the consolidated financial statements continued

For the year ended 31 December

23. Other income

$ millions	2022	2021
Insurance proceeds	28.5	-
Other	1.1	1.4
Total	**29.6**	**1.4**

Insurance proceeds of USD 28.5 million mainly relate to IFCo (USD 20.5 million) and OCIN (USD 5.0 million).

24. Other expenses

$ millions	2022	2021
Other	0.5	1.2
Total	**0.5**	**1.2**

25. Net finance cost

$ millions	2022	2021
Interest income on loans and receivables	7.0	4.0
Derivatives gain	31.2	0.3
Foreign exchange gain	256.1	30.3
Finance income	**294.3**	**34.6**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(243.5)	(281.0)
Derivatives loss	(7.8)	-
Foreign exchange loss	(229.0)	(27.8)
Finance cost	**(480.3)**	**(308.8)**
Net finance cost recognized in profit or loss	**(186.0)**	**(274.2)**

Included in the interest expense and other financing costs on financial liabilities measured at amortized cost are debt refinancing costs of USD 68.5 million (2021: USD 61.7 million). This consists of a call premium of USD 49.8 million (2021: USD 37.4 million) related to early redemption of bonds and accelerated amortization of USD 18.7 million (2021: USD 24.3 million).

For the interest expense related to lease obligations, reference is made to note 19.

The foreign exchange gains and losses mainly relate to external financing, FX derivatives and to the revaluation of intercompany balances in foreign currencies. The increase in foreign exchange gains and losses is driven by the depreciation of the Egyptian Pound and Euro against the US Dollar in 2022, compared to a more stable environment in 2021. In addition, foreign exchange gains driven by intercompany loans have impacted the profit and loss statement in the first half year as these loans had been dedesignated from the net investment hedge of foreign operations. Prior year and 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.

Notes to the consolidated financial statements continued

For the year ended 31 December

26. Earnings per share

$ millions	2022	2021
i. Basic		
Net profit attributable to shareholders	1,237.4	570.5
Weighted average number of ordinary shares (basic)	210,274,265	209,852,247
Basic earnings per ordinary share	**5.885**	**2.719**
ii. Diluted		
Net profit attributable to shareholders	1,237.4	570.5
Weighted average number of ordinary shares (diluted)	211,556,266	211,032,092
Diluted earnings per ordinary share	**5.849**	**2.703**

Weighted average number of ordinary shares calculation

Shares	2022	2021
Issued ordinary shares at 1 January	210,611,918	210,306,101
Effect of treasury shares held	(337,653)	(453,854)
Weighted average number of ordinary shares outstanding as per 31 December	**210,274,265**	**209,852,247**
Adjustment for assumed equity-settled share-based compensation	1,282,001	1,179,845
Weighted average number of ordinary shares outstanding (diluted) as per 31 December	**211,556,266**	**211,032,092**

27. Segment reporting

OCI's reportable segments are consistent with how the Chief Operating Decision Maker ('CODM') manages the business operations and views the markets it serves. The reportable segments are: Methanol US, Methanol Europe, Nitrogen US, Nitrogen Europe and Fertiglobe. The organizational structure of the segments is based on a number of factors that the CODM uses to evaluate, view, and direct business operations.

Segment policy

The Company derives the results of the business segments directly from its internal management reporting system. All segments are managed separately because they require different operating strategies and use their own assets and employees. The entities grouped together in each segment have similar regulatory environments, macroeconomic conditions, banking, insurance and public utilities.

The Group has two revenue streams from contracts with customers that relate to the sale of goods, namely, Nitrogen and Methanol.

Segment revenues includes revenues from sales to external customers and intersegment revenues.

EBITDA, Adjusted EBITDA and profit / (loss) are the primary performance measure used by our CODM to evaluate operating results and allocate capital resources among segments. These are also the profitability measures used to set management and executive incentive compensation goals. 'Other' consists of share-based compensation and certain corporate general and administrative expenses that are not allocated to the segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be reasonably and consistently re-allocated.

Notes to the consolidated financial statements continued

For the year ended 31 December

27. Segment reporting continued

A summary description of each reportable segment is as follows:

Methanol US

This segment consists of OCI Beaumont (OCIB), Natgasoline LLC, the trading entity OCI Methanol Marketing LLC (OMM US) and OCI USA Inc., an entity that serves as the US corporate income tax payer for OCI Beaumont and OMM LLC.

OCI Beaumont is an integrated methanol and ammonia production facility that is strategically located on the Texas Gulf Coast near Beaumont. Natgasoline LLC is a world scale methanol production complex in Beaumont, Texas. OCI and its partner, Consolidated Energy Limited (CEL)/G2X, each own 50% stakes.

Natgasoline LLC is an equity-accounted investee of the Group, reference is made to note 10. Natgasoline commenced production in 2018 and due to the similarities in regulatory environment, products and customer base, this equity-accounted investee has been included in the 'Methanol US' segment as of 2018 on a proportionally consolidated basis. The elimination column is used to eliminate the proportionally consolidated figures of Natgasoline that are included in the US Methanol segment and to include the investment in, and results from Natgasoline (associate) and thereby reconcile to the Group's reported figures.

OCIB and Natgasoline sell mainly domestically; primarily to industrial customers in and around the U.S. Gulf Coast through pipeline connections to adjacent customers, port access with dedicated methanol and ammonia import / export jetties, and truck loading facilities for both methanol and ammonia. OMM US is a trading entity that sells products produced by OCIB and Natgasoline. OCI USA Inc. is the US corporate taxpayer for OCIB and OMM US.

Methanol Europe

This segment consists of BioMCN, located at Delfzijl in the Netherlands, OCI Fuels Ltd, OCI Fuels B.V. and OCI Methanol Marketing B.V. (OMM EU). BioMCN is one of Europe's largest methanol producers. BioMCN produces two types of methanol: bio-methanol and regular (also known as grey) methanol. OCI Fuels is a trading entity that supplies biogas, which is processed into bio-methanol and bio-fuel, and sells the bio-methanol products produced by BioMCN. OMM EU is a trading entity that sells grey methanol products produced by BioMCN.

Nitrogen US

This segment consists of Iowa Fertilizer Company (IFCo), a wholly owned nitrogen fertilizer complex in Iowa, the trading entity, N-7 and Iowa Intermediate Fertilizer Holding, an entity that serves as the US corporate income tax payer for Iowa Fertilizer Company. IFCo products are sold via the trading entity.

Nitrogen Europe

This segment consists of OCI Nitrogen (OCIN). OCI Nitrogen is Europe's second largest integrated nitrates fertilizer producer and the world's largest melamine producer with production site in Geleen, the Netherlands.

Fertiglobe

The Fertiglobe segment consists of the following entities: Egyptian Fertilizers Company (EFC), Egypt Basic Industries Corporation (EBIC), Sorfert Algerie (Sorfert), Ruwais Fertilizer Industries LLC (Fertil), Fertiglobe Distribution (FD), Fertiglobe Fertilizer Trading (FFT, previously OCI Fertilizer Trading), OCI Fertilizer Trade and Supply (OFTS), Fertiglobe plc and OCI S.A.E. EFC is a granular urea producer in Egypt. EBIC is an ammonia plant in Egypt. Sorfert is a partnership with Algeria's state-owned oil and gas authority and is one of the largest nitrogen fertilizer producers in North Africa. Fertil is a producer of urea fertilizer in Abu Dhabi. FD, FFT and OFTS are trading entities based in Abu Dhabi, Dubai and the Netherlands.

Other

This segment consists of all remaining entities of the Group, 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.

Notes to the consolidated financial statements continued

For the year ended 31 December

27. Segment reporting continued

2022 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	908.9	498.9	1,936.5	2,382.8	5,027.5	-	(1,041.5)	9,713.1
EBITDA[2]	284.2	108.3	709.7	239.1	2,451.7	(81.4)	(107.4)	3,604.2
Adjusted EBITDA[2]	372.1	109.1	744.3	252.6	2,473.0	(75.9)	15.8	3,891.0
Income from equity-accounted investees	-	-	-	8.8	-	-	13.0	21.8
Depreciation, amortization and impairment	(155.2)	(18.4)	(155.6)	(76.0)	(266.3)	(5.4)	77.0	(599.9)
Finance income	11.7	0.7	6.0	24.3	67.1	228.8	(44.3)	294.3
Finance expense	(45.0)	(1.9)	(142.7)	(30.3)	(192.9)	(142.1)	74.6	(480.3)
Income tax (expense) / income	(23.6)	-	(126.8)	(41.3)	(239.2)	13.0	4.1	(413.8)
Net profit	**72.1**	**88.7**	**290.6**	**124.6**	**1,820.4**	**12.9**	**17.0**	**2,426.3**
Equity-accounted investees	-	-	-	47.1	-	0.2	475.0	522.3
Capital expenditures non-current assets	77.7	14.0	36.3	96.6	111.1	69.2	(4.4)	400.5
Total assets	**1,551.5**	**95.0**	**2,095.1**	**927.4**	**5,310.0**	**365.7**	**(573.6)**	**9,771.1**

1 Including ammonia at OCIB.

2 OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found in section 'Other information'.

Notes to the consolidated financial statements continued

For the year ended 31 December

27. Segment reporting continued

2021 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	789.2	531.3	827.7	1,256.8	3,310.7	-	(397.0)	6,318.7
EBITDA[2]	393.0	148.5	344.3	209.3	1,571.7	(75.1)	(137.3)	2,454.4
Adjusted EBITDA[2]	370.8	151.4	344.3	207.6	1,550.5	(67.5)	(30.6)	2,526.5
Income from equity-accounted investees	-	-	-	7.5	-	-	(0.2)	7.3
Depreciation, amortization and impairment	(151.0)	(303.7)	(152.4)	(92.1)	(267.1)	(4.0)	78.7	(891.6)
Finance income	58.0	1.1	0.4	6.9	19.6	76.9	(128.3)	34.6
Finance expense	(89.7)	(3.1)	(130.8)	(9.6)	(52.7)	(179.3)	156.4	(308.8)
Income tax (expense) / income	(38.6)	2.6	197.9	(29.0)	(295.1)	25.1	-	(137.1)
Net profit	**171.7**	**(154.6)**	**259.4**	**93.0**	**976.4**	**(156.4)**	**(30.7)**	**1,158.8**
Equity-accounted investees	-	-	-	42.0	-	0.2	452.7	494.9
Capital expenditures non-current assets	89.7	21.7	44.7	62.9	84.6	4.5	(72.9)	235.2
Total assets	**1,882.2**	**87.8**	**2,417.9**	**801.8**	**4,921.1**	**318.2**	**(617.4)**	**9,811.6**

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 consolidated financial statements continued

For the year ended 31 December

27. Segment reporting continued

Geographical information of continuing operations

The geographic information below analyses the Group's revenue (by destination of the goods) and noncurrent assets (by the Company where the activities are being operated). OCI has no single customer that represents 10 percent or more of revenues and therefore information about major customers is not provided.

	Revenue		Non-current assets	
$ million	2022	2021	2022	2021
Europe	4,247.2	2,268.6	565.3	563.1
Americas	2,823.7	2,371.8	2,841.5	2,963.1
Africa & Middle East	1,092.1	362.5	3,384.2	3,492.3
Asia & Oceania	1,550.1	1,315.8	15.9	14.3
Total	**9,713.1**	**6,318.7**	**6,806.9**	**7,032.8**

The key performance obligation of the OCI group is always the supply of products as specified in the contracts with customers, possible additional performance obligations included are transportation and related cost of insurance, depending on the incoterms. The Group has two revenue streams from contracts with customers that relate to the supply of products i.e. Nitrogen and Methanol. No impairment losses on receivables have been recognized (reference is made to note 6.1 and note 9).

Based on the IFRS 15 accounting policies adopted, the following modifications to the contracts are allowed: discounts and rebates. They are all taken into account when presenting the segment revenues. Time value of money is not considered to be relevant for the amendment of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately. No information is provided about remaining performance obligations at current and comparative year end date that have an original expected duration of one year or less, as allowed by IFRS 15.

28. Contingencies

Letters of guarantee / letters of credit

OCI has a committed guarantee facility with Rabobank for a maximum guarantee amount of EUR 300.0 million (USD 321.3 million). Under this guarantee facility, EUR 58.4 million (USD 62.6 million) has been utilized. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted guarantee facility with Tokio Marine Europe SA, Zürich Insurance plc and Huler Hermes SA for a maximum guarantee amount of EUR 150.0 million (USD 160.7 million). Under this guarantee facility, EUR 79.1 million (USD 84.7 million) has been drawn. The facility is used to issue a performance guarantee on behalf of OCIN.

OCI has an uncommitted guarantee facility for the issuance of payment undertakings with BNP Paribas for an amount of USD 53.7 million. The facility is utilized for USD 5.5 million. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration, commercial disputes or court cases as defendants or claimants. These litigations and commercial disputes are carefully monitored by the entities' and Group management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. OCI does not expect these proceedings to result in liabilities that have a material effect on the Company's financial position.

In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 21 Provisions. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OCI cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence.

Notes to the consolidated financial statements continued

For the year ended 31 December

28. Contingencies continued

While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

Sorfert legal case

On 5 March 2018, the lower criminal court of Oran (Tribunal du pôle pénal spécialisé d'Oran) issued a judgment against Sorfert regarding an alleged violation of exchange control regulations as well as the regulation of public markets and public service delegations. The lower court ordered Sorfert to pay a fine in the amount of 5.5 billion Algerian dinars (about USD 39.9 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 20.0 million). On 7 March 2018, Sorfert lodged an appeal with the Court of Appeal of Oran, Algeria who upheld the verdict against Sorfert in its judgment rendered on 28 November 2018. In January 2019, Sorfert lodged an appeal against this judgment with the Supreme Court. Sorfert disputes the validity of the judgment and continues to vigorously defend its case. To date, no Supreme Court hearing has been scheduled and during the appeal period the enforcement of the judgment is suspended. Various renowned local and international law firms have examined OCI's legal position. No provision has been recorded by the Group related to this matter.

OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, OCI S.A.E. The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. 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 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. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision. 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 a Egyptian development fund and recorded a provision for this amount, reference is made to note 21 Provisions.

Despite the ETA Independent Appeals Committee ruling in favor of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount. As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI N.V.'s maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 92.9 million (2021: USD 146.3 million). In January 2023, a judgement was issued in favor of OCI S.A.E. rejecting the appeal of the ETA. The ETA has appealed the decision.

Asset retirement obligations

Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

OCIN entered into agreements with Royal DSM N.V. and associated company Sitech for respectively the lease of the sites (land) on which it operates its plant and site services/ usage. These agreements have an indefinite term and include an asset dismantling obligation and the obligation to clean up environmental pollution occurred after zero measurement. These obligations have not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Notes to the consolidated financial statements continued

For the year ended 31 December

28. Contingencies continued

Contingent assets

A sequence of historical transactions resulted in (gross) deductible temporary tax differences of USD 1.4 billion. However, due to a difference in interpretation of local tax regulations, the deductible temporary differences do currently not yet meet the recognition criteria of IAS 12 / IFRIC 23. As such, at 31 December 2022, the Group has an uncertain tax liability of USD 182.9 million.

The Group is currently under examination of the tax authorities in the respective jurisdiction. A conclusion on the treatment is expected within the next twelve months. As such, in 2022, the related uncertain tax liability of USD 182.9 million has been reclassified from a non-current uncertain tax position to a current uncertain tax position.

29. Commitments

29.1 Biogas purchase agreements

OCI Fuels B.V. enters into biogas purchase agreements around the USA for the production of biomethanol in the methanol plant in Beaumont (Texas, USA) and for sale to the USA transportation market. Through these long-term agreements OCI purchases biogas for a fixed price. Per 31 December 2022, an expected 15.3 million mmbtu biogas will be purchased over the coming years (2023 - 2029). The total expected purchase commitment per 31 December 2022 amounts to USD 147.7 million (2021: USD 154.1 million). Total contract volume is 39.0 million mmbtu and the total contract value is USD 364.5 million (2021: USD 371.3 million).

29.2 Capital commitments

Capital commitments relate to purchase commitments of property, plant and equipment.

$ millions	2022	2021
OCI Beaumont	-	0.1
Sorfert	6.7	19.1
Fertil	34.5	19.8
Fertiglobe plc	30.1	-
BioMCN	0.2	5.5
OCIN	20.7	9.8
OCI Fuels USA	-	0.9
EBIC	1.2	4.6
EFC	6.2	3.7
IFCo	48.3	2.4
OCI Clean Ammonia	202.4	-
Total	**350.3**	**65.9**

Blue Hydrogen offtake agreement

In November 2022, OCI Clean Ammonia LLC signed an offtake agreement for the offtake of blue hydrogen to supply our greenfield blue ammonia facility located on the Gulf Coast of the United States. The agreement involves the offtake of approximately 200,000 metric tonnes of blue hydrogen per annum. The pricing of blue hydrogen is largely derived from natural gas and power prices, supplemented by a fixed fee component. The commencement of the offtake agreement will be aligned with the commencement of production at our blue ammonia plant, which is planned for Q1 2025. OCI N.V. acts as a guarantor for any operational liabilities resulting from this offtake agreement.

Iowa carbon capture project

OCI has entered into long-term agreements for a project to capture and sequester CO_2 produced on-site at IFCo. The project is expected to be completed by Q1 2025.

Notes to the consolidated financial statements continued

For the year ended 31 December

30. Related party transactions

Transactions with related parties – normal course of business

Transactions with related parties occur when a relationship exists between the Company and their directors and key management personnel. The Company engages in the following types of related party transactions:

- Those with NNS Luxembourg Sarl for occasional consultancy services and Residencia Europe Ltd for personnel recharges.
- The Executive Chair's travel as per his right to expense the use of a private aircraft for OCI-related business travel.
- The Company's former construction arm which was divested on 7 March 2015 and incorporated as a separate legal entity, "Orascom Conctruction plc" (OC) in the United Arab Emirates. The Sawiris family, the majority shareholders of OCI, also owns the majority of the outstanding shares of OC, which qualifies OC and its subsidiaries to be classified as related parties.

The following is an overview of the transactions and outstanding amounts as at 31 December 2022:

Related party	Relation	Recharges	AR at year end	Purchases	AP at year end	Interest expense
Orascom Construction Egypt	OC Group company	-	1.1	0.1	0.1	-
Orascom Construction Holding Cyprus	OC Group company	-	-	-	0.9	-
Orascom Construction plc	OC Group company	-	-	-	-	9.8
NNS Luxembourg Sarl	Related via shareholder Sarl	-	0.5	-	-	-
Residencia Europe Ltd	Related via shareholder	1.0	0.6	-	-	-
Nassef Sawiris	Executive chair	-	-	0.9	0.5	-
Total		**1.0**	**2.2**	**1.0**	**1.5**	**9.8**

The following is an overview of the transactions and outstanding amounts as at 31 December 2021:

Related party	Relation	Recharges	AR at year end	Purchases	AP at year end	Interest expense
Orascom Construction Egypt	OC Group company	-	-	0.3	0.9	-
Orascom Construction Holding Cyprus	OC Group company	-	-	-	0.8	-
Orascom Construction plc	OC Group company	-	-	0.2	-	-
NNS Luxembourg Sarl	Related via shareholder Sarl	0.6	0.2	-	-	-
Nassef Sawiris	Executive chair	-	-	0.7	0.4	-
Total		**0.6**	**0.2**	**1.2**	**2.1**	**-**

Transactions with associates and joint ventures

OCI conducts transactions with its associates and joint ventures (as defined in note 3.2, together "Equity-accounted investees") in the ordinary course of business by buying and selling goods and services from and to various equity-accounted investees within the group. For more information we refer to note 10.

Notes to the consolidated financial statements continued

For the year ended 31 December

30. Related party transactions continued

The following is an overview of the transactions and outstanding amounts as at 31 December 2022:

Related party	Relation	Revenue	AR at year end	Purchases	AP at year end	Interest income
Natgasoline LLC	Related via associate	11.8	0.5	262.1	54.0	-
Sitech Manufacturing Services C.V.	Associate	-	-	145.2	73.8	-
Utility Support Group B.V.	Related via associate	69.7	1.8	253.4	10.2	-
Sitech Services B.V.	Associate	-	-	17.1	2.9	-
Nitrogen Iberian Company SL	Joint venture	39.0	19.6	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.3	-	24.0	-	-
Egypt Green Hydrogen SAE	Associate	-	1.7	-	-	-
Total		**120.8**	**23.6**	**701.8**	**140.9**	**-**

The following is an overview of the transactions and outstanding amounts as at 31 December 2021:

Related party	Relation	Revenue	AR at year end	Purchases	AP at year end	Interest income
Natgasoline LLC	Related via associate	8.6	-	179.4	32.4	-
Sitech Manufacturing Services C.V.	Associate	-	-	124.5	36.0	-
Utility Support Group B.V.	Related via associate	31.5	3.7	114.8	14.5	1.0
Sitech Services B.V.	Associate	-	0.1	18.1	2.4	-
Nitrogen Iberian Company SL	Joint venture	24.3	-	-	0.5	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.1	1.0	31.8	-	-
Total		**64.5**	**4.8**	**468.6**	**85.8**	**1.0**

Transactions and balances with equity-accounted investees and related parties

As these are transactions with equity-accounted investees and related parties, the terms and conditions may not necessarily be the same as transactions negotiated between third parties. Management believes that the terms and conditions of all transactions and outstanding balances with our equity-accounted investees and related parties are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services.

31. Remuneration of the Board of Directors (key management personnel)

We considered the members of the Board of Directors (Executive and Non-executive) to be the key management personnel as defined in IAS 24 'Related parties'. For transactions with key management personnel reference is made to note 30. No other benefits or remuneration were provided to or have been entered into with above mentioned key management personnel except as disclosed below.

Notes to the consolidated financial statements continued

For the year ended 31 December

31. Remuneration of the Board of Directors (key management personnel) continued

Executive Directors remuneration

During the financial year ended 31 December 2022, the total remuneration costs relating to the Executive Directors amounted to USD 13.3 million (2021: USD 13.1 million) consisting of the elements listed in the table below:

2022	Age	Base salary[1]	Fertiglobe fees[2]	Annual bonus	Share-based compensation	Total remuneration
N. Sawiris	61	1,000,000	150,000	-	1,415,114	2,565,114
H. Badrawi	46	1,150,000	150,000	1,298,546	1,345,970	3,944,516
M. de Vries	50	560,000	16,335	632,335	654,897	1,863,567
A. El-Hoshy	38	1,562,500[3]	150,000	1,764,328	1,469,509	4,946,337
Total		**4,272,500**	**466,335**	**3,695,209**	**4,885,490**	**13,319,534**

1 These figures exclude employer's social security payments (USD 1.1 million).

2 Fees for the Non-Executive roles held by OCI Executives are paid to OCI N.V. This table shows the amounts subsequently paid out by OCI to the Executives.

3 This figure includes base salary for the additional position as Chief Executive Officer Fertiglobe for the full year 2022.

2021	Age	Base salary[1]	Fertiglobe fees	Annual bonus	Share-based compensation	Total remuneration
N. Sawiris	60	1,000,000	-	-	2,086,600	3,086,600
H. Badrawi	45	1,150,000	-	1,262,010	1,385,030	3,797,040
M. de Vries	49	560,000	-	614,544	509,197	1,683,741
A. El-Hoshy	37	1,307,692[2]	-	1,714,688	1,533,043	4,555,423
Total		4,017,692	-	3,591,242	5,513,870	13,122,804

1 These figures exclude employer's social security payments (USD 1.0 million).

2 This figure includes base salary for the additional position as Chief Executive Officer Fertiglobe since 27 October 2021.

Performance shares

At 31 December 2022, the Executive Directors held 815,869 conditional performance shares (2021: 777,899 including the conditional performance shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2021	Granted conditional	Granted Dividend Equivalent Shares	Vested	Expired	Outstanding year end 2022	Vesting date
N. Sawiris	116,002	-		-	(116,002)	-	07-02-2022
	135,354	-	18,453	-	-	153,807	07-02-2023
	58,235	-	7,938	-	-	66,173	07-02-2024
	-	43,093	5,875	-	-	48,968	07-02-2025
N. Sawiris total	**309,591**	**43,093**	**32,266**	**-**	**(116,002)**	**268,948**	
H. Badrawi	66,701	-	-	-	(66,701)	-	07-02-2022
	77,829	-	10,610	-	-	88,439	07-02-2023
	66,971	-	9,130	-	-	76,101	07-02-2024
	-	49,558	6,756	-	-	56,314	07-02-2025
H. Badrawi total	**211,501**	**49,558**	**26,496**	**-**	**(66,701)**	**220,854**	
M. de Vries	32,485	-	4,428	-	-	36,913	07-02-2023
	32,612	-	4,445	-	-	37,057	07-02-2024
	-	24,132	3,289	-	-	27,421	07-02-2025
M. de Vries total	**65,097**	**24,132**	**12,162**	**-**	**-**	**101,391**	
A. El-Hoshy	47,855[1]	-	-	-	(47,855)	-	07-02-2022
	71,061[1]	-	9,688	-	-	80,749	07-02-2023
	72,794	-	9,923	-	-	82,717	07-02-2024
	-	53,867	7,343	-	-	61,210	07-02-2025
A. El-Hoshy total	**191,710**	**53,867**	**26,954**	**-**	**(47,855)**	**224,676**	

1 These conditional performance shares were granted prior to appointment to the Board.

Notes to the consolidated financial statements continued

For the year ended 31 December

31. Remuneration of the Board of Directors (key management personnel) continued

One Off Share Awards

At 31 December 2022, the Executive Directors held 56,268 One Off Share Awards (2021: nil).

	Outstanding year end 2021	Granted conditional	Granted Dividend Equivalent Shares	Vested	Expired	Outstanding year end 2022	Vesting date
A. El-Hoshy	-	18,737	2,554	-	-	21,291	25-05-2025
A. El-Hoshy total	**-**	**18,737**	**2,554**	**-**	**-**	**21,291**	
H. Badrawi	-	18,737	2,554	-	-	21,291	25-05-2025
H. Badrawi total	**-**	**18,737**	**2,554**	**-**	**-**	**21,291**	
M. de Vries	-	12,045	1,641	-	-	13,686	25-05-2025
M. de Vries total	**-**	**12,045**	**1,641**	**-**	**-**	**13,686**	

Restricted Stock Units shares

At 31 December 2022, the Executive Directors held 14,750 RSU shares (2021: 47,212).

	Outstanding year end 2021	Granted conditional	Granted Dividend Equivalent Shares	Vested	Expired	Outstanding year end 2022	Vesting date
M. de Vries	9,509	-	-	(9,509)		-	17-04-2022
M. de Vries total	**9,509**	**-**		**(9,509)**	**-**	**-**	
A. El-Hoshy	18,231	-	-	(18,231)	-	-	17-04-2022
	6,491	-	-	(6,491)	-	-	07-02-2022
	12,981	-	1,769	-	-	14,750	07-02-2023
A. El-Hoshy total	**37,703**	**-**	**1,769**	**(24,722)**	**-**	**14,750**	

Non-Executive Directors remuneration

In 2022, the total remuneration costs relating to the Non-Executive Directors amounted to USD 2.1 million (2021: USD 1.7 million) consisting of the elements in the table below:

2022	Annual fixed fee	Audit committee membership	Additional fee	Nomination, governance and remuneration committee	Health safety environment committee	Total
M. Bennett	300,000	-	-	7,500	-	307,500
S. Schat	150,000	20,000	-	20,000	-	190,000
A. Montijn-Groenewoud	150,000	-	-	7,500	20,000	177,500
R.J. van de Kraats	150,000	25,000	-	7,500	-	182,500
G. Heckman	150,000	-	-	-	7,500	157,500
J. Guiraud	150,000	20,000	-	7,500	-	177,500
D. Welch	150,000	-	449,698[1]	-	7,500	607,198
D. Fraser	150,000	20,000	-	-	-	170,000
H. van de Kerkhof	150,000	-	-	-	7,500	157,500
Total	**1,500,000**	**85,000**	**449,698**	**50,000**	**42,500**	**2,127,198**

[1] The additional fee for Mr. Welch is for his services as Non-Executive Director of the Board of Fertiglobe plc.

Notes to the consolidated financial statements continued

For the year ended 31 December

31. Remuneration of the Board of Directors (key management personnel) continued

2021	Annual fixed fee	Audit committee membership	Additional fee	Nomination, governance and remuneration committee	Health safety environment committee	Total
M. Bennett	300,000	-	-	7,500	-	307,500
S. Schat	150,000	20,000	-	20,000	-	190,000
A. Montijn-Groenewoud	150,000	-	-	7,500	15,833	173,333
R.J. van de Kraats	150,000	25,000	-	7,500	-	182,500
G. Heckman	150,000	-	-	-	7,500	157,500
J. Guiraud	150,000	20,000	-	7,500	-	177,500
D. Welch	150,000	-	73,859[1]	-	7,500	231,359
D. Fraser	150,000	20,000	-	-	-	170,000
H. van de Kerkhof	150,000	-	-	-	7,500	157,500
Total	**1,500,000**	**85,000**	**73,859**	**50,000**	**38,333**	**1,747,192**

[1] The amount reported as extraordinary item for D. Welch is the fee for services on the Board of Fertiglobe plc for the period 1 January 2021 - 26 October 2021.

32. Subsequent events

OCI S.A.E. tax dispute

On 23 January 2023, a judgement was issued in favor of OCI S.A.E. rejecting the appeal of the ETA. The ETA has appealed the decision.

Fertiglobe refinancing

On 23 December 2022, Fertiglobe announced that it has refinanced its outstanding USD 900 million bridge facility, originally due in 2024, with new 3-year (USD 300 million) and 5-year (USD 600 million) term facilities with interest rates of SOFR + 150bps and SOFR + 175bps respectively. It further announced that it has increased its revolving credit facility from USD 300 million to USD 600 million and extended the facility's maturity from December 2026 to 2027. The margin on the RCF has been reduced from 175bps to 140bps over SOFR. The execution of both refinancing took place on 4 January 2023.

OCI semi-annual cash distribution

On 5 January 2023, OCI N.V. announced it confirms a semi-annual cash distribution with respect to H2 2022 of EUR 3.50 per share (or c.USD 780 million at current exchange rates, consisting of a USD 200 million base return of capital and a variable element), in line with the company’s guidance given during the Q3 2022 results publication. OCI N.V. is convening an extraordinary shareholders meeting (EGM) on 16 February 2023 to request for shareholder approval for the H2 2022 distribution of EUR 3.50 per share through a repayment of capital, resulting in a distribution to shareholders scheduled for April 2023.

OCI bond issuance

On 16 March 2023, OCI N.V. completed a bond offering consisting of USD 600.0 million senior unsecured fixed rate notes due 2033 as part of a USD 2.0 billion global medium term program. The notes bear interest at a rate 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 consolidated financial statements continued

For the year ended 31 December

33. External auditors' fee

The service fees recognized in the financial statements 2022 for the service of KPMG amounted to USD 5.2 million (2021: USD 5.8 million). Other assurance services provided to the Group include services related to bond offerings, voluntary audit of other financial statements, agreed upon procedures related to covenant reporting and other statutory requirements.

The amounts per service category are shown in the following table:

	Total service fee		of which KPMG Accountants N.V. (The Netherlands)	
$ millions	2022	2021	2022	2021
Audit of group financial statements	4.3	4.6	2.4	2.6
Other assurance services	0.8	1.1	0.7	0.3
Total assurance services	**5.1**	**5.7**	**3.1**	**2.9**
Tax services	0.1	0.1	-	-
Total	**5.2**	**5.8**	**3.1**	**2.9**

34. List of principal subsidiaries as at 31 December 2022

Companies	Country	Percentage of interest	Consolidation method
Fertiglobe plc	UAE	50.00	Full
OCI Fuels B.V.	The Netherlands	85.00	Full
OCI Methanol Marketing B.V.	The Netherlands	85.00	Full
OCI Nitrogen B.V.	The Netherlands	100.00	Full
BioMCN B.V.	The Netherlands	85.00	Full
Iowa Fertilizer Company LLC	United States	100.00	Full
OCI USA Inc.	United States	85.00	Full
OCI Partners LP / OCI Beaumont LLC	United States	85.00	Full
N-7 LLC	United States	50.00	Full
OCI Methanol Marketing LLC	United States	85.00	Full
Key subsidiaries held via Fertiglobe plc			
Ruwais Fertilizer Industries LLC (Fertil)	UAE	100.00	Full
Egypt Basic Industries Corporation S.A.E.	Egypt	75.00	Full
Egyptian Fertilizers Company S.A.E.	Egypt	99.96	Full
Sorfert Algérie Spa	Algeria	50.99	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Fertiglobe Distribution Limited	UAE	100.00	Full
OCI Fertilizer Trade and Supply B.V.	The Netherlands	100.00	Full
Fertiglobe Fertilizer Trading Limited	BVI	100.00	Full

A full list of affiliated companies will be available for public inspection at the Commercial Registry in conformity with the provisions of Article 2:379 and 2:414 of the Dutch Civil Code.

Parent company financial statements

Parent company statement of financial position
As at

$ millions	Note	31 December 2022	31 December 2021
Assets			
Non-current assets			
Investment in subsidiaries	(41)	7,896.0	8,480.7
Property, plant and equipment		6.5	1.9
Right-of-use assets		2.6	3.1
Other receivables	(42)	651.4	703.5
Financial assets at fair value through other comprehensive income	(43)	2.3	2.8
Deferred tax assets	(54)	0.3	5.5
Total non-current assets		**8,559.1**	**9,197.5**
Current assets			
Inventories	(44)	-	21.9
Other receivables	(42)	215.1	220.4
Cash and cash equivalents	(45)	154.8	179.5
Total current assets		**369.9**	**421.8**
Total assets		**8,929.0**	**9,619.3**

Parent company statement of financial position continued

As at

$ millions	Note	31 December 2022	31 December 2021
Equity			
Share capital	(46),(15)	5.6	5.6
Share premium	(15)	5,261.7	6,316.3
Reserves	(16)	(2,263.5)	(1,820.4)
Retained earnings		4,101.1	2,773.4
Total equity		**7,104.9**	**7,274.9**
Liabilities			
Non-current liabilities			
Loans and borrowings	(47)	663.5	1,124.1
Lease obligations		2.1	2.6
Deferred tax liabilities	(54)	-	-
Total non-current liabilities		**665.6**	**1,126.7**
Current liabilities			
Loans and borrowings	(47)	991.5	995.3
Lease obligations		0.8	0.6
Income tax payable	(54)	5.9	-
Trade and other payables	(48)	160.3	221.8
Total current liabilities		**1,158.5**	**1,217.7**
Total liabilities		**1,824.1**	**2,344.4**
Total equity and liabilities		**8,929.0**	**9,619.3**

The notes on pages 202 to 216 are an integral part of these parent company financial statements.

Parent company statement of profit or loss and other comprehensive income

For the year ended 31 December

$ millions	Note	2022	2021
Revenue from dividend income	(49)	1,300.0	1,322.2
Other income	(51)	143.7	1,417.9
General and administrative expenses	(50)	(51.0)	(36.6)
Other expenses	(52)	(22.8)	(40.6)
Operating profit		**1,369.9**	**2,662.9**
Finance income	(53)	133.3	168.8
Finance cost	(53)	(186.6)	(363.5)
Net finance cost		**(53.3)**	**(194.7)**
Profit before income tax		**1,316.6**	**2,468.2**
Income tax	(54)	31.9	31.9
Net profit		**1,348.5**	**2,500.1**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences	(46)	(441.7)	(463.6)
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		(0.5)	0.1
Other comprehensive income, net of tax		**(442.2)**	**(463.5)**
Total comprehensive income		**906.3**	**2,036.6**

The notes on pages 202 to 216 are an integral part of these parent company financial statements.

Parent company statement of changes in equity continued

For the year ended 31 December

$ millions	Note	Share capital	Share premium	Fair value reserve	Currency translation	Other reserves	Retained earnings	Equity attributable to owners of the company
Balance at 1 January 2021		**5.6**	**6,316.3**	**(1.5)**	**(1,242.2)**	**(117.0)**	**269.6**	**5,230.8**
Net profit	(46.2)	-	-	-	-	-	2,500.1	2,500.1
Other comprehensive income		-	-	0.1	(463.6)	-	-	(463.5)
Total comprehensive income		**-**	**-**	**0.1**	**(463.6)**	**-**	**2,500.1**	**2,036.6**
Treasury shares sold / delivered	(16)	-	-	-	-	4.8	(4.8)	-
Treasury shares acquired	(16)	-	-	-	-	(1.0)	-	(1.0)
Share-based payments	(15)	-	-	-	-	-	8.5	8.5
Balance at 31 December 2021		**5.6**	**6,316.3**	**(1.4)**	**(1,705.8)**	**(113.2)**	**2,773.4**	**7,274.9**
Net profit	(46.2)	-	-	-	-	-	1,348.5	1,348.5
Other comprehensive income		-	-	(0.5)	(441.7)	-	-	(442.2)
Total comprehensive income		**-**	**-**	**(0.5)**	**(441.7)**	**-**	**1,348.5**	**906.3**
Share capital increase	(15)	1,083.0	(1,083.0)	-	-	-	-	-
Share capital decrease	(15)	(13.9)	13.9	-	-	-	-	-
Capital repayment	(15)	(1,069.1)	-	-	-	-	-	(1,069.1)
Issuing shares	(15)	-	14.5	-	-	(14.5)	-	-
Dividend payment	(15)	-	-	-	-	-	(14.4)	(14.4)
Treasury shares sold / delivered	(16)	-	-	-	-	15.6	(15.6)	-
Treasury shares acquired	(16)	-	-	-	-	(2.0)	-	(2.0)
Share-based payments	(15)	-	-	-	-	-	9.2	9.2
Balance at 31 December 2022		**5.6**	**5,261.7**	**(1.9)**	**(2,147.5)**	**(114.1)**	**4,101.1**	**7,104.9**

The notes on pages 202 to 216 are an integral part of these parent company financial statements.

Parent company statement of cash flows

For the year ended 31 December

$ millions	Note	2022	2021
Net profit	(46.2)	1,348.5	2,500.1
Adjustments for:			
Depreciation	(50)	0.9	0.9
Interest income	(53)	(39.5)	(70.3)
Interest expense	(53)	62.4	160.9
Net foreign exchange (gain) / loss	(53)	30.4	104.1
Revenue from dividend income	(49)	(1,300.0)	(1,322.2)
Reversal of impairment of subsidiaries	(51)	(143.1)	(1,417.7)
Equity-settled share-based payment transactions	(22.2),(50)	9.2	8.5
Income tax expense	(54)	(31.9)	(31.9)
Changes in:			
Inventories	(44)	21.9	(21.9)
Other receivables	(42)	(99.0)	(106.4)
Trade and other payables	(48)	32.4	4.7
Cash flows:			
Interest paid		(39.4)	(175.4)
Settlement interest derivatives		25.0	-
Interest received		19.8	58.5
Dividends received		1,300.0	1,322.2
Cash flow from operating activities		**1,197.6**	**1,014.1**
Investments in intangible fixed assets		(5.1)	(1.1)
Capital repayment from subsidiaries	(41)	250.0	-
Capital contributions to subsidiaries	(41)	-	(261.4)
Cash flow from / (used in) investing activities		**244.9**	**(262.5)**

Parent company statement of cash flows continued

For the year ended 31 December

$ millions	Note	2022	2021
Purchase of treasury shares	(16)	(0.2)	(1.0)
Proceeds from borrowings	(47)	-	909.2
Proceeds from borrowings from subsidiaries	(47)	493.8	600.6
Repayment of borrowings	(47)	(406.2)	(2,401.2)
Repayment of borrowings from subsidiaries	(47)	(105.9)	(8.0)
Newly incurred transaction costs / call premium	(47)	(7.5)	(0.1)
Distributions paid to owners of the Company	(15)	(1,059.0)	-
Witholding tax on dividends to owners the Company	(15)	(2.2)	-
Settlement FX derivatives	(53)	(30.5)	(72.8)
Payment of lease obligations		(0.7)	(0.7)
Cash flows used in financing activities		**(1,118.4)**	**(974.0)**
Net cash flow		**324.1**	**(222.4)**
Net increase / (decrease) in cash and cash equivalents		324.1	(222.4)
Cash and cash equivalents at 1 January		(203.5)	14.2
Effect of exchange rate fluctuations on cash held		34.2	4.7
Cash and cash equivalents at 31 December		**154.8**	**(203.5)**
Cash and cash equivalents in statement of financial position	(45)	154.8	179.5
Bank overdraft repayable on demand	(47)	-	(383.0)
Cash and cash equivalents in statement of cash flows		**154.8**	**(203.5)**

The notes on pages 202 to 216 are an integral part of these parent company financial statements.

Notes to the parent company financial statements

For the year ended 31 December

35. General

OCI N.V. ('The Company' or 'OCI') 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. OCI is a holding company and is tax resident in the Netherlands.

36. Basis of preparation

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU). The parent company financial statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of OCI commences on 1 January and ends on 31 December. The Company's functional currency is the Euro ('EUR'). Because the Company's major foreign operations have the US dollar as their functional currency, the presentation currency of the Company is the US dollar ('USD'). All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

The parent company financial statements have been authorized for issue by the Company's Board of Directors on 22 March 2023. The financial statements are subject to adoption of the Annual General Meeting of Shareholders.

37. Accounting principles applied

In the parent company financial statements, the same accounting policies have been applied as set out in the notes to the consolidated financial statements, except for the measurement of the subsidiaries as presented under 'Investments in subsidiaries' in the parent company financial statements. These policies have been consistently applied to all years presented.

For the amendments that became applicable and the new standards not yet applicable to OCI, reference is made to note 4.2 of the consolidated financial statements.

38. Summary of significant accounting policies

Investments in subsidiaries

These policies have been consistently applied to all years presented.

In the parent company financial statements, investments in subsidiaries are recorded at cost less impairment. In the parent company statement of profit or loss and other comprehensive income, dividend received from investments in subsidiaries is recorded as dividend income.

Due to this application, the parent company equity and net result are not equal to the consolidated equity and net result. A reconciliation for total equity attributable to owners of the company and total comprehensive income is presented in note 46 to the parent company financial statements.

Capital repayments and dividend distribution

Capital repayments to the Company's shareholders are recognized as a liability in the parent company financial statements, in the period in which the distribution is approved by the Company's shareholders and the creditor opposition period has lapsed.

Dividend distributions to the Company's shareholders are recognized as a liability in the parent company financial statements, in the period in which the distribution is approved by the Company's shareholders.

Dividend income

Dividend income from the Company's subsidiaries is recognized when the right to receive payment is established. Dividend income is presented as revenue in the statement of profit or loss and comprehensive income and as operating activities in the statement of cash flows.

Notes to the parent company financial statements continued

For the year ended 31 December

39. Critical accounting judgment, estimates and assumptions

The preparation of the parent company financial statements requires management to exercise judgment and make estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company financial statements are the impairment of the investments in subsidiaries.

Valuation of investments in subsidiaries

At each balance sheet date, the Company reviews whether there is an indication that its investments in subsidiaries might be impaired.

An indication for impairment of the investments in subsidiaries may include, respectively, management's downward adjustment of the strategic plan. Further indications for impairments of its investments may include other areas where observable data indicates that there is a measurable decrease in the estimated future cash flows. These determinations require significant judgment. In making this judgment, management evaluates, among other factors, the financial performance of and business outlook for its investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If any indication for impairment exists, the recoverable amount of the investments is estimated in order to determine the extent, if any, of the impairment loss. An investment is impaired if the recoverable amount is lower than the carrying amount. The recoverable amount is defined as the higher of an investment's fair value less costs to sell and its value in use. The investments' fair value less costs to sell represents the best estimate of the amount OCI would receive if it sold its investments. The determination of the investment's value in use is based on calculations using pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period and the terminal value period.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. Any impairment loss is recognized immediately in the statement of profit or loss.

Impairment losses recognized in prior periods shall be reversed only if there has been a change in the estimates or external market information used to determine the investment's recoverable amount since the last impairment loss was recognized. The recoverable amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

40. Financial risk and capital management

Reference is made to note 6 Financial risk and capital management in the notes to the consolidated financial statements.

40.1 Credit risk

The maximum exposure to credit risk at the reporting date is as follows:

$ millions	Note	2022	2021
Other receivables	(42)	866.5	923.9
Financial assets at fair value through other comprehensive income	(43)	2.3	2.8
Cash and cash equivalents	(45)	154.8	179.5
Total		**1,023.6**	**1,106.2**

The maximum exposure to credit risk for other receivables by geographic region is as follows:

$ millions	2022	2021
Middle East and Africa	5.7	0.5
Europe	150.1	112.1
Americas	710.7	811.3
Total	**866.5**	**923.9**

Notes to the parent company financial statements continued

For the year ended 31 December

40.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2022 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(47)	663.5	755.8	27.3	728.5	-
Loans and borrowings from subsidiaries[1]	(47)	991.5	991.5	991.5	-	-
Trade and other payables	(48)	160.3	160.3	160.3	-	-
Total		**1,815.3**	**1,907.6**	**1,179.1**	**728.5**	**-**

31 December 2021 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(47)	1,507.1	1,644.3	419.2	1,225.1	-
Loans and borrowings from subsidiaries[1]	(47)	612.3	612.3	612.3	-	-
Trade and other payables	(48)	221.8	221.8	221.8	-	-
Total		**2,341.2**	**2,478.4**	**1,253.3**	**1,225.1**	**-**

[1] The contractual cash flows do not include interest cash flow for the loan received from OCI Overseas Holding since this loan is repayable on demand.

OCI N.V. leases office space and vehicles. The office space lease at Honthorststraat is renewed in 2021 for a period of 5 years, with an option to renew the lease thereafter. The office space at Willemsparkweg is leased in 2021 for an initial period of 5 years, with an option to renew the lease thereafter. Lease payments are indexed annually.

Future minimum lease payments

$ millions	2022	2021
Less than one year	0.8	0.8
Between one and five years	2.1	2.8
More than five years	-	-
Total	**2.9**	**3.6**

As part of the preparation of the financial statements, the Company has assessed its liquidity risk. Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates, and the ability to arrange financing and obtain waivers for anticipated covenant breaches. Refer to note 6.2 and note 18 of the notes to the consolidated financial statements for the Company's analyses of liquidity risk and debt covenants, respectively.

Furthermore, the Company's financial liabilities include loans and borrowings from subsidiaries. Although these loans and borrowings from subsidiaries are sometimes classified as short-term due the contractual terms, the repayment date of these loans and borrowings can be controlled and determined by OCI and may be extended beyond one year.

Notes to the parent company financial statements continued

For the year ended 31 December

40.3 Market risk

Foreign exchange risk

As at 31 December 2022, if the US dollar had weakened / strengthened by 5 percent against the Euro with all other variables held constant, the translation of foreign currency receivables, payables, cash and cash equivalents and loans and borrowings would have resulted in an increase / decrease of USD 0.1 million of the profit of the year.

The summary of quantitative data about the Company's exposure to foreign exchange transaction exposure based on risk management policy for the main currencies was as follows:

$ millions	2022	2021
Other receivables	765.9	838.4
Trade and other payables	(24.7)	(124.3)
Loans and borrowings	(758.7)	(1,261.0)
Cash and cash equivalents	19.0	53.0

The following tables demonstrate the sensitivity to a reasonably possible change in EUR-USD exchange rates, with all other variables held constant. The impact on the Company's general and administrative expenses is due to changes in the fair value of monetary assets and liabilities, including inter-company positions. The Company's exposure to foreign currency changes for all other currencies is not material.

31 December 2022 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	0.1	-
	(5) percent	(0.1)	-

31 December 2021 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	(24.7)	-
	(5) percent	24.7	-

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2022	2021
Effect on profit before tax for the coming year	+ 100 bps	-	(4.0)
	- 100 bps	-	4.0

Commodity price risk

Natural gas is one of the primary raw materials used in the OCI's production processes. The Company is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on these data in order to make operational and hedging decisions.

The Company enters into gas hedges on behalf of subsidiaries, in order to hedge future gas price levels over a certain period of time. The Company 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. OCI N.V. is a participating entity in several hedge strategies of the Group. For the hedge strategies reference is made to note 6.3.

European Emission Allowance

Several subsidiaries of OCI N.V. receive European Emission Allowances ("EUAs") as a result of their industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO_2 emissions in the Netherlands and the effective European emission legislation. In arrears, the subsidiaries have to refund allowances to the Dutch Emission Authority based on actual CO_2 emissions during the year. In the event that a deficit in EUAs is identified, the subsidiaries have to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority.

Notes to the parent company financial statements continued

For the year ended 31 December

40.3 Market risk continued

During the year, OCI N.V. has generated additional liquidity by selling its EUAs to the market. To manage the price exposure on the liability towards the Dutch Emission Authority, OCI N.V. entered into financial hedges to purchase EUAs. For further information reference is made to note 6.3.

For the fair value of the commodity derivatives reference is made to note 42.

Financial instruments

The following table presents the various categories of financial instruments:

31 December 2022 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial assets at fair value through other comprehensive income
Assets				
Other receivables	(42)	852.9	13.6	-
Financial assets at fair value through other comprehensive income	(43)	-	-	2.3
Cash and cash equivalents	(45)	154.8	-	-
Total		**1,007.7**	**13.6**	**2.3**
Liabilities				
Loans and borrowings from third parties	(47)	663.5	-	-
Loans and borrowings from subsidiaries	(47)	991.5	-	-
Trade and other payables	(48)	132.6	27.7	-
Total		**1,787.6**	**27.7**	**-**

31 December 2021 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial assets at fair value through other comprehensive income
Assets				
Other receivables	(42)	881.1	42.8	-
Financial assets at fair value through other comprehensive income	(43)	-	-	2.8
Cash and cash equivalents	(45)	179.5	-	-
Total		**1,060.6**	**42.8**	**2.8**
Liabilities				
Loans and borrowings from third parties	(47)	1,507.1	-	-
Loans and borrowings from subsidiaries	(47)	612.3	-	-
Trade and other payables	(48)	213.0	8.8	-
Total		**2,332.4**	**8.8**	**-**

The only financial instrument carried at fair value by the Company is the financial asset at fair value through other comprehensive income which is measured with hierarchy level 1 of the fair value hierarchy category.

41. Investment in subsidiaries

$ millions	2022	2021
At 1 January	**8,480.7**	**7,207.0**
Reversal of impairment	143.1	1,417.7
Capital contribution	-	431.9
Capital repayments	(250.0)	-
Exchange rate differences	(477.8)	(575.9)
At 31 December	**7,896.0**	**8,480.7**

Notes to the parent company financial statements continued

For the year ended 31 December

41. Investment in subsidiaries continued

Capital contributions

In 2022 a capital repayment of USD 250 million in cash was made by OCI Intermediate B.V.

Impairment testing 2022

An impairment reversal trigger was identified in OCI N.V.'s investment in subsidiaries due to an increase in share price as at 31 December 2022 compared to 2021. As a result, the Group has prepared an impairment test on the investment in subsidiaries in accordance with IAS 36. An impairment reversal is recognized if the estimated recoverable amount of an asset exceeds its carrying amount.

The recoverable amount has been estimated based on fair value less cost of disposal. Key elements for the determination of fair value were the 14 days trailing share price of OCI N.V. as at 31 December 2022 of USD 36.61 (which is measured with hierarchy level 1 of the fair value hierarchy category), the number of outstanding shares of OCI N.V. (210,712,004 shares) and a control premium of 30%, which is the median bid premium for the acquisitions of Dutch listed companies in the period 2010 - 2020 based on the price paid over and above the trading share price to obtain control and determined to be a reasonable control premium for listed companies. The costs of disposal are assumed to be limited and included in the control premium assumption. This results in a recoverable amount of USD 10,029 million.

The recoverable amount of OCI Intermediate B.V. (which is the total of the investment in subsidiaries, receivables from subsidiaries and the loans and borrowings) exceeded the carrying amount of the investment. As a result, an impairment reversal of USD 143.1 million is recognized in the Parent company statement of Profit or Loss and Other Comprehensive Income. The accumulated impairment as at 31 December 2022 amounts to nil.

List of subsidiaries as at 31 December 2022:

Name	Country of incorporation	Ownership %
OCI Intermediate B.V.	The Netherlands	100.0
OCI UK Ltd.	United Kingdom	100.0

OCI Intermediate B.V. is a holding company which has all operating companies as subsidiaries.

42. Other receivables

$ millions	2022	2021
Receivables from subsidiaries	837.7	877.9
Commodity derivatives	11.0	42.8
Foreign currency derivatives	2.6	-
Other receivables	15.2	3.2
Total	**866.5**	**923.9**
Non-current	651.4	703.5
Current	215.1	220.4
At 31 December	**866.5**	**923.9**

The carrying amount of receivables approximates their fair value.

The assessment of the expected credit losses did not result in an impairment of receivables. This will be monitored on a continuous basis going forward and periodically reassessed.

Specification of receivables from subsidiaries:

$ millions	Type	Interest %	2022 Long-term	2022 Short-term	2021 Long-term	2021 Short-term
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.2% fixed	-	-	40.6	-
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.2% fixed	635.7	-	662.9	-
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.1% fixed	-	-	-	104.7
Other receivables subsidiaries	-	-	15.5	186.5	-	69.7
Total			**651.2**	**186.5**	**703.5**	**174.4**

Notes to the parent company financial statements continued

For the year ended 31 December

43. Financial assets at fair value through other comprehensive income

$ millions	2022	2021
Orascom Construction Limited (Dubai)	2.3	2.8
Total	**2.3**	**2.8**

Orascom Construction Limited is a related party.

44. Inventories

$ millions	2022	2021
European Emission Allowances	-	21.9
Total	**-**	**21.9**

During 2022, OCI N.V. sold all of its European Emission Allowances.

45. Cash and cash equivalents

$ millions	2022	2021
Bank balances	154.8	179.5
Total	**154.8**	**179.5**

The bank balances are freely available for usage and are not restricted.

46. Equity attributable to owners of the Parent Company

46.1 Reconciliation of consolidated income and equity attributable to shareholders to Parent Company income and equity attributable to owners

$ millions	2022 Equity	2022 Profit / Loss	2021 Equity	2021 Profit / Loss
Consolidated equity attributable to owners of the Company	2,323.7	1,179.6	1,999.0	521.1
Revaluation of subsidiaries	5,472.8	143.1	5,329.7	1,417.7
Difference gain on demerger 2015	(387.8)	-	(387.8)	-
Difference in profit or loss	2,744.5	(32.0)	2,776.5	511.9
Other comprehensive income	(1,928.0)	(384.4)	(1,543.6)	(414.1)
Business combination Fertiglobe	(723.1)	-	(723.1)	-
Other direct equity movements (including impact IFRS 9 adoption)	(397.2)	-	(175.8)	-
Parent company equity attributable to owners	**7,104.9**	**906.3**	**7,274.9**	**2,036.6**

The differences between total shareholders' equity and total comprehensive income according to the consolidated financial statements and the parent company financial statements in general relate to the accounting of investments at cost (fair value as deemed cost upon adoption of IFRS) in the parent company financial statements and subsequent impairments.

The reconciling items for equity and income are further detailed below.

Revaluation of subsidiaries

The revaluation of subsidiaries of USD 5,472.8 million relates to the step up in fair value at the date of transition to IFRS, 1 January 2014. The revaluation reserve related to the deemed cost value step-up of the subsidiaries was subsequently converted into share capital and partly distributed as part of the demerger transaction of OCI's E&C Business.

The Company recorded a reversal of impairment taken in previous year on subsidiaries of USD 143.1 million in 2022 (2021: USD 1,417.7 million).

Notes to the parent company financial statements continued

For the year ended 31 December

46. Equity attributable to owners of the Parent Company

continued

Gain on demerger

In the 2015 parent company financial statements, the demerger gain of USD 243.0 million is lower compared to the demerger gain as reported in the consolidated financial statements of USD 630.8 million as the investment is stated at cost in the parent company financial statements versus the equity value in the 2015 consolidated financial statements.

Difference in profit or loss

The 2022 net result is USD 32.0 million lower in the parent company financial statements as the net gain for 2022 is USD 1,348.5 million (including reversal of the impairment taken in previous year in subsidiaries of USD 143.1 million), whereas the net gain attributable to owners of the company in the consolidated financial statements was USD 1,237.4 million.

The 2021 net result is USD 511.9 million higher in the parent company financial statements as the net gain for 2021 is USD 2,500.1 million (mainly driven by partly reversal of the impairment taken in previous year in subsidiaries of USD 1,417.7 million), whereas the net gain attributable to owners of the company in the consolidated financial statements was USD 570.5 million.

Other comprehensive income

The reconciliation item 'Other comprehensive income' represents hedge and currency translation differences which are recognized in the consolidated financial statements but not in the parent company financial statements as the investments are stated at cost.

The 2022 difference in income of USD 384.4 million comprises USD 428.7 million of currency translation gains, USD 44.8 million of losses on cash flow hedges and USD 0.5 million gains on financial asset at fair value through other comprehensive income, which do not occur in the parent company financial statements.

The 2021 difference in income of USD 414.1 million comprises USD 505.8 million of currency translation gains, USD 80.8 million of losses on cash flow hedges and USD 10.9 million losses on financial asset at fair value through other comprehensive income, which do not occur in the parent company financial statements.

Business combination Fertiglobe

In 2021, the Fertiglobe business combination resulted in an increase of USD 723.1 million in equity attributable to the owners of the company in the consolidated financial statements, but had no impact on the parent company.

Other direct equity movements

The other direct equity movements mainly relates to the 15% sale of OCI methanol.

46.2 Appropriation of net profit

$ millions	2022	2021
Added to retained earnings	1,348.5	2,500.1
Net profit attributable to shareholders	**1,348.5**	**2,500.1**

Upon adoption of this proposed net profit appropriation, the proposed distribution for the 2022 financial year will be EUR 7.05. Subsequent to the financial year end, the company announced a proposed payment of an interim distribution for the period H2 2022 of EUR 3.50 per share. Refer to note 59 for further details of the subsequent event. This proposed net profit appropriation is in conformity with article 26 of the Company's Articles of Association.

Notes to the parent company financial statements continued

For the year ended 31 December

47. Loans and borrowings

$ millions	2022	2021
Senior notes	669.7	727.1
Term loan and revolving credit facility	(6.2)	397.0
Bank overdraft facility	-	383.0
Sub-total third-party	**663.5**	**1,507.1**
OCI Overseas Holding Ltd.	0.1	0.1
OCI Nitrogen BV	525.9	466.9
OCI Clean Ammonia LLC	10.7	-
Iowa Fertilizer Company	404.3	-
OCI Personnel BV	-	0.1
N7	26.5	127.5
OCI Fertilizers B.V.	24.0	17.7
Sub-total subsidiaries	**991.5**	**612.3**
Total	**1,655.0**	**2,119.4**
Non-current	663.5	1,124.1
Current	991.5	995.3
At 31 December	**1,655.0**	**2,119.4**

Reference is made to note 18 Loans and borrowings of the consolidated financial statements for detailed information on third-party loans and the undrawn bank facility.

The carrying amounts of loans and borrowings from subsidiaries approximates their fair values.

$ millions	2022	2021
At 1 January	**2,119.4**	**2,937.9**
Proceeds from borrowings	-	909.2
Proceeds from bank overdraft facility	-	398.4
Proceeds from borrowings subsidiaries	493.8	600.6
Redemptions of borrowings	(406.2)	(2,401.2)
Redemptions of bank overdraft facility	(354.8)	-
Redemptions of borrowings subsidiaries	(105.9)	(8.0)
Redemptions of borrowings subsidiaries in kind	-	(267.3)
Newly incurred transaction costs	(7.5)	(0.1)
Amortization of transaction costs / (bond) premiums	5.3	23.5
Effect of movement in exchange rates	(102.3)	(73.8)
Accrued interest	13.2	0.2
At 31 December	**1,655.0**	**2,119.4**

Proceeds from borrowings

There were no proceeds from borrowings in 2022 (2021: USD 909.2 million). Reference is made to note 18 of the consolidated financial statements.

Redemptions of borrowings subsidiaries in kind

Redemptions of borrowings from subsidiaries in kind of USD 267.3 million in 2021 consist of contributions to OCI Chemicals B.V. by settlement of loans.

Notes to the parent company financial statements continued

For the year ended 31 December

47. Loans and borrowings continued

The maturity dates of loans and borrowings from third-party and related party are as follows:

$ millions	2022	2021
2022	-	383.0
2023	-	400.0
2024	-	-
2025	673.9	733.3
Sub-total	**673.9**	**1,516.3**
Deducted transaction costs	(10.4)	(9.2)
Total	**663.5**	**1,507.1**

Specification of loans and borrowings from subsidiaries:

$ millions	Type	Interest %	2022 Short-term	2021 Short-term
OCI Overseas Holding Ltd.	Unsecured	LIBOR + 3.25	0.1	0.1
OCI Nitrogen	Unsecured	Deposit rate 1.75%	525.9	466.9
Iowa Fertilizer Company	Unsecured	Deposit rate 1.75%	404.3	-
OCI Clean Ammonia LLC	Unsecured	Deposit rate 1.75%	10.7	-
N7	Unsecured	Deposit rate 1.75%	26.5	127.5
OCI Fertilizers B.V.	Unsecured	Deposit rate 1.75%	24.0	17.7
OCI Personnel B.V.	Unsecured	Deposit rate 1.75%	-	0.1
Total			**991.5**	**612.3**

48. Other payables

$ millions	2022	2021
Payables due to subsidiaries	110.0	192.7
Accrued interest	5.7	6.2
Commodity derivative financial instruments	27.7	8.8
Other current liabilities	16.9	14.1
Total	**160.3**	**221.8**
Non-current	-	-
Current	160.3	221.8
Total	**160.3**	**221.8**

The carrying amount of 'Other payables' approximates its fair value.

49. Revenue from dividend income

Revenue from dividend income in 2022 consists of USD 1,300.0 million from OCI Intermediate of which USD 1,300.0 million was in cash.

50. Development of general and administrative expenses

50.1 Expenses by nature

$ millions	2022	2021
Employee benefit expenses	23.0	21.0
Depreciation	0.9	0.9
Consultancy expenses	15.0	9.7
Other	12.1	5.0
Total	**51.0**	**36.6**

The expenses by nature comprise 'general and administrative expenses'.

Notes to the parent company financial statements continued

For the year ended 31 December

50.2 Employee benefit expenses

$ millions	2022	2021
Wages and salaries	8.7	8.0
Social securities	0.8	0.4
Employee profit sharing	2.6	3.0
Pension cost	1.7	1.1
Share-based compensation expense	9.2	8.5
Total	**23.0**	**21.0**

For specifications on share-based payments, reference is made to note 22.3 of the notes to the consolidated financial statements.

51. Other income

$ millions	2022	2021
Reversal of impairment of subsidiaries	143.1	1,417.7
Other	0.6	0.2
Total	**143.7**	**1,417.9**

52. Other expenses

$ millions	2022	2021
Other	22.8	40.6
Total	**22.8**	**40.6**

Other expenses relate to recharges from subsidiaries, mainly OCI UK Ltd. Reference is made to note 41 for the impairment of subsidiaries.

53. Net finance cost

$ millions	2022	2021
Interest income on loans and receivables third-party	2.8	0.1
Interest income on loans and receivables subsidiaries	36.7	70.2
Foreign exchange gain	93.8	98.5
Finance income	**133.3**	**168.8**
Interest expense and other financing costs on financial liabilities measured at amortized cost third-party	(44.8)	(160.5)
Interest expense and other financing costs on financial liabilities measured at amortized cost subsidiaries	(17.6)	(0.4)
Foreign exchange loss	(124.2)	(202.6)
Finance cost	**(186.6)**	**(363.5)**
Net finance cost recognized in profit or loss	**(53.3)**	**(194.7)**

Foreign exchange loss includes a net loss of USD 2.6 million on foreign exchange derivatives which were settled during the year.

Notes to the parent company financial statements continued

For the year ended 31 December

54. Income taxes

54.1 Income tax in the statement of profit or loss

$ millions	2022	2021
Current tax	37.1	21.4
Deferred tax	(5.2)	10.5
Total income tax reported in profit or loss	**31.9**	**31.9**

Current tax

$ millions	2022	2021
Current year	37.1	21.4
Changes in estimates relating to prior years	-	-
Income tax benefit reported in profit or loss	**37.1**	**21.4**

Deferred tax

$ millions	2022	2021
Origination and reversal of temporary differences	(5.2)	0.3
Changes in tax rates	-	1.0
Recognition of previously unrecognized losses	-	9.2
Income tax benefit reported in profit or loss	**(5.2)**	**10.5**

54.2 Reconciliation of effective tax rate

Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

$ millions	2022	%	2021	%
Profit before income tax	1,316.6		2,468.2	
Enacted income tax rate in the Netherlands	25.8%		25.0%	
Income tax expense calculated at the enacted Dutch tax rate	**(340.0)**	**(25.8)**	**(617.0)**	**(25.0)**
Reversal of impairment of subsidiaries	36.9	2.8	354.4	14.4
Expenses non-deductible	(4.8)	(0.4)	(46.3)	(1.8)
Income not subject to tax	335.1	25.5	330.6	13.3
Change in income tax rates	-	-	1.0	-
Recognition of previously unrecognized tax assets	4.7	0.4	9.2	0.4
Total income tax reported in profit or loss	**31.9**	**2.5**	**31.9**	**1.3**

54.3 Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities:

$ millions	2022	2021
At 1 January	**5.5**	**(1.2)**
Profit or loss	(5.2)	10.5
Effect of movement in exchange rates	-	-
Other	-	(3.8)
At 31 December	**0.3**	**5.5**

Other relates to change of position from net operating losses being capitalized on the balance sheet in 2019 to creating a valuation allowance for a deferred tax asset in relation to the operating losses.

Notes to the parent company financial statements continued

For the year ended 31 December

54.3 Deferred income tax assets and liabilities continued

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	2022	2021	2022	2021	2022	2021
Trade and other receivables	-	-	(0.3)	(0.3)	(0.3)	(0.3)
Loans and borrowings	-	-	-	(0.6)	-	(0.6)
Trade and other payables	0.6	-	-	-	0.6	-
Operating losses carry forward and tax credits	-	6.4	-	-	-	6.4
At 31 December	**0.6**	**6.4**	**(0.3)**	**(0.9)**	**0.3**	**5.5**
Netting of fiscal positions	(0.3)	(0.9)	0.3	0.9	-	-
Amounts recognized in the Statement of Financial Position	**0.3**	**5.5**	**-**	**-**	**0.3**	**5.5**

Of the deferred tax liabilities at 31 December 2022, no amount is to be settled within 12 months.

Unrecognized tax assets

The Company has unrecognized carry forward tax losses related to interest deduction limitations, which can be summarized as follows:

2022 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Gross federal tax losses	-	-	-	-	-	218.0	218.0
Unrecognized operating losses carry forward	**-**	**-**	**-**	**-**	**-**	**218.0**	**218.0**

2021 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Gross federal tax losses	-	-	-	-	-	211.0	211.0
Unrecognized operating losses carry forward	**-**	**-**	**-**	**-**	**-**	**211.0**	**211.0**

55. Related party transactions

For an overview of the related parties, reference is made to note 30 of the consolidated financial statements. The Company has the following current account related party balances as at 31 December 2022:

Related party	Relation	Revenue during the year	AR at year end	Purchases during the year	AP at year end
Orascom Construction Egypt	OC Group company	-	-	0.1	0.1
Residencia Europe Ltd	Related via shareholder	1.0	0.6	-	-
Nassef Sawiris	Executive chair	-	-	0.9	0.5
NNS Luxembourg Sarl	Related via shareholder	-	-	-	-
Total		**1.0**	**0.6**	**1.0**	**0.6**

Notes to the parent company financial statements continued

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55. Related party transactions continued

The Company has the following current account related party balances as at 31 December 2021:

Related party	Relation	Revenue during the year	AR at year end	Purchases during the year	AP at year end
Orascom Construction Egypt	OC Group company	-	-	0.3	-
Residencia Europe Ltd	Related via shareholder	0.6	0.2	-	-
Nassef Sawiris	Executive chair	-	-	0.7	0.4
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	-
Total		**0.6**	**0.2**	**1.2**	**0.4**

The current accounts consist of management fees, transferred cost and other. Nassef Sawiris has also received his share in distributions by the Company in respect of his shareholding.

All outstanding related party balances are unsecured.

56. Contingencies

Guarantees

OCI has provided financial guarantees to certain subsidiaries including OCIN related to its inventory financing. For BioMCN and OMM B.V. a comfort letter was provided by OCI.

The Company has a commited guarantee facility with Rabobank for a maximum guarantee amount of EUR 300.0 million (USD 321.3 million). Under this guarantee facility, EUR 58.4 million (USD 62.6 million) has been utilized. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted guarantee facility with Tokio Marine Europe SA, Zürich Insurance plc and Huler Hermes SA for a maximum guarantee amount of EUR 150.0 million (USD 160.7 million). Under this guarantee facility, EUR 79.1 million (USD 84.7 million) has been drawn. The facility is used to issue a performance guarantee on behalf of OCIN.

OCI has an uncommitted guarantee facility for the issuance of payment undertakings with BNP Paribas for an amount of USD 53.7 million. The facility is utilized for USD 5.5 million. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

57. Employees

The total number of employees in 2022 was 76 (2021: 44 employees).

58. Fiscal unity

OCI N.V. forms a fiscal unity with several Dutch entities for corporation tax purposes. In accordance with the standard conditions, a company and its subsidiaries that form the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity. The following entities are included in the fiscal unity headed by OCI N.V.:

- OCI N.V.
- OCI Intermediate B.V.
- OCI Nitrogen B.V.
- OCI Personnel B.V.
- OCI Terminal Europoort B.V.
- OCI Fertilizers B.V.
- OCI China Holding B.V.

Notes to the parent company financial statements continued

For the year ended 31 December

59. Subsequent events

OCI semi-annual cash distribution

On 5 January 2023, OCI N.V. announced it confirms a semi-annual cash distribution with respect to H2 2022 of EUR 3.50 per share (or c.USD 780 million at current exchange rates, consisting of a USD 200 million base return of capital and a variable element), in line with the company's guidance given during the Q3 2022 results publication. OCI N.V. convened an extraordinary shareholders meeting (EGM) on 16 February 2023 to request for shareholder approval for the H2 2022 distribution of EUR 3.50 per share through a repayment of capital, resulting in a distribution to shareholders scheduled for April 2023.

OCI bond issuance

On 16 March 2023, OCI N.V. completed a bond offering consisting of USD 600.0 million senior unsecured fixed rate notes due 2033 as part of a USD 2.0 billion global medium term program. The notes bear interest at a rate 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.

Amsterdam, the Netherlands, 22 March 2023

The OCI N.V. Board of Directors

Michael Bennett
Nassef Sawiris
Ahmed El-Hoshy
Hassan Badrawi
Maud de Vries
Sipko Schat
Jérôme Guiraud
Robert Jan van de Kraats
Gregory Heckman
Anja Montijn-Groenewoud
David Welch
Dod Fraser
Heike van de Kerkhof

ESG performance statements

Environmental performance statements

Environmental	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Energy (Ammonia)							
Energy consumption (Ammonia)[1]	TJ	171,203	209,512	205,085	200,263	196,719	GRI 302-1
Energy intensity (Ammonia)[1]	GJ / ton gross ammonia production	36.49	36.29	36.19	36.00	36.22	GRI 302-3
Energy (Ammonia & Methanol)							
Energy consumption (Ammonia & Methanol)[1,2]	TJ	207,509	268,480	273,787	263,355	240,899	RT-CH-130a.1; GRI 302-1
Energy intensity (Ammonia & Methanol)[1,2,3]	GJ / ton gross ammonia and methanol production	36.00	36.36	36.11	35.88	36.02	GRI 302-3
Grid Electricity	%	not reported	not reported	1.6%	1.5%	0.0%	RT-CH-130a.1
Purchased electricity from renewable sources[1]	%	not reported	not reported	0.0%	0.0%	33.9%	RT-CH-130a.1
Self-generated energy	%	not reported	not reported	0	0	0.0%	RT-CH-130a.1
Emissions to Air							
GHG emissions (Scope 1)[1]	million tons of CO_2e	7.68	9.20	8.90	9.26	8.49	RT-CH-110a.1; GRI 305-1
GHG emissions (Scope 1 - CO_2 to Downstream)[1]	million tons of CO_2e	3.42	4.93	5.32	4.65	4.68	-
GHG emissions (Scope 2)[1]	million tons of CO_2e	0.34	0.63	0.66	0.66	0.48	GRI 305-2
Total GHG emissions (Scope 1 + 2 EU ETS)[1]	**million tons of CO_2e**	**11.45**	**14.76**	**14.88**	**14.57**	**13.66**	GRI 305-4
GHG intensity (Scope 1 and 2)[1,3]	ton CO_2e / N-ton ammonia production and ton methanol production	2.32	2.32	2.26	2.29	2.38	-
Scope 1 emissions covered under emissions limiting regulations[1]	% (Scope 1 - Direct)	15.2%	13.8%	12.2%	11.5%	7.9%	RT-CH-110a.1
NOx	metric tons	1,795	3,018	3,485	3,120	2,794	RT-CH-120a.1
N2O	metric tons	99	132	151	151	193	RT-CH-120a.1
SO2	metric tons	126	158	163	137	130	RT-CH-120a.1
VOCs	metric tons	10	134	143	114	133	RT-CH-120a.1
NOx intensity	metric tons / ton gross ammonia and methanol production	not reported	0.19	0.22	0.21	0.20	-
SO2 intensity	metric tons / ton gross ammonia and methanol production	not reported	0.01	0.01	0.01	0.01	-

1 2019 - 2021 figures are restated due to an error in energy consumption. The impact is limited (<1%).
2 2018 - 2021 figures are restated due to change in methodology, reflecting the energy consumption and intensity for ammonia and methanol and not including downstream plants.
3 2022 data in scope of KPMG's limited assurance engagement, refer to the assurance report of the independent auditor on page 253.

Environmental performance statements continued

Environmental	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Effluents and waste							
Hazardous waste reused, recycled or recovered	thousand metric tons	not reported	1.98	1.60	2.37	2.29	RT-CH-150a.1
Hazardous waste treated or disposed of	thousand metric tons	not reported	1.27	1.50	1.62	0.81	RT-CH-150a.1
Non-hazardous waste reused, recycled or recovered	thousand metric tons	not reported	1.80	1.86	2.75	1.77	-
Non-hazardous waste treated or disposed of	thousand metric tons	not reported	18.90	27.33	14.16	13.45	-
Water							
Water intensity	M^3 consumed / ton gross ammonia and methanol production	not reported	2.30	2.50	2.79	2.55	-
Total intake by source	**Million cubic meters**	**52.32**	**91.13**	**92.52**	**87.78**	**87.14**	RT-CH-140a.1; GRI 303-3
Groundwater	Million cubic meters	7.85	17.34	17.89	16.22	15.16	-
Seawater	Million cubic meters	22.03	49.43	48.00	46.21	50.79	-
Surface water	Million cubic meters	22.44	20.71	20.74	19.71	17.52	-
Third party water	Million cubic meters	0	3.65	5.89	5.64	3.66	-
Total water discharge by destination	**Million cubic meters**	**12.27**	**52.21**	**49.12**	**42.27**	**47.47**	RT-CH-140a.1; GRI 303-4
Groundwater	Million cubic meters	2.59	4.77	4.62	2.35	1.76	-
Seawater	Million cubic meters	6.92	41.17	37.88	31.05	38.56	-
Surface water	Million cubic meters	0.5	1.25	1.43	2.38	3.27	-
Third party water	Million cubic meters	2.26	5.02	5.19	6.49	3.88	-
Water Stress							-
Total water withdrawn in regions with High or Extremely High Baseline Water Stress	%	not reported	73%	71%	72%	73%	RT-CH-140a.1
Total water consumed in regions with High or Extremely High Baseline Water Stress	%	not reported	54%	53%	62%	53%	RT-CH-140a.1
Freshwater consumption in water stressed regions	Million cubic meters	not reported	6.95	7.35	7.26	4.89	-

Environmental performance statements continued

Environmental	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Environmental Incidents							
Environmental Incidents	**#**	**49**	**36**	**37**	**21**	**12**	**-**
Environmental Incident Rate (EIR)	Per 200,000 hours worked	1.01	0.59	0.66	0.35	0.19	-
Water-related permit exceedances	#	not reported	12	16	5	4	RT-CH-140a.2
Product design for use-phase efficiency							**-**
Revenue from products designed for use-phase resource efficiency	Reporting Currency	not reported	not reported	$ 314 million	$ 414 million	$ 622 million	-
Production							
Total	Million tons of ammonia (nutrient tons) and methanol (product tons)	not reported	6.36	6.58	6.36	5.73	RT-CH-000.A

Social performance statements

Social	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Safety							
Lost Time Injury Rate - total[1]	Per 200,000 hours worked	**0.08**	**0.13**	**0.09**	**0.20**	**0.08**	GRI 403-9
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.03	0.06	0.06	0.20	0.08	GRI 403-9
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.16	0.23	0.14	0.21	0.08	GRI 403-9
Total Recordable Injury Rate - total[1]	Per 200,000 hours worked	**0.39**	**0.36**	**0.23**	**0.35**	**0.40**	RT-CH-320a.1; GRI 403-9
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.3	0.28	0.12	0.36	0.41	RT-CH-320a.1; GRI 403-9
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.53	0.46	0.42	0.33	0.38	RT-CH-320a.1; GRI 403-9
Fatalities	#	0	0	0	1	0	RT-CH-320a.1; GRI 403-9
Process Safety Incidents	#	**10**	**18**	**21**	**33**	**32**	RT-CH-320a.1; GRI 403-9
Process Safety Total Incident Rate	Per 200,000 hours worked	0.21	0.29	0.38	0.55	0.51	RT-CH-320a.1; GRI 403-9
Significant Process Safety Incidents	count	9	17	21	33	32	RT-CH-320a.1; GRI 403-9
Major Process Safety Incidents	count	1	0	0	0	0	RT-CH-320a.1; GRI 403-9
Transport incidents	#	0	0	0	0	0	RT-CH-320a.1; GRI 403-9
Chemical Stewardship							
Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	not reported	not reported	36.6%	38.6%	35.3%	RT-CH-410b.1
Percentage of such products by revenue that have undergone a hazard assessment	%	not reported	not reported	100%	100%	100%	RT-CH-410b.1
Genetically Modified Organisms (GMOs)							
Percentage of products by revenue that contain GMOs	%	0%	0%	0%	0%	0%	RT-CH-410c.1

[1] 2022 data in scope of KPMG's limited assurance engagement, refer to the assurance report of the independent auditor on page 253.

Social performance statements continued

Social	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Employees							
Total employees	#	**2,933**	**3,715**	**3,682**	**3,853**	**4,059**	GRI 2-7
Full-time	#	2,870	3,622	3,602	3,779	3,982	GRI 2-7
Part-time	#	63	93	80	74	77	GRI 2-7
Engagement and development							
Voluntary turnover rate	%	1.0%	2.0%	2.2%	2.7%	4.3%	GRI 401-1
Employee absenteeism	%	2.3%	3.0%	1.9%	1.7%	3.1%	-
Employees covered by Collective Bargaining or Unions	%	41.4%	37.7%	38.7%	37.2%	32.7%	-
Average spend on training and development	$ / employee	1,727	1,442	218	321	688	-
Diversity							
Women	%	**8.8%**	**10.3%**	**10.5%**	**11.4%**	**12.9%**	GRI 405-1
Women in technical roles	%	1.0%	1.1%	1.5%	3.3%	3.3%	GRI 405-1
Women non-technical roles	%	7.8%	9.2%	9.0%	8.1%	32.0%	GRI 405-1
Women on the Board of Directors	%	11.1%	16.7%	23.1%	23.1%	23.1%	GRI 405-1
Women in senior leadership positions[1]	%	not reported	18.2%	20.2%	24.0%	21.8%	GRI 405-1
Age profile							
under 25	%	1.8%	1.7%	1.9%	1.9%	1.5%	GRI 405-1
25-34	%	23.5%	21.3%	18.1%	20.8%	19.3%	GRI 405-1
35-44	%	39.2%	41.8%	42.1%	42.6%	40.8%	GRI 405-1
45-54	%	22.5%	22.3%	25.1%	23.0%	25.6%	GRI 405-1
55-64	%	12.3%	12.1%	11.9%	10.8%	11.8%	GRI 405-1
65+	%	0.6%	0.8%	0.9%	0.9%	1.0%	GRI 405-1
Years of service							
0-5 years	%	24.9%	27.3%	21.7%	25.2%	29.2%	-
6-10 years	%	31.3%	25.3%	25.1%	25.0%	17.9%	-
11-20 years	%	32.8%	36.8%	42.8%	39.7%	40.6%	-
21+ years	%	11.0%	10.6%	10.4%	10.2%	12.3%	-

[1] Now measured on an unweighted basis

Governance performance statements

Governance	Unit	2018	2019	2020	2021	2022	SASB/GRI Reference
Incident notifications	**#**	**15**	**12**	**9**	**12**	**46**	**-**
Incidents investigated	**#**	**15**	**12**	**9**	**12**	**46**	**-**
Incidents closed as substantiated	#	not reported	not reported	not reported	not reported	16	-
Incidents closed as unsubstantiated	#	not reported	not reported	not reported	not reported	29	-
Incidents open	#	not reported	not reported	not reported	not reported	1	-
Substantial cases	#	0	0	0	1	0	-
Anonymous notifications via hotline	#	not reported	3	1	4	26	-
Cybersecurity training (various topics)	# employees reached	not reported	1,938	1,921	1,064	1,350	-
Compliance training (various topics, incl. code of conduct, anti-bribery and anti-corruption, debiasing, data privacy, and others)	# employees reached	not reported	973	2,002	1,865	2,326	-

EU Taxonomy

The European Commission has established the EU Taxonomy as an enabler to scale up sustainable investments and make the EU carbon neutral by 2050. To define what is ‘sustainable’, the European Commission has developed a catalog of economic activities, each with criteria to determine if they substantially contribute towards a sustainable economy – known as the EU Taxonomy. Companies across diverse sectors, supply chains, and asset classes must use this classification system to assess if their business activities are sustainable according to the Taxonomy. The Commission formally adopted the Climate Delegated Act, establishing the criteria defining which activities substantially contribute to the first two, out of six, environmental objectives of the Taxonomy regulation, namely climate change mitigation and climate change adaptation. Similar Delegated Acts are expected for four other categories: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.

For FY 2022, we have disclosed eligibility and alignment on the first two environmental objectives (climate change mitigation and climate change adaptation) in our total turnover, capital expenditures (CapEx) and operating expenditures (OpEx). Eligibility means that an activity is listed in the Delegated Acts and has the potential to contribute to one of the six environmental objectives. Alignment means that an activity adheres to all technical screening criteria.

The current available definitions as included in the EU Taxonomy are broadly formulated which leads to companies having to interpret how this applies to its business activities and the impact thereof on eligibility and alignment. To our knowledge and understanding, we applied judgement, interpretations and assumptions based on current available information to date. Future guidance could result in more accurate definitions and other decision-making in meeting reporting obligations that may come into force, which could impact future EU Taxonomy reporting.

Taxonomy eligibility

To determine taxonomy eligibility, we first identified the activities relevant to OCI as defined by the Taxonomy delegated acts by conducting a review of all products, facilities, and investments. Deep dives and assessments were performed with the local finance teams. We determined that our activities are categorized under activity 3.15 – Manufacture of anhydrous ammonia.

The manufacturing of methanol, blends, and melamine was assessed and does not fall under the EU Taxonomy’s description of activities and has therefore been deemed taxonomy non-eligible. Assets that are used for both nitric acid and ammonia production, have been categorized under activity 3.15 – Manufacture of anhydrous ammonia.

Taxonomy alignment

Eligible activities are taxonomy aligned if they meet the following criteria:

- Substantially contribute to one or more of the environmental objectives of the EU Taxonomy
- Do no significant harm (DNSH) to any of the other environmental objectives
- Comply with minimum social safeguards (MS)

We evaluated the eligible activities in relation to the substantial contribution, the DNSH and MS criteria. For FY 2022, we do not report Taxonomy-aligned activities as we do not meet the substantial contribution, DNSH and MS criteria yet. We refer to Sustainable benefits for our sustainability strategy and Decarbonization roadmap in this Annual Report for our low carbon growth initiatives and to Reporting ambitions for our roadmap towards Corporate Sustainability Directive (CSRD) compliance (including EU Taxonomy).

EU Taxonomy continued

Turnover

				Substantial contribution criteria						DNSH criteria (Do No Significant Harm')									
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems 910)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity / transitional activity) (20)
		$M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
No eligible Taxonomy-aligned activities identified																			
Turnover of eligible Taxonomy-aligned activities (A.1)		-																	
A.2 Eligible not Taxonomy-aligned activities																			
Manufacture of anhydrous ammonia	3.15	2,471	25%	No															
Turnover of eligible not Taxonomy-aligned activities (A.2)		2,471																	
Total (A.1 + A.2)		2,471	25%																
B. NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		7,242	75%																
Total (A + B)		9,713	100%																

EU Taxonomy continued

CapEx

				Substantial contribution criteria						DNSH criteria (Do No Significant Harm')									
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems 910)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity / transitional activity) (20)
		$M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
No eligible Taxonomy-aligned activities identified																			
CapEx of eligible Taxonomy-aligned activities (A.1)		-																	
A.2 Eligible not Taxonomy-aligned activities																			
Manufacture of anhydrous ammonia	3.15	138	31%	No															
CapEx of eligible not Taxonomy-aligned activities (A.2)		138																	
Total (A.1 + A.2)		138	31%																
B. NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		306	69%																
Total (A + B)		443	100%																

EU Taxonomy continued

OpEx

				Substantial contribution criteria						DNSH criteria (Do No Significant Harm')									
Economic activities (1)	Code(s) (2)	Absolute OpEx (3) $M	Proportion of OpEx (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems 910) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) %	Taxonomy-aligned proportion of turnover, year N-1 (19) %	Category (enabling activity / transitional activity) (20) E/T
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
No eligible Taxonomy-aligned activities identified																			
OpEx of eligible Taxonomy-aligned activities (A.1)		-																	
A.2 Eligible not Taxonomy-aligned activities																			
Manufacture of anhydrous ammonia	3.15	40	26%	No															
OpEx of eligible not Taxonomy-aligned activities (A.2)		40																	
Total (A.1 + A.2)		40	26%																
B. NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		115	74%																
Total (A + B)		155	100%																

Sustainability ratings profile

We aim to provide stakeholders with comprehensive, accurate, and transparent disclosures. We have been rated by various sustainability ratings agencies based on the extent of our ESG disclosures. Where possible, we are working to address the reporting gaps.

Rating agency	Scale (lowest to highest)	2022 rating	2021 rating
MSCI	CCC to AAA	A	BBB
Sustainalytics	Severe to Negligible Risk	Medium Risk	Medium Risk
CDP Climate	D- to A	B	B
CDP Water	D- to A	B	B
ISS ESG Corporate Rating	D- to A+	C	C-
EcoVadis	Bronze to Platinum	Silver	Not scored

About this report

Our reporting approach

Reporting criteria

For the ESG information included in this report, OCI has reported with reference to the Global Reporting Initiative (GRI) standards. The GRI standards provide relevant and clear requirements for ESG reporting on economic, social and environmental aspects, while allowing for company-specific aspects to be reported. We report in accordance with the Regulation (EU) 2020/852 as supplemented with Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2021/2178 (hereinafter; EU Taxonomy) and self-developed reporting criteria as disclosed in About this report. We comply with the EU Directive Non-Financial Reporting (NFRD), and we have taken the SASB standards into account. We have also taken the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into account.

OCI committed in 2022 to the United Nations Global Compact to advance 10 universal principles in the areas of human rights, labour, the environment, and anti-corruption efforts. This report also serves as our annual Communication on Progress (COP) towards abiding by these principles.

We refer to GRI Index, TCFD Index, SASB Index, UN Global Compact Index, and the analyst's corners in this Annual Report.

Reporting ambitions

Where possible, we have already considered the Corporate Sustainability Reporting Directive (CSRD), which is expected to become effective as of Annual Report 2024, and will replace the EU Directive Non-Financial Reporting (NFRD). Although the draft European Sustainability Reporting Standards (ESRS) are not yet finalised, we began preparing for the implementation in 2022. Supporting the CSRD implementation, we took further steps to improve our Sustainability Governance Framework (refer to Sustainability governance framework) by setting up a Sustainability Steering Committee, creating a new ESG reporting team within the Finance function, and amending the governance structure around all ESG topics with the HSE&S Committee having oversight and the Audit Committee and N&RC Committee having responsibilities for the monitoring of the Company's material impacts and risks and opportunities of specific topics. We performed a gap assessment and developed a roadmap towards CSRD compliance. Our double materiality assessment is conducted based on the principles of the CSRD (refer to Materiality assessment (see page 31) and Materiality assessment (see page 230)). In 2023, we continue with the implementation of the roadmap towards CSRD compliance.

Analyst's corner	GRI 2-2; GRI 2-5; GRI 2-14

Restatements of information

Any changes or updates in the reported ESG performance data due to the application of different reporting methodologies, a revised scope or developments in the organization, result in a full review and adjustment of prior year data to ensure comparability of information over time.

Energy and GHG emisisons

Figures related to energy and GHG emissions have been restated due to an error in energy consumption (limited impact(<1%)), and change in methodology, reflecting the energy consumption and intensity for ammonia and methanol and not including downstream plants.

Boundaries and scope

The scope of the ESG information in this report covers the OCI Group, including its subsidiaries and interests in associates and joint ventures, unless stated otherwise. This scope is the same as the previous year's report. Unless stated otherwise, references to OCI should be read as referring to the OCI Group. For our ESG information, we include new acquisitions in our report as of the first full year after ownership. ESG information for divestments that occurred during the reporting year is excluded for the full year.

The data in this report refers to OCI's performance and not to that of our contractors, unless stated otherwise.

External assurance

KPMG Accountants N.V. was engaged as an independent assurance provider to perform an assurance engagement with the aim of obtaining limited assurance on selected indicators against the applied internal reporting criteria as disclosed in this chapter. The selected indicators are highlighted in the ESG performance indicators:

- Energy intensity (Ammonia & Methanol)
- GHG intensity (Scope 1 and 2)
- Lost Time Injury Rate - total
- Total Recordable Injury Rate - total

Refer to page 253 for the Assurance Report of the Independent Auditor.

About this report continued

Materiality assessment

Engagement with affected stakeholders is central to our materiality assessment. This includes the processes to identify and assess actual and potential negative impacts, which then informed the assessment process to identify the material impacts. We refer to page 229 for a description of the stakeholder engagement.

Supported by an external consultant in 2022, we compiled a long list of material ESG topics, based on peer benchmarks, our operating environment, internal and external expertise and the regulatory landscape. We mapped the topics along the value chain: upstream, direct operations or downstream.

We re-grouped the topics as compared to last year and as a result of this restructuring, we identified four new topics: Product stewardship, Human and labour rights, Non-GHG pollution in our operations, and Local biodiversity and ecosystem services.

Each ESG topic was assessed in terms of impact and financial materiality, cross-checked with our risk register and Enterprise Risk Management principles and grouped into ESG matters. ESG issues were validated with internal and external stakeholders through workshops and interviews. The results are approved by the Board of Directors.

Double materiality

We performed the materiality assessment based on the double materiality concept. Double materiality has two dimensions: impact materiality and financial materiality. In identifying and assessing the impacts, risks and opportunities in our value chain to determine their materiality, we focused on areas where they are deemed likely to arise, based on the nature of the activities, business relationships, geographies and other risk factors concerned.

Analyst's corner	GRI 2-14; GRI 3-1

We considered how we are affected by the dependence on the availability of natural and social resources at appropriate prices and quality, independently of our potential impacts on those resources.

An ESG impact may be financially material from inception or become financially material when it becomes investor relevant, including due to its present or likely effects on cashflows, development, performance and position in the short-, medium- and long-term time horizons. An ESG matter is material when it meets the criteria defined for impact materiality or financial materiality, or both, as described in the following paragraphs.

Impact materiality

An ESG matter is material from an impact perspective when it pertains to our material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term time horizons.

Impacts include those caused to or contributed by us and those which are directly linked to the our own operations and products through our business relationships. Business relationships include our upstream and downstream value chain and are not limited to direct contractual relationships.

Impacts on people or the environment include impacts in relation to environmental, social and governance matters.

For actual negative impacts, materiality is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. Severity is based on:

- the scale;
- scope; and
- irremediable character of the impact.

For positive impacts, materiality is based on:

- the scale and scope of the impact for actual impacts; and
- the scale, scope and likelihood of the impact for potential impacts.

Scoring on impact materiality ranged from 0 - 18. An impact materiality score above 7 is deemed as material.

Financial materiality

An ESG matter is material from a financial perspective if it triggers or may trigger material financial effects on us. This is the case when it generates or may generate risks or opportunities that have a material influence (or are likely to have a material influence) on our cash flows, development, performance, position, cost of capital or access to finance in the short-, medium- and long-term time horizons.

The financial materiality of an ESG matter is not constrained to matters that are within the control of us but includes information on material risks and opportunities attributable to business relationships with other stakeholders beyond the scope of consolidation used in the preparation of financial statements.

Dependencies from natural and social resources are sources of financial risks or opportunities. Topics were assessed on three parameters:

- Continuation of use of resource
- Reliance on the relationship
- Opportunities

The materiality of risks and opportunities is assessed based on a combination of the likelihood of occurrence and the size of the potential financial effects.

Scoring on financial materiality ranged from 0 - 4. An financial materiality score above 1 is deemed as material.

About this report continued

Our material matters explained

Upstream indirect	Direct operations	Downstream indirect	Material issue	Definition	Specific issues covered
●	●		**Climate change action (excluding downstream)**	We consider own operations (scope 1), purchased energy (scope 2) and upstream GHG emissions (scope 3) emissions in this definition for climate change action and exclude downstream impacts. Fuels and electricity used in own operations result in GHG emissions from our plants and upstream supply chain (e.g., natural gas extraction and transport), leading to long-term changes in the Earth's climate and impacts on biodiversity. While it is essential to reduce GHG emissions (Scope 1, 2 and upstream scope 3) and energy use and mitigate our impact on the natural environment, climate change also poses financial risks and opportunities for OCI. Considering our operations and the resources we consume, OCI can have a positive impact on the energy transition through the green ammonia and hydrogen market which will contribute to mitigating climate change.	- Non-renewable: Fuel and feedstock consumption of natural gas - Non-renewable: Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources - Renewable: Fuel consumption from renewable sources (including biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.) - Scope 1 & 2 GHG emissions (CO_2, CH4, N_2O, HFCs, PCFs, SF6 and NF3) and the (in)direct effect on biodiversity loss - Emissions reduction - Transition risks - Adaptation solutions that can reduce transition and physical climate risks - Climate-related hazards (rising sea levels, rising global temperatures, droughts & water stress, floods, extreme weather events)
	●	●	**Health, safety and wellbeing**	Promoting a healthy and safe working environment that protects the physical and mental wellbeing of our employees (incl. contractors) while at work. This includes ensuring safe operations and keeping employees and contractors safe and access to safe, clean drinking water and sanitation to maintain sufficient standards of hygiene. Health and safety of the community members.	- Health & safety own workforce (incl. contractors) - Health and safety of the community - Access to safe, clean drinking water and sanitation - Work-life balance - Mental health - Working hours

Analyst's corner

GRI 3-2

About this report continued

Upstream indirect	Direct operations	Downstream indirect	Material issue	Definition	Specific issues covered
		●	**Product stewardship**	The development and promotion of products with the aim to minimize the impacts and dependencies on the environment, including impacts on climate change, water and soil pollution, biodiversity and ecosystems and maximize the impacts on society, by taking measures to prevent health & safety issues. Supporting the health of the environment and people with our products throughout the lifecycle and its sustainable use through preventing deforestation and biodiversity decline while maximizing yields to ensure food security. With regards to nutrient recycling (focused on the end product) we support measures to improve nutrient use efficiency during usage of fertilizers.	- Downstream scope 3 GHG emissions - Land use change related to products - Biodiversity and ecosystem services affected by product use - Air, water and soil pollution affected by product use (e.g. eutrophication) - Health & safety at the consumer/end-user affected by product use - Food production / food security
	●		**Diversity and inclusion in our own workforce**	Building an inclusive and diverse working environment and ensuring fair treatment and equal opportunities for all employees.	- Fair remuneration - Gender balance and diversity of top and middle management - Non-discrimination, diversity and inclusion of including at least but not exclusively gender, race, religion and people with disabilities - Inequality
	●		**Employee engagement, talent & development of our own workforce**	Attracting, retaining and developing the best talent through policies and practices related to employees. Promoting entrepreneurship and agility to meet business challenges.	- Talent acquisition and retention - Entrepreneurship and agility

About this report continued

Upstream indirect	Direct operations	Downstream indirect	Material issue	Definition	Specific issues covered
●	●	●	**Responsible business practices**	Policies and practices to ensure business is based on values and principles that promote ethical behaviour and decision making, protect data, mitigate financial risks, enable speaking up, contributes positively to the economy and meets stakeholder expectations.	- Data confidentiality and privacy, incl. GDPR - Cybersecurity threats - Anti-bribery and anti-corruption - Payment practices - Political engagement and lobbying activities - Policies, standards & regulatory changes and beneficial ownership - Tax transparency - Minimum social safeguards set out in CoC
●	●		**Water in our operations**	Impact and dependencies of our operations on freshwater and marine water availability, quality and distribution. Actions we take to mitigate risks, minimize impacts and adapt to changing environment: improving our water efficiency over time, ensuring sustainable withdrawals of freshwater especially in areas with water stress, and ensuring safe water discharge. "Pollution" of surface-, ground- and marine water refers only to chemicals and metals (nitrogen is covered in other topics).	- Water consumption at sites in water-stressed areas - Dependency on water - Water scarcity risk, drought - Water pollution (surface water, groundwater and marine water) and management - (Waste)water discharge - Emissions to the environment which end up in the oceans
●	●	●	**Human and labour rights**	Upholding and promoting the basic internationally recognized rights and freedoms of employees in our own workforce and all who work across the value chain.	- Freedom of association - Grievance mechanisms (social dialogue) - Collective bargaining - Social security - Other human rights (child labour, forced labour, trade union rights)
●	●	●	**Sustainable innovation and technology**	Promoting the use of digitalization, low carbon technologies and feedstocks, and product innovation to drive operational excellence and value chain decarbonization.	- Digitalization - Low carbon technologies - New and emerging technologies

About this report continued

Upstream indirect	Direct operations	Downstream indirect	Material issue	Definition	Specific issues covered
●	●		**Resource use and circular economy**	We still rely on fossil fuels for most of our production. To improve our environmental impacts, we search ways to use renewable and recycled feedstocks in our production at scale. We minimize waste and ensure compliance in our operations and safe disposal of hazardous waste. We support measures to improve nutrient use efficiency during usage of fertilizers.	- Fossil fuel exploitation - Land degradation - Resource reuse (e.g. nutrients) - Waste management - Design for a circular economy
	●		**Non-GHG pollution in our operations**	Pollutants from manufacturing other than GHG emissions, including NOx, SOx, N_2O and VOC emissions, pollution of soils, substances of concern, and harmful substances that impact human health and the environment. We take measures to upgrade and invest in our production plants to limit any impacts on our neighbors and the environment.	- Air pollution from manufacturing (other than GHG) - Its (in)direct effect on biodiversity loss - Production, use and/or distribution and commercialisation of substances of concern - Production, use and/or distribution and commercialisation most harmful substances - Soil pollution (either due to direct operations or in the value chain)
●		●	**Local community engagement**	Establishing and maintaining mutually beneficial relationships with the communities in which we operate.	- Impacts on communities' economic, social and cultural rights living near areas of production/ facilities
●	●		**Local biodiversity and ecosystem services**	The impacts and dependencies of our operations on biodiversity and ecosystem services (e.g., water for our operations, flood protection) as well as the measures we take to minimize impacts on, rehabilitate and restore biodiversity and ecosystems.	- Local biodiversity and ecosystem services around sites - Land use change around sites - Regenerating natural ecosystems

Analyst's corner

GRI 3-2

About this report continued

Stakeholder engagement

We interact with our stakeholders on a regular basis to understand their expectations, needs and interests through customer and investor meetings and calls, industry and investor conferences, customer service, employee meetings, surveys, portals and hotlines, community outreach programs, and governmental or regulatory interactions. In 2022, in addition to our day-to-day engagement, we also engaged with them as part of the materiality assessment. The following table shows the type of engagement with each stakeholder group.

Stakeholders	Our approach	Our engagement in 2022
Employees	We engage employees in corporate matters through several channels.	- Several internal sessions with employees on determining the materiality of ESG topics: ∘ 11 internal stakeholder groups were identified, in addition to two Independent Non-Executive Directors: Investor Relations, Corporate Affairs, Sustainability, Legal, Compliance, Finance, Human Capital, Risk Management, Manufacturing, HSE, Procurement and local teams. - Interview & Selection training - D&I Workshop on Inappropriate workplace behavior - Several compliance trainings (E-learning): Code of Conduct, Diversity & Inclusion, Conflict of Interest, Anti-Bribery and Anti-Corruption - OCI Nitrogen Europe works council session December 2022 - OneOCI platform - Groupwide employee engagement survey planned for 2023
Customers	We stay in regular contact with our customers. We maintain a Business Partner Code of Conduct which outlines our expectations towards our suppliers with regards to the same compliance topics as are included in our Code of Conduct.	- Interviews with customers to determine the materiality of ESG topics
Investors	We interact with our investors on a regular basis through investor meetings, calls and conferences.	- Interviews with investors to determine the materiality of ESG topics - Two rounds of sounding on remuneration items AGM agenda (March and April) - Conference calls with investors following publication of results

Analyst's corner

GRI 2-29

About this report continued

Stakeholders	Our approach	Our engagement in 2022
Communities	We maintain mutually beneficial relationships with the communities in which we operate.	- Donation to World Central Kitchen (WCK) - JINC partnership through which OCI employees engage in projects (e.g., job interview training, digital skills, career coach, flash internship) - Development of a Volunteer Time Off (VTO) program for OCI globally in which employees would be allowed to take a certain number of hours per year to volunteer for a charity and not have pay deducted for being off work (in line with JINC partnership)
Suppliers	We stay in regular contact with our suppliers. We maintain a Business Partner Code of Conduct which outlines our expectations towards our suppliers with regards to the same compliance topics as are included in our Code of Conduct.	- Interviews with suppliers to determine the materiality of ESG topics
Industry bodies	We are an active member of several industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries.	- Interviews with industry bodies to determine the materiality of ESG topics - Refer to Industry and sustainability partnerships for an overview of our engagement with industry bodies
Governments	We maintain relationships with state governments, authorities and agencies in the countries where we operate, to advance our business objectives and our decarbonization strategy.	- Bilateral meetings with elected officials and representatives of the executive branches of national and regional governments - Providing feedback and comments to legislative processes, through Requests for Comments and public consultations

Analyst's corner

GRI 2-29

About this report continued

Stakeholder engagement continued

Industry and sustainability partnerships

In addition to our direct stakeholder interactions, we are an active member of several industry associations and foundations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries.

We play an active role in leadership positions in key associations, such as holding board seats or steering memberships. This allows us to have a meaningful role in promoting sustainable practices, steering the strategic priorities of our industries, and driving decarbonization objectives.

We also support several other organizations to promote sustainable practices across our industries and value chains.

Our dedicated global public affairs team supports OCI's businesses in Europe and North America, monitoring evolving regulatory landscapes.

Hydrogen Council

Hydrogen Council

In January 2022, we joined the Hydrogen Council as a Steering Member to play an active role in the development of the global hydrogen economy and promote hydrogen as the fuel and feedstock of the future.

ifa INTERNATIONAL FERTILIZER ASSOCIATION

IFA

OCI is an active member of IFA with Ahmed El-Hoshy, CEO of OCI and Fertiglobe, on the IFA Board of Directors. We participate in and contribute to the agendas of multiple committees such as Sustainability, Science and Agronomy, and Communications. Through IFA, we supported the development of the Ammonia Technology Roadmap, in collaboration with the International Energy Agency in 2021, and are supporting the development of roadmaps to reducing emissions of fertilizer use in 2022.

Fertilizers Europe METHANOL INSTITUTE THE FERTILIZER INSTITUTE

Fertilizers Europe, The Fertilizer Institute and Methanol Institute

We are member of and engage with Fertilizers Europe on a wide range of advocacy efforts related to the EU's Fit for 55 and Common Agriculture Policy.

We are working with Fertilizers Europe, Ammonia Energy Association, and the Methanol Institute to develop the first global standards for low carbon and sustainable ammonia and methanol, as standardized certification is critical to support the uptake of these sustainable products downstream.

VNCI

VNCI

OCI is an active member of VNCI (the Dutch Chemical Association) Advocacy Team and specific working groups on advocacy, sustainability, climate and energy. In 2021, we contributed to a comprehensive study "From Roadmap to Reality", describing the necessary steps and required conditions that are needed to realize a circular and climate neutral chemical industry in the Netherlands by 2050.

H2Global

OCI is a Donor of the H2Global Foundation. H2Global is a German funding project launched in 2020 for the production of green Power-to-X products. The purpose of the H2Global Foundation is to promote the protection of the environment and the climate as well as the promotion of science and research. This will be achieved by measures that serve to promote the production and use of Green Hydrogen and other climate-neutral energy carriers at national and international level. H2Global's mission is to accelerate the emergence of supply and demand markets for green hydrogen and Power-to-X (PtX) products in Europe and globally. The Foundation's work is currently supported by 54 Donors, and H2Global organizes itself in thematic working groups and meets regularly for Donor's Conferences to discuss the promotion of the hydrogen market in terms of application-oriented environmental and climate protection.

Analyst's corner	GRI 2-28; GRI 2-29

About this report continued

Basis of preparation

Employee related data

All employee related data are reported excluding Natgasoline, with the exception of 'Women in senior leadership positions' where Natgasoline is included. 'Employee absenteeism' excludes data for the UK and US locations as well as Fertiglobe Corporate due to limited data availability.

Emissions reporting

Emissions data include Natgasoline. For the emissions reporting, we use the following conversion factors:

- Global Warming Potential (GWP) values from the IPCC AR 4 report to convert N_2O and CH4 data to CO_2e.
- Factors from the International Energy Agency (IEA) (2019), an autonomous body in the framework of the Organisation for Economic Co-operation and Development (OECD), to convert electricity usage to CO_2/Kwh.
- We use standard publicly available Dutch conversion factors from NIE/emissiemonitoring: jaarlijkse vaststelling CO_2-emissiefactor aardgas from December 2019, to convert energy consumption to Terra Joules (TJ).
- We use the factor steam reforming for Energy Intensity and GHG emissions from the prospective scenarios for the Chemical and Petrochemical Industry from JRC 2017.

GHG Intensity

Emissions boundaries

The gross Scope 1 and 2 greenhouse gas emissions are stated in carbon dioxide equivalent terms, calculated using the EU ETS methodology. This means that the CO_2 used in the production of urea and other downstream processes, which is defined as Scope 3 as per the GHG Protocol, is included. By including the CO_2 that goes into downstream processes, we eliminate the fluctuations that may occur when we make any changes or experience downtime in our downstream product mix and present a transparent view of the CO_2 produced when making ammonia. This also better aligns us to the SBTi's methodology.

We have purchased solar i-RECs for 100% of electricity purchased in UAE and Egypt and use biogas in OCI Methanol Texas.

Production boundaries

Gross ammonia production on a nutrient-ton basis, and our total methanol production on a product ton basis. We believe this most accurately reflects the nitrogen content of our production portfolio, eliminates the possibility of double counting downstream products (i.e.: produced using ammonia, such as urea, CAN, UAN and melamine) and normalizes for annual fluctuations in our product mix.

Conversions are based on the listing in the Emissions reporting section.

Energy Intensity

Energy intensity is not calculated for the ammonia downstream plants.

Occupational safety and health indicators

The occupational safety and health indicators, including Lost Time Injury Rate and Total Recordable Injury Rate, are calculated excluding Natgasoline as we do not have control. Contractors are included, and the US Occupational Safety and Health Administration (OSHA - the US government agency responsible for setting and enforcing workplace safety and health standards) definitions are followed.

Process safety incidents (PSIs)

The Process Safety Incidents (PSIs) are calculated excluding Natgasoline and follow the CEFIC/ICCA guidelines for 2022.

Water consumption

Water stressed regions are regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool Aqueduct.

Analyst's corner

GRI 2-4

7 Other Information

Extract from the articles of association relating to net profit/(loss) appropriation

Article 26. ‘Profits and Distributions’.

26.1 The Board may decide that the profits realized during a financial year will fully or partially be appropriated to increase and/or from reserves.

26.2 The profits remaining after application of Article 26.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

26.3 Distributions from the Company’s distributable reserves are made pursuant to a resolution of the General Meeting at the proposal of the Board.

26.4 Provided it appears from an interim statement of assets signed by the Board that the requirement mentioned in Article 26.8 concerning the position of the Company’s assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.

26.5 The Board may decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and / or as a payment in Shares, out of the profit and / or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Articles 6.2. The Board shall determine the conditions applicable to the aforementioned choices.

26.6 The Company’s policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.

26.7 The Company may further have a policy with respect to profit participation for employees which policy will be established by the Board.

26.8 Distributions may be made only insofar as the Company’s equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

Independent auditor's report

To: the General Meeting of Shareholders and the Board of Directors of OCI N.V.

Report on the audit of the financial statements 2022 included in the Annual Report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of OCI N.V. as at 31 December 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of OCI N.V. (the Company) based in Amsterdam, the Netherlands.

The financial statements comprise:

1 the consolidated and parent company statement of financial position as at 31 December 2022;

2 the following consolidated and parent company statements for 2022: the statement of profit or loss and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of OCI N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of climate, fraud and non-compliance with laws and regulations, going concern and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Information in support of our opinion

Summary

Materiality

Consolidated financial statements

- Materiality of USD 65 million
- 0.7% of consolidated revenue amounting to USD 9,713.1 million

Parent company financial statements

- Materiality of USD 65 million
- 0.7% of parent company total assets amounting to USD 8,929.0 million

Group audit

- Audit coverage of 97% of total assets
- Audit coverange of 98% of revenue

Climate related risks, Fraud & Noclar and Going concern

- Climate related risks: management's response to possible future effects of climate change and their anticipated outcomes have been disclosed. We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks';
- Fraud & non-compliance with laws and regulations (Noclar), significant risks identified: management override of controls (presumed risk) and revenue recognition in relation to manual override of sales cut-off (presumed risk);
- Going concern related risks: no going concern risks identified.

Key audit matters

- Litigation and claims
- Asssesment of control in accordance with IFRS 10 'Consolidated Financial statements'

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at USD 65 million (2021: USD 42.5 million) and for the parent company financial statements as a whole at USD 65 million (2021: USD 57 million). Materiality for the consolidated and parent company financial statements increased compared to last year due to the improved financial performance of the Company and an increase in the parent Company's total assets.

The materiality for the consolidated financial statements is determined with reference to the consolidated revenue, of which it represents 0.7% (2021: 0.7%). We deem profit before tax from continuing operations as not representative because the benchmark has historically been highly volatile including being negative in certain years. As such, we consider revenues as the most appropriate benchmark as the Company is result oriented.

The materiality for the parent company financial statements is determined with reference to the parent company's total assets, of which it represents 0.7% (2021: 0.6%). Given the nature of the parent company's activities – the holding and financing of investments within the Company – we consider the use of the total asset benchmark as the most appropriate benchmark in respect of the parent company financial statements.

KPMG

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and parent company financial statements for qualitative reasons.

We agreed with the Board of Directors that unadjusted misstatements identified during our audit in excess of USD 3.25 million of the consolidated and parent company financial statements respectively, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

OCI N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of OCI N.V.

Our group audit mainly focused on significant components, including a significant equity accounted investment. The relative size of the component and the likelihood for the component to include a significant risk were both evaluated in our determination of significant components. In total we identified 9 significant components. Also leveraging statutory audit requirements, we have requested 14 component auditors (2021: 15 component auditors) to perform an audit of the financial information of the related component (audit of complete reporting package). In addition, we requested 2 component auditors (2021: 4 component auditors) to perform specified audit procedures.

For the residual population we have performed audit procedures ourselves or performed analytical procedures in order to corroborate our assessment that the risk of material misstatement in the residual population is less than reasonably possible.

We have provided detailed instructions to all component auditors as part of the group audit, covering the significant audit areas, including the relevant risks of material misstatement identified by us, and set out the information required to be reported back to us. In the post-Covid situation, we were able to visit component (audit) teams. For the 2022 audit, we visited components in Egypt and the Netherlands. Furthermore, we have requested component auditors to provide us with remote access to audit workpapers to evaluate the component auditors' communications and the adequacy of their work, subject to local law and regulations.

We have combined in-person meetings with alternative methods of communication with component teams, including sending written instructions, exchanging emails and having virtual meetings. We have assessed these communications, with additional robust discussions as needed, to ensure that they are sufficient for us to evaluate and conclude on the appropriateness and adequacy of the component auditor's work. Video conferences were held with all the component auditors that were part of the group audit. During these conferences, the planning, audit approach, findings and observations were reviewed and discussed. Any further work deemed necessary was subsequently performed by the component auditors and reviewed by us.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

KPMG

The audit coverage as stated in the section summary can be further specified as follows:

Total assets

89%	8%	0%
Audit of the complete reporting package	Audit of specific items	Specified audit procedures

Revenue

95%	0%	3%
Audit of the complete reporting package	Audit of specific items	Specified audit procedures

Audit response to climate-related risks

The company has set out its commitments relating to climate change in the chapter 'Environmental performance', in section 3 'Our performance' within the Annual Report. These commitments are a 20% Scope 1 and 2 greenhouse gas (GHG) emission intensity reduction by 2030 and its aim for carbon neutrality by 2050 based on the baseline as explained in the Annual Report.

Management has assessed, against the background of the company's business and operations, in detail how climate-related risks and opportunities and the company's own commitments could have a significant impact on its business or could impose the need to further adapt its strategy and operations. Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting framework, more specifically the European Union's proposed carbon dioxide reduction target, the proposed carbon border adjustment mechanism (CBAM), the potential EU restrictions on nitrogen fertilizer application, obsolescence or shorter useful life of its Property, Plant and Equipment, changes to environmental and decommission provisions and the changes to cost of capital for the company, as described in Note 5 of the consolidated financial statements.

Management prepared the financial statements, including considering whether the implications from climate-related risks and commitments have been appropriately accounted for and disclosed. As part of our audit we performed a risk assessment of the impact of climate-related risks and the commitments made by the company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

— Understanding management's process: we have obtained an understanding through inquiries with relevant functions at OCI and by conducting site visits to factories in Egypt and the Netherlands to evaluate management's assessment against the background of the company's business and operations of the potential impact of climate-related risks and opportunities on the company's financial statements and the company's preparedness for this;

— We have evaluated climate-related *fraud risk factors*, including the environmental performance measures (e.g. energy efficiency improvement and environmental stewardship) as linked to management's remuneration. The fraud risk factors did not result in a risk of material misstatement in relation to the financial statements;

— We have instructed local auditors to consider climate-related risks in their local audit procedures and requested them to obtain understanding of the local climate and regulatory requirements and developments and inquire with local management and challenge them on assumptions related to the valuation of PPE. We evaluated the results of these procedures with our local auditors and used that in our overall evaluation of climate-related risks;

KPMG

- We visited the Company's Green Hydrogen initiative in Egypt to obtain an understanding of the feasibility to replace grey feedstock with green feedstock;
- We have used KPMG climate change subject matter experts, specifically related to emissions, to assist in understanding how climate-related risks and opportunities may affect the entity and its accounting in the current year's financial statements;
- We have challenged and evaluated management's assessment of the impact of the commitments of 20% GHG intensity reduction by 2030 and carbon neutrality by 2050 on the valuation and useful life of property plant and equipment. In particular we challenged management's assessment that its stated climate change action did not result in an impairment trigger or reassessment of useful economic lives on carbon intensive assets, such as gasifiers, in these financial statements, taking into account the remaining useful lives of relevant assets that could be most impacted by climate change.

Based on the procedures performed we considered whether there is a risk of material misstatement specific to climate-related risk, in particular regarding the valuation of long lived assets. We found that climate related risks have no material impact on the current financial statements under the requirements of EU-IFRS and no material impact on our key audit matters.

Furthermore, we have read the 'Other information' with respect to climate-related risks as included in the Annual Report and considered the material consistency with the financial statements, our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Audit response to the risk of fraud and non-compliance with laws and regulations

In the chapter 'Risk Management' of the Annual Report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, obtaining an understanding of the Company's Code of Conduct, Whistle-blower policy, Insider Trading & Market Abuse policy, Anti-bribery and anticorruption policy, Competition policy, and data privacy policy, Human Rights policy, Business Partner Code of Conduct, Sanctions Policy and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions (e.g. Internal Audit, Compliance and Legal).

As part of our audit procedures, we:

- held quarterly meetings to perform inquiries with management, those charged with governance, the Audit & Risk, Legal and the Compliance department on group level and with local management by our component auditors;
- evaluated internal reports (including reports from the Audit & Risk and Compliance departments) on indications of possible fraud and non-compliance (both on group and component level);
- requested our component auditors to perform risk assessment procedures with respect to bribery, fraud and compliance with laws and regulations' and report the results of this assessment to us;
- requested and evaluated legal confirmation letters, at group and component level; and
- obtained an understanding of the Company's tooling to monitor compliance with trade sanctions and screening third parties for potential fraud and/or non-compliance risks.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material indirect effect on the financial statements:

- health and safety regulation;
- environmental regulation;
- anti-bribery and corruption laws and regulations;
- anti-money laundering laws and regulations; and
- trade sanctions and export controls laws and regulations.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

— Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses by us, including the work of our component auditors:

- We inspected minutes of (local) management meetings and obtained and reviewed internal representation letters to identify Code of Conduct violations;
- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed a data analysis of high-risk journal entries, amongst other, related to revenue, back postings and postings with a unusual character and evaluated key estimates (valuation of goodwill, investments in subsidiaries (standalone), and provisions) and judgements for bias by the Company's management, including retrospective reviews of prior years' estimates (valuation of fixed assets, goodwill, investment in subsidiaries (standalone), deferred tax assets and provisions). Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

We incorporated elements of unpredictability in our audit, including a specific analysis of (immaterial) balances and transactions at out-of-scope entities

— Revenue recognition (a presumed risk)

Risk:

- In relation to overstatement of revenue due to manual override of sales cut-off.

Responses by us, including the work of our component auditors:

- With respect to the risk of fraud in revenue recognition we have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls.
- We gained an understanding of the relevant terms and conditions to identify the performance obligations which determine the moment of revenue recognition between OCI and the buyer – by inspecting sales contracts, general terms and conditions etc.
- We performed substantive audit procedures over the manual sales transactions and sales reversal transactions surrounding cut-off to address the significant risk of fraud with regards to revenue recognition, including:

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— (Substantive) analytical procedures to identify potential cut-off errors.

— Cut-off testing using substantive sampling, selected items were reconciled to supporting documentation such as goods shipped, services performed, prices invoiced, sales contracts, bill of loadings, shipping documents, proof of delivery, and proof of acceptance. For the items selected it was determined whether sales and the related receivables have been recorded in the correct accounting period and for the correct amount.

— For a selection of credit notes (subsequent year) supporting documentation was obtained to determine whether these were recorded in the correct reporting reported.

— Final analytical procedures.

Our procedures to address the identified risks of fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to management and the Audit Committee of the Board of Directors. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Directors has performed its going concern assessment and has not identified any significant going concern risks. To assess the Board's assessment, we have performed, amongst others, the following procedures:

— we considered whether the Board of Directors' assessment of the going concern risks (including climate) includes all relevant information of which we are aware as a result of our audit;

— we analysed the operating results forecast and the related cash flows compared to the previous financial year and the current year actuals, developments in the business sector and any information of which we are aware as a result of our audit;

— we inspected the financing agreements in terms of conditions that could lead to significant going concern risks, including the terms of the agreement and any covenants; and

— we analysed whether the headroom of the ratios included in the financing agreements is sufficient or if it gives rise to the risk of any of the covenants in the financing agreement being breached.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to the 'Initial Public Offering of Fertiglobe plc' is no longer included, as this related to a specific transaction with accounting impact only in financial year 2021. Furthermore, we no longer included a key audit matter in relation to 'Recoverable amount in impairment tests', which included two elements. Firstly, the valuation of the BioMCN assets, as these assets were impaired in 2021 and no reversal trigger has been identified for 2022, this is no longer considered significant. Secondly, due to the improved (forecasted) financial results and market capitalisation of the Company the determination of the valuation of subsidiaries in the parent company financial statements did not require significant judgement and is therefore also no longer considered significant. Compared to last year we added a key audit matter on the asssesment of control in accordance with IFRS 10.

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#1 Litigation and claims

Description

As disclosed in Provisions (Note 21), Contingencies (Note 28) and Uncertain tax position (Note 12.4) the Company has several pending litigations and claims (related to legal and tax matters), for which the outcome is uncertain. Inherent to the Company's nature and operations, as well as its geographical spread, the Company is exposed to an indirect material effect on pending legal cases. Based on the likelihood of occurrence and the exposure, the Company determines if, and for what amount, a provision should be recognised. This assessment is considered to be significant to our audit due to management judgement involved. As the Company is diversified globally, the pending claims and litigations differ in terms of risk profile.

Our response

During our audit, we performed the following procedures:

- Obtained the quarterly updated Litigation report from Group Legal and the Tax Contingency report from Group Taxation;
- Attended quarterly update meetings with Group Legal, Compliance and Tax;
- Instructed our component auditors to perform procedures over litigations and claims on a local level, including:
  - Requested certain component auditors to visit local courts to inspect the register confirming the status of certain cases;
  - Evaluated the legal expenses and requested external legal letters from lawyers and tax advisors involved in litigations and claims (group and component level);
  - Obtained internal position papers from management on the cases pending (group and component level); and
  - Requested external expert opinions for cases with a significant exposure.
- Assessed the adequacy of the provisions and or disclosures in the financial statements.

Our observation

Based on our procedures performed, we consider management's assessment of the exposure and the recording of related provisions to be reasonable. Furthermore, we determined that the related disclosure with regards to Provisions (Note 21) Contingencies (Note 28) and Uncertain tax positions (Note 12.4) are adequate.

#2 Assessment of control in accordance with IFRS 10 'Consolidated Financial statements'

Description

The Company has consolidated Sorfert since 2013, the year in which OCI was incorporated in the Netherlands and prepared its first financial statements in accordance with IFRS. Sorfert is a subsidiary domiciled in Algeria and the Company owns 51% of the shares issued by Sorfert.

The Company considers the control assessment over Sorfert a matter requiring significant judgement, as disclosed under Note 5 'Critical accounting judgement, estimates and assumptions'. To facilitate the ongoing transition process for the audit of 2023, management updated its assessment of control over Sorfert.

The time spent on this matter and the level of judgement required in the control assessment made it significant to our audit.

Our response

As disclosed by management in Note 5, judgement is required to assess whether the Company is exposed or has rights to variable returns from

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its involvement with the investee and whether the Company has the ability to affect those returns through its control over the investee. This may require the Company to evaluate the effect of ownership structures, determination of relevant activities and other arrangements, including the rights of other shareholders that could have an impact on the assessment of control.

We performed the following procedures:

- We obtained the management's updated control assessment;
- We determined whether the assessment was performed in accordance with IFRS 10;
- We reviewed the supporting assement performed by an external accounting expert engaged by the Company on OCI's control over Sorfert;
- We consulted with professionals with specialised skills and knowledge in respect of IFRS 10 to assist us in assessing the technical aspects of the control assessment and the conclusion that OCI has control over the activities of Sorfert;
- We inspected the legal documentation (including legal letters from external lawyers) to determine whether relevant aspects were considered as part of the control assessment;
- We attended a round table session together with the other Big-4 audit firms; and
- We assessed the appropriateness of the disclosure as included in the consolidated financial statements.

Our observation

We agree with the conclusion that OCI has control over the activities of Sorfert. We concluded that the disclosure (reference is made to Note 5) is adequate.

Report on the other information included in the Annual Report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the General Meeting of Shareholders as auditor of OCI N.V. on 24 May 2022, for the year 2022. Our first appointment as statutory auditor of the Company was in 2013 to audit the 2013 Annual Report. As a consequence of the mandatory firm rotation legislation, the year 2022 was the last year of our engagement as statutory auditor of OCI N.V.

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Prohibited non-audit services

Except for the below we have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

During 2023, we identified that two KPMG member firms had provided preparation of local GAAP financial statement services to some group entities for the years 2018 through 2021. These services have been provided in 2022 and in prior years. Some of these entities are and have been in scope for the Group audit. The services, which have been terminated, were administrative in nature and did not involve any management decision making or bookkeeping. The work had no direct or indirect effect on OCI N.V.'s consolidated financial statements and we have estimated that the fees of these services in relation to the total audit fees charged are below 0.5%. In our professional judgment, we confirm that based on our assessment of the breaches, our integrity and objectivity as auditor has not been compromised. We have discussed the above with OCI N.V.'s Audit Committee which has agreed with our conclusion, given the nature and size of the beforementioned services.

European Single Electronic Format (ESEF)

OCI N.V. has prepared its Annual Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the Annual Report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by OCI N.V., complies in all material respects with the RTS on ESEF.

The Board of Directors is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby the Board of Directors combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Annual Report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

— Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;

— Identifying and assessing the risks that the Annual Report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:

— Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;

— Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Directors is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 22 March 2023

KPMG Accountants N.V.

C.A. Bakker RA

Appendix:
Description of our responsibilities for the audit of the financial statements

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Appendix: description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Directors use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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Assurance report of the independent auditor

To: the General Meeting of Shareholders and the Board of Directors of the Company

Our conclusion

We have reviewed a selection of the ESG performance indicators as included in the 2022 Annual Report (hereafter 'Annual Report') of OCI N.V. (hereafter: the Company) at Amsterdam for the year ended 31 December 2022 (hereafter: selected ESG performance indicators). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the selected ESG performance indicators are not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The selected ESG performance indicators in scope consist of the following indicators:

- Green House Gas intensity;
- Energy intensity;
- Lost Time Injury Rate; and
- Total Recordable Injury Rate.

The selected ESG performance indicators are disclosed in the Annual Report section ESG Performance Statements.

Basis for our conclusion

We performed our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting Criteria

The selected ESG performance indicators needs to be read and understood together with the reporting criteria. The Company is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the ESG performance indicators are the applied internal reporting criteria as disclosed in section 'Reporting criteria' and the 'Basis of preparation' as included in the section 'About this report' as part of the 'ESG Performance Statements' of the Annual Report.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the selected ESG performance indicators. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the Company.

Scope of the group review

The Company is the parent company of a group of entities. The selected ESG performance indicators incorporate the consolidated information of this group of entities to the extent as specified in the section 'Reporting criteria' of this report.

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Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's nature, extent and/or risk profile.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's selected ESG performance indicators to provide a conclusion about these.

Limitations to the scope of our review

References to external sources or websites used in determining the selected ESG performance indicators are not part of the ESG performance indicators itself as reviewed by us. Therefore, we do not provide assurance on this information.

The Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the selected ESG performance indicators in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters. The choices made by the Board of Directors regarding the scope of this assurance engagement and the reporting policies are summarized in section 'Reporting criteria' and the 'Basis of preparation' as included in the section 'About this report' as part of the 'ESG Performance Statements' of the Annual Report.

Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the selected ESG performance indicators that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the selected ESG performance indicators. This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by the Board of Directors;
- Obtaining an understanding of the reporting processes for the selected ESG performance indicators, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the selected ESG performance indicators where a material misstatement, whether due to fraud or error, is most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
  - Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results;
  - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or

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risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to production sites in the Netherlands and Egypt were aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;

- Interviewing relevant staff responsible for providing the information for-, carrying out internal control procedures over-, and consolidating the data in- the selected ESG performance indicators;
- Obtaining assurance information that the selected ESG performance indicators reconcile with underlying records of the company;
- Reviewing, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends.

— Evaluating the consistency of the selected ESG performance indicators with the information in the report which is not included in the scope of our review;

— Evaluating the presentation, structure and content of the selected ESG performance indicators;

— Considering whether the selected ESG performance indicators as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the Board of Directors regarding, among other matters, the planned scope and timing of the review and significant findings that we identified during our review.

Amstelveen, 22 March 2023

KPMG Accountants N.V.

C.A. Bakker RA

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
- Free cash flow

EBITDA, adjusted EBITDA, adjusted net profit 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 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 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 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 and costs that management considers not reflective of our core operations.

Adjusted net profit

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

Free cash flow

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

Reconciliation of operating profit to adjusted EBITDA

$ millions	2022	2021
Operating profit	3,004.3	1,562.8
Depreciation, amortization and impairment	599.9	891.6
EBITDA	**3,604.2**	**2,454.4**
APM adjustments	286.8	72.1
Adjusted EBITDA	**3,891.0**	**2,526.5**

Alternative performance measures (APM) continued

Reconciliation of operating profit to adjusted EBITDA continued

APM adjustments at EBITDA level:

$ millions	2022	2021
Natgasoline	122.0	94.5
Unrealized (gain) / loss on natural gas hedging	115.0	(10.0)
Unrealized (gain) / loss on EUA derivatives	2.8	(1.7)
Provisions and other	47.0	(10.7)
Total APM adjustments at EBITDA level	**286.8**	**72.1**

- Natgasoline is not consolidated and an adjustment of USD 122.0 million was made for OCI's 50% share in the plant's EBITDA in 2022. Natgasoline's contribution to adjusted EBITDA in 2021 was USD 94.5 million.
- The unrealized results on natural gas hedge derivatives of USD 115.0 million in 2022 and USD (10.0) million in 2021 relate to hedging activities at OCIB, IFCo and in the Netherlands.
- The unrealized results on EUA derivatives of USD 2.8 million in 2022 and USD (1.7) million in 2021 relate to the unrealized gain on EUA hedges at OCIN and BioMCN.
- Other adjustments of USD 47.0 million in 2022 and USD (10.7) million in 2021 mainly relates to movements in provisions related to ongoing litigation and claims and other adjustments.

Reconciliation of reported net profit to adjusted net profit

$ millions	2022	2021
Reported net profit attributable to owners of the Company	**1,237.4**	**570.5**
Adjustments at EBITDA level	286.8	72.1
Add back: Natgasoline EBITDA adjustment	(122.0)	(94.5)
Result from associate (change in unrealized gas hedging Natgas)	2.3	(12.2)
Forex (gain) / loss on USD exposure	(39.3)	1.4
Expenses related to refinancing	68.5	61.7
Non-controlling interests adjustment	(59.5)	34.1
Accelerated depreciation and impairments of PP&E	26.5	300.7
Recognition of previously unused tax losses	-	(197.2)
Other adjustments	(26.9)	-
Tax effect of adjustments	(30.4)	(4.8)
Total APM adjustments at net profit level	**106.0**	**161.3**
Adjusted net profit attributable to owners of the Company	**1,343.4**	**731.8**

Alternative performance measures (APM) continued

Reconciliation of reported net profit to adjusted net profit continued

The main APM adjustments at net profit level relate to:

- The adjustment on result from associate of USD 2.3 million in 2022 and USD (12.2) million in 2021 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas.
- FX impact of USD (39.3) million in 2022 and USD 1.4 million in 2021 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 68.5 million in 2022 and USD 61.7 million in 2021 relates to early redemption costs and accelerated amortization, mainly at OCI N.V. and IFCo.
- Non-controlling interests adjustment of USD (59.5) million in 2022 and USD 34.1 million in 2021 is related to the calculated profit attributable to non-controlling interests on all APM adjustments.
- Accelerated depreciation and impairments of PP&E of USD 26.5 million in 2022 relates to the impairment of BioMCN. Accelerated depreciation of USD 300.7 million in 2021 mainly relates to the impairment of BioMCN and accelerated depreciation of the shiploader at Fertil.
- Recognition of previously unused tax losses of USD (197.2) million in 2021 relates to the recognition of a deferred tax asset at IFCo.
- Tax effect of adjustments of USD (30.4) million in 2022 and USD (4.8) million in 2021 is related to the calculated tax effect of all APM adjustments.

Free cash flow

$ millions	2022	2021
Cash flow from operating activities	**3,348.7**	**2,264.1**
Maintenance capital expenditure	(263.5)	(225.4)
Lease payments	(39.2)	(38.8)
Dividends paid to non-controlling interests	(1,112.2)	(442.7)
Dividend from equity accounted investees	1.8	2.7
Sorfert reinvestment case	-	29.7
Other non-operating items	(16.9)	4.3
Free cash flow	**1,918.7**	**1,593.9**

Shareholder information

Share listing

OCI N.V.'s shares have been listed on the Euronext in Amsterdam as of 25 January 2013.

Share capital

The authorized capital of the Company amounts to EUR 12 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each. OCI's issued share capital consists of 210,712,004 ordinary shares. The shares are registered shares. No share certificates are issued.

As at 31 December 2022, 47% of the total shares outstanding were free-float.

Shareholder engagement

We place great importance on maintaining active dialogue with existing and potential shareholders, banks, and analysts. We are committed to providing relevant, high-quality and timely information to all stakeholders, and to giving current and potential shareholders, analysts and financial press broader insight into the Company and the industries in which we operate. We ensure that relevant information is provided equally and simultaneously to all interested parties as governed by our shareholder communications policy.

As per our by-laws, we observe a 'black-out' period during which analysts' meetings and presentations to and/or direct discussions with current or potential shareholders do not take place shortly before the publication of the regular financial information.

We regularly schedule conference calls and meetings with potential and current equity and debt investors through roadshow days, conferences and inhouse meetings. In addition to the Investor Relations director, meetings were conducted by our Executive Chair, CEO and CFO. We hold results conference calls hosted by our CEO and CFO on the day results are published, during which investors and analysts are invited to ask questions. A replay option is made available on our website.

In order to ensure our Board of Directors is fully apprised of shareholders' areas of focus, concerns, and feedback, an investor relations update is provided at each Board meeting.

Dividend policy

OCI has a dividend / capital allocation policy, which combines a consistent base return of capital of $400 million per year with an additional variable component linked to FCF generated. Distributions will be made twice per year.

Going forward, the policy is subject to maintaining an investment grade credit profile with a target of net leverage below 2x through the cycle, and balance availability of funds and excess FCF for profit distribution to shareholders while pursuing value accretive sustainability and other growth opportunities.

Information in 2022	
Number of outstanding ordinary shares as at 31 December 2022	210,712,004
Highest share price (EUR/share)	43.18
Average share price (EUR/share)	33.60
Lowest share price (EUR/share)	23.02
Share price at 31 December 2022 (EUR/share)	33.42
Market capitalization at 31 December 2022 (EUR billion)	7.04

Shareholder information continued

Shareholders

According to the Dutch Financial Supervision Act, shareholders of 3% or more must disclose their holdings to the Dutch Authority for the Financial Markets (AFM). These disclosures are made available on the AFM's public register, which can be found at www.afm.nl. According to the AFM's register, the following shareholders possessed an interest of 3% or more as at 31 December 2022:

Name of legal entity / Name of natural person	% of shares	Number of shares
Nassef Sawiris	38.71%	81,564,223
Yousriya Loza Sawiris	9.25%	19,488,513
Samih Sawiris	4.97%	10,464,636
Remaining shares	47.08%	99,194,632

Contact us

This Annual Report is available online at www.oci-global.com.

OCI N.V.
Honthorststraat 19
1071 DC Amsterdam
The Netherlands

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

Investor relations contact
Hans Zayed
Investor Relations Director
E-mail: hans.zayed@oci-global.com
investor.relations@oci-global.com

All other enquiries
Gillian Daines
Head of Corporate Communications
E-mail: gillian.daines@oci-global.com
corporatecommunications@oci-global.com

Appendices

1 GRI Index

General disclosures

GRI indicator	Disclosure	Details / reference
General disclosures		
GRI 1: Foundation 2021		
	Statement of use	OCI has reported in reference with the GRI Standards for the period 1/1/2022 - 31/12/22.
GRI 2: General Disclosures 2021		
2-1	Organizational details	Chapter "Our company" (pages 12-17)
2-2	Entities included in the organization’s sustainability reporting	Note 34 of the financial statements; annual reporting cycle; publication date: 22 March 2023; all the entities in the organization’s financial reporting are also included in its sustainability reporting; "About this report" (page 229)
2-3	Reporting period, frequency and contact point	Year ended 31 December 2022; corporatecommunications@oci-global.com
2-4	Restatements of information	Any exceptions, restatements, or changes to data reported are noted where applicable; see "Basis of preparation" (page 238)
2-5	External assurance	External assurance provided on financial information. Limited assurance on four sustainability KPIs, see "About this report" (page 229), "Independent auditor's report" (pages 241-252) and the "Assurance report of the independent auditor" (pages 253-255). While our remaining sustainability information is not externally assured, it is reviewed and verified by corporate and local function heads.
2-6	Activities, value chain and other business relationships	Chapter "Our company" (pages 12-17); chapter "How we create value" (page 34)
2-7	Employees	"Social performance statements"(page 221)
2-8	Workers who are not employees	Chapter "Social performance" (pages 64-67)
2-9	Governance structure and composition	Chapter "Board report" (pages 90-104)
2-10	Nomination and selection of the highest governance body	Chapter "The Board of Directors" (pages 90-93); chapter "2022 Board and Committee meetings" (pages 99-104)
2-11	Chair of the highest governance body	Chapter "Board profile" (pages 94-97); chapter "Board composition and independence" (page 92)
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter "2022 Board and Committee meetings" (page 99); chapter "Governance performance" (pages 72-74)
2-13	Delegation of responsibility for managing impacts	Chapter "2022 Board and Committee meetings" (page 99); chapter "Governance performance" (pages 72-74)
2-14	Role of the highest governance body in sustainability reporting	Chapter "Materiality assessment" (pages 31-33); chapter "About this report" (pages 229-231)

1 GRI Index continued

GRI indicator	Disclosure	Details / reference
2-15	Conflicts of interest	Potential or actual conflicts of interest are governed by OCI's Articles of Association and By-Laws, and corporate governance policies and procedures. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a potential conflict of interest with the Company. OCI complies with provisions 2.7.3, 2.7.4, 2.7.5 and 2.7.6 of the Dutch Corporate Governance Code.
2-16	Communication of critical concerns	Chapter "Our approach to responsible business practices" (pages 74-75) section "Our whistleblowing framework" (page 75)
2-17	Collective knowledge of the highest governance body	Chapter "Board involvement" (page 93)
2-18	Evaluation of the performance of the highest governance body	Chapter "Assessment and evaluation of the Board" (page 104)
2-19	Remuneration policies	Chapter "Remuneration Report" (pages 107-126)
2-20	Process to determine remuneration	Chapter "Remuneration Report" (pages 107-126)
2-21	Annual total compensation ratio	Chapter "Internal pay ratio" (page 121). We report in line with the Dutch Corporate Governance Code and disclose the ratio of the annual total compensation for the organization's highest-paid individual compared to the average annual total compensation for all employees. We do not report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees.
2-22	Statement on sustainable development strategy	"Letter from the CEO" (pages 5-7)
2-23	Policy commitments	Chapter "Our approach to responsible business practices" (pages 74-76)
2-24	Embedding policy commitments	Chapter "Our approach to responsible business practices" (pages 74-76)
2-25	Processes to remediate negative impacts	Chapter "Our approach to responsible business practices" (pages 74-75)
2-26	Mechanisms for seeking advice and raising concerns	Chapter "Our approach to responsible business practices" (pages 74-75)
2-27	Compliance with laws and regulations	There have not been significant instances of non-compliance during the reporting period.
2-28	Membership associations	Chapter "Industry and sustainability partnerships" (page 237)
2-29	Approach to stakeholder engagement	Chapter "Stakeholder engagement" (pages 235-238)
2-30	Collective bargaining agreements	Chapter "Human and labour rights" (page 69) section "Unions and Works Councils"

1 GRI Index continued

Topic-specific disclosures

GRI standard	Disclosure	Details / reference
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter "Materiality assessment" (pages 31-33); section "Materiality assessment" (page 230)
	3-2 List of material topics	Chapter "Materiality assessment" (pages 31-33)
Local community engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Local community engagement" (page 70)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter "Financial performance" (pages 36-40)
Responsible business practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Our approach to responsible business practices" (pages 74-75)
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	0 incidents of corruption occurred during the reporting period.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	0 substantiated complaints received concerning breaches of customer privacy, leaks, thefts, or losses of customer data identified during the reporting period.
Climate change action		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Climate change action" (pages 42-53)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	"Environmental performance statements" (page 218)
	302-3 Energy intensity	"Environmental performance statements" (page 218)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	"Environmental performance statements" (page 218); chapter "Our GHG emissions profile" (page 43)
	305-2 Energy indirect (Scope 2) GHG emissions	"Environmental performance statements" (page 218); chapter "Our GHG emissions profile" (page 43)
	305-3 Other indirect (Scope 3) GHG emissions	Chapter "Our GHG emissions profile" (page 43)
	305-4 GHG emissions intensity	"Environmental performance statements" (page 218)
	305-5 Reduction of GHG emissions	"Environmental performance statements" (page 218); chapter "Decarbonization roadmap" (pages 44-53)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)

1 GRI Index continued

GRI standard	Disclosure	Details / reference
Water in our operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Water in our operations" (pages 59-61)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	"Environmental performance statements" (pages 218-220); chapter "Water in our operations" (pages 59-61)
	303-2 Management of water discharge-related impacts	"Environmental performance statements" (pages 218-220); chapter "Water in our operations" (pages 59-61)
	303-3 Water withdrawal	"Environmental performance statements" (pages 218-220); chapter "Water in our operations" (pages 59-61)
	303-4 Water discharge	"Environmental performance statements" (pages 218-220); chapter "Water in our operations" (pages 59-61)
	303-5 Water consumption	"Environmental performance statements" (pages 218-220); chapter "Water in our operations" (pages 59-61)
Local biodiversity and ecosystem services		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Local biodiversity and ecosystem services" (page 63)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapter "Local biodiversity and ecosystem services" (page 63)
Non-GHG pollution in our operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Non-GHG pollution in our operations" (page 63)
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	"Environmental performance statements" (page 218)
Resource use and circular economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Resource use and circular economy" (page 63)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Chapter "Resource use and circular economy" (page 63); chapter "Our products" (pages 13-17)
	306-2 Management of significant waste-related impacts	Chapter "Resource use and circular economy" (page 63); chapter "Our products" (pages 13-17)
	306-3 Waste generated	"Environmental performance statements" (pages 218-220)

1 GRI Index continued

GRI standard	Disclosure	Details / reference
Employee engagement, talent, and development of our own workforce		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Employee engagement" (page 69)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Chapter "Diversity & inclusion in our own workforce" (pages 67-69); "Social performance statements" (page 222)
Health, safety and wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Health, safety & wellbeing" (pages 64-67)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter "Health, safety & wellbeing" (pages 64-67)
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter "Health, safety & wellbeing" (pages 64-67); chapter "Operational risks" (pages 83-85): ability to maintain our health, safety and environment (HSE) standards
	403-3 Occupational health services	Chapter "Health, safety & wellbeing" (pages 64-67); chapter "Operational risks" (pages 83-85): ability to maintain our health, safety and environment (HSE) standards
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter "Health, safety & wellbeing" (pages 64-67)
	403-5 Worker training on occupational health and safety	Chapter "Health, safety & wellbeing" (pages 64-67); chapter "Operational risks" (pages 83-85): ability to maintain our health, safety and environment (HSE) standards
	403-6 Promotion of worker health	Chapter "Health, safety & wellbeing" (pages 64-67)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter "Health, safety & wellbeing" (pages 64-67); chapter "Operational risks" (pages 83-85): ability to maintain our health, safety and environment (HSE) standards
	403-8 Workers covered by an occupational health and safety management system	Chapter "Health, safety & wellbeing" (pages 64-67)
	403-9 Work-related injuries	"Social performance statements" (page 221)
Diversity and inclusion in our workforce		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Diversity & inclusion in our own workforce" (pages 67-69)
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Chapter "Diversity & inclusion in our own workforce" (pages 67-69); section "Diversity & inclusion" (page 93); "Social performance statements" (page 222)
Human and labour rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Human and labour rights" (page 69)

1 GRI Index continued

GRI standard	Disclosure	Details / reference
Product stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Product stewardship" (pages 53-59)
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	0 Incidents of non-compliance concerning the health and safety impacts of products and services occurred during the reporting period.
Sustainable innovation and technology		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter "Sustainable innovation and technology" (page 62)

2 TCFD Index

Category	Disclosure	Reference
Governance (a)	Describe the board's oversight of climate-related risks and opportunities	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Governance (b)	Describe management's role in assessing and managing climate-related risks and opportunities	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Strategy (a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Chapter "Climate change risks and opportunities" (page 274)
Strategy (b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Strategy (c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Chapter "Climate change action" (pages 42-43)
Risk Management (a)	Describe the organization's processes for identifying and assessing climate-related risks	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Risk Management (b)	Describe the organization's processes for managing climate-related risks	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Risk Management (c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Metrics and Targets (a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Chapter "Climate change risks and opportunities" (page 274); chapter "Enterprise risk management and internal control" (pages 78-80) section "Strategic risks" (page 82) and "Regulatory risks" (page 87)
Metrics and Targets (b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Chapter "Our GHG emissions profile" (page 43), chapter "Decarbonization roadmap" (pages 44-46)
Metrics and Targets (c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Chapter "Decarbonization roadmap" (pages 44-53)

3 SASB Index

SASB Reference Metric		Category	Unit of measure	Reference
Environment				
GHG gas emissions				
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, Percentage (%)	"Environmental performance statements" (page 218)
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	Chapter "Climate change action" (pages 42-43); "Our GHG emissions profile" (page 43); chapter "Decarbonization roadmap" (pages 44-53)
Air quality				
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	"Environmental performance statements" (page 218)
Energy management				
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Gigajoules (GJ), Percentage (%)	Metric tons (t)	"Environmental performance statements" (page 218)
Water management				
RT-CH-140a.1	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	"Environmental performance statements" (pages 218-220)
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	0 incidents of non-compliance associated with water quality permits, standards, and regulations.
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks		n/a	Chapter "Water in our operations" (pages 59-61)
Hazardous waste management				
RT-CH-140a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	"Environmental performance statements" (pages 218-220)

3 SASB Index continued

SASB Reference Metric		Category	Unit of measure	Reference
Social				
Community relations				
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and analysis	n/a	Chapter "Local community engagement" (page 70)
Workforce health & safety				
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	"Social performance statements" (page 221)
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	Chapter "Health, safety & wellbeing" (pages 64-67)
Product design for use-phase efficiency				
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	"Environmental performance statements" (page 220)
Safety & environmental stewardship of chemicals				
RT-CH-410b.1	(1) Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products by revenue that have undergone a hazard assessment	Quantitative	Reporting currency	"Social performance statements" (page 221)
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	Chapter "Product stewardship" (pages 53-59)
Genetically modified organisms				
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	"Social performance statements" (page 221)
Operational safety, emergency preparedness & response				
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	"Social performance statements" (page 221)
RT-CH-540a.2	Number of transport incidents	Quantitative	Number	"Social performance statements" (page 221)

3 SASB Index continued

SASB Reference Metric		Category	Unit of measure	Reference
Governance				
Management of the legal & regulatory environment				
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	n/a	Chapter "Climate change risks and opportunities" (page 274); chapter "Human and labour rights" (page 69)
Other				
Activity metric				
RT-CH-000.A	Production by reportable segment	Quantitative	Metric tons (t)	"Environmental performance statements" (page 220)

4 UN Global Compact Index

UN Global Compact Principle	Reference
1. Support and respect the protection of internationally proclaimed human rights	Chapter "Human and labour rights" (pages 69-70)
2. Make sure that they are not complicit in human rights abuses	Chapter "Human and labour rights" (pages 69-70)
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	Chapter "Human and labour rights" (pages 69-70)
4. Uphold the elimination of all forms of forced and compulsory labour	Chapter "Human and labour rights" (pages 69-70)
5. Uphold the effective abolition of child labour	Chapter "Human and labour rights" (pages 69-70)
6. Uphold the elimination of discrimination in respect of employment and occupation	Chapter "Human and labour rights" (pages 69-70)
7. Support a precautionary approach to environmental challenges	Chapter "Environmental performance" (pages 41-63)
8. Undertake initiatives to promote greater environmental responsibility	Chapter "Environmental performance" (pages 41-63)
9. Encourage the development and diffusion of environmentally friendly technologies	Chapter "Environmental performance" (pages 41-63)
10. Work against corruption in all its forms, including extortion and bribery	Chapter "Our approach to responsible business practices" (pages 74-76)

4 UN Global Compact Index continued

UN Global Compact Connectivity Table

Strategic implication	Material topic	Focus SDG	SDG Target
Level 1 Level 1 topics are strategically important and at the core of our strategy. These topics are reported through strategic KPIs, to the extent possible. For some level 1 topics, target- and KPI-setting is ongoing.	Climate change action	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix **13.2** Integrate climate change measures into strategies and planning
	Health, safety and wellbeing		
	Product stewardship	2 ZERO HUNGER	**2.1** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
	Diversity and inclusion in our own workforce	5 GENDER EQUALITY	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making
	Employee engagement, talent and development of our workforce		
	Responsible business practices	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5** Substantially reduce corruption and bribery in all their forms
Level 2 Level 2 topics are materially important. We set targets and report on these topics according to required frameworks and regulations.	Water in our operations		
	Human and labour rights		
	Sustainable innovation and technology		
	Resource use and circular economy		
	Non-GHG pollution in our operations		
	Local community engagement	2 ZERO HUNGER	**2.1** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
	Local biodiversity and ecosystem services		

5 Climate change risks and opportunities

Our Enterprise Risk Management (ERM) framework equips us with the policies and procedures to facilitate the evaluation and management of risks across our organization. We assess and monitor the physical and transitional risks presented by climate change as one of our primary risks (refer to page 81), and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change. Please refer to page 151 in the Financial Statements for a financial impact assessment of climate risks.

Physical risks

Extreme weather events

Water stress

Changing weather patterns

Rising global temperatures

Rising sea levels

Physical risks caused by rising global temperatures include extreme weather events (hurricanes, floods), changing weather patterns, increased water stress, and rising sea levels. These events and changes can impact our supply chain, disrupt planting cycles and growing conditions, and impede farmers' ability to apply crop nutrients.

Potential impact

- Rising insurance costs and lower pay-outs
- Unplanned downtime
- Interruption to supply chain, such as power outages caused by hurricanes
- Changing weather patterns impacting availability of water and reducing predictability of planting seasons
- Commodity price volatility

Transition risks

Regulatory changes

Cost to transition to lower emissions technology

Dietary shifts

Transition risks associated with transitioning to a lower-carbon economy are primarily related to (i) changes in carbon-linked regulations and policies, such as the ETS system, the proposed European carbon border adjustment mechanism, and other potential carbon taxation mechanisms, (ii) costs associated with transitioning to lower emissions technology and resource efficiency, and (iii) dietary shifts to more plant-based nutrition.

Potential impact

- Higher capital expenditures to transition to lower emissions technologies
- Higher or new taxation measures on carbon-related products
- Changes to crop demand to accommodate dietary shifts to more plant-based nutrition

OCI's resilience: mitigants and opportunities:

- **Decarbonization pathway:** we are pursuing a decarbonization strategy with long-term targets, as described on pages 44 - 52.
- **Sustainable products:** we are growing our sustainable fuel and feedstock product portfolio to accelerate our path to decarbonization, as described on pages 14 - 16.
- **Water efficiency:** we are focused on continuously improving our water efficiency, particularly in water stressed regions where we primarily use seawater, as described on pages 59 - 61.
- **Low carbon nutrients:** our low carbon nitrates and de-carbonizing efforts for our nitrogen fertilizers help reduce farming emissions, and our nitrogen fertilizer product offering is key to maximize soil health and feeding the crops that are the favoured by global dietary shifts, described on pages 53, 55 and 56.
- **Digital solutions:** our digital applications help farmers monitor weather patterns to optimize their activity planning and calculate optimal nutrition application, as described on pages 55 and 56.

Analyst's corner

GRI 201-2
SASB RT-CH-530a.1
TCFD (see TCFD Index)

6 Definitions and abbreviations

Abbreviations

AB&C	Anti-Bribery and Corruption
AC	Audit Committee
ADNOC	Abu Dhabi National Oil Company
ADX	Abu Dhabi Securities Exchange
AGM	Annual General Meeting of Shareholders
APM	Alternative Performance Measures
AN	Ammonium nitrate
AS	Ammonium sulphate
BACT	Best Available Control Technology
BioMCN	Now branded as OCI Methanol Europe
BN	Billion
CAN	Calcium ammonium nitrate
CapEx	Capital expenditure
CI	Carbon intensity
CBAM	EU's Carbon Border Adjustment Mechanism
CCS	Carbon capture and storage
CSR	Chemical Safety Reports
CSRD	EU's Corporate Sustainability Reporting Directive
CLHCO	Chief Legal and Human Capital Officer
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COSO	Committee of Sponsoring Organizations of the Treadway Commission
DEF	Diesel exhaust fluid
EACs	Energy Attribute Certificates
EBIC	Egypt Basic Industries Corporation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EEF's	Enhanced Efficiency Fertilisers
EFC	Egyptian Fertilizers Company
EGM	Extraordinary General Meetings
EIR	Environmental incident rate
EMPA	European Melamine Producers Association
EPS	Earnings per share
ESG	Environmental, Social, Governance
FCF	Free cash flow
Fertil	Ruwais Fertilizer Industries
FID	Final investment decision
FSC	Forest Stewardship Council
GHG	Greenhouse gas
GJ	Gigajoule
GM	General Meeting of Shareholders
GMOs	Genetically Modified Organisms
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
HSE&SC	Health, Safety, Environment and Sustainability Committee
ICF	Internal Control Framework
IEA	International Energy Agency
IFA	International Fertilizer Association
IFCo	Iowa Fertilizer Company, now branded as OCI Nitrogen Iowa or OCI Nitrogen North America
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IMO	International Maritime Organization
IMPCA	International Methanol Producers & Consumers Association
IPCC	Intergovernmental Panel on Climate Change
IoT	Internet of Things
IRA	Inflation Reduction Act
ISCC	International Sustainability & Carbon Certification
LCA	Life-cycle analysis
LTI	Lost time injury
LTIR	Lost time injury rate
M	Million
M m^3	Million cubic meters
MENA	Middle East and North Africa
MMBTU	Million British thermal unit
MNEs	Multinational enterprises
MPC	Maximum Proven Production Capacity
MT	Million metric tons
MTO	Methanol-to-olefins

6 Definitions and abbreviations continued

N_2O	Nitrous oxide
NOx	Nitrogen oxide
NCI	Non-controlling interests
NF LoR	Non-financial Letter of Representation
NOx	Nitrogen oxide
N&RC	Nomination and Remuneration Committee
NUE	Nitrogen Use Efficiency
OECD BEPS	OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting
OHSAS	Occupational Health and Safety Assessment Series
OCIB	OCI Beaumont, now branded as OCI Methanol Texas or OCI Methanol North America
OCIN	OCI Nitrogen, now branded as OCI Nitrogen Europe
OpEx	Operational expenditures
OSHA	Occupational Safety and Health Administration
PAHs	Polyaromatic hydrocarbons
PCBs	Polychlorinated biphenyls
PMT	Persistent, Mobile, Toxic
POPs	Persistent organic pollutants
PPAs	Power Purchase Agreements
PPE	Personal protection equipment
PSI	Process safety incident
RCF	Recycled carbon fuel
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RED	EU's renewable energy directive
RES	Renewable energy sources
RFNBO	EU's Renewable Fuels of Non-biological Origin
SASB	Sustainability Accounting Standards Board
SCR	Selective Catalytic Reduction
SDG	Sustainable Development Goal
SDS	Safety data sheet
SFSD	Sawiris Foundation for Social Development
SO_2	Sulphur dioxide
SRD II	European Shareholder Rights Directive
STEM	Science, Technology, Engineering, and Maths
SVHC	Substance of Very High Concern
TCFD	Task Force on Climate-related Financial Disclosures
TFI	The Fertilizer Institute
TJ	Terajoule
TRIR	Total recordable injury rate
TRL	Technology readiness level
TSR	Total shareholder return
UAE	United Arab Emirates
UAN	Urea ammonium nitrate
UN FAOSTAT	United Nations Food and Agriculture Organization Statistics
UNICEF	United Nations International Children's Emergency Fund
VPP	Voluntary Protection Program
WCK	World Central Kitchen
WRC	World Rally Championship
YoY	Year-on-year