

Semi-annual condensed consolidated financial statements

For the six-month period
ended 30 June 2022
(unaudited)

SEMI-ANNUAL MANAGEMENT REPORT

Condensed consolidated income statement

\$ million	30 June 2022	30 June 2021
Revenue	5,185.5	2,582.5
Gross profit	2,032.9	745.0
Operating profit	1,872.4	622.9
Adjusted EBITDA¹	2,260.0	987.2
Adjusted EBITDA margin ¹	43.6%	38.2%
Reported EBITDA	2,164.9	983.5
Reported EBITDA margin	41.7%	36.1%
Net finance cost	(67.9)	(134.1)
Net profit	1,587.0	447.9
Reported net profit attributable to owners of the Company	886.4	244.9
Adjusted net profit attributable to owners of the Company ¹	881.7	227.5

Outlook

The outlook for the fundamentals of our nitrogen end markets continues to be underpinned by tight supply, healthy farm economics and decades low grain stocks globally that incentivize the use of nitrogen fertilizers. Forward curves imply that natural gas prices in Europe will remain at elevated levels through at least 2023, setting ammonia, urea and nitrates breakeven pricing well above historical averages.

Risks and uncertainties

A description of OCI's risk management system and an overview of potential important risks for OCI are provided in the Annual Report 2021. OCI has reviewed the developments in the first six months of 2022 and assessed the risks for the year. Based on these assessments OCI has concluded that the most important risks and responses as reported in the Annual Report 2021 are still applicable.

Gas hedging

Hedging decisions for future gas usage resulted in a significant increase in gas hedges for the US operations. The exposure was hedged through a combination of physical forward contracts and financial derivatives. The own-use exemption is applied to physical forward contracts. Hedge accounting is not applied to the financial derivatives and gains and losses are recorded in profit or loss. Unrealised gains and losses are excluded from Adjusted EBITDA. Reference is made to note 7.2.

Related party transactions

During the six-month period ended 30 June 2022, no material related party transactions occurred outside the normal course of business. Reference is made to the Annual Report 2021 for an overview of related party transactions. OCI did not enter in any new material related party transactions during the six-month period ended 30 June 2022.

\$ million	Performance drivers for the six-month period ended 30 June 2022
Revenue	<ul style="list-style-type: none"> Sales volumes: decreased by 2% to 7,404.6 million metric tons as compared to 30 June 2021, primarily due to a 9% decrease in own product sold following to the shutdown of BioMCN since June 2021. The decrease in own product sold is partially offset by a 31% increase in traded volumes sold. Selling prices: improved substantially year-on-year for all our products. Together with the increased sales volumes this resulted in an increase of 101% in revenues compared to the six-month period ended 30 June 2021.
Adjusted EBITDA¹	<ul style="list-style-type: none"> Adjusted EBITDA increased by 129% or USD 1,272.8 million to USD 2,260.0 million for the six-month period ended 30 June 2022, primarily driven by the revenue growth. EBITDA margin improved resulting from favorable selling prices, partly offset by higher gas prices year-on-year in the EU in particular.
Operating profit	<p>Operating profit increased by 201% or USD 1,249.5 million during the six-month period ended 30 June 2022 as compared to the same period in 2021, primarily as a result of:</p> <ul style="list-style-type: none"> Gross profit increased by USD 1,287.9 million due to a USD 2,603.0 million increase in revenue, partially offset by a USD 1,315.1 million increase in cost of sales primarily due to higher gas prices. Selling, general and administrative expenses increased by USD 44.3 million to USD 167.0 million.
Net finance cost	<ul style="list-style-type: none"> Finance income increased by USD 182.0 million to USD 188.4 million, mainly driven by foreign exchange gains on intercompany loans which were no longer being designated as to form part of the net investment in foreign operations as these loans are expected to be settled in the near future. Refer to note 14 for more detail. Finance cost increased by USD 115.8 million to USD 256.3 million. This was primarily due to a USD 87.9 million increase in foreign exchange loss and a USD 54.0 million increase of costs related to refinancing activities. The foreign exchange gains and losses mainly relate to external financing and to the revaluation of intercompany balances in foreign currencies.
Net profit	<ul style="list-style-type: none"> Net profit of USD 1,587.0 million for the six-month period ended 30 June 2022, compared to a net profit of USD 447.9 million in the same period in 2021, is primarily driven by a higher operating profit. Adjusted net profit attributable to the owners of the Company was USD 881.7 million for the six-month period ended 30 June 2022, compared to USD 227.5 million in the same period in 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 16 - 17 of the report.

SEMI-ANNUAL MANAGEMENT REPORT

Condensed consolidated statement of cash flows

\$ million	30 June 2022	30 June 2021
Cash and cash equivalents in statement of financial position at 1 January	1,580.3	686.3
Bank overdraft repayable on demand	(383.0)	-
Cash and cash equivalents in statement of cash flows at 1 January	1,197.3	686.3
Cash flows from operating activities	1,955.5	820.1
Cash flows used in investing activities	(124.1)	(75.8)
Cash flows used in financing activities	(989.2)	(432.5)
Net cash flow	842.2	311.8
Currency translation adjustments	(43.0)	(10.9)
Cash and cash equivalents in statement of cash flows at 30 June	1,996.5	987.2
Free cash flow¹	1,537.7	723.3

Net debt

\$ million	30 June 2022	31 December 2021
Long-term interest-bearing debt	2,581.1	3,290.2
Short-term interest-bearing debt	224.3	510.6
Gross interest-bearing debt	2,805.4	3,800.8
Cash and cash equivalents	2,097.4	1,580.3
Net debt	708.0	2,220.5

\$ million	Performance drivers for the six-month period ended 30 June 2022
Cash flows from operating activities	<ul style="list-style-type: none"> Cash flows from operating activities primarily reflect the net profit of USD 1,587.0 million for the six-month period ended 30 June 2022 compared to the net profit of USD 447.9 million in the same period in 2021, an improvement of USD 1,139.1 million, slightly offset by a net increase in working capital of USD 141.5 million. The net increase in working capital is driven mainly by the higher value of inventory, due to higher inventory volumes and increased cost as a result of higher gas prices.
Cash flows used in investing activities	<ul style="list-style-type: none"> Cash flows used in investing activities were USD 48.3 million higher than for the six-month period ended 30 June 2021, primarily due to higher cash capital expenditures of USD 125.5 million in 2022 compared to USD 87.6 million in 2021, of which maintenance capital expenditure was USD 89.3 million and USD 85.4 million respectively.
Cash flows used in financing activities	<ul style="list-style-type: none"> Cash flows used in financing activities were USD 989.2 million for the six-month period ended 30 June 2022, compared to USD 432.5 million in the same period in 2021. Net repayments of borrowings and proceeds from borrowings were USD 672.5 million (cash outflow), mainly related to the accelerated redemption of OCI N.V. bonds and partial repayment of the bridge loan at Fertiglobe. Proceeds of USD 375.0 million were received from the sale of a 15% stake of the OCI Methanol Group on 18 February 2022. Reference is made to note 10. Dividend payments of USD 622.1 million were made during the six-month period ended 30 June 2022, of which USD 301.7 million was paid to non-controlling interests and USD 320.4 million was paid to owners of the Company.
Free cash flow¹	<ul style="list-style-type: none"> Free cash flow before growth capital expenditure amounted to USD 1,537.7 million for the six-month period ended 30 June 2022 reflecting the reported EBITDA for the year, working capital outflows, maintenance capital expenditure, dividends to non-controlling interests and cash interest paid of USD 68.7 million.
Gross debt	<ul style="list-style-type: none"> Gross debt decreased by USD 995.4 million due to repayments of USD 1,511.5 million and impact of exchange differences on Euro denominated debt, partially offset by USD 839.0 million proceeds from loans.
Cash and cash equivalents	<ul style="list-style-type: none"> Cash and cash equivalents increased as a result of positive free cash flow to USD 2,097.4 million as at 30 June 2022 compared to USD 1,580.3 million as at 31 December 2021.
Net debt	<ul style="list-style-type: none"> Net debt stood at USD 708.0 million as at 30 June 2022, down from USD 2,220.5 million as at 31 December 2021, resulting from the positive free cash flow generation.

¹ OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 16 - 17 of the report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

\$ millions	Note	30 June 2022	31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	(8)	5,313.5	5,543.5
Right-of-use assets		241.9	248.2
Goodwill and other intangible assets	(9)	483.8	485.7
Trade and other receivables		40.1	33.6
Equity-accounted investees		558.3	494.9
Financial assets at fair value through other comprehensive income		22.0	19.2
Deferred tax assets	(15)	145.8	207.7
Total non-current assets		6,805.4	7,032.8
Current assets			
Inventories		485.9	343.5
Trade and other receivables		890.0	851.6
Income tax receivables	(15)	4.7	3.4
Cash and cash equivalents		2,097.4	1,580.3
Total current assets		3,478.0	2,778.8
Total assets		10,283.4	9,811.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

AS AT

\$ millions	Note	30 June 2022	31 December 2021
Equity			
Share capital		5.6	5.6
Share premium		6,009.1	6,316.3
Reserves		(410.3)	(384.0)
Retained earnings		(2,848.8)	(3,938.9)
Equity attributable to owners of the Company		2,755.6	1,999.0
Non-controlling interests	(10)	1,687.3	1,509.2
Total equity		4,442.9	3,508.2
Liabilities			
Non-current liabilities			
Loans and borrowings	(11)	2,581.1	3,290.2
Lease obligations		228.0	237.5
Trade and other payables	(12)	135.1	23.7
Provisions		12.4	12.8
Deferred tax liabilities	(15)	645.9	614.4
Total non-current liabilities		3,602.5	4,178.6
Current liabilities			
Loans and borrowings	(11)	224.3	510.6
Lease obligations		43.5	39.7
Trade and other payables	(12)	1,735.1	1,357.5
Provisions	(17)	134.2	144.7
Income tax payables	(15)	100.9	72.3
Total current liabilities		2,238.0	2,124.8
Total liabilities		5,840.5	6,303.4
Total equity and liabilities		10,283.4	9,811.6

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

\$ millions	Note	Three-month period ended 30 June 2022	Three-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021
Revenue	(16)	2,857.7	1,462.9	5,185.5	2,582.5
Cost of sales	(13)	(1,688.3)	(1,058.3)	(3,152.6)	(1,837.5)
Gross profit		1,169.4	404.6	2,032.9	745.0
Other income		1.9	0.2	6.5	1.1
Selling, general and administrative expenses	(13)	(88.6)	(62.1)	(167.0)	(122.7)
Other expenses		-	(0.4)	-	(0.5)
Operating profit		1,082.7	342.3	1,872.4	622.9
Finance income	(14)	116.2	(1.7)	188.4	6.4
Finance cost	(14)	(170.7)	(65.7)	(256.3)	(140.5)
Net finance cost	(14)	(54.5)	(67.4)	(67.9)	(134.1)
Income from equity-accounted investees (net of tax)		(1.8)	31.1	61.1	31.8
Profit before income tax		1,026.4	306.0	1,865.6	520.6
Income tax	(15)	(138.6)	(42.6)	(278.6)	(72.7)
Net profit		887.8	263.4	1,587.0	447.9
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Movement in hedge reserve		8.2	(1.8)	25.0	(7.7)
Currency translation differences		(53.3)	0.3	(85.2)	(19.9)
Currency translation differences from equity-accounted investees		(2.3)	0.1	(3.4)	(0.5)
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets at fair value through other comprehensive income		0.7	(4.5)	3.3	(5.7)
Other comprehensive income, net of tax		(46.7)	(5.9)	(60.3)	(33.8)
Total comprehensive income		841.1	257.5	1,526.7	414.1
Profit attributable to:					
Owners of the Company		476.7	146.3	886.4	244.9
Non-controlling interests		411.1	117.1	700.6	203.0
Net profit		887.8	263.4	1,587.0	447.9
Total comprehensive income attributable to:					
Owners of the Company		437.1	143.6	854.3	221.1
Non-controlling interests		404.0	113.9	672.4	193.0
Total comprehensive income		841.1	257.5	1,526.7	414.1
Earnings per share (in USD)					
Basic earnings per share		2.269	0.697	4.218	1.167
Diluted earnings per share		2.256	0.693	4.194	1.160

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

\$ 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		-	-	-	244.9	244.9	203.0	447.9
Other comprehensive income		-	-	(23.8)	-	(23.8)	(10.0)	(33.8)
Total comprehensive income		-	-	(23.8)	244.9	221.1	193.0	414.1
Impact difference in profit sharing non-controlling interests		-	-	-	-	-	33.3	33.3
Treasury shares sold / delivered		-	-	4.2	(4.2)	-	-	-
Treasury shares acquired		-	-	(0.8)	-	(0.8)	-	(0.8)
Dividend to non-controlling interest		-	-	-	-	-	(259.6)	(259.6)
Share-based payments		-	-	-	4.3	4.3	-	4.3
Balance at 30 June 2021		5.6	6,316.3	(358.8)	(4,606.8)	1,356.3	1,506.8	2,863.1
Balance at 1 January 2022		5.6	6,316.3	(384.0)	(3,938.9)	1,999.0	1,509.2	3,508.2
Net profit		-	-	-	886.4	886.4	700.6	1,587.0
Other comprehensive income		-	-	(32.1)	-	(32.1)	(28.2)	(60.3)
Total comprehensive income		-	-	(32.1)	886.4	854.3	672.4	1,526.7
Impact difference in profit sharing non-controlling interests ¹		-	-	-	-	-	154.1	154.1
Share capital increase ²		321.4	(321.4)	-	-	-	-	-
Share capital decrease ²		(14.2)	14.2	-	-	-	-	-
Capital repayment ²		(307.2)	-	-	-	(307.2)	-	(307.2)
Dividend payment		-	-	-	(14.4)	(14.4)	-	(14.4)
Dividend to non-controlling interests		-	-	-	-	-	(656.2)	(656.2)
Treasury shares sold / delivered		-	-	7.7	(7.7)	-	-	-
Treasury shares acquired		-	-	(1.9)	-	(1.9)	-	(1.9)
Sale of shares in OCI Methanol Group ³	(10)	-	-	-	221.4	221.4	7.8	229.2
Share-based payments		-	-	-	4.4	4.4	-	4.4
Balance at 30 June 2022		5.6	6,009.1	(410.3)	(2,848.8)	2,755.6	1,687.3	4,442.9

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

² Share capital movements relate to the increase and subsequent decrease in the nominal value of the ordinary shares, to facilitate a capital repayment in relation to the H2 2021 distribution. The distribution to shareholders that elected to receive a capital repayment was debited from share capital. The remaining distribution was debited to retained earnings as a dividend distribution.

³The sale of shares in OCI Methanol Group includes a dividend liability of USD 128.0 million; an amount of USD 17.1 million attributable to shareholder's equity and an amount of USD 110.9 million to non-controlling interests. Reference is made to note 10 and 12.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

\$ millions	Note	Three-month period ended 30 June 2022	Three-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021
Net profit		887.8	263.4	1,587.0	447.9
Adjustments for:					
Depreciation, amortization and impairment	(13)	146.5	160.4	292.5	310.6
Interest income	(14)	(8.4)	(0.7)	(11.1)	(1.5)
Interest expense	(14)	113.6	63.6	157.5	129.6
Net foreign exchange (gain) / loss and others	(14)	(50.7)	4.5	(78.5)	6.0
Share in income of equity-accounted investees		1.8	(31.1)	(61.1)	(31.8)
Equity-settled share-based payment transactions		2.2	2.4	4.4	4.4
Impact difference in profit-sharing non-controlling interests		93.8	20.3	154.1	33.3
Income tax expense		138.6	42.6	278.6	72.7
Changes in:					
Inventories		21.8	14.0	(156.7)	16.7
Trade and other receivables		190.0	84.4	-	(65.6)
Trade and other payables	(12)	(144.3)	(29.0)	24.0	97.6
Provisions	(17)	(10.7)	(22.6)	(8.8)	(21.9)
Cash flows:					
Interest paid		(51.4)	(91.2)	(68.7)	(110.2)
Lease interest paid		(2.0)	(2.1)	(4.1)	(4.3)
Interest received		(1.6)	0.3	1.0	0.6
Income tax paid	(15)	(82.1)	(20.9)	(139.5)	(53.4)
Withholding tax paid on subsidiary dividends		(15.1)	(10.6)	(15.1)	(10.6)
Cash flow from operating activities		1,229.8	447.7	1,955.5	820.1
Investments in property, plant and equipment		(74.1)	(21.5)	(125.5)	(78.4)
Dividends from equity-accounted investees		1.4	2.6	1.4	2.6
Cash flow used in investing activities		(72.7)	(18.9)	(124.1)	(75.8)

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

\$ millions	Note	Three-month period ended 30 June 2022	Three-month period ended 30 June 2021	Six-month period ended 30 June 2022	Six-month period ended 30 June 2021
Proceeds from borrowings	(11)	838.8	127.0	839.0	494.4
Repayment of borrowings	(11)	(959.2)	(305.4)	(1,511.5)	(845.8)
Payment of lease obligations		(12.1)	(10.6)	(19.7)	(17.7)
Purchase of treasury shares		-	(0.8)	(0.2)	(0.8)
Newly incurred transaction costs / call premium		(51.6)	(3.0)	(52.0)	(8.9)
Dividends paid to owners of the Company		(320.4)	-	(320.4)	-
Dividends paid to non-controlling interests		(235.0)	(23.1)	(301.7)	(23.1)
Proceeds from the sale of shares in OCI Methanol Group	(10)	-	-	375.0	-
Fees related to the sale of shares in OCI Methanol Group	(10)	-	-	(1.3)	-
Settlement interest derivatives		4.4	-	4.4	
Settlement FX derivatives		(3.4)	10.7	(0.8)	(30.6)
Cash flows used in financing activities		(738.5)	(205.2)	(989.2)	(432.5)
Net cash flow		418.6	223.6	842.2	311.8
Net increase in cash and cash equivalents		418.6	223.6	842.2	311.8
Cash and cash equivalents at start of period		1,590.9	770.1	1,197.3	686.3
Effect of exchange rate fluctuations on cash held		(13.0)	(6.5)	(43.0)	(10.9)
Cash and cash equivalents at 30 June 2022		1,996.5	987.2	1,996.5	987.2
Cash and cash equivalents in statement of financial position		2,097.4	987.2	2,097.4	987.2
Bank overdraft repayable on demand		(100.9)	-	(100.9)	-
Cash and cash equivalents in statement of cash flows		1,996.5	987.2	1,996.5	987.2

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

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

1. General

OCI N.V. ('OCI' or 'Company') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI is registered in the Dutch commercial register under no. 56821166 dated 2 January 2013. The semi-annual condensed consolidated financial statements comprise the financial statements of the Company, its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

The Group is primarily involved in the production of hydrogen-based and natural gas-based products.

2. Basis of preparation

The semi-annual condensed consolidated financial statements for the period ended 30 June 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021 which have been prepared in accordance with IFRS, as adopted by the European Union.

These semi-annual condensed consolidated financial statements have not been audited or reviewed by our external auditor.

3. Summary of significant accounting policies

The accounting policies applied over the six-month period ended 30 June 2022 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS standards and interpretations thereof not yet in force which may apply to the future Group's consolidated financial statements are being assessed for their potential impact. Currently there are no standards and interpretations not yet effective that would have a significant impact on the Group.

4. Seasonality of operations

Our product portfolio is diversified primarily by industry and geography. The nitrogen fertilizer industry is inherently dependent on fundamental supply and demand drivers, including global population growth, crop yields, feedstock costs, and seasonality of crop planting and harvesting seasons. These and other long-term and short-term drivers result in cyclical nitrogen fertilizer pricing trends. Supply and demand dynamics in the industrial chemicals industries in which we operate, including industrial ammonia, methanol, and melamine, are more evenly distributed throughout the year, thereby contributing to stability in sales volumes. The global sales and diversified product mix - both as fertilizers and chemical products - mitigate the impact of any one product or region's seasonal fluctuations.

5. Critical accounting judgment, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the condensed consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods.

Compared to the consolidated financial statements for the year ended 31 December 2021 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements.

With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2021. The objectives and policies of financial risk and capital management are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the six-month period ended 30 June 2022	Average during the six-month period ended 30 June 2021	Closing as at 30 June 2022	Closing as at 31 December 2021
Euro	1.0931	1.2051	1.0483	1.1370
Egyptian pound	0.0581	0.0638	0.0532	0.0636
Algerian dinar	0.0070	0.0075	0.0068	0.0072

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE CONTINUED

7. Financial risk and capital management

7.1 Financial risk management

Categories of financial instruments:

30 June 2022 \$ million	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables			
887.5	42.6	-	-
Financial assets at fair value through other comprehensive income	-	-	22.0
Cash and cash equivalents	2,097.4	-	-
Total	2,984.9	42.6	22.0
Liabilities			
Loans and borrowings			
2,805.4	-	-	-
Trade and other payables	1,756.8	113.4	-
Total	4,562.2	113.4	-
31 December 2021 \$ millions	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables			
831.8	53.4	-	-
Financial assets at fair value through other comprehensive income	-	-	19.2
Cash and cash equivalents	1,580.3	-	-
Total	2,412.1	53.4	19.2
Liabilities			
Loans and borrowings			
3,800.8	-	-	-
Trade and other payables	1,252.2	129.0	-
Total	5,053.0	129.0	-

The Group has several financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2. Financial assets at fair value through other comprehensive income recognized as level 1 is USD 2.8 million (2021: USD 2.8 million), the investment in the Infrastructure and Growth Capital Fund of USD 2.0 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 Industries of USD 17.3 million (2021: USD 13.6 million) is recognized as level 3.

Notore was listed on the Nigerian Stock Exchange in 2018, however due to the lack in trading volumes the investment is still valued within the hierarchy category level 3 based on published financial statements.

In 2022 and 2021, there were no transfers between the fair value hierarchy categories. The carrying amounts of financial assets and liabilities carried at amortized cost (loans and borrowings, trade and other receivables and trade and other payables) approximates their fair values.

For a general description of the risks related to financial instruments, reference is made to the 2021 consolidated financial statements.

7.2 Gas hedging

Hedging decisions for future gas usage resulted in a significant increase in gas hedges for the US operations. The exposure was hedged through a combination of physical forward contracts and financial derivatives. The own-use exemption is applied to physical forward contracts. Hedge accounting is not applied to the financial derivatives and gains and losses are recorded in profit or loss.

The outstanding gas hedges in MMBtu for our US and NL operations as per 30 June 2022 for the years 2023 - 2029 are:

- Flat priced contracts: 305.4 million (2021: 15.8 million)
- Options (delta equivalent): 17.1 million (2021: 14.6 million)
- Basis Swaps: 0.5 million (2021: 0.1 million)

7.3 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group is required by external financial institutions to maintain certain capital requirements compared to its debt.

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

\$ millions	30 June 2022	31 December 2021
Loans and borrowings	2,805.4	3,800.8
Less: cash and cash equivalents	2,097.4	1,580.3
Net debt	708.0	2,220.5
Total equity	4,442.9	3,508.2
Net debt to equity ratio	0.16	0.63

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE CONTINUED

8. Property, plant and equipment

\$ 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 the 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
Effect of 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 1 January 2022	539.5	4,828.5	27.7	147.8	5,543.5
Movements in the carrying amount:					
Additions	0.7	31.0	1.0	73.0	105.7
Disposals	-	(0.3)	-	-	(0.3)
Depreciation	(14.2)	(241.3)	(2.1)	-	(257.6)
Impairment	-	(12.5)	-	-	(12.5)
Transfers	1.5	28.9	0.5	(30.9)	-
Asset retirement obligation	-	-	1.2	-	1.2
Effect of movement in exchange rates	(3.0)	(54.7)	(1.4)	(7.4)	(66.5)
At 30 June 2022	524.5	4,579.6	26.9	182.5	5,313.5
Cost	740.3	9,104.9	74.0	182.5	10,101.7
Accumulated depreciation	(215.8)	(4,525.3)	(47.1)	-	(4,788.2)
At 30 June 2022	524.5	4,579.6	26.9	182.5	5,313.5

9. Goodwill and other intangible assets

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

10. Non-controlling interests

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
Fees related to the sale of shares
Fair value of earn-out consideration
Net proceeds from the sale of shares
Non-controlling interests
Effect on equity attributable to owners of the Company

11. Loans and borrowings

\$ millions	30 June 2022	31 December 2021
At 1 January	3,800.8	4,416.6
Proceeds from loans	839.0	2,248.3
Repayment / proceeds from bank overdraft facility	(263.0)	398.4
Repayment and redemption of loans and borrowings	(1,511.5)	(3,186.1)
Newly incurred transaction costs	(2.2)	(10.0)
Amortization of transaction costs / (bond) premiums	24.2	39.3
Effect of movement in exchange rates	(81.9)	(105.7)
Balance at	2,805.4	3,800.8
Non-current	2,581.1	3,290.2
Current	224.3	510.6
Total	2,805.4	3,800.8

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE CONTINUED

11. Loans and borrowings (continued)

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group's presentation currency. There are no new or amended financing arrangements during the period ended 30 June 2022.

Covenants

Certain loan agreements include financial covenants. As per 30 June 2022 all financial covenants were met. In the event the respective borrowing companies would not comply with the covenant requirements, its loans would become immediately due.

12. Trade and other payables

\$ millions	30 June 2022	31 December 2021
Trade payables	521.9	425.3
Trade payables due to related parties	119.5	87.9
Amounts payable under the securitization agreement	248.2	149.7
Accrued dividend to non-controlling interests	481.8	4.1
Other payables	89.1	66.9
EUA liabilities	85.6	116.2
Employee benefit liabilities	14.6	14.5
Accrued expenses	240.8	264.9
Accrued interest	12.0	10.9
Customer advance payment / deferred revenue	21.8	222.7
Other tax payable	7.1	5.3
Commodity derivative financial instruments	27.8	12.8
Total	1,870.2	1,381.2
Non-current	135.1	23.7
Current	1,735.1	1,357.5
Total	1,870.2	1,381.2

Accrued dividend to non-controlling interests

The increase in accrued dividend to non-controlling interests is primarily driven by a dividend of USD 341.5 million declared by Sorfert to Sonatrach, as well as the minimum dividend liability of USD 128.0 million recorded as a result of the 15% sale of OCI Methanol Group. The Company has agreed with the buyers a yearly guaranteed dividend for the period 2022-2025.

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

\$ millions	30 June 2022	30 June 2021
Raw materials and consumables and finished goods	2,655.3	1,331.6
Maintenance and repair	77.5	72.2
Employee benefit expenses	225.7	200.0
Depreciation, amortization and impairment	292.5	310.6
Consultancy expenses	20.4	15.7
Other	48.2	30.1
Total	3,319.6	1,960.2
Cost of sales	3,152.6	1,837.5
Selling, general and administrative expenses	167.0	122.7
Total	3,319.6	1,960.2

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

14. Net finance cost

\$ millions	30 June 2022	30 June 2021
Interest income on loans and receivables	1.3	1.5
Derivatives gain	9.8	-
Foreign exchange gain	177.3	4.9
Finance income	188.4	6.4
Interest expense and other financing costs on financial liabilities measured at amortized cost	(157.5)	(129.6)
Foreign exchange loss	(98.8)	(10.9)
Finance cost	(256.3)	(140.5)
Net finance cost recognized in profit or loss	(67.9)	(134.1)

The increase in foreign exchange gains and losses are mainly driven by the depreciation of the Egyptian Pound and Euro against the US Dollar in the first half of 2022, compared to a more stable environment in the first half of 2021.

Further increases to foreign exchange gains, is driven by intercompany loans no longer being designated to form part of the net investment in foreign operations, as compared to same period in the prior year, as these loans are expected to be settled in the near future. The effect of the change in accounting treatment is that foreign exchange gains or losses on intercompany loans are recognised in profit or loss, instead of other comprehensive income.

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE CONTINUED

15. Income taxes

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2022 was 14.9% (for the year ended 31 December 2021: 10.6%). The change in effective tax rate was caused mainly by the following factors:

- In 2021, the recognition of a deferred tax asset related to net operating losses at IFCo resulted in a significant deferred tax benefit.
- This benefit was partially offset by movements in unrecognized tax assets related to current year tax losses and the unrecognized temporary difference resulting from the BioMCN impairment in 2021.
- The before mentioned was partially offset by the fact that the profits generated by the export activities of Sorfert and EBIC in the six-month period ended 30 June 2022 represent a relatively lower share of profit before tax compared to 2021, resulting in a lower contribution of income not subject to tax in the effective tax rate.

16. Segment reporting

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

NOTES TO THE SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE CONTINUED

16. Segment reporting (continued)

30 June 2021 \$ millions	Methanol US ^{1 3}	Methanol Europe	Nitrogen US ³	Nitrogen Europe	Fertiglobe ³	Other ³	Eliminations ³	Total
Total revenues	346.0	246.7	341.5	484.0	1,260.0	-	(95.7)	2,582.5
EBITDA ²	235.5	32.5	166.2	83.2	533.3	(31.9)	(85.3)	933.5
Adjusted EBITDA ²	202.5	32.5	166.2	83.2	532.2	(31.9)	2.5	987.2
Income from equity-accounted investees	-	-	-	1.5	-	-	30.3	31.8
Depreciation and amortization	(78.6)	(14.9)	(72.8)	(49.0)	(136.3)	(1.9)	42.9	(310.6)
Finance income	32.1	-	0.2	2.5	7.5	31.8	(67.7)	6.4
Finance expense	(46.4)	(2.2)	(70.5)	(3.9)	(23.9)	(75.4)	81.8	(140.5)
Income tax (expense) / income	(7.0)	0.2	(0.9)	(8.2)	(64.0)	7.2	-	(72.7)
Net profit	135.6	15.6	22.2	26.1	316.6	(70.2)	2.0	447.9
Equity-accounted investees	-	-	-	14.1	-	0.2	483.8	498.1
Capital expenditures PP&E	12.3	7.7	7.4	22.8	12.5	1.4	(8.6)	55.5
Total assets	1,615.9	395.4	2,094.1	710.2	4,829.2	119.4	(595.6)	9,168.6

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 on pages 16 - 17 of the report.

³ The comparative numbers of 2021 are restated to reflect the realignment of the Fertiglobe, Methanol US, Nitrogen US and Other segments.

17. Provisions, contingent assets and liabilities

There have been no significant changes in provisions, contingent assets and liabilities compared to the situation as described in the consolidated financial statements for the year ended 31 December 2021.

18. Subsequent events

OCI proposed semi-annual distribution

On 11 July 2022, OCI announced a proposed payment of an interim distribution for the period H1 2022 of EUR 3.55 per share. OCI is convening an extraordinary shareholders meeting (EGM) on 19 August 2022 to request for shareholder approval for the H1 2022 distribution of EUR 3.55 per share through a repayment of capital, resulting in a distribution to shareholders scheduled for October, subject to a statutory two-month creditor opposition period.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates. OCI believes that an understanding of its financial performance is enhanced by reporting the following APMs:

- EBITDA
- Adjusted EBITDA
- Adjusted net 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 and amortization, foreign exchange gains and losses and income from equity accounted investees.

Adjusted EBITDA

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

Adjusted net 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 for the six-month period ended:

\$ million	30 June 2022	30 June 2021
Operating profit	1,872.4	622.9
Depreciation, amortization and impairment	292.5	310.6
EBITDA	2,164.9	933.5
APM adjustments	95.1	53.7
Adjusted EBITDA	2,260.0	987.2

APM adjustments at EBITDA level

\$ million	30 June 2022	30 June 2021
Natgasoline	76.1	64.7
Unrealized result natural gas hedging	7.3	(9.9)
Provisions and other	11.7	(1.1)
Total APM adjustments at EBITDA level	95.1	53.7

ALTERNATIVE PERFORMANCE MEASURES (APMs)

CONTINUED

The main APM adjustments at EBITDA level in YTD Q2 2022 and YTD Q2 2021 relate to:

- Natgasoline is not consolidated and an adjustment of USD 76.1 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 64.7 million.
- The unrealized results on natural gas hedge derivatives of USD 7.3 million in 2022 and USD (9.9) million in 2021 relate to hedging activities at OCI Beaumont, IFCo and in the Netherlands.
- Other adjustments of USD 11.7 million in 2022 and USD (1.1) million in 2021 mainly relates to movements in provisions related to ongoing litigation and claims and other adjustments.

\$ million	30 June 2022	30 June 2021
Reported net profit attributable to owners of the Company	886.4	244.9
Adjustments at EBITDA level	95.1	53.7
Add back: Natgasoline EBITDA adjustment	(76.1)	(64.7)
Result from associate (change in unrealized gas hedging Natgas)	(31.4)	(23.1)
Forex (gain) / loss on USD exposure	(86.6)	(4.4)
Expenses related to refinancing	66.1	12.1
Non-controlling interests adjustment	27.2	2.0
Accelerated depreciation and impairments of PP&E	12.5	9.2
Other adjustments	(4.4)	-
Tax effect of adjustments	(7.1)	(2.2)
Total APM adjustments at net profit level	(4.7)	(17.4)
Adjusted net profit attributable to owners of the Company	881.7	227.5

The main APM adjustments at net profit level in YTD Q2 2022 and YTD Q2 2021 relate to:

- The adjustment on result from associate of USD (31.4) million in 2022 and USD (23.1) million in 2021 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas.
- FX impact of USD (86.6) million in 2022 and USD (4.4) 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 66.1 million in 2022 and USD 12.1 million in 2021 relates to early redemption costs and accelerated amortization, mainly at OCI N.V. and IFCo.
- Non-controlling interests adjustment of USD 27.2 million in 2022 and USD 2.0 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 12.5 million in 2022 relates to the impairment of BioMCN. Accelerated depreciation of USD 9.2 million in 2021 relates to the accelerated depreciation of the shiploader at Fertil.
- Tax effect of adjustments of USD (7.1) million in 2022 and USD (2.2) million in 2021 is related to the calculated tax effect of all APM adjustments.

Free cash flow

\$ million	30 June 2022	30 June 2021
Cash flow from operating activities	1,955.5	820.1
Maintenance capital expenditure	(89.3)	(85.4)
Lease payments	(19.7)	(17.7)
Dividends paid to non-controlling interests	(301.7)	(23.1)
Other non-operating items	(7.1)	29.4
Free cash flow	1,537.7	723.3

DIRECTOR'S RESPONSIBILITY STATEMENT

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

Amsterdam, the Netherlands, 2 August 2022

The OCI N.V. Board of Directors