

OCI N.V. Reports Third Quarter 2021 Results

Highlights:

Financial and Outlook

- Revenues increased 104% to \$1.5 billion and adjusted EBITDA increased 161% to \$501 million in Q3 2021 as compared to Q3 2020, despite three sizeable turnarounds at our facilities in the US and Egypt
- Adjusted net income was \$56 million in Q3 2021 compared to adjusted net loss of \$67 million in Q3 2020
- We expect a meaningful step-up in adjusted EBITDA in Q4 compared to Q3 2021, driven by significantly higher selling prices and advantaged feedstock costs in MENA and the US
- Trailing net debt / adjusted EBITDA was 1.7x as of 30 September 2021; based on the current outlook for volumes and pricing, we expect a drop in net leverage to below 1.3x by year-end 2021 and to below 1.0x during Q1 2022
- OCI expects to start returning capital to shareholders from 2022 onwards, with a first semi-annual dividend expected to be announced in February and paid in April 2022

ESG and Business Updates

- On 27 October 2021 ADNOC and OCI successfully listed 13.8% of their partnership Fertiglobe on the Abu Dhabi Securities Exchange (ADX), generating gross proceeds to OCI of c.\$461 million. Following the IPO, OCI continues to own a majority of Fertiglobe's share capital
- In October, Fertiglobe announced a partnership with Scatec and the Sovereign Fund of Egypt for a 50 – 100 MW electrolyzer to produce up to 90,000 metric tons of green ammonia in Egypt
- In November 2021, OCI further improved its capital structure by redeeming \$540 million 5.25% Senior Secured Notes and €400 million 3.125% Senior Secured Notes, which results in a reduction in OCI N.V.'s cash interest of >\$40 million per annum from 2022 onwards

Ahmed El-Hoshy, CEO of OCI NV commented: "This year has been transformational, as we begin reaping the rewards of our growth strategy and competitive business model. We have achieved our balance sheet goals which gives us the opportunity to start returning capital to shareholders and positions us well for future growth through targeted sustainability-driven projects.

Our order book gives us excellent visibility for Q4 and the upcoming season in H1 2022. The current low grain stocks around the world will take at least until 2023 to replenish. It's times like these that OCI with its low-cost global platform, world-scale young assets and strong logistics can help address these grain shortfalls and overall food security concerns by delivering essential nitrogen products to the agricultural markets.

We continue to enhance our ammonia logistics, further strengthening OCI's world-leading ammonia production and trading platform. We have added a dedicated fourth charter vessel and have increased throughput capabilities at our ammonia import terminal in Rotterdam, which has enabled us to continue our downstream production in Europe and weather volatility in feedstock prices by sourcing record volumes of ammonia from Fertiglobe and the US to our Dutch operations.

Our distribution capabilities, including the ability to manage inventories in relevant locations coupled with a disciplined commercial strategy, allows us to optimise benefits from rising prices such as in the recent India urea tender where

Fertiglobe represented more than 70% of the total volumes at a price above \$890/mt FOB. This bodes well for the outlook for in-season sales in the following quarters.

The outlook for our methanol group is also positive in a market that has strong pricing support. Our European plants remain shut because of the high gas prices, but the business has a global distribution network with access to key European and US markets, our US plants are positioned at the low end of the global cost curve and the business is a Clean Fuels leader. We expect improved operational performance at Natgasoline to result in cash dividends to the Group from 2022.”

Strong earnings momentum for our nitrogen businesses is underpinned by healthy market fundamentals

OCI's earnings momentum has been underpinned by a number of factors which suggest a structural shift to a multi-year demand-driven environment for nitrogen products over the medium term.

- Demand is robust in key import markets with US, Europe, Latin America and India competing for product ahead of the spring season in Q2 2022. The USDA highlights tighter global grains markets in 2022 versus 2021, with strong support for corn in the \$5/bushel range.
- Low grain inventory levels and stocks-to-use ratios globally, which need at least 2 years to replenish, amplify the need for nitrogen fertilizers application to ease food security concerns.
- In addition, several key recent events support attractive supply and demand dynamics: ongoing high feedstock prices have significantly raised EU ammonia import demand due to capacity being shut-in; urea export bans from China are limiting the participation of the marginal exporter in future Indian tenders; and, projected new urea capacities are below the level seen over the past five years and start-ups are being delayed.
- Russia, one of the bigger nitrogen exporting countries in the world, also recently announced it will place export quotas on urea and nitrates, which would tighten global nitrogen balances further.
- The US nitrogen outlook remains strong, supported by low inventories and strong demand with higher grains prices driving expanding crop area in the 2022 and 2023 seasons.
- In Europe, nitrates demand is strong with limited pre-buying this season. Sustained production curtailments due to high gas prices could lead to further market tightness in the spring season.
- Globally, higher marginal costs are also providing support to markets, with feedstock prices resetting at higher levels from the low levels in 2020 and providing support for selling prices over the medium-term.

Global recovery to drive significant demand for our industrial products

The **ammonia** market is structurally tightening over the medium term with limited net capacity additions and higher industrial demand. Further, there is significant upside for ammonia from the expected incremental demand for clean ammonia in new applications across a range of sectors including marine fuel and power, and as a hydrogen carrier.

Melamine markets have continued to tighten driven by strong demand from home renovation and construction markets, tight supply and low global inventories across the supply chain. Quarterly contract prices increased by 20% in Q3 2021 and OCI announced a €750/t increase in October with a further increase of €250/t in November.

The recovery in truck sales and freight activity has continued, which combined with higher urea sales prices, supports an improving trend for OCI's **DEF** sales in the US for the balance of 2021 and 2022. DEF now represents more than 30% of sales volumes from IFCo and we continue to grow our volumes and strengthen our market position. The higher netbacks for this product enable us to continue to enhance returns for our US nitrogen operations going forward.

Methanol market fundamentals remain positive. US spot and contract prices have been supported by low global inventories, demand continues to recover robustly, and new supply has been delayed and is slow to ramp up. Strong demand is set to

continue, as operating rates for major derivatives segments particularly with traditional applications are reported to be near maximum rates and provides good visibility on our sales and prices in Q4 and into Q1 2022. In the long term, supply and demand fundamentals are tightening with demand growth expected to exceed capacity growth.

ESG – decarbonization initiatives continue

We continue to make good progress in our efforts to capture value creative opportunities from emerging demand for clean ammonia and methanol, as we evaluate blue and green projects across our platform which fit well in our ESG strategy.

Fertiglobe recently announced a 70,000 metric ton scale-up of blue ammonia capacity through a low-cost debottlenecking program in Abu Dhabi and partnered with ADNOC to sell blue ammonia from the UAE to customers in Japan. Fertiglobe will join ADNOC and ADQ as partner in a new world-scale 1 million metric tons per annum blue ammonia project at TA'ZIZ in Ruwais. In addition, we entered into an agreement with Scatec and the Sovereign Fund of Egypt to develop an electrolyzer facility of up to 100MW to produce green hydrogen as feedstock for up to 90,000 metric tons of additional green ammonia.

Dividend policy

In 2022, OCI intends to adopt a semi-annual dividend distribution policy, with a first dividend expected to be announced in February and paid in April 2022. Going forward OCI intends to maintain a robust and disciplined capital allocation policy designed to balance the availability of funds and excess free cash flow for dividend distribution while pursuing value accretive ESG and other growth opportunities, all within a target of 2x net leverage through the cycle and an investment grade debt profile.

Consolidated Financial Results at a Glance¹

Financial Highlights (\$ million unless otherwise stated)

\$ million unless otherwise stated	Q3'21	Q3'20	% Δ	9M'21	9M'20	% Δ
Revenue	1,537.3	751.9	104%	4,119.8	2,438.4	69%
Gross Profit	272.7	80.4	239%	1,017.7	284.4	258%
Gross profit margin	17.7%	10.7%		24.7%	11.7%	
Adjusted EBITDA²	500.6	191.5	161%	1,487.8	603.9	146%
EBITDA	521.4	171.6	204%	1,454.9	569.2	156%
<i>EBITDA margin</i>	33.9%	22.8%		35.3%	23.3%	
Adjusted net income (loss) attributable to shareholders²	56.1	(66.7)	nm	271.6	(168.6)	nm
Reported net income (loss) attributable to shareholders	30.8	(37.0)	nm	275.7	(120.8)	nm
Earnings / (loss) per share (\$)						
Basic earnings per share	0.147	(0.176)		1.314	(0.576)	
Diluted earnings per share	0.146	(0.176)		1.306	(0.576)	
Adjusted earnings per share ²⁾	0.267	(0.318)		1.294	(0.803)	
Capital expenditure	76.0	47.3	61%	163.6	211.1	(23%)
<i>Of which: Maintenance Capital Expenditure</i>	64.6	46.4	39%	150.0	189.0	(21%)
Free cash flow^{2,3}	81.9	(16.3)	nm	805.2	65.5	1,129%
	30-Sep'21	31-Dec'20				
Total Assets	9,040.5	9,097.0	(0%)			
Gross Interest-Bearing Debt	3,799.5	4,416.6	(14%)			
Net Debt	3,045.9	3,730.3	(18%)			
	Q3'21	Q3'20	% Δ	9M'21	9M'20	% Δ
Sales volumes ('000 metric tons)						
OCI Product Sold ⁴	2,528.8	2,848.9	(11%)	8,737.4	8,851.4	(1%)
Third Party Traded	879.8	502.4	75%	2,222.5	1,738.1	28%
Total Product Volumes	3,408.6	3,351.3	2%	10,959.9	10,589.5	3%

1) Unaudited

2) 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.

3) Free cash flow is an APM that is calculated as cash from operations less maintenance capital expenditures less distributions to non-controlling interests plus dividends from equity accounted investees, and before growth capital expenditures and lease payments.

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

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 30 September 2021 0.38 incidents per 200,000 manhours
- OCI achieved a 161% increase in adjusted EBITDA in Q3 2021 compared to Q3 2020 due to significantly higher selling prices year-on-year for all products offset by lower volumes due to several turnarounds during the quieter summer period and the negative impact from higher gas prices in Europe and the US
- Own product sales volumes were lower at 2.5 million metric tons during Q3 2021:
 - Total own-produced nitrogen product volumes were down 2%, due to turnarounds at IFCo in the US and a urea line at EFC in Egypt, partially offset by growth in ammonia, urea and CAN
 - Fertiglobe total own-produced volumes increased 21%, driven by an increase in both ammonia and urea volumes
 - Total own-produced methanol sales volumes declined 46% due to planned turnarounds at Natgasoline and limited production from BioMCN partially offset by growth in OCI Beaumont volumes
- Selling prices improved significantly year-on-year for all products compared to both Q3 2020 and Q2 2020
- In Europe, significantly higher gas prices in Q3 2021 versus Q3 2020 resulted in a negative impact of c.\$103 million
- In the US higher gas prices in Q3 2021 compared to a year ago resulted in a negative impact of around \$32 million

Product Sales Volumes ('000 metric tons)

'000 metric tons	Q3 2021	Q3 2020	% Δ	9M 2021	9M 2020	% Δ
Own Product						
Ammonia	542.4	388.5	40%	1,624.3	1,276.8	27%
Urea	1,091.2	933.8	17%	3,334.0	3,290.9	1%
Calcium Ammonium Nitrate (CAN)	250.5	240.3	4%	897.4	1,081.1	(17%)
Urea Ammonium Nitrate (UAN)	218.4	479.6	(54%)	942.1	1,315.7	(28%)
Total Fertilizer	2,102.5	2,042.3	3%	6,797.8	6,964.4	(2%)
Melamine	29.7	47.9	(38%)	96.7	107.6	(10%)
DEF	88.0	185.9	(53%)	424.7	455.2	(7%)
Total Nitrogen Products	2,220.2	2,276.0	(2%)	7,319.2	7,527.3	(3%)
Methanol¹⁾	308.6	572.9	(46%)	1,418.2	1,324.2	7%
Total Own Product Sold	2,528.8	2,848.9	(11%)	8,737.4	8,851.4	(1%)
Traded Third Party						
Ammonia	65.0	31.6	106%	186.2	176.2	6%
Urea	320.0	179.3	78%	1,042.4	635.4	64%
UAN	11.1	6.3	76%	31.6	18.7	69%
Methanol	216.0	35.2	514%	323.0	223.6	44%
AS	110.5	183.8	(40%)	343.3	512.0	(33%)
DEF	157.2	66.2	137%	296.0	172.2	72%
Total Traded Third Party	879.8	502.5	75%	2,222.5	1,738.1	28%
Total Own Product and Traded Third Party	3,408.6	3,351.4	2%	10,959.9	10,589.6	3%

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

Benchmark Prices

			Q3 '21	Q3 '20	% Δ	Q2 '21	% Δ
Ammonia	NW Europe, FOB	\$/mt	654	235	178%	527	24%
Ammonia	US Gulf Tampa contract	\$/mt	614	208	195%	545	13%
Granular Urea	Egypt, FOB	\$/mt	484	259	87%	390	24%
CAN	Germany, CIF	€/mt	298	165	81%	252	18%
UAN	France, FCA	€/mt	323	152	112%	239	35%
UAN	US Midwest, FOB	\$/mt	378	169	124%	370	2%
Melamine	Europe contract	€/t	2,365	1,330	78%	1,965	20%
Methanol	USGC Contract, FOB	\$/mt	558	279	100%	533	5%
Methanol	Rotterdam FOB Contract	€/mt	405	225	80%	418	(3%)
Natural gas	TTF (Europe)	\$/ mmBtu	16.7	2.7	519%	9.2	82%
Natural gas	Henry Hub (US)	\$/ mmBtu	4.3	1.9	126%	3.0	43%

Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

Nitrogen Segments Performance in Q3 2021

Total own-produced nitrogen volumes decreased by 2% during the third quarter of 2021 compared to the same period last year, due to turnarounds at IFCo and EFC. However, this was more than offset by higher nitrogen pricing during the quarter.

The adjusted EBITDA for the nitrogen business increased 151% from \$175 million in Q3 2020 to \$438 million in Q3 2021, despite the turnarounds and higher gas prices in Europe and the US.

Nitrogen US segment

- The adjusted EBITDA in the Nitrogen US segment decreased by 74% in Q3 2021 versus Q3 2020. Higher selling prices were offset by lower production and sales volumes due to the extended turnaround of more than two months at IFCo across all production lines during the quarter.
- IFCo, together with our North American marketing JV N-7, benefit from close proximity to the largest agricultural end market in the world one, premium US Midwest pricing; and one of lowest cost positions globally. This results in some of the highest EBITDA per-ton margins and cash conversion metrics in the industry.

Nitrogen Europe segment

- In the Nitrogen Europe segment, selling prices were up significantly which combined with higher ammonia, CAN and UAN volumes and partially offset by high natural gas prices resulted in a 59% increase in adjusted EBITDA YoY.
- Melamine volumes declined in Q3 2021 compared to Q3 2020 as a result of a turnaround in one of the production lines, but quarterly contract prices increased by 20% in Q3 2021 to €2,365 / ton due to tight supply, strong demand, higher production costs and low global inventories across the supply chain. OCI announced a €750/t increase in October with a further increase of €250/t in November

Fertiglobe

- The adjusted EBITDA for Fertiglobe increased 252% from \$106 million in Q3 2020 to \$375 million in Q3 2021 boosted by significantly higher nitrogen pricing during the quarter. Total own-produced sales volumes increased by 21% in Q3 2021 compared to the same period last year, due to higher operating rates across the platform.
- As a result, Fertiglobe's adjusted EBITDA margin expanded from 34% in Q3 2020 to 43% in Q3 2021. The adjusted EBITDA also improved significantly compared to the second quarter of 2021.

Methanol Segments Performance in Q3 2021

Own-produced methanol sales volumes decreased by 46% in Q3 2021 compared to the same period last year:

- Our methanol facility in the Netherlands remains temporarily shut down from June 2021 due to the high gas price environment
- After a period with relatively low operating rates, Natgasoline had its inaugural planned turnaround during the quarter, the first since commissioning in 2018, which we expect to result in better reliability and increased operating rates going forward
- Good onstream performance and a significant step-up in production at OCI Beaumont in Q3 2021

The adjusted EBITDA of the methanol business was significantly higher in Q3 2021 due to higher methanol prices, more than offsetting lower volumes and higher gas prices in the Netherlands and the US compared to a year ago.

Segment overview Q3 2021

\$ million	Nitrogen				Total Nitrogen	Methanol				Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.*	Total Methanol			
Total revenues	132.5	299.7	866.7	(37.5)	1,261.4	210.6	138.8	(23.4)	326.0	0.3	(50.4)	1,537.3
Gross profit	(27.6)	44.1	338.4	2.1	357.0	101.8	(141.7)	(31.8)	(71.7)	(7.8)	(4.8)	272.7
Operating profit	(31.9)	36.4	315.4	2.1	322.0	91.0	(144.1)	(26.2)	(79.3)	(32.7)	(4.8)	205.2
D&A	(41.4)	(21.1)	(65.6)	0.0	(128.1)	(40.6)	(168.8)	22.8	(186.6)	(1.5)	0.0	(316.2)
EBITDA	9.5	57.5	381.0	2.1	450.1	131.6	24.7	(49.0)	107.3	(31.2)	(4.8)	521.4
Adj. EBITDA	9.5	52.1	374.7	2.1	438.4	70.0	18.0	1.2	89.2	(22.2)	(4.8)	500.6

Segment overview Q3 2020

\$ million	Nitrogen				Total Nitrogen	Methanol				Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.*	Total Methanol			
Total revenues	114.5	170.1	314.9	(8.5)	591.0	100.0	81.3	(13.9)	167.4	0.3	(6.8)	751.9
Gross profit	5.9	13.4	59.8	(1.0)	78.1	9.1	5.8	(12.2)	2.7	(0.4)	0.0	80.4
Operating profit	1.8	4.7	39.3	(1.0)	44.8	3.6	3.6	(10.3)	(3.1)	(19.0)	0.0	22.7
D&A	(34.5)	(20.9)	(67.1)	0.0	(122.5)	(35.1)	(8.4)	17.8	(25.7)	(0.8)	0.0	(149.0)
EBITDA	36.3	25.6	106.4	(1.0)	167.3	38.7	12.0	(28.1)	22.6	(18.3)	0.0	171.6
Adj. EBITDA	36.3	32.8	106.4	(1.0)	174.5	23.3	11.2	0.5	35.0	(18.0)	0.0	191.5

Segment overview 9M 2021

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.*				
Total revenues	474.0	783.7	2,126.7	(80.8)	3,303.6	561.8	385.5	(33.7)	913.6	1.0	(98.4)	4,119.8
Gross profit	74.8	98.0	780.0	2.6	955.4	274.2	(119.5)	(78.3)	76.4	(9.3)	(4.8)	1,017.7
Operating profit	61.5	70.6	717.6	2.6	852.3	251.5	(126.5)	(69.0)	56.0	(75.4)	(4.8)	828.1
D&A	(114.2)	(70.1)	(201.7)	0.0	(386.0)	(118.8)	(183.7)	65.9	(236.6)	(4.2)	0.0	(626.8)
EBITDA	175.7	140.7	919.3	2.6	1,238.3	370.3	57.2	(134.9)	292.6	(71.2)	(4.8)	1,454.9
Adj. EBITDA	175.7	135.3	911.9	2.6	1,225.5	275.6	50.5	3.2	329.3	(62.2)	(4.8)	1,487.8

Segment overview 9M 2020

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.*				
Total revenues	398.5	562.4	1,052.4	(42.0)	1,971.3	327.9	212.1	(43.6)	496.4	1.0	(30.3)	2,438.4
Gross profit	43.4	71.2	170.1	0.9	285.6	4.5	3.0	(8.1)	(0.6)	(0.6)	0.0	284.4
Operating profit	30.7	44.1	111.3	0.9	187.0	(13.8)	(1.0)	(1.1)	(15.9)	(40.5)	0.0	130.6
D&A	(104.8)	(60.4)	(200.7)	0.0	(365.9)	(105.1)	(20.8)	56.0	(69.9)	(2.8)	0.0	(438.6)
EBITDA	135.5	104.5	312.0	0.9	552.9	91.3	19.8	(57.1)	54.0	(37.7)	0.0	569.2
Adj. EBITDA	135.5	111.7	315.5	0.9	563.6	73.5	19.0	(4.0)	88.5	(48.2)	0.0	603.9

Financial Highlights

Summary results

Consolidated revenue increased by 104% to \$1,537 million in the third quarter of 2021 compared to the same quarter in 2020, driven mainly by prices for all our products.

Adjusted EBITDA increased by 161% to \$501 million in Q3 2021 compared to \$192 million in Q3 2020. The nitrogen and methanol segments benefited from significantly higher selling prices on average, offsetting lower sales volumes and higher gas prices in Europe.

The adjusted net profit was \$56 million in Q3 2021 compared to an adjusted net loss of \$67 million in Q3 2020. Reported net profit (after non-controlling interest) was \$31 million in Q3 2021 compared to a net loss of \$37 million in Q3 2020.

Consolidated Statement of Income*

\$ million	Q3 2021	Q3 2020	9M 2021	9M 2020
Net revenue	1,537.3	751.9	4,119.8	2,438.4
Cost of Sales	(1,264.6)	(671.5)	(3,102.1)	(2,154.0)
Gross profit	272.7	80.4	1,017.7	284.4
SG&A	(67.9)	(59.1)	(190.6)	(168.3)
Other Income	-	1.0	1.1	14.4
Other expense	0.4	0.4	(0.1)	0.1
Adjusted EBITDA	500.6	191.5	1,487.8	603.9
EBITDA	521.4	171.6	1,454.9	569.2
Depreciation & amortization	(316.2)	(149.0)	(626.8)	(438.6)
Operating profit	205.2	22.7	828.1	(130.6)
Interest income	2.1	1.2	3.6	3.8
Interest expense	(55.4)	(69.8)	(185.0)	(188.1)
Other finance income / (cost)	5.7	21.9	(0.3)	26.8
Net finance costs	(47.6)	(46.7)	(181.7)	(157.5)
Income from equity-accounted investees	18.4	3.3	50.2	(24.1)
Net income before tax	176.0	(20.7)	696.6	(51.0)
Income tax expense	(23.7)	(8.5)	(96.4)	(11.9)
Net profit / (loss)	152.3	(29.2)	600.2	(62.9)
Non-Controlling Interest	(121.5)	(7.8)	(324.5)	(57.9)
Net profit / (loss) attributable to shareholders	30.8	(37.0)	275.7	(120.8)

* Unaudited

Reconciliation to Alternative Performance Measures

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of underlying performance of OCI's operations. The main APM adjustments in the third quarters of 2021 and 2020 relate to:

- Natgasoline is not consolidated and an adjustment of c.\$9 million was made for OCI's 50% share in the plant's EBITDA in Q3 2021. Natgasoline's contribution to adjusted EBITDA in Q3 2020 was \$13 million
- The unrealized results on natural gas hedge derivatives of (\$21) million in Q3 2021 and (\$10) million in Q3 2020 relate to hedging activities at OCI Beaumont
- The unrealised results on EUA derivatives of (\$12.1) million in Q3 2021 relate to hedging activities of EUA credits at OCI Nitrogen and BioMCN in Europe

Reconciliation of reported operating income to adjusted EBITDA

\$ million	Q3 '21	Q3 '20	9M '21	9M '20	Adjustment in P&L
Operating profit as reported	205.2	22.7	828.1	130.6	
Depreciation and amortization	316.2	149.0	626.8	438.6	
EBITDA	521.4	171.6	1,454.9	569.2	
<u>APM adjustments for:</u>					
Natgasoline	9.2	13.1	74.0	36.9	OCI's share of Natgasoline EBITDA
Unrealized gain natural gas hedging	(20.6)	(9.6)	(30.5)	(10.5)	COGS
Unrealized gain EUA credits hedging	(12.1)	-	(12.1)	-	COGS
Gain on purchase related to Fertiglobe	-	-	-	(13.3)	Other income
Hurricane Laura shutdown	-	9.5	-	9.5	
Mandatory inspection at OCI Nitrogen	-	7.2	-	7.2	
Other including provisions	2.7	(0.3)	1.5	4.9	
Total APM adjustments	(20.8)	19.9	32.9	34.7	
Adjusted EBITDA	500.6	191.5	1,487.8	603.9	

Net income attributable to shareholders

At the net income level, the main APM adjustments in Q3 2021 relate to a partial impairment of the PP&E of BioMCN (\$162 million), the impact of disputed reinvestment obligations in Algeria (\$22 million after minorities), partially offset by the recognition of a deferred tax asset related to previously unused tax losses at IFCo (\$97 million).

Reconciliation of reported net income to adjusted net income

\$ million	Q3 '21	Q3 '20	9M '21	9M '20	Adjustment in P&L
Reported net profit (loss) attributable to shareholders	30.8	(37.0)	275.7	(120.8)	
Adjustments for:					
Adjustments at EBITDA level	(20.8)	19.9	32.9	34.7	
Add back: Natgasoline EBITDA adjustment	(9.3)	(13.1)	(74.0)	(36.9)	
Result from associate (change in unrealized gas hedging Natgasoline and insurance)	(41.2)	(15.3)	(64.3)	(16.2)	<i>Finance expenses</i>
Accelerated depreciation	-	-	9.2	1.2	<i>Depreciation</i>
Impairment of PP&E	161.5	1.0	161.5	1.0	
Recognition of previously unused tax losses	(96.7)	-	(96.7)	-	
Forex (gain)/loss on USD exposure	7.6	(20.6)	3.2	(36.9)	<i>Finance income and expense</i>
Non-controlling interest adjustment / reinvestment case Sorfert	24.1	(1.1)	26.1	5.4	<i>Uncertain tax positions / minorities</i>
Tax effect of adjustments	0.1	(0.5)	(2.0)	(0.1)	<i>Income tax</i>
Total APM adjustments at net income level	25.3	(29.8)	(4.1)	(47.9)	
Adjusted net income / (loss) attributable to shareholders	56.1	(66.7)	271.6	(168.6)	

Free Cash Flow and Net Debt

Free cash flow before growth capex amounted to \$82 million during Q3 2021, compared to a negative \$16 million during the same period last year, reflecting our operational performance for the quarter. Operating cash flows were offset by net operating working capital outflows, capex, and \$237 million of dividends paid to non-controlling interests, mainly related to previous years for Algeria. We continue to benefit significantly from our recent refinancing activities with a reduction in recurring interest expense excluding debt restructuring costs of \$53 million in 9M 2021 versus the same period last year.

Total cash capital expenditures including growth capex were \$76 million in Q3 2021 compared to \$47 million in Q3 2020.

Net debt was \$3,046 million as of 30 September 2021, at the same level as of 30 June 2021. The trailing net debt / adjusted EBITDA was 1.7x as of 30 September 2021.

During Q3 2021, Fertigllobe obtained a \$1.4 billion financing arrangement, consisting of a \$1.1 billion bridge loan at LIBOR +105 bps with an 18-month maturity (extendable for another 12 months), and a \$300 million Revolving Credit Facility maturing in 2026 at an interest rate of LIBOR +175 bps. Subsequently, during the fourth quarter:

- The bridge loan was drawn in October 2021 and the proceeds were used to repay the current EFC and Fertigllobe outstanding loans and to partially fund a special dividend to OCI and ADNOC
- In October 2021, Fertigllobe paid dividends of \$1,165 million to its two shareholders (OCI 58% and ADNOC 42% at that time), of which \$676 million to OCI
- On 27 October 2021 ADNOC and OCI successfully listed 13.8% of their partnership Fertigllobe on the Abu Dhabi Securities Exchange (ADX), generating gross proceeds to OCI of c.\$461 million (before transaction costs). OCI continues to own a majority of Fertigllobe and fully consolidate the company, while ADNOC owns 36.2%.
- On 1 November 2021, OCI redeemed \$540 million 5.25% Senior Secured Notes and on 8 November 2021 €400 million 3.125% Senior Secured Notes, which will provide further benefits in recurring interest expense of more than \$40 million per annum in 2022 onwards.

OCI's pro forma net debt, adjusted for the resetting of the Fertigllobe capital structure, the IPO and dividend distributions described above as of 30 September was c.\$3.1 billion

Pro forma net debt as of 30 September 2021

\$ million	30 Sep '21	Recapitalization	Pro forma 30 Sep '21
Cash and bank balances	754	(52)	702
Loans and borrowings - current	404	(85)	319
Loans and borrowings - non-current	3,396	82	3,478
Total borrowings	3,800		3,797
Net debt (cash)	3,046		3,095

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

\$ million	Q3 '21	Q3 '20	9M '21	9M '20
EBITDA	521.4	171.6	1,454.9	569.2
Working capital	(98.7)	(92.0)	(61.7)	(85.7)
Maintenance capital expenditure	(64.6)	(46.5)	(150.0)	(189.0)
Tax paid	(29.6)	(5.5)	(66.4)	(12.9)
Interest paid	(10.1)	(18.3)	(119.8)	(173.2)
Lease payments	(12.4)	(8.9)	(34.3)	(33.0)
Dividends from equity accounted investees	-	-	2.6	2.6
Dividends paid to non-controlling interests ¹⁾	(237.4)	(26.4)	(271.1)	(26.4)
Other	13.3	9.7	51.0	13.9
Free Cash Flow	81.9	(16.3)	805.2	65.5
Reconciliation to change in net debt:				
Growth capital expenditure	(11.6)	(0.8)	(13.8)	(22.1)
Cash received for Fertiglabe closing settlement	-	-	-	166.8
Other non-operating items	(43.2)	(2.7)	(61.6)	(4.9)
Acquisition of 15% additional share EBIC	(43.0)	-	(43.0)	-
Net effect of movement in exchange rates on net debt	7.7	(53.6)	22.7	(42.2)
Debt redemption cost	(0.7)	-	(12.8)	-
Other non-cash items	(3.4)	(4.0)	(12.3)	(18.1)
Net Cash Flow / Decrease (Increase) in Net Debt	(12.3)	(77.4)	684.4	145.0

1) Dividends paid to non-controlling interests in Q3 2021 are mainly related to previous years for Algeria

Notes

This report contains unaudited third quarter consolidated financial highlights of OCI N.V. ('OCI', 'the Group' or 'the Company'), a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, 1071 DC Amsterdam, the Netherlands.

OCI N.V. is registered in the Dutch commercial register under No. 56821166 dated 2 January 2013. The Group is primarily involved in the production of nitrogen-based fertilizers and industrial chemicals.

Auditor

The financial highlights and the reported data in this report have not been audited by an external auditor.

Investor and Analyst Conference Call

On 8 November 2021 at 16:30 CET, OCI N.V. will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.oci.nl.

On 8 November 2021 at 14:30 CET, Fertiglobe will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.fertiglobe.com.

Market Abuse Regulation

This press release contains inside information as meant in clause 7(1) of the Market Abuse Regulation.

About OCI N.V.:

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

About Fertiglobe:

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertiglobe's production capacity comprises of 6.7 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertiglobe employs more than 2,600 employees and was formed as a strategic partnership between OCI N.V. ("OCI") and the Abu Dhabi National Oil Company ("ADNOC"). Fertiglobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertiglobe.com

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OCI stock symbols: OCI / OCI.NA / OCI.AS
Fertiglobe stock symbol: FERTIGLB

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