

OCI N.V. Reports Full Year 2022 Adjusted Net Profit of \$1.3 Billion

Highlights

Financial

- 2022 revenues increased 54% to \$9.7 billion, adjusted EBITDA was up 54% to \$3.9 billion, and adjusted net profit increased 84% to \$1.3 billion compared to 2021.
- Q4 2022 revenues were \$2.2 billion, at the same level as in Q4 2021, and adjusted EBITDA decreased 36% to \$669 million YoY, driven mainly by no sale of EUAs in Q4 2022, lower selling prices, major turnarounds, realized hedging losses and weather-related outages in the US. Adjusted net profit was \$205 million, compared to \$447 million in the same period last year.
- OCI was free cash flow neutral in Q4 2022 at \$(11) million after distributions to minority shareholders of \$427 million, and generated free cash flow of \$1.9 billion in 2022.
- Net debt declined by \$1.06 billion during 2022 to \$1.16 billion as of 31 December 2022, or consolidated net leverage of 0.3x, after capital returns to shareholders of \$1.1 billion during calendar year 2022.
- OCI has confirmed a semi-annual cash distribution with respect to H2 2022 of €3.50 per share, or c.\$785 million at current exchange rates, scheduled for payment in April 2023.

Outlook

- Nitrogen prices have declined recently, but 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.
- The outlook for our methanol business is positive, as China re-opens, lower natural gas prices boost industrial demand, and demand for marine fuels is set to accelerate.

Growth initiatives

- We are making good progress with our transformational sustainability projects, including:
 - **Gasification project at BioMCN:** 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.
 - OCI is applying to the EU Innovation Fund for this gasification project, and strengthened collaboration on decarbonization with the Dutch government through the Tailor-Made Agreement process for additional support.
 - **1 mtpa low-carbon ammonia project in the UAE:** Fertiglobe (a minority shareholder in this project) has signed the EPC contract with Technimont S.p.A. on behalf of the project.
 - Linde is to supply clean 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 early 2025.

Ahmed El-Hoshy, CEO of OCI N.V. commented:

“We are pleased with what the OCI team has achieved during 2022. We generated free cash flow of \$1.9 billion, enabling us to deleverage and distribute \$1.1 billion of cash to our shareholders in 2022, and a further \$785 million slated for April. 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.

During the fourth quarter and into 2023, nitrogen prices declined amid volatile natural gas markets, resulting in a delay in fertilizer purchases. This, combined with a heavy turnaround quarter across our platform, resulted in lower sales volumes compared to a year ago. Adjusted EBITDA in Q4 was also impacted by the absence of the sale of excess EUA's in Europe, realized natural gas hedging losses of \$43 million, principally in Europe, as well as a negative impact of around \$20 million in the US due to temporary shutdowns and logistical constraints caused by the winter freeze.

The US Nitrogen segment ended the year with a near record quarter but for the impact of the cold weather. It generated \$483 million of free cash flow and adjusted EBITDA of \$744 million in 2022, including \$215 million in Q4. The US Nitrogen business benefits from its position in the premium US Midwest market and a growing contribution from DEF, which reached a milestone of more than 1 million tons own-produced sales volumes on an annualized basis in Q4.

Looking forward, there is significant pent-up demand for nitrogen fertilizers ahead of the application season, and affordability is boosted by the recent nitrogen price declines. In the US alone, corn acreage is expected to rebound strongly, by more than 5% to 93 million acres. Moreover, industry consultants expect no new major greenfield urea supply to start up in 2023, and very few new additions until at least 2026.

After a year of range-bound methanol prices and major turnarounds in Q4 and into January, 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-fueled 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.

We look forward to a year with new exciting initiatives which aim to decarbonize our portfolio, leveraging our developmental experience and geographically advantaged assets.”

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:

- **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.
- 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.
- As a result, global demand is expected to be above trend levels at least until 2025 driven by:

- Expected increase in the US alone of 4 million corn acres to an estimated 93 million acres in 2023 compared to 2022, when the season was impacted by weather.
- Higher demand in 2023 from major importing countries with focus on food security.
- The recent decline in nitrogen pricing is supportive of improving affordability and demand.
- 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:

- 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.
- The ammonia market is also tight, with merchant demand expected to exceed supply from 2023 – 2026 compared to a net surplus in 2015 – 2019.
- 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.
- 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:

- 2023 - 2025 forward European gas prices are c.\$17/mmBtu (c.3x higher than 2015-2019).

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:
 - 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.
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.

ISCC Plus certification

OCI's nitrogen operations in the Netherlands have become the first producer of ISCC Plus certified low carbon fertilizer and melamine, another milestone in OCI's offering of sustainable solutions for its customers.

OCI is a leader in sustainable ammonia, fertilizer and methanol products with ISCC certification. OCI was the first ammonia producer in Europe to produce and sell ISCC Plus certified green¹ ammonia, and the first to receive ISCC EU and ISCC Plus certification for green methanol for sales into regulatory fuels markets. We also recently achieved ISCC Plus certifications at our operations in Egypt and Texas.

This allows us to help our customers find innovative ways to decarbonize value chains, and to be ready for growth in the fuel and energy markets.

Dividends

In January, OCI confirmed a semi-annual cash distribution with respect to H2 2022 of €3.50 per share, consisting of \$200 million base return of capital and approximately \$585 million variable element at current exchange rates. Combined with a €3.55 per share cash distribution in October 2022, the total cash return to shareholders with respect to FY 2022 will amount to €7.05 per share, approximately \$1.5 billion.

OCI is convening an extraordinary shareholders meeting (EGM) on 16 February 2023 to request shareholder approval for the H2 2022 distribution through a repayment of capital. The convening notice and other materials can be found on our website at www.oci.nl.

In the event of shareholder approval and no objections during the statutory two-month creditor opposition period, the ex-date, record date and payment date are expected to be 20 April, 21 April and 26 April 2023 respectively.

Separately, Fertiglobe (50% owned by OCI and fully consolidated) announced today H2 2022 dividends of \$700 million or the equivalent of AED 0.31 per share, in line with its previous guidance. The dividend will be presented to shareholders for approval at their Annual General Meeting (date to be announced) and is payable in April 2023. During calendar year 2022, Fertiglobe paid cash dividends of \$1.1 billion, of which 50% to OCI.

¹ Green ammonia and methanol are made from renewable feedstocks including biogas and hydrogen from renewable electricity.

Consolidated Financial Results at a Glance¹

Financial Highlights (\$ million unless otherwise stated)

\$ million unless otherwise stated	Q4 '22	Q4 '21	% Δ	2022	2021	% Δ
Revenue	2,197.2	2,198.9	0%	9,713.1	6,318.7	54%
Gross profit	443.5	811.3	(45%)	3,347.7	1,829.0	83%
Gross profit margin	20.2%	36.9%		34.5%	28.9%	
Adjusted EBITDA¹	669.2	1,038.7	(36%)	3,891.0	2,526.5	54%
EBITDA	494.8	999.5	(50%)	3,604.2	2,454.4	47%
<i>EBITDA margin</i>	22.5%	45.5%		37.1%	38.8%	
Adjusted net profit attributable to shareholders¹	204.6	447.4	(54%)	1,343.4	731.8	84%
Reported net profit attributable to shareholders	34.6	294.8	(88%)	1,237.4	570.5	117%
Earnings per share (\$)						
Basic earnings per share	0.164	1.405	(88%)	5.885	2.719	116%
Diluted earnings per share	0.160	1.397	(89%)	5.849	2.703	116%
Adjusted earnings per share	0.973	2.134	(54%)	6.389	3.487	83%
Capital expenditure	144.9	84.0	73%	394.1	247.8	59%
<i>Of which: Maintenance Capital Expenditure</i>	101.3	75.4	34%	263.5	225.4	17%
Free cash flow^{1,2}	(11.3)	788.7	(101%)	1,918.7	1,593.9	20%

¹ OCI presents certain financial measures when discussing OCI's performance, that are not measures of financial performance under IFRS. These non-IFRS measures of financial performance (also known as non-GAAP or alternative performance measures) are presented because management considers them important supplemental measures of OCI's performance and believes that similar measures are widely used in the industry in which OCI operates.

² Free cash flow is an APM that is calculated as cash from operations less maintenance capital expenditures less distributions to non-controlling interests plus dividends from equity accounted investees, and before growth capital expenditures and lease payments.

	31-Dec-22	31-Dec-21	% Δ
Total Assets	9,771.1	9,811.6	(0%)
Gross Interest-Bearing Debt	2,875.7	3,800.8	(24%)
Net Debt	1,158.7	2,220.5	(48%)

	Q4 '22	Q4 '21	% Δ	2022	2021	% Δ
Sales volumes ('000 metric tons)						
OCI Product Sold ¹	2,640.6	2,689.4	(2%)	10,885.7	11,440.1	(5%)
Third Party Traded	700.9	738.7	(5%)	3,596.0	2,953.6	22%
Total Product Volumes	3,341.5	3,428.1	(3%)	14,481.7	14,393.7	1%

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

¹ Unaudited

Transformational growth initiatives

Highlights

We have a number of initiatives to grow our volumes and returns through the cycle, both through new capacity expansions and strengthening our existing platform. All these investments are aligned with our sustainability goals that help decarbonize our carbon footprint and those of our customers.

Our guidance for total capex, including growth capex, remains unchanged for 2023.

- **Gasification project at BioMCN:** we are evaluating a gasification opportunity in the Netherlands to continue to shift our methanol business towards green fuels and feedstocks:
 - EU funding will be essential for the success of the project, such as the Innovation Fund we will apply for in March 2023.
 - We recently signed a non-binding expression of principles to strengthen collaboration with the Dutch government which has the potential to significantly accelerate our carbon footprint reduction until 2030.
 - With essential Dutch government support including regulation, infrastructure and financial, we believe we will be able to realize our potential future projects - especially the gasification project under development at our methanol facility in the Netherlands and the expansion of our ammonia terminal in Rotterdam - as we leverage our existing infrastructure and logistics to produce lower carbon products and ensure that the Netherlands can secure critical fertilizers, industrial feedstocks and energy competitively.
- **Green fuels:** we also continue to grow our fuels business:
 - Our HyFuels business, the leading producer of green methanol, continued to grow production in 2022 Y-o-Y as we increase market share in the European vehicle markets and gear up for the coming demand from bunker markets.
 - To further encourage demand development for clean fuels, we are partnering with Unibarge to retrofit the first-ever inland methanol powered bunker barge, which demonstrates that retrofits are affordable.
- **Egypt Green Hydrogen:** in November 2022 at COP27, we started commissioning of the first phase of this project, the first integrated green hydrogen plant in Africa:
 - We are evaluating engineering and technology choices for the full-scale 100 MW plant and aim to reach Final Investment Decision on the facility during 2023.
 - We recently achieved ISCC Plus certification for green ammonia.
 - We are considering various global government incentives to support the project to achieve final investment decision.
- **Low carbon ammonia project in Abu Dhabi:**
 - Fertiglobe made progress with the TAZIZ 1 mtpa low-carbon ammonia project in the UAE, in partnership with GS Energy Corporation and Mitsui & Co., Ltd., announcing the signing of the

Shareholders' Agreement in January 2023, and signing the EPC contract with Tecnimont S.p.A on behalf of the project. The project will be financed by a mix of debt and equity.

- **Texas Blue Ammonia:** in December 2022, we formally broke ground of a 1.1 mtpa blue ammonia facility in Texas with key infrastructure designed to double capacity to 2.2 mtpa in the future:
 - The project is well underway and on track for start of production in early 2025, and will be the first blue ammonia facility of this scale to come onstream in the United States.
 - Linde plc (NYSE: LIN), a leading global industrial gases and engineering company, will supply 100% of the facility's needs for clean hydrogen and nitrogen under a long-term agreement.
 - Linde's investment will be c.\$1.8 billion and OCI's total investment cost is expected to be below \$1 billion, including spending on upsized utilities and available land to allow for the doubling of capacity.
- **DEF expansion:** in line with our strategy to provide solutions to power a cleaner future, we continue to expand and strengthen this platform, a product that offers the only viable option for emission abatement for heavy vehicles in the foreseeable future:
 - N-7 LLC, our US nitrogen distribution JV, signed an exclusive agreement with Cornerstone Chemical for an offtake arrangement for DEF and urea liquor from their plant in Waggaman, LA, starting January 2023. N7's DEF footprint now spans 5 production facilities across the US, enhancing supply security for its customers.
 - In Q4 2022 and early 2023, OCI has marketed AdBlue® in Europe, imported from our Fertiglobe operations in Egypt, and we expect more shipments during 2023. We are on track to start production of AdBlue® in the Netherlands in Q1 2024.

For these purposes, we are also expanding our network by opening new offices in Singapore to support our East Asia efforts and in Italy to support a growing urea business and AdBlue® sales into Europe.

Operational Highlights

Highlights:

- 12-month rolling recordable incident rate to 31 December 2022 was 0.38 incidents per 200,000 manhours
- Own product sales volumes were 2.6 million metric tons during Q4 2022:
 - Total own-produced nitrogen product sales volumes were at the same level as in Q4 2021.
 - Total own-produced methanol sales volumes decreased 15% compared to Q4 2021.
- Temporary shutdowns due to the cold weather snap in North America at the end of December had an estimated impact of approximately \$20 million on adjusted EBITDA across our US operations.
- Lower natural gas prices resulted in net realized natural gas hedging losses of \$43 million in Q4 2022 in adjusted EBITDA, principally in Europe.

Product sales volumes ('000 metric tons)

'000 metric tons	Q4 '22	Q4 '21	% Δ	2022	2021	% Δ
Own Product						
Ammonia	571.2	443.0	29%	1,986.7	2,090.3	(5%)
Urea	957.0	995.6	(4%)	4,241.4	4,327.6	(2%)
Calcium Ammonium Nitrate (CAN)	213.9	279.0	(23%)	1,018.5	1,176.3	(13%)
Urea Ammonium Nitrate (UAN)	350.8	412.6	(15%)	1,383.0	1,354.8	2%
Total Fertilizer	2,092.9	2,130.2	(2%)	8,629.6	8,949.0	(4%)
Melamine	7.3	35.2	(79%)	83.8	131.9	(36%)
DEF	254.4	187.2	36%	917.2	612.0	50%
Total Nitrogen Products	2,354.6	2,352.6	0%	9,630.6	9,692.9	(1%)
Methanol¹	286.0	336.8	(15%)	1,255.1	1,747.2	(28%)
Total Own Product Sold	2,640.6	2,689.4	(2%)	10,885.7	11,440.1	(5%)
Traded third Party						
Ammonia	76.7	69.2	11%	358.5	255.5	40%
Urea	223.3	252.8	(12%)	1,541.7	1,295.2	19%
UAN	121.2	16.9	617%	329.7	48.5	580%
Methanol	99.0	209.0	(53%)	381.3	524.4	(27%)
Ethanol & other	9.7	-	nm	23.3	-	nm
AS	80.9	124.6	(35%)	542.2	467.8	16%
DEF	90.1	66.2	36%	419.3	362.2	16%
Total Traded Third Party	700.9	738.7	(5%)	3,596.0	2,953.6	22%
Total Own Product and Traded Third Party	3,341.5	3,428.1	(3%)	14,481.7	14,393.7	1%

¹ Including OCI's 50% share of Natgasoline volumes

Benchmark prices¹

			Q4 '22	Q4 '21	% Δ	2022	2021	% Δ	Q3'22	% Δ
Ammonia	NW Europe, FOB	\$/mt	1,109	941	18%	1,221	623	96%	1,199	(8%)
Ammonia	US Gulf Tampa contract	\$/mt	1,116	862	29%	1,161	595	95%	1,089	2%
Granular Urea	Egypt, FOB	\$/mt	616	895	(31%)	756	529	43%	775	(21%)
CAN	Germany, CIF	€/mt	687	590	16%	717	338	112%	762	(10%)
UAN	France, FCA	€/mt	649	602	8%	669	340	97%	639	2%
UAN	US Midwest, FOB	\$/mt	617	653	(6%)	631	413	53%	540	14%
Melamine	Europe contract	€/mt	3,315	3,190	4%	3,940	2,279	73%	4,715	(30%)
Methanol	USGC Contract, FOB	\$/mt	581	645	(10%)	606	557	9%	594	(2%)
Methanol	Rotterdam FOB Contract	€/mt	505	485	4%	518	426	22%	520	(3%)
Natural gas	TTF (Europe)	\$/mmBtu	28.4	31.2	(9%)	41.9	15.8	165%	61.0	(53%)
Natural gas	Henry Hub (US)	\$/mmBtu	6.1	4.8	27%	6.8	3.7	84%	7.9	(23%)

¹ Source: CRU, MMSA, ICIS, Bloomberg

Operational Performance

Nitrogen Segments Performance

Total own-produced nitrogen volumes were flat during the fourth quarter of 2022 compared to the same period last year.

The adjusted EBITDA for the nitrogen business decreased 31% from \$877 million in Q4 2021 to \$601 million in Q4 2022, mainly as a result of lower volumes and carried-forward expensive inventory in Europe, negative realized gas hedging results, lower EUA sales in Q4 2022 compared to Q4 2021 (impact of c.\$37 million for the nitrogen segments), and lower urea selling prices.

Nitrogen US segment

- Our nitrogen segment in the United States, which includes IFCo and our N-7 JV, was a significant contributor to the Group's performance.
- Revenues, including third-party sales of our N-7 joint venture with Dakota Gasification Company, increased 54% in Q4 2022 to \$543 million compared to Q4 2021, mainly due to:
 - Own-produced and traded volumes increased by 18%, driven by a 36% increase in DEF volumes, as we successfully expanded our contract volumes during 2022; and
 - Ammonia selling prices were higher YoY.
- The adjusted EBITDA of the Nitrogen US segment increased from \$169 million in Q4 2021 to \$215 million in Q4 2022, despite a negative impact from natural gas prices and the winter freeze in North America at the end of December 2022 which caused a temporary shutdown of our facilities in the US and affected logistics.

- For the full year, the segment's revenues, which includes both own-produced and third-party volumes, increased from \$828 million in 2021 to \$1,937 million in 2022, and adjusted EBITDA from \$344 million to \$744 million, or adjusted EBITDA margins of 41.6% in 2021 and 38.4% in 2022. Excluding trading results of the N-7 joint venture, the underlying adjusted EBITDA margin was 63.2% in 2021 and 67.7% in 2022.
- The Nitrogen US segment also generated \$483 million of free cash flow during the year.
- IFCo, together with our North American marketing JV N-7, benefits from proximity to the largest agricultural end market in the world; excellent logistics via rail, truck and truck to barge in season and strong storage out of season for ammonia and UAN; premium US Midwest pricing; and one of the lowest cost positions globally.

Nitrogen Europe segment

- The Nitrogen Europe segment reported a loss at the adjusted EBITDA level of \$90 million in Q4 2022, compared to a positive \$72 million in Q4 2021. The main reasons for the negative result are:
 - \$49 million realized hedging loss as a result of the volatile natural gas price environment in September - October 2022.
 - Relatively low sales volumes: own-produced sales volumes in the segment declined by 30% in Q4 2022 compared to the same quarter last year, partly as a result of turnarounds, but also due to a delay in demand during the quarter.
 - The impact of a revaluation of stock from Q3 2022 sold at lower Q4 2022 prices.
- For the full year overall, the segment performed well in a difficult market environment with volatile and high natural gas input costs, as the business benefited from OCI's flexible business model enabling us to maintain downstream production. Despite the negative result in Q4 2022, full year adjusted EBITDA increased 22% to \$253 million from \$208 million in 2021.

Fertiglobe

- Fertiglobe's total own-produced sales volumes were up 3% during the fourth quarter of 2022 compared to the same period last year to 1,272kt, driven by:
 - 34% increase in ammonia own-produced sales volumes to 325kt from 243kt in Q4 2021;
 - Partially offset by a 4% decrease in urea own-produced sales volumes to 947kt YoY compared to 991kt in Q4 2021.
- Fertiglobe's Q4 2022 performance was impacted by lower urea selling prices compared to both Q4 2021 and Q3 2022, largely as a result of a drop in European gas prices combined with a delay in demand during the seasonally slow winter months.
- The lower urea selling prices during the quarter resulted in an 11% YoY decrease in revenues to \$1,054 million in Q4 2022.
- This translated into a 27% decline in adjusted EBITDA to \$472 million in Q4 2022 from \$648 million in Q4 2021. As a result, Fertiglobe's adjusted EBITDA margin dropped to 44.8% in Q4 2022 from 54.7% in Q4 2021.
- In 2022, Fertiglobe's total own-produced sales volumes were down 3% to 5,431kt versus 2021, driven by:

- 5% decrease in ammonia own-produced sales volumes to 1,227kt versus 2021; and
- 2% decrease in urea own-produced sales volumes to 4,204kt versus 2021.
- Fertiglobe has a significant competitive advantage through favorable gas supply agreements, including fixed prices in Abu Dhabi and profit-sharing mechanisms in North Africa. Fertiglobe's average gas price in 2022 amounted to \$4.7/mmBtu.
- For more detail on Fertiglobe results, please also see www.fertiglobe.com

Methanol Segments Performance

Total own-produced methanol sales volumes decreased by 15% in Q4 2022 compared to the same period last year.

The adjusted EBITDA of the methanol business was 68% lower in Q4 2022 compared to Q4 2021 mainly due to lower EUA sales in Q4 2022 compared to Q4 2021 (impact of c.\$91 million for the Methanol Europe segment), lower volumes as a result of a shutdown at OCI Beaumont, a negative impact from the winter freeze in North America at the end of 2022, and lower realized natural gas hedge gains, partially offset by higher realized selling prices Y-o-Y.

- OCI Beaumont was shut down for part of the quarter for a turnaround, which resulted in lower volumes YoY, partially offset by higher volumes at Natgasoline.
- Furthermore, our methanol facility in the Netherlands was temporarily shut down in June 2021 and remains shut down due to the high gas price environment, resulting in 412kt lower own produced sales volumes Y-o-Y in 2022 compared to 2021 in the Methanol Europe segment.
- The HyFuels business, the world's largest producer of green methanol, and a leader in bio-methanol transportation fuels applications, continues to contribute positively to the results in the Methanol Europe segment, more than offsetting costs related to the shutdown in Europe. During 2022, the fuels business contributed \$84 million to adjusted EBITDA compared to \$57 million in 2021.

Segment overview Q4 2022

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	543.4	494.0	1,053.5	(93.7)	1,997.2	193.8	99.1	(10.9)	282.0	-	(82.0)	2,197.2
Gross profit	172.3	(101.1)	432.6	4.1	507.9	(116.3)	11.5	34.5	(70.3)	1.6	4.3	443.5
Operating profit	145.9	(110.7)	371.4	4.1	410.7	(127.2)	8.6	34.0	(84.6)	(1.7)	4.3	328.7
D,A&I	(35.1)	(20.4)	(81.4)	-	(136.9)	(42.2)	(5.2)	19.7	(27.7)	(1.5)	-	(166.1)
EBITDA	181.0	(90.3)	452.8	4.1	547.6	(85.0)	13.8	14.3	(56.9)	(0.2)	4.3	494.8
Adjusted EBITDA	215.4	(90.2)	472.1	4.1	601.4	50.0	13.7	(0.9)	62.8	0.7	4.3	669.2

Segment overview Q4 2021¹

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	353.8	473.1	1,184.0	(117.5)	1,893.4	227.0	145.8	(8.0)	364.7	-	(59.3)	2,198.9
Gross profit	137.2	56.5	626.2	(11.3)	808.6	16.0	(24.8)	29.2	20.4	0.1	(17.8)	811.3
Operating profit	130.3	46.7	596.3	(11.2)	762.0	(2.9)	(28.8)	41.8	10.1	(19.6)	(17.8)	734.7
D,A&I	(38.2)	(22.0)	(64.9)	(0.1)	(125.2)	(31.3)	(120.1)	12.9	(138.6)	(1.1)	-	(264.8)
EBITDA	168.5	68.7	661.2	(11.2)	887.2	28.4	91.3	28.9	148.7	(18.5)	(17.8)	999.5
Adjusted EBITDA	168.5	72.4	647.6	(11.3)	877.2	101.0	100.9	(2.6)	199.3	(19.9)	(17.8)	1,038.7

Segment overview 2022

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	1,936.5	2,382.8	5,027.5	(578.0)	8,768.8	908.9	498.9	(137.1)	1,270.7	-	(326.4)	9,713.1
Gross profit	576.6	195.7	2,352.1	2.2	3,126.6	166.6	100.5	(49.0)	218.1	(10.1)	13.1	3,347.7
Operating profit	554.1	163.1	2,185.4	3.0	2,905.6	129.0	89.9	(46.5)	172.4	(86.8)	13.1	3,004.3
D,A&I	(155.6)	(76.0)	(266.3)	-	(497.9)	(155.2)	(18.4)	77.0	(96.6)	(5.4)	-	(599.9)
EBITDA	709.7	239.1	2,451.7	3.0	3,403.5	284.2	108.3	(123.5)	269.0	(81.4)	13.1	3,604.2
Adjusted EBITDA	744.3	252.6	2,473.0	3.0	3,472.9	372.1	109.1	(0.3)	480.9	(75.9)	13.1	3,891.0

Segment overview 2021¹

\$ million	Nitrogen				Total Nitrogen	Methanol			Total Methanol	Other	Elim.	Total
	US	Europe	Fertiglobe	Elim.		US	Europe	Elim.				
Total revenues	827.8	1,256.8	3,310.7	(198.3)	5,197.0	789.2	531.3	(41.7)	1,278.8	-	(157.1)	6,318.7
Gross profit	212.0	154.5	1,406.9	(8.7)	1,764.7	290.7	(144.3)	(49.1)	97.3	(10.3)	(22.7)	1,829.0
Operating profit	191.8	117.3	1,304.5	(8.6)	1,605.0	242.1	(155.3)	(27.2)	59.6	(79.1)	(22.7)	1,562.8
D,A&I	(152.4)	(92.1)	(267.1)	-	(511.6)	(151.0)	(303.8)	78.8	(376.0)	(4.0)	-	(891.6)
EBITDA	344.2	209.4	1,571.6	(8.6)	2,116.6	393.1	148.5	(106.0)	435.6	(75.1)	(22.7)	2,454.4
Adjusted EBITDA	344.2	207.7	1,550.5	(8.6)	2,093.8	370.9	151.4	0.6	522.9	(67.5)	(22.7)	2,526.5

¹ As per Q4 2021 we have represented our segments Fertiglobe and Methanol for the year, and have included all non-production and holding entities, which were previously presented in the segment other. This change is also reflected in the comparative numbers per Q4 2021.

Financial Highlights

Summary results

Consolidated revenue was \$2,197 million in the fourth quarter of 2022, approximately at the same level as during the fourth quarter in 2021.

Adjusted EBITDA decreased by 36% to \$669 million in Q4 2022 compared to \$1,039 million in Q4 2021, driven mainly by lower volumes and selling prices, major turnarounds, realized hedging losses and weather-related outages in the US, only partially offset by lower gas prices at Fertigllobe in Q4 2022 compared to Q4 2021. In addition, EUA sales in Q4 2022 were substantially lower than in Q4 2021, resulting in an impact of \$110 million.

Reported net profit attributable to shareholders was \$35 million in Q4 2022 compared to \$295 million in Q4 2021. The adjusted net profit attributable to shareholders was \$205 million in Q4 2022 compared to \$447 million in Q4 2021.

Consolidated statement of income¹

\$ million	Q4 '22	Q4 '21	2022	2021
Net revenue	2,197.2	2,198.9	9,713.1	6,318.7
Cost of sales	(1,753.7)	(1,387.6)	(6,365.4)	(4,489.7)
Gross profit	443.5	811.3	3,347.7	1,829.0
SG&A	(113.9)	(75.8)	(372.5)	(266.4)
Other income	(0.4)	0.3	29.6	1.4
Other expense	(0.5)	(1.1)	(0.5)	(1.2)
Adjusted EBITDA	669.2	1,038.7	3,891.0	2,526.5
EBITDA	494.8	999.5	3,604.2	2,454.4
Depreciation, amortization and impairment	(166.1)	(264.8)	(599.9)	(891.6)
Operating profit	328.7	734.7	3,004.3	1,562.8
Interest income	8.6	0.7	38.2	4.3
Interest expense	(44.9)	(96.0)	(251.3)	(281.0)
Other finance income / (cost)	(5.9)	2.8	27.1	2.5
Net finance costs	(42.2)	(92.5)	(186.0)	(274.2)
Income from equity-accounted investees	(45.0)	(42.9)	21.8	7.3
Net profit before tax	241.5	599.3	2,840.1	1,295.9
Income tax expense	4.4	(40.7)	(413.8)	(137.1)
Net profit	245.9	558.6	2,426.3	1,158.8
Non-controlling interests	(211.3)	(263.8)	(1,188.9)	(588.3)
Net profit attributable to shareholders	34.6	294.8	1,237.4	570.5
Adjusted net profit attributable to shareholders	204.6	447.4	1,343.4	731.8

¹ Unaudited

Reconciliation to Alternative Performance Measures

Adjusted EBITDA

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of underlying performance of OCI's operations. The main APM adjustments in the fourth quarters of 2022 and 2021 relate to:

- Natgasoline is not consolidated and an adjustment of c.\$21 million was made for OCI's 50% share in the plant's EBITDA in Q4 2022. Natgasoline's contribution to adjusted EBITDA in Q4 2021 was c.\$21 million.
- OCI does not apply hedge accounting on commodity hedges, therefore unrealized mark-to-market gains and losses are recognized in the P&L statement, except for certain physical purchase contracts. Unrealized mark-to-market gains or losses are excluded from adjusted EBITDA and adjusted net profit.
- An adjustment of \$135 million was made in Q4 2022 for unrealized mark-to-market losses on natural gas hedge derivatives relating to OCI Beaumont, IFCo and the Netherlands.
- Unrealized result on EUA derivatives amounted to a gain of \$17 million in Q4 2022 versus a loss of \$10 million in Q4 2021.

Reconciliation of reported operating profit to adjusted EBITDA

\$ million	Q4 '22	Q4 '21	2022	2021	Comment
Operating profit as reported	328.7	734.7	3,004.3	1,562.8	
Depreciation, amortization and impairment	166.1	264.8	599.9	891.6	
EBITDA	494.8	999.5	3,604.2	2,454.4	
APM adjustments for:					
Natgasoline	21.1	20.5	122.0	94.5	OCI's share of Natgasoline EBITDA
Unrealized result natural gas hedging	134.5	20.5	115.0	(10.0)	(Gain) / loss at OCIB, IFCo and the Netherlands
Unrealized result EUA derivatives	(16.8)	10.4	2.8	(1.7)	(Gain) / loss at OCIN and OCI NV
Provisions & other	35.6	(12.2)	47.0	(10.7)	
Total APM adjustments at EBITDA level	174.4	39.2	286.8	72.1	
Adjusted EBITDA	669.2	1,038.7	3,891.0	2,526.5	

Adjusted net profit attributable to shareholders

At the net profit level, the main APM adjustments in Q4 2022 relate to unrealized mark-to-market losses on natural gas hedge derivatives at Natgasoline, foreign exchange translation gains, and expenses related to refinancing activities.

Reconciliation of reported net profit to adjusted net profit

\$ million	Q4 '22	Q4 '21	2022	2021	Adjustment in P&L
Reported net profit attributable to shareholders	34.6	294.8	1,237.4	570.5	
Adjustments for:					
Adjustments at EBITDA level	174.4	39.2	286.8	72.1	
Add back: Natgasoline EBITDA adjustment	(21.1)	(20.5)	(122.0)	(94.5)	
Result from associate (unrealized gas hedging)	39.9	52.1	2.3	(12.2)	<i>(Gain) / loss at Natgasoline</i>
Forex (gain) / loss on USD exposure	55.9	(1.8)	(39.3)	1.4	<i>Finance income / expense</i>
Expenses related to refinancing	2.4	48.9	68.5	61.7	<i>Finance expense</i>
NCI adjustment	(52.6)	8.0	(59.5)	34.1	<i>Minorities</i>
Recognition of previously unused tax losses IFCo	-	(100.5)	-	(197.2)	<i>Income tax</i>
Accelerated depreciation and impairments of PP&E	13.6	130.0	26.5	300.7	<i>Depreciation & impairment</i>
Other adjustments	-	-	(26.9)	-	<i>Finance income / expense</i>
Tax effect of adjustments	(42.5)	(2.8)	(30.4)	(4.8)	<i>Income tax</i>
Total APM adjustments at net profit level	170.0	152.6	106.0	161.3	
Adjusted net profit attributable to shareholders	204.6	447.4	1,343.4	731.8	

Free Cash Flow and Net Debt

Free cash flow before growth capex and dividends to shareholders amounted to an outflow of \$11 million during Q4 2022, bringing the total for 2022 YTD to \$1,919 million. The free cash flow reflects our operational performance for the quarter, offset by outflows for maintenance capex, tax, interest, and dividends to non-controlling interests (NCI).

The dividends to non-controlling interests of \$427 million include payments to the minority shareholders at EBIC in Egypt and in the Methanol Group, as well as the 50% share in Fertiglobe not owned by OCI (36.2% ADNOC and 13.8% free float on the ADX). In October 2022, Fertiglobe paid a dividend of \$750 million of which \$375 million to OCI.

Capital expenditures:

- Total cash capital expenditures including growth were \$145 million in Q4 2022 compared to \$84 million in Q4 2021.
- Capital expenditures for growth projects amounted to \$44 million during the quarter, including capex for our blue ammonia project in Texas.
- During the full year 2022, total capital expenditures were \$394 million, of which \$264 million for maintenance and \$131 million for growth projects.

Debt redemption costs of \$69 million in 2022 are largely related to the refinancing of outstanding debt at Iowa Fertilizer Company in April 2022.



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The resulting net debt was \$1,159 million as of 31 December 2022 versus \$2,221 million as of 31 December 2021, a decrease of \$1,062 million during 2022.

The trailing net debt / LTM adjusted EBITDA was 0.3x as of 31 December 2022 compared to 0.9x as of 31 December 2021. Proportionate leverage as of 31 December 2022, based on OCI's ownership and including OCI's share of Natgasoline net debt, was 0.9x as of 31 December 2022 versus 1.5x as of 31 December 2021.

Refinancing of Fertiglobe's debt in December 2022

In December 2022, Fertiglobe refinanced its outstanding \$900 million bridge loan facility with new 3-year (\$300 million) and 5-year (\$600 million) term facilities and also upsized and extended its \$300 million revolving credit facility, maturing 2026, to \$600 million maturing in 2027. These transactions extend Fertiglobe's weighted average debt maturity from 1.3 years to 4.3 years and provides ample backstop liquidity.

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

\$ million	Q4 '22	Q4 '21	2022	2021
EBITDA	494.8	999.5	3,604.2	2,454.4
Working capital	47.4	163.5	(199.3)	101.8
Maintenance capital expenditure	(101.3)	(75.4)	(263.5)	(225.4)
Tax paid	(48.3)	(64.8)	(226.8)	(131.2)
Interest paid	(57.2)	(85.1)	(150.7)	(204.9)
Lease payments	(11.4)	(13.0)	(47.4)	(47.3)
Dividends from equity accounted investees	-	-	1.8	2.6
Dividends paid to non-controlling interest and withholding tax	(427.3)	(171.6)	(1,127.4)	(442.7)
Other	92.0	35.6	327.8	86.6
Free Cash Flow	(11.3)	788.7	1,918.7	1,593.9
Reconciliation to change in net debt:				
Growth capital expenditure	(43.6)	(8.6)	(130.6)	(22.4)
Methanol Group 15% sale (net)	-	-	373.7	-
Other non-operating items	1.1	28.1	18.1	(76.5)
Net effect of movement in exchange rates on net debt	(9.6)	(19.6)	43.2	3.1
Debt redemption cost	(2.4)	(48.9)	(68.5)	(61.7)
Other non-cash items	(1.4)	(4.2)	(9.4)	(16.5)
OCI dividend paid to shareholders and withholding tax	(760.8)	-	(1,083.4)	-
Special dividend Fertiglobe paid to non-controlling interests	-	(357.0)	-	(357.0)
IPO proceeds (net)	-	447.0	-	447.0
Net Cash Flow (Increase) / Decrease in Net Debt	(828.0)	825.5	1,061.8	1,509.9

Notes

This report contains unaudited fourth 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 14 February 2023 at 15:30 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 14 February 2023 at 13:30 CET, Fertigllobe will host a conference call for investors and analysts. Investors can find the details of the call on the Company's website at www.fertigllobe.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 hydrogen products providing low carbon fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world. OCI's production capacity spans four continents and comprises approximately 16.3 million metric tons per year of hydrogen products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 3,850 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam. Learn more about OCI at www.oci.nl. You can also follow OCI on [Twitter](#) and [LinkedIn](#)

About Fertigllobe:

Fertigllobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertigllobe'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), Fertigllobe 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"). Fertigllobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertigllobe.com.



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

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