

OCI Global Reports Q1 2024 Results

Financial Highlights

- **OCI Global (Euronext: OCI)** reported total Q1 2024 revenues of \$1,224 million, a decrease of 11% YoY, and total Q1 2024 adjusted EBITDA of \$297 million, a decrease of 12% YoY. The declines against the comparative period were primarily driven by lower nitrogen pricing globally following high product pricing in early 2023. The impact of lower pricing was partially offset by improved operational performance in Q1 2024 compared to Q1 2023.
- Total adjusted EBITDA in the quarter includes \$47 million in realized losses from natural gas hedges.
- Adjusted net profit from total operations in Q1 2024 was \$36 million, versus adjusted net loss of \$15 million in Q1 2023.
- Total operating free cash flow was \$73 million in Q1 2024. Net debt from total operations was \$3,795 million on 31 March 2024, with a total net leverage on trailing 12-month adjusted EBITDA of 3.2x on a consolidated basis.
- Q1 2024 adjusted EBITDA from continuing operations of \$24 million compares to a \$54 million loss in Q1 2023. Continuing operations benefited from a marked improvement in own-produced sales volumes across the European Nitrogen and Methanol segments, reduced realized hedge losses and improved margin given lower gas prices compared to last year.

Business Highlights

- In March 2024, OCI commenced production of AdBlue® (or diesel exhaust fluid, “DEF”) in Europe, a solution used in diesel engines to reduce harmful emissions. OCI Nitrogen’s current 300,000 tonnes per annum AdBlue® capacity has meaningful potential for expansion and will serve a growing European market for diesel exhaust fluid driven by regulation. The introduction of AdBlue® further leverages OCI’s existing nitrogen platform towards increased diversification and higher value products.
- Results in the first quarter reflect positive momentum in OCI’s manufacturing excellence program with achieved efficiency gains reflecting continued investment in OCI’s productive assets; this remains a key area of management focus.

Strategic Review

- In December 2023, OCI announced the divestments of its 50% equity holding in Fertiglobe Plc (“Fertiglobe”) and 100% of its equity interests in Iowa Fertilizer Company LLC (“IFCo”) to Abu Dhabi National Oil Company P.J.S.C. (“ADNOC”) and to Koch Ag & Energy Solutions (“KAES”) respectively. This followed a multi-faceted global strategic review, with the objective of closing OCI’s HoldCo discount and crystallizing value for shareholders. Both transactions are expected to close during 2024, subject to legal and regulatory conditions and relevant anti-trust approvals.
- As previously guided, OCI intends to use the \$6.2 billion of net cash proceeds to significantly deleverage the company, and to fully fund the remaining capital expenditure required to complete Texas Blue Clean Ammonia. OCI also plans to deliver a substantial extraordinary return of capital to shareholders of at least \$3 billion with the close of both transactions.
- OCI held an extraordinary shareholders meeting (“EGM”) on 25 April 2024 and received unanimous shareholder approval for: (i) the divestment of OCI’s entire equity stake in the share capital of Fertiglobe to ADNOC; and (ii) the payment of an extraordinary interim cash distribution of EUR 4.50 per share (equivalent to ~\$1 billion) subject to the completion of the divestment of Fertiglobe, through a repayment of capital or, at the election of the shareholder, as a cash dividend. A further extraordinary cash distribution is expected during 2024, subject to the completion of the divestment of IFCo. As a result of these strategic events and the upcoming extraordinary distributions of cash to shareholders, OCI has suspended the payment of regular dividends during the transition period. For context, OCI has distributed over \$2 billion in cash since commencing its dividend distributions in FY 2021.
- Following significant inbound interest in the continuing business, OCI continues to assess various options and opportunities to maximize value for all stakeholders. OCI expects to update the market on its strategic review at the time of the Q2 2024 results announcement.

Ahmed El-Hoshy, CEO of OCI Global commented:

“We are pleased with OCI’s resilient performance in the first quarter of 2024 and the continued progress towards efficiency gains alongside execution of our global decarbonization strategy. Further to the announced divestitures in December 2023 of our equity stakes in Fertiglabe and IFCo, we remain focused on successfully running our continuing business and growing our leadership position in low-carbon offerings across our key markets.

Following extremely challenging market conditions in 2023 conflated with prolonged turnarounds at some of OCI’s assets, OCI benefited in the first quarter of 2024 from improved asset reliability. Efficiency improvements helped offset disruption from unplanned outages in our methanol business in January on account of freezing weather conditions, and more cautious purchasing activity in north-western Europe due to inclement weather later in the quarter. Notwithstanding these issues, OCI’s manufacturing excellence program and investments to improve reliability continue to drive efficiency gains, with asset utilization rates approaching - and in some cases - surpassing historical levels across both the nitrogen and methanol complex by the end of the quarter. The improvement is further evident in the 25% year-on-year increase in own-produced sales from total operations during the quarter, or an 80% year-on-year improvement on a continuing basis.

On a continuing basis, our differentiated and well capitalized platform is optimally positioned to accelerate efforts in the energy transition space. In the US, this portfolio includes OCI’s Texas Blue Clean Ammonia facility, which remains on track for production in H1 2025, alongside our first-quartile methanol complex also located in Beaumont Texas. In Europe, this portfolio includes our leading integrated nitrates platform strategically located in Europe’s nitrogen heartland and our proprietary import and distribution capacity at the Port of Rotterdam. With recent expansions into AdBlue® and the CAN+S markets, we have enriched and diversified our European capacity set through increased exposure to attractive non-agricultural, non-cyclical and premium fertilizer markets and we remain on track to increase the volume of lower carbon products that we supply to our distribution customers in Europe, where we continue to replace conventional products with more sustainable ones.

In closing, I wish to extend my thanks to the entire OCI team for their relentless focus on process safety and operational excellence, which remains our top priority, and my colleagues’ ongoing commitment to manufacturing excellence.”

Continuing Operations Financial, Operational and Strategic Highlights

Further to the announcement of the expected divestitures of OCI's equity holdings in Fertigllobe, IFCo and a portion of N-7, these segments are now classified as discontinued operations. Reported FY 2024 and comparative FY 2023 financial results reflect the performance of continuing businesses and discontinued businesses separately. The continuing operations include the group's holding costs, net finance costs and other costs on an unadjusted basis.

Methanol

- In the first quarter, total own produced sales volumes from OCI's methanol assets increased 59% YoY to 352 thousand tonnes. Production for the quarter was negatively impacted due to winter freeze related shutdowns in January 2024, albeit not to the same extent as in Q1 2023, when a similar freeze caused significant disruption to operations. As part of OCI's manufacturing excellence program, OCI is weatherizing its plants for greater future resilience and expects any future impact to be substantially mitigated. Notwithstanding the winter related disruption, both OCI Beaumont's ammonia and methanol lines were fully operational in the latter half of the quarter, achieving 94%+ asset utilization rates in March.
- The methanol business generated an adjusted EBITDA of \$30 million in Q1 2024, compared to \$24 million in Q1 2023. Excluding realized gas hedge losses adjusted EBITDA was \$55 million in Q1 2024, compared to \$62 million in Q1 2023. Of note, Q1 2023 EBITDA benefited from a one-off \$33 million realized gain from the sale of unused European allowances (EUA's) on account of the shutdown of OCI's European facility, BioMCN, which did not repeat in Q1 2024. Excluding this, the underlying improvement YoY reflects stronger operational performance partially offset by lower ammonia prices.
- The Methanol business includes the production and sale of conventional methanol, biomethanol, ammonia (produced at OCI Beaumont) as well as results from trading activities.

European Nitrogen

- European Nitrogen reported Q1 2024 revenues of \$257 million, compared to \$281 million in Q1 2023. The segment reported adjusted EBITDA of \$17 million compared to a loss of \$60 million in Q1 2023. Lower nitrogen prices were partially offset by higher volumes YoY with the prior year comparative negatively impacted by a turnaround at one of the plant's ammonia lines. Adjusted EBITDA in Q1 2024 further benefited from lower gas prices as well as lower realized gas hedge losses. Excluding realized gas hedge losses, adjusted EBITDA was \$22 million in Q1 2024, compared to a \$43 million loss in Q1 2023. Realized gas hedge losses were \$5m in Q1 2024 compared to \$17 million in Q1 2023.
- OCI commenced production of AdBlue® in March 2024, a solution used in diesel engines to reduce harmful emissions of nitrogen oxides and particulates, in Geleen, Netherlands. OCI's facility has the capacity to produce up to 300,000 tonnes a year of AdBlue®, with capability to expand production in line with market demand. OCI's AdBlue® production will serve the growing north-western European automotive market, where the reduction of harmful emissions is an increasing regulatory focus and key driver of demand. The introduction of the 'Euro 6 Standard', which limits emissions to 80mg/km of NOX gases for diesel vehicles is expected to boost the AdBlue® market by 8% by 2028.

- In April, OCI announced the long-term supply of 60% guaranteed lower carbon footprint ammonia to produce COMPO EXPERT's ("COMPO") lower carbon NPK fertilizers. COMPO will initially replace 25% of its ammonia consumption with OCI's lower carbon product in 2024 and has plans to further increase the ratio of OCI supplied lower carbon ammonia over the next two years. The ammonia will be supplied from OCI's facilities in Texas via OCI's proprietary import terminal in Rotterdam.

Texas Blue Clean Ammonia

- OCI's 1.1 million tonne Texas Blue Clean Ammonia project will be the world's first large-scale greenfield blue ammonia production facility. Construction is well underway with \$561 million spent as of 31 March 2024. All major contracts with key project partners have been signed, engineering is largely complete and all long lead equipment procured, affording OCI significant visibility over project completion. First ammonia production is expected in H1 2025, at least two years ahead of other announced greenfield large-scale low-carbon projects.
- Texas Blue benefits from early mover advantages including superior construction terms - pre-emptively secured ahead of a tightening construction market - the economic benefits of US IRA incentives, and the reliability and quality assurance provided by best-in-class partnerships, proven technology, and feedstock redundancy. An early start has insulated OCI from escalating costs in the industry, which has led to the cancellation or postponement of several other announced projects.
- Texas Blue Clean Ammonia is well positioned for the advent of Europe's Carbon Border Adjustment Mechanism (CBAM) in 2026. The blue ammonia at OCI's facility when produced with renewable electricity, offers a CO₂ footprint almost identical to that of green ammonia on a scope one and two basis – the level of measurement for CBAM. As a result, the economic benefit of blue and green to the European market based on CBAM is equal.
- OCI's Texas Blue design incorporates space for a second identical line in the original plot, with utilities and supporting infrastructure oversized to facilitate a future expansion. This creates optionality to capitalize upon accelerating demand for low-carbon ammonia, expected to reach 24 million tonnes by 2030 and ~45 million tonnes by 2035, driven by regulatory changes, decarbonization of existing demand and growth in new applications. The reduced project scope for a second line implies a faster schedule, minimal interruptions to the first, and lower costs compared to similar new build greenfield projects today. Permitting is already underway for a second line.

Market Outlook**Methanol**

- US Methanol prices increased through the quarter to reach similar average levels to Q1 2023, reflecting supply disruption from turnarounds and shutdowns at competitor facilities. US benchmark contract prices rose 7% from January to settle at \$634/t in April, whilst US Gulf Coast spot prices increased by 10% through the quarter. Although prices have softened into Q2 as Q1 supply disruptions have largely reversed, we continue to see multiple positive drivers supporting methanol markets in the medium-to-longer term:
 - Methanol-to-olefin (MTO) production costs today are ~10% below naphtha-based olefins production, incentivizing strong operating rates and reaching levels above the last 3-year average of ~73%; this is further supporting methanol demand.
 - The start-up of new acetic acid and methyl methacrylate units in the US in 2024 is expected to increase methanol demand by almost one million tonnes in one of OCI's major sales markets.
 - Methanol demand is also seeing uplift from higher oil prices, supporting methanol affordability into MTO and energy applications such as gasoline blending. Methanol is a key beneficiary from a rebound in industrial activity.
 - Between 2025-28, industry consultants expect incremental methanol demand growth of thirteen million tonnes, excluding demand from marine fuels. This compares to five million tonnes of incremental supply growth. Total methanol demand including the expected demand from marine fuels is expected to grow by twenty-one million tonnes, or four times the growth in supply, over the period.
 - OCI remains confident on the decarbonization-led drivers of demand for methanol, notably the maritime industry, with increasing regulation placing greater pressure to reduce carbon emissions. In January 2024, the EU extended coverage of its emissions trading scheme (ETS) to include the maritime sector. From 2025, the FuelEU maritime initiative will mandate a reduction in the greenhouse gas intensity of marine fuels, which will support the uptake of lower carbon fuel sources such as methanol and eventually ammonia.
- The recently adopted more ambitious Fit-for-55 framework targets including RED III for road, FuelEU Maritime for marine, RefuelEU Aviation for aviation and RepowerEU for bio-methane, are mandating greater carbon emission reductions across both existing and new sectors:
 - The maritime sector is becoming increasingly incentivized to adopt clean fuels, partly driven by FuelEU Maritime regulation from 2025. Today, there are over 270 methanol dual fuel newbuild/retrofit ships on order, compared to ~250 ships at the time of OCI's Q4 2023 results. In total, this represents over 7.5 million tonnes per annum of potential additional methanol demand, compared to current maritime demand of 350 thousand tonnes and a current total global merchant market of ninety-one million tonnes.
 - In Europe, the Renewable Energy Directive is stipulating stricter requirements for the use of advanced biofuels in road-use, which we expect to drive both demand and premium for biofuels upwards, more so as established sources (i.e., road) begin to compete with demand from newer customers. Based on industry projections, total fuel-based demand for green methanol from road, marine and aviation could reach up to nine million tonnes compared to less than 200,000 tonnes today.

Nitrogen

Ammonia

- A combination of improving demand from the US spring application season, several plant and maintenance outages across the US, Middle East and Indonesia, and delays in new supply commissioning, helped stabilize ammonia prices in the latter half of the first quarter. This partially offset price softness earlier in the period due to reduced European gas costs and the return of ammonia supply following widespread disruption in Q4 2023.
- In the near-term, merchant supply is expected to increase with the arrival of new capacity in the US Gulf and an increase in Russian exports from a new Black Sea terminal. Notwithstanding these additions, some key ammonia markets have been showing signs of improved import demand in early-2024. This strengthening demand is expected to support a broader global trade recovery in ammonia following two years of prolonged contraction.
- In the medium to longer term, we see accelerating incremental demand from new applications for low-carbon ammonia such as a fuel for power generation, as a maritime bunker fuel and as a clean hydrogen carrier. Consultants forecast incremental demand from these new applications to reach 24 million tonnes per annum by 2030, more than double the quantity traded today.
- Phase 2 of Europe's Carbon Border Adjustment Mechanism (CBAM) expected in 2026 is catalyzing growing interest in decarbonization opportunities within the existing fertilizers and chemicals value chain. Europe's position as global marginal producer suggests that European carbon costs could support an increase in global ammonia/fertilizer prices, and hence boost demand for low-carbon ammonia and fertilizers. In addition to being able to capture this carbon premium through our Texas Blue Clean Ammonia production, OCI Nitrogen also stands to be a key beneficiary given its high natural gas efficiency (the natural gas efficiency at OCI Nitrogen is 32MMBtu/tAmmonia compared to an EU average of 37MMBtu/tAmmonia) and low CO₂ emissions during ammonia production.

Urea

- In urea markets, warm weather in the US coupled with low inventory levels has led to strong domestic demand and a material increase in US planted crop area during the quarter. In contrast, unusually wet weather in north-western Europe through autumn and spring has hindered application desire, weighing on price momentum during the quarter.
- Urea is expected to be well supplied over the coming months following the lower-than-expected demand early in the year across some geographies. Notwithstanding this, we see resilience in several demand indicators, including an expected rebound of corn futures in H2 2024 and 2025, as well as an improving urea/corn barter ratio in Brazil, and strong urea demand in the APAC markets.
- Longer-term demand growth of thirteen million tonnes is still expected to materially outstrip additional capacity growth of eight million tonnes by 2028.

Nitrates and other Premium Products

- Wet weather in north-western Europe and falling urea prices delayed application and demand appetite for nitrates in the first quarter. We anticipate a strengthening in demand as we move into Q2 with completion of some of the delayed purchase activity from Q1.
- With a normalization of European fertilizer markets, the nitrates markets are also benefiting from a widening premium over urea. The outlook for nitrates over the medium to longer term is further supported by decarbonization trends, which favor the use of nitrates compared to urea given their high nitrogen use efficiency and option to produce without CO₂.

Total Financial Results at a Glance (Continuing and Discontinued)

Financial Highlights (\$ million unless otherwise stated)

\$ million unless otherwise stated	Q1 '24			Q1 '23			% Δ		
	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total
Revenue	513.0	711.3	1,224.3	502.6	868.7	1,371.3	2%	-18%	-11%
Gross profit / (loss)	16.8	316.4	333.2	(110.3)	307.7	197.4	nm	3%	69%
Gross profit / (loss) margin	3.3%	44.5%	27.2%	-21.9%	35.4%	14.4%			
Adjusted EBITDA¹	23.8	272.9	296.7	(54.4)	390.6	336.2	nm	-30%	-12%
EBITDA	4.7	278.3	283.0	(114.0)	363.1	249.1	nm	-23%	14%
<i>EBITDA margin</i>	0.9%	39.1%	23.1%	-22.7%	41.8%	18.2%			
Adjusted net profit / (loss) attributable to shareholders¹	(71.1)	107.1	36.0	(115.6)	100.4	(15.2)	nm	7%	nm
Reported net profit / (loss) attributable to shareholders	(93.7)	119.4	25.7	(142.1)	70.4	(71.7)	nm	70%	nm
Earnings per share (\$)									
Basic earnings / (loss) per share	(0.444)	0.566	0.122	(0.675)	0.334	(0.341)	nm	69%	nm
Diluted earnings / (loss) per share	(0.444)	0.565	0.121	(0.675)	0.334	(0.341)	nm	69%	nm
Adjusted earnings / (loss) per share	(0.337)	0.508	0.171	(0.549)	0.477	(0.072)	nm	6%	nm
Capital expenditure	183.4	101.9	285.3	130.5	26.0	156.5	41%	292%	82%
<i>Of which: Maintenance Capital Expenditure</i>	36.6	98.2	134.8	78.9	24.4	103.3	-54%	302%	30%
Free cash flow^{1,2}	(57.4)	130.1	72.7	(228.1)	378.9	150.8	nm	-66%	-52%

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.

\$ million	31-Mar-24			31-Dec-23			% Δ		
	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total
Total Assets	2,582.7	6,521.8	9,104.5	2,540.5	6,434.0	8,974.5	2%	1%	1%
Gross Interest-Bearing Debt	2,310.7	2,440.3	4,751.0	2,157.4	2,509.0	4,666.4	7%	-3%	2%
Net Debt	2,211.8	1,583.3	3,795.1	2,000.5	1,739.8	3,740.3	11%	-9%	1%

Sales volumes ('000 metric tonnes)	Q1 '24			Q1 '23			% Δ		
	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total
OCI Product Sold ¹	892.5	1,945.3	2,837.8	495.4	1,778.3	2,273.7	80%	9%	25%
Third Party Traded	299.6	221.5	521.1	307.8	265.8	573.6	-3%	-17%	-9%
Total Product Volumes	1,192.1	2,166.8	3,358.9	803.2	2,044.1	2,847.3	48%	6%	18%

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

Operational Highlights

Highlights

- 12-month rolling recordable incident rate to 31 March 2024 was 0.24 incidents per 200,000 working hours¹.
- Own-product sales from total operations were 2,838 million tonnes, 25% higher against the same period last year.
 - Total own-produced methanol sales volumes of 352 thousand tonnes increased 59% compared to Q1 2023.
 - Own-produced nitrogen product sales volumes of 2,486 thousand tonnes from total operations increased by 21% YoY against Q1 2023.
- Own-product sales from continuing operations were 893 thousand tonnes during Q1 2024, 80% higher than Q1 2023.
 - Own-produced nitrogen product sales volumes from continuing operations of 541 thousand tonnes increased by 97% compared to Q1 2023.
- Realized gas hedge losses from total operations amounted to \$47 million in Q1 2024, of which \$30 million was attributable to continuing operations.

¹ 2023 results have been restated for the inclusion of Texas Blue Clean Ammonia, includes employee and contractor performance from continuing, discontinued operations as well as Natgasoline.

'000 metric tonnes	Q1 '24			Q1 '23			% Δ		
	Cont.	Disc.	Total	Cont.	Disc.	Total	Cont.	Disc.	Total
Own Product									
Ammonia	175.5	335.1	510.6	69.1	252.7	321.8	154%	33%	59%
Urea	-	1,148.4	1,148.4	-	1,168.7	1,168.7	nm	-2%	-2%
Calcium Ammonium Nitrate (CAN)	282.2	-	282.2	176.6	-	176.6	60%	nm	60%
Urea Ammonium Nitrate (UAN)	57.9	290.1	348.0	18.0	182.1	200.1	222%	59%	74%
Total Fertilizer	515.6	1,773.6	2,289.2	263.7	1,603.5	1,867.2	96%	11%	23%
Melamine	25.0	-	25.0	10.1	-	10.1	148%	nm	148%
DEF	-	171.7	171.7	-	174.8	174.8	nm	-2%	-2%
Total Nitrogen Products	540.6	1,945.3	2,485.9	273.8	1,778.3	2,052.1	97%	9%	21%
Methanol¹	351.9	-	351.9	221.6	-	221.6	59%	nm	59%
Total Own Product Sold	892.5	1,945.3	2,837.8	495.4	1,778.3	2,273.7	80%	9%	25%
Traded third Party						-			
Ammonia	17.4	55.9	73.3	(4.6)	47.4	42.8	nm	18%	71%
Urea	43.9	161.5	205.4	28.4	203.3	231.7	55%	-21%	-11%
UAN	3.8	-	3.8	36.0	16.4	52.4	-89%	-100%	-93%
Methanol	76.7	-	76.7	129.5	-	129.5	-41%	nm	-41%
Ethanol & other	34.3	-	34.3	14.0	-	14.0	145%	nm	145%
AS	32.9	-	32.9	50.9	-	50.9	-35%	nm	-35%
DEF	90.6	4.1	94.7	53.6	(1.3)	52.3	69%	nm	81%
Total Traded Third Party	299.6	221.5	521.1	307.8	265.8	573.6	-3%	-17%	-9%
Total Own Product and Traded Third Party	1,192.1	2,166.8	3,358.9	803.2	2,044.1	2,847.3	48%	6%	18%

¹ Including OCI's 50% share of Natgasoline volumes

Benchmark prices¹

			Q1 '24	Q1 '23	% Δ	Q4 '23	% Δ
Ammonia	NW Europe, CFR	\$/mt	491	688	-29%	643	-24%
Ammonia	US Gulf Tampa contract	\$/mt	463	744	-38%	604	-23%
Granular Urea	Egypt, FOB	\$/mt	373	409	-9%	378	-1%
CAN	Germany, CIF	€/mt	281	434	-35%	312	-10%
UAN	France, FCA	€/mt	265	452	-41%	285	-7%
UAN	US Midwest, FOB	\$/mt	320	394	-19%	331	-3%
Methanol	USGC Contract, FOB	\$/mt	597	583	2%	549	9%
Methanol	Rotterdam FOB Contract	€/mt	495	478	4%	360	38%
Natural gas	TTF (Europe)	\$/mmBtu	8.7	16.8	-48%	12.8	-32%
Natural gas	Henry Hub (US)	\$/mmBtu	2.1	2.8	-25%	2.9	-28%

¹ Source: CRU, BBG

Operational Performance

Methanol Segments Performance

Total own-produced methanol sales volumes of 352 thousand tonnes increased by 59% in Q1 2024 compared to the same period last year. Freezing weather conditions and associated unplanned outages impacted Q1 operations in both 2023 and 2024 albeit to a lesser extent in 2024. Adjusted EBITDA of \$30 million was 23% higher in Q1 2024 compared to Q1 2023. Q1 2024 hedge losses of \$25 million were lower than the \$38 million reported in Q1 2023. The European methanol business did not benefit from any sales of excess EUAs in the quarter (Q1 2023 benefited from EUA sales of \$33 million).

- In January 2024, freezing weather conditions resulted in down time of approximately one and two weeks' respectively at OCI Beaumont's ammonia and methanol lines, which included time for subsequent repairs and start up. Both lines were operating at 94%+ asset utilization rates in March.
- OCI's methanol facility in the Netherlands was shut down in June 2021 and remains shut down due to the high gas price environment.
- The fuels business contributed \$7 million to adjusted EBITDA during Q1 2024. OCI's HyFuels business is the world's largest producer of green methanol and a leader in green methanol transportation fuels applications. The outlook for the HyFuels business is expected to benefit from strong regulatory tailwinds. The recently adopted Fit-for-55 framework in Europe is mandating increasing emissions reduction across road, marine and aviation sectors. We expect both demand and pricing (premiums) to benefit from increasing uptake of renewable fuels of non-biological origins (RFNBO) across these end-markets.

Nitrogen Segments Performance

Total own-produced nitrogen product sales volumes of 2,486 thousand tonnes increased by 21% YoY compared to Q1 2023 whilst own-produced nitrogen product sales volumes from continuing operations of 541 thousand tonnes increased by 97% compared to the same period last year.

Adjusted EBITDA for the total nitrogen operations (including discontinued operations) was \$291 million in Q1 2024 compared to \$329 million in Q1 2023. Adjusted EBITDA for continuing operations improved to \$17 million in Q1 2024 from a \$60 million loss in Q1 2023. Although nitrogen prices reduced materially year-on-year, this was more than offset by the positive impact of improved sales volumes, reduced input costs from lower gas prices (reflected in lower cost of goods sold) and lower gas hedge losses.

European Nitrogen Segment

- The segment reported a drop in revenues of 8% in Q1 2024 compared to Q1 2023.
- The segment reported adjusted EBITDA of \$17 million in Q1 2024, compared to a loss of \$60 million in Q1 2023:
 - Own-produced sales volumes in the segment were up 97% in Q1 2024 compared to the same quarter last year. Q1 2023 was negatively impacted by an extended turnaround of the ammonia line and exacerbated by challenging market conditions including low industrial demand.
 - Selling prices for all products were significantly lower compared to the same period last year.
 - Excluding gas hedge losses, adjusted EBITDA was \$22 million in Q1 2024, compared to a loss of \$43 million in Q1 2023. The segment incurred a realized gas hedge loss of \$5 million in Q1 2024 compared to a loss of \$17 million in the comparative period Q1 2023.

Nitrogen US Segment (Discontinued Operations)

- Revenues, including a portion of third-party sales from OCI's N-7 joint venture with Dakota Gasification Company, decreased 16% in Q1 2024 to \$210 million compared to Q1 2023, primarily because of lower nitrogen pricing YoY.
- Adjusted EBITDA decreased from \$91 million in Q1 2023 to \$54 million in Q1 2024, notwithstanding an improvement in own product volumes, which rose 24% versus Q1 2023 reflecting the lower nitrogen pricing YoY. Realized gas hedge losses were \$17 million in this quarter compared to \$43 million in Q1 2023. Excluding gas hedge losses, adjusted EBITDA was \$71 million in Q1 2024 compared to \$134 million in Q1 2023.
- Excluding trading results of N-7, the underlying adjusted EBITDA margin was 42% in Q1 2024 compared to 49% in Q1 2023.

Fertiglobe (Discontinued Operations)

- Fertiglobe's total own-produced sales volumes were up 5% during Q1 2024 compared to the same period last year.
- Higher volumes were offset by lower ammonia selling prices during the quarter resulting in a 20% YoY decrease in revenues to \$552 million in Q1 2024. Adjusted EBITDA fell 27% to \$219 million in Q1 2024 compared to \$297 million in Q1 2023.
- Fertiglobe's adjusted EBITDA margin reduced from 43% in Q1 2023 to 40% in Q1 2024.
- Fertiglobe's average gas price in Q1 2024 amounted to \$3.1/mmBtu.
- For more detail on Fertiglobe results¹, please also see www.fertiglobe.com.

¹ Financial results reported by OCI for Fertiglobe differ to those reported by Fertiglobe as a result of the application of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Segment overview Q1 2024

\$ million	Nitrogen EU	Methanol US	Methanol Europe	Methanol Elimination	Total Methanol	Other	Elim.	Cont.	Nitrogen US	Fertiglobe	Elim.	Disc.	Total
Total revenues	257.0	152.5	122.4	(28.9)	246.0	37.4	(27.4)	513.0	210.2	551.9	(50.8)	711.3	1,224.3
Gross profit / (loss)	10.3	(12.6)	8.9	10.2	6.5	-	-	16.8	74.3	241.3	0.8	316.4	333.2
Operating profit / (loss)	0.6	(22.2)	5.8	12.0	(4.4)	(36.6)	-	(40.4)	66.4	211.2	0.7	278.3	237.9
D,A&I	(19.7)	(46.9)	(0.2)	25.7	(21.4)	(4.0)	-	(45.1)	-	-	-	-	(45.1)
EBITDA	20.3	24.7	6.0	(13.7)	17.0	(32.6)	-	4.7	66.4	211.2	0.7	278.3	283.0
Adjusted EBITDA	17.2	21.0	6.6	2.0	29.6	(23.0)	-	23.8	53.7	218.5	0.7	272.9	296.7

Segment overview Q1 2023

\$ million	Nitrogen EU	Methanol US	Methanol Europe	Methanol Elimination	Total Methanol	Other	Elim.	Cont.	Nitrogen US	Fertiglobe	Elim.	Disc.	Total
Total revenues	280.8	137.6	110.1	(33.7)	214.0	26.5	(18.7)	502.6	251.2	693.7	(76.2)	868.7	1,371.3
Gross profit / (loss)	(56.7)	(132.6)	52.9	21.3	(58.4)	(2.4)	7.2	(110.3)	36.2	269.1	2.4	307.7	197.4
Operating profit / (loss)	(66.6)	(140.5)	48.6	23.4	(68.5)	(30.8)	7.2	(158.7)	28.2	227.8	2.4	258.4	99.7
D,A&I	(18.4)	(42.7)	(0.6)	19.6	(23.7)	(2.6)	-	(44.7)	(37.3)	(67.4)	-	(104.7)	(149.4)
EBITDA	(48.2)	(97.8)	49.2	3.8	(44.8)	(28.2)	7.2	(114.0)	65.5	295.2	2.4	363.1	249.1
Adjusted EBITDA	(60.2)	(28.9)	49.2	3.8	24.1	(25.5)	7.2	(54.4)	90.9	297.3	2.4	390.6	336.2

Financial Highlights

Summary results

- Q1 2024 revenue for total operations (continuing and discontinued operations) was \$1,224 million, 11% lower than the same period last year. Q1 2024 revenue from continuing operations was \$513 million, an increase of 2% compared to the first quarter last year.
- Adjusted EBITDA for total operations was \$297 million in Q1 2024, 12% lower than Q1 2023. Adjusted EBITDA for continuing operations of \$24 million for Q1 2024 represented an improvement over a \$54 million loss in Q1 2023. Notwithstanding the material reduction in nitrogen prices versus the comparative period, continuing operations in Q1 2024 benefited from improved operational performance, lower gas prices as well as a reduced negative impact from realized hedge losses.
- Reported net profit attributable to shareholders from total operations was \$26 million in Q1 2024 compared to a reported net loss of \$72 million in Q1 2023. Reported net loss attributable to shareholders from continuing operations was \$94 million in Q1 2024 compared to a reported net loss of \$142 million in Q1 2023.
- The adjusted net profit attributable to shareholders from total operations was \$36 million in Q1 2024 compared to an adjusted net loss of \$15 million in Q1 2023. The adjusted net loss attributable to shareholders from continuing operations was \$71 million in Q1 2024 compared to an adjusted net loss of \$116 million in Q1 2023.

\$ million	Q1 '24			Q1 '23		
	Cont.	Disc.	Total	Cont.	Disc.	Total
Net revenue	513.0	711.3	1,224.3	502.6	868.7	1,371.3
Cost of sales	(496.2)	(394.9)	(891.1)	(612.9)	(561.0)	(1,173.9)
Gross profit / (loss)	16.8	316.4	333.2	(110.3)	307.7	197.4
SG&A	(59.4)	(37.0)	(96.4)	(53.7)	(49.3)	(103.0)
Other income	2.2	-	2.2	5.3	-	5.3
Other expense	-	(1.1)	(1.1)	-	-	-
Adjusted EBITDA	23.8	272.9	296.7	(54.4)	390.6	336.2
EBITDA	4.7	278.3	283.0	(114.0)	363.1	249.1
Depreciation, amortization and impairment	(45.1)	-	(45.1)	(44.7)	(104.7)	(149.4)
Operating profit / (loss)	(40.4)	278.3	237.9	(158.7)	258.4	99.7
Interest income	1.9	3.6	5.5	2.6	3.1	5.7
Interest expense	(53.0)	(46.4)	(99.4)	(11.5)	(35.4)	(46.9)
Other finance income / (cost)	8.8	(7.2)	1.6	7.3	(21.6)	(14.3)
Net finance costs	(42.3)	(50.0)	(92.3)	(1.6)	(53.9)	(55.5)
Share of results of equity-accounted investees	(16.7)	-	(16.7)	(26.0)	-	(26.0)
Net profit / (loss) before tax	(99.4)	228.3	128.9	(186.3)	204.5	18.2
Income tax	1.7	23.9	25.6	33.0	(15.3)	17.7
Net profit / (loss)	(97.7)	252.2	154.5	(153.3)	189.2	35.9
Non-controlling interests	4.0	(132.8)	(128.8)	11.2	(118.8)	(107.6)
Net profit / (loss) attributable to shareholders	(93.7)	119.4	25.7	(142.1)	70.4	(71.7)
Adjusted net profit / (loss) attributable to shareholders	(71.1)	107.1	36.0	(115.6)	100.4	(15.2)

Reconciliation to Alternative Performance Measures

Adjusted EBITDA

Adjusted EBITDA is an Alternative Performance Measure (APM) that intends to give a clear reflection of the underlying performance of OCI's operations. The main APM adjustments in the first quarters of 2024 and 2023 relate to:

- Commodity hedge gains or losses; OCI does not apply hedge accounting on commodity hedges, therefore unrealized mark-to-market gains and losses are recognized in the P&L statement. Unrealized mark-to-market gains or losses are excluded from adjusted EBITDA and adjusted net profit.
 - A negative adjustment of \$11 million within continuing operations was made in Q1 2024 for unrealized mark-to-market gains on natural gas hedge derivatives included within reported EBITDA.
- A \$9 million realized natural gas hedge loss from hedges transferred from IFCo to OCI N.V., was reclassified from continuing to discontinued operations.
- OCI's share (50%) of Natgasoline's financial results, which are not consolidated, represented a \$15 million gain within adjusted EBITDA in Q1 2024. This compares to a contribution of \$12 million in Q1 2023.
- Other adjustments include an \$8 million charge for strategic review and discontinued operations expenses, a \$4 million charge for Texas Blue Clean Ammonia pre-operating costs, and a \$7 million unrealized loss on virtual power purchase agreement (VPPA) derivatives at OCI Beaumont and Texas Blue Clean Ammonia.

Reconciliation of reported operating profit to adjusted EBITDA

\$ million	Q1 '24			Q1 '23			Comment
	Cont.	Disc.	Total	Cont.	Disc.	Total	
Operating profit / (loss) as reported	(40.4)	278.3	237.9	(158.7)	258.4	99.7	
Depreciation, amortization and impairment	45.1	-	45.1	44.7	104.7	149.4	
EBITDA	4.7	278.3	283.0	(114.0)	363.1	249.1	
APM adjustments for:							
Natgasoline	14.8	-	14.8	11.8	-	11.8	<i>OCI's share of Natgasoline EBITDA</i>
Unrealized result natural gas hedging	(11.1)	(3.7)	(14.8)	38.6	25.4	64.0	<i>(Gain) / loss at OCIB, IFCo and the Netherlands</i>
Unrealized result EUA derivatives	-	-	-	(2.8)	-	(2.8)	<i>(Gain) / loss at OCIN</i>
Cost for strategic review and discontinued operations	7.9	0.1	8.0	-	-	-	<i>Cost for strategic review and discontinued operations</i>
Clean Ammonia: Pre-operating expenses	3.8	-	3.8	2.4	-	2.4	<i>Clean Ammonia : Pre-operating expenses</i>
Realized result on natural gas hedging - discontinued operations related	9.1	(9.1)	-	-	-	-	<i>Reclassification of realized hedging (gain) / loss</i>
Unrealized result on virtual PPA derivative	(6.5)	-	(6.5)	-	-	-	<i>(Gain) / loss at OCIB and OCI Clean Ammonia LLC</i>
Provisions & other	1.1	7.3	8.4	9.6	2.1	11.7	
Total APM adjustments at EBITDA level	19.1	(5.4)	13.7	59.6	27.5	87.1	
Adjusted EBITDA	23.8	272.9	296.7	(54.4)	390.6	336.2	

Adjusted net profit / (loss) attributable to shareholders

At net profit / (loss) level, the main APM adjustments in Q1 2024 relate to an unrealized loss on an interest rate hedge.

Reconciliation of reported net profit / (loss) to adjusted net profit / (loss)

\$ million	Q1 '24			Q1 '23			Adjustments in P&L
	Cont.	Disc.	Total	Cont.	Disc.	Total	
Reported net profit / (loss) attributable to shareholders	(93.7)	119.4	25.7	(142.1)	70.4	(71.7)	
Adjustments for:							
Adjustments at EBITDA level	19.1	(5.4)	13.7	59.6	27.5	87.1	
Remove: Natgasoline EBITDA adjustment	(14.8)	-	(14.8)	(11.8)	-	(11.8)	
Result from associate (unrealized gas hedging)	(0.9)	-	(0.9)	11.6	-	11.6	<i>(Gain) / loss at Natgasoline</i>
Forex (gain) / loss on USD exposure	(8.6)	(0.5)	(9.1)	(17.2)	12.9	(4.3)	<i>Finance income / expense</i>
Accelerated depreciation and impairments of PP&E	-	-	-	0.5	0.9	1.4	<i>Depreciation & impairment</i>
Derecognition of deferred tax asset	-	-	-	-	10.8	10.8	<i>Income tax</i>
Non-controlling interests adjustment	0.5	3.3	3.8	(11.3)	(9.4)	(20.7)	<i>Minorities</i>
Unrealized (gain) / loss on interest rate hedge	22.1	-	22.1	-	-	-	<i>Transaction related expense</i>
Tax adjustment - Discontinued operations related	2.0	(2.0)	-	-	-	-	<i>Pillar II tax adjustment relating to discontinued operations</i>
Other adjustments	-	(7.4)	(7.4)	-	(5.2)	(5.2)	<i>Finance income & expense / uncertain tax positions</i>
Tax effect of adjustments	3.2	(0.3)	2.9	(4.9)	(7.5)	(12.4)	<i>Income tax</i>
Total APM adjustments at net profit / (loss) level	22.6	(12.3)	10.3	26.5	30.0	56.5	
Adjusted net profit / (loss) attributable to shareholders	(71.1)	107.1	36.0	(115.6)	100.4	(15.2)	

Free Cash Flow and Net Debt

- Operating free cash flow from total operations before growth capex amounted to \$73 million during Q1 2024. There were no dividends paid to non-controlling interests in the quarter.
- Operating free cash flow from continuing operations before growth capex amounted to an outflow of \$57 million during Q1 2024.
- The free cash flow reflects OCI's operational performance during the quarter as well as maintenance capital expenditures, tax, cash interest, working capital outflows and lease payments.
- In April 2024, Fertigllobe shareholders approved H2 2023 dividends of \$200 million, of which \$100 million will be paid to OCI during Q2 2024.

Capital Expenditures

- Cash capital expenditures including growth capex for total operations was \$285 million in Q1 2024 compared to \$157 million in Q1 2023.
- Cash capital expenditures including growth capex for continuing operations was \$183 million during the quarter compared to \$131 million in Q1 2023.
- Growth capex from continuing operations was \$147 million and is largely related to OCI's blue ammonia project in Texas.

Net Debt

- On 23 February 2024, OCI N.V. executed a EUR 400 million bridge loan facility. The facility bears interest at a rate of EURIBOR + 0.85%. The proceeds were used to partially repay the OCI N.V. Revolving Credit Facility.
- Net debt from continuing operations was \$2,212 million as of 31 March 2024 versus \$2,001 million as of 31 December 2023. The reported net debt for continuing operations for this period as well as the comparative period represents a deconsolidation of the balance sheet of discontinued operations.

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

\$ million	Q1 '24			Q1 '23		
	Cont.	Disc.	Total	Cont.	Disc.	Total
EBITDA	4.7	278.3	283.0	(114.0)	363.1	249.1
Working capital	25.7	(4.9)	20.8	(6.3)	41.7	35.4
Maintenance capital expenditure	(36.6)	(98.2)	(134.8)	(78.9)	(24.4)	(103.3)
Tax received / (paid)	(9.4)	(15.8)	(25.2)	1.9	(21.7)	(19.8)
Interest paid	(33.8)	(31.0)	(64.8)	(8.0)	(3.9)	(11.9)
Lease payments	(8.2)	(9.8)	(18.0)	(6.7)	(9.1)	(15.8)
Other	1.6	10.1	11.7	2.7	14.4	17.1
Discontinued operations reclassification	(1.4)	1.4	-	(18.8)	18.8	-
Operating Free Cash Flow	(57.4)	130.1	72.7	(228.1)	378.9	150.8
Free Cash Flow	(57.4)	130.1	72.7	(228.1)	378.9	150.8
Reconciliation to change in net debt:						
Growth capital expenditure	(146.8)	(3.7)	(150.5)	(51.6)	(1.6)	(53.2)
Other non-operating items	(5.4)	8.9	3.5	(12.6)	15.0	2.4
Net effect of movement in exchange rates on net debt	20.5	(0.3)	20.2	10.1	(5.7)	4.4
Other non-cash items	(1.0)	0.3	(0.7)	(0.7)	(0.5)	(1.2)
Cash upstreamed / downstreamed	(21.2)	21.2	-	109.7	(109.7)	-
Net Cash Flow (Increase) / Decrease in Net Debt	(211.3)	156.5	(54.8)	(173.2)	276.4	103.2

Notes

This report contains unaudited first quarter financial highlights of OCI Global ('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 Global 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 May 2024 at 15:00 CET, OCI 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-global.com.

On 14 May 2024 at 13:00 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 Global

OCI is a global leader in nitrogen, methanol, and hydrogen, driving forward the decarbonization of the energy-intensive industries that shape, feed and fuel the world. OCI's production capacity spans four continents and comprises approximately 16.8 million metric tonnes per year of hydrogen-based products including nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 4,000 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam. Learn more about OCI at www.oci-global.com. You can also follow OCI on [Twitter](#) and [LinkedIn](#).

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 tonnes 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 Global 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