

Quarterly condensed consolidated financial statements

For the three month period
ended 31 March 2021
(unaudited)

OCI



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

\$ millions	Note	31 March 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment		6,090.5	6,244.3
Right-of-use assets		267.8	279.4
Goodwill and other intangible assets	(8)	485.7	486.5
Trade and other receivables		2.9	3.5
Equity-accounted investees		468.8	468.7
Financial assets at fair value through other comprehensive income		28.9	30.0
Deferred tax assets		0.7	0.8
Total non-current assets		7,345.3	7,513.2
Current assets			
Inventories		286.3	293.8
Trade and other receivables		717.7	600.9
Income tax receivables		19.3	2.8
Cash and cash equivalents		770.1	686.3
Total current assets		1,793.4	1,583.8
Total assets		9,138.7	9,097.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

AS AT

\$ millions	Note	31 March 2021	31 December 2020
Equity			
Share capital		5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(359.5)	(338.4)
Retained earnings		(4,751.2)	(4,851.8)
Equity attributable to owners of the Company		1,211.2	1,131.7
Non-controlling interests		1,609.1	1,540.1
Total equity		2,820.3	2,671.8
Liabilities			
Non-current liabilities			
Loans and borrowings	(9,14)	3,894.5	4,226.9
Lease obligations		239.9	248.6
Trade and other payables		25.3	25.7
Provisions		2.9	3.0
Deferred tax liabilities		524.3	515.5
Total non-current liabilities		4,686.9	5,019.7
Current liabilities			
Loans and borrowings	(9,14)	299.5	189.7
Lease obligations		43.9	43.6
Trade and other payables		1,117.0	1,003.6
Provisions		158.7	158.3
Income tax payables		12.4	10.3
Total current liabilities		1,631.5	1,405.5
Total liabilities		6,318.4	6,425.2
Total equity and liabilities		9,138.7	9,097.0

The notes on pages 7 to 11 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

\$ millions	Note	Three month period ended 31 March 2021	Three month period ended 31 March 2020
Revenue	(12)	1,119.6	811.1
Cost of sales	(10)	(779.2)	(733.8)
Gross profit		340.4	77.3
Other income		0.9	13.8
Selling, general and administrative expenses	(10)	(60.6)	(57.1)
Other expenses		(0.1)	0.0
Operating profit		280.6	34.0
Finance income	(11)	8.1	36.0
Finance cost	(11)	(74.8)	(101.0)
Net finance cost	(11)	(66.7)	(65.0)
Income from equity-accounted investees (net of tax)		0.7	(7.3)
Profit / (loss) before income tax		214.6	(38.3)
Income tax		(30.1)	2.8
Net profit / (loss)		184.5	(35.5)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in hedge reserve		(5.9)	(0.2)
Currency translation differences		(20.2)	2.4
Currency translation differences from equity-accounted investees		(0.6)	(0.3)
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income		(1.2)	(2.4)
Other comprehensive income, net of tax		(27.9)	(0.5)
Total comprehensive income		156.6	(36.0)
Profit / (loss) attributable to:			
Owners of the Company		98.6	(81.4)
Non-controlling interests		85.9	45.9
Net profit / (loss)		184.5	(35.5)
Total comprehensive income attributable to:			
Owners of the Company		77.5	(65.0)
Non-controlling interests		79.1	29.0
Total comprehensive income		156.6	(36.0)
Earnings / (loss) per share (in USD)			
Basic earnings / (loss) per share		0.470	(0.388)
Diluted earnings / (loss) per share		0.468	(0.388)

The notes on pages 7 to 11 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

\$ millions	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2020	5.6	6,316.3	(237.8)	(4,726.6)	1,357.5	1,461.2	2,818.7
Net profit / (loss)	-	-	-	(81.4)	(81.4)	45.9	(35.5)
Other comprehensive income	-	-	16.4	-	16.4	(16.9)	(0.5)
Total comprehensive income	-	-	16.4	(81.4)	(65.0)	29.0	(36.0)
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	10.7	10.7
Treasury shares sold / delivered	-	-	1.8	(1.8)	-	-	-
Business combination Fertigllobe	-	-	-	48.3	48.3	(59.5)	(11.2)
Share-based payments	-	-	-	1.7	1.7	-	1.7
Balance at 31 March 2020	5.6	6,316.3	(219.6)	(4,759.8)	1,342.5	1,441.4	2,783.9
Balance at 1 January 2021	5.6	6,316.3	(338.4)	(4,851.8)	1,131.7	1,540.1	2,671.8
Net profit / (loss)	-	-	-	98.6	98.6	85.9	184.5
Other comprehensive income	-	-	(21.1)	-	(21.1)	(6.8)	(27.9)
Total comprehensive income	-	-	(21.1)	98.6	77.5	79.1	156.6
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	13.0	13.0
Dividend to non-controlling interests	-	-	-	-	-	(23.1)	(23.1)
Share-based payments	-	-	-	2.0	2.0	-	2.0
Balance at 31 March 2021	5.6	6,316.3	(359.5)	(4,751.2)	1,211.2	1,609.1	2,820.3

The notes on pages 7 to 11 are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

\$ millions	Note	Three month period ended 31 March 2021	Three month period ended 31 March 2020
Net profit / (loss)		184.5	(35.5)
Adjustments for:			
Depreciation and amortization		150.2	142.1
Interest income		(0.8)	(1.6)
Interest expense		66.0	52.0
Net foreign exchange loss and others		1.5	14.6
Share in income of equity-accounted investees		(0.7)	7.3
Fertiglobe business combination		-	(13.3)
Equity-settled share-based payment transactions		2.0	1.7
Impact difference in profit-sharing non-controlling interests		13.0	10.7
Income tax expense		30.1	(2.8)
Changes in:			
Inventories		2.7	(8.6)
Trade and other receivables		(150.0)	(106.6)
Trade and other payables		126.6	(7.2)
Provisions		0.7	(0.9)
Cash flows:			
Interest paid		(19.0)	(40.8)
Lease interest paid		(2.2)	(2.6)
Interest received		0.3	1.2
Income taxes paid		(32.5)	(5.3)
Cash flow from / (used in) operating activities		372.4	4.4
Investments in property, plant and equipment		(56.9)	(95.7)
Dividends from equity-accounted investees		-	-
Cash flow from / (used in) investing activities		(56.9)	(95.7)

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

\$ millions	Note	Three month period ended 31 March 2021	Three month period ended 31 March 2020
Proceeds from borrowings		367.4	464.3
Repayment of borrowings		(540.4)	(138.7)
Payments of lease liabilities		(7.1)	(6.3)
Newly incurred transaction costs / call premium		(5.9)	(3.6)
Settlement financing derivatives		(41.3)	-
Post closing adjustment Fertigllobe		-	166.8
Cash flows from / (used in) financing activities		(227.3)	482.5
Net cash flow		88.2	391.2
Net increase / (decrease) in cash and cash equivalents		88.2	391.2
Cash and cash equivalents at start of period		686.3	600.5
Effect of exchange rate fluctuations on cash held		(4.4)	(17.2)
Cash and cash equivalents at 31 March		770.1	974.5

The notes on pages 7 to 11 are an integral part of these condensed consolidated financial statements.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH

1. General

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

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

2. Basis of preparation

2.1 General

The quarterly condensed consolidated financial statements for the period ended 31 March 2021 have been prepared according to the same accounting policies as our most recent annual financial statements and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020. The quarterly condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 which have been prepared in accordance with IFRS, as adopted by the European Union.

The figures in this document have not been audited or reviewed by our external auditor.

2.2 COVID-19 impact

Since the outbreak of COVID-19, our business operations including our global supply chain and distribution channels have continued without interruption throughout the pandemic to-date, as our industries and our products have been designated as essential by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. Where we noted decreasing selling prices for all our products over the course of the second quarter of 2020, the recovery of selling prices since July 2020 has resulted in global urea and ammonia prices which are 40% to 50% higher compared to Q4 2020 while the outlook for Methanol continues to improve, Methanol prices have increased significantly since Q4 2020 due to tight balance in the market as a result of a steady recovery in methanol demand and shutdown of high-cost methanol capacity. Our current outlook is that our financial and operating performance remains solid supported by healthy market fundamentals.

3. Summary of significant accounting policies

The accounting policies applied over the three month period ended 31 March 2021 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2020, except for the implementation of net investment hedging with the effective date 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

3.1 Net investment hedging

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3.2 Cash flow hedge accounting

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

4. Seasonality of operations

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

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH CONTINUED

5. Critical accounting judgment, estimates and assumptions

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

Compared to the consolidated financial statements for the year ended 31 December 2020 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements. As a result of the outbreak of COVID-19 in 2020, all our critical accounting judgments, estimates and assumptions have been reviewed and updated when necessary following this situation.

With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2020. The objectives and policies of financial risk and capital management are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020.

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the three month period ended 31 March 2021	Average during the three month period ended 31 March 2020	Closing as at 31 March 2021	Closing as at 31 March 2020
Euro	1.2050	1.1026	1.1750	1.0971
Egyptian pound	0.0637	0.0634	0.0636	0.0635
Algerian dinar	0.0075	0.0083	0.0075	0.0080

7. Financial risk and capital management

7.1 Financial risk management

Categories of financial instruments:

31 March 2021 \$ million	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables	683.0	37.6	-
Financial assets at fair value through other comprehensive income	-	-	28.9
Cash and cash equivalents	770.1	-	-
Total	1,453.1	37.6	28.9
Liabilities			
Loans and borrowings	4,194.0	-	-
Trade and other payables	1,010.4	131.9	-
Total	5,204.4	131.9	-

31 December 2020 \$ millions	Loans and receivables / payables at amortized cost	Derivatives at fair value	Financial assets at fair value through other comprehensive income
Assets			
Trade and other receivables	585.1	19.3	-
Financial assets at fair value through other comprehensive income	-	-	30.0
Cash and cash equivalents	686.3	-	-
Total	1,271.4	19.3	30.0
Liabilities			
Loans and borrowings	4,416.6	-	-
Trade and other payables	921.6	107.7	-
Total	5,338.2	107.7	-

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH CONTINUED

7. Financial risk and capital management (continued)

The Group has several financial instruments carried at fair value. For derivative financial instruments, the fair value is calculated within hierarchy category level 2. Financial assets at fair value through other comprehensive income recognized as level 1 is USD 3.4 million (2020: USD 2.9 million), the investment in the Infrastructure and Growth Capital Fund of USD 6.9 million (2020: USD 6.3 million) was recognized as level 2 as the valuation is partially derived from listed shares. The investment in Notore Chemical of USD 18.6 million (2020: USD 20.8 million) is recognized as level 3.

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

In 2021 and 2020, there were no transfers between the fair value hierarchy categories. The carrying amounts of financial assets and liabilities carried at amortized cost (loans and borrowings, trade and other receivables and trade and other payables) approximates their fair values.

For a general description of the risks related to financial instruments, reference is made to the 2020 Annual Report.

7.2 Capital management

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

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

\$ millions	31 March 2021	31 December 2020
Loans and borrowings	4,194.0	4,416.6
Less: cash and cash equivalents	770.1	686.3
Net debt	3,423.9	3,730.3
Total equity	2,820.3	2,671.8
Net debt to equity ratio	1.21	1.40

8. Goodwill and other intangible assets

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

9. Loans and borrowings

\$ millions	31 March 2021	31 December 2020
At 1 January	4,416.6	4,662.3
Proceeds from loans	367.4	2,070.4
Repayment and redemptions of loans and borrowings ¹	(540.4)	(2,396.0)
Newly incurred transaction costs	-	(14.6)
Amortization of transaction costs / (bond) premiums	7.4	34.1
Effect of movement in exchange rates	(57.0)	60.4
Balance at	4,194.0	4,416.6
Non-current	3,894.5	4,226.9
Current	299.5	189.7
Total	4,194.0	4,416.6

¹ In February 2021 IFCo redeemed the outstanding principal amount of the 5.875% bond of USD 147.2 million.

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group's presentation currency.

As a result of the announced redemption of Senior Secured Notes an amount of USD 100 million is reclassified to current liabilities, reference is made to note 14.

There are no new or amended financing arrangements during the period ended 31 March 2021.

Covenants

Certain loan agreements include financial covenants. In the event the respective borrowing companies would not comply with the covenant requirements, its loans would become immediately due. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH CONTINUED

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

Expenses by nature

\$ millions	31 March 2021	31 March 2020
Raw materials and consumables and finished goods	533.0	505.1
Maintenance and repair	35.7	29.8
Employee benefit expenses	98.6	88.5
Depreciation and amortization	150.2	142.1
Consultancy expenses	7.4	8.3
Other	14.9	17.1
Total	839.8	790.9
Cost of sales	779.2	733.8
Selling, general and administrative expenses	60.6	57.1
Total	839.8	790.9

The extreme cold weather and spike in gas prices in the US in February resulted in temporary downtime at IFCo. Due to this downtime IFCo sold back its forward purchased gas to its supplier, which resulted in a gain from the resale of gas of USD 61 million. This figure does not include and is partly offset by the lost margin due to the lower production volumes and additional expenses associated with the downtime. The gain on the resale of gas is recorded as part of raw materials and consumables and finished goods.

11. Net finance cost

\$ millions	31 March 2021	31 March 2020
Interest income on loans and receivables	0.8	1.6
Foreign exchange gain	7.3	34.4
Finance income	8.1	36.0
Interest expense and other financing costs on financial liabilities measured at amortized cost	(66.0)	(52.0)
Foreign exchange loss	(8.8)	(49.0)
Finance cost	(74.8)	(101.0)
Net finance cost recognized in profit or loss	(66.7)	(65.0)

The decrease in both foreign exchange gains and losses is primarily driven by the application of net investment hedging and by designating intercompany loans to form part of a net investment in foreign operations. The effect of this accounting treatment is that foreign exchange gains and losses on designated (hedging) instruments are recognized in other comprehensive income, instead of profit or loss.

For the first quarter of 2021, a total of USD 41.7 million of foreign exchange gains were credited to other comprehensive income due to the designation of intercompany loans. The application of net investment hedging resulted in a loss of USD 99.4 million that was recognized in other comprehensive income.

12. Segment reporting

31 March 2021 \$ millions	Methanol US ¹	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	146.2	142.4	103.9	220.2	543.4	0.4	(36.9)	1,119.6
EBITDA ²	117.1	19.1	79.7	26.4	233.0	(17.4)	(27.1)	430.8
Adjusted EBITDA ²	109.5	19.1	79.7	26.4	233.0	(17.4)	1.4	451.8
Income from equity-accounted investees	-	-	-	0.8	-	-	(0.1)	0.7
Depreciation and amortization	(39.1)	(7.4)	(35.7)	(24.6)	(63.6)	(1.3)	21.5	(150.2)
Finance income	-	-	0.1	2.5	4.9	16.6	(16.0)	8.1
Finance expense	(7.4)	(0.7)	(27.8)	(3.1)	(19.0)	(39.8)	23.0	(74.8)
Income tax (expense) / income	(0.3)	0.1	(0.5)	(0.3)	(27.1)	(2.0)	-	(30.1)
Net profit / (loss)	70.3	11.1	15.8	1.7	128.2	(43.9)	1.3	184.5
Equity-accounted investees	-	-	-	15.8	-	0.2	452.8	468.8
Capital expenditures PP&E	4.9	2.3	4.7	7.2	6.8	0.2	(3.2)	22.9
Total assets	1,567.2	419.1	2,214.7	715.4	4,678.3	140.7	(596.7)	9,138.7

¹ Including ammonia at OCIB

² OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 12 - 13 of the report.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH CONTINUED

12. Segment reporting (continued)

31 March 2020 \$ millions	Methanol US ¹	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	130.0	81.8	118.7	162.4	363.3	0.2	(45.3)	811.1
EBITDA ²	22.2	1.9	41.1	25.3	110.1	(4.1)	(20.4)	176.1
Adjusted EBITDA ²	27.4	1.9	41.1	25.3	113.6	(14.9)	(1.4)	193.0
Income from equity- accounted investees	-	-	-	0.9	-	-	(8.2)	(7.3)
Depreciation and amortization	(32.1)	(5.5)	(35.4)	(19.9)	(66.8)	(1.1)	18.7	(142.1)
Finance income	0.2	-	0.2	1.8	11.8	51.6	(29.6)	36.0
Finance expense	(9.0)	(0.8)	(31.9)	(2.3)	(10.2)	(84.9)	38.1	(101.0)
Income tax income / (expense)	(0.7)	(0.3)	-	(1.9)	(6.0)	11.7	-	2.8
Net (loss) / profit	(19.5)	(4.7)	(26.0)	4.0	38.8	(26.7)	(1.4)	(35.5)
Equity-accounted investees	-	-	-	15.0	-	0.6	483.7	499.3
Capital expenditures PP&E	40.0	15.9	1.2	19.9	12.1	0.1	(1.8)	87.4
Total assets	1,659.1	377.6	2,333.5	684.6	4,726.3	471.7	(622.2)	9,630.6

¹ Including ammonia at OCIB

² OCI N.V. uses Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. The definition of the APM and a detailed reconciliation between the APM and the most directly comparable IFRS measure can be found on pages 12 - 13 of the report.

13. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the consolidated financial statements for the year ended 31 December 2020.

14. Subsequent events

OCI N.V. partial redemption of Senior Secured Notes

OCI N.V. announced on 29 March 2021 that it has exercised the option to redeem 10% of its 5.25% Senior Secured Notes due 2024 and 10% of its 4.625% Senior Secured Notes due 2025, or a total redemption of USD 60 million and USD 40 million of the aggregate principal amounts of the respective Notes outstanding, each at a redemption price of 103% of the principal amount thereof. The redemption date is April 8, 2021.

EBIC free zone

On 24 April 2021, the Supreme Administrative Court rejected the appeal that was launched by the General Authority for Investment and Free Zones against the EBIC free zone status. As a result, the free zone status of EBIC is now confirmed and cannot be further appealed. In anticipation of this final appeal, no tax filings have been done by EBIC since 2011, therefore this court ruling is confirming its position.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

- EBITDA
- Adjusted EBITDA
- Adjusted net income
- Free cash flow

EBITDA, adjusted EBITDA, adjusted net income and free cash flow are supplemental measures of financial performance that are not required by, or presented in accordance with, IFRS. Therefore, EBITDA, adjusted EBITDA, adjusted net income and free cash flow should be viewed as supplemental but not as a substitute for measures presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, which are determined in accordance with IFRS.

External stakeholders should not consider EBITDA, adjusted EBITDA, adjusted net income and free cash flow (a) as an alternative to operating profit or profit/(loss) before taxation (as determined in accordance with IFRS) as a measure of our operating performance, and (b) as an alternative to any other measure of performance under IFRS. Because not all companies define adjusted EBITDA, EBITDA, adjusted net income and free cash flow in the same way, these measures may not be comparable to similarly titled measures used by other companies.

Definitions and explanations of the use of the APMs are described below. Reconciliations of the APMs to the most directly reconcilable line item are presented on the following pages.

EBITDA

EBITDA is defined as the total net profit before interest, income tax expenses, depreciation and amortization, foreign exchange gains and losses and income from equity accounted investees.

Adjusted EBITDA

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

Adjusted net income

Adjusted net income is the total net profit, adjusted for additional items and costs that management considers not reflective of our core operations.

Free cash flow

Free cash flow (FCF) reflects an additional way of viewing our liquidity that we believe is useful to our investors and is defined as cash flow reflecting the EBITDA for the year, change in working capital, maintenance capital expenditure, taxes paid, cash interest paid, lease payments, dividends from equity accounted investees, dividends paid to non-controlling interests and adjustment for other non-cash items.

Reconciliation of operating profit to adjusted EBITDA

\$ million	Q1 2021	Q1 2020
Operating profit	280.6	34.0
Depreciation & Amortization	150.2	142.1
EBITDA	430.8	176.1
APM adjustments	21.0	16.9
Adjusted EBITDA	451.8	193.0

APM adjustments at EBITDA level

\$ million	Q1 2021	Q1 2020
Natgasoline	24.3	21.4
Unrealized result natural gas hedging	(3.3)	3.4
Gain on purchase related to Fertigllobe	-	(13.3)
Transaction costs	-	1.9
Other including provisions	-	3.5
Total APM adjustments at EBITDA level	21.0	16.9

ALTERNATIVE PERFORMANCE MEASURES (APMs) CONTINUED

The main APM adjustments at EBITDA level in Q1 2021 and Q1 2020 relate to:

- Natgasoline is not consolidated and an adjustment of USD 24.3 million was made for OCI's 50% share in the plant's EBITDA in 2021. Natgasoline's contribution to adjusted EBITDA in 2020 was USD 21.4 million
- The unrealized results on natural gas hedge derivatives of USD (3.3) million in 2021 and USD 3.4 million in 2020 relate to hedging activities at OCI Beaumont and in the Netherlands
- Due to the final post-completion settlement related to Fertiglobe, a gain on purchase of USD 13.3 million was recorded in the income statement in 2020
- Other adjustments of USD 3.5 million in 2020 mainly relates to movements in provisions related to ongoing litigation and claims

\$ million	Q1 2021	Q1 2020
Reported net profit / (loss) attributable to owners of the Company	98.6	(81.4)
Adjustments at EBITDA level	21.0	16.9
Add back: Natgasoline EBITDA adjustment	(24.3)	(21.4)
Result from associate (change in unrealized gas hedging Natgas)	(4.2)	(1.5)
Forex (gain) / loss on USD exposure	(0.2)	4.7
Non-controlling interests adjustment / release interest accrual	3.3	1.2
Tax effect of adjustments	0.2	(0.5)
Total APM adjustments at net profit / (loss) level	(4.2)	(0.6)
Adjusted net profit / (loss) attributable to owners of the Company	94.4	(82.0)

The main APM adjustments at net profit / (loss) level in Q1 2021 and Q1 2020 relate to:

- Result from associate of USD (4.2) million in 2021 and USD (1.5) million in 2020 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas
- USD (0.2) million FX-impact (2020: USD 4.7 million) relates to the foreign exchange gains or losses on loans and borrowings and related instruments on USD exposure carried at entities which do not have USD as functional currency
- Non-controlling interests adjustment of USD 3.3 million in 2021 and USD 1.2 million in 2020 is related to the calculated profit attributable to non-controlling interests on all APM adjustments and the release of the interest accrual
- Tax effect of adjustments of USD 0.2 million in 2021 and USD (0.5) million in 2020 is related to the calculated tax effect of all APM adjustments

Free cash flow

\$ million	Q1 2021	Q1 2020
Cash flow from operating activities	372.4	4.4
Maintenance capital expenditure	(55.9)	(90.7)
Lease payments	(7.1)	(6.3)
Other non-operating items	16.2	(1.7)
Free cash flow	325.6	(94.3)