

Quarterly condensed consolidated financial statements

For the nine-month period ended 30 September 2021 (unaudited)

OCI



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

\$ millions	Note	30 September 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment	(8)	5,739.6	6,244.3
Right-of-use assets		250.3	279.4
Goodwill and other intangible assets	(9)	485.3	486.5
Trade and other receivables		6.3	3.5
Equity-accounted investees		538.7	468.7
Financial assets at fair value through other comprehensive income		23.3	30.0
Deferred tax assets	(10)	97.5	0.8
Total non-current assets		7,141.0	7,513.2
Current assets			
Inventories		305.7	293.8
Trade and other receivables		837.5	600.9
Income tax receivables		2.7	2.8
Cash and cash equivalents		753.6	686.3
Total current assets		1,899.5	1,583.8
Total assets		9,040.5	9,097.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

AS AT

\$ millions	Note	30 September 2021	31 December 2020
Equity			
Share capital		5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(355.7)	(338.4)
Retained earnings		(4,567.6)	(4,851.8)
Equity attributable to owners of the Company		1,398.6	1,131.7
Non-controlling interests	(11)	1,185.6	1,540.1
Total equity		2,584.2	2,671.8
Liabilities			
Non-current liabilities			
Loans and borrowings	(12)	3,395.5	4,226.9
Lease obligations		235.8	248.6
Trade and other payables	(13)	23.5	25.7
Provisions		11.9	3.0
Deferred tax liabilities		546.4	515.5
Total non-current liabilities		4,213.1	5,019.7
Current liabilities			
Loans and borrowings	(12)	404.0	189.7
Lease obligations		38.3	43.6
Trade and other payables	(13)	1,576.3	1,003.6
Provisions	(18)	145.8	158.3
Income tax payables	(16)	78.8	10.3
Total current liabilities		2,243.2	1,405.5
Total liabilities		6,456.3	6,425.2
Total equity and liabilities		9,040.5	9,097.0

The notes on pages 8 to 14 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 30 September 2021	Three-month period ended 30 September 2020	Nine-month period ended 30 September 2021	Nine-month period ended 30 September 2020
Revenue	(17)	1,537.3	751.9	4,119.8	2,438.4
Cost of sales	(14)	(1,264.6)	(671.5)	(3,102.1)	(2,154.0)
Gross profit		272.7	80.4	1,017.7	284.4
Other income		-	1.0	1.1	14.4
Selling, general and administrative expenses	(14)	(67.9)	(59.1)	(190.6)	(168.3)
Other expenses		0.4	0.4	(0.1)	0.1
Operating profit		205.2	22.7	828.1	130.6
Finance income	(15)	23.2	79.9	29.6	111.8
Finance cost	(15)	(70.8)	(126.6)	(211.3)	(269.3)
Net finance cost	(15)	(47.6)	(46.7)	(181.7)	(157.5)
Income from equity-accounted investees (net of tax)		18.4	3.3	50.2	(24.1)
Profit / (loss) before income tax		176.0	(20.7)	696.6	(51.0)
Income tax	(16)	(23.7)	(8.5)	(96.4)	(11.9)
Net profit / (loss)		152.3	(29.2)	600.2	(62.9)
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Movement in hedge reserve		11.1	0.9	3.4	1.5
Currency translation differences		(15.5)	(38.8)	(35.4)	(86.4)
Currency translation differences from equity-accounted investees		(1.1)	1.2	(1.6)	0.7
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		(1.0)	0.5	(6.7)	(3.0)
Other comprehensive income, net of tax		(6.5)	(36.2)	(40.3)	(87.2)
Total comprehensive income		145.8	(65.4)	559.9	(150.1)
Profit / (loss) attributable to:					
Owners of the Company		30.8	(37.0)	275.7	(120.8)
Non-controlling interests		121.5	7.8	324.5	57.9
Net profit / (loss)		152.3	(29.2)	600.2	(62.9)
Total comprehensive income attributable to:					
Owners of the Company		34.0	(73.5)	255.1	(176.2)
Non-controlling interests		111.8	8.1	304.8	26.1
Total comprehensive income		145.8	(65.4)	559.9	(150.1)
Earnings / (loss) per share (in USD)					
Basic earnings / (loss) per share		0.147	(0.176)	1.314	(0.576)
Diluted earnings / (loss) per share		0.146	(0.176)	1.306	(0.576)

The notes on pages 8 to 14 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)	-	-	-	(120.8)	(120.8)	57.9	(62.9)
Other comprehensive income	-	-	(55.4)	-	(55.4)	(31.8)	(87.2)
Total comprehensive income	-	-	(55.4)	(120.8)	(176.2)	26.1	(150.1)
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	15.4	15.4
Dividend to non-controlling interest	-	-	-	-	-	(26.4)	(26.4)
Treasury shares sold / delivered	-	-	3.6	(3.6)	-	-	-
Business combination Fertigllobe	-	-	-	48.3	48.3	(59.6)	(11.3)
Share-based payments	-	-	-	6.0	6.0	-	6.0
Balance at 30 September 2020	5.6	6,316.3	(289.6)	(4,796.7)	1,235.6	1,416.7	2,652.3
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)	-	-	-	275.7	275.7	324.5	600.2
Other comprehensive income	-	-	(20.6)	-	(20.6)	(19.7)	(40.3)
Total comprehensive income	-	-	(20.6)	275.7	255.1	304.8	559.9
Impact difference in profit sharing non-controlling interests	-	-	-	-	-	70.9	70.9
Treasury shares sold / delivered	-	-	4.1	(4.1)	-	-	-
Treasury shares acquired	-	-	(0.8)	-	(0.8)	-	(0.8)
Acquisition of additional shares in EBIC	-	-	-	6.0	6.0	(44.4)	(38.4)
Dividend to non-controlling interests ¹	-	-	-	-	-	(685.8)	(685.8)
Share-based payments	-	-	-	6.6	6.6	-	6.6
Balance at 30 September 2021	5.6	6,316.3	(355.7)	(4,567.6)	1,398.6	1,185.6	2,584.2

The notes on pages 8 to 14 are an integral part of these condensed consolidated financial statements.

¹Dividend to non-controlling interest is primarily related to Fertigllobe's distributions to its minority shareholder ADNOC (USD 504.0 million, excluding USD 39.3 million prepayment of Sorfert dividend which is expected to be approved by shareholders in Q4 2021) and Sorfert's distribution to its minority shareholder Sonatrach (USD 179.4 million)

CONSOLIDATED STATEMENT OF CASH FLOWS

\$ millions	Note	Three-month period ended 30 September 2021	Three-month period ended 30 September 2020	Nine-month period ended 30 September 2021	Nine-month period ended 30 September 2020
Net profit / (loss)		152.3	(29.2)	600.2	(62.9)
Adjustments for:					
Depreciation, amortization and impairment	(14)	316.2	149.0	626.8	438.6
Interest income	(15)	(2.1)	(1.2)	(3.6)	(3.8)
Interest expense	(15)	55.4	71.0	185.0	194.5
Net foreign exchange loss / (gain) and others	(15)	(5.7)	(23.1)	0.3	(33.2)
Share in income of equity-accounted investees		(18.4)	(3.3)	(50.2)	24.1
Fertiglobe business combination		-	-	-	(13.3)
Equity-settled share-based payment transactions		2.2	2.2	6.6	6.0
Impact difference in profit-sharing non-controlling interests		37.6	1.9	70.9	15.4
Income tax expense / (benefit)		23.7	8.5	96.4	11.9
Changes in:					
Inventories		(37.4)	(67.5)	(20.7)	(8.1)
Trade and other receivables		(202.3)	(46.4)	(267.9)	(21.0)
Trade and other payables	(13)	100.6	14.9	198.2	(66.3)
Provisions		19.2	4.3	(2.7)	4.8
Cash flows:					
Interest paid		(13.3)	(19.7)	(123.5)	(176.2)
Lease interest paid		(2.0)	(1.3)	(6.3)	(6.5)
Interest received		3.0	1.4	3.6	3.0
Income taxes paid		(29.6)	(5.5)	(83.0)	(12.9)
Cash flow from / (used in) operating activities		399.4	56.0	1,230.1	294.1
Investments in property, plant and equipment		(85.2)	(47.3)	(163.6)	(211.1)
Dividends from equity-accounted investees		-	-	2.6	2.6
Cash flow from / (used in) investing activities		(85.2)	(47.3)	(161.0)	(208.5)

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

\$ millions	Note	Three-month period ended 30 September 2021	Three-month period ended 30 September 2020	Nine-month period ended 30 September 2021	Nine-month period ended 30 September 2020
Proceeds from borrowings	(12)	34.3	43.6	528.7	555.9
Repayment of borrowings	(12)	(225.8)	(80.8)	(1,071.6)	(741.2)
Payment of lease obligations		(10.2)	(7.6)	(27.9)	(26.5)
Newly incurred transaction costs / call premium		-	0.3	(8.9)	(5.3)
Purchase of treasury shares		-	-	(0.8)	-
Dividends paid to non-controlling interests		(237.4)	(26.4)	(271.1)	(26.4)
Advanced dividend to non-controlling interest		(39.3)	-	(39.3)	-
Acquisition of additional shares in EBIC	(11)	(43.0)	-	(43.0)	-
Settlement FX derivatives		(23.2)	5.8	(53.8)	5.8
Net debt settlement business combination Fertiglobe		-	-	-	166.8
Cash flows from / (used in) financing activities		(544.6)	(65.1)	(987.7)	(70.9)
Net cash flow		(230.4)	(56.4)	81.4	14.7
Net increase / (decrease) in cash and cash equivalents		(230.4)	(56.4)	81.4	14.7
Cash and cash equivalents at start of period		987.2	645.1	686.3	600.5
Effect of exchange rate fluctuations on cash held		(3.2)	1.4	(14.1)	(25.1)
Cash and cash equivalents at 30 September		753.6	590.1	753.6	590.1

The notes on pages 8 to 14 are an integral part of these condensed consolidated financial statements.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER

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 30 September 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.

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

3. Summary of significant accounting policies

The accounting policies applied over the nine-month period ended 30 September 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 and cash flow hedge accounting 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.

3.3 European Emission Allowances

The Group receives European Emission Allowances ("EUAs") as a result of its industrial activities in the Netherlands. The grant of these allowances is within the scope of IAS 20 Government Grants. Upon initial recognition, the EUA's are recognized at the nominal amount of the grant. Concurrently, a liability is recognized for the obligation to refund the allowances for CO2 emissions during the compliance period. Sales of EUAs in excess of the liability for emission allowances during any given compliance period are recognized in cost of sales. Any purchases of EUAs to settle the liability for emission allowances during any given compliance period are also recognized in cost of sales.

4. Seasonality of operations

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

5. Critical accounting judgment, estimates and assumptions

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

Compared to the consolidated financial statements for the year ended 31 December 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, except for the BioMCN impairment, IFCo deferred tax asset recognition and the Sorfert reinvestment case, refer to page 9. 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.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

5. Critical accounting judgment, estimates and assumptions (continued)

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.

Impairment indicators BioMCN

As a result of an assessment for impairment indicators performed as at 30 September 2021, an impairment indicator was identified for the property, plant and equipment of BioMCN which represents approximately 2.6% of total assets.

The sharp increase in European gas prices, benchmarked by the Dutch Title Transfer Facility (TTF), has a significantly negative effect on the performance of BioMCN and management decided to temporarily shut down the facility from June 2021 onwards due to the high gas price environment.

Consequently, an impairment test was performed to estimate the recoverable amount (based on value in use) for BioMCN. Reference is made to note 8 for the outcome of the impairment test.

Deferred tax assets IFCo

Due to IFCo's improved profitability in the current year, the realizability of the available deferred tax benefits was assessed. Both positive and negative evidence was considered in assessing the realizability of the available deferred tax benefits, such as recent historical losses, improved profitability in the current year, higher forecasted taxable profitability and the carryforward period of the tax losses available (which is for a significant part of the losses indefinitely). After assessing these factors, the Company determined that convincing evidence is available that the deferred tax benefit of the tax losses will be realized in the foreseeable future. Reference is made to note 10.

Sorfert tax exemption and reinvestment case

Due to communication received from the Algerian Tax Authorities on 31 October 2021, Sorfert's management has reassessed its position related to the reinvestment case. Reference is made to note 16.

6. Significant rates

The following significant exchange rates applied during the period:

	Average during the nine-month period ended 30 September 2021	Average during the nine-month period ended 30 September 2020	Closing as at 30 September 2021	Closing as at 31 December 2020
Euro	1.1962	1.1246	1.1571	1.2225
Egyptian pound	0.0637	0.0631	0.0636	0.0635
Algerian dinar	0.0075	0.0080	0.0073	0.0076

7. Financial risk and capital management

7.1 Financial risk management

Categories of financial instruments:

30 September 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	773.4	70.4	-
Financial assets at fair value through other comprehensive income	-	-	23.3
Cash and cash equivalents	753.6	-	-
Total	1,527.0	70.4	23.3
Liabilities			
Loans and borrowings	3,799.5	-	-
Trade and other payables	1,489.1	110.7	-
Total	5,288.6	110.7	-

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 2.6 million (2020: USD 2.9 million), the investment in the Infrastructure and Growth Capital Fund of USD 5.7 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 Industries of USD 15.0 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	30 September 2021	31 December 2020
Loans and borrowings	3,799.5	4,416.6
Less: cash and cash equivalents	753.6	686.3
Net debt	3,045.9	3,730.3
Total equity	2,584.2	2,671.8
Net debt to equity ratio	1.18	1.40

8. Property, plant and equipment

\$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	749.9	9,209.3	58.8	155.5	10,173.5
Accumulated depreciation	(160.2)	(3,402.2)	(40.5)	-	(3,602.9)
At 1 January 2020	589.7	5,807.1	18.3	155.5	6,570.6
Movements in the carrying amount:					
Additions	5.1	24.0	2.5	221.2	252.8
Disposals	-	-	(0.3)	-	(0.3)
Depreciation	(27.5)	(519.0)	(3.5)	-	(550.0)
Transfers	4.3	228.4	0.8	(233.5)	-
Effect of movement in exchange rates	(5.4)	(26.1)	(0.3)	3.0	(28.8)
At 31 December 2020	566.2	5,514.4	17.5	146.2	6,244.3
Cost	751.9	9,328.1	60.3	146.2	10,286.5
Accumulated depreciation	(185.7)	(3,813.7)	(42.8)	-	(4,042.2)
At 1 January 2021	566.2	5,514.4	17.5	146.2	6,244.3
Movements in the carrying amount:					
Additions	-	15.2	10.1	123.1	148.4
Disposals	-	(0.1)	-	-	(0.1)
Depreciation	(20.5)	(411.1)	(2.7)	-	(434.3)
Impairment	-	(152.7)	-	-	(152.7)
Transfers	0.6	76.4	0.9	(77.9)	-
Effect of movement in exchange rates	(2.3)	(58.1)	(0.7)	(4.9)	(66.0)
At 30 September 2021	544.0	4,984.0	25.1	186.5	5,739.6
Cost	748.1	9,263.6	70.3	186.5	10,268.5
Accumulated depreciation	(204.1)	(4,279.6)	(45.2)	-	(4,528.9)
At 30 September 2021	544.0	4,984.0	25.1	186.5	5,739.6

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

8. Property, plant and equipment (continued)

Impairment BioMCN

During Q3 an impairment loss of USD 152.7 million and USD 8.8 million was recognized in cost of sales on the property, plant and equipment and right of use assets of BioMCN (an entity included in our methanol EU segment). Over the course of Q3, European gas prices reached historically high price levels, which has a significantly negative impact on the financial performance of BioMCN. In response to the high gas price environment, management decided to temporarily shut down the production facilities at BioMCN from June 2021 onwards. The shutdown of the production facilities was initiated to avoid significant contribution losses caused by the historically high gas prices. Operational plans are in place to quickly respond to changes in market prices.

To determine the impairment loss, the recoverable amount of BioMCN was estimated based on value in use and amounts to USD 92.6 million. The pre-tax discount rate used in the estimate is 6.77%. The key assumptions included in the estimation of the recoverable amount are the forecasted methanol prices and the forecasted natural gas prices. These assumptions are derived from analyst publications and/or published market prices available on 30 September 2021. Based on the impairment test performed, the property, plant and equipment of BioMCN was partly impaired. The impairment is solely attributable to the unprecedented increase in forecasted natural gas prices in Europe, combined with a weak correlation to forecasted methanol sales prices and is not the result of operational decisions.

The impairment model is especially sensitive to changes to assumptions in the terminal value period of the model. An increase or decrease of 1% in the forecasted TTF price results in USD 25.8 respective change in the value in use and an increase or decrease of 1% in the forecasted price of methanol results in USD 35.6 million respective change in the value in use.

9. Goodwill and other intangible assets

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

10. Deferred tax assets

During Q3 2021, a deferred tax asset related to net operating losses was recognized at Iowa Fertilizer Company (IFCo). The recognition resulted in a net deferred tax benefit of USD 96.7 million. The unrecognized portion of IFCo's net operating losses amounts to USD 258 million (tax affected) as per 30 September 2021.

11. Non-controlling interests

Acquisition of additional shares in EBIC

In August 2021, an additional 25% stake in OCI MEPCO Cayman Limited was acquired from KBR. As a result of this transaction OCI's share in Egypt Basic Industries Corporation (EBIC) increased from 34.8% to 43.5%. The consideration of USD 43.0 million includes a transfer of KBR's claim related to unpaid dividends of USD 4.6 million, resulting in a net consideration of USD 38.4 million. The following table summarises the effect of the transaction on the Company's equity attributable to shareholders:

\$ millions	30 September 2021
Carrying amount of non-controlling interests acquired	44.4
Consideration paid to non-controlling interests in cash	(38.4)
Effect on equity attributable to shareholders	6.0

12. Loans and borrowings

\$ millions	30 September 2021	31 December 2020
At 1 January	4,416.6	4,662.3
Proceeds from loans	528.7	2,070.4
Repayment and redemptions of loans and borrowings ¹	(1,071.6)	(2,396.0)
Newly incurred transaction costs	-	(14.6)
Amortization of transaction costs / (bond) premiums	16.3	34.1
Effect of movement in exchange rates	(90.5)	60.4
Balance at	3,799.5	4,416.6
Non-current	3,395.5	4,226.9
Current	404.0	189.7
Total	3,799.5	4,416.6

¹ In February 2021 IFCo redeemed the outstanding principal amount of the 5.875% bond of USD 147.2 million. In April 2021 OCI N.V. redeemed 10% of the 5.25% Senior Secured Notes due 2024 (USD 60 million) and 10% of the 4.625% Senior Secured Notes due 2025 (USD 40 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. There are no new or amended financing arrangements during the period ended 30 September 2021.

Covenants

Certain loan agreements include financial covenants. As per 30 September 2021 all financial covenants were met. In the event the respective borrowing companies would not comply with the covenant requirements, its loans would become immediately due.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

13. Trade and other payables

\$ millions	30 September 2021	31 December 2020
Trade payables	338.2	298.6
Trade payables due to related parties	43.1	81.4
Amounts payable under the securitization agreement	154.2	113.6
Accrued dividend to non-controlling interests	430.4	12.2
Other payables	309.8	228.7
Employee benefit liabilities	15.0	12.9
Accrued expenses	234.6	235.8
Accrued interest	53.4	24.4
Deferred revenue	4.5	-
Other tax payable	5.7	13.0
Commodity derivative financial instruments	10.9	8.7
Total	1,599.8	1,029.3
Non-current	23.5	25.7
Current	1,576.3	1,003.6
Total	1,599.8	1,029.3

Accrued dividend to non-controlling interests

The increase in accrued dividend to non-controlling interests is primarily driven by the dividend payable of USD 426.0 million to ADNOC recorded at Fertigllobe plc. Reference is made to note 20.

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

\$ millions	30 September 2021	30 September 2020
Raw materials and consumables and finished goods	2,189.8	1,457.9
Maintenance and repair	103.3	85.0
Employee benefit expenses	300.6	273.2
Depreciation, amortization and impairment	626.8	438.6
Consultancy expenses	24.9	21.4
Other	47.3	46.2
Total	3,292.7	2,322.3
Cost of sales	3,102.1	2,154.0
Selling, general and administrative expenses	190.6	168.3
Total	3,292.7	2,322.3

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.

Depreciation, amortization and impairment includes an impairment loss of USD 161.5 million related to BioMCN. Reference is made to note 8.

15. Net finance cost

\$ millions	30 September 2021	30 September 2020
Interest income on loans and receivables	3.6	3.8
Foreign exchange gain	26.0	108.0
Finance income	29.6	111.8
Interest expense and other financing costs on financial liabilities measured at amortized cost	(185.0)	(194.5)
Foreign exchange loss	(26.3)	(74.8)
Finance cost	(211.3)	(269.3)
Net finance cost recognized in profit or loss	(181.7)	(157.5)

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 nine-month period ended 30 September 2021, a total of USD 55.1 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 67.5 million that was recognized in other comprehensive income.

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

16. Income taxes

The Group's consolidated effective tax rate in respect of continuing operations for the nine-month period ended 30 September 2021 was 13.8% (for the nine-month period ended 30 September 2020: -23.3%). The change in effective tax rate was caused mainly by the following factors:

- In the nine-month period ended 30 September 2020, the Group reported a consolidated loss before tax of USD 51.0 million whereas in certain tax jurisdictions taxable profits were realized and tax expenses were recognized accordingly. As a consequence, on a consolidated level, this resulted in a negative effective tax rate. In the nine-month period ended 30 September 2021 profitability increased substantially resulting in taxable profits for the majority of the tax jurisdictions in which the Group operates. This is mainly driven by a recovery in sales prices for both Fertilizer products.

Compared to the statutory tax rate applicable in the Netherlands (25%) the following elements are the main driver for the lower effective tax rate:

- The recognition of a deferred tax asset related to net operating losses at IFCo resulted in a significant deferred tax benefit. Reference is made to note 10 for a more detailed description of this event.
- As a result of the increased profitability noted earlier in 2021, net operating losses that were previously unrecognized could be utilized. As a result, it was determined that previously unrecognised tax losses can be utilized in financial year 2021, resulting in a decrease of the effective tax rate. This change has been reflected in calculating the expected annual effective tax rate and will be apportioned between the interim periods.
- Higher profits generated by the export activities of Sorfert and increased profitability of EBIC for the nine-month period ended 30 September 2021 resulted in a lower effective tax rate compared to the same period in 2020.
- The before mentioned was partially offset by the Sorfert reinvestment case (refer to note 16), an increase in non-deductible expenses, an increase in dividend withholding taxes, higher minimum tax requirements and an increase in uncertain tax positions.

Sorfert reinvestment case

On 29 December 2020 the Large Multinationals Directorate of the Algerian Tax Authorities ("DGE") issued a letter to Sorfert in which its initial claim of DZD 7,296 million (USD 53.3 million) was maintained relating to the alleged non-compliance with the reinvestment obligations under a tax exemption as granted in 2014 by the Agency Nationale de Developpement de l'Investissement ("ANDI"). The DGE is of the opinion that Sorfert did not timely carry out the reinvestment obligations as required under ANDI exemption. As a result, the DGE required Sorfert to repay the full assumed tax benefit it enjoyed in relation herewith. On 1 February 2021, Sorfert appealed to this decision and as part of the appeal process made an initial payment of DZD 2,189 million (USD 16 million, which was recorded as income tax receivable).

On 31 October 2021, the appeal of Sorfert to the initial claim was rejected by the Internal Appeals Committee of the DGE (and the outstanding exposure of USD 37 million was increased with a 25% penalty). Although Sorfert is of the opinion that it has complied with its reinvestment obligations, the DGE applied a different interpretation of the reinvestment law. Since there is no detailed guidance on the interpretation, the ability to firmly assess the technical merits of this case is limited. Due to this lack of detailed guidance and negative outcome of the first appeal, management is currently of the opinion

that when weighing all the current facts and circumstances and application of interpretive guidance of IFRIC 23, it has become probable that Sorfert will be required to settle the remainder of the disputed tax amount. As a result, the Company recorded an additional income tax payable of USD 45 million related to this case, further the tax receivable of USD 16 million has been impaired, resulting in a total income tax expense impact of USD 61 million.

Supported by its external advisors, Sorfert management will pursue the next instance of appeal as it continues to have the view that the grounds of the claim will be ruled as unfounded, as Sorfert has satisfied the intent and purpose of the reinvestment obligations under the ANDI regime.

17. Segment reporting

30 September 2021 \$ millions	Methanol US ¹	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	561.8	385.5	474.0	783.7	2,126.7	1.1	(213.0)	4,119.8
EBITDA ²	370.3	57.2	175.7	140.7	919.3	(71.2)	(137.1)	1,454.9
Adjusted EBITDA ²	275.6	50.5	175.7	135.3	911.9	(62.2)	1.0	1,487.8
Income from equity-accounted investees	-	-	-	2.4	-	-	47.8	50.2
Depreciation, amortization and impairment	(118.8)	(183.7)	(114.3)	(70.1)	(201.7)	(4.1)	65.9	(626.8)
Finance income	0.1	-	0.3	4.3	13.2	48.2	(36.5)	29.6
Finance expense	(22.2)	(2.1)	(54.2)	(5.4)	(60.2)	(124.7)	57.5	(211.3)
Income tax (expense) / income	1.8	0.2	95.6	(15.3)	(171.1)	(7.6)	-	(96.4)
Net profit / (loss)	231.2	(128.4)	103.1	56.6	499.5	(159.4)	(2.4)	600.2
Equity-accounted investees	-	-	-	37.8	-	0.2	500.7	538.7
Capital expenditures PP&E	53.4	12.8	43.6	46.2	31.9	3.8	(43.3)	148.4
Total assets	1,645.3	240.7	2,200.5	731.3	4,562.2	278.0	(617.5)	9,040.5

NOTES TO THE QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER CONTINUED

30 September 2020 \$ millions	Methanol US ¹	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	327.9	212.1	398.5	562.4	1,052.4	1.0	(115.9)	2,438.4
EBITDA ²	91.3	19.8	135.5	104.5	312.0	(37.7)	(56.2)	569.2
Adjusted EBITDA ²	73.5	19.0	135.5	111.7	315.5	(48.2)	(3.1)	603.9
Income from equity- accounted investees	-	-	-	2.4	-	0.5	(27.0)	(24.1)
Depreciation and amortization	(105.1)	(20.8)	(104.8)	(60.4)	(200.7)	(2.8)	56.0	(438.6)
Finance income	0.5	0.3	0.2	16.3	23.6	153.3	(82.4)	111.8
Finance expense	(25.7)	(4.3)	(96.1)	(18.2)	(63.8)	(167.7)	106.5	(269.3)
Income tax income / (expense)	1.1	-	(0.1)	(11.1)	(20.8)	19.0	-	(11.9)
Net (loss) / profit	(37.9)	(5.0)	(65.3)	33.5	50.3	(35.4)	(3.1)	(62.9)
Equity-accounted investees	-	-	-	15.4	-	0.8	464.8	481.0
Capital expenditures PP&E	51.3	35.4	3.9	51.3	45.9	0.3	(8.5)	179.6
Total assets	1,596.5	441.8	2,167.3	677.9	4,601.8	93.0	(601.9)	8,976.4

¹Including 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 15 - 16 of the report.

18. Provisions

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

19. 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, except for the EBIC free zone status.

EBIC free zone status

On 20 April 2013, the Administrative Court ruled in favor of EBIC for the reinstatement of EBIC to its previous status as a free zone entity in Egypt. The General Authority for Investment and Free Zones ('GAFI') filed an appeal before the Administrative Court. In May 2021, the Administrative Court rendered its final ruling in favor of EBIC.

20. Subsequent events

Fertiglobe refinancing

On 14 August 2021, Fertiglobe obtained a USD 1.4 billion financing arrangement, consisting of a USD 900 million bridge loan at LIBOR +105 bps with an 18-month maturity (extendable for another 12 months) with an accordion facility of USD 200 million. Furthermore, Fertiglobe obtained a USD 300 million Revolving Credit Facility maturing in 2026 at an interest rate of LIBOR +175 bps.

The bridge loan and accordion facility were drawn down in full on 4 October 2021 and the proceeds were used to repay the current EFC and Fertiglobe outstanding loans and to partially fund a dividend of USD 850 million to Fertiglobe shareholders (OCI's share is USD 493 million and USD 357 million was distributed to ADNOC).

2024 USD and EUR Notes

OCI announced on 14 September that it has given notice to the holders of its USD 540 million 5.25% Senior Secured Notes due 2024 of the conditional redemption of all of the aggregate principal amount of the outstanding Notes. The redemption date was 1 November 2021 at the redemption price of 102.625% of the aggregate principal amount.

OCI announced on 2 November that it has given notice to the holders of its EUR 700 million 3.125% Senior Secured Notes due 2024 of the conditional redemption of EUR 400 million of the aggregate principal amount of the outstanding Notes. The redemption date was 8 November 2021 at the redemption price of 101.5625% of the aggregate principal amount.

Fertiglobe dividends

In September 2021, the Fertiglobe Board of Directors approved dividends of USD 850 million and USD 165 million, which were paid out to Fertiglobe's shareholders OCI (USD 589 million) and ADNOC (USD 426 million) on 5 October 2021. Furthermore, on 4 October 2021 Fertiglobe shareholders approved an additional dividend of USD 150 million (OCI's share amounts to USD 87 million) that was paid out on 11 October 2021.

Fertiglobe IPO

On 27 October 2021, Fertiglobe listed on the Abu Dhabi Securities Exchange ("ADX") under the ticker "FERTIGLB" and the International Securities Identification Numbering (Isin) code "AEF000901015", in total 13.8% of the Fertiglobe's share capital was issued. Following the IPO, OCI's shareholding percentage in Fertiglobe is 50% plus one share (and will retain control over Fertiglobe). OCI's proceeds from the sale of its shares amounts to USD 461 million (before transactions costs).

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

- EBITDA
- Adjusted EBITDA
- Adjusted net profit / (loss)
- Free cash flow

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

External stakeholders should not consider EBITDA, adjusted EBITDA, adjusted net profit / (loss) 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 profit / (loss) and free cash flow in the same way, these measures may not be comparable to similarly titled measures used by other companies.

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

EBITDA

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

Adjusted EBITDA

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

Adjusted net profit / (loss)

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

Free cash flow

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

Reconciliation of operating profit to adjusted EBITDA for the nine-month period ended:

\$ million	30 September 2021	30 September 2020
Operating profit	828.1	130.6
Depreciation, amortization and impairment	626.8	438.6
EBITDA	1,454.9	569.2
APM adjustments	32.9	34.7
Adjusted EBITDA	1,487.8	603.9

APM adjustments at EBITDA level

\$ million	30 September 2021	30 September 2020
Natgasoline	74.0	36.9
Unrealized result natural gas hedging	(30.5)	(10.5)
Unrealized result EUA derivatives	(12.1)	-
Gain on purchase related to Fertigllobe	-	(13.3)
Hurricane Laura	-	9.5
Mandatory inspection costs	-	7.2
Other including provisions	1.5	4.9
Total APM adjustments at EBITDA level	32.9	34.7

ALTERNATIVE PERFORMANCE MEASURES (APMs) CONTINUED

The main APM adjustments at EBITDA level in YTD Q3 2021 and YTD Q3 2020 relate to:

- Natgasoline is not consolidated and an adjustment of USD 74.0 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 36.9 million
- The unrealized results on natural gas hedge derivatives of USD (30.5) million in 2021 and USD (10.5) million in 2020 relate to hedging activities at OCI Beaumont and in the Netherlands
- The unrealized results on EUA derivatives of USD (12.1) million in 2021 relate to the unrealized gain on EUA hedges at OCI Nitrogen and BioMCN
- 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 1.5 million in 2021 and USD 4.9 million in 2020 mainly relates to movements in provisions related to ongoing litigation and claims

\$ million	30 September 2021	30 September 2020
Reported net profit / (loss) attributable to owners of the Company	275.7	(120.8)
Adjustments at EBITDA level	32.9	34.7
Exclude: Natgasoline EBITDA adjustment	(74.0)	(36.9)
Adjustment result from associate (unrealized gas hedging Natgas)	(64.3)	(16.2)
Forex (gain) / loss on USD exposure	3.2	(36.9)
Non-controlling interests adjustment / uncertain tax position	26.1	6.2
Income tax provision Sorfert	-	1.7
Impairment of BioMCN	161.5	-
Impairment of JV at OCI Nitrogen	-	1.0
Recognition of previously unused tax losses	(96.7)	-
Accelerated depreciation	9.2	1.2
Tax effect of adjustments	(2.0)	(2.6)
Total APM adjustments at net profit / (loss) level	(4.1)	(47.8)
Adjusted net profit / (loss) attributable to owners of the Company	271.6	(168.6)

The main APM adjustments at net profit / (loss) level in YTD Q3 2021 and YTD Q3 2020 relate to:

- The adjustment on result from associate of USD (64.3) million in 2021 and USD (16.2) million in 2020 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas
- FX impact of USD 3.2 million in 2021 and USD (36.9) million in 2020 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 26.1 million in 2021 and USD 6.2 million in 2020 is related to the calculated profit attributable to non-controlling interests on all APM adjustments and the impact of the disputed reinvestment obligations at Sorfert (USD 22 million after minorities)
- Impairment of USD 161.5 million in 2021 relates to the impairment of BioMCN
- Recognition of previously unused tax losses of USD (96.7) million in 2021 relates to the recognition of a deferred tax asset at Iowa Fertilizer Company (IFCo)
- Accelerated depreciation of USD 9.2 million in 2021 relates to the accelerated depreciation of the shiploader at Fertil
- Tax effect of adjustments of USD (2.0) million in 2021 and USD (2.6) million in 2020 is related to the calculated tax effect of all APM adjustments

Free cash flow

\$ million	30 September 2021	30 September 2020
Cash flow from operating activities	1,230.1	294.1
Maintenance capital expenditure	(150.0)	(189.0)
Lease payments	(27.9)	(26.5)
Dividend from equity accounted investees	2.6	2.6
Dividend to non-controlling interests	(271.2)	(26.4)
Other non-operating items	21.6	10.7
Free cash flow	805.2	65.5