OCI

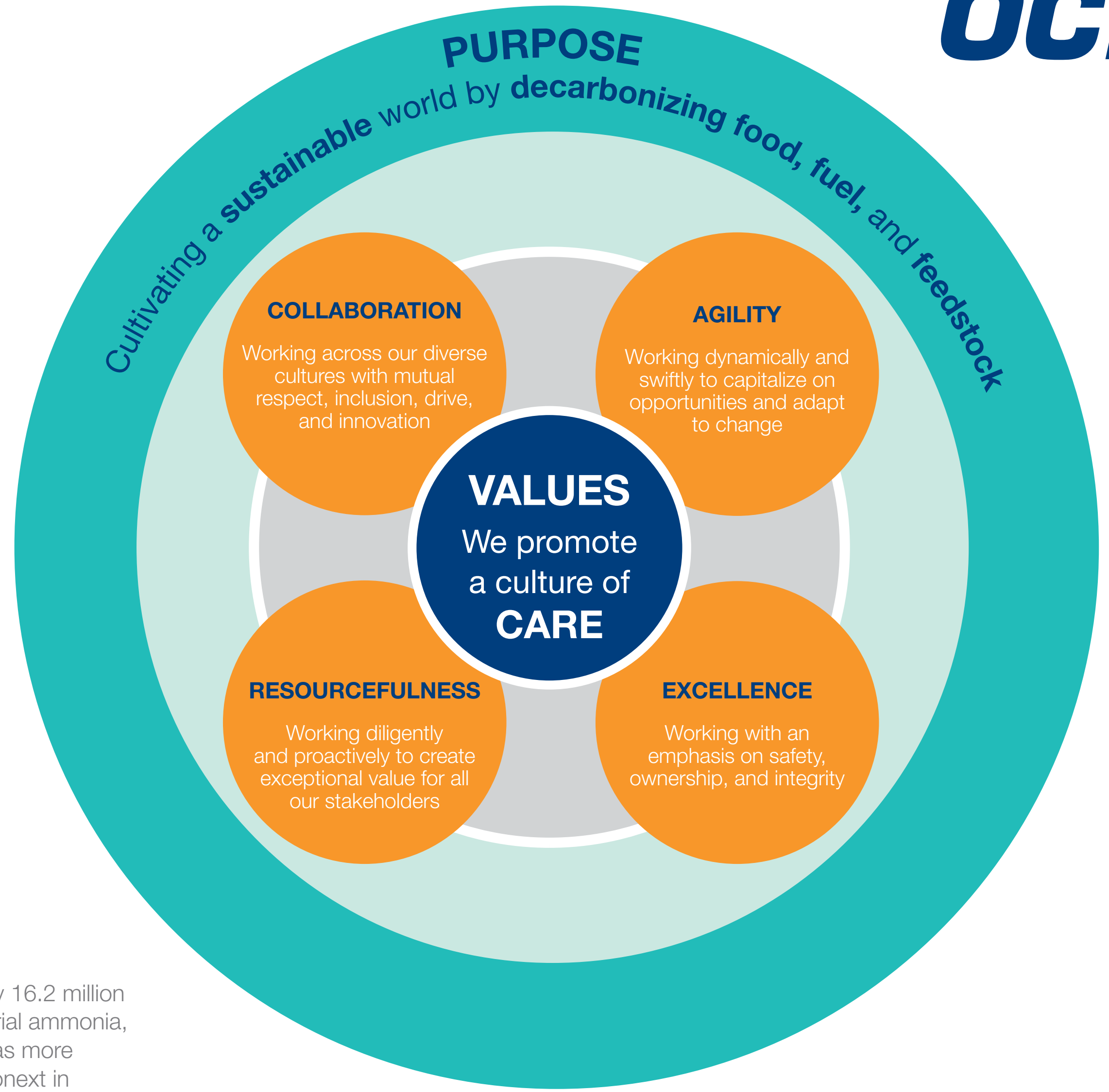
ANNUAL REPORT
2021

European single electronic reporting format (ESEF) and PDF version

This is the PDF/printed version of OCI N.V.'s 2021 Annual Report. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on our website at https://www.oci.nl/investor-centre/results-and-presentations/

In case of any discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

OCI N.V. is a leading global producer and distributor of hydrogen products providing low carbon fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world.



OCI's production capacity spans four continents and comprises approximately 16.2 million metric tons per year of hydrogen products including nitrogen fertilizers, industrial ammonia, methanol, biofuels, diesel exhaust fluid, melamine, and other products. OCI has more than 3,850 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam.

2021 PERFORMANCE HIGHLIGHTS
DRIVING BUSINESS VALUE

FINANCIAL

$6,319M
Revenue
2020: $3,474M

$2,527M
Adjusted EBITDA
2020: $870M

$732M
Adjusted net income/(loss)
2020: $(213)M

$9,812M
Total assets
2020: $9,097M

$3,508M
Total equity
2020: $2,672M

$2.719
Earnings/(loss) per share
2020: $(0.847)

$3,801M
Gross debt
2020: $4,417M

$2,221M
Net debt
2020: $3,730M

$1,594M
Free cash flow
2020: $305M

ESG

2.34
GHG intensity*
MT CO_2e/ton produced
2020: 2.31

36.05
Energy intensity
GJ/ton of ammonia produced
2020: 36.36

2.79
Water Intensity
m^3 consumed/ton produced
2020: 2.50

2.7%
Employee turnover rate
2020: 2.2%

0.20
Lost time injury rate
2020: 0.09

0.35
Total recordable injury rate
2020: 0.23

11.4%
Women at OCI
2020: 10.5%

100%
Compliance training enrollment
2020: 100%

1.7%
Occupational illness rate
2020: 1.9%

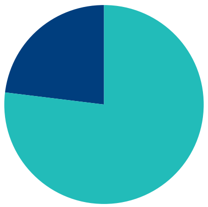
* Please refer to page 48 for a description of how we calculate GHG intensity.

2021 PERFORMANCE HIGHLIGHTS

Our business

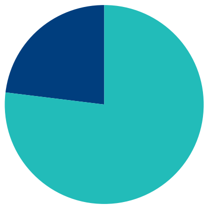
Our production facilities are located in the United States, the Netherlands, the United Arab Emirates, Egypt, and Algeria. We are able to produce and distribute approximately 16.2 million metric tons per year of merchant ammonia, granular urea, calcium ammonium nitrate (CAN), urea ammonium nitrate (UAN), ammonium sulphate (AS), methanol, biofuels, diesel exhaust fluid, melamine, and other nitrogen products, serving agricultural, transportation, and industrial customers around the world.

Revenue by segment



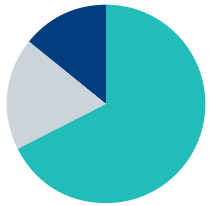
$6,319M
Revenue in 2021

Adjusted EBITDA by segment



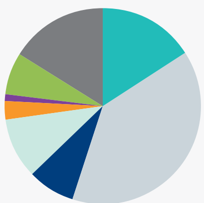
$2,527M
Adjusted EBITDA in 2021

Our employees

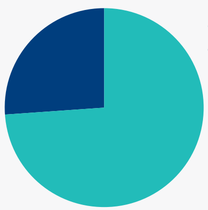


3,853
Employees in 2021

Sales by product

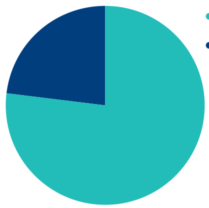


Our customers



14.4MT
Sold in 2021

Hydrogen fuels and feedstocks

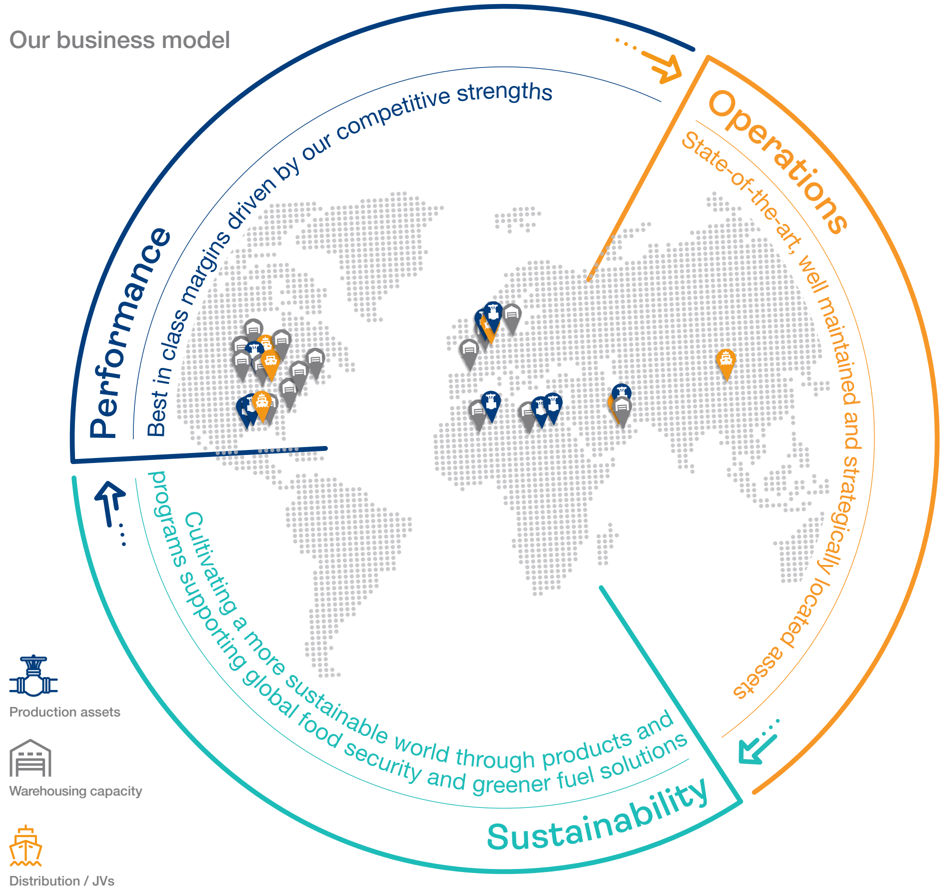


3.3MT
Grey and green methanol, DEF, and green ammonia sold in 2021

Our position in the value chain

Raw material input → Production → Storage → Wholesale distribution → End-consumer

Our business model



1.

STRATEGY AND VALUE CREATION

CEO LETTER

Dear stakeholders

2021 has been a transformational year

I am pleased with our excellent results in 2021, as we begin reaping the rewards of our growth strategy and competitive business model. We delivered record adjusted EBITDA of $2.5 billion and, importantly, our free cash flow from operations was $1.6 billion. We met leverage goals earlier than we had targeted and are approaching our objective of an Investment Grade credit rating.

We achieved this with a safety performance well below industry averages, but our goal remains to prioritize process safety and to reduce occupational safety incidents to zero at all our production facilities across the globe.

I am particularly pleased that this performance, together with a newly designed capital allocation policy gives us the opportunity to start returning capital to shareholders. At the same time, we are positioned well for future growth as we strategically deploy capital for decarbonizing and growing our asset base in a value-accretive way for the future hydrogen economy.

We have been very active with a number of corporate initiatives in the past twelve months. We successfully listed a 13.8% share in Fertiglobe, our partnership with ADNOC in the Middle East and North Africa, on the Abu Dhabi Securities Exchange (ADX) in October. We also created a new strategic alliance for our methanol business with two leading investors through the sale of a 15% stake in that group. On the ESG front, we announced several blue and green hydrogen activities across our platform.

I would like to thank all our employees for an excellent year and for their strong commitment to improving and growing our business. A lot of hard work has gone into bringing us to this point and I am excited about what our dynamic team and state-of-the art asset base can accomplish with this balance sheet and market backdrop.

Health and safety first

After a record safety performance in 2020, we experienced more incidents year-on-year in 2021 resulting in a lost-time injury rate (LTIR) of 0.20 and a total recordable injury rate (TRIR) of 0.35. These numbers are below our internal targets but reflect a deterioration over 2020.

We are committed to a zero-incident culture and take every safety in incident seriously. While we are proud that our safety performance continued to be best-in-class despite the prevalence and challenges of COVID-19, we regretfully suffered the first fatality in our history due to a contractor fall at a jetty. We are deeply saddened by this loss, which is a very significant example of the importance of preventive maintenance and of constant vigilance from all employees, and a full investigation was launched with learnings implemented across our sites.

While we are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by 58% since 2014, we do not take a decline in safety performance lightly.

Accordingly, we maintain an awareness program and refresher sessions for all employees and contractors as part of our training program. We also reinforce our HSE standards among contractors, which have historically consistently suffered more incidents than our employees. We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors. In this we are supported by ongoing support and oversight from the Board and in the HSE & Sustainability Committee.

Our purpose:
Cultivating a sustainable world by decarbonizing food, fuel, and feedstock

CEO LETTER
CONTINUED

A robust capital structure and new capital allocation policy

During 2021, we redeemed bonds at OCI NV and IFCo for a total of $1.8 billion and have reduced net debt by $1.5 billion to c.$2.2 billion, lowered our weighted average cost of debt from c.4.3% at end 2020 to c.3.2% at end 2021 and, reduced cash interest by more than $60 million per year from 2022 onwards. Looking ahead, we will continue to evaluate opportunities to optimize our capital structure and enhance our recurring free cash flow conversion.

The Fertiglobe listing was a major event for our capital structure. It generated gross proceeds to OCI of approximately $461 million. In addition, before the IPO, Fertiglobe paid dividends of $1,165 million, including an $850 million special dividend, to its two shareholders. Following the IPO, OCI continues to own a majority of Fertiglobe's share capital and will continue to consolidate it in our results.

The continued improvement in our leverage profile has translated in upgrades by S&P, Moody's, and Fitch, resulting in all ratings are now equalized at BB+ / Ba1 (stable outlook).

Following the transformation in our capital structure during 2021 and the healthy free cash flow generated, we are approaching our objective to reach an Investment Grade credit rating.

As a result, we are well-positioned to start returning capital to shareholders, as well as invest in growth opportunities in the hydrogen energy transition and other opportunities to enhance and de-risk our future free cash flows.

To that end, OCI's Board has approved a new dividend / capital allocation policy, which combines a consistent base return of capital of $400 million per year, subject to our leverage targets and policy, with an additional variable component linked to FCF generated. Distributions will be made twice per year.

Going forward, this new policy is supported by healthy fundamentals of our core markets, our focus on operational excellence, our robust balance sheet, and healthy free cash flows.

OCI advances decarbonization initiatives

As part of the accelerated global shift to clean energy, hydrogen will play a vital role in the energy transition. Ammonia and methanol are the most effective carriers of green hydrogen essential to decarbonizing industry, food, and transport.

I am pleased that we have numerous key initiatives underway to capture this energy transition potential. Within the past twelve months we have announced blue and green ammonia and methanol initiatives across our global asset base. All these initiatives are at various stages of development and represent the advantaged locations and characteristics of our asset base that position us well for the energy transition.

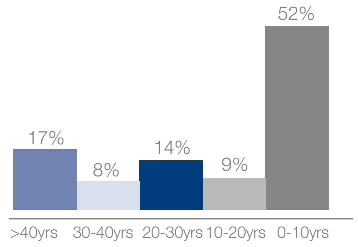
We are also well positioned as a strategic partner with industry leaders as we are one of the largest producers and traders of ammonia and methanol globally with a strategically located asset base, infrastructure, and logistics in place. Moreover, our facilities are located in areas that are expected to have abundant low-cost renewable energy sources. These partnerships can provide entry with relatively low capital expenditure for us and without taking any major supply or technology risks as compared to greenfield projects.

INVESTMENT HIGHLIGHTS

16.2 million metric tons per year of production capacity

Global leader in nitrogen and methanol with excellent diversification

Asset base by vintage



Favourable position on the cost curve with state-of-the-art asset base

Capacity by region

Highly strategic locations allow for enhanced netback pricing through a coordinated global commercial strategy

CEO LETTER CONTINUED

Looking ahead

Looking ahead into 2022, we are highly concerned and saddened by the humanitarian crisis currently unfolding from the Russia – Ukraine conflict. As a leading producer and distributor of essential nitrogen fertilizers, our global team is working to run our world-scale assets and utilize global supply chain to the fullest to ensure the availability of our nitrogen fertilizers to support crop yields and help address critical grain shortfalls.

We are not today directly impacted by the conflict or related sanctions yet future effects are uncertain and we are closely monitoring the extreme volatility, uncertainty and indirect impacts as they arise. We believe our diversified product mix, low-cost global platform, world-scale young assets, strong logistics and our unique ammonia infrastructure can help us mitigate volatile feedstock and product prices, as demonstrated during the high gas price environment in Europe in the second half of 2021.

Demand for our industrial nitrogen products is strong. The ammonia market is structurally tightening over the medium term with limited net capacity additions and higher industrial demand. Melamine markets have continued to tighten driven by strong demand from home renovation and construction markets, tight supply, and low global inventories across the supply chain. The recovery in truck sales and freight activity has continued, supporting an improving trend for OCI's Diesel Exhaust Fluid sales in the US for 2022.

Methanol market fundamentals remain positive. Prices have been supported by a continued recovery in demand, low global inventories, and higher oil and derivatives prices whereas there is no new supply expected to come onstream in 2022.

We see large upside from additional demand for our products emerging in a range of new applications and sectors as a result of the hydrogen transition, where ammonia and methanol are ideally positioned. We continue to make good progress in our efforts to capture value creative opportunities from emerging demand for clean ammonia and methanol as we aim to become one of the largest producers of hydrogen fuel and feedstock in the world.

We can leverage our competitive global platform, world-scale young assets and strong logistics platform and harmonize our hydrogen strategy with our relentless focus on shareholder value.

This all will continue to support FCF generation together with our focus on operational excellence and further gross debt reduction.

Ahmed El-Hoshy
Chief Executive Officer

OUR STRATEGIC PRIORITIES

We are building a sustainable company for the future with a clear purpose of cultivating a sustainable world by decarbonizing food, fuel, and feedstock.

Our end-markets cover food, fuel, and feedstock, representing an opportunity to decarbonize approximately 90% of today's global greenhouse gas emissions:

- Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality.
- Our fuel solutions provide clean alternatives to significantly reduce greenhouse gas emissions by 60% versus conventional fuels.
- Our industrial feedstocks are excellent hydrogen carriers and decarbonized input for downstream industrial processes.

Our commitment to drive the decarbonization of food, fuel, and feedstock is steered by a differentiated strategy **focused on capital discipline and value creation, coupled with a unique green portfolio that enables the hydrogen economy**. Our strategy is underpinned by **strong governance with long-term incentives tied to ESG and operational excellence metrics and dedicated attention from our Board of Directors through the HSE & Sustainability Committee.**

Global long-term fundamentals support expected sustained growth in our industries

9.7BN Global population by 2050	**+70%** Required growth in food production levels by 2050	**-55%** Reduction in arable land per capita by 2050
+50% Increase in meat production by 2050	**-55%** Required reduction in GHG emissions by 2030	**+300X** Required increase in transport biofuel consumption by 2030

Sources: UN FAOSTAT, World Economic Forum, IEA, IPCC

OUR STRATEGIC PRIORITIES

OPERATIONAL EXCELLENCE

We are committed to excellence in every aspect of our organization. We continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and improve upon our industry leading health and safety records.

We believe operational excellence does not stop at the gates of our plants and we hold all suppliers and business partners to the standards set out in our Business Partner Code of Conduct.

BUSINESS OPTIMIZATION

We are committed to optimizing our global presence and enhance our position as a global leader in our industries. We will continue to explore strategic opportunities that are in line with our strategic goals and financial return expectations, including acquisitions, partnerships, joint ventures, business combination transactions, disposals, spin-offs or other transactions.

GLOBAL COMMERCIAL STRATEGY

We maintain a global approach to our commercial strategy.

We align our group-wide sales and marketing activities to optimize our production mix through our flexible assets and to maximize the production of premium products, leverage logistical advantages through our global distribution network, and cultivate customer relationships to deliver strong netback prices.

SUSTAINABILITY

We are committed to being an environmental steward and will drive the hydrogen economy and significantly contribute to the decarbonization of three of the largest contributors to global greenhouse gas emissions: food, fuel, and feedstock.

MAXIMIZING FREE CASH FLOW

We are committed to our financial policy aimed at maximizing our free cash flow generation.

We believe our diversified product portfolio, advantageous geographic presence, and coordinated global commercial strategy enable us to maximize netback prices, which coupled with our ramped-up production capacity, will allow us to achieve strong free cash flow conversion.

OUR TARGETS

$75M[1] Additional EBITDA from operational excellence expected in the next 3-5 years	**-20%** GHG intensity reduction by 2030	**25%** Women in senior leadership by 2025	**<2X** Maintain net leverage through the cycle

[1] The $75 million estimated additional EBITDA was based on selling price levels of early 2021, and would be substantially higher when applying March 2022 prices.

CAPITAL ALLOCATION PRIORITIES

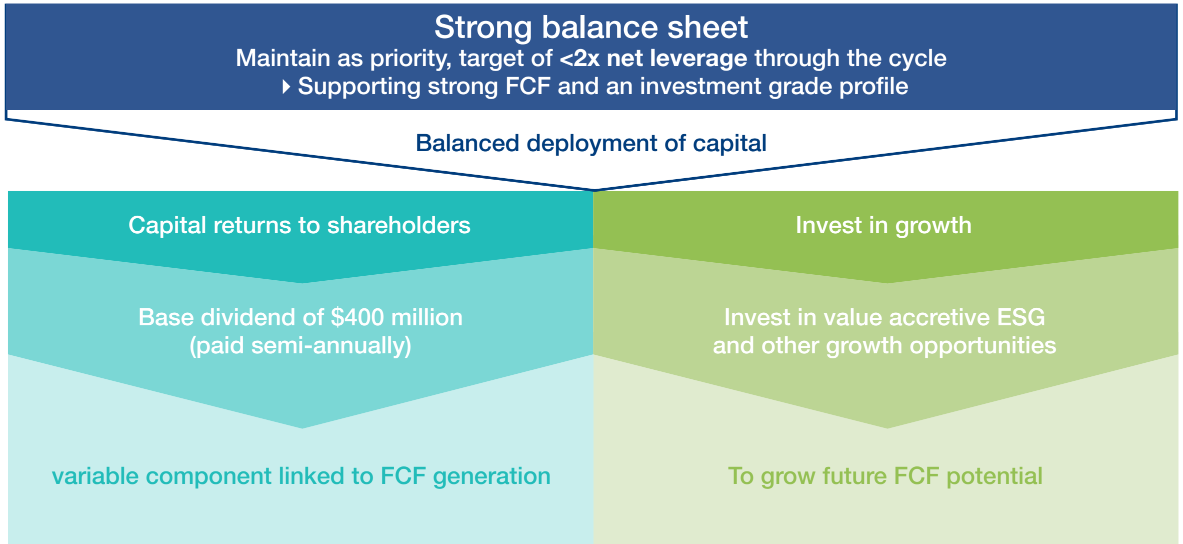
Committed to a consistent base distribution and a variable component linked to free cash flow to shareholders

Having achieved our net leverage goals in 2021, we are now in a position to balance the availability of funds and excess free cash flows to return capital to shareholders while pursuing value accretive ESG and other growth opportunities.

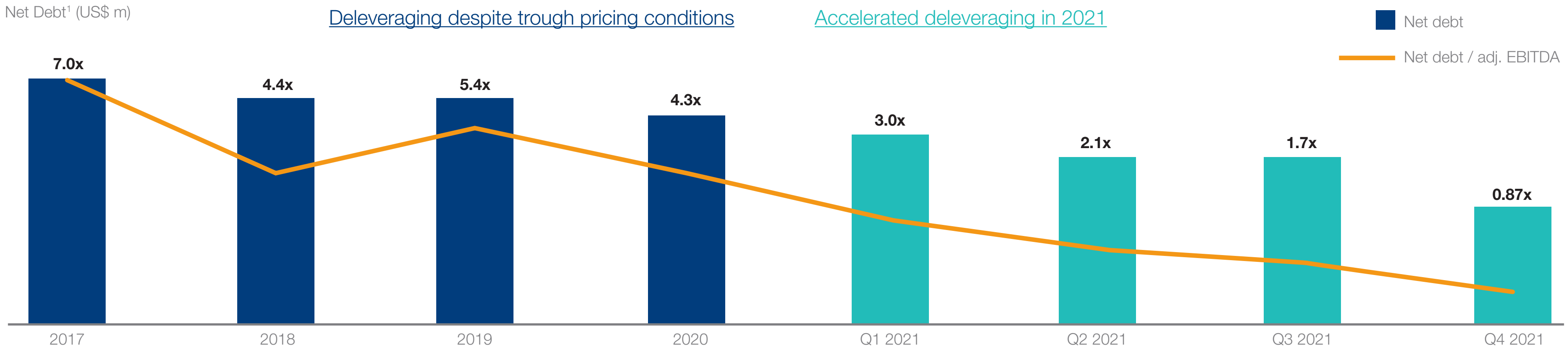
The Board of Directors has therefore approved a new capital returns policy (see page 222) that combines consistent base dividend of $400 million per year distributed on a semi-annual basis, with a variable component linked to the generation of free cash flow.

The variable component can be in the form of repayments of capital, dividends or share buybacks and is based on surplus free cash flows after providing for growth capex and base dividends with the aim to provide investors with cyclical upside.

Going forward, the policy is subject to maintaining an investment grade credit profile with a target of net leverage below 2x through the cycle, and balance availability of funds and excess FCF for profit distribution to shareholders while pursuing value accretive ESG and other growth opportunities.



Leverage targets achieved



Free Cash Flow (FCF) defined as cash from operations less maintenance capex less lease payments less dividends to minorities

[1] Net Debt calculated based on reported loans and borrowings less cash and cash equivalents

CAPITALIZING ON THE HYDROGEN OPPORTUNITY

OCI is building a sustainable company for the future that drives the global transition to a hydrogen economy.

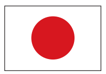
In a decarbonized world by 2030, hydrogen demand could grow up to tenfold, supported by drop in production costs and regulatory push to address climate change.

Supportive regulatory environment

NextGenerationEU (EU's €808bn post-COVID recovery fund) aims to make EU economy greener and more resilient.

EU has committed €37bn of funding to promote Green H_2 in Southern Mediterranean (including Egypt and Algeria) between 2021- 2027.

US passed $1.2tn Infrastructure Bill which includes incentives for hydrogen and CCS projects, and is considering the **Build Back Better Bill**, which includes additional GHG reduction and hydrogen incentives (e.g., $3/kg green hydrogen tax credit).

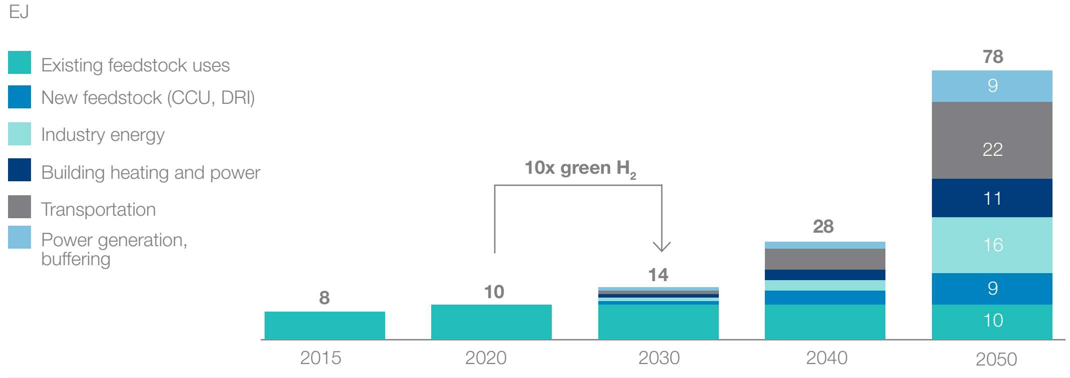


Japan aims to build a "hydrogen society" by 2030 and achieve **carbon neutrality by 2050.**

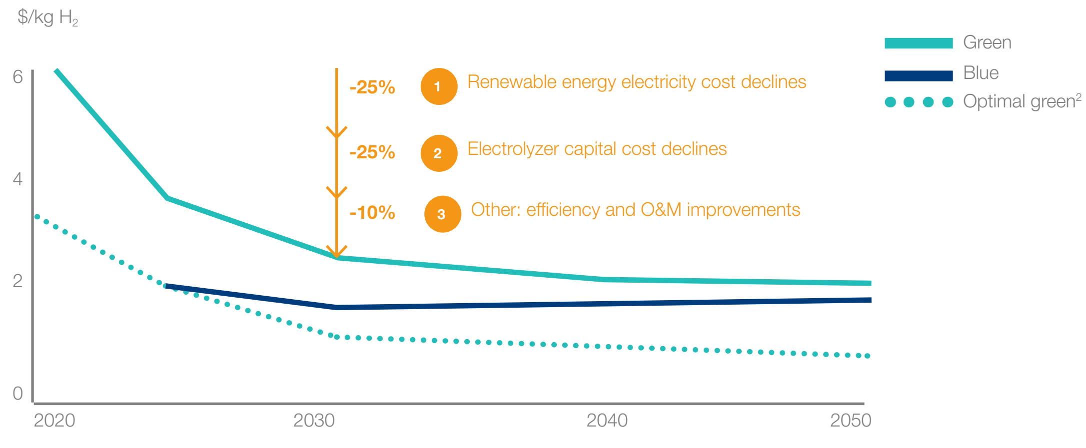
India's government to require **refiners and fertilizers to use green hydrogen from 2023, paving the way for a major acceleration in the nation's hydrogen economy**.

Several governments announced hydrogen subsidies and grant programs, such as **Germany's H2Global initiative for green hydrogen imports**, consisting of a €2bn strategy to support electrolyzer projects abroad.

Growth in hydrogen demand driven key OCI sectors[1]



Production cost of hydrogen expected to come down rapidly



[1] Subject to supportive regulatory environment, subsidies, technology advancements and national environmental targets.

[2] Optimal green refers to green ammonia produced using wind/solar energy in the Middle East.

CAPITALIZING ON THE HYDROGEN OPPORTUNITY CONTINUED

OCI opportunities: ammonia and methanol are the leading hydrogen carriers capable of decarbonizing our key sectors

As hydrogen carriers, ammonia and methanol can decarbonize approximately 90% of today's greenhouse gas emissions across our end markets of agriculture, fuel, and feedstock, in addition to indirect markets in power and and waste.

Our two core products – ammonia and methanol – represent more than 50% of grey hydrogen use today and are key products to accelerate the transition to a hydrogen economy.

Although most countries are working towards developing a hydrogen economy, it is not feasible to produce sufficient hydrogen to meet expected demand given limitations on renewable energy power in many regions, including Europe.

This means that hydrogen will need to be transported over long distances, but as hydrogen needs to be cooled down to -252 degrees Celsius, this results in a huge loss of scarce green energy and the cooled hydrogen has a very low energy density. However, ammonia and methanol are the ideal energy carriers for several reasons:

- Their respective energy densities are higher than hydrogen's,
- They are widely used products, and
- They are easier to store with extensive global distribution and storage infrastructure in place.

Our end-markets cover food, fuel, and feedstock, representing an opportunity to decarbonize approximately 90% of today's global greenhouse gas emissions across agriculture, industry and transportation.

Our entrepreneurial track record means we have the relationships and global reach to drive change without having to choose between sustainability and value creation.

	Global GHG emissions	Blue / Green ammonia	Bio / Green methanol
Agriculture	20%	• Enabler for low carbon farming	
Fuel	10%	• No CO_2, SOx, or particulate emissions upon combustion • Needs less refrigeration (-33°C NH_3 vs -253°C H_2)	• Effective and easier to handle than H_2 • Cleaner burning low-carbon fuel in marine transport • Widely used in road transport • Versatile base chemicals with established routes to gasoline and aviation fuels
Feedstock or energy carrier	30%	• Green feedstock for chemicals and low-cost solution to transport H_2 • 70% higher energy density than H_2	• Efficient and promising green feedstock for chemicals in many end-markets • 84% higher energy density than H_2

MARINE FUEL REPRESENTS A SUBSTANTIAL MARKET OPPORTUNITY FOR OCI

Ammonia and methanol are the only practical alternatives for long-distance shipping.

Shipping currently accounts for approximately 3% of global CO_2 emissions but is one of the hardest sectors to decarbonize due to the current economic cost effectiveness of heavy fuel oil (HFO).

The International Maritime Organization (IMO) has set emissions targets that can only be achieved through the adoption of low-carbon fuels on new and existing vessels, and the EU is pushing to include shipping in the emissions trading system (EU ETS) with binding requirements to reduce CO_2 by more than 40% by 2030. This push to decarbonize shipping is driven throughout the industry's value chain, **with major consumer facing companies, including Amazon, Ikea, Inditex and Unilever, pledging to decarbonize their freight by moving cargo on ships using zero-carbon fuels by 2040**.

Of the various alternative low carbon fuels available, ammonia and methanol, OCI's core products, are the only practical alternatives for long-distance shipping. Both fuels, even without the implementation of decarbonization technologies, already have a lower environmental footprint compared to conventional fuels.

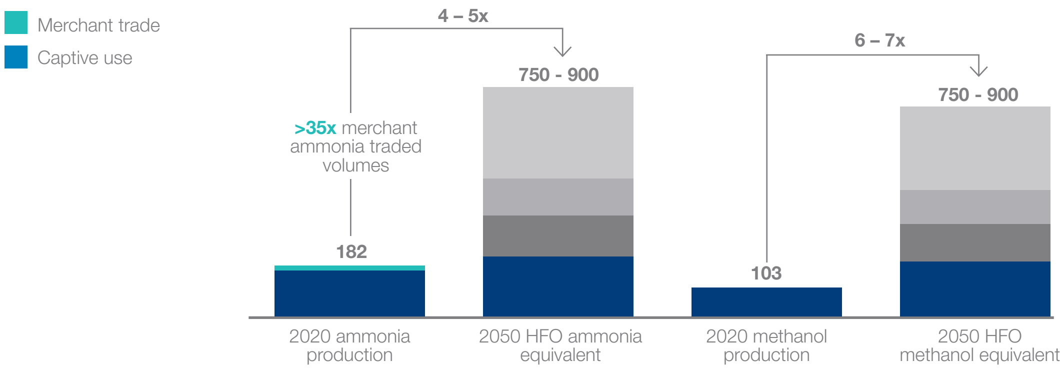
Green ammonia is particularly promising as it can be produced from water electrolysis and air separation that can both be powered by energy produced from solar and wind without emitting any carbon This makes a green ammonia fueled ship a zero-emission ship. Similarly, as blue and green methanol are derived from renewable sources and utilize biogenic CO_2 in its makeup, a vessel powered by methanol, or a methanol derived fuel is net-zero-emissions ship.

OCI is working with a variety of partners to encourage the growth low carbon fuels in shipping, from developing a network of supply points, procedures for safe operations, and industry certification; to fostering partnerships with players, such as MAN Energy Solutions, Eastern Pacific Shipping and Hartmann Group, to build and operate methanol and ammonia fueled vessels.

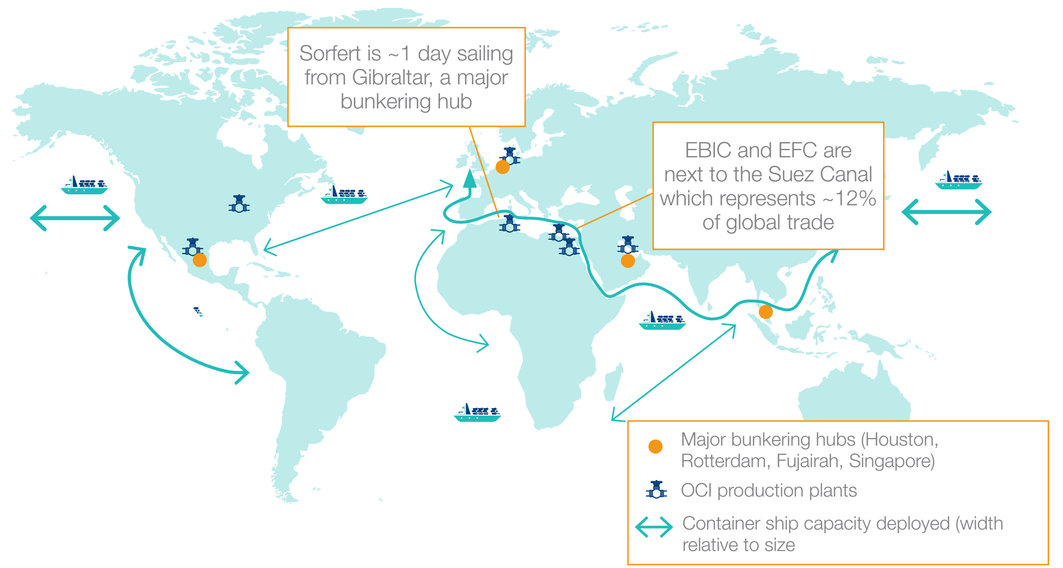
The maritime fuel market in HFO could grow to approximately 430 million metric tons by 2050, translating in ammonia and methanol equivalents of 650 - 900 million metric tons while the current combined global gross ammonia and methanol production is ~290 million metric tons, indicating a large opportunity for OCI.

[1] HFO refers to heavy fuel oil.
[2] Lower end when burned in more efficient fuel cells, higher end of the range when burned in internal combustion engines.

2050 outlook potential for ammonia and methanol in marine fuels industry as a substitute for HFO[1,2]



OCI's network located at key bunkering hubs on major shipping lanes



OCI'S STRATEGIC FOOTPRINT WILL CAPTURE THE HYDROGEN POTENTIAL

We are uniquely positioned to drive the hydrogen economy through our geographic presence and product mix

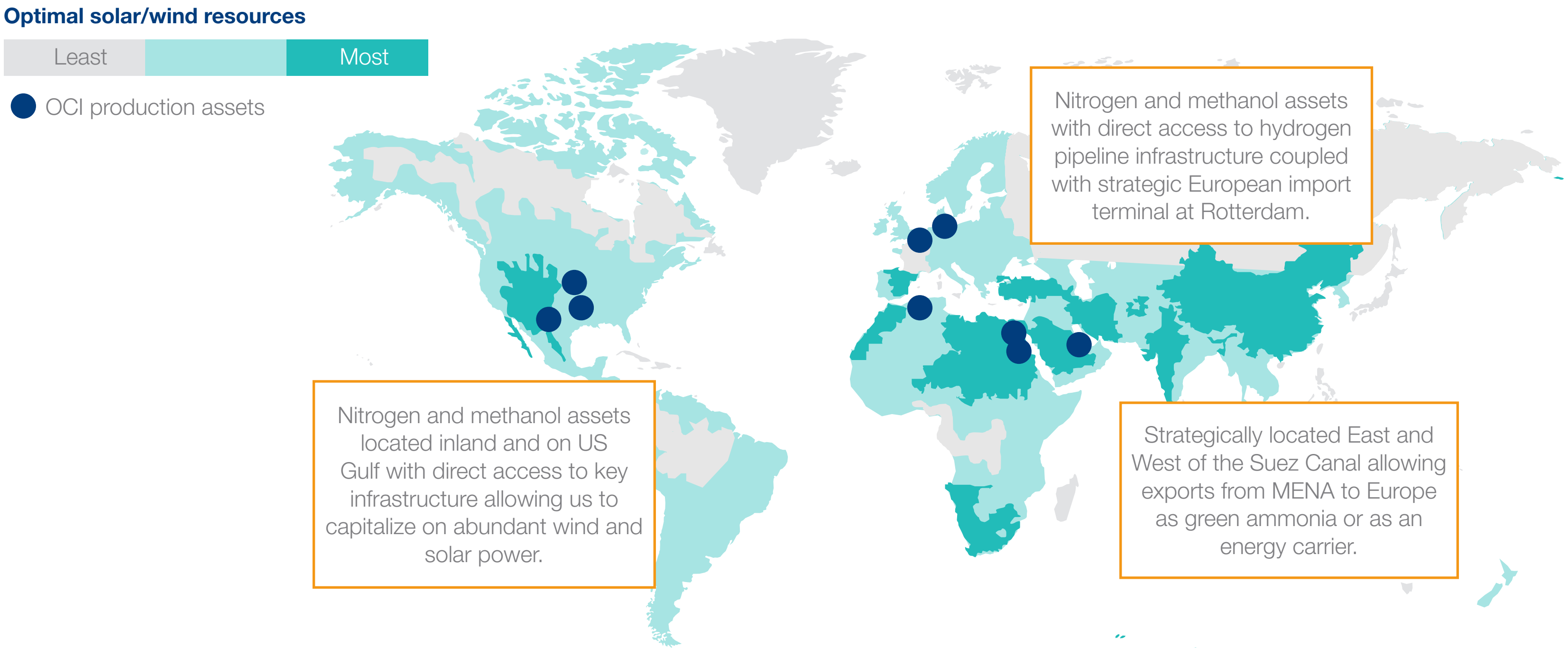
OCI's unique advantages

We are a global leader in the production of ammonia and methanol and are one of the largest traders in these products.

We also benefit from several strategic geographic advantages, including:

- We are the only producer with facilities and extensive distribution and storage capabilities in the United States, Europe and the MENA region.
- Our coastal assets are all located on major global shipping lanes next to key bunkering hubs for the transportation of renewable fuels.
- Almost all our assets have access to abundant solar and wind energy, meaning we can shift to a renewable production process. As such, we can play a key role in supplying major hydrogen-deficit markets such as Europe and Asia.
- Our European assets, including an ammonia import terminal in Rotterdam, are strategically positioned to play a major role in fulfilling hydrogen import needs as demand ramps up.

These advantages are particularly effective in positioning us to decarbonize our asset base through a pipeline of opportunities, in partnership with key private sector and government stakeholders in the hydrogen transition.



OCI FUELS PLATFORM EXECUTING ON GROWTH AMBITIONS IN HYDROGEN FUELS

OCI Fuels is executing on growth ambitions to become the premier hydrogen-based clean fuel provider globally

Established in 2015, OCI Fuels is the first commercial platform to provide customers with no and low-carbon hydrogen-based fuel products.

It produces a variety of no and low-carbon methanol products to help customers lower emissions and comply with regulatory targets. It can produce green methanol, Bio-MTBE, blue ammonia, green ammonia and an alcohol mix consisting of green methanol and ethanol blends.

As one of the largest buyers of renewable natural gas, OCI Fuels can scale up production as needed with more than 3.3m tons of capacity for green methanol.

OCI Fuels currently supplies 3% of the UK vehicle fuels market and is a major supplier to several key EU markets through various partnerships with with some of the world's largest brands and oil majors.

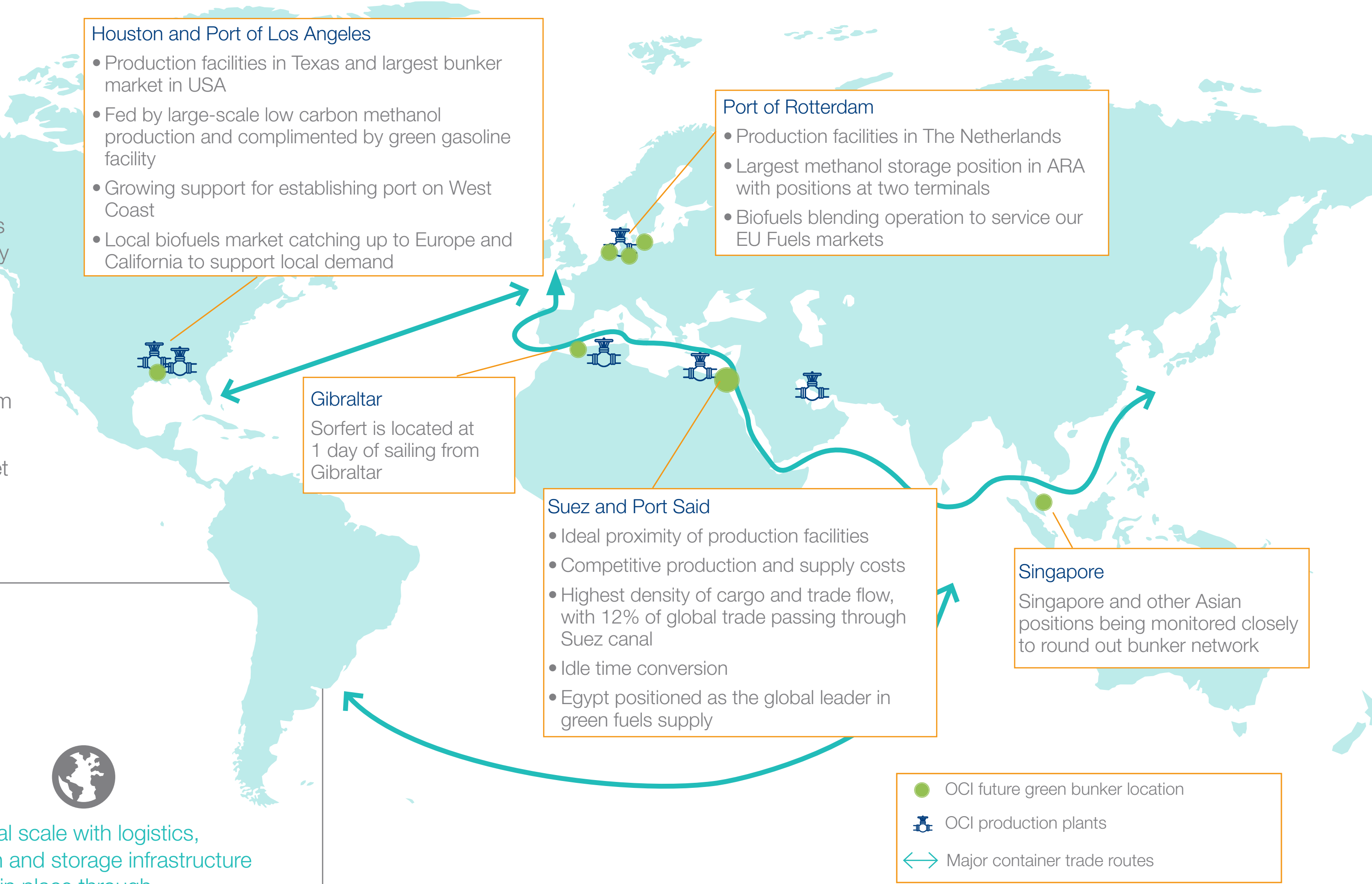
Key Highlights:

#1 green methanol producer in the US and in Europe

All green methanol meets the highest sustainability standards, **certified by ISCC EU and ISCC Plus.**

Global scale with logistics, distribution and storage infrastructure in place through OCI's bunkering platform.

OCI's global network benefits from on-site or nearby bunkering



SUCCESSFUL FERTIGLOBE IPO MARKS ANOTHER MILESTONE

Established in 2019 as a strategic partnership between OCI and ADNOC, Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, the largest producer of nitrogen fertilizers by product capacity in the MENA region and an early mover in clean ammonia. The company has four world class assets in strategic locations which benefit from an advantaged, fixed low-cost feedstock position and represent one of the youngest asset bases in the industry.

IPO timeline

5 October
OCI, ADNOC and Fertiglobe announced their intention to proceed with an initial public offering (IPO) of Fertiglobe and to list its shares for trading on the Abu Dhabi Securities Exchange (ADX).

13 October
Announced the price range of AED 2.45-2.65 per share and cornerstone investment agreements with Inclusive Capital Partners, Abu Dhabi Pension Fund and GIC (c. $231m combined investment).

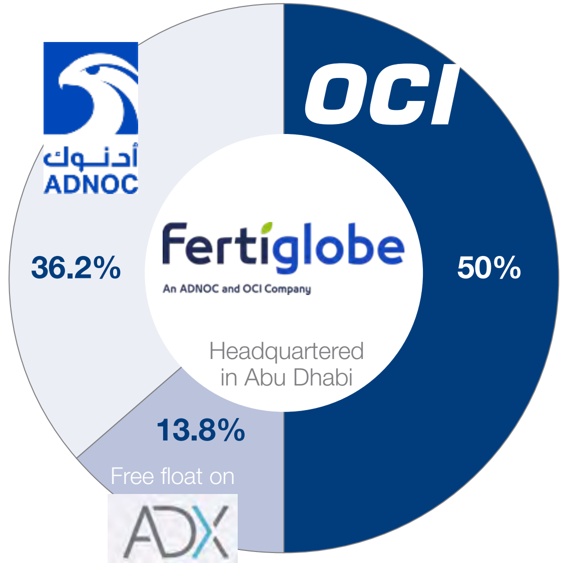
20 October
Successfully completed the bookbuilding process at the price of AED 2.55 per share, with strong interest from international, regional and local investors resulting in the offering being 22x oversubscribed with demand exceeding $17.4bn. The final offering size was confirmed at 13.8% of Fertiglobe's total issued share capital, leaving OCI with 50% + 1 share and ADNOC with 36.2% ownership. OCI will continue therefore to consolidate Fertiglobe.

27 October
Fertiglobe started trading on ADX at a market capitalization of $5.8bn, thus becoming the third largest IPO ever on the Abu Dhabi Securities Exchange and the first free zone company to list onshore in the UAE.

Fertiglobe's listing is another milestone in the company's journey to unlock its potential, providing the right visibility and positioning to grow as a pure play low-cost nitrogen fertilizer and clean ammonia export platform, as well as a regional ESG champion.

Fertiglobe's strategic approach as an enabler of global food security and the hydrogen economy through its growing clean ammonia platform focuses on three key areas:

- Delivering high returns from optimizing the current platform to generate more volumes at a low cost through the operational excellence program.
- Increasing revenues and netbacks by organic commercial growth and looking at opportunistic external opportunities in a fragmented fertilizer market.
- Being an early mover in the clean ammonia space to leverage our unique advantages, scaling up incrementally and through partnerships as demand develops.



4 world-class	**50%**	**In-house global distribution capabilities**
strategically located production facilities	of assets younger than 10 years	including ~1Mt storage capacity

6.7mtpa sellable volume capacity

- 5.1mtpa urea production capacity
- 4.5mtpa gross ammonia production capacity
- 0.5mtpa DEF production capacity[1]

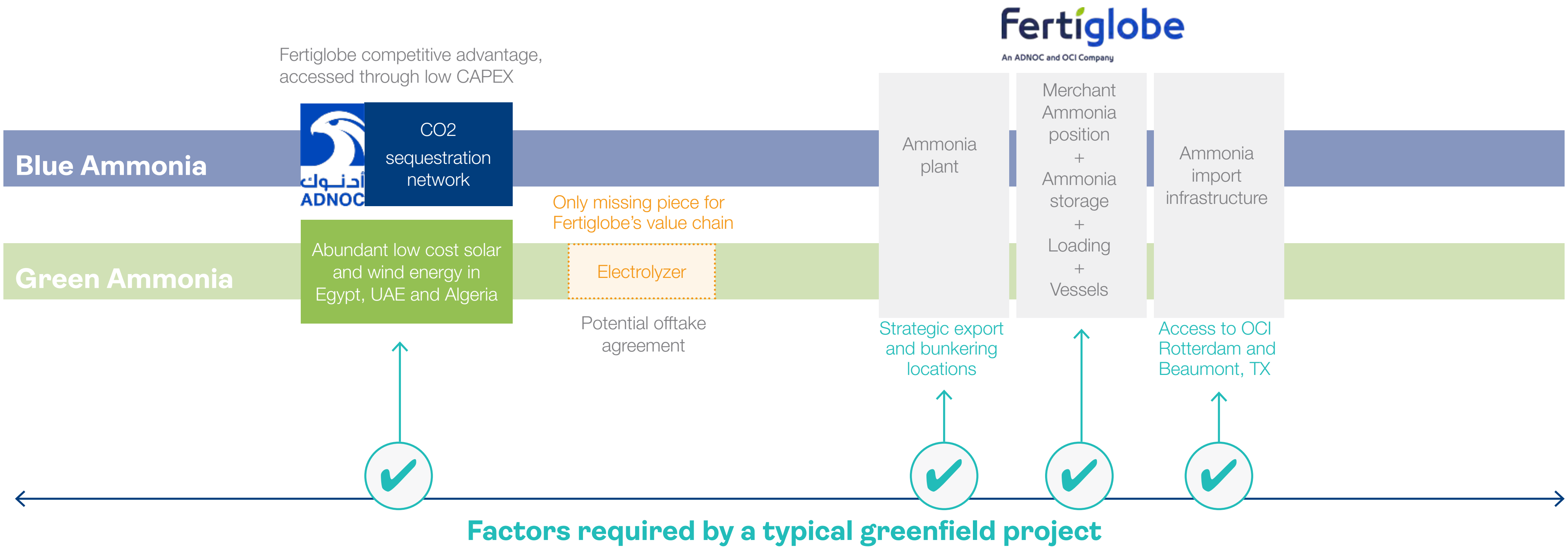
Early mover in **clean ammonia**

Logistics allowing for excellent freight and **transport advantaged, duty-free delivery** to East and West

[1] Maximum downstream capacities cannot be achieved at the same time. DEF production capacity not included in the 6.7mtpa sellable volume capacity.

SUCCESSFUL FERTIGLOBE IPO MARKS ANOTHER MILESTONE CONTINUED

Fertiglobe is plug-and-play for low carbon ammonia: significant competitive advantage relative to greenfields



Fertiglobe has a significant competitive advantage when it comes to building low carbon ammonia capacity in comparison to other greenfield projects.

The company is ready to benefit from the blue ammonia opportunity with practically all critical necessary pieces in place. ADNOC and OCI offer complimentary platforms and will facilitate Fertiglobe in its transition: for example, ADNOC will help with carbon sequestration, while OCI contributes with its downstream infrastructure globally.

Fertiglobe is also well-positioned to produce green ammonia with access to abundant low-cost solar and wind energy at its locations and existing ammonia infrastructure.

Unlike greenfield projects, Fertiglobe can access blue / green market opportunities with limited capital expenditures, with an electrolyzer as the only major element missing in its current value chain.

STRATEGIC METHANOL ALLIANCE TO CREATE A GLOBAL HYDROGEN FUEL POWERHOUSE

With methanol as the leading low-carbon fuel for the shipping industry and other applications, we believe we are best positioned to capitalize on the growing demand for hydrogen in downstream markets

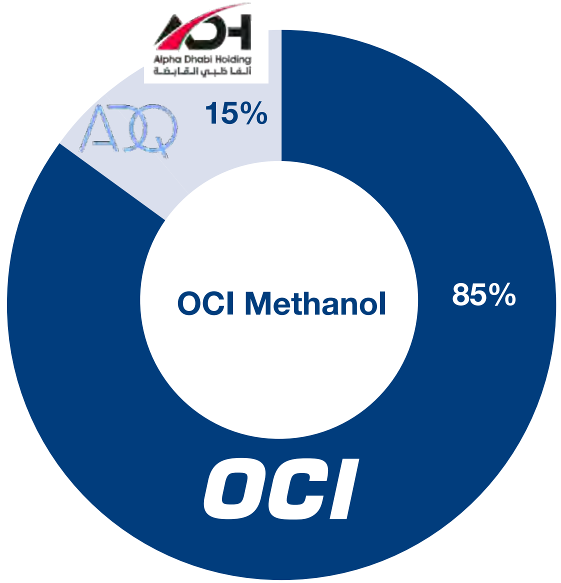
On 22 November, we announced that the OCI Methanol Group, which comprises OCI Beaumont, BioMCN, our 50% stake in Natgasoline, OCI Methanol Marketing, and OCI Fuels, will be incorporated in the Abu Dhabi General Markets (ADGM) as a unified platform. From there, it will be uniquely positioned to cater to demand growth for methanol as a fuel and other low-carbon applications, as well as serve as the launchpad for new ESG-focused growth opportunities.

The incorporation in Abu Dhabi is key to provide direct access to our established Western markets and it further enables us to focus on high growth markets for methanol applications in Asia.

Moreover, it allowed two leading Abu Dhabi strategic investors, Alpha Dhabi Holding and ADQ, to invest in a 15% stake in the OCI Methanol Group for a total consideration of $375 million. The transaction closed in Q1 2022.

Alpha Dhabi Holding and ADQ are valued partners who will bring significant strategic opportunities and are fully aligned with our ambitions to develop the OCI Methanol Group into a leading hydrogen fuels producer and distributor, building on our current strategic advantages as the only producer with facilities and extensive distribution and storage capabilities in the United States and Europe, which are located near major inland demand centers or on major global shipping lanes next to key bunkering hubs.

The strategic platform will focus on low-carbon methanol as a fuel for the future with hydrogen as the primary feedstock. OCI Methanol Group has been a pioneer in developing low-carbon methanol, supplying it to blue chip customers. Methanol is a key enabler of the hydrogen economy and one of the most logical hydrogen fuels. It will be key to decarbonizing the marine industry, and the strategic alliance enables OCI Methanol to drive and accelerate the transition to a hydrogen economy.



~3.3Mt[1]
of total current owned capacity

#2 in US
#1 in Europe

Global production
sole producer with facilities in both the USA and EU leading to enhanced netbacks

Global distribution, with extensive import / export infra with network to reach the EU, US and Asia and **centralized commercial,** with experienced senior traders in methanol and petrochemicals

Leader in **Hydrogen Fuels**

Hydrogen advantage with methanol ideally positioned to capitalize on the H_2 economy as a H_2 liquid carrier

[1] Includes 50% of Natgasoline capacity and 365ktpa of ammonia capacity at OCI Beaumont.

NUMEROUS KEY INITIATIVES UNDERWAY TO CAPTURE THE TRANSITION POTENTIAL

Strategic partnerships with industry leaders on announced projects in all key regions and lower carbon projects being evaluated or developed across our global asset base.

MENA

- Fertiglobe joined TA'ZIZ as partner in a new 1 mtpa world-scale blue ammonia project in Abu Dhabi. FID expected in 2022, targeted start-up in 2025.
- Fertiglobe partnered with Scatec, the Sovereign Fund of Egypt, Plug Power and Orascom Construction for a 100 MW electrolyzer to produce ~90 ktpa of green ammonia at our Egyptian site, targeting start-up in 2022.
- In 2021, Fertiglobe piloted blue ammonia production at Fertil with first shipments to Japan at a premium price in partnership with ADNOC. Debottlenecking is underway to produce up to 70 ktpa blue ammonia by 2024.
- Fertiglobe is considering a green ammonia project at Fertil with 100 MW electrolyzer in partnership with Masdar/Engie.

Selected case studies:

- **Blue ammonia project in Abu Dhabi, UAE**

Europe

- At OCI Nitrogen, CO_2 emissions from the ammonia production process to be captured and stored under the North Sea through CCS project at OCIN with ~485 ktpa CO_2 abatement potential.
- In partnership with RWE, OCI Nitrogen is a strategic off-taker of green and circular hydrogen from FUREC Waste-to-Hydrogen project based on gasification of mixed waste, resulting in 90 ktpa of low-carbon ammonia production and ~150ktpa net CO_2 abatement.
- BioMCN has become strategic off-taker of multiple green hydrogen projects in the Netherlands including Nouryon (20MW to be scaled to 60 MW) and RWE (50 MW electrolyzer with direct connection to RWE's Westereems wind farm).
- Development of ammonia bunkering opportunity, partnering with the Port of Rotterdam and with MAGPIE consortium.

Selected case studies:

- **Project FUREC**

US

- OCI Beaumont began producing blue ammonia using low carbon hydrogen in 2021, scalable up to its full ammonia production capacity of 365 ktpa.
- CCS project at IFCo to capture and store CO_2 produced on-site, backed by BlackRock's GEPIF III and commercially anchored by Valero. In November 2021 we announced a partnership with Navigator, which will provide CO_2 transportation and storage services.

Selected case studies:

- **IFCo CCS**
- **OCIB Blue Ammonia**

CASE STUDIES: SELECTED MENA AND EU PROJECTS

Project FUREC

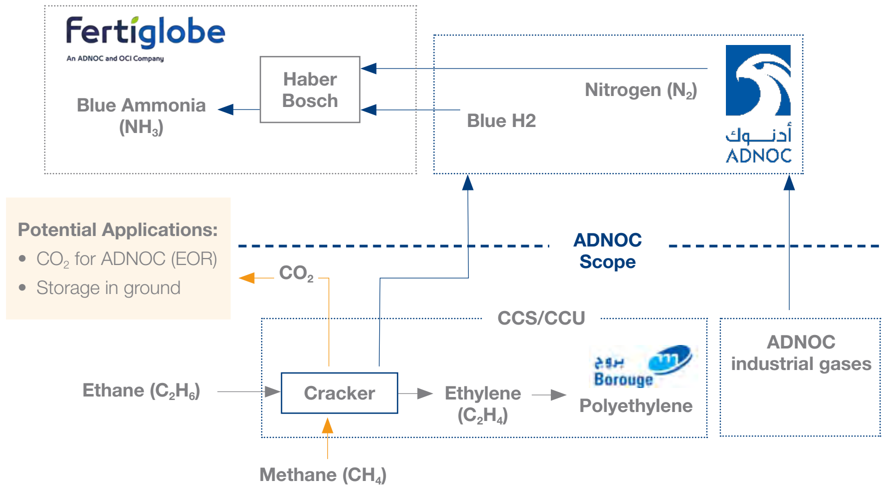
Key Highlights:

- RWE is developing project FUREC, which aims to produce circular hydrogen by gasifying residual waste streams, such as municipal waste, at the Chemelot chemical complex in The Netherlands, where OCI Nitrogen is located.
- OCI Nitrogen currently produces grey ammonia using natural gas as feedstock. The facility can introduce circular hydrogen from FUREC in its processes to replace 20% of current natural gas consumption.
- FUREC is sustainable:
  - Net CO_2 reduction of ~150KTPA by reducing natural gas consumption at Chemelot by more than 200 million m^3 per year (scope 1 emission).
  - High-quality chemical recycling of waste reduces the demand for primary raw materials (circularity).
- Minimal capital expenditures required for OCI
- RWE aims to make a final investment decision in late 2022/early 2023, with a target date to be operational late 2025

Blue ammonia project in Abu Dhabi

Key Highlights:

- Fertiglobe is partnering with ADNOC and ADQ to build the first world-scale blue ammonia facility in the MENA region, with a capacity of up to 1 mtpa.
- The project will be in TA'ZIZ, a new industrial ecosystem that is part of a planned $45bn investment in the Ruwais Industrial Complex in Abu Dhabi.
- Ruwais Industrial Complex will supply attractive hydrogen and nitrogen feedstock.
- Limited upfront capex requirement given over-the-fence feedstock and utilities and given strategic partnership with ADNOC and ADQ.
- Preliminary analysis indicates mid-double digit annual capex investment.
- Shareholders are considering several funding options, including non-recourse project financing to reduce shareholders' equity contribution.
- Final investment decision is expected in 2022, while start is expected in 2025.

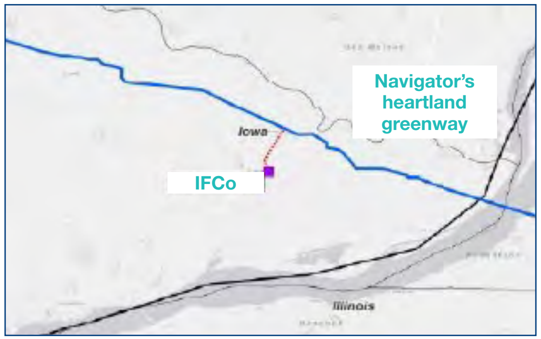


CASE STUDIES: SELECTED US PROJECTS

IFCo carbon capture and storage (CCS)

Key Highlights:

- The project allows IFCo to capture and store CO_2 produced on-site, generating significant benefits through government tax credits, environmental attributes and premiums for lower-carbon downstream products (e.g., blue ammonia).
- The project is backed by BlackRock's Global Energy & Power Infrastructure Fund III, which invests in essential, long-term infrastructure assets, and is commercially anchored by Valero.
- IFCo would only be responsible for installing the carbon capture equipment on its site, while a third party would collect the CO_2 from a custody transfer point and deliver it via pipeline to a central sequestration hub.
- IFCo entered into an agreement with Navigator CO_2 Ventures LLC to provide CO_2 transportation and storage services on its CCS system, the Heartland Greenway, for up to 1,130,000 metric tons of CO_2 per year, equivalent to the carbon emissions of ~245,000 vehicles driven annually.
- The project will have two phases: a first phase focused on process gas, representing c. 500,000 metric tons of CO_2 per year, and a second phase for the balance, subject to regulatory enhancements of the 45Q program to make installation of the required post-combustion capture equipment economically feasible.
- Start of operations for the first phase is expected at the end of 2024.



OCIB blue ammonia

Key Highlights:

- At OCI Beaumont we have developed a path to produce low-CI (Blue) Ammonia through our partnerships with upstream suppliers which established an end-to-end program to sequester carbon emissions from hydrogen production.
- OCI agreed to purchase this low-CI hydrogen which is then used in our facility as feedstock for ammonia production.
- OCI developed its own proprietary Blue Ammonia (BlueAm) standard, with the support of SCS Consulting, that targets a 60% GHG reduction to current industry benchmark of GHG emissions for ammonia production.
- The BlueAm standard is first of its kind and is annually audited, providing a reliable and transparent standard certification of the lower production emission footprint of the Blue Ammonia molecules.
- The blue ammonia produced at OCI's Beaumont facility has the potential to prevent up to 550,000 metric tons of CO_2 from being emitted into the atmosphere, which will play a vital role in de-carbonizing the world and specifically in hard-to-abate sectors.

Independent Auditor – Annual Certification Process

Low Carbon (Blue) Hydrogen
- Carbon capture/utilization in hydrogen production process.
- Mass balance of low-CI hydrogen recived from thrid-party H_2 suppliers.

Low Carbon (Blue) Ammonia
- Utilizes low-CI hydrogen feedstock.
- State-of-the-art, low emissions prodction process.

Certifed Blue Ammonia
- 60% GHG emission reduction.
- Product certificate delivered upon sale.

DRIVING OUR STRATEGY FORWARD

We are focused on delivering our financial, operational, commercial, and decarbonization strategies

OPERATIONAL EXCELLENCE

Optimizing our asset reliability and energy efficiency

- We have a young asset base that, on average, can achieve better (1) gas-conversion (2) higher on-stream times, and (3) needs lower maintenance capex versus older plants
- Going forward, we will optimize our energy efficiency and utilization rates to improve energy intensity and operating rates for organic volume growth, as well as improve reliability and reduce planned and unplanned downtime

Driver of improving FCF generation

BENEFIT FROM COMPETITIVE COST POSITIONS

Cash conversion metrics

- We benefit from a globally competitive position with access to cheap feedstock and a young asset base:
  - We are competitively positioned in the first quartile of the global cost curve, with sustainably low levels of capex
  - As the industry cost curve moves up, our cost advantage is increasing

Driver of improving FCF generation

WELL POSITIONED FOR MARKET UPSIDES

Attractive market fundamentals

- The outlook for our end markets is positive and we believe our industries will benefit from attractive supply-demand fundamentals and steepening cost curve

Strong commercial position

- Our integrated and centralized commercial platform will continue to capitalize on our strategic global reach, implement our disciplined commercial model, and grow our trading activities to deepen our market penetration and enhance our netback pricing globally

Strong supply/demand fundamentals

CRYSTALIZING OUR DECARBONIZATION PATHWAY

Growing from grey to green

- Focus on growing our green product portfolio, including decarbonized ammonia and methanol
- Continue to pursue low/smart capex projects and opportunities to achieve our GHG reduction targets by 2030, while balancing with our commitment to deleverage
- For more information on our sustainability strategy, please refer to the sustainability section beginning page 35

Driving decarbonization through the hydrogen economy

HOW WE CREATE VALUE

As a global producer and distributor of nitrogen and methanol products, we aim to create sustainable value for all stakeholders and are committed to delivering sustainable solutions to our customers. We take a holistic approach to our business model to optimize all resources available to us, thereby maximizing our positive financial, social and environmental impacts for a greener future.

INPUT

Financials

$9.8BN
Assets

$3.5BN
Equity

Operations

284TJ
Energy consumed

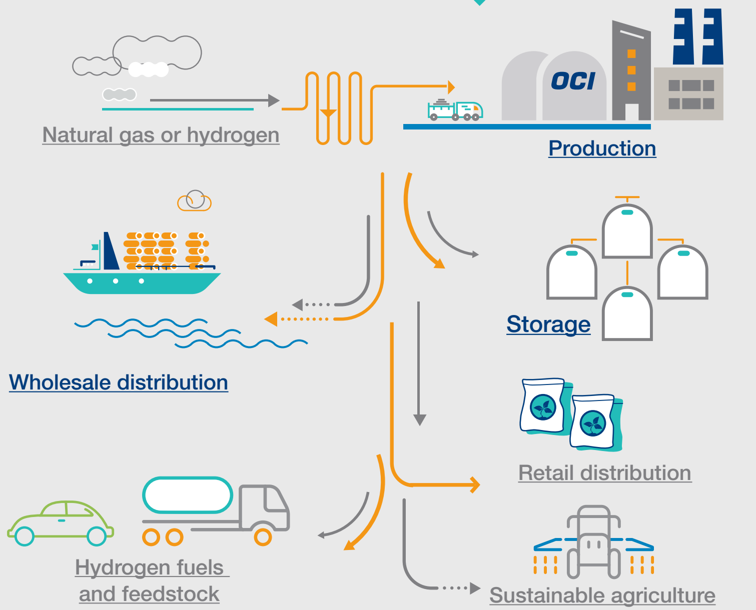
88M m³
Water withdrawn

People

3,853
Employees

100%
Compliance training enrollment

SUSTAINABLE BUSINESS MODEL



9 production sites

16.2mt production capacity

1,741 rail tank cars

4 ammonia vessels

4 barges

11 direct access to major waterways

2.2mt storage capacity

57 countries reached

Providing hydrogen fuels and feedstocks for our transportation and industrial customers

Providing key nutrients for optimized yields to meet the world's food production needs

abc Our position in the value chain

abc Our suppliers: Natural gas is our primary raw material. Each facility is supplied with natural gas by pipeline purchased through a mix of long-term contracts with national oil and gas companies in MENA, and spot purchases off national grids in the Netherlands and the USA. The total annual cost of our natural gas procurement depends on the volume of gas procured and fluctuations in market prices, and totaled $1.3 billion in 2021. In addition to natural gas providers, our supply chain includes (but is not limited to) providers of transportation and logistics services, utilities, other production materials, maintenance and engineering services, advisory and professional services, facilities management, contracting, information technology including hardware and software services, and other needs as the business requires. The number of suppliers fluctuates depending on the projects and business activities but exceed 4,800 suppliers each year.

OUTPUT

$6.32BN
Revenue

$2.53M
Adj. EBITDA

2.34 GHG
Intensity

4.83mt CO_2e
Recycled

42M m³
Water discharged

0.20 LTIR

0.35 TRIR

11.4% women at OCI

2.7% turnover rate

IMPACT

For our communities:

Educational and social programs specifically tailored to meet each community's needs (p 73-75)

For our customers:

Efficient nitrogen products optimizing agricultural productivity (p 64)

Hydrogen fuels that significantly reduce GHG emissions versus conventional fuels (p 57-60)

For our employees:

Top quartile compensation in all of our locations, with average annual compensation of $100 thousand per employee

Improving diversity with 24% of senior leadership positions held by women in 2021

For our investors:

Competitive returns with a consistent dividend policy, and a proven track record of value creation

For the world:

Helping optimize crop yields to feed the world (p 70-71)

Improving energy efficiency and reducing GHG intensity through our operational excellence program and a differentiated decarbonization strategy that enables the hydrogen transition (p 12-26, p 51-64)

2. BUSINESS PERFORMANCE

BUSINESS PERFORMANCE

Strategic priorities

1

OPERATIONAL EXCELLENCE

Delivering our strategy

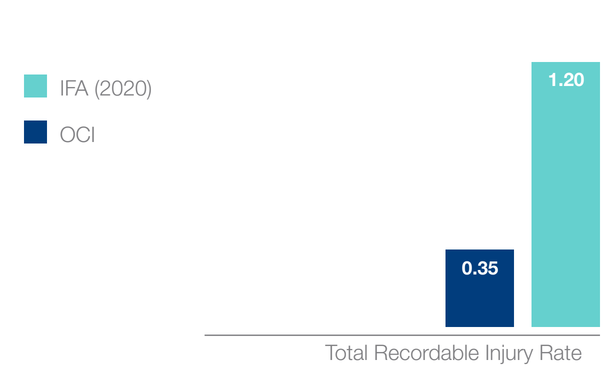
- **Completed major turnarounds** at Natgasoline and IFCo, and minor maintenance turnarounds at Fertil and Sorfert, following which we achieved high and steady utilization rates.
- **Focus on enhancing asset reliability and energy efficiency** through our global operational excellence program, achieving c. 2.8% and 0.8% average improvement year-on-year, respectively.
  - With all the initiatives taken in 2021, including changes in the leadership of 6 Sites and the recruitment of senior specialists for the Global Manufacturing Team, management is confident that significant improvements will be achieved in the next two years
- **Strengthened our HSE leadership team** by hiring experienced HSE directors for both OCI and Fertiglobe.

Our priorities

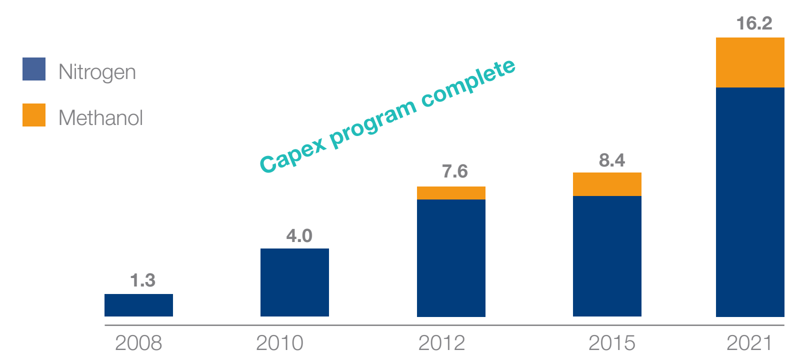
- **Operational excellence:** continue to implement our groupwide operational excellence program as described on pages 52-53.
- **HSE:** we will continue to build on our HSE processes, focusing on process and occupational safety KPIs, as well as environmental emissions performance and enhanced KPIs.

Contribution to SDGs

Industry leading safety performance



OCI's capacity growth 2008 – 2021 (mtpa)



BUSINESS PERFORMANCE
CONTINUED

Strategic priorities

2
BUSINESS OPTIMIZATION

Delivering our strategy

- **Building our low/no carbon methanol platform**
  - Entered into agreements with MAN Energy Solutions, Hartmann Group and Eastern Pacific Shipping to create marine value chain and start commercialization by 2023/2024 of ammonia and methanol as shipping fuels. OCI intends to charter ammonia vessels built, owned and operated by Hartmann with ammonia engines designed by MAN. Additionally, OCI plans to charter the first retrofitted methanol fueled vessel operated by EPS using already-in-service MAN engines and technology in the next two years.
  - Strategic methanol alliance to create a global hydrogen fuel powerhouse, with incorporation of OCI's methanol platform in the Abu Dhabi General Markets (ADGM) and 15% stake investment from two leading Abu Dhabi strategic investors, Alpha Dhabi Holding and ADQ. The strategic platform will focus on low-carbon methanol as a fuel for the future with hydrogen as the primary feedstock.
- **Developing lower carbon projects globally to drive the hydrogen economy**
  - Fertiglobe is partnering with ADNOC and ADQ to build the first world-scale blue ammonia facility in the MENA region, with a capacity of up to 1 mtpa.
  - Fertiglobe is partnering with Scatec, the Sovereign Fund of Egypt and Orascom Construction for a 100 MW electrolyzer to produce 90,000 metric tons of green ammonia at EBIC in Egypt.
  - CCS project at OCIN with ~485 ktpa CO_2 abatement potential.
  - FUREC Waste-to-Hydrogen project at OCIN in partnership with RWE to purchase green and circular hydrogen from mixed waste gasification.
  - Project at OCIB to produce blue ammonia up to 365 ktpa capacity.
  - CCS project at IFCo to capture and store CO_2 produced on-site, backed by BlackRock's GEPIF III and commercially anchored by Valero.
- **Listing of Fertiglobe on ADX in October 2021** as another milestone in the company's journey to unlock its potential, providing the right visibility and positioning to grow as a pure play low-cost nitrogen fertilizer and clean ammonia export platform, as well as a regional ESG champion.

Our priorities

- **Continue to capitalize on the hydrogen opportunity by growing our low/no carbon ammonia and methanol platforms,** leveraging our unique positioning in terms of geographic presence and product mix, with strategic partnerships and development projects.
- **Continue to evaluate strategic opportunities** to deliver value to stakeholders.

Contribution to SDGs

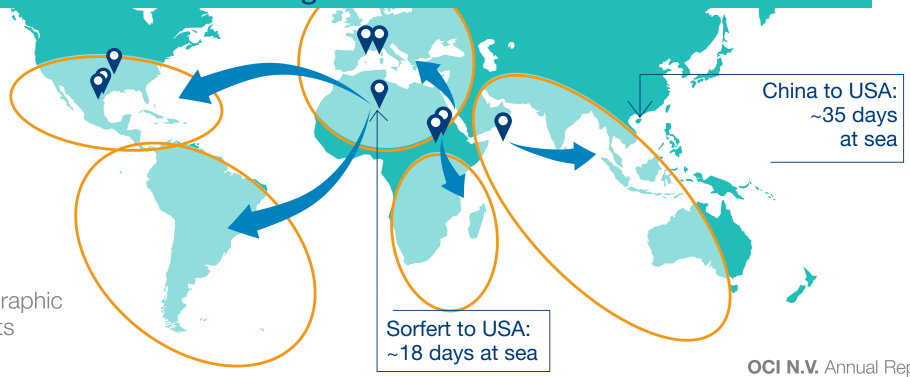
BUSINESS PERFORMANCE
CONTINUED

Strategic priorities	Delivering our strategy	Our priorities	Contribution to SDGs
3 GLOBAL COMMERCIAL STRATEGY	• **Further strengthened our commercial organization to help ensure progress on commercial excellence** with the appointment of a VP – Commercial Nitrogen, and aligned key regional positions to optimize product sales and coordination across the group. • **Continued to increase our downstream market engagement to enhance supply chain value capture through:** - Initiatives to improve customer experience and increase our product offering. - Increased logistics investments to expand our presence in the Port of Rotterdam, add ammonia vessels, and optimize our global storage capacity. - Grew our platform's physical presence by establishing new strategically positioned offices and distribution partnerships in Latin America and Asia. - Continued to grow our third-party trading capabilities in key markets and products both directly and through downstream marketing partnerships and swaps in Australia, South Africa, Europe, and the United States. This allows us to increase market share and negotiating power with freight providers, with a view to ultimately deliver better netbacks. • **Implemented several low-carbon initiatives** to grow our product offering while mitigating our scope 3 profile and driving the energy transition through ammonia and methanol. - Investigating urease and nitrification inhibitors through multiple partnerships and studies. - Developed proprietary market first, low carbon BlueAm (blue ammonia) certification standard at OCI Beaumont that targets a 60% GHG reduction to current industry benchmark of GHG emissions for ammonia production. • **Grew our methanol platform's market reach in hydrogen fuels** to become a major supplier of methanol fuel blends to several key EU markets, and in particular the UK where we supply 3% of the UK vehicle fuels market.	• **Continue to build our global capabilities** through strategic partnerships, customer partnerships, and organically growing our team. We will also invest in logistical positioning through storage terminals and logistics assets and push further downstream to the end customer, evaluating supply chain margins versus costs to determine our optimal commercial approach.	

49% reduction in **CO_2 emissions** per shipment **delivered to the USA** from Sorfert instead of China

Centralized commercial strategy has environmental advantages

Our centralized commercial and strategically location logistics and distribution allows us to optimize our shipments to minimize time at sea, which helps reduce CO_2 emissions wherever possible.

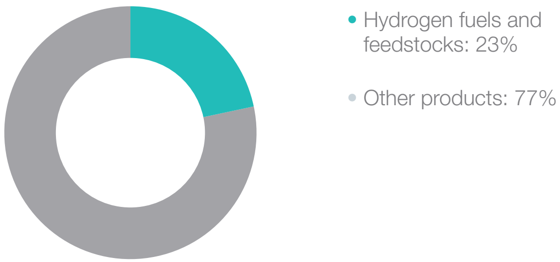


OCI's urea trade flows
OCI's geographic end markets

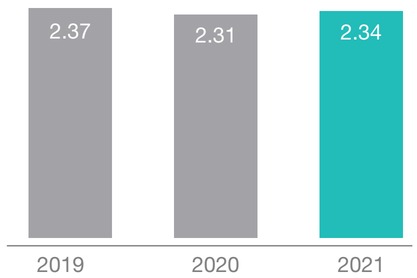
BUSINESS PERFORMANCE
CONTINUED

Strategic priorities	Delivering our strategy	Our priorities	Contribution to SDGs
4 SUSTAINABILITY	• **Announced several initiatives and partnerships to drive the decarbonization of food, fuel and feedstock.** As described on pages 10-24, we are working across our locations to develop no/low carbon ammonia and methanol, which are the key products to enable the transition of a hydrogen economy. • **Conducted a thorough review of the calculation methodologies per operating company for our historical environmental data** in preparation for the launch of a limited assurance process with our external auditor in the near future. Some discrepancies were corrected resulting in revised 2019 and 2020 and environmental data, which have accordingly been restated in this annual report. Please refer to page 48 for details. • **Strengthened our sustainability function** by hiring a VP of Sustainability.	• **Focus on pursuing our announced decarbonization strategy through:** - Monitoring the achievement of internal decarbonization KPIs for each asset. - Continue evaluating pipeline of carbon reduction projects balancing between capex needs, investment returns, and decarbonization potential. - Identify and pursue key new partnerships that would enable decarbonizing without major capex. - Focus on growing our green products portfolio to accelerate our non-project based decarbonization. - For more information, please refer to the Sustainability section beginning page 35.	

3.3 MT of methanol, bio-methanol, DEF, and green ammonia sold in 2021



1.3% reduction in GHG intensity vs. baseline



BUSINESS PERFORMANCE
CONTINUED

Strategic priorities

5
FREE CASH FLOWS

Delivering our strategy

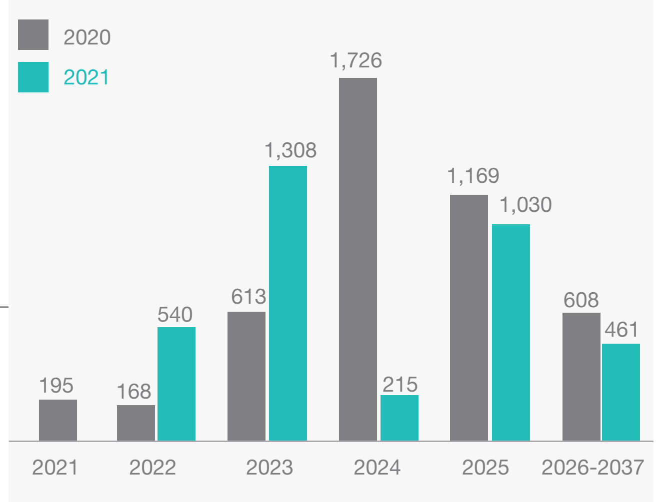
- **Demonstrated commitment to financial discipline and deleveraging:**
  - Redemption of 5.875% c. $147.2m IFCo bonds.
  - Partial redemption of 10% of OCI NV 5.25% Senior Secured Notes due 2024 and 10% of OCI NV 4.625% Senior Secured Notes due 2025, or a total redemption of $60m and $40m respectively of the aggregate principal amounts of the Notes.
  - Conditional notice of redemption of $540m 5.25% Senior Secured Notes due 2024.
  - Conditional notice of redemption of €400m of OCI NV 3.125% €700m Senior Secured Notes due 2024.
  - Conditional notice of redemption of €300m 3.125% Senior Secured Notes due 2024, of 10% of 3.625% Senior Secured Notes due 2025 and 10% of 4.625% Senior Secured Notes due 2025. Separately, IFCo exercised the option to redeem the remaining balance of $40m on IFCo bonds.
- **Announced semi-annual interim distribution for H2 2021 of €1.45 per share, or c. $350 million.**
- **New capital structure and dividend policy for Fertiglobe,** with a $1.1bn bridge financing, of which $250m was used to refinance existing debt at Fertiglobe and EFC, and the remaining $850m to pay a special dividend to its two shareholders. Additionally, a new 5-year $300m RCF has been put in place.
  - This structure helps OCI to optimize its balance sheet further, cash interest and supports future growth opportunities in clean ammonia and other decarbonization initiatives for OCI as a whole and Fertiglobe.
  - Fertiglobe has adopted a semi-annual dividend distribution policy, with H1 dividend of the financial year paid out in October of that year and the H2 dividend paid out in April of the following calendar year.
- **Achieved free cash flows of $1.6 billion in FY 2021** on improved EBITDA, working capital, and lower financing costs.
- **As a result, deleveraged by $1.5 billion** to end the year with net debt of $2.22 billion compared to $3.73 billion on 31 December 2020.

Our priorities

- **New dividend** and capital allocation policy.
- **Continue to optimize and simplify our capital structure** through opportunistic financing at both the parent and subsidiary levels should it achieve further reduction of our weighted average cost of debt and the extension of our debt maturity profile.

Contribution to SDGs

Weighted average group debt maturity extended 6 months from 4.7 years to 5.2 years



BUSINESS PERFORMANCE
CONTINUED

CASE STUDY:

Our global ammonia team illustrates the strength of our logistics network

As a result of high natural gas prices in Europe, we made the strategic decision to temporarily shut down an ammonia line at OCI Nitrogen and instead use our ammonia import terminal in Rotterdam, OTE, to import ammonia from Fertiglobe, OCI Beaumont and third parties.

This was more economical and allowed us to continue to operate the remaining plants at OCI Nitrogen to maximize our downstream production and netbacks. By doing so, we were able to weather volatility in natural gas pricing and help agricultural markets by addressing product shortages and food security concerns as many competitors do not have the infrastructure and global reach that we have to increase ammonia imports and continue to supply both our industrial and agricultural customers.

We also continued to enhance our ammonia logistics with the addition of a dedicated fourth charter vessel, and increased our throughput capabilities at OTE by an annualized rate of c. 300kt, further strengthening our world leading ammonia production and trading platform.

Cooperation by entire **OCI ammonia team** across Europe, the USA, and Fertiglobe, our **chartering team**, the **OTE team, BioMCN team** and **legal team**.

Able to weather volatility in natural gas pricing and continue to operate the remaining plants at OCI Nitrogen to **maximize our downstream production and netbacks** – we have the flexibility to redirect tons from the East to the West to capture higher pricing and optimize on netbacks.

Achieved **record ammonia imports at OTE of 128KT in Q4 '21** (vs. average of 58KT for Q4 '18-20) and strong sales volumes out of OCI Nitrogen.

Able to **maintain OCI Nitrogen's supply obligations to customers** and helped agricultural markets by **addressing product shortages and food security concerns.**

Implemented further improvements to our ammonia logistics: (1) **Chartered a fourth vessel,** utilizing global relationships; (2) **Expanding OTE's throughput.**

MANAGEMENT DISCUSSION AND ANALYSIS

$ million	2020	2021
Revenue	**3,474.1**	**6,318.7**
Adjusted EBITDA	**869.8**	**2,526.5**
Adjusted EBITDA margin	25.0%	40.0%
Adj. net profit / (loss) attributable to owners of the Company	(213.4)	731.8
Net profit / (loss) attributable to owners of the Company	(177.7)	570.5
Basic earnings per share	(0.847)	2.719
Operating profit as reported	187.0	1,562.8
Depreciation, amortization and impairment	(592.2)	(891.6)
EBITDA	779.2	2,454.4
EBITDA margin	22.4%	38.8%

Revenue by segment:

- Methanol US: 12%
- Methanol Europe: 8%
- Nitrogen US: 12%
- Nitrogen Europe: 19%
- Fertiglobe: 49%

Adj. EBITDA by segment:

- Methanol US: 14%
- Methanol Europe: 6%
- Nitrogen US: 13%
- Nitrogen Europe: 8%
- Fertiglobe: 59%

	2021 performance drivers
Revenue	• **Sales volumes:** own product sales volumes were lower at 11.4 million metric tons for FY 2021, compared to 12.2 million metric tons in 2020. Lower own-produced nitrogen product volumes (-6%) were largely due to turnarounds at Fertiglobe and the shutdown of one ammonia line at OCI Nitrogen, partially offset by growth in ammonia volumes at Fertiglobe, and DEF volumes in the US. Own-produced methanol sales volumes declined (-9%) due to a planned turnaround at Natgasoline and no production from BioMCN, which has been shutdown due to the high gas price environment in Europe. Traded third party volumes increased instead by 21% compared to 2020. • **Selling prices:** selling prices improved year-on-year for all products, which helped offsetting the negative impact of significantly higher gas prices. In Europe, higher gas prices resulted in a negative impact of c. $147 million in Q4 2021 versus Q4 2020; in the US the net negative impact of gas prices amounted to c. $37 million.
Adjusted EBITDA[1]	• Adjusted EBITDA increased by 190% versus 2020, while reported EBITDA increased by 215%. • The nitrogen and methanol segments benefited from higher selling prices, offsetting lower sales volumes and higher gas prices in Europe and the US.
Operating profit	Operating profit increased by 736% to $1,562.8 million in FY 2021 versus FY 2020, primarily as a result of: • Gross profit increased by $1,416.9 million due to a $2,844.6 million increase in revenue, partially offset by a $1,427.7 million increase in cost of good sold (mainly driven by increased gas prices). • Selling, general and administrative expenses increased by $47.1 million compared to 2020, as well as depreciation, amortization and impairment which increased by $299.4 million (mainly due to the full impairment of BioMCN).
Financing costs	• Finance income decreased by $177.9 million compared to the previous year. • Finance cost decreased by $103.6 million to $308.8 million versus 2020, due to a $77.1 million decrease in foreign exchange loss and a $26.5 million decrease in interest expense on financial liabilities following the Company's deleveraging and refinancing efforts. • The foreign exchange gains and losses mainly relate to external financing and to the revaluation of intercompany balances in foreign currencies.
Adjusted net profit / (loss)	• Adjusted Net profit / (loss) attributable to the owners of the Company was a profit of $731.8 million in 2021, compared to a loss of $213.4 million in 2020.

[1] 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 209 - 210 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Condensed consolidated statement of cash flows for the years ended 31 December

$ million	2020	2021
Cash and cash equivalents at 1 January	**600.5**	**686.3**
Cash flows from operating activities	617.8	2,264.1
Cash flows used in investing activities	(260.2)	(243.5)
Cash flows used in financing activities	(244.9)	(1,495.0)
Net cash flows	112.7	525.6
Currency translation adjustments	(26.9)	(14.6)
Cash and cash equivalents in statement of financial position	**686.3**	**1,580.3**
Bank overdraft repayable on demand	-	(383.0)
Cash and cash equivalents in statement of cash flows	**686.3**	**1,197.3**

Net debt as at 31 December

$ million	2020	2021
Long-term interest-bearing debt	4,226.9	3,290.2
Short-term interest-bearing debt	189.7	510.6
Gross interest-bearing debt	**4,416.6**	**3,800.8**
Cash and cash equivalents	(686.3)	(1,580.3)
Net debt	**3,730.3**	**2,220.5**

Outlook

The outlook for our end markets is positive for 2022, supported by attractive farm economics for nitrogen fertilizers, strong demand in our industrial end markets for ammonia, methanol, melamine and DEF and our advantaged feedstock costs in MENA and the US. OCI generated significant free cash flow from operations (before IPO proceeds) of $1.6 billion during the full year 2021 and we achieved our net leverage goals. Going forward, our focus is on returning capital to shareholders and growing our future cash flows through targeted investments in hydrogen and other growth opportunities.

Recent market events resulting from the Russia-Ukraine conflict have tightened nitrogen markets further. Russia and Ukraine supply 18% of global corn and 28% of global wheat exports, and reductions in grain exports from the regions mean that it could take at least until 2024 to replenish grain stocks to ease food security concerns. Farmer affordability has improved in grain exporting regions and farmers are incentivized to apply nitrogen to maximize yields. Both countries also contributed to 25% of global ammonia trade, 15% of global urea trade and 6% of global methanol trade in 2021 tightening supply and demand dynamics further.

	2021 performance drivers
Cash flows from operating activities	• Cash flows from operations primarily reflect the change in net profit in 2021 compared to 2020, and changes in working capital. • Net profit was $1,158.8 million in 2021 compared to a net loss of $94.1 million in 2020, an improvement of $1,252.9 million. • Working capital inflows of $70.9 million compared to $139.6 million in 2020, an improvement of $68.7 million.
Cash flows from investing activities	• Cash flows used in investing activities were $16.7 million lower than 2020, primarily due to a decrease in capital expenditures. • Total cash capital expenditures were $247.8 million in 2021 compared to $262.6 million in 2020, of which maintenance capital expenditure was $225.4 million and $239.4 million, respectively.
Cash flows from financing activities	• Proceeds from borrowings in 2021 totaled $2,248.3 million, which consisted of the proceeds of new financing arrangements at Fertiglobe and changes in the outstanding amounts of revolving credit facilities. • During 2021, we redeemed bonds at OCI NV and IFCo for a total of $1.8 billion and have reduced net debt by $1.5 billion to $2.2 billion, lowered our weighted average cost of debt from c.4.3% at end 2020 to c.3.2% at end 2021 and reduced cash interest by more than $60 million per year from 2022 onwards. • Repayments of borrowings were $3,186.1 million in 2021, mainly related to the above refinancing and amortization of debt and changes in the outstanding amounts of revolving credit facilities.
Free cash flow[1]	• Free cash flow before growth capital expenditure amounted to $1,593.9 million in 2021 reflecting the reported EBITDA for the year, working capital inflows, maintenance capital expenditure, and cash interest paid of $204.9 million. An increase of $ 1,289.2 compared to 2020 mainly driven by the increased EBITDA during 2021.
Gross debt	• Gross interest-bearing debt decreased by $615.8 million due to the debt repayments, refinancing, and positive impact of exchange differences on Euro denominated debt.
Cash & cash equivalents	• As a result of a positive free cash flow, cash and cash equivalents increased to $1,580.3 million.
Net debt	• Net debt stood at $2,220.5 million as of 31 December 2021, from $3,730.3 million as of 31 December 2020. • The trailing net debt / adjusted EBITDA was 0.9x as of 31 December 2021 (0.7x pro-forma for Methanol transaction) compared to 4.3x at the same time last year.

[1] 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 209 - 210 of this report.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

'000 metric tons	2020	2021	% Δ
Own product			
Ammonia	1,656.8	2,090.3	26%
Urea	4,763.2	4,327.6	(9%)
Calcium Ammonium Nitrate (CAN)	1,371.8	1,176.4	(14%)
Urea Ammonium Nitrate (UAN)	1,749.9	1,354.8	(23%)
Total fertilizer	**9,541.7**	**8,949.0**	**(6%)**
Melamine	144.6	131.9	(9%)
DEF	636.2	612.1	(4%)
Total Nitrogen products	**10,322.5**	**9,692.9**	**(6%)**
Methanol[1]	**1,926.5**	**1,747.2**	**(9%)**
Total own product sold	**12,249.0**	**11,440.1**	**(7%)**
Traded third party			
Ammonia	284.3	255.5	(10%)
Urea	910.5	1,295.2	42%
UAN	41.3	48.5	18%
Methanol	258.8	524.4	103%
Ammonium Sulphate (AS)	712.8	467.8	(34%)
DEF	227.0	362.2	60%
Total traded third party	**2,434.7**	**2,953.6**	**21%**
Total own product and traded third party	**14,683.7**	**14,393.7**	**2%**

[1] Including OCI's 50% share of Natgasoline volumes

$ million	2021 market review	Market outlook
Nitrogen	• Nitrogen prices recovered significantly in 2021 compared to 2020 on the back of a structural shift to a multi-year demand driven environment for nitrogen products over the medium term. • Ammonia prices in 2021 were supported by recovery in global industrial consumption, higher feedstock prices and a structural tightening of markets as no new supply came online in the market. A strong US fall ammonia season lowering inventories ahead of the spring season, higher demand from downstream phosphates production and a number of planned and unplanned outages also provided additional support for pricing in 2021.	• Global nitrogen market fundamentals are supportive in 2022 given robust demand for nitrogen in all our key markets on improved farm economics and high grain prices, with strong support for corn above $5/bushel to the end of 2024. This is supported by low grain inventory levels and stocks-to-use ratios globally, which need at least two years to replenish, amplifying the need for nitrogen fertilizers application to ease food security concerns. • Urea export bans by the Chinese government are limiting their participation in the global market at least until H2 2022, with China implementing mandatory requirements for summer stocking and tighter environmental restrictions. • Over the medium-term, the nitrogen market is expected to remain tight with projected new urea capacities below the level seen over the past five years, below projected demand growth and are slow to ramp up. • The ammonia market is structurally tightening over the medium term with incremental demand expected to exceed new supply by 3 Mtpa, without accounting for the medium-term low-carbon ammonia demand in new applications we expect towards middle of the decade.
Methanol	• Methanol prices in 2021 recovered significantly following trough market conditions in 2020 on the back of a strong rebound in global industrial activity as economies eased Covid restrictions. A recovery in oil prices was supportive of traditional demand for methanol derivatives and demand in every major sector grew in 2021. Prices also saw support from poor global operating rates in the form of above-average planned and unplanned outages as well as delayed startups of new supply.	• 2022 has started off with strong methanol prices on high energy pricing and seasonal supply curtailments. • Operating rates are expected to improve in 2022 as new supply reaches stable operations, but no significant new supply will start up in 2022, and demand growth is expected to outpace capacity growth. • Long-term industry fundamentals remain positive, with incremental demand expected to exceed new supply by ~8mtpa through 2026, without accounting for the additional upside from hydrogen fuel demand, notably marine fuels.
Natural Gas	• In 2021, global gas prices increased due to cold weather directly impacting demand especially across Asia and Europe and creating strong competition for LNG supply. Additionally, the drop in Russian gas flows to Europe accentuated the tightness with TTF reaching new highs. • This drove up our marginal costs of production in Europe but also supported selling prices for all our products. This strengthened Fertiglobe's significant competitive advantage as a result of its attractive gas supply agreements but also our US assets given the widening gas differentials between the US and Europe and Asia.	• Globally, feedstock prices are expected to reset at higher levels, with natural gas futures in Europe pointing to c.$26 / mmBtu for 2022 and c.$15/mmBtu for 2023-2024 on the back of tighter fundamentals and higher demand for gas. • Higher marginal feedstock costs are providing support to markets and selling prices over the medium-term.

3.

SUSTAINABILITY REPORT

OCI 2021 ESG AT A GLANCE

We are committed to environmental, social, and governance (ESG) principles, with environmental, social and governance matters fully integrated into our strategic objectives and executive compensation. Our Board of Directors are collectively responsible for ESG and have mandated our Executive Directors with direct day-to-day oversight on ESG matters

As a leader in our industries, we are cognizant of our responsibility to encourage sustainable practices in our policies, operations, supply chains, and communities. We are committed to our purpose of cultivating a sustainable world and believe our products are essential to achieving cleaner transportation, lower carbon industrial processes, and global food security. We have aligned our strategic priorities to create sustainable value for all our stakeholders—our customers, our employees, our communities, and our shareholders—and develop a greener future for the world.

ENVIRONMENTAL	**Driving sustainable performance**	**Committed to 20% GHG intensity reduction by 2030 and carbon neutrality by 2050**	• Leading player in sustainable agricultural and fuel solutions • Uniquely positioned to enable the energy transition for transport, feedstock, and industrial applications • Delivering rapidly through operational excellence while leveraging strategic partnerships for long-term projects	**60%** GHG savings when green methanol is used as fuel vs gasoline **89%** Lower N_2O emissions than global average	**72%** Seawater intake in high water stress regions **55%** Lower NOx emissions than global average
SOCIAL	**Diversity & Inclusion (D&I)**	**Committed to 25% female senior leadership by 2025**	• Committed to fostering an inclusive culture with a diverse workforce, where every person is recognized, valued, and thrives • Groupwide multi-year D&I program aims to translate our commitment into action, allowing us to firmly anchor an inclusive culture in every aspect of our business	**25%** Female Executive Directors **19%** Female employees in US & EU segments	**23%** Female Board Members **24%** Female representation in senior leadership in 2021
GOVERNANCE	**Robust governance and reporting framework encourages best practices across our value chain**	**Committed to 100% compliance training annually**	• Robust governance structure with ESG oversight at the Board level and focus in the HSE & Sustainability Committee • Executive Directors' compensation tied to a basket of ESG metrics and operational excellence • All employees are trained on our compliance policies, Code of Conduct, and D&I Policy • All suppliers are required to adhere to our Business Partner Code of Conduct • Other ethics policies include Human Rights Policy, Anti-Bribery and Corruption Policy, Sanctions Policy, Insider Trading Code, Whistleblower Policy	**100%** Employees enrolled in our compliance framework training program **100%** Whistleblowing reports investigated	**37%** Employees covered by collective bargaining or unions **C-Suite** Executive Directors are responsible for compliance

OUR APPROACH TO SUSTAINABILITY REPORTING

Our sustainability reporting is designed to provide transparency on our ESG practices, policies, and performance, along with an assessment of the material trends, topics, and interactions influencing our ESG strategy.

We are committed to reporting on our environmental, social, and governance (ESG) performance.

How we report on ESG

Our ESG reporting takes the following into account:

Review of the key global and industry trends, challenges, and risks

We conduct a comprehensive review of the key risks, challenges, and megatrends impacting both the industries in which we operate and the world. These elements inform our strategic objectives, our risk management strategy, and allow us to identify opportunities to develop our business.

Stakeholder engagement and identification of material topics

We engage with stakeholders on a regular basis both directly and through industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries. Our stakeholder interactions provide us with insights into their key topics of interest and areas of concern, which is incorporated into our identification and monitoring of material topics.

In addition to engaging with stakeholders, we determine material topics and boundaries by benchmarking against industry peers and considering disclosure requirements and guidelines issues by various institutions and regulatory bodies.

Implementation of reporting frameworks

Our ESG reporting aims to comply with global best practices. We follow the recommendations from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), the EU Directive for Non-Financial Reporting (NFRD), and the EU Taxonomy. We also strive to report on how our businesses contribute to the United Nations Sustainable Development Goals (SDGs). Relevant disclosures are marked throughout this report, and the corresponding index pages begin on page 214.

Report boundaries

This report covers the fiscal year ended 31 December 2021, focusing on the material topics for OCI and its subsidiaries as listed in note 34 of our financial statements (unless otherwise noted).

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STAKEHOLDER ENGAGEMENT

We engage with stakeholders on a regular basis through customer and investor meetings and calls, industry and investor conferences, customer service, employee meetings, surveys, portals and hotlines, community outreach programs, and governmental or regulatory interactions.

Our Executive Directors engage with key stakeholders on ESG and sustainability topics, reflecting our commitment at all levels of the organization.

During the year, key topics and questions raised by stakeholders included:

Stakeholders	Topics	Addressed through
Employees	Compensation and benefits, training and development, HSE and particularly COVID-19 safety	Townhalls, internal communication, employee surveys, training programs, COVID-19 HSE protocols, employee representation bodies
Customers	Relationship management, product information and distribution, supply chain, general feedback	Customer letters, direct communication by commercial leadership team, proactive supply chain management, product information and safety sheets published on our website
Investors	Market trends, operational excellence, overall business performance, risks related to COVID-19, ESG	Annual General Meeting, quarterly conference calls, investor meetings and conferences
Communities	Community safety and environmental impact, local socio-economic development programs, job opportunities	Engagement with community leaders, non-profits, direct donations, local recruitment

We strive to maintain good relations with our stakeholders and engage regularly to cooperate on addressing the key challenges, topics, and opportunities related to our industries.

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INDUSTRY AND SUSTAINABILITY PARTNERSHIPS

In addition to our direct stakeholder interactions, we are an active member of several industry associations where we work with our peers to sustainably improve global standards in our industries and engage in dialogue on key global challenges related to our industries.

We play an active role in leadership positions in key associations, such as holding board seats or steering memberships. This allows us to have a meaningful role in promoting sustainable practices, steering the strategic priorities of our industries, and driving decarbonization objectives.

We also support several other organizations to promote sustainable practices across our industries and value chains.

Our dedicated global public affairs team supports OCI's businesses in Europe and North America, monitoring evolving regulatory landscapes.

OCI is an active member of IFA with Ahmed El-Hoshy, CEO of OCI and Fertiglobe, on the IFA Board of Directors. We participate in and contribute to the agendas of multiple committees such as Sustainability, Science and Agronomy, and Communications. Through IFA, we supported the development of the Ammonia Technology Roadmap, in collaboration with the International Energy Agency in 2021, and are supporting the development of roadmaps to reducing emissions of fertilizer use in 2022.

OCI is an active member of VNCI (the Dutch Chemical Association) Advocacy Team and specific working groups on advocacy, sustainability, climate and energy. In 2021, we contributed to a comprehensive study "From Roadmap to Reality", describing the necessary steps and required conditions that are needed to realize a circular and climate neutral chemical industry in the Netherlands by 2050.

We engage with Fertilizer Europe on a wide range of advocacy efforts related to the EU's Fit for 55, Taxonomy, and Common Agriculture Policy.

We are working with Fertilizer Europe, Ammonia Energy Association, and the Methanol Institute to develop the first global standards for low-carbon ammonia and methanol, as standardized certification is critical to support the uptake of these sustainable products downstream.

We also hold Board positions at several organizations, such as Fertilizers Europe and the Methanol Institute.

In 2021, we became a member of the Cool Farm Alliance to promote the adoption of sustainable farming practices and products.

In January 2022, we joined the Hydrogen Council as a Steering Member to play an active role in the development of the global hydrogen economy and promote hydrogen as the fuel and feedstock of the future.

OUR MATERIAL TOPICS

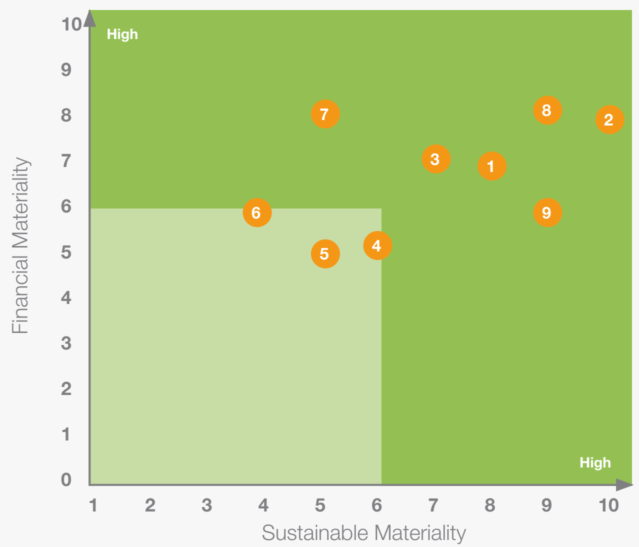
We take a holistic double materiality approach to identifying and defining our material topics

We define our material topics by assessing the topics raised by our various interactions with stakeholders, considering both financial and sustainability materiality in line with "double materiality" considerations as recommended by the EU Non-Financial Reporting Directive and its supplements. We also consider the global megatrends, challenges, and industry-specific risks that affect us, peer and industry reports, and recommendations made by global reporting frameworks.

We annually evaluate the impact these material topics have on our global value chain, our local operations and our stakeholders to report a holistic view of how we strive to sustainably manage our business. Our assessment criteria also considered the GRI's materiality principles of sustainability context, materiality, completeness, and stakeholder inclusiveness, as well as SASB's criteria for materiality.

After assessing a significant number of topics of interest, we have identified the below topics as being most material to our stakeholders and OCI.

- **Stakeholder engagement with:**
  - Investors
  - Customers
  - Employees
  - Communities
- **Global megatrends**
- **Industry challenges**
- **Internal risk management**
- **Research reports**
- **Peer reports**



Number	Material Topic
1	Occupational health and safety
2	Climate change action
3	Energy efficiency and asset reliability
4	Local economic development
5	Food security
6	Human capital and D&I
7	Ethics and integrity
8	Water stewardship and waste management
9	Sustainable technology

OUR COMMITMENT TO A SUSTAINABLE WORLD

Driving decarbonization with a focus on sustainable value creation and contributing to the UN Sustainable Development Goals (SDGs)

	What we do	Quantifying our contribution		
Feeding the world and providing global employment opportunities	• Our nitrogen fertilizers allow farmers to increase crop yields and improve food quality, resulting in improved food availability and improved diets. • Providing direct and indirect employment opportunities with commitment to maximize local employment and developing their skills. ~70% of our employees are employed in MENA, and we consistently rank in the top quartile of annual compensation across our locations. • Good workplace practices as described in our Code of Conduct and other policies promotes a safe and encouraging workplace, diversity, and equal opportunity.	**100%** Top quartile compensation at all locations **3,853** Employees in 2021	**14.4MT** Nitrogen fertilizers sold in 2021 **0.35** TRIR performance is 71% better than peers per IFA	5 Gender equality; 1 No poverty; 2 Zero hunger; 8 Decent work and economic growth
Producing green fuel solutions to drive the energy transition	• Our fuel solutions provide clean alternatives to significantly reduce GHG emissions by 60% versus conventional fuels. • Strong midstream and downstream contribution to decarbonization through promoting the use of green/blue ammonia and methanol as a hydrogen carrier, clean fuel, and decarbonized input for downstream industrial processes.	**#1** Global green methanol producer	**3MT** Hydrogen fuels and feedstock sold in 2021 (grey and green methanol, DEF, green ammonia)	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 13 Climate action
Minimizing environmental impact through nutrient and product stewardship	• Maintain safe, environmentally responsible production sites that aim to protect local environments and ensure safe communities. • Commitment to educate farmers on nutrient stewardship allows them to maximize yields through optimal fertilizer application. This reduces soil nutrient loss, protects from deforestation, and minimizes runoff to groundwater.	**105K** Our digital resources reached over 105 thousand users in 2021	**44%** Lower CAN CO_2 footprint than the European average	14 Life below water; 15 Life on land
Continuously invest in best-in-class technologies and operational excellence	• Maintaining state-of-the-art production facilities, coupled with the positive impact of our sustainable fuels portfolio, allows us to minimize our emissions and consequently reduce our impact on climate change. • Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water.	**2.34** GHG intensity in 2021	**2.79** Water consumption intensity in 2021	6 Clean water and sanitation; 12 Responsible consumption and production

ESG RATINGS

We aim to provide stakeholders with comprehensive, accurate, and transparent ESG disclosures. We have been rated by various ESG ratings agencies based on the extent of our ESG disclosures, and where possible work to address perceived reporting gaps.

Ratings agency	Rating scale (worst to best)	2021 rating	2020 rating
MSCI ESG Ratings	CCC to AAA	BBB	B
Sustainalytics	100 (severe risk) to 0 (low risk)	26.7	42.1
CDP Climate	D- to A	B	N/A
CDP Water	D- to A	B	N/A
Vigeo Eiris	0 to 100	52	37
ISS ESG Corporate Rating	D- to A+	C-	D

EU TAXONOMY

The European Commission has established the EU Taxonomy as an enabler to scale up sustainable investments and make the EU carbon neutral by 2050. To define what is 'sustainable', the European Commission has developed a catalog of economic activities, each with criteria to determine if they substantially contribute towards a sustainable economy – known as the EU Taxonomy. Companies across diverse sectors, supply chains, and asset classes must use this classification system to assess if their business activities are sustainable according to the Taxonomy. In June 2021, the Commission formally adopted the Climate Delegated Act, establishing the criteria defining which activities substantially contribute to the first two, out of six, environmental objectives of the Taxonomy regulation, namely climate change mitigation and climate change adaptation. The remaining four have been planned to be added in 2022.

For FY2021, we have disclosed eligibility on the first two environmental objectives (climate change mitigation and climate change adaptation), being the proportion of Taxonomy eligible and Taxonomy non-eligible economic activities in our total turnover, capital expenditures (capex) and operating expenditures (opex). The next step will be to ensure that we meet the technical screening criteria associated with each Taxonomy-eligible activity, the 'do no significant harm' (DNSH) criteria and the minimum social safeguards. As the EU requirements for reporting on Taxonomy-aligned activities come into force in January 2023, we will disclose this in our 2022 Annual Report.

The current available definitions as included in the EU Taxonomy are broadly formulated which leads to companies having to interpret how this applies to its business activities and the impact thereof on eligibility. To our knowledge and understanding, we applied judgment, interpretations and assumptions based on current available information to date. Future guidance could result in more accurate definitions and other decision-making in meeting reporting obligations that may come into force, which could impact future EU Taxonomy reporting.

Taxonomy Eligibility

To determine taxonomy eligibility, we first identified the activities relevant to OCI as defined by the Taxonomy delegated acts by conducting a review of all products, facilities, and investments. We determined that our activities are categorized under activity 3.15 – Manufacture of anhydrous ammonia.

The manufacture of methanol, blends, and melamine was assessed and does not fall under the EU Taxonomy's description of activities and has therefore been deemed taxonomy non-eligible.

We assessed the taxonomy eligibility of our turnover based on total revenue as defined and reported in the Consolidated Financial Statements, note 27. Taxonomy-eligible revenue accounted for 20% of total revenue in 2021 ($ 6,318.7 million).

Taxonomy eligible capital expenditures is defined as additions to property, plant and equipment, intangible assets and right-of-use assets. This accounted for 19% of the total capital expenditures reported in the Consolidated Financial Statements, note 7 ($ 268.5 million).

Taxonomy-eligible operating expenses is defined as direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment. This accounted for 19% of total operating expenses, reported as maintenance and repair expenses and short-term leases in the Consolidated Financial Statements. As our current financial reporting system set-up does not accommodate reporting against the specific OPEX categories of the EU Taxonomy, the information required to report is currently not readily available. Therefore, please note that for 2021 we have only included maintenance and repair and short-term leases OPEX for the purposes of this EU Taxonomy disclosure, as only these categories currently are readily extractable from our financial reporting system.

2021 turnover, capital expenditures and operating expenses	Turnover	Capex	Opex
Taxonomy-Eligible Activities (%)	20%	19%	19%
Taxonomy-Non-Eligible Activities (%)	80%	81%	81%

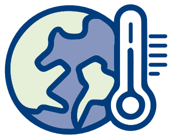
3.

SUSTAINABILITY REPORT | ENVIRONMENT

GLOBAL INDUSTRY MEGATRENDS

These megatrends and their associated risks, challenges and opportunities inform our strategy, better serve our customers, and develop the tools, products, and services that promote sustainable farm and fuel practices to holistically improve our global environmental and social impact.

We monitor the global megatrends affecting our industries and our stakeholders

Key megatrends	Key risks and challenges	Key opportunities
Food security 	• Risk of current agricultural systems not producing enough food by 2050, while minimizing potential of deforestation and protecting ecosystems. • Finite availability of arable land coupled with soil degradation increases risk of deforestation and biodiversity loss. • Global shifts in dietary preferences may result in changes to crop production and agricultural patterns.	• As a leading nitrogen fertilizer producer present across the globe, we are well positioned to promote the efficient use of nitrogen fertilizers and best practices. • This ensures soil health, high yields, re-forestation, and proper irrigation to minimize water stress, maximize Nutrient Use Efficiency, and minimize nutrient losses to the environment (air, groundwater, surface water).
Climate change 	• Impact of changing weather patterns, and extreme weather events on supply chain and farming seasons. • Global push to decarbonize to mitigate climate change. • Water stress both as a result of climate change and demand growth from human and industrial consumption.	• We are focused on developing our renewable energy use to reduce our dependence on carbon-emitting fossil fuels in our production processes. • We are growing our renewable and clean energy product solutions for our non-agricultural products, with a particular focus on the energy transition. • We are developing more efficient nitrogen fertilizers (e.g.: low- carbon variants) and promoting nutrient stewardship.
Circular economy and changing farming practices 	• Changing farmer economics and farmer profiles, such as: aging farmers, changing technology pushing for digitization in agriculture, and a growing focus on resource scarcity. • Sustainability drive to recycle/reduce nutrient loss and reuse existing nutrients reduces demand for conventional fertilizers, and improves food value chain integration.	• Adapting farm economics to be more sustainable by developing low-carbon fertilizers, digital solutions, and micro-financing opportunities. We are participating in projects that support farmer education, and provide several digital tools. • We are integrating circular economy concepts in our manufacturing processes.

Key Global Decarbonization Challenges...

- Food
- Fuel
- Feedstock

... Have Common Solutions....

Ammonia and methanol as hydrogen carriers, green fuels, and green decarbonization feedstock

... That are Growth Opportunities for OCI

Uniquely positioned to enable the energy transition through our geographic presence and product mix

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
RT-CH-530a.1

OUR APPROACH TO CLIMATE CHANGE – RISKS AND OPPORTUNITIES

Our Enterprise Risk Management (ERM) framework equips us with the policies and procedures to facilitate the evaluation and management of risks across our organization. We assess and monitor the physical and transitional risks presented by climate change as one of our primary risks, and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change. Accordingly, the effect of climate-related risks do not have a material impact on accounts and disclosures, including judgments and estimates in the financial statements. We also consider SASB Chemicals Sustainability Accounting Standards along with TCFD recommendations when assessing our climate-related risks. Please refer to pages 82-93 for a detailed explanation of our ERM framework, executive and board responsibilities, and descriptions of our other primary risks and mitigation strategies.

Climate change presents physical and transitional risks for our businesses, industries, supply chains, customers, and communities.

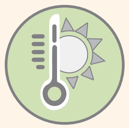
PHYSICAL RISKS

Extreme weather events

Water stress

Changing weather patterns

Rising global temperatures



Rising sea levels

Physical risks caused by rising global temperatures include extreme weather events (hurricanes, floods), changing weather patterns, increased water stress, and rising sea levels. These events and changes can impact our supply chain, disrupt planting cycles and growing conditions, and impede farmers' ability to apply crop nutrients.

Potential impact

- Rising insurance costs and lower pay-outs
- Unplanned downtime
- Interruption to supply chain, such as power outages caused by hurricanes
- Changing weather patterns impacting availability of water and reducing predictability of planting seasons
- Commodity price volatility

TRANSITIONAL RISKS

Regulatory changes

Cost to transition to lower emissions technology

Dietary shifts

Transitional risks associated with transitioning to a lower-carbon economy are primarily related to (i) changes in carbon-linked regulations and policies, such as the ETS system, the proposed European carbon border adjustment mechanism, and other potential carbon taxation mechanisms, (ii) costs associated with transitioning to lower emissions technology and resource efficiency, and (iii) dietary shifts to more plant-based nutrition.

Potential impact

- Higher capital expenditures and technology development risk to transition to lower emissions technologies
- Risk of strategic projects not receiving adequate regulatory support or not capturing operational and financial benefits and synergies
- Higher or new taxation measures on carbon-related products
- Changes to crop demand to accommodate dietary shifts to more plant-based nutrition

OCI's resilience: mitigants and opportunities

- **Decarbonization pathway:** we are pursuing a decarbonization strategy with long-term targets, as described on pages 47-49.
- **Green products:** we are growing our hydrogen fuel and feedstock solutions portfolio to accelerate our path to decarbonization, as described on pages 54-59.
- **Water efficiency:** we are focused on continuously improving our water efficiency, particularly in water stressed regions where we primarily use seawater, as described on pages 62-65.
- **Low carbon nutrients:** our low-carbon nitrates and de-carbonizing efforts for our nitrogen fertilizers help reduce farming emissions, and our nitrogen fertilizer product offering is key to maximize soil health and feeding the crops that are the favoured by global dietary shifts, described on pages 60 and 66.
- **Digital solutions:** our digital applications help farmers monitor weather patterns to optimize their activity planning and calculate optimal nutrition application, as described on page 67.

OUR APPROACH TO CLIMATE CHANGE

TCFD Strategy (a) (b)
TCFD Metrics & Targets (a) (c)

We are committed to being an environmental steward and have aligned our strategy to the world's goal of combating climate change, as established through the 2015 Paris Climate Agreement.

As a producer of nitrogen-based products, we generate greenhouse gases along our value chain. However, our products are essential to meet the global challenges of food security, decarbonized industrial processes, and hydrogen fuel solutions by playing a key role to achieving climate neutral food, fuel, and feedstock for production processes.

Our nitrogen fertilizers are essential to achieving the crop yields necessary to meet global food demand. Ammonia and methanol are the most promising products to enable the energy transition, with their application as shipping fuels being particularly promising as these products can help this sector decarbonize in a cost-effective way. Other products in our portfolio such as grey and green methanol, and DEF are important contributors to the development of hydrogen fuels.

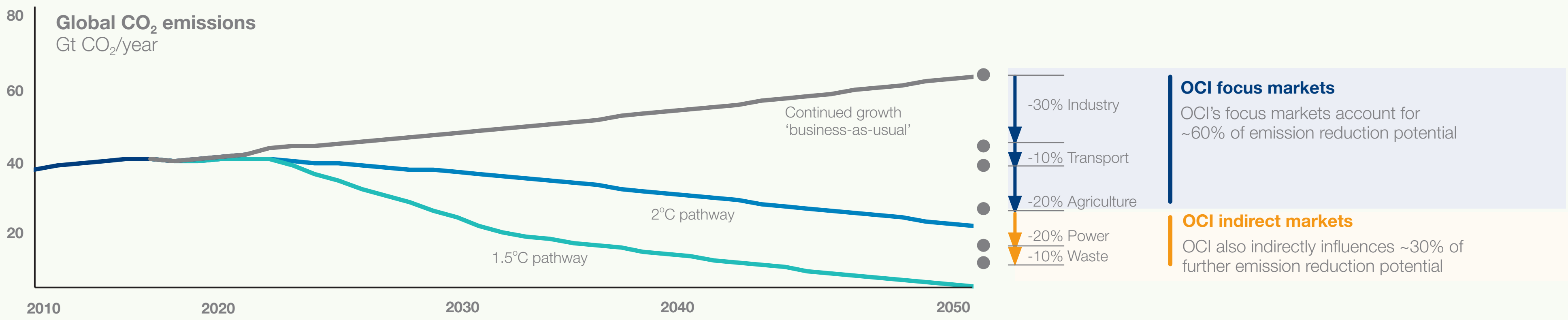
Accordingly, through their respective cycles, our end products all contribute positively to the fight against climate change by aiding the sequestration of carbon in farming, land reclamation, the elimination of transport emissions, and the potential to decarbonize nearly 90% of global emissions in the future as we shift towards blue and green ammonia and methanol production.

With production facilities in five countries around the world, our operations are subject to different environmental regulations, but we are unequivocal in our goal to reduce our environmental impact wherever possible. This has been our policy since we first entered the nitrogen space in 2008.

We have invested heavily in achieving this by both minimizing our environmental footprint through continuous investment in state-of-the-art technologies to maintain one of the world's youngest and most efficient asset fleets, and maximizing our development of greener products, including our hydrogen fuels portfolio.

Our environmental targets to reduce our scope 1 and 2 greenhouse gas emissions intensity by 20% by 2030 underscores our commitment to reduce our climate impact throughout our value chain. We aim to achieve our targets through a comprehensive climate strategy that includes investing in cleaner technologies and projects, recycling and reusing resources, and cooperating with all our stakeholders, industry peers, governments, and other institutions in the fight against climate change.

To limit global warming, the world needs to rapidly reduce annual emissions. OCI's focus markets need to contribute to these emission reductions



SUSTAINABILITY STRATEGY

TCFD Metrics & Targets (a) (c)

OCI’s Baseline 2019 GHG emissions

	Scope 3		Scope 1	Scope 2	Scope 3
2019 Baseline	4.7 M metric tons of CO_2e		9.5 M tonnes of CO_2e	0.6 M tonnes of CO_2e	23.3 M metric tons of CO_2e ~61% of total emissions
Emissions category	Production and transportation of purchased third party products	Purchase and transportation of natural gas, other fuels, and raw materials	Production	Purchased fuel and electricity use	Use of products sold, primarily nitrogen fertilizers

OCI activities

Upstream/downstream activities not in OCI’s control

Our groupwide target is to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 20% by 2030 and aim to achieve carbon neutrality by 2050. This target brings us close to aligning to the 2°C pathway, and we exploring joining the Science Based Target Initiative (SBTi) in the next few years to move to a science-based target in the future.

2019 was chosen as the base year in line with the Science Based Target Initiative’s (SBTi) recommendations, and as it was the first year following completion of our expansion program and includes a full year of emissions from Fertil and 50% of Natgasoline. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

During the year, we conducted a comprehensive review of the calculation methodologies for our environmental data per operating company. This review was in preparation for the launch of a limited assurance process with our external auditor in the near future. Some discrepancies were corrected resulting in revised 2019 and 2020 environmental data, which have accordingly been restated in this annual report.

How we calculate GHG intensity:

- **Emissions boundaries:** Gross Scope 1 and 2 greenhouse gas emissions, stated in carbon dioxide equivalent terms, calculated using the EU ETS methodology. This means that the CO_2 used in the production of urea and other downstream processes, which is defined as Scope 3 as per the GHG Protocol and part of scope 3 in the table above, is included. By including the CO_2 that goes into downstream processes, we eliminate the fluctuations that may occur when we make any changes or experience downtime in our downstream product mix and present a transparent view of the CO_2 produced when making ammonia. This also better aligns us to the SBTi’s methodology.
- **Production boundaries:** Gross ammonia production on a nutrient-ton basis, and our total methanol production on a product ton basis. We believe this most accurately reflects the nitrogen content of our production portfolio, eliminates the possibility of double counting downstream products (i.e.: produced using ammonia, such as urea, CAN, UAN, etc.) and normalizes for annual fluctuations in our product mix.

SUSTAINABILITY STRATEGY
CONTINUED

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
TCFD Metrics & Targets (a) (c)
RT-CH-110a.2

We have spent considerable time developing a roadmap to achieve these targets, consisting of both short-to-medium term and long-term value-enhancing initiatives offering sustained environmental and operational benefits.

Our operational excellence program is expected to deliver approximately 5-7.5% of our target through a strong focus on energy efficiency and asset reliability, which will be achieved through short-to-medium term quick wins at no or low capital expenditure requirements while simultaneously generating more than $75 million[1] of annual incremental EBITDA. This is further described on pages 52-53.

We believe we can deliver approximately 12.5-15% of our target through new strategic, lower carbon initiatives that follow the transition pathway of grey to blue to green, capitalizing on both new and established technologies such as waste gasification, CCS, purchased blue and green hydrogen, and switching our facilities to renewable energy sources (RES), which will contribute approximately 4% of our target at no or low economic cost.

Driving decarbonization through value enhancing operational and environmental initiatives

5-7.5% emission reduction through operational excellence

- ~5% expected at **no/low costs** in the short-to-medium term, **~$75 million p.a. EBITDA to be delivered over 3 - 5 years.**
- ~0-2.5% with capital in the medium-to-long term with focus on economic payback[2] .

Accelerated focus on **reliability, capital performance and energy efficiency.**

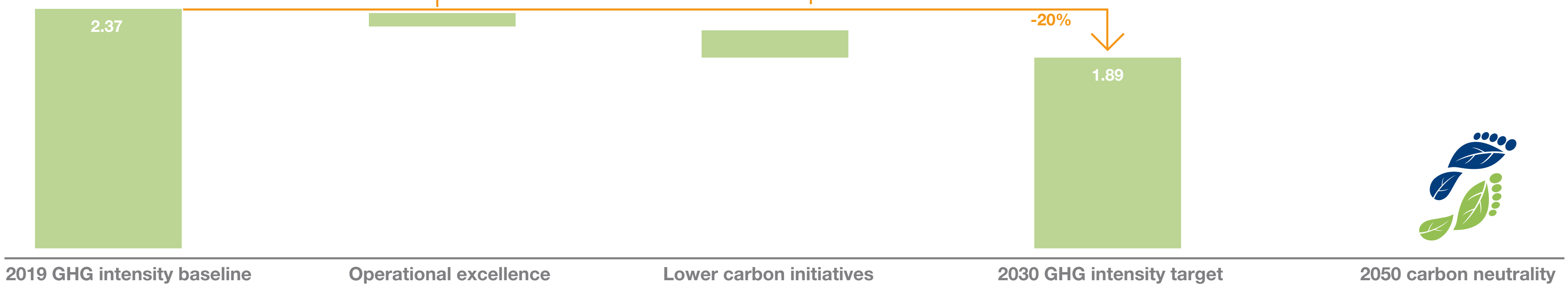
12.5-15% emission reduction through new strategic, lower carbon initiatives

Ongoing activities in lower carbon products and switch to RES at **low/no economic cost** account for ~4% emission reduction.

Partnerships and lower carbon technologies **ensure optimal value creation.**

Transition pathway

Blue	Green	Other solutions
• CCS/U • Purchased blue hydrogen	• Biofuels • Green hydrogen, ammonia, and methanol from RES[2]	• Waste gasification • Green methanol • RES to substitute current power (Scope 2)



[1] The $75 million estimated additional EBITDA was based on selling price levels of early 2021, and would be substantially higher when applying March 2022 prices.

[2] Consolidated scope 1+2 calculated on EU ETS methodology on total ammonia and methanol production on a nutrient ton basis. Ability to achieve these targets is subject to supportive regulatory environment, subsidies, technology advancements, and national environmental targets. Base year GHG emissions will be recalculated with any significant change in business operations (for example, acquisitions or divestments, or a change in product portfolio), corrections to historical data based on availability of more accurate information, or changes to reporting methodology.

TCFD Strategy (a) (b)
TCFD Risk Management (a) (b)
RT-CH-110a.2

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS

While there is no single or straightforward solution to reducing GHG emissions in our value chain, we have identified several short, medium, and long-term opportunities to transition from fossil fuels to a low-to-no carbon mix, which will help meet the ambitious targets set by the Paris Agreement.

We believe we are uniquely positioned both in terms of our product mix and global geographic presence to enable the energy transition and the decarbonization of **food, fuel, and feedstock**, with ammonia and methanol emerging as the most promising products to achieve this.

While we are fully committed to pursuing our reduction strategy, we cannot do this alone, and are dependent on the timing, scale and area of focus of regulatory and fiscal support, such as US environmental policies, the EU carbon border tax mechanism, and governmental support and subsidies for green initiatives.

Our strategy to achieve our long-term GHG reduction targets is multi-disciplinary and multi-pronged, ensuring that all aspects of our business are fully aligned to achieve these targets.

Sustainability transitions are required to decarbonize the global economy

Food
Agriculture, including crop production, accounts for ~20% of global GHG emissions.

Fuel
Continuously growing transport sector emits ~10% of global GHG emissions.

Feedstock
Industry emits ~30% of global GHG emissions, of which 90% are CO_2 emissions.

Ammonia and methanol have a pivotal role in these sustainability transitions

	Fuel	Feedstock or energy carrier
Blue/ Green ammonia	Of the future potential fuels, blue or green ammonia is one of the few fuels to address all emissions.	Blue or green ammonia is a lower cost alternative to transport hydrogen.
Bio/ Green methanol	Bio or green methanol is the only low carbon fuel that can be used effectively in road transport with an 84% higher density than hydrogen.	Bio or green methanol is considered an efficient and promising green hydrogen carrier with a 70% higher density than hydrogen.

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

TCFD Strategy (a) (b)

Decarbonizing our value chain

-20% GHG intensity reduction by 2030

OCI's upstream and onsite decarbonization

SCOPE 1

Decarbonizing production processes through:

- Blue Hydrogen (CCUS)
- Circular Hydrogen (Waste-to-Syngas)
- Green Hydrogen (Renewable Electrolysis)
- Biobased Feedstock (2nd & 3rd generation)

And maximizing our energy efficiency to reduce our emissions

SCOPE 2

Decarbonizing our utilities through:

- Renewable Energy Power Purchasing Agreements

SCOPE 3

Minimizing our upstream emissions through:

- Working with our supply chain partners to decarbonize the transport of raw materials to our assets

Producing enhanced fertilizers:

- Working on incorporating inhibitors and coatings into our fertilizer products

Downstream decarbonization

Sustainable farming

Decarbonized production processes leads to:

- Low carbon nitrogen fertilizers
- Organic nitrogen fertilizers when using green, circular and biobased Hydrogen, Nitrogen and CO_2 as feedstock

Minimizing downstream emissions through:

- Supporting farmer education programs (e.g.: 4Rs)
- Driving the adoptions of more sustainable practices and products (OCI's Nutramon, green ammonia, Exacote, inhibitors and slow release fertilizers)

Green chemicals

Decarbonized production processes leads to:

- Low carbon and zero carbon industrial chemicals allowing customers to decarbonize a wide range of products in the chemical value chain
- **Green/Bio-methanol and ammonia for industrial use**

Minimizing downstream emissions through:

- Recycling finished products at end-of-life in a waste-to-syngas process to be used as a perpetual feedstock in OCI's plants and contributes to the circular economy

Green fuels

Decarbonized production processes leads to:

- Low and no carbon green fuels which help our downstream value chain minimize emissions

Minimizing downstream emissions through:

- **Green Ammonia as the fuel of the future**
- **DEF to abate NOx emissions from diesel**
- **Green/Bio-Methanol for various transportation modes**

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

The Global Operational Excellence Program is being executed across all our sites.

The program is founded on three key pillars that are tightly interlinked: Process Safety, Reliability and Energy Efficiency. The program is expected to yield significant reductions in GHG intensity and contribute approximately $75 million per year in incremental EBITDA over the next three to five years.

Maximising production efficiencies while minimizing emissions and waste

Process safety enables reliability, which in turn enables energy efficiency to achieve lower GHG emissions

Process safety

- **Leading process safety design elements** featured by OCI's young asset base.
- **Site led improvement programs** reflecting the site-specific process safety priorities.
- **Groupwide leading performance KPI's** and best practices for Process Safety Fundamentals.

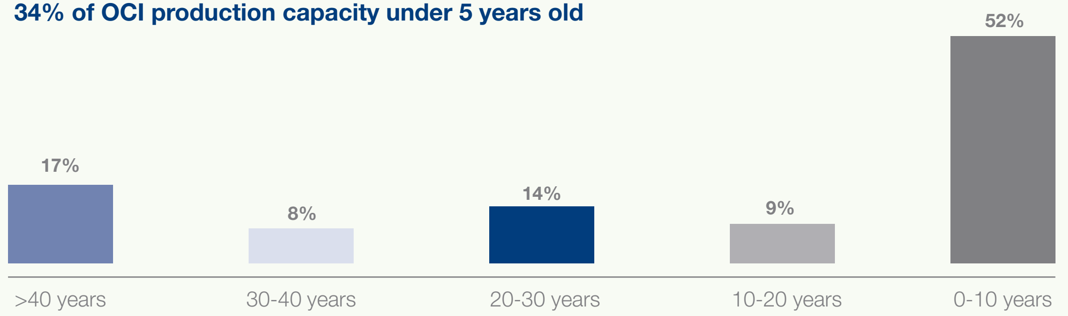
Reliability

- **Site-led improvement programs** reflecting site-specific priorities and the "Focus & Follow Through" approach.
- **Global reliability program** focused on the identification and elimination of repeat issues.
- **Structured readiness reviews** for major turnarounds to improve completion times, competitiveness and predictability.

Energy efficiency

- **Energy-efficient designs** featured by OCI's young asset base.
- **Immediate focus on operational excellence**, supported by industry leading monitoring tools.
- **Reviewing our energy and feedstock purchases** with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks.
- **Identify and pursue further efficiency through select value accretive investments.**

Youngest asset base relative to global peers with approximately 34% of OCI production capacity under 5 years old



Contribution to SDGs

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Maximising production efficiencies while minimizing emissions and waste

Operational excellence

We are committed to excellence in every aspect of our organization. We continuously look for ways to maximize our production efficiencies, minimize our emissions and waste, and maintain our industry leading health and safety records. Operational excellence is integral to optimizing energy efficiency, which in turn is necessary to minimizing our scope 1 GHG emissions as the bulk of our scope 1 GHG emissions are emitted when we consume natural gas to produce ammonia and methanol. Our assets hold global certifications recognizing the quality of our environmental management processes, such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and RC 14001 Responsible Care Management System, on which employees are also trained. Other certifications include REACH, International Sustainability and Carbon Certification (ISCC), and Fertilizers Europe Product Stewardship. We are compliant with the applicable environmental regulations at each of our locations.

N_2O and NOx abatement

Nitrous oxide (N_2O) is 298 times more potent than carbon dioxide (CO_2) as a greenhouse gas and is primarily produced by our nitric acid plants. We have invested heavily in our nitric acid plants to bring our nitrogen oxide (NOx) and N_2O emissions down to nearly zero by installing best available abatement technology such as de-NOx or selective catalytic reduction units and catalyst replacements through our responsible catalyst management processes.

As a result of these investments, our global N_2O emissions are 89% lower than the global average for nitric acids plants, and our overall NOx emissions are 55% lower than the global average for nitric acid plants. We continue to evaluate ways to achieve further reductions of our NOx and N_2O emissions.

Continuous reliability and process improvements

We continuously assess and make improvements to our plant processes, turnarounds and maintenance stops. This both helps maximize asset reliability and reduce planned and unplanned downtime, which can result in higher GHG emissions than normal during plant start-ups.

Best Available Control Technology

All of our facilities in the United States implement Best Available Control Technology (BACT), a pollution control standard mandated by the United States Clean Air Act, to minimize our environmental impact.

Contribution to SDGs

Waste heat capture and recovery

The waste heat and steam systems in all our plants are highly integrated and we endeavor to use all heat within our processes to make use of energy in the most efficient way possible.

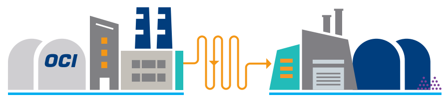
Renewable energy

The primary feedstock at all our production facilities is natural gas, which represents approximately 95% of our total energy use, and is predominantly used to produce ammonia and methanol. We are reviewing our energy and feedstock purchases with the aim to increase our use of green or renewable sources, including increasing our purchase of renewable power (such as solar and wind energy) and increasing our consumption of bio-fuels and alternative green feedstocks. We believe we are well positioned to capitalize on global low and no-carbon hydrogen opportunities given our unique geographic positioning, which we believe will allow us to significantly decarbonize our production processes in the future.

CO_2 capture, recycling, and sale

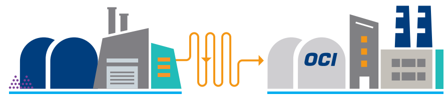
Our production facilities emit greenhouse gases directly from the conversion of natural gas into our products, and indirectly through the generation of purchased electricity and steam. We diligently work to minimize our CO_2 emissions by investing in reduction technologies, recycling CO_2 within our downstream processes, and selling CO_2 to third parties. We are also exploring carbon capture and storage (CCS) opportunities as described on page 22.

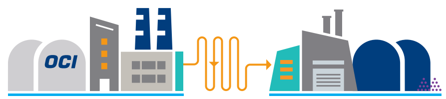
In 2021 we:



Sold 0.3 million tons of CO_2 to other industrial users

Purchased 0.2 million tons of CO_2 to produce methanol





Captured 4.3 million tons of CO_2 by using it in our production processes

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Product innovation

We are committed to developing products and initiatives to provide cleaner and more sustainable solutions to our customers. We aim to grow the share of low carbon products in our portfolio, which include green methanol, blue and green ammonia, and diesel exhaust fluid.

Green methanol

We are a leading green methanol (also referred to as bio-methanol) producer, using biogas rather than natural gas at our Dutch and US methanol plants. Green methanol is an advanced second-generation biofuel that is produced using bio-waste, meaning it not only reduces our own consumption of natural gas, but also provides an outlet for waste that would otherwise emit methane, which represents 16% of global GHG emissions and traps ~36 times more heat in the atmosphere than CO_2 over 100 years.

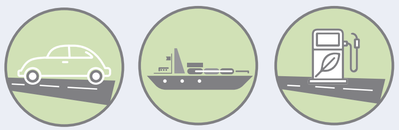
When used as a fuel, green methanol provides a 60% reduction in greenhouse gas emissions versus petrol or diesel, which means it is an excellent hydrogen fuel to meet renewable fuel standards.

Green methanol is a fast-growing product with our sales volumes increasing at over 75% CAGR since 2018. However, we believe this remains an underpenetrated market that will grow rapidly over the medium term, particularly if regulations such as the EU Renewable Energy Directive, the UK Renewable Transport Fuel Obligation, and the US Renewable Fuel Standards continue to require vehicles to shift away from conventional fossil fuels. We estimate that EU regulations will require a 17% annual increase in advanced bio-fuels by 2030.

Our fuel products

- Bio-Methanol
- Bio-MTBE (tolling) arrangements
- Bio-Methanol / Ethanol Mix

Key transport markets



Cars | Tankers | Biodiesel

Our fuel products have 4 key advantages

1. Advanced second generation bio-fuels
2. Lower consumption of fossil fuels
3. Provide an outlet for biowaste to reduce methane emissions from waste sources
4. Provide up to a 60% reduction in GHG emissions

Contribution to SDGs

Decarbonizing through low-carbon product innovation

Leading methanol platform	
#1 Producer	Largest producer of green methanol globally
6 Years	Leading market presence in green methanol since 2015
ISCC Certified	Green methanol certified by ISCC EU and ISCC Plus
60% GHG Reduction	In emissions vs. petrol/gasoline
Exclusive Supply	Exclusive supply agreements with ExxonMobil, Essar and Greenergy in the UK

Current Green Methanol Customers

ExxonMobil, Total, Shell, Greenergy, Essar Oil UK, DuPont, Celanese, DTE, bp

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

CASE STUDY:

OCI fuels win races

OCI is proud to be the official sponsor of the FIA World Rally Championship's new sustainable, fossil-free hydrogen fuel.

Partnering with P1 Fuels, OCI's green methanol is used to make 100% sustainable hydrogen fuel.

Running on our fuel, P1 Fuels achieved their first ever win at the WRC Rallye Monte-Carlo 2022.

Put to the test in the French Alps during the peak of winter and navigating grueling weather including ice and snow, it is vital the teams use a fuel that can power high-performance engines under extreme conditions.

As part of the championship's commitment to use hydrogen fuel from 2022, our fuel is the first of its kind to be used in a FIA World Championship series and the start of a new era for racing.

P1 Fuels achieved their first ever win at the WRC Rallye Monte-Carlo 2022

Contribution to SDGs

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Product innovation continued

Diesel Exhaust Fluid (DEF)

DEF, which is also known as AdBlue in Europe and marketed as AdGreen by Fertil, is a non-hazardous aqueous urea solution consisting of approximately 67.5% deionized water and approximately 32.5% urea. DEF is used in Selective Catalytic Reduction (SCR) systems to lower harmful vehicle exhaust emissions from diesel engines, with the added advantage of improving vehicle fuel economy by approximately 5% and using diesel fuel more efficiently. DEF breaks down nitrogen oxides emissions into nitrogen gas and water vapor, thereby eliminating environmentally harmful emissions from cars, trucks, buses and other heavy-duty vehicles.

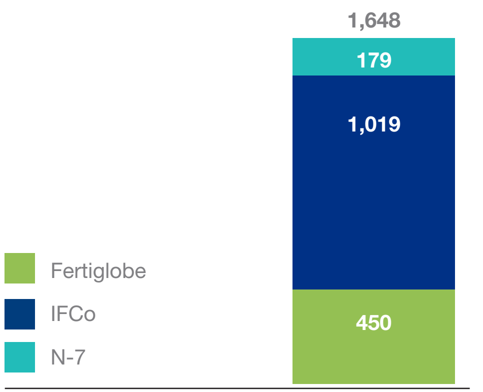
We are seeing strong regulatory-driven growth DEF, often our highest margin product out of IFCo. We are one of the largest producers and distributors of DEF in the US, with IFCo capable of producing a million tons, and our US distribution arm, N-7, also marketing DEF produced by Dakota Gasification and Dyno Nobel. We also have DEF production capabilities of approximately 450 thousand metric tons at Fertiglobe.

Regulations in the US, EU and China are driving demand growth by requiring the replacement of older vehicles, particularly heavy-duty trucks, coupled with higher dosing rates in newer generation diesel engines.

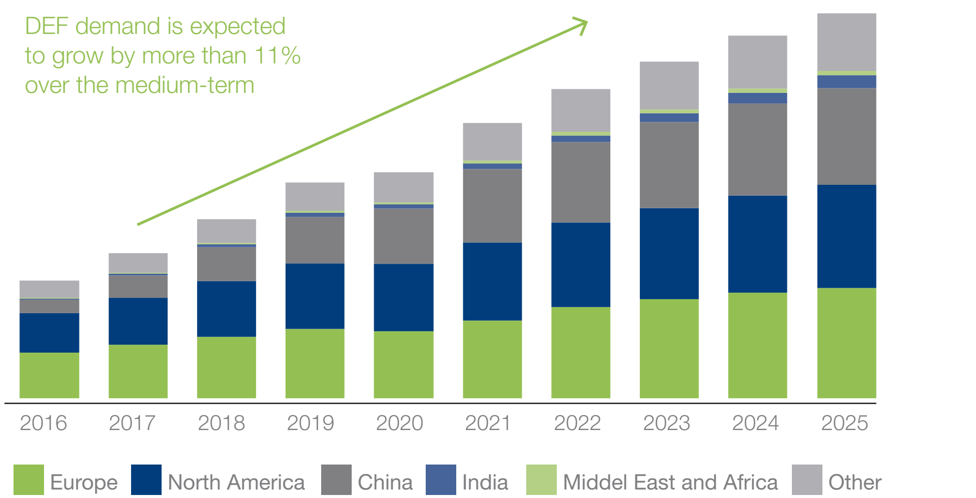
We see this as being the only viable option for emissions abatement for truck and rail in the foreseeable future as the switch to electric vehicles has proven to be unsuccessful to date for heavy duty trucks or farm vehicles due to poor power-to-weight ratios, leaving few near-term alternatives to DEF for emissions abatement in truck and rail.

Well positioned to serve growing DEF demand

Available DEF capacity (ktpa)



Historic and forecast global DEF consumption
Million Metric Tons



Contribution to SDGs

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS CONTINUED

Product innovation continued

Blue and Green ammonia

If global ammonia production switches to green feedstocks, green ammonia could reduce global GHG emissions by more than 1%, and would provide significant further decarbonization opportunities for multiple industries. Green ammonia has multiple carbon-free uses, including as fertilizer, fuel, chemical feedstock or source of energy storage.

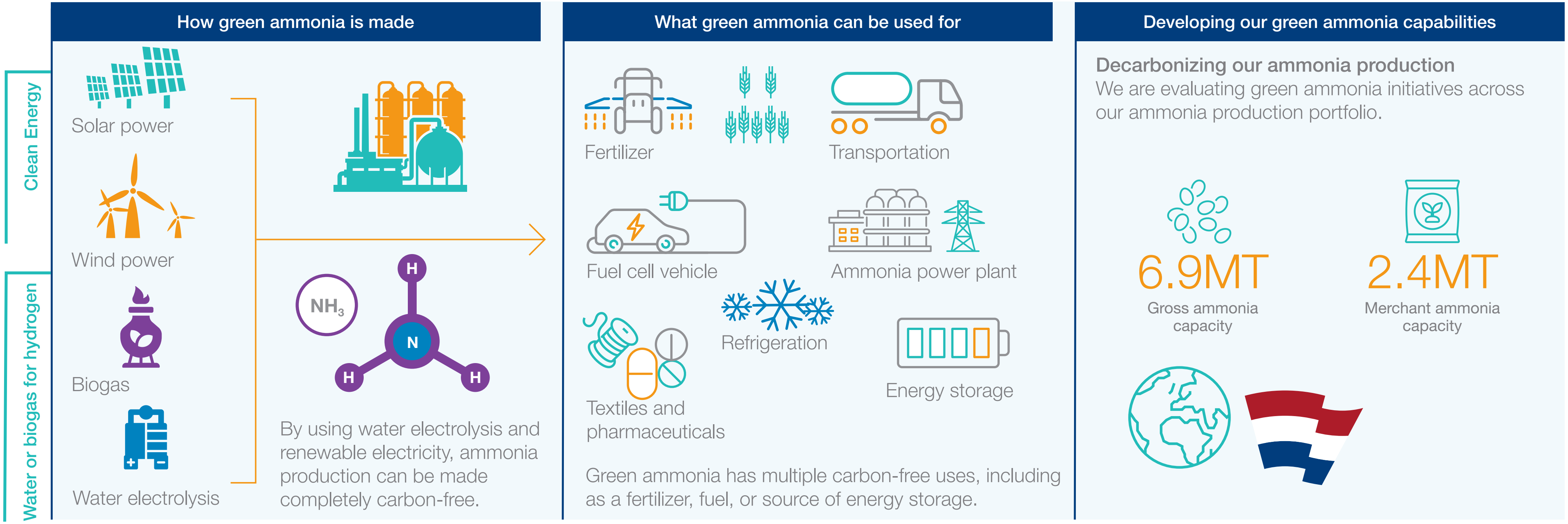
We are pursuing several low/no carbon ammonia projects and initiatives across our platform, as described on pages 10-24.

ISCC+ Certified Green ammonia

We are the first ammonia producer in Europe to use bio-methane to produce and sell green ammonia. The sustainable product and mass balance system is ISCC+ certified and can be used to produce green downstream products. The GHG footprint is at least 50% lower compared to grey ammonia and can be decarbonized further depending on customer requirements.

Proprietary Blue ammonia (BlueAm) standard

We have developed our own proprietary Blue Ammonia (BlueAm) standard, with the support of SCS Consulting, that targets a 60% GHG reduction to current industry benchmark of GHG emissions for ammonia production. The BlueAm standard is first of its kind and is annually audited, providing a reliable and transparent standard certification of lower product emissions from a Blue Ammonia molecule.



Contribution to SDGs

Understanding blue and green:
Blue: produced using hydrogen from fossil fuels (e.g.: natural gas) and capturing and sequestering the carbon dioxide produced rather than releasing it into the atmosphere, such as CCS.
Green: produced using hydrogen from processes that use renewable and carbon-free feedstock, such as electrolysis using renewable energy.

OCI FULFILLS CUSTOMER DEMANDS TO REDUCE EMISSIONS IN THE VALUE CHAIN

Example industries and end markets

OCI growth opportunities

Sustainability push is a major catalyst for demand for OCI's decarbonized products

- Zero carbon ammonia and methanol as industrial feedstocks
- Zero carbon ammonia and methanol as shipping fuel
- Biofuels
- Low-carbon ammonia for use in consumer products
- Zero carbon ammonia feedstocks for fertilizer
- Controlled-release and stabilized fertilizers (inhibitors)
- Variable rate fertilizers

We increasingly see that markets realize the importance of Scope 3 emissions. In many cases, to significantly reduce embedded emissions in an end product, it is key that decarbonization starts at the beginning of a value chain, and then is carried onward throughout the chain.

OCI crucially sits at the beginning of a variety of value chains, and we are seeing a strong push from the broader market and our customers to decarbonize, which gives us the opportunity to intensify collaborations across the value chain.

By smartly sourcing renewable and low-carbon raw materials, or by reducing carbon intensity our production processes for ammonia and methanol through operational excellence and CCUS, we can make a material impact on the carbon footprint of our customers. For instance, one of our longstanding customers, Wacker in Germany, uses our green methanol to produce fossil free silicones, which further decarbonize a variety of products.

In addition, with specific additives or bio-based coatings, we can also reduce the environmental impact during the use of fertilizers on farmland by our end customers. To that end, we can both decarbonize our own assets and products, and help our customers abate their emissions while using our products.

This will potentially reap significant multiple value chain emission reductions in the future. As such we are excited to increasingly expand and grow our green product offering to the market.

Natural gas

Green gas, biogas, H_2 by electrification or other

Downstream production at OCI and end customers

Fertilizer

Green fertilizer

Melamine

Green Melamine

Ammonia, ACN, Caprolactam, etc

Green Ammonia, ACN, Caprolactam, etc

Methanol, Formaldehyde, Acetic Acid

Green Methanol, Formaldehyde, Acetic Acid

Silicone, other

Green Silicone, other

End customer

Wacker procures bio-methanol from BioMCN to produce a fossil free silicone, BELSIL®eco & ELASTOSIL®eco, which further decarbonizes a variety of products.

Contribution to SDGs

OCI FULFILLS CUSTOMER DEMANDS TO REDUCE EMISSIONS IN THE VALUE CHAIN CONTINUED

CASE STUDY:

Decarbonizing AnQore's acrylonitrile value chain has begun with green ammonia production at OCI Nitrogen

Acrylonitrile is a product that is widely used in a broad range of applications.

With OCI's low carbon ammonia, combined with low carbon propylene sourced separately, AnQore decarbonizes acrylonitrile by 60%.

In turn, AnQore is helping its wide range of customers to decarbonize important consumer goods and equipment suppliers to the wind power generation industry.

The relative cost price increase of decarbonizing a product throughout a value chain is often quite high for OCI. However, as the cost increase of a decarbonized component in an end-product is often minimal, it is promising that customers are increasingly aware of their environmental footprint and increasingly willing to spare a small premium for a more environmentally friendly product.

This helps the participants in a value chain cover their costs and investments involved in decarbonizing their products.

Scope 1 reduction of 50% over grey ammonia

-35%

Scope 3 reduction of 60% over grey Acrylonitrile[1]

-12%

Significant scope 3 reduction for OCI and AnQore

0.5-2%[2]

OCI produces **ISCC+ certified low carbon ammonia** made from biogas.

Strong potential to ramp up green ammonia volumes through expected customer demand pull.

AnQore produces **Econitrile**, the world's first ever sustainable and circular acrylonitrile produced from non-fossil ammonia and propylene feedstock in an existing acrylonitrile plant.

Lower carbon end products

- Windmill blades
- Mobile phones
- Surgical gloves
- Mattresses and furniture
- Rubber products
- Automotive parts
- Carbon Fiber sports gear (e.g.: golf clubs)
- Small kitchen appliances
- Electrical connectors
- Protective headgear
- Medical equipment

% Relative price increase of low carbon ammonia in product.

Contribution to SDGs

1 AnQore sources a mix of renewable feedstock
2 Cost price increase in end-consumer product (e.g. car, mobile phone)

GHG EMISSIONS – OUR APPROACH TO ACHIEVING OUR TARGETS

Developing more effective fertilizers

In addition to our work on farmer education on nutrient application best practices, we have invested in developing innovative products that improve crop yields while having a lower environmental impact.

Our conventional nitrogen fertilizer products provide optimal crop nutrition due to their quality, resulting in lower nitrogen loss and increased crop yields.

ISO 14040/14044 life cycle assessment

As part of our ongoing assessment of the potential impact of our products on the environment, last year we conducted a life cycle analysis (LCA) with external verification of our CAN and UAN in accordance with ISO 14040/14044 Life Cycle Assessment Standards. Based on these externally verified assessments conducted by SGS, our CAN's CO_2 footprint is amongst the lowest in the world. Compared to European peers as benchmarked by Fertilizers Europe, our CAN CO_2 footprint is approximately 33% lower than peers implementing best available emissions technology. Our UAN CO_2 footprint is similarly best-in-class as it is produced in the same downstream process of nitric acid as CAN.

Inhibitors and controlled release fertilizers

Farming activities account for over 50% of GHG emissions in the nitrogen fertilizer value chain. In addition to the farmer education programs in place to improve fertilizer use efficiency, we are working with partners to evaluate the best suited urease and nitrification inhibition technologies as well as other controlled release coatings to implement in our production processes. We work with credible experimental stations in key markets to conduct product trials and evaluating them on efficacy, nutrient use efficiency and scope 3 GHG impacts.

CAN+S

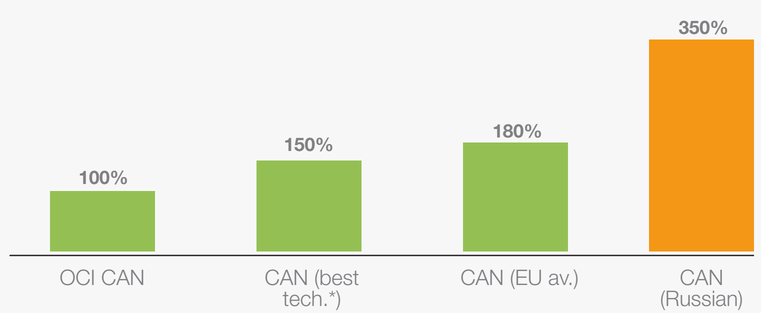
The importance of sulfur has become increasingly recognized by farmers, especially in Europe, where demand for CAN+S is growing. We are evaluating the introduction of CAN+S for early season application in Europe, as adding sulfur may have added benefits for better nutrient use efficiency, which we are confirming in product trials.

Contribution to SDGs

Decarbonizing through low-carbon product innovation

OCI CAN CO_2 production footprint is lowest in Europe

LOWEST CO_2 FOOTPRINT WORLDWIDE



According to Fertilizers Europe Care for Growth benchmark.

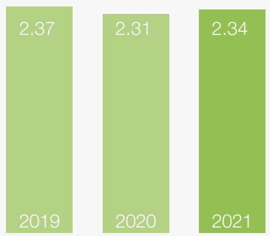
* Best available technology designed for production of CAN in EU

GHG EMISSIONS AND ENERGY USE

2021 energy and air emissions scorecard

	Unit	2019	2020	2021
Energy (Ammonia*)				
Energy consumption	TJ	211,541	206,033	200,556
Energy intensity	GJ / metric ton gross production	36.64	36.36	36.05
Energy (Consolidated)				
Energy consumption	TJ	288,817	293,846	283,605
Energy intensity	GJ / ton product	18.98	18.86	19.22
Emissions to Air*				
GHG emissions (Scope 1)	million tons of CO_2e	9.50	9.20	9.55
GHG emissions (Scope 1 - CO2 to Downstream)	million tons of CO_2e	4.93	5.32	4.65
GHG emissions (Scope 2)	million tons of CO_2e	0.62	0.66	0.65
Total GHG emissions (Scope 1 + 2 EU ETS)	million tons of CO_2e	15.06	15.18	14.85
GHG intensity (Scope 1 and 2)	ton CO_2e / N-ton	2.37	2.31	2.34
Scope 1 emissions covered under emissions limiting regulations	% (Scope 1 – Direct)	17.7%	16.0%	14.0%
NOx	metric tons	3,018	3,485	3,120
N_2O	metric tons	132	151	151
SO_2	metric tons	158	163	137
VOCs	metric tons	134	143	114

Greenhouse gas intensity



Metric ton CO_2e / nutrient ton product

NOx intensity

Metric ton NOx / thousand nutrient ton product

N_2O intensity

Metric ton N_2O/ thousand nutrient ton product

SO_2 intensity

Metric ton SO_2 / thousand nutrient ton product

Contribution to SDGs

We have worked diligently to reduce our greenhouse gas emissions at all sites through our operational excellence programs and initiatives to develop lower carbon products.

During the year, we achieved a 0.8% improvement in ammonia energy intensity as compared to 2020, and a 1.6% improvement against our 2019 baseline.

This contributed to absolute Scope 1 and 2 emissions decreasing by 2.2% year-on-year and 1.4% against our 2019 baseline, with total production remaining relatively stable at approximately 6.4 million tons on a nutrient-ton basis for ammonia and product ton basis for methanol.

Our GHG intensity has remained relatively constant from our baseline, increasing 1.3% year-on-year and decreasing 1.3% from our baseline as a result of typical variations in production and maintenance activities at our facilities, and fluctuations in the production denominator in nutrient versus metric tons. We believe we are on track to achieve our 2030 GHG intensity reduction target, as the implementation of our operational excellence accelerates, and the execution of our lower carbon projects completes in the latter part of our target horizon.

Our other emissions to air, such as NOx, N_2O, SOx, and VOCs remain amongst the lowest in the industry, and have all decreased year-on-year. We will continue to look for incremental room for improvement at these low emissions levels.

* Data has been restated to account for corrections following a comprehensive review.

WATER AND WASTE – OUR APPROACH

RT-CH-140a.3

Water Management approach

As water is an essential but finite resource, we work diligently to maximize our water efficiency and are focused on reducing our water use wherever possible at all our sites.

We primarily use water in our production processes for cooling, steam generation, or in our downstream aqueous products.

Our water management processes implement best available technologies wherever possible to reduce our water use and maximize reuse and recycling of water in our production processes to minimize our water discharge and our need for fresh water. Most of our water consumption is recycled several times in closed loop systems to reduce our intake of freshwater wherever possible and use non-potable water sources such as treated water from industrial sources and seawater to reduce our impact. We have made significant investments to reduce our use of freshwater wherever possible, and particularly at our sites in water stressed regions such as the Middle East and North Africa where we have installed desalination units to use seawater instead of freshwater.

Withdrawal and discharge

We closely monitor our water withdrawals and discharges at every facility and ensure any discharged water is treated to meet applicable environmental requirements and safely discharged. At several facilities, including those in Egypt and Iowa, we have invested in on-site pools to safely evaporate discharged water, or treat the collected water for irrigation. Some of our facilities benefit from interconnections with neighboring plants, allowing them to safely recycle water for use in other facilities' production processes.

We meet or exceed all water quality regulations and permits through our water management and treatment processes to ensure we do not impact local water sources. Water management – including water quality – is a key element of our overall HSE and resource use management systems and is monitored by the Board of Directors' HSE & Sustainability Committee.

We continuously review our water management processes, our water use, and evaluate ways in which we can improve our water stewardship at every facility.

Waste, effluents, and spills

Our production processes for nitrogen and methanol products produce limited by-products and are not waste intensive. Our distribution processes are primarily bulk shipments with minimal packaging required. Almost all the waste we produce is non-hazardous and primarily result from maintenance activities. Each facility monitors and minimizes its hazardous and non-hazardous waste through active waste management programs. The primary source of hazardous waste is spent catalyst, which is disposed of safely as per local regulations. We minimize potential waste leakage, effluents, or spills through primary and secondary containment systems that are regularly inspected. All processes undergo regular reviews by our HSE teams to identify and implement waste reduction opportunities where possible.

In 2021, our facilities reported 21 environmental incidents (EI), representing an environmental incident rate (EIR) of 0.35. None of these incidents were classified as major and five related to a stringent waste-water iron content permit at IFCo, for which we successfully commissioned pipeline in 2021 to permanently resolve the issue. Excluding this repetitive permit exceedance, our EI's totaled 16 with an EIR of 0.27.

Contribution to SDGs

6 CLEAN WATER AND SANITATION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

WATER AND WASTE – OUR APPROACH
CONTINUED

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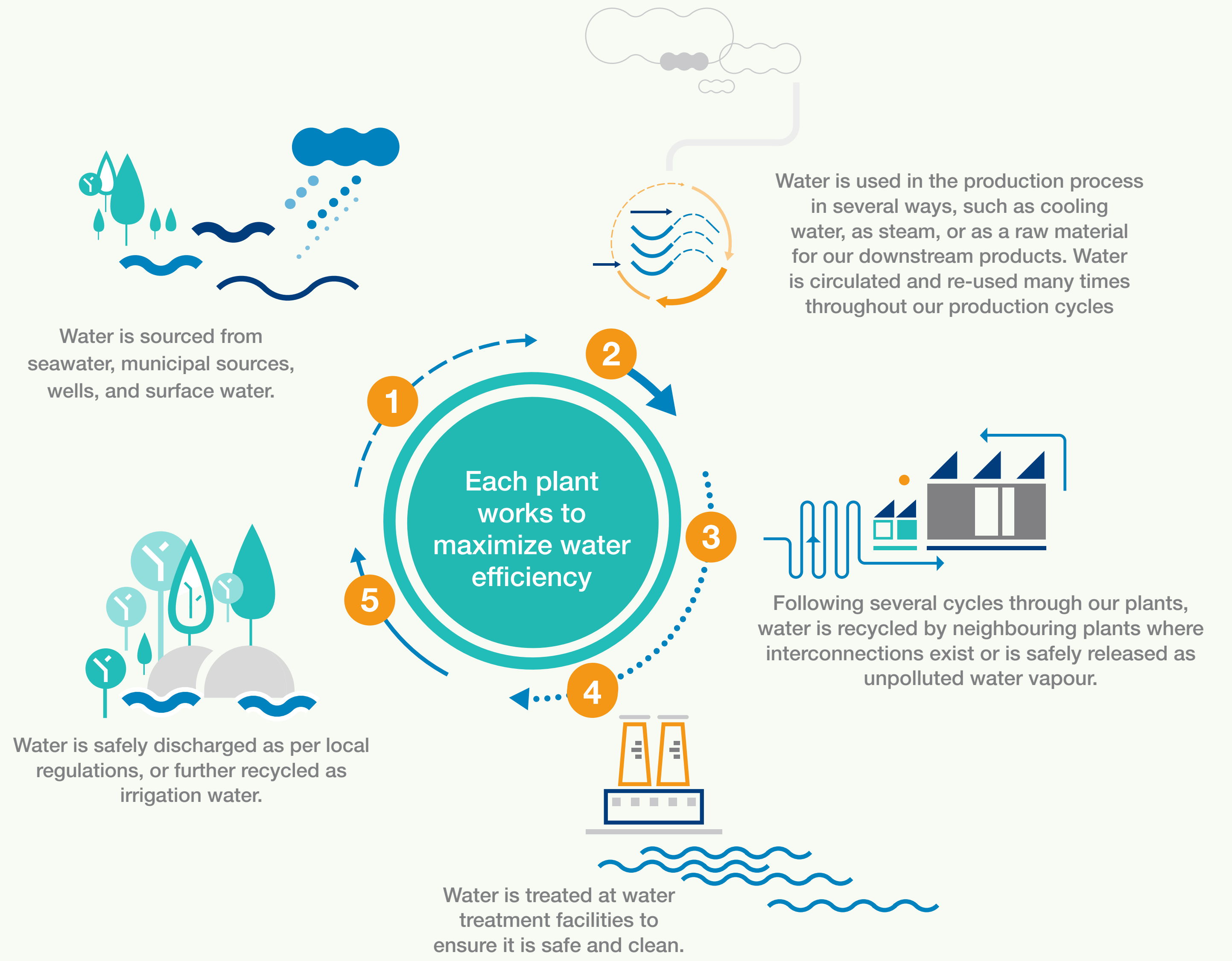


Contribution to SDGs

WATER AND WASTE – 2021 PERFORMANCE

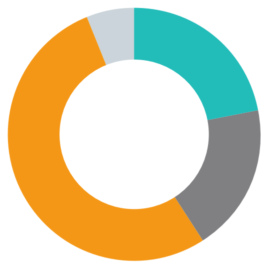
2021 water and waste scorecard

	Unit	2019	2020	2021
Effluents and waste*				
Hazardous waste reused, recycled or recovered	Thousand metric tons	1.98	1.60	2.37
Hazardous waste treated or disposed of	Thousand metric tons	1.27	1.50	1.62
Non-hazardous waste reused, recycled or recovered	Thousand metric tons	1.80	1.86	2.75
Non-hazardous waste treated or disposed of	Thousand metric tons	18.90	27.33	14.16
Water**				
Total intake by source	Million cubic meters	**91.13**	**92.52**	**87.78**
Groundwater	Million cubic meters	17.34	17.89	16.22
Seawater	Million cubic meters	49.43	48.00	46.21
Surface water	Million cubic meters	20.71	20.74	19.71
Third party water	Million cubic meters	3.65	5.89	5.64
Total water discharge by destination	Million cubic meters	**52.21**	**49.12**	**42.27**
Groundwater	Million cubic meters	4.77	4.62	2.35
Seawater	Million cubic meters	41.17	37.88	31.05
Surface water	Million cubic meters	1.25	1.43	2.38
Third party water	Million cubic meters	5.02	5.19	6.49
Water Stress				
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	73%	71%	72%
Water consumed in regions with High or Extremely High Baseline Water Stress	%	58%	57%	62%
Environmental incidents				
Environmental incidents	#	36	37	21
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0.59	0.66	0.35

* Restated to account for 50% share in Natgasoline in historical years.

** Excludes seawater used for cooling at FERTIL in a 'once-through' system, where seawater intake volumes flow through heat exchangers and are safely discharged uncontaminated back to the sea.

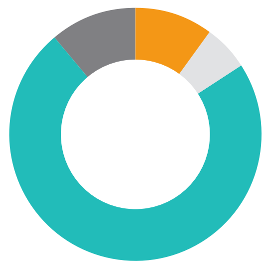
2021 water intake by source



Total water intake
87.78 million cubic meters

- Surface water 22%
- Groundwater 19%
- Seawater 53%
- Third party 6%

2021 water discharge by destination



Total water discharge
42.27 million cubic meters

- Surface water 10%
- Groundwater 6%
- Seawater 73%
- Third party 11%

Contribution to SDGs

WATER AND WASTE
CONTINUED

RT-CH-140a.3

CASE STUDY:

Minimizing freshwater consumption in water stressed regions

Our Middle East and North African (MENA) operations work diligently to minimize their use of freshwater given the high stress on water resources in the region. We have invested in reverse osmosis and seawater desalination units on-site at all our MENA locations.

Our assets in Egypt source approximately 58% their water intake by using reverse osmosis units to desalinate non-potable water and our production facilities in Algeria and the UAE source 100% of their water intake from the sea.

Our goal is to become fully self-reliant on sustainable water sources and reduce our reliance on fresh water sources at all our MENA assets. Actions being taken to address water sustainability in Egypt include:

- Increasing our access to sustainable groundwater wells through local investments.
- Investing in increasing capacity and efficiency of our on-site reverse osmosis units, treating and upgrading groundwater.
- Investing in wastewater plants to re-use/re-cycle more water from the production process.
- Continuing to make use of any water discharge to grow our land reclamation project.

Zero effluent discharge

Both Fertil and EFC have implemented a novel solution to the large quantity of water produced as a by-product of the urea manufacturing process. The facilities invested in the construction of irrigation and evaporation ponds to avoid discharging effluents into the environment. EFC is the only plant in Egypt to do this, with three ponds capable of holding a total of 15,000 cubic meters of water. Fertil has two ponds capable of holding a total of 24,800 cubic meters of water.

Water recycling and reuse

Both EFC and EBIC have implemented a wastewater treatment and re-use closed loop system for cooling water that reduces water intake by approximately 5%.

Land reclamation in the Egyptian desert

The water collected at EFC's irrigation ponds is used to irrigate 50 acres of forestry that was planted by EFC in the nearby desert, contributing to essential land reclamation in the Egyptian desert and creating an additional source of carbon sequestration. The 50 acres of forestry sequester an estimated 39 metric tons of carbon dioxide a year.

2.13
Million cubic meters of water re-used for irrigation in the Egyptian desert

50
Acres of land reclaimed in the Egyptian desert through our water recycling efforts

Contribution to SDGs

FEED THE WORLD

We are committed to working towards global food security. Through various programs, we work with our customers around the world to maximize yields, strengthen crops, prevent soil degradation, promote sustainable agricultural practices, and accelerate growth to meet the world's rising food demands. We also work to ensure our products are used in a way which safeguards health, occupational and public safety and security, biodiversity, and the environment.

The world continues to face a significant challenge in ensuring a sustainable supply of food for our burgeoning global population, which is expected to reach nearly 10 billion people by 2050. This is expected to require a doubling of food production levels, all while arable land per capita is projected to decline by 55% by 2050. With growing populations and declining resources, crop yield optimization is imperative to meet our global food needs, while also minimizing the environmental impact of agriculture and fertilizer use.

Fertilizer use is essential to maximize yields, minimize soil degradation, and sequester carbon dioxide

Nitrogen fertilizers are the key nutrient for crop growth and development. High quality soil maximizes farm yields and ensures healthy crops, which in turn naturally sequester carbon dioxide to help fight climate change.

Efficient farming through correct fertilizer application helps farmers maximize the use of existing farmland and reduces land sequestration. OCI's fertilizer products help achieve sustainable agriculture by providing an effective and environmentally sound source of nitrogen. By using nitrogen fertilizers effectively, farmers can:

- grow more food on their land,
- reduce soil nutrient loss and improve soil quality, and
- reduce the need for new farmland to be sequestered, which therefore reduces GHG emissions by limiting deforestation.

Without annual application of nitrogen fertilizers to replenish soil nutrients, soil health is eroded resulting in lower yields and biodiversity loss amongst many issues.

Promoting nutrient stewardship

Incorrect or inefficient fertilizer application can result in nitrogen release into the atmosphere as well as leaching or run-off into groundwater or surface water, which can negatively impact water quality and aquatic biodiversity.

We work with industry associations to educate farmers on fertilizer application, storage, provide digital resources, and to encourage sustainable farming. In the US, we support the 4R Nutrient Stewardship program through our membership in The Fertilizer Institute (TFI).

Other environmental impacts

Biodiversity

None of our production facilities are located near protected areas or areas of high biodiversity, and we are not required to maintain a biodiversity management plan for any of our sites. We comply with all relevant regulatory requirements and environmental policies when assessing new projects, which would include environmental and biodiversity impact assessments wherever relevant.

Nitrogen fertilizer use helps improve agricultural efficiency, which protects biodiversity by maximizing yields of existing farmland thereby reducing the need to sequester new land for farming.

Other emissions to air

We have installed the necessary equipment - such as de-NOx units, methanol removal units, and Selective Catalytic Reduction (SCR) units – at our facilities in line with our policy to implement Best Available Control Technology (BACT) to minimize our environmental impact. Accordingly, we emit minimal amounts of nitrous oxide (N_2O), nitrogen oxides (NOx), sulfur oxides (SOx), particulates, and volatile organic compounds (VOCs), as reported on page 61.

Contribution to SDGs

CASE STUDY:

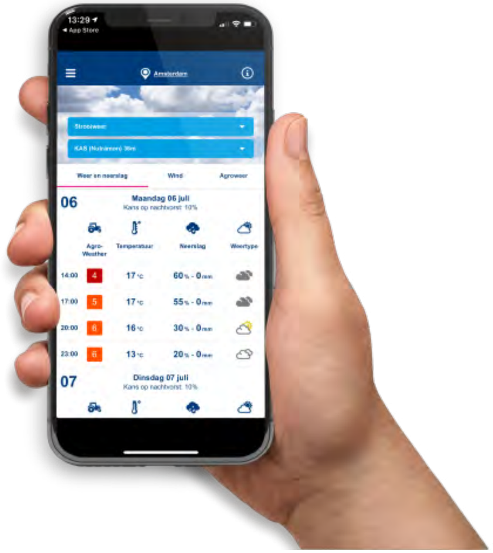
Digital farming

While nitrogen fertilizers offer a sustainable means of maximizing yields, farmer education is essential to ensure nitrogen fertilizer application is optimized for both production and environmental protection. We work with farmers around the world through various initiatives to achieve this goal.

Our digital offerings include the Nutrinorm agronomy website, and two applications developed specifically for farmers:

- **OCI Agro Weather app** to optimize farmers' activity planning.
- **OCI Nutri-N app** for an optimal nutrition application.

Using these resources, our customers can ensure fertilizer quality is maintained through correct storage, blend products correctly, ensure spreading settings are correct to maximize even fertilization, calculate optimal fertilizer release, accurately track the weather, and receive 24/7 access to the support they need.



>105,000 USERS

Our digital resources reached over 105,000 users in 2021

Contribution to SDGs

3.

SUSTAINABILITY REPORT | SOCIAL

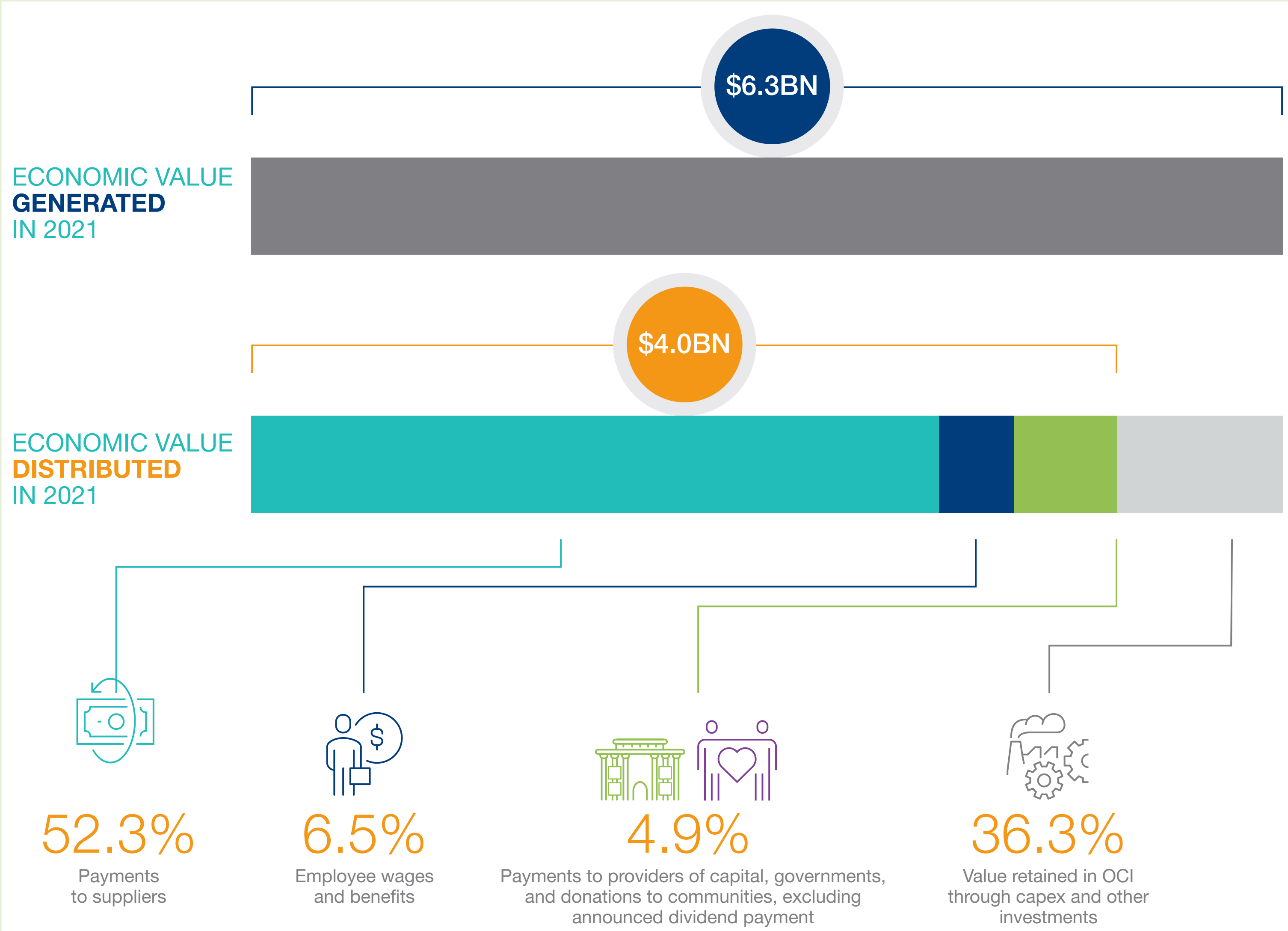
RT-CH-210a.1

HOW WE CREATE VALUE FOR OUR COMMUNITIES

Our operations directly and indirectly create significant economic opportunities for our communities in both developed and developing countries through payments for goods and services, job creation, improved farmer productivity, taxes, research and development, and donations to develop the communities in which we operate.

We have invested more than $5 billion in growth and improvement projects in under a decade, which has created thousands of ancillary businesses and job opportunities.

In 2021, we created $6.3 billion in value, of which 63.7% was redistributed. The balance was reinvested in OCI and $350 million will be distributed as a dividend.



Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES CONTINUED

A tailored approach to each community

As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally. Accordingly, we have cultivated local social development programs tailored to the specific needs of each of our communities to maximize the impact of our donations. In addition to our sponsorships and financial contributions to various causes, our employees personally invest their time in our local communities by participating in fundraisers and volunteering at events.

EDUCATION

We endow time and resources into the entire education value chain, from donating school supplies to children in need and rewarding high achievers by funding university scholarships and providing on-site training opportunities.

Our local operations have worked hard to encourage students of all ages to pursue an education in fields of science, technology, engineering and mathematics (STEM) through various initiatives. We also participate in programs specifically designed to encourage girls to pursue STEM, such as Girlsday.

In 2021, despite the lack of in-person programs due to COVID-19 restrictions, 511 students and young professionals benefited from the training or education opportunities availed through the programs we participated in or sponsored in Europe, the United States, and North Africa.

SOCIAL CAUSES

Our plants pay close attention to the social causes that matter to each community to effectively participate in local development. Such causes include sponsoring or donating time to local sports teams, music and arts festivals, food banks, toy runs, youth programs, and animal rights causes.

In addition, we have strong ties to local healthcare initiatives that provide necessary physical, mental, and emotional support to our communities. Our plants work with trusted partners focusing on the issues that significantly impact their communities, including elderly care centers, cancer treatment and support, essential supplies for the underprivileged, and programs that encourage healthy living.

12,595

Students reached since 2015

>385,000

Meals provided in South East Texas since 2015

Contribution to SDGs

HOW WE CREATE VALUE FOR OUR COMMUNITIES CONTINUED

RT-CH-210a.1

Our 2021 outreach

In 2021, we continued to focus on investing on the social causes that matter to each of our communities. Our tailored approach allows us to create a meaningful and sustained impact through longstanding partnerships with charities and non-profits serving our communities, such as Southeastern Iowa Community College's Building the Dream program, the Girlsday science and technology program in Geleen, and the Southeast Texas Food Bank. Please refer to Our Stories for more examples of how we create value for our communities.

Partnership with JINC

OCI is proud to support JINC, a Dutch organization that provides underprivileged 8–16-year-olds with mentorship opportunities in various professions, helping them find out what kind of work suits their talents and how to apply for a job. JINC reaches more than 65,000 children each year.

Beginning in 2021, OCI has partnered with JINC to provide support both through financial contributions and by availing employee volunteers for training and coaching across our Dutch operations.

We are proud to work with JINC, as their goal fits perfectly with our mission to enthuse young, diverse and local talent to pursue careers in the chemical industry. By collaborating with JINC, we not only help young people to create a better future, but we also offer our employees the opportunity to actively contribute to this.

Despite limitations imposed by COVID-19, during the year we both hosted students and went to them as volunteers. 22 employees volunteered in the following programs, reaching 171 students:

- OCI Nitrogen hosted three intern days ('Bliksemstage') for primary and secondary school students, allowing them to discover the world of work. Questions covered included: What kind of jobs do we have at OCI Nitrogen? What kind of industry do we work in? The internships were conducted partly in the office/partly on location.
- Job application training: students learn how to effectively interview and apply for jobs.
- Digital skills training: students learn the importance of digital skills in education and the labor market.
- Career coach: volunteers act as a role model to guide and mentor 4 students each during the school year on their future education.

Encouraging local talent

OCI Beaumont's cooperative education (co-op) program invites Engineering, Accounting, and Operations students from Lamar University to participate in paid on-the-job training related to their fields of study.

During the year, OCI Beaumont hosted 11 students as semester-long interns in the plant's accounting, operator, and engineering functions.

OCI Beaumont also encouraged female engineering students by donating to Lamar University's Society of Women Engineers for a project for the Senior Design Team of Engineers and hosting a virtual company information session to introduce the company to female engineering students looking to participate in co-ops or apply for full-time positions after graduation.

Fertil's College Students Internship Program serves the community by providing experiential learning opportunity for college students through practical applications and skills development.

During the year 23 university and college students participated in a virtual 6–12-week program with an assigned Fertil employee coaching them for the duration of their internship. Students interned various functions, including operations, electrical, HSE, IT, finance, communications, and HR.

Contribution to SDGs

OUR EMPLOYEES

Our approach

Our people are fundamental to our success. We strive to create a safe and encouraging workplace where there is mutual trust and respect towards and amongst employees. We promote excellence in every aspect of our operations by investing in our people to foster their development and encourage their passion to excel.

A local employer, globally

We are proud to have cultivated a strong community focused identity as a local employer with 3,853 employees around the world. We have a commitment to maximize the use of local resources whenever possible by drawing local people into our company and developing their skills, and by choosing local partners where possible to supply materials and other services.

Living wage

We are mindful of the importance of ensuring that all employees are compensated and have crafted our local compensation frameworks using each country's living wage as the baseline.

We believe that when an employee can afford their family's needs including discretionary income, they are more motivated to succeed. We consistently rank amongst the top quartile of employers by annual compensation in each of our communities.

In addition to top quartile compensation, we offer all employees, including part-time employees, a range of benefits, including but not limited to health insurance, retirement plans, parental leave, and other non-financial benefits in line with local employment laws.

one OCI Diversity & Inclusion

We are committed to fostering an inclusive culture with a diverse workforce, where every person is recognized, valued, and thrives

Contribution to SDGs

Diversity and inclusion

Our employment strategy has resulted in a diverse global workforce encompassing 46 nationalities located in ten countries, with multiple ethnicities, religious beliefs, cultures, ages, orientations, and other traits working together respectfully and with a shared sense of purpose.

Our Code of Conduct requires all employees to act with honesty and integrity to foster a business environment that protects the rights and interests of all stakeholders. Our Code of Conduct also highlights our zero-tolerance policy for any form of harassment or bullying. Employees are required to treat all individuals with respect, tolerance, dignity, and without prejudice to create a mutually respectful, collaborative, and positive working environment. We do our utmost to provide employees with a safe environment to address any issue directly with management, and through our Whistleblowing Policy we also provide a confidential procedure to raise any concerns, instances of discrimination, and other breaches to our Code of Conduct.

We are committed to fostering an inclusive culture that allows every voice in our organization to be protected, heard, and valued. We have translated this commitment into action through our group-wide D&I program, which aims to ensure fairness, equality, and diversity in recruiting, compensating, motivating, retaining, and promoting employees. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization. We have set internal benchmarks and targets to improve our recruitment processes, conduct de-biasing training, provide sponsorship and mentorship opportunities, and develop employee networks that help them succeed.

During the year, we continued to focus on D&I education and training, with the balance of our workforce completing the de-biasing training program that was launched in 2020. We also launched a pilot mentoring program – Women in Leadership Roles – the learnings from which will be translated into a groupwide mentoring program in the near future.

At the Board level, in line with the Board D&I, we continue to prioritize the recruitment of female candidates should a board vacancy arise, with the percentage of female board members currently at 23%. Women as a percentage of total employees increased to 11.37% in 2021 from 10.51% in 2020, with the ratio of female-to-male hires doubling year-on-year resulting in 30% of group hires being women in 2021. Approximately 24% of leadership positions across the organization were held by women, indicating we are making excellent progress to achieve our 25% by 2025 target. We will continue to work towards increasing gender diversity while continuing to hire or promote based on merit.

Employee Engagement

We strive to encourage open dialogue across all levels of the organization, including with senior management. The OneOCI platform provides employees with regular updates on a variety of corporate, operational, and industry matters, enhance communication across the group, create opportunities for employees to connect across countries and functions, and provide an additional means to reach senior management. We also conduct surveys at the group and local levels to gather feedback on various topics.

We value the feedback from these engagement channels and are continuously making improvements to enhance all employees' experiences at OCI. As part of our wider engagement efforts under the OneOCI program, we plan to conduct a groupwide employee engagement survey in 2022 to identify our internal baseline and develop targeted engagement actions per site and function.

Talent development and retention

We are committed to fostering an environment that encourages individuals to seek opportunities for professional growth and enrichment. We recognize the importance of training and development of new employees, improving the performance of experienced employees, and building future leaders. We invest in our employees through training and development programs focused on professional growth and enrichment. Opportunities are tailored to the needs of each employee, and can include on-the-job practical training programs, sponsoring higher education, mentorships and leadership programs for succession planning, and online courses.

OUR EMPLOYEES CONTINUED

Talent development and retention continued

We have a succession planning process in place for critical roles across the organization, both at the corporate and the operating company levels. This is key to talent retention and development, and to mitigating potential human capital risks by building internal bench strength across our organization. We continuously monitor and stimulate the development of our employees with the aim of building a robust leadership pipeline and aim to fill a meaningful percentage of key vacancies with internal candidates wherever possible.

Unions and Works Councils

Our employees can join a union, works council, employee association, trade union, or similar labour organizations in line with local regulations. As such, approximately 37% of our total workforce is covered by Collective bargaining or unions. We strive to maintain productive relationships with the labour organizations representing our employees and engage with them regularly.

Human rights and working conditions

We are committed to respecting and promoting human rights and safe working conditions.

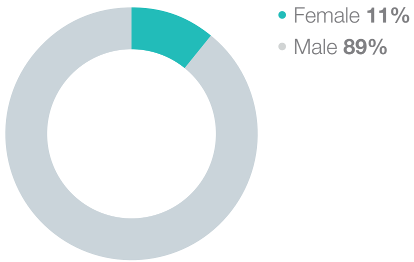
We conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. This expectation extends to our suppliers and business partners, who are required to conduct their business according to the principles included in our Business Partner Code of Conduct.

These principles are based on global human rights standards, including the International Bill of Human Rights, the International Labour Organization's declaration on Fundamental Principles and Rights at Work, and the United Nations International Children's Emergency Fund (UNICEF). Accordingly, our suppliers cannot use forced or child labor, or engage in slavery or human trafficking.

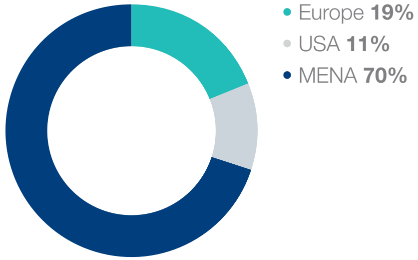
These principles also form part of our Human Rights Policy, which falls within our Compliance Framework and aims to ensure that salient human rights issues potentially arising through our supply chain are tackled effectively. We perform customary due diligence to ensure our suppliers and business partners are compliant and have an anonymous reporting hotline where employees can report suspected violations throughout our supply chain.

Contribution to SDGs

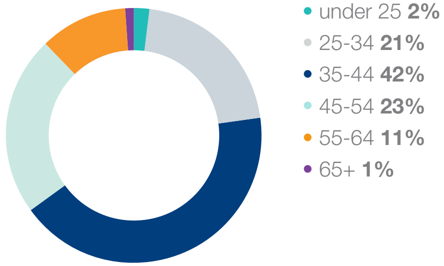
Gender



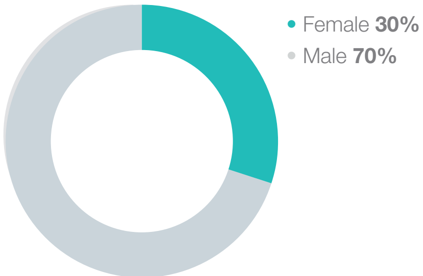
Location



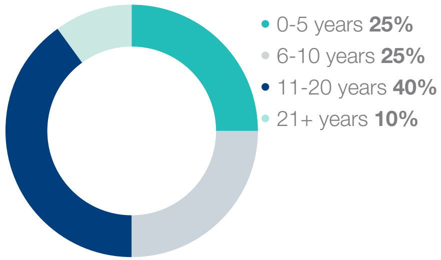
Age profile



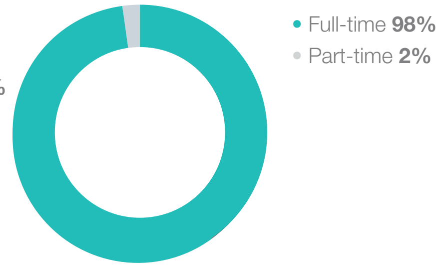
New hires



Years of service



Contract type



Our employee engagement priorities

- Diversity: increase gender diversity and inclusion across the group
- Development: increase training and development opportunities for all employees
- Dedication: maintain our low voluntary turnover rates at under 3%
- Drive: provide employees with the resources they need to feel engaged, empowered, and driven to deliver

Our human rights policy principles

- No forced or child labor
- No harassment or discrimination
- Safe and healthy workplace
- Fair compensation and living wage
- Equal employment
- Freedom of association and collective bargaining

Links to policies

Code of Conduct

Diversity & Inclusion (D&I)

Board D&I

Whistleblower Policy

Human Rights Policy

OUR EMPLOYEES CONTINUED

Working at OCI	Unit	2019	2020	2021
Employees*				
Total employees	#	3,715	3,682	3,853
Full-time	#	3,622	3,602	3,779
Part-time	#	93	80	74
Engagement and development				
Voluntary turnover rate	%	2.0%	2.2%	2.7%
Employee absenteeism	%	3.0%	1.9%	1.7%
Employees covered by Collective Bargaining or Unions	%	37.7%	38.7%	37.2%
Average spending on training and development	$ / employee	1,442	218	321
Compliance & Governance				
Incident notifications	#	12	9	12
Incidents investigated	#	12	9	12
Substantial cases	#	0	0	1
Anonymous notifications via hotline	#	3	1	4
Cybersecurity training (various topics)**	# employees reached	1,938	1,921	1,064
Compliance training (various topics)*	# employees reached	973	2,002	1,865
Gender				
Women	%	10.3%	10.5%	11.4%
Women in technical roles	%	1.1%	1.5%	3.3%
Women non-technical roles	%	9.2%	9.0%	8.1%
Women on the Board of Directors	%	16.7%	23.1%	23.1%
Women in leadership positions	%	18.2%	20.2%	24.0%
Age profile				
under 25	%	1.7%	1.9%	1.9%
25-34	%	21.3%	18.1%	20.8%
35-44	%	41.8%	42.1%	42.6%
45-54	%	22.3%	25.1%	23.0%
55-64	%	12.1%	11.9%	10.8%
65+	%	0.8%	0.9%	0.9%
Years of service				
0-5 years	%	27.3%	21.7%	25.2%
6-10 years	%	25.3%	25.1%	25.0%
11-20 years	%	36.8%	42.8%	39.7%
21+ years	%	10.6%	10.4%	10.2%

3,853
Direct employees in 2021

100%
Improvement in female-to-male hiring ratio in 2021

130%
Increase in female employees in technical roles

37%
Employees covered by collective bargaining or unions

2.7%
Voluntary turnover rates

46
Nationalities in our global workforce

$100K
Average employee annual compensation

24%
Percentage of women in leadership positions

Contribution to SDGs

RT-CH-320a.2

HEALTH & SAFETY

Our approach focuses on the following HSE priorities:

1. Commitment to zero injuries
2. Focus on operational excellence
3. Continuous improvement of our processes
4. Health and wellness of all employees
5. Product stewardship & chemical safety

We believe that the health and safety of our employees is essential to the successful conduct and future growth of our business and are in the best interests of our stakeholders.

HSE policies and standards

Our HSE Policy is approved by the Board HSE & Sustainability Committee, which is also responsible for supervising the group's overall HSE performance and receives quarterly updates. The HSE function is led by the Corporate HSE Director, who reports to the Vice President of Manufacturing. The HSE organization comprises corporate and local teams who are responsible for HSE compliance, monitoring, and reporting.

The HSE Policy provides our sites, employees, and contractors with a set of standards and procedures based on industry standards and global best practices. Our HSE policies and standards apply to all employees and contractors, regardless of employment type.

Each facility additionally implements tailored initiatives and supplemental procedures to enhance their HSE standards depending on their specific needs and technologies, which are reviewed and approved by the Corporate HSE team. Examples of locally tailored programs include:

- IFCo's SafeStart program, a safety program that addresses unintentional human error and critical safety habits; thereby reducing risk and the probability of injury.
- OCI Nitrogen's Project ViS, a coordinated cluster of activities aimed to deliver a safer facility through person, process, and environmental safety.

HSE performance monitoring

The Corporate HSE team reviews and monitors all facilities' site-specific programs and performance metrics, which are implemented, maintained, and reported by each facility's management team in compliance with the HSE Policy. The Corporate HSE team also assists the sites in implementing the OCI HSE policy when required and reports each site's performance to the HSE Committee on a quarterly basis. The HSE & Sustainability Committee sets groupwide targets that are cascaded to site-specific HSE targets annually.

The Executive Directors review each site's monthly HSE performance and trends with local site leadership during the monthly business review. In addition, HSE audits at each site periodically assess the implementation of OCI's HSE policy.

1. Commitment to zero injuries

Safety is a core focus in every aspect of our operations. Our goal is to achieve leadership in safety and occupational health standards across our operations by fostering a culture of zero injuries at all our production facilities, and continuously improving health, safety and environmental monitoring, prevention and reporting across our plants.

We have integrated this goal into our corporate values, and into the programs and policies of each of our production facilities. Safety is considered an integral part of plant operation, quality control, cost reduction and efficiency, and we are committed to providing resources to enable this.

Occupational safety

After a record safety performance in 2020, we experienced more incidents year-on-year in 2021 resulting in a lost-time injury rate (LTIR) of 0.2 and a total recordable injury rate (TRIR) of 0.35. We take every incident seriously and have conducted full investigations and incident reports for each, sharing learning and best practices across the group after each incident in an effort to avoid repetition.

We also tragically suffered a contractor fatality during the year, the first fatality in the history of OCI. We are deeply saddened by this loss, which occurred when a contractor fell from the top of a conveyor at a loading jetty. We are committed to enforcing a culture of zero injuries, where every person is safe at all times, and a full investigation was launched with learnings implemented across our sites. During the year, two of our sites achieved zero injuries, and five of our sites achieved zero employee lost-time injuries.

While we are proud of every employee's and contractor's diligence and attention to safety, which has brought our total recordable injury rate down by 58% since 2014, we do not take a decline in safety performance lightly. Accordingly, we maintain an awareness program and refresher sessions for all employees and contractors as part of our training program. We also reinforce our HSE standards among contractors, which have historically consistently suffered more incidents than our employees.

We will continue to promote a strong safety culture and focus on targeting zero injuries across our organization, both with our own employees and with contractors.

Emergency preparedness

Every facility has emergency preparedness plans in place with emergency response teams on-site. The emergency preparedness plans and response teams are tested and trained regularly. All sites also align closely with local police, fire, and other emergency response providers to ensure the best possible response protocols are implemented. Facilities located on shared industrial sites also coordinate closely with the industrial site facilities management teams.

During the year, more than 200 Emergency Response training sessions were conducted, and each site conducted Emergency Response drills and tabletop exercises as required by their local regulatory agencies.

HEALTH AND SAFETY CONTINUED

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2. Focus on operational excellence

We promote excellence in every aspect of our operations to ensure a safe and healthy work environment, protect our communities, and optimize operational costs. We continuously train all employees to implement the best sustainable practices and maintain our focus on operational excellence.

Process safety

We implement a process safety management (PSM) framework across our sites, which was developed based on international industry best practices and standards including the U.S. OSHA Process Safety Management regulations and AIChE Technology Alliance – Center for Chemical Process Safety (CCPS) information. Our PSM is further enhanced by case studies on industry incidents and lessons learned.

We track process safety incidents (PSI's) in three categories of severity and take all incidents very seriously. We achieved a PSI rate (PSIR) of 0.55 in 2021, well below our internal target of 0.7 but above our 2020 PSIR of 0.38.

None of the incidents were categorized as major and most incidents were related to minor leaks or releases of substances as a result of an equipment failure or operator error, all of which were immediately contained with no further impact. All PSIs are reviewed with a root-cause-analysis with lessons learned shared across all sites. We continue to work diligently to reduce the number of PSIs at all our sites every year.

Global management and quality assurance standards

Our assets hold global certifications recognizing the quality of our products and management processes, including ISO9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and OHSAS 18001 Occupational Health and Safety Management Systems. Other certifications include REACH, International Sustainability and Carbon Certification (ISCC), Fertilizers Europe Product Stewardship, and OCI Beaumont is an OSHA VPP Star Site.

Plant certifications

Plant	ISO 9001	ISO 14001	ISO 45001 / OHSAS 18001	REACH	Others
OCI Nitrogen	✔			✔	• Fertilizers Europe - Product Stewardship certificate • ISCC (International Sustainability and Carbon Certification) Green Ammonia
BioMCN	✔	✔		✔	• ISCC
OCI Beaumont	✔	✔			• OSHA VPP STAR • ISCC • BlueAm Standard
EFC	✔	✔	✔	✔	• DEF added to ISO 9001
EBIC	✔	✔	✔	✔	
Fertil	✔	✔	✔		• ISO 50001 – Energy Management System • RC 14001 – Responsible Care Management System
Sorfert				✔	
IFCo					
Natgasoline					

3. Continuous improvement of our processes

We regularly assess our HSE management systems to ensure our processes enable operational excellence. We do so through internal and external HSE audits, insurance reviews, performance reviews, incident analysis, and groupwide knowledge sharing. We reward HSE excellence, encourage best practice sharing across our sites, and provide additional support wherever needed to ensure all sites meet or exceed our standards.

Groupwide knowledge sharing

We have set up several avenues to enhance and facilitate communication and knowledge sharing across our global HSE community. Examples include:

- Weekly publication of a one-page HSE awareness article called the Gazette addressing various HSE subjects on a general level.
- Monthly groupwide safety calls to share learnings of occupational and process safety incidents and to initiative companywide improvement initiatives.
- All sites generate one-page flyers of incidents and near misses that are shared, and lessons learned with fellow colleagues during the monthly Process Safety Sharing Incident Teleconferences.
- Annual internal global OCI Process Safety conference, where various safety and risk assessment topics are discussed by our process safety experts from across our sites. The main topics in 2021 were leak prevention rules, best practices sharing from the sites' Process Safety Management program, and learning from sites' key safety incidents.

In addition, we reward excellent HSE performance through an annual awards ceremony called the OCI HSE Award, which is presented by the VP of Manufacturing.

HEALTH AND SAFETY CONTINUED

RT-CH-320a.2
RT-CH-410b.2
RT-CH-530a.1

We are committed to providing a safe and healthy workplace for all employees. We implement the highest international safety standards to avoid any potential risks to people, communities, assets, or the environment.

4. Health and wellness of all employees

Occupational health and general well-being are part of our overall HSE management, and we implement wellness programs across the organization to ensure that everyone working at OCI remains healthy.

A Fitness for Duty Process is set up to ensure that each employee can safely perform the essential physical and mental requirements of the job. A Health Risk Assessment Process is in place to estimate the nature and probability of adverse health effects to people by identifying the adverse health effects that can be caused by any exposure to any hazardous agent or the work environment.

5. Product stewardship & chemical safety

Product stewardship ensures that our products and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed, and used in a way which safeguards health, occupational and public safety, the environment, and which ensures security.

Approach

Product stewardship and chemical safety is supervised by the Board HSE & Sustainability Committee and subject experts from each facility contribute to risks assessments and internal audits of the HSE impact of our product portfolio.

We use the best available technologies to minimize our carbon footprint and implement the Product Stewardship guidelines developed by Fertilizers Europe and International Fertilizer Association (IFA) throughout our production processes to monitor and minimize our environmental, health and safety impact from feedstock to farmer.

We comply with international standards as members of IFA, Fertilizers Europe, The Fertilizer Institute (TFI), the International Methanol Producers & Consumers Association (IMPCA), the European Melamine Producers Association (EMPA), the Ammonia Energy Association, and the Melamine REACH consortium, among others.

We are committed to our obligations regarding any environmental and health regulatory aspects of the chemicals we handle, and we closely monitor regulatory and safety developments for all our chemicals. Our products do not include ozone depleting substances, persistent organic pollutants (POPs), polyaromatic hydrocarbons (PAHs), or polychlorinated biphenyls (PCBs) and do not contain any chemical classified by REACH, or equivalent regulation, as substances of very high concern (SVHC). We strive to substitute any identified SVHC as raw material or intermediate where possible and if a product cannot be substituted, we comprehensively assess the risk potential of the substance by weighing the degree of HSE risk and regulatory restrictions or classification, technical and financial feasibility of developing a substitute, and stakeholder concerns, amongst other considerations. We fulfil our obligations by enforcing strict process and occupational safety and product handling measures to minimize risks of exposure to health and to the environment. We have identified five chemical substances of concern, which we monitor and manage carefully in line with regulatory processes and our HSE, product stewardship, and chemical compliance policies and procedures. We are also assessing alternative substances and regulatory actions for these chemicals.

In line with our commitment to leadership in product and HSE stewardship, during 2020 the Board formally ratified our policy to not produce, sell or trade solid ammonium nitrate (AN) given the product's public safety concerns. This also allows us to ensure that our business trajectory is in line with global insurance and directors' liability advice, which is increasingly stringent around AN. With ever-increasing concerns surrounding AN, the product could be substituted by much safer urea or other nitrates going forward.

Safe product handling

We publish Safety Data Sheets (SDS) on our website for all our products and substances. We monitor and evaluate the environmental, health and safety data continuously and update the information published in the SDS section of our website regularly. SDSs provide safe handling, storage, disposal, and personal protection equipment (PPE) information and disclosure on potential health and safety effects due to exposure or mishandling. All SDSs and product labels comply with applicable laws and regulations, including but not limited to REACH, US EPA, CEPA, and CLP. The safety data sheets are translated into several languages to make them more accessible for our global customers.

Stem cell technology, nanotechnology, genetic engineering, and other emerging technologies

We do not make use of stem cell technology, nanotechnology, genetic engineering, or any other emerging technologies.

Genetically Modified Organisms (GMOs) and neonicotinoids

We do not produce GMOs or neonicotinoids (pesticides), nor do we make use of the technology. Through our participation in farmer education programs, we promote the safe use of such products in our supply chain.

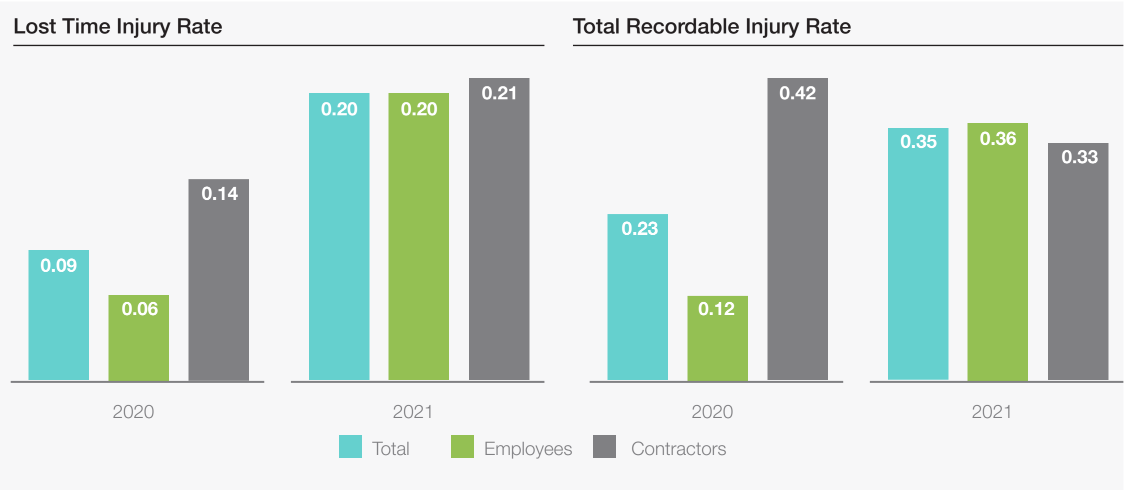
Animal testing

We do not conduct animal testing.

HEALTH AND SAFETY CONTINUED

2021 SAFETY SCORECARD

	Unit	2020	2021
Safety			
Lost Time Injury Rate - total	Per 200,000 hours worked	0.09	0.20
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.06	0.20
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.14	0.21
Total Recordable Injury Rate - total	Per 200,000 hours worked	0.23	0.35
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.12	0.36
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.42	0.33
Fatalities	#	0	1
Process Safety Incidents	#	21	33
Process Safety Total Incident Rate	Per 200,000 hours worked	0.38	0.55
Significant Process Safety Incidents	count	21	33
Major Process Safety Incidents	count	0	0
Significant Process Safety Total Incident Rate	cases per 200,000 hours worked	0.38	0.55
Major Process Safety Total Incident Rate	cases per 200,000 hours worked	0	0



11.99
Million man hours worked

2
Smoking free sites

ZERO
OCI Beaumont achieved 0 TRIRs for the fifth consecutive year

1.7%
Occupational illness rate

HEALTH AND SAFETY CONTINUED

RT-CH-210a.1

CASE STUDY:

Our response to the COVID-19 pandemic

In March 2020, we implemented our emergency response protocol and established a dedicated COVID-19 Taskforce to ensure the safety of our employees and business continuity. The taskforce is dedicated to closely monitoring developments and coordinating efforts across group to align plans and policies to appropriate response measures, ensure contingency plans are in place, conduct ongoing risk assessment and planning, provide corporate support, and keep employees updated with facts and company actions.

Since the onset of the pandemic, our business operations have continued without interruption, as our industries and our products have been designated as critical infrastructure by the respective governments of each of our markets to ensure the uninterrupted supply of goods and other essential products. We have applied strict protective measures, including sanitation, personal protection equipment, social distancing and thermal testing prior to accessing any group locations. As our plants are heavily automated, essential on-site operating and logistics personnel can be limited and administrative and operational support personnel have worked remotely in order to maintain social distancing following governmental guidelines.

Although the long-term effects of COVID-19 are still unclear, our current outlook is that our financial and operating performance remains solid. We have operated our business in a remote working environment and could continue to do so for an extended period of time, if necessary. Developments in each jurisdiction are being closely monitored and protocols are flexible to allow for rapid adjustments as needed. The impressive resilience of our staff throughout the period gives all local management teams confidence to revert to a work-from-home policy again if needed, without interruptions to our operations and supply chain.

3.

SUSTAINABILITY REPORT | GOVERNANCE

OUR APPROACH TO SUSTAINABILITY GOVERNANCE

TCFD Governance (a) (b)
TCFD Risk Management (a) (c)

Our corporate governance structure is designed in compliance with the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code (Code), applicable securities laws, our articles of association, by-laws, and the rules and regulations of the Euronext in Amsterdam.

All governance policies and procedures are published on our website, and a full description of our corporate governance framework, Board composition, oversight and responsibilities, shareholders' rights, executive compensation and other governance topics can be found on in the Corporate Governance section beginning on page 94.

Our ERM framework is described on pages 82-93 and our approach to climate risk is described on page 46. Our Compliance framework, including our ethics and anti-corruption processes, is described on page 92.

ESG and Sustainability Governance

ESG and sustainability are imbedded into all aspects of our organization, including our strategic objectives, risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making.

Dedicated Board oversight

The Board of Directors has overall responsibility for OCI's strategy, business objectives, and risk management, including ESG and sustainability. The Board Health, Safety and Environment (HSE) Committee evolved in 2021 to formally include sustainability and was renamed the HSE & Sustainability Committee. The Committee's responsibilities include overseeing our approach to managing the risks and opportunities related to sustainability, climate change, and our environmental impact. The Committee met five times in 2021 and its activities and areas of focus during the year are described on page 102.

Management of ESG

The Board has tasked the Executive Directors with the management of ESG and sustainability, including the development and implementation of our ESG targets and strategy, supported by the Sustainability Vice President, who joined OCI in 2021. Executive compensation is tied to ESG performance.

Each production facility's leadership team is responsible for identifying and evaluating sustainability projects and opportunities, and report on their progress to the Executive Directors during the site's monthly business review. The Capex Committee reviews and approves sustainability-related capex with a view to balance our sustainability goals with our other commitments and investment returns thresholds.

The Sustainability Vice President oversees the group's sustainability function and execution of our groupwide sustainability strategy in close cooperation with other group functions and local leadership.

The Group Corporate Affairs Director and Investor Relations Director are responsible for internal and external communications, including reporting of our ESG and sustainability performance, strategy, and targets. This is closely aligned with financial and non-financial functions including our internal audit and risk functions, legal and public affairs, business planning, and operations.

Risk Management of Sustainability

We perform a comprehensive assessment of our climate change, environmental and sustainability risks and opportunities both at the operating company level and at the corporate level, assessing relevance at each level according to extent and likelihood of impact. We incorporate sustainability considerations into our assessment and management of all other risks relevant to the topic, such as operations, finance, and regulatory risks.

4.
RISK MANAGEMENT & COMPLIANCE

TCFD Risk Management (b) (c)

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL

Our approach

Our businesses inherently involve risks. Our management is cognizant of these risks and takes a measured mitigation approach. Our Board and management foster a transparent company-wide approach to risk management and internal controls, driven by our conviction that risk management is most effective when it is aligned with our strategy, is integrated at all management levels, and is as dynamic as the industry and environments where we operate, allowing us to quickly act on value creation opportunities.

Enterprise risk management (ERM) framework

Risk management is a company-wide activity with roles and responsibilities allocated across all levels of the group to secure our in-control position. Equipped with updated insights from the market, industry, and geopolitics, we follow a bottom-up approach to ensure that all relevant business risks are identified, managed, and reported in a timely and comprehensive manner. The Internal Audit & Risk team is tasked with providing reasonable assurance to the Board of Directors and to the Audit Committee that this risk management approach is adequate.

The Board has the overall responsibility of maintaining a sound and effective risk management and internal control program. The Audit Committee supports the Board in monitoring our risk exposure, including the design and effectiveness of our internal control program. While every OCI employee is responsible for managing risk within his or her own area of activity, the Executive Directors – and particularly the CFO – own the Group-wide risk landscape and leads the effort in mitigating all types of risks.

The Internal Audit & Risk team assists the Audit Committee, Executive management, and local management by facilitating the identification of risks and the promotion of risk awareness and ownership across our organization. The team is centrally managed at the group level and operates across the operating companies. This ensures our Internal Control Framework (ICF) is properly institutionalized and applied, that we have effective and up-to-date internal control and internal audit systems in place, and that we are aligned with our external auditors.

Each quarter, executive management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial and compliance risks with the involvement of key stakeholders.

Our ICF is aligned with the Enterprise Risk Management Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Dutch Corporate Governance Code. It is designed to provide reasonable assurance that the risks we face are properly evaluated and mitigated, and that management is provided with all information necessary to make informed decisions. Our Internal Audit function is certified by the Institute of Internal Auditors (IIA).

OCI actively assesses the impact of climate-related, sustainability, and environmental risks as described on pages 45-46. We also consider SASB Chemicals Sustainability Accounting Standards along with TCFD recommendations when assessing our climate-related risks, as described on page 37.

ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL CONTINUED

TCFD Risk Management (c)

Our ERM and ICF systems are designed to proactively identify, monitor, mitigate, and manage risks:

Entity	OPERATING COMPANIES	CORPORATE MANAGEMENT	INTERNAL AUDIT & RISK	BOARD OVERSIGHT
Key responsibilities	• First line of defense responsibility for the establishment of an effective control environment based on corporate directives and policies • Operational management reporting, risk assessment and mitigation • Internal controls implementation and self-assessment	• Risk reporting, assessment, and mitigation • Steering and supervision of the Compliance Framework • Identification of and capitalization on key opportunities • Assessment of key market, financial, regulatory, and technological developments against strategy execution	• Independent and objective assurance about the effectiveness of governance, risk management, compliance, and internal controls	• Defines risk appetite and oversees risk management strategies and activities • Delegates responsibility to the Executive Directors and provides resources to achieve the objectives of the organization • Oversees an independent Internal Audit function
Review and reporting processes	• Weekly business updates to Corporate office functions • Detailed monthly review of performance, financials, operating issues, and key risks • Semi-annual risk self-assessments and quarterly updates of their business risk profiles and report to relevant corporate functions and executive directors • Local Internal Control Officer is responsible for supporting local management on the effective implementation of internal controls and the compliance framework, and assists in monitoring and investigating Whistleblower reports • Detailed annual budgeting with monthly updates allowing management to make real-time assessments • Local management signs the Non-Financial Letter of Representation to annually certify the in-control position in relation to the Code of Conduct, Corporate policies, and other non-financial requirements • Operational, health, safety, environmental, quality, security and emergency preparedness systems are in place at each subsidiary	• Consolidated budget and forecasts are used by management to evaluate KPIs, investment strategy, and operations • Each quarter, Corporate management monitors and assesses the consolidated group risk profile comprising of strategic, operational, financial, sustainability, and compliance risks with the involvement of key executives and corporate function heads • Internal Audit & Risk facilitates and supervises the risk management process, compliance with OCI's policies and controls, and proactively advises on further optimization of the internal control system • Additional control leadership from other corporate functions including Corporate Technical and HSE, Compliance, Internal Control, Legal, Tax, Strategic Planning, and Group Controller	• Quarterly reporting by the Internal Audit & Risk department to the Audit Committee of the results from internal audits, status of internal controls implementations, OpCo risk assessments and Group consolidated risk dashboard, highlighting effectiveness of actions taken to mitigate the risks, risk trends and the status of risks and issues • Internal Audit & Risk maintains a central repository for the monitoring of mitigating actions and trends in relation to each risk, and aides the Board in maintaining objectivity in its risk assessments • Internal Audit & Risk performs periodic independent internal audits of operating and holding companies. Management is consulted on performance developments and gaps and remediation plans • The progress of audit action plans is monitored by the Internal Audit & Risk department, local internal control officers and by local as well as Corporate senior management • Internal Audit & Risk assists the compliance function in monitoring the Whistleblower Hotline and in carrying out investigations as deemed necessary	• Board of Directors is given a full financial and operational update by the Executive Directors at each Board meeting • Audit Committee (on behalf of the Board) monitors and reviews the internal control and risk management system and provides guidance or investigates specific topics as needed • The Board oversees the performance of both the Internal Audit & Risk team and the external auditor, and receives regular updates and reports from both functions

RISK MANAGEMENT

Our key business risks with management's assessment of each risk's potential development

Our risk appetite is flexible to account for our diversified market presence and product portfolio and is tailored to four main categories. These categories tie into our strategic priorities and aim to support our ability to mitigate against risks and protect OCI's ability to create long-term value.

	STRATEGIC	OPERATIONAL	FINANCIAL	REGULATORY
Description	Risks that may impede our ability to achieve strategic objectives that we believe are critical to our performance and growth. These are risks that are considered strategic matters for the Board and Executive Directors, and may impact the company as a whole.	Risks that may impede our ability to achieve operational objectives and performance These risks can be internal or external, and are typically directly managed and monitored by the local management teams of each operating company and supervised by our Executive Directors.	Risks related to financial, accounting, and reporting controls and processes that may impede our ability to meet financial commitments, obligations, and daily operating needs.	Risks related to non-compliance with or changes in laws and regulations that may require changes in the way we do business.
Risk appetite	As a leading player in our markets, we are able to take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our stakeholders. We take a measured approach to strategic risk management with clear thresholds set by our Board for required investment returns, market risk appetite, growth capital expenditures, and corporate actions.	We aim to minimize operational risks while maximizing our ability to capitalize on our leadership positions in our markets. We strive to maximize operational excellence at all facilities while fostering a 'safety first' culture across the organization with a zero-tolerance approach to HSE risks.	We implement a financial strategy to maintain an efficient balance sheet whilst securing good access to financing with a view space a leverage ratio of less than 2x net debt through the cycle while balancing our capital expenditure needs. Our risk appetite and key policies are described throughout the annual report.	We comply with applicable laws and regulations everywhere we do business. All employees are bound by our Compliance Framework, which we are continuously embedding throughout our organization. It is in our core values to act with honesty, integrity and fairness to foster a business climate that maintains such standards.

RISK MANAGEMENT
Strategic Risks

ASSOCIATED STRATEGIC PRIORITIES

Commercial Strategy | Business Optimization

Risk	Risk Rating	Description	Risk management approach
POLITICAL AND GEOPOLITICAL RISK, RISK OF UNILATERAL SOVEREIGN ACTIONS, AND MACROECONOMIC CHANGES	Risk stable	OCI does business in both developed and emerging markets, which means that we are exposed to some countries where there is a risk of political or socioeconomic instability, including the risk of adverse sovereign actions. Accordingly, developments in any of the countries in which we operate can create an uncertain environment for investment and business activity and may adversely impact our business. This includes certain partnerships and joint ventures that involve various economic, operational, and legal risks that are different from the risks involved in owning facilities and operations independently. In addition, as our products and key inputs are global commodities, we are exposed to the impacts of global geopolitical instability, such as the macroeconomic and geopolitical volatility caused by the recent Russian military action in Ukraine and resulting economic and political responses by multiple governments. Our businesses may also be affected by potential unilateral actions by governments to control socioeconomic impacts.	We mitigate the impact of potential risks in any single market by diversifying our presence, both in terms of sales destinations and the geographic locations of our production facilities, which are in emerging and developed markets. Our run-rate production capacity of 16.2 million metric tons is evenly split geographically, with 35% in the USA, 24% in Europe, and 41% in the Middle East and North Africa. In addition, we sell our products around the world, reaching 57 countries in 2021. We actively monitor economic, political, and regulatory developments and maintain positive relationships with various governmental bodies in the countries where we operate as part of our effort to be a 'local' player in each of our markets and have strategically partnered with sovereign-backed entities. Our legal team also works diligently to monitor and review our practices and any changes in laws or regulations in the countries where we operate to provide reasonable assurances that we remain in line with all relevant laws. Management has also drafted contingency plans for various unforeseen events and adverse scenarios.
ABILITY TO EXECUTE STRATEGIC PROJECTS AND INVESTMENTS RELATED TO OUR DECARBONIZATION STRATEGY	Risk stable	We have announced several projects, investments and initiatives related to our hydrogen strategy and development of our no/low carbon portfolio, the success of which is dependent on several exogenous factors such as regulatory support and government decarbonization policies, the timely development of sustainable technologies, supply and demand dynamics for blue and green ammonia and methanol, and the timing of the global transition to a hydrogen economy. Accordingly, our strategic projects, expansion of existing assets, and construction of new assets may not be as profitable as anticipated, and may be subject to integration, regulatory, environmental, political, legal and economic risks, which could adversely affect our business, results of operations, financial condition and cash flows. Please refer to page 46 for a description of the risks and opportunities related to climate change.	We have developed a comprehensive decarbonization strategy and believe we have adequate mitigation and sustainability strategies to maximize the opportunities to develop our business and help combat climate change, including capitalizing on the substantial hydrogen economy opportunities afforded to us by our primary products – ammonia and methanol. We have developed a strong value creation logic to evaluate our sustainability projects, with clear capital allocation targets, a focus on strategic partnerships and low-capex solutions, and conservative pricing assumptions for emerging products. We are committed to maintaining a robust and disciplined capital allocation policy designed to balance the availability of funds and excess free cash flow for dividend distribution while pursuing value accretive ESG and other growth opportunities, all within a target to maintain less than 2x net leverage through the cycle and an investment grade debt profile.

Risk Rating

Risk decreasing   Risk stable   Risk increasing

RISK MANAGEMENT
Strategic Risks continued

ASSOCIATED STRATEGIC PRIORITIES

Sustainability | Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CLIMATE, ADVERSE WEATHER CONDITIONS, AND NATURAL DISASTERS	Risk increasing	Climate change and adverse weather conditions can negatively impact field work and fertilizer application seasons, which may affect the demand for our products. Climate change also poses a global transition risk which may result in changes to market dynamics, legislation, and technology. Please refer to page 46 for a description of the risks and opportunities presented by climate change. Adverse weather conditions and natural disasters, health epidemics or pandemics (including the current COVID-19 outbreak), and other extraordinary events could result in property damage, loss of life, production interruptions, price volatility, and supply chain disruptions.	We have a balanced product split with no single product representing more than approximately 34% of our capacity. Our products have inherently different industrial dynamics, including different supply/demand drivers, seasonal cycles, customers, competitors, and other factors that may affect prices and demand patterns. This mitigates the risk of the impact of an individual product's fluctuations and results in a more stable revenue stream. We are also geographically diversified, reducing the risk of local or regional weather events. Please refer to the Sustainability Report for a description of how we intend to reduce our environmental impact and contribute to achieving global decarbonization goals. In terms of natural disasters and pandemics, we have comprehensive emergency preparedness systems in place that allow us to quickly react to extraordinary events, and our assets have business interruption insurance policies in place that cover natural disasters. For a description of how we are managing COVID-19, please refer to page 79.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Operational Risks

ASSOCIATED STRATEGIC PRIORITIES

Commercial Strategy | Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CHANGES TO CONDITIONS AFFECTING OUR MARKETS AND COMMODITIES	Risk stable	Our products are global commodities with little or no product differentiation, and supply-demand dynamics can be affected by global trends such as dietary patterns and population growth affecting demand for food, swings in crop and agricultural prices, global production capacity for our products, and the availability and pricing of the raw materials required to produce our products – particularly natural gas.	Our diversified product mix is exposed to a variety of cyclical and seasonal patterns which mitigates the impact of an individual product's fluctuations and results in a more stable revenue stream. We continuously evaluate our price exposure and have hedged both our products and our feedstock positions where appropriate based on our risk appetite and our understanding of market factors. We also occupy a leading market position in many of our products. We have policies in place to respond to competitive factors and maintain mutually beneficial relationships with our key customers to effectively compete and achieve our business plans. We have global sales, marketing, distribution, and logistics teams that work diligently to expand our sales channels, develop new and repeat customer relationships, negotiate favorable contracts, and create market contacts by attending various industry and trade conferences. Our production and manufacturing teams also work diligently to ensure our plants operate efficiently to produce high quality products that meet or exceed international standards. Our products and processes are certified by global quality control institutions. In terms of the availability and cost of our key feedstock – natural gas – we have hedged our global exposure to natural gas price fluctuations through a mix of long-term contracts in the United Arab Emirates, Egypt and Algeria, and spot prices in the United States and the Netherlands, where we also maintain hedge positions based on a risk management strategy approved by executive management. We continuously identify, implement, and sustain cost improvement plans, including our outsourcing projects and those related to general overhead and workforce rationalization.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Operational Risks continued

ASSOCIATED STRATEGIC PRIORITIES

Maximizing free cash flow | **Operational Excellence**

Risk	Risk Rating	Description	Risk management approach
BUSINESS INTERRUPTION AND PRODUCTION	Risk decreasing (green)	Our production facilities may experience unplanned shutdowns or utilization rate reductions, which may result in lost volumes and unplanned costs.	We have consistently invested in best-in-class technologies at all our facilities, which maximizes reliability and efficiency. Our facilities are on average the youngest in the industry with approximately 56% of our production capacity under ten years old, which supports above average utilization rates and low maintenance costs. We have also invested heavily in our older facilities to refurbish, debottleneck, and improve efficiency and reliability. We have a well-developed preventative maintenance system, including scheduled maintenance turnarounds, frequent follow ups on action items from previous shutdowns, and regular knowledge- sharing amongst all sites including comprehensive training programs for our plant employees. We maintain adequate spare parts positions and winterization procedures (where appropriate) as well as reliability initiatives where required. We perform third-party expert audits on plant reliability and pre turnaround audits. Our plants have Business Continuity plans to respond to adverse events, and for large and extended shutdowns, our plants have business interruption insurance.
HUMAN CAPITAL	Risk stable (orange)	We face risks to our ability to employ, develop, and retain talented employees, which is is essential to our objective of maintaining high-quality operations and management.	We have been able to attract, motivate and retain knowledgeable and experienced employees thanks to our reputation and market position, our in-house training and talent development programs, our Employee Incentive Plans (as described in note 22 of the financial statements), as well as our strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies. We continue to institute employee succession programs for key positions across the group to ensure effective knowledge transfer in support of the continuity of our business operations.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Financial Risks

ASSOCIATED STRATEGIC PRIORITIES

Maximizing free cash flow | **Business Optimization**

Risk	Risk Rating	Description	Risk management approach
CAPITAL STRUCTURE, ALLOCATION, AND CURRENCY FLUCTUATIONS	Risk decreasing	Our ability to deploy and raise capital effectively can impact our ability to achieve our strategic priorities or capitalize on business opportunities. Although we strive to ensure that adequate levels of working capital and liquidity are maintained, unfavorable financial market conditions may adversely affect our financing costs, hinder our ability to achieve additional financing, and/or hinder our ability to refinance existing debt. This could therefore have an adverse impact on our business prospects, earnings and/ or our financial position. In addition, a substantial portion of our consolidated revenue, operating expenses and long-term debt is denominated in foreign currencies. Significant changes in the exchange rates of certain operational currencies, such as the US Dollar, the Euro, and the Algerian Dinar, can have a material effect on our financial performance.	We have a robust capital allocation strategy that aligns to our strategic priorities, with the governance and decision-making measures in place to balance opportunities and risks. We strive to maintain a strong financial position and creditworthiness with our creditors, and have achieved significant deleveraging to further enhance our credit risk profile. We closely monitor our cash position and credit lines to ensure our financial flexibility. We have also diversified our funding sources to avoid dependence on a single market, staggered our debt maturity profile to reduce repayment burdens and have implemented other working capital improvement programs. OCI has robust in-house financing expertise and a proven track record in both refinancing debt and accessing new funding. We hedge our foreign exchange cash flow risk on a consolidated basis by matching our foreign currency- denominated liabilities with continuing sources of foreign currencies (for FX translation risk) and where appropriate, by hedging transactional exposures that exist at our operating companies. We also hedge our interest rate risks by maintaining a debt portfolio which predominantly carries fixed-rates.
CYBERSECURITY	Risk increasing	Despite our IT security measures, our information technology and infrastructure may be vulnerable to cyber- attacks or breaches. Any such breach could result in business disruption or compromise our systems and result in downtime or leak of personal and/or business sensitive data adversely affecting our reputation.	We continuously assess and update our security controls and defense strategies to strengthen our security posture and minimize our vulnerabilities to cyber-attacks. We believe these measures and procedures are appropriate. Our IT team is focused on the monitoring and enhancement of our IT security capabilities across the group for both our IT infrastructures and plant process control systems. In addition, we invest in internal resources, training, and engage with external security experts to support the implementation of various action plans that are part of our comprehensive cyber security management system. Throughout the year, we run several internal and external security assessments across the group to ensure that our risk levels are acceptable. We also maintain a group wide cyber insurance program as last line of defense in case of adverse incidents. Additionally, we regularly run IT audits and security assessments to ensure the continuous effectiveness of our security measures.

Risk Rating

Risk decreasing | Risk stable | Risk increasing

RISK MANAGEMENT
Regulatory Risks

ASSOCIATED STRATEGIC PRIORITIES	
Sustainability	Operational Excellence

Risk	Risk Rating	Description	Risk management approach
CHANGES IN REGULATORY CONDITIONS IN THE MARKETS IN WHICH WE OPERATE	Risk increasing (red)	Changes in laws, regulations and the related interpretations may alter the environment in which we do business. This includes changes in governance, health and safety, competition and product-related laws and regulations, as well as changes in accounting standards and taxation requirements. This also includes the impact of proposed climate change related regulations at both the international and national levels, such as the EU's proposed carbon dioxide reduction targets, and more intensified or burdensome tax regulation and tax controversy challenges to curb budget shortfalls resulting from the negative economic impact of the COVID-19 pandemic. Failure to comply with these laws may result in substantial fines, penalties, or other sanctions such as the obligation to invest in newer equipment, permit revocations or facility shutdowns. Consequently, we may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations. In addition, global geopolitics have created uncertainty around tariff implementation in key markets, which may affect product or feedstock pricing. Our ability to manage regulatory, tax and legal matters and to resolve pending matters within current estimates may impact our results.	We actively monitor regulatory developments to ensure we comply with the laws and regulations of the countries where we operate, including climate and HSE legislation to maintain our licenses to operate. Additionally, we actively provide comments and feedback regarding proposed or draft rules when given the opportunity, specifically when draft rules are open for public comments. As a result of the Paris Climate Agreement and the European Union's announced carbon dioxide emissions reductions targets, our Dutch operations are part of a group of companies engaged in the ongoing dialogue with Dutch government regarding proposed new carbon dioxide emissions regulations and additional taxes. We are also engaged in ongoing lobbying on the national and European Union levels to enhance cooperation and transparency between regulators and our industries. We have also committed to reducing our greenhouse gas emissions to reduce our environmental impact and contribute to achieving the decarbonization goals set by the Paris Agreement. Please refer to the Sustainability Report for more information. We continue to monitor closely and maintain flexibility to change trade flows and accommodate tariffs and continue to monitor regulatory developments and develop targeted action plans as part of our Group Compliance Framework.
ABILITY TO MAINTAIN OUR HEALTH, SAFETY AND ENVIRONMENT (HSE) STANDARDS	Risk decreasing (green)	HSE is a vital aspect across the group. We have a deep commitment to maintaining our strong HSE track record. Despite the nature of our businesses, we aim to prevent every accident through stringent HSE rules, standards, and training programs.	We implement strict HSE training and operating discipline at every plant to minimize HSE risks, and we closely monitor our plants through regular management site visits and HSE audits, in addition to comprehensive knowledge sharing across the group. Our safety and emissions records meet or exceed international standards, underscoring our commitment to providing our employees with a safe, secure, and environmentally conscious workplace. In addition, the HSE & Sustainability Committee supervises our HSE activities, as described in the HSE Committee report.

Risk Rating

Risk decreasing　Risk stable　Risk increasing

COMPLIANCE

OCI strives to conduct all business activities responsibly, transparently, and with integrity and respect towards all stakeholders. These values underpin everything we do and form the framework which defines the day-to-day attitudes and behaviour of our employees.

Our approach

To make those values clear and provide clear ground rules for how we do business, our Compliance Framework consists of policies that describe in specific terms what we stand for as a company and the conduct required in the workplace, in how we deal with business partners, serve our customers, and the broader responsibilities we have to the communities in which we work and live. The Compliance Framework also sets out rules on important topics such as the prohibition of bribery, dealing with confidential information and conflicts of interest, competition law, third-party due diligence, the importance of accurate record keeping and reporting, and explains the possibility of disciplinary measures when in breach of the framework.

All employees are trained on the key principles and applications of the Compliance Framework through a group-wide e-learning platform and can raise any concerns and breaches through a safe and confidential whistleblowing and incident reporting procedure. An anonymous reporting procedure is also available, through which employees can report to a whistleblower hotline hosted by a third-party hotline provider. All reports are handled with the utmost care and confidentiality, regardless of if reported internally or via the anonymous reporting hotline.

The majority of employees eligible or included in the various programs successfully completed their training. Moving forward, we will continue to raise awareness of compliance and train employees in relevant policies and procedures.

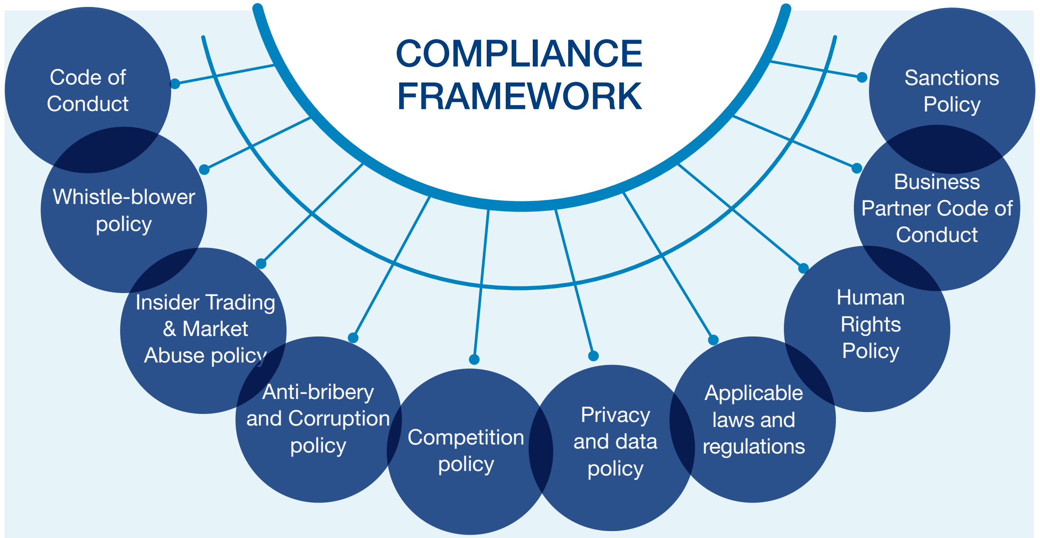
Our compliance program

The Chief Legal and Human Capital Officer (CLHCO) is the Executive Director responsible for ethics and compliance. The Group Compliance Officer, in close collaboration with the CLHCO and the rest of the Board of Directors, implements our group Compliance Program and ensures that our Compliance Framework remains in line with applicable regulations and is properly applied.

The Integrity Committee, comprising of the CFO, the CLHCO, and the Group Compliance Officer, handles incidents of a severe nature. The Integrity Committee did not meet in 2021, as no incident of a (potential) severe nature was reported.

Management of Operating Companies and staff departments are responsible and accountable for raising compliance awareness within their respective businesses and departments and are supported by a Local Compliance Officer who reports on alleged breaches and compliance incidents to both operating company management and to corporate leadership. Additionally, the Audit Committee receives a Quarterly Compliance Report.

At the start of every year the Group Compliance Officer, in collaboration with operating company management, sets the annual compliance agenda. The agenda consists of continuous and new compliance activities and requirements, to ensure growth in maturity of the Compliance Program. These activities and requirements are concrete and measurable, and are reported internally on a quarterly basis, and can be tested on their effectiveness. Through this annual agenda, compliance controls are continuously developed and enhanced for effectiveness.



In 2021, amongst others, the following compliance requirements and activities were achieved:

- Training and awareness sessions on various compliance topics, among which on the Code of Conduct, Whistleblowing policy, conflicts of interest and competition law.
- Development and implementation of a process and training for commodity trading.
- Enhanced the third-party screening approach amongst others by fully implementing our Business Partner Code of Conduct.
- Development and implementation of a tailor-made compliance framework for Fertiglobe and its operational companies.

At the end of the year, the CEO and CFO of each operating company sign the Non-Financial Letter of Representation (NF LoR) to confirm compliance with the Code of Conduct and other corporate non-financial requirements. The outcome is reviewed by the CFO, CLHCO, the Group Compliance Officer and the Director Internal Audit & Risk and the results are reported to the Audit Committee and the Board of Directors. Reported outstanding actions are followed up on by the Internal Audit department and monitored in quarterly reviews. The outcome of the NF LoR process, in combination with the internal control self- assessments, the HSE reports, the Compliance reports, the risk assessments and the performed internal audits, establishes the basis for the In Control Statement of the Board of Directors in this Report.

During 2021, we received 12 incident notifications. All incidents were investigated, with no substantial cases found.

COMPLIANCE
Our Code of Conduct extends across our supply chain

We promote sustainable agriculture and nutrient stewardship through our supply chain, which begins with sourcing natural gas and ends at our agricultural and industrial customers. We work diligently to ensure every aspect of our business operates optimally and promote best practices through our Business Partner Code of Conduct.

Our governance and compliance policies and expectations of ethical business practices extend beyond our operations throughout our supply chain through our Business Partner Code of Conduct.

We seek to award business to suppliers and business partners with whom OCI has a supplier relationship (collectively, Business Partners) who are committed to act fairly and with integrity towards their stakeholders, who have adopted and promote the implementation of strong business principles, and who observe the applicable laws of the country in which they operate.

We hold every Business Partner to the same level of accountability, transparency, and respectability as we do ourselves to ensure our entire value chain secures the salient rights of every individual.

Business Partner Code of Conduct

Our Business Partner Code of Conduct summarizes the values and expectations we require all Business Partners to adhere to and aligns to international laws and standards on ethics, labor, and human rights such as those set out by the International Labor Organization (ILO) and the United Nations International Children's Emergency Fund (UNICEF), the United Nations Guiding Principles on Business and Human Rights, and others.

Screening and due diligence

Based on the company's Sanctions Policy, all prospective third-party Business Partners are screened prior to engagement. Via a compliance software tool, we conduct customary due diligence including a screening of the Business Partner against sanction lists and compliance databases, on environmental performance, labour practices, and human rights performance. We also check if any adverse media coverage in relation to the Business Partner exists, including if the future Business Partner has been involved in other unethical or illegal conduct. In addition, all existing Business Partners are continuously monitored via this software tool. It is the Business Partner's responsibility to maintain and enforce compliance within its supply chain. Key Business Partners undergo more in-depth screening as part of our due diligence process.

The effectiveness of our Business Partner screening processes is evaluated by the compliance team and the local internal control officer of each site as part of their regular compliance and audit cycles, which also includes Business Partner audits as part of contractual arrangements.

Reporting Business Partner misconduct

We provide a clear reporting mechanism for suspected Business Partner misconduct through our whistleblowing platform, which includes an anonymous reporting procedure via a hotline hosted by a third-party hotline provider. More information is available in the Business Partner Code of Conduct and on our website.

100%

of Business Partners are required to adhere to Business Partner Code of Conduct

>4,800

Business Partners across our business partner chain

REGULAR

Business Partner audits conducted as part of contractual arrangements

5.

CORPORATE GOVERNANCE

CO-CHAIR'S INTRODUCTION

MICHAEL BENNETT
CO-CHAIR

OCI achieved considerable commercial, operational, organizational, and strategic milestones during 2021, resulting in a record year for the Company and the first dividend to shareholders of $ 350 million (€1.45 per share).

The Board of Directors (Board) oversaw and approved the successful initial public offering of Fertiglobe, which was a landmark listing on the Abu Dhabi Securities Exchange (ADX) as the third largest IPO and the first ADGM free zone company to list on the ADX. The Board also approved a strategic alliance for the OCI Methanol Group with two leading global investors, ADQ and Alpha Dhabi Holding, through which the investors have acquired a 15% stake for a total consideration of $375 million and positions the methanol group to pursue future growth initiatives in hydrogen-based applications, including fuel.

We also achieved our net leverage goals during 2021, as our growth strategy and competitive business model started to pay off, and as a result we are now quickly approaching our objective to reach an Investment Grade credit profile and our credit ratings were upgraded by all agencies. The Board has approved a new dividend / capital allocation policy, which combines a consistent base return of capital of $400 million per year with an additional variable component linked to FCF generated, balancing with the pursuit of value accretive ESG and other growth opportunities.

The Company has made good progress on developing pathways to achieve its decarbonization ambitions, with multiple blue and green ammonia and methanol projects progressing well as described throughout this annual report. As one of the largest producers and traders of ammonia and methanol globally, with a strategically located asset base and access to abundant low-cost renewable energy sources, we are a pioneer in helping the decarbonisation of sectors that make up around 90% of global greenhouse gas emissions and will continue to work diligently to deliver green hydrogen all over the world to fuel the clean economy and meet growing demand for renewable sources of clean energy.

Finally, we have made progress in improving our diversity and inclusion (D&I), with female representation in senior leadership positions now at 24%. Our D&I program focused on education and training during the year, and developed a three-year diversity and inclusion roadmap that aims to translate our commitment into action, allowing us to firmly anchor an inclusive culture in every aspect of our business.

For the year ended 31 December 2021, the Board reports the following:

- The Board has reviewed and discussed the audited financial statements for the year 2021.
- The Board discussed with the external auditor the outcome of their performed audits in accordance with International Standards on Auditing.
- The Board has received written confirmation of the external auditor's independence.
- Based on the review and discussions referred to above, the Board has approved that the audited consolidated and parent company financial statements be included in the 2021 Annual Report (Annual Report).

The Board recommends that the General Meeting of Shareholders (GM) adopts the 2021 financial statements included in this Annual Report and looks forward to overseeing continued excellence in every aspect in 2022.

BOARD PROFILE





	Michael Bennett Co-Chair and Senior Independent Non-Executive Director	**Nassef Sawiris** Executive Chair	**Ahmed El-Hoshy** Chief Executive Officer (CEO)	**Hassan Badrawi** Chief Financial Officer (CFO)	**Maud de Vries** Chief Legal and Human Capital Officer (CLHCO)
Year of birth	1953	1961	1984	1976	1972
Gender	Male	Male	Male	Male	Female
Nationality	American	Egyptian/Belgian	Egyptian/American	Egyptian/British	Dutch
Initial appointment date	January 2013	January 2013	June 2020	May 2018	June 2019
Date of last re-appointment	June 2020	June 2020	-	June 2020	June 2020
End of current term	2023	2024	2024	2024	2024
Ordinary shares owned[3]	28,500	81,564,223	84,287	130,370	18,258
Committee membership[1]	N&RC	-	-	-	-
Attendance at Board and Committee meetings[2]	BoD (5/5) N&RC (5/5)	BoD (5/5)	BoD (5/5)	BoD (5/5)	BoD (5/5)
Current external appointments	• Director Morningside College • Please see the summary of skills and experience on page 99	• Supervisory Director Adidas AG • Chairman and CEO of Avanti Acquisition Corp. • Executive chairman of Aston Villa FC Member of the: • J.P. Morgan International Council • Cleveland Clinic's International Leadership Board Executive Committee • University of Chicago's Board of Trustee • Exor N.V. Partners Council • Please see the summary of skills and experience on page 99	Please see the summary of skills and experience on page 99	Risk management and for further experience please see the summary of skills and experience on page 99	• EVP HR NNS Luxembourg S.à r.l. • Please see the summary of skills and experience on page 99

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE&SC: Health, Safety and Environment & Sustainability Committee and N&RC: Nomination and Remuneration Committee
[2] In addition to 5 Board meetings the Board participated in an ESG training and virtually visited EBIC/EFC
[3] As at publication date of the 2021 Annual Report

BOARD PROFILE
CONTINUED




	Sipko Schat Vice-Chair and Independent Non-Executive Director	**Jérôme Guiraud** Non-Executive Director	**Robert Jan van de Kraats** Independent Non-Executive Director	**Gregory Heckman** Independent Non-Executive Director
Year of birth	1960	1961	1960	1962
Gender	Male	Male	Male	Male
Nationality	Dutch	French	Dutch	American
Initial appointment date	December 2013	June 2014	June 2014	June 2015
Date of last re-appointment	June 2020	June 2020	June 2020	June 2020
End of current term	2024	2024	2024	2024
Ordinary shares owned[3]	5,000	70,190	3,725	40,000
Committee membership[1]	AC, N&RC (chair)	AC, N&RC	AC (chair), N&RC	HSE&SC
Attendance at Board and Committee meetings[2]	BoD (5/5) AC (4/5) N&RC (5/5)	BoD (5/5) AC (5/5) N&RC (5/5)	BoD (5/5) AC (5/5) N&RC (5/5)	BoD (5/5) HSE&SC (4/5)

Current external appointments	• Member Supervisory Board:
	  • Rothschild & Co.
	  • Rothschild Bank A.G.
	  • Trafigura Group Pte Ltd
	  • Drienim B.V.
	• Director Randstad Beheer B.V.
	• Please see the summary of skills and experience on page 99
		• CEO NNS Luxembourg S.à r.l.
		• Co-CEO NNS Advisers Ltd
		• Non-Executive Director and Chairman Orascom Construction Plc
		• Non-Executive Director BESIX Group
		• Director various NNS Group entities and OS Luxembourg S.à r.l.
		• Member Advisory Committee Avanti Acquisition Corporation
		• Please see the summary of skills and experience on page 99
			• Non-Executive Chairman TMF Group
			• Supervisory Board Member Royal Schiphol Group N.V.
			• Director Randstad Beheer B.V.
			• Member advisory board SUITSUPPLY
			• Vice-Chair Supervisory Board Goldschmeding Foundation
			• Non-Executive Director VEON Ltd. (Chairman of the Audit and Risk Committee)[4]
			• Risk management and for further experience please see the summary of skills and experience on page 99
				• Member of the board and CEO Bunge Ltd
				• Member Rabobank North America Agribusiness Advisory Board
				• Member NYSE Board Advisory Council
				• Member Board of Governors for the AKSARBEN Foundation
				• Member of University of Illinois Division of Intercollegiate Athletics Campaign Steering Committee
				• Please see the summary of skills and experience on page 99

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE&SC: Health, Safety and Environment & Sustainability Committee and N&RC: Nomination and Remuneration Committee
[2] In addition to 5 Board meetings the Board participated in an ESG training and virtually visited EBIC/EFC
[3] As at publication date of the 2021 Annual Report
[4] Resigned 7 March 2022

BOARD PROFILE
CONTINUED




	Anja Montijn-Groenewoud Independent Non-Executive Director	**David Welch** Independent Non-Executive Director	**Dod Fraser** Independent Non-Executive Director	**Heike van de Kerkhof** Independent Non-Executive Director
Year of birth	1962	1953	1950	1962
Gender	Female	Male	Male	Female
Nationality	Dutch	American	American	German
Initial appointment date	June 2016	May 2019	May 2019	October 2020
Date of (last) re-appointment	June 2020	June 2020	June 2020	-
End of current term	2024	2024	2024	2024
Ordinary shares owned[3]	-	4,131	4,000	-
Committee membership[1]	HSE&SC (chair), N&RC	HSE&SC	AC	HSE&SC
Attendance at Board and Committee meetings[2]	BoD (5/5) HSE&SC (5/5) N&RC (4/5)	BoD (5/5) HSE&SC (5/5)	BoD (5/5) AC (5/5)	BoD (5/5) HSE&SC (5/5)
Current external appointments	• Member of the Supervisory Board of Fugro N.V. • Member of the Board VEUO (a representative organization of listed companies which looks after the interest of companies listed at Euronext Amsterdam) • Please see the summary of skills and experience on page 99	• Member of the Council on Foreign Relations and the American Academy of Diplomacy • Please see the summary of skills and experience on page 99	• Independent Director Subsea 7 S.A. • Non-Executive Chairman Rayonier Inc. • Member of the Board of Fleet Topco Limited, the private holding company of Argus Media Ltd. • Please see the summary of skills and experience on page 99	• Chief Executive Officer and Member of the Board of Directors at Archroma • Non-Executive Director at Venator Materials PLC • Please see the summary of skills and experience on page 99

[1] Board and Committees: BoD: Board of Directors, AC: Audit Committee, HSE&SC: Health, Safety and Environment & Sustainability Committee and N&RC: Nomination and Remuneration Committee
[2] In addition to 5 Board meetings the Board participated in an ESG training and virtually visited EBIC/EFC
[3] As at publication date of the 2021 Annual Report

BOARD SUMMARY OF SKILLS AND EXPERIENCE

	M. Bennett	N. Sawiris	A. El-Hoshy	H. Badrawi	M. de Vries	S. Schat	J. Guiraud	R.J. van de Kraats	G. Heckman	A. Montijn	D. Welch	D. Fraser	H. van de Kerkhof
Independent	•					•		•	•	•	•	•	•
International business experience	•	•	•	•	•	•	•	•	•	•	•	•	•
Commercial/Marketing		•	•			•		•	•	•			•
HSE	•	•	•						•	•	•		•
Strategic management	•	•	•	•	•	•	•	•	•	•	•	•	•
Financial expertise: banking		•	•	•		•	•	•				•	
Financial expertise: accounting				•		•	•	•				•	
Nitrogen/Methanol experience	•	•	•	•					•			•	
Emerging Markets experience	•	•	•	•	•	•	•	•	•	•	•		•
Tax/Legal/Compliance				•	•	•	•	•				•	
HR & executive compensation	•	•			•	•	•	•		•		•	
Risk management / Internal Control & Audit			•	•	•	•	•	•			•	•	•
Government/Regulatory knowledge	•		•	•	•	•		•	•		•		
Sustainability	•	•	•	•	•			•	•	•	•		•
Change management / Business consolidation	•	•	•	•	•	•	•	•	•	•	•	•	•
Technology / IT			•	•				•		•			•

BOARD REPORT

OCI is a public limited liability company (*naamloze vennootschap*) established under the laws of the Netherlands, with its official seat in Amsterdam, the Netherlands.

Governance framework

Introduction

OCI is committed to the principles of good corporate governance. The Board believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value creation of the Company.

OCI's strategic priorities aim to deliver long-term value creation for the Company and its stakeholders. These priorities are supported by the Board and are underpinned by OCI's commitment to invest in products that help achieve OCI's purpose of cultivating a sustainable world through cleaner fuel solutions, lower carbon feedstocks, and global food security. Please refer to the Strategy and Value Creation section of this Annual Report for the Board's view on OCI's strategy and its implementation.

Organizational and corporate structure

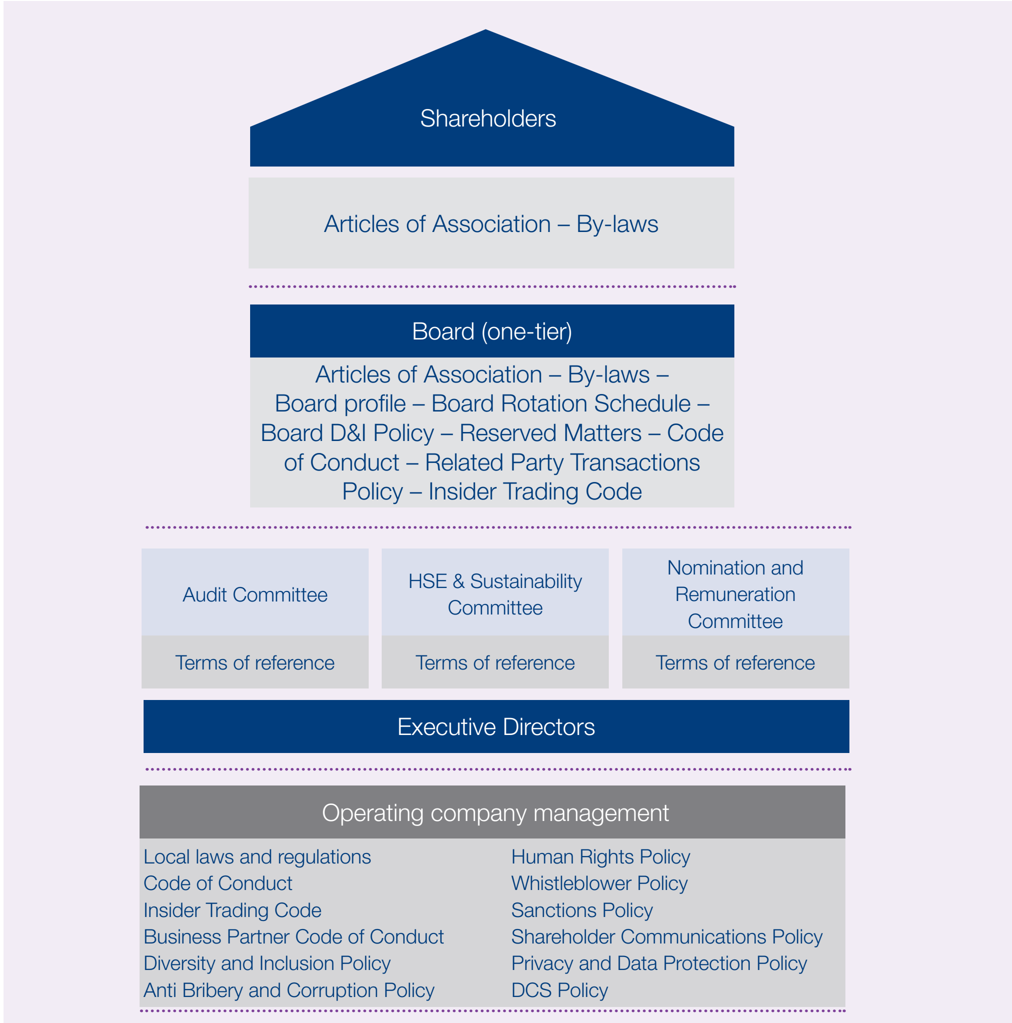
OCI is organized by its two primary functional segments, nitrogen and methanol.

The Board sets the strategic mandate with operational, financial, and sustainability goals relayed to management.

The Executive Directors manage the achievement of these goals and the day-to-day operations. In executing the goals, the Executive Directors are supported by several corporate functions and local management and their teams. Each principal subsidiary is led by a general manager and a finance director who report to the Executive Directors.

Governance structure

OCI has designed its corporate governance structure in compliance with its articles of association, by-laws, the requirements of the Dutch civil code, the Dutch corporate governance code (Code), the applicable securities laws, rules and regulations of the Amsterdam stock exchange and international best practices. All governance and compliance policies and procedures are available on our website under Corporate Governance.



BOARD REPORT
CONTINUED

The Board of Directors

OCI is managed by a one-tier Board comprised of Executive Directors and Non-Executive Directors. The Board maintains three committees as part of its supervisory role: the Audit Committee, the Nomination and Remuneration Committee and the Health, Safety and Environment & Sustainability Committee (Committees).

The Board is collectively responsible for OCI's management and strategy. The Board promotes a culture of openness and accountability within the Board and throughout the entire organization. The tasks, responsibilities and procedures of the Board are set out in OCI's by-laws, which are available on OCI's website.

The Board has delegated the operational management of the business to the Executive Directors, apart from certain reserved matters as set out in such Board resolution, OCI's articles of association and by-laws.

The Board is authorized to represent OCI. In addition, the Co-Chair of the Board and each Executive Director are authorized to solely represent OCI.

OCI has a Group Delegation of Internal Authority Policy in place in which the Executive Directors delegate the authority to management to internally approve commitments that relate to daily management and operations of the Company. It governs which internal approvals are required for which actions leading to an efficient yet controlled process. Checks and balances have been set by implementing 3 authorizing steps for entering into external commitments; consisting of consultation, internal approval and a dual signing authority of two individuals that commit in the name of OCI group entities.

Executive Directors

The Executive Directors are charged with the day-to-day management of OCI. They are responsible for the continuity of OCI, to pursue the strategies set by the Board, the optimization of its business, and creating a culture that contributes to long-term sustainable value creation for stakeholders. Each Executive Director has an individual responsibility for certain business segments, functional areas, projects and tasks.

Our commitment to drive the decarbonization of food, fuel, and feedstock is steered by a differentiated strategy focused on capital discipline and value creation, coupled with a unique green portfolio that enables the hydrogen economy, underpinned by strong governance. To deliver on this, our strategic priorities are organized in five key pillars: operational excellence, business optimization, commercial excellence, sustainability, and free cash flow maximization, as described in the Strategy and Value Creation section of this annual report.

During 2021, the Board was composed of the following four Executive Directors: Mr. Nassef Sawiris (Executive Chair), Mr. Ahmed El-Hoshy (CEO), Mr. Hassan Badrawi (CFO) and Ms. Maud de Vries (CLHCO). The Executive Chair is, amongst others, responsible for determining the strategy of the Group and providing guidance to the other Executive Directors.

Non-Executive Directors

The role of the Non-Executive Directors is essentially supervisory in nature. The Non-Executive Directors supervise the general course of affairs of the Company and its business, including, the interests of all stakeholders, fostering a culture aimed at long-term value creation, the operational, financial and sustainability goals, the establishment and maintenance of internal procedures to ensure that all relevant information is known to the Board in a timely fashion, and stakeholder engagement.

During 2021, the Board was composed of nine Non-Executive Directors: Mr. Michael Bennett, Mr. Sipko Schat, Mr. Jérôme Guiraud, Mr. Robert Jan van de Kraats, Mr. Gregory Heckman, Ms. Anja Montijn-Groenewoud, Mr. David Welch, Mr. Dod Fraser and Ms. Heike van de Kerkhof. Mr. Michael Bennett is the Co-Chair and Senior Independent Non-Executive Director and Mr. Sipko Schat is the Vice-Chair and Independent Non-Executive Director.

The Co-Chair is primarily responsible for the functioning of the Board and its Committees. Together with the Company Secretary, the Co-Chair sets the agenda for Board meetings and leads an induction program for new Directors tailored to their respective needs. The Vice-Chair acts as the contact for shareholders and other stakeholders of the Company with respect to concerns which have not been resolved through the normal channels of the Co-Chair, the Executive Chair or the other Executive Directors.

Appointment of Directors

The General Meeting of Shareholders (GM) can appoint, suspend or dismiss an Executive Director or a Non-Executive Director by an absolute majority of the votes cast upon a proposal of the Board.

BOARD REPORT
CONTINUED

2021 Board and Committee meetings

The table below summarizes how the duties of the Board and the Committees were carried out during 2021, including the focus topics that were reviewed, discussed and advised on.

	Board	Audit Committee	Nomination and Remuneration Committee	HSE & Sustainability Committee
General	The Board focused on matters contributing to medium and long-term value creation and continues to be involved in shaping the strategy through regular discussions and focus on supervising medium to long term strategic targets aligned with OCI's vision. The Board's strategic targets are focused on guiding and supervising the company's journey to achieving its commitment to sustainable value creation by focusing on its strategic priorities of operational excellence, business optimization, a global commercial strategy, sustainability, and maximizing free cash flow to achieve 2.0x net leverage through the cycle. The Board maintains three committees as part of its supervisory role, these committees are Non-Executive committees.	The Chair met with the internal and external auditor in advance of every Audit Committee meeting to secure that all relevant issues were sufficiently addressed. The external auditor attended all Audit Committee meetings in 2021 and was able to meet with the Audit Committee without the presence of management in each meeting.	More information on the remuneration policy and the 2021 remuneration review can be found in the Remuneration Report beginning on page 110.	More information on HSE and sustainability can be found in the sustainability section beginning page 35.
Tasks, responsibilities and procedures	Set out in the **by-laws**	Set out in the **Terms of Reference of the Audit Committee**	Set out in the **Terms of Reference of the Nomination and Remuneration Committee**	Set out in the **Terms of Reference of the HSE & Sustainability Committee**
Number of Members	13 Directors	Four Non-Executive Directors. Mr. Robert Jan van de Kraats is the Chair given his competence in accounting and auditing as per section 2(3) of the Audit Committee Decree 2016.	Five Non-Executive Directors. Mr. Sipko Schat is the Chair.	Four Non-Executive Directors. Ms. Anja Montijn-Groenewoud is the Chair.
Number of Meetings held	Five meetings and several interim updates, training and site visit throughout the year.	Five	Five	Five
Focus topics	• Medium and long term strategy • HSE • ESG strategy, sustainability and regulatory developments and decarbonization targets, strategy and projects including the commitment to reduce scope 1 and 2 CO_2 emission intensity by 20% by 2030 and achieve carbon neutrality by 2050 • Fertiglobe IPO • COVID-19 • People and culture • Diversity and inclusion • Net debt reduction • Refinancing strategy • Debt capital structure optimization • Dividend strategy • Hedging strategy • Commercial strategy, sales and inventories strategy / market developments • Operational performance and cost optimization • Succession planning and organization design • EBIC/EFC (Egypt) virtual site visit • Internal controls • Cybersecurity • Related party transactions	• Evaluation Risk Management and Internal Controls including the key risks facing the Group • IT and IT (cyber) security • Fertiglobe governance and in-control (pre and post IPO) • Auditor tender process • In-control statement and underlying in-control situation • Evaluation Related Party Transactions • Tax review • Dividend strategy • Refinancing • Evaluation Group's Compliance Framework and effectiveness • Financial hedging control framework • Monitoring of material claims and litigation • Assessment of the functioning of the external auditor, its appointment, including scope, risk assessment and materiality • Internal Audit Plan and Internal Audit findings	• Remuneration cycle and policy review • HR roadmap: succession planning and talent management and development • Strengthening key positions in the internal organization • Evaluation Board profile and composition including diversity and inclusion • Fertiglobe CEO appointment • Evaluation of the 2020 targets for the Executive Directors • Setting 2021 targets for the Executives • Amendment of the LTIP by including ESG measures • Reviewed and advised on the executive compensation • Diversity legislation and Group-wide diversity and inclusion program	• 2021 HSE strategy and performance • 2022 HSE plan and 2022 target setting • Material safety incidents • Incident reporting protocol • HSE audit schedule and quality and outcome of the HSE audits • Safety performance and process safety initiatives initiatives, including a deep dive on BioMCN • ESG investor day • OCI Group annual process safety conference and safety award • Sustainability strategy and journey linked to OCI's overall strategy including the commitment to reduce scope 1 and 2 CO_2 emission intensity by 20% by 2030 and achieve carbon neutrality by 2050 • GHG intensity methodology and performance • Safeguarding sustainability duties in the committee terms of reference • EBIC/EFC(Egypt) virtual site visit • Monitor and periodically discuss the Company's sustainability goals, targets, risk management and objectives and the progress made in these areas • Sustainability reporting requirements and review of the Company's disclosures in the annual report, as well as any periodic disclosures on sustainability

BOARD REPORT
CONTINUED

Board rotation schedule

OCI has implemented the standard appointment terms under the Code (four years for Executive Directors and two times four years with possible extensions of two times two years for Non-Executive Directors provided that in the event of a reappointment after an eight-year period, reasons will be given in the board report) to facilitate that the Directors can focus on long-term value creation in the performance of their work, thereby taking into account the bill on gender diversity that entered into force on 1 January 2022. It furthermore enables the Executive Directors to ensure continuity in the Company's management and strategy and enables the Non-Executive Directors to further ensure continuity in their supervision of the Company's strategy.

OCI's rotation schedule as included in the table below aims to avoid, as far as possible, a situation in which Directors retire at the same time.

Name	Date of first appointment	End of current term	Final retirement (max. 8 (12) years)
Nassef Sawiris	16 Jan 2013	2024	None
Ahmed El-Hoshy	17 June 2020	2024	None
Hassan Badrawi	24 May 2018	2024	None
Maud de Vries	1 Jun 2019	2024	None
Michael Bennett	25 Jan 2013	2023	2021(25)
Sipko Schat	9 Dec 2013	2024	2022(26)
Jérôme Guiraud	26 Jun 2014	2024	2022(26)
Robert Jan van de Kraats	26 Jun 2014	2024	2022(26)
Gregory Heckman	10 Jun 2015	2024	2023(27)
Anja Montijn-Groenewoud	28 Jun 2016	2024	2024(28)
David Welch	29 May 2019	2024	2027(31)
Dod Fraser	29 May 2019	2024	2027(31)
Heike van de Kerkhof	20 October 2020	2024	2028(32)

Board composition and independence

The composition of the Board strives to arm OCI with leadership that is diverse in skills, experience, gender and background, thereby maximizing the Board's ability to independently and critically act without emphasis on particular interests. The Board maintains independence by ensuring the majority of the Non-Executive Directors including the Co-Chair are independent. Mr. Jérôme Guiraud is not considered independent within the meaning of the Code.

The Board's composition, independence, competencies, and qualifications are detailed in the Board Profile and the D&I Policy. The Board Profile is assessed annually, taking into account the required competencies and expertise required for OCI's mission and strategic priorities, opportunities and threats, and its aim of long-term value creation. Appointments of new Board members are made based on objective selection criteria highlighting the specific skills and experience needed to ensure a balanced Board composition and to match the overall Board profile.

The Board undertakes necessary measures to ensure diversity in education, professional experience, nationality, age and gender in the selection of new candidates for the Board. In addition, the Board tries to maintain a balance between experience and affinity with the nature and culture of the Group. In this regard, the Board will follow the development of female talent in the organization closely. Succession planning and building bench strength for key positions is important topic of our global HR agenda 2022. New appointments are based on objective selection criteria highlighting the specific skills and experience needed to ensure a rounded Board. With regard to vacancies, the Board prepares a profile based on the required education and professional experience.

Strategy and long-term value creation

OCI's strategic priorities as described in this Annual Report aim to deliver long-term value creation for the Company and its stakeholders. These priorities are supported by the Board and are underpinned by OCI's commitment to invest in plant's technology and products that help achieve OCI's purpose of cultivating a sustainable world through cleaner fuel solutions, lower carbon feedstocks, and global food security.

The Board focuses on matters contributing to long-term value creation and continues to be involved in shaping the strategy, for example through continuous engagement with all its stakeholders, including shareholders and other investors, employees, customers and suppliers, regulators and governmental bodies, and extensive and recurring Board discussions on strategy. Our Board carefully weighs the interests of stakeholders in developing the vision for this long-term value creation, and regularly monitors and evaluates the progress and realization of our long-term value creation. Topics our Board paid special attention to in 2021 were, amongst others, ESG in general and in particular sustainability projects to decarbonize, health and safety within our global organization, commercial strategy and operational excellence, the people & culture and IT cyber security. The Executive Directors present the Company's progress and realization of key strategic objectives and initiatives at every Board meeting.

BOARD REPORT
CONTINUED

Our stakeholder engagement program is described on page 38 of this Annual Report. We maintain an ongoing dialogue with our stakeholders. In order to ensure our Board is fully apprised of shareholders' areas of focus, concerns, and feedback, an investor relations update is provided at each Board meeting. We can use feedback from our key customers, suppliers and other business in developing a vision for long-term value creation. Our unified culture, values, and communications platform OneOCI promotes transparency, alignment, and feedback. We can provide comments and feedback on proposed legislation that may impact our long-term strategy to regulatory bodies such as the AFM and governments in our countries of operation, as well as multinational regulatory bodies such as the European Commission. Via participation in various industry groups we keep apprised of the latest within our industry and we actively participate in the discussions on industrywide long-term strategy. With other stakeholders such as our joint venture partners we agree on long-term strategy regarding our joint ventures.

ESG

ESG is embedded into all aspects of our organization, including our strategic objectives (as described above), risk management, capital allocation and financial planning, operational and commercial activities, and other medium and long-term decision-making.The Board has overall responsibility for OCI's strategy, business objectives, and risk management, including ESG.

With the continuous increase of the Board's dedicated time and focus on sustainability, the Board's the Health, Safety and Environment Committee evolved in 2021 to formally include sustainability in its mandate and was therefore renamed the Health, Safety, Environment & Sustainability Committee. The Committee's responsibilities include overseeing the Company's strategy, policies and initiatives relating to sustainability matters linked to OCI's overall strategy; monitoring the Company's sustainability goals, targets, risk management and objectives and the progress made in these areas; monitoring current and emerging topics, technologies and trends relating to Sustainability, including new or emerging opportunities and projects that may affect the business, operations, performance or public image of the Company or are otherwise pertinent to the Company and its stakeholders; reviewing and evaluating the sustainability performance metrics and KPIs with a longer term view towards achieving announced Company targets; and reviewing the Company's Sustainability disclosures.

The Board has mandated the Company to communicate its ESG strategy and has approved OCI's long-term environmental targets. In addition to dedicated focus by the HSE & Sustainability Committee, Board sessions will continue to spend time on ESG topics, including the social and governance aspects. The Board has tasked the Executive Directors with the management of ESG and decarbonization objectives, including the development and implementation of our ESG targets and strategy, supported by the newly recruited VP Sustainability. New performance measures relating to ESG have been added to the long-term incentive plan of the Executive Directors that will apply from 2021 onwards, thereby aligning remuneration more closely to performance of our strategic priorities and long-term interests.

Each production facility's leadership team is responsible for identifying and evaluating ESG projects and opportunities, including decarbonization projects, and report on their progress to the Executive Directors during the site's monthly business reviews. The Capex Committee reviews and approves decarbonization-related capex with a view to balance our sustainability goals with our other commitments and investment returns thresholds. We appointed a Vice President of Sustainability in 2021 who oversees the group's sustainability function and execution of our groupwide sustainability strategy in close cooperation with other group functions and local leadership.

During the year, we also centralized our advocacy efforts in a new global corporate Government & Public Affairs team that is tasked with tracking regulatory and political developments, cultivating strong relationships with key governmental bodies, and maximizing our ability to benefit from policy instruments and spending plans to ensure accelerated achievement of climate goals.

Diversity & Inclusion

The Board acknowledges the importance of diversity within its Board and the organization generally. As to diversity within the Board itself, the Board is considering its overall size and composition to look for opportunities to increase the female representation in the Board. OCI's target is to improve gender diversity and to maintain diversity within the Board taking into account nationality, age, gender and background of education and professional experience of the Directors. Despite the male-dominated nature of the industries OCI is active in, in case of a vacancy in the Board, OCI will continue to use all efforts in the coming years to find a suitable female candidate, thereby taking into account the bill on gender diversity that entered into force on 1 January 2022.

Following the launch of the Board Diversity program in 2019, we further reinforced our commitment to fostering an inclusive culture with a diverse workforce, where every person is recognized, valued, and thrives, by launching a group-wide Diversity and Inclusion program in 2020. The program aims to ensure fairness, equality and diversity in recruiting, compensating, motivating, retaining, and promoting employees. We are fortunate to have a diverse global workforce encompassing 46 nationalities located in ten countries, but we lag in gender diversity. Though we operate in traditionally male dominated industries, we are working to improve our gender diversity in both technical and non-technical roles and at all levels of our organization.

We have set internal benchmarks and targets to improve our recruitment processes, provide sponsorship and mentorship opportunities, and develop employee networks that help them succeed. During the year, we continued to focus on D&I education and training, with the balance of our workforce completing the de-biasing training program that was launched in 2020. We also launched a pilot mentoring program – Women in Leadership Roles – the learnings from which will be translated into a groupwide mentoring program in the near future.

BOARD REPORT
CONTINUED

On a group level, we publicly announced a target to increase female representation in senior leadership to 25% by 2025. We also set an internal target of filling at least 20% of all vacancies with female candidates. Women as a percentage of total employees increased to 11.37% in 2021 from 10.51% in 2020, with the ratio of female-to-male hires doubling year-on-year resulting in 30% of group hires being women in 2021. Approximately 24% of leadership positions across the organization were held by women, indicating we are making excellent progress to achieve our 25% by 2025 target. Going forward, we will continue to focus on female turnover analysis and initiatives to retain female talent as part of our diversity program.

A new performance measure relating to diversity and inclusion was added to the long-term incentive plan of the Executive Directors that will apply from 2021, thereby aligning remuneration more closely to performance of our strategic priorities and long-term interests.

Board involvement

Members of the Board regularly visit one or more of OCI's plants, headquarters and corporate offices to gain greater familiarity with the workforce and senior management and to develop deeper knowledge of local operations, local customs, operational opportunities and challenges, and the business in general.

In 2021 due to COVID-19 restricting international travel, the Board virtually visited EBIC/EFC in Egypt and spoke with EBIC/EFC management. The virtual visit deepened the Board's understanding of the history, legacy set-up, vision, values, financial performance and cost optimization initiatives, and operational safety performance. Great focus was given to the culture of health, safety and environment, in line with focus of our Board and senior management. The products and production processes were further explained during the virtual tour of the site.

In May 2021 the HSE&S Committee virtually visited BioMCN in the Netherlands. The HSE&S Committee met with the new site director and the management team members via video conference and deepened their understanding of BioMCN's process safety journey. The HSE&S Committee went on a virtual tour through the plant guided by comments of the management team members.

The Board interacts with senior management throughout the entire organization on various occasions and in various settings. The Board is regularly informed about relevant topics by OCI's senior leaders and experts during Board and Committee meetings, annual site visits, and also as part of their ongoing professional education.

In 2021, the Board was trained on the EU decarbonization pathways, socioeconomic implications, sustainability and sustainability initiatives that reduce OCI's environmental impact, grow OCI's green portfolio and innovate more effective ways of reaching the world's carbon neutral goals.

As part of the Company's drive to create a cohesive group culture, OCI established the OneOCI platform encouraging a dialogue across all locations. The Executive Directors host townhall meetings during which the latest group developments and initiatives are elaborated on and include a Q&A session for all employees. The culture of CARE – collaboration, agility, resourcefulness, and excellence – is also promoted through the OneOCI platform.

The Board also closely monitored the developments and Company response to COVID-19, including receiving regular updates from the COVID-19 taskforce.

Culture

As a leading global producer and distributor of hydrogen-based products, OCI is privileged to employ the best and brightest around the world. We continue to grow rapidly and acknowledge the importance of strengthening our group culture to become a cohesive and united global organization. We launched the OneOCI platform last year to bring together the best of OCI under one unified culture, a shared set of values, and a platform to encourage dialogue across our locations. OneOCI provides a central hub for employee dialogue across all locations and functions, facilitates information sharing and collaboration, recognizes employee development by highlighting personal and professional achievements, and creates opportunities for greater transparency and alignment on the Group's strategy through regular newsletters and townhalls led by the Executive Directors. The OneOCI culture is furthermore supported by the organizational re-design of certain key staff functions such as Manufacturing, Commercial and HR. Where possible we build centers of excellence, without losing sight of our flexibility and agile nature. We are also working on further strengthening the project organization and focus on best-in-class project management and execution.

Our values promote our culture of CARE – Collaboration, Agility, Resourcefulness, Excellence – through which we strive to contribute positively to our world, our communities, our customers, and each other at OCI. OCI's cultural values of CARE are incorporated throughout the organization and employees are encouraged to uphold these values both at work and in their day-to-day lives. The Board and Executive Directors focus on advertising these values, including through the townhall meetings, in the performance reviews of employees and through their day-to-day management of the company. These values fit within OCI as a leading global producer and distributor of hydrogen-based products providing low carbon fertilizers, fuels, and feedstock to agricultural, transportation, and industrial customers around the world.

BOARD REPORT
CONTINUED

OCI's culture is underpinned by its Code of Conduct, which requires all employees to act with honesty and integrity to foster a business environment that protects the rights and interests of all stakeholders. Our Code of Conduct also highlights our zero-tolerance policy for any form of harassment or bullying. Employees are required to treat all individuals with respect, tolerance, dignity, and without prejudice to create a mutually respectful, collaborative, and positive working environment. We do our utmost to provide employees with a safe environment to address any issue directly with management, and through our Whistleblower Policy we also provide a confidential procedure to raise any concerns, instances of discrimination, and other breaches to our Code of Conduct. Employees can report a concern to their immediate or next higher level manager and if the reporting employee is uncomfortable or unable to report to his or her immediate or the next higher-level manager, the reporting employee may directly report to the person that is appointed to manage whistleblower cases confidentially or use the independent outside Helpline, Ethicspoint which can be reached 24/7 on anonymous basis. Reporting employees in The Netherlands can also make a report to an external body, The House for Whistleblowers (Huis voor Klokkenluiders).

Compliance

We strive to conduct all business activities responsibly, transparently, and with integrity and respect towards all stakeholders. These values underpin everything we do and form the framework which defines the day-to-day attitudes and behaviours of our employees.

To make those values clear and provide ground rules for how we do business, our Compliance Framework consists of policies that describe in specific terms what we stand for as a company and the conduct required in the workplace, in how we deal with business partners, serve our customers, and the broader responsibilities we have to the communities in which we work and live.

The Compliance Framework also sets out rules on important topics such as the prohibition of bribery, dealing with confidential information and conflicts of interest, competition law, third-party due diligence, human rights and safe working conditions, the importance of accurate record keeping and reporting, and explains the possibility of disciplinary measures when in breach of the framework.

All employees are trained on the key principles and applications of the Compliance Framework through a group-wide e-learning platform and can raise any concerns and breaches through a safe and confidential whistleblowing and incident reporting procedure. An anonymous reporting procedure is also available, through which employees can report to a whistleblower hotline hosted by a third-party hotline provider. All reports are handled with the utmost care and confidentiality, regardless of if reported internally or via the anonymous reporting hotline.

Although ethics and compliance are perceived as a joint responsibility of the Executive Directors, the Chief Legal and Human Capital Officer (CLHCO) has ethics and compliance included in her portfolio. The Compliance Director, in close collaboration with the CLHCO and the rest of the Executive Directors, implements our group Compliance Program and ensures that our Compliance Framework remains in line with applicable regulations and is properly applied. The Integrity Committee, comprising of the CLHCO, the CFO and the Compliance Director, handles incidents of a severe nature.

We refer to the Compliance section on page 92 for further details on OCI's Compliance Framework, including compliance with the Code of Conduct and the Business Partner Code of Conduct. OCI places great value on its Compliance Framework, which is fundamental to its reputation and continued success.

Human rights

OCI has a Human Rights Policy though which OCI is committed to respecting and promoting human rights and safe working conditions. We conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders, as codified in our Code of Conduct as part of our OCI NV Compliance Framework. This expectation extends to our suppliers and business partners, who are required to conduct their business according to the principles in our Business Partner Code of Conduct.

Our Human Rights Policy aims to ensure the salient human rights issues potentially arising through our supply chain are tackled effectively and contain the following human rights principles: no forced and child labor, non-discrimination and harassment, equal employment and development, safe and healthy workplace, fair compensation and living wage and freedom of association and collective bargaining. These human right principles are informed by global human rights standards, including the International Bill of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principle's on Business and Human Rights, and the United Nations International Children's Emergency Fund (UNICEF). For more information on how OCI respects human rights, reference is made to page 73 and the Human Rights policy on the website.

BOARD REPORT
CONTINUED

IPO Fertiglobe

On 27 October 2021 Fertiglobe, the partnership between OCI and ADNOC, listed on the Abu Dhabi Securities Exchange (ADX), becoming the first Abu Dhabi Global Market free zone company to be traded on an onshore stock exchange in the UAE and the third largest ever listing on the ADX.

OCI continued to hold a majority of the shares in Fertiglobe and as such OCI continues to consolidate the results and exercise control of Fertiglobe.

OCI ensured that the appropriate governance and in-control framework was established to allow it to maintain the right levels of control as a majority shareholder following the IPO. This reflected in the Board- and committees composition, the applicable governance (including a clear framework on related party transactions and conflicts of interest), the Internal Audit, Internal Control and Risk Management set-up and the financial reporting and disclosure policies and procedures in place. The disclosure policies and procedures provide guidance on the two regulatory frameworks and are helpful in ensuring compliance with two different applicable regulatory regimes post the Fertiglobe IPO.

The Board of Directors of Fertiglobe (Fertiglobe Board) is responsible for the management and strategy. They supervise the interests of stakeholders, the creation of a culture aimed at long-term value creation, the internal audit function, and the effectiveness of internal risk management and control systems.

As per the IPO date, the Fertiglobe Board consists of 11 Directors of which two Executive Directors and nine Non-Executive Directors, seven of whom are independent Directors. OCI has the right to appoint 6 Directors. His Excellency Dr. Sultan Ahmed Al Jaber, Group CEO and managing director of ADNOC, is the Chairperson of the Fertiglobe Board, Mr. Nassef Sawiris (OCI's Executive Chair) is the Executive Vice-Chairperson and OCI CEO Ahmed El-Hoshy is also the CEO of Fertiglobe. The Board of Fertiglobe has established 3 committees, an Executive Committee, and Audit Committee and a Nomination and Remuneration Committee and each committee has its own set of committee terms of reference.

The Fertiglobe Board is committed to standards of corporate governance that are in line with international best practice. Fertiglobe complies with the corporate governance requirements of the ADX listing rules and of governing body the Emirates Securities & Commodities Authority (SCA), the ADGM regime and Fertiglobe articles of association and reserved matters.

The Fertiglobe Board has also adopted a governance and board composition policy which includes various principles applicable to the composition of the Fertiglobe Board, including that there must be at least one female director. Fertiglobe's articles of association further require that the Fertiglobe Board meet at least four times each year.

The Fertiglobe executive management team, composed of the CEO, COO and CFO, is responsible for the day-to-day management of Fertiglobe's operations. Fertiglobe's senior management team has extensive experience in the fertilizers, chemicals, and petrochemical industries. The team has a track record of boosting revenues and profitability and implementing initiatives to improve operating efficiency and profit margins.

Fertiglobe's compliance framework is comprised of policies and principles that outline in specific terms what Fertiglobe stands for as a company and the conduct required in the workplace, in how Fertiglobe deals with business partners, serves its customers, and the broader responsibilities Fertiglobe has to the communities in which we work and live (such as the Fertiglobe Code of Conduct).

Assessment and evaluation of the Board

An evaluation of the Board is performed every year by an external advisor. OCI engaged the services of Lintstock to assist with the 2021 review of the Board's performance. Lintstock is a corporate governance advisory firm that specializes in facilitating Board reviews and has no connection with OCI.

The first stage of the review involved Lintstock engaging with the Co-Chair and Company Secretary to set the context for the evaluation and to tailor the survey content to the specific circumstances of OCI. All Board members were then invited to complete an online survey addressing the performance of the Board and its Committees. The anonymity of the respondents was ensured throughout the process in order to promote an open exchange of views.

The exercise was weighted to ensure that core areas of Board and Committee performance were addressed, with a particular focus on the following topics:

- The evolvement of the overall Board profile and composition of the Committees over the coming years to match OCI's strategic goals, taking into account Board rotation and diversity law;
- The development, clarity and achievability of OCI's strategic plan and the integration of ESG into OCI's business strategy and operations;
- The oversight of various aspects of risk, including the risks associated with COVID-19;
- The effectiveness of OCI's approach to HSE and monitoring compliance with relevant regulations and legislation;
- The culture and behaviour throughout OCI including diversity and inclusion and the level of employee engagement;
- The auditor tender process;
- The effectiveness of Board meetings and site visit held remotely using video-conferencing technology;
- The effectiveness of monitoring opportunities and treats to the business of new technologies and digitalization and OCI's strengths and weaknesses relative to competitors;

BOARD REPORT
CONTINUED

- The effectiveness of monitoring developments in the market environment, and any likely impacts on the business;
- The oversight of the process of listing of Fertiglobe;
- The organizational structure of OCI at senior levels, and the Board's oversight of the succession plans for the Board and the layer of management below the Board to manage and develop talent;
- The understanding amongst Board members of the views and requirements of investors, customers, suppliers and employees, and the development of the mechanisms by which the Board engages with key stakeholder groups;
- The quality of information and support available to the Board, including specific areas in which Directors would benefit from greater training or support in future; and
- The individual performance and personal development of each of the Board members.

The overall feedback from the evaluation in 2021 was that the Board members feel the Board generally functions well. The above topics have the constant attention of the Board throughout the year, with a particular focus on strategy, operational excellence, sustainability, culture and behaviour, Board composition and succession planning.

Shareholders' rights and meetings

OCI's shareholders exercise their rights through the GM. An AGM is held no later than six months after the end of OCI's financial year (which equals a calendar year). The 2021 AGM was held on 25 May 2021.

The GM has the authority to discuss and decide on inter alia the following main items:

- The adoption of the annual accounts;
- The release of the Directors from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts and/or otherwise disclosed to the GM prior to the adoption of the annual accounts;
- The appointment of the external auditor;
- The (re)appointment, dismissal and suspension of the Directors;
- Amendments to the remuneration policy applicable to the Board;
- An advisory vote regarding the remuneration report applicable to the Board;
- The issue of shares and the restriction or exclusion of pre-emptive rights of shareholders (both insofar not delegated to the Board);
- The reduction of share capital; and
- The approval of those decisions of the Board that entail a significant change in the identity or character of OCI or its business.

The agenda for each GM is published on OCI's website in advance of the GM. After a GM the minutes are made available on OCI's website as well.

Shareholders representing more than 3% of the issued share capital may submit proposals for the agenda, if substantiated and submitted in writing at least 60 calendar days in advance of the GM.

Additional EGMs may be convened at any time by the Board or by one or more shareholders representing more than 10% of the issued share capital. During 2021, no EGM was held.

Votes representing shares can usually be cast at the GM either personally or by proxy. No restrictions are imposed on these proxies, which can be granted electronically or in writing to OCI or independent third parties. OCI's shareholders may cast one vote for each share. All resolutions adopted by the GM are passed by an absolute majority of the votes cast, unless Dutch law or OCI's articles of association prescribe a larger majority.

In 2021, the AGM was held virtually per the Temporary Dutch COVID-19 Justice and Security Act (Tijdelijke wet COVID-19 Justitie en Veiligheid). Shareholders were invited to follow the AGM remotely through a live webcast. Prior to the GM, shareholders were invited to vote via a proxy and submit written questions about the items on the agenda which were answered during the GM.

The following proposals were voted on during the 2021 GM's:

- The adoption of the Annual Accounts 2020 and allocation of profits;
- The discharge of the Executive Directors and Non-Executive Directors from liability;
- The approval of the fee for the Chair of the HSE&SC;
- To advise on the 2020 Remuneration Report;
- The extension of the designation of the Board as the authorised body to issue shares in the share capital of OCI, to restrict or exclude pre-emptive rights upon the issuance of shares and to repurchase shares in the share capital of OCI; and
- The appointment of KPMG Accountants N.V. as auditor charged with the auditing of the annual accounts for the financial year 2021.

External auditor

OCI's external auditor is appointed by the AGM. The Audit Committee evaluates the functioning of the external auditor and recommends to the Board the external auditor to be proposed for (re) appointment by the AGM. At the 2021 AGM, KPMG Accountants N.V. was appointed as external auditor for OCI for that same year.

The external auditor attends all Audit Committee meetings. During these meetings, the external auditor discusses the outcomes of the audit procedures. Key audit topics are discussed. The external auditor receives the financial information per quarter and can comment on and respond to such information, which is also included in OCI's quarterly condensed financial statements.

BOARD REPORT
CONTINUED

The external auditor is also present at the AGM and may be questioned on its statement of the fairness of the financial statements.

As part of the mandatory audit firm rotation requirements in the Netherlands, KPMG can continue as external auditor of OCI through the financial year 2022 audit. In 2021, OCI completed an audit tender process to replace KPMG as external auditor as from the start of financial year 2023. The selected auditor will be put up for appointment during the upcoming AGM.

Independence of the auditor is a continued area of focus. In accordance with OCI's external audit independence policy, the Audit Committee reviews the independence of the auditor annually.

Internal auditor

The internal Audit & Risk team assists the Audit Committee, Executive Directors, and local management by facilitating the identification of risks and the promotion or risk awareness and ownership across our organization. The internal Audit & Risk department reports the results from internal audits, risk assessments from operating companies and group consolidated risk dashboards to the Audit Committee quarterly and performs periodic independent internal audits to review any specific issues at the subsidiary and holding company levels. More information on risk management can be found in the risk management and compliance section on pages 82-93.

Decree Article 10 EU Takeover Directive

OCI confirms that it has no anti-takeover instruments, i.e.: of measures that are primarily intended to block future hostile public offers for its shares. Although the members of the Sawiris family have not entered into any formal shareholders agreement, they have historically coordinated their voting on the OCI shares and should therefore be regarded as parties acting in concert (personen die in onderling overleg handelen) as defined in section 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). Their collective voting rights of 53.12% as at 31 December 2021 act as an implicit anti-takeover element.

Compliance with the Code

OCI is compliant with the Code.

Potential conflicts of interest

Potential or actual conflicts of interest are governed by OCI's articles of association and by-laws which regulations are in line with the relevant principles of the Code and Dutch law. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the other Directors and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he/she has a potential conflict of interest with OCI.

During 2021, no transactions occurred in respect of which a Director had a conflict of interest.

Related party transactions

OCI has a Related Party Transactions Policy in place, providing adequate protection for the interests of OCI and its stakeholders which has been prepared with due observance of the requirements of Dutch law, the Code, OCI's articles of association and by-laws.

The overview of related party transactions in 2021 is disclosed in the Financial Statements in note 30.

REMUNERATION REPORT

Introduction by the Chair of the Nomination and Remuneration Committee,

On behalf of the Board, I am pleased to present our 2021 Remuneration Report in which we comment on OCI's performance and the way in which 2021 events have impacted the remuneration paid to our Executive and Non-Executive Directors.

During the year, OCI was able to deliver on its strategy. The Executive Directors effectively navigated the Company through multiple challenges while maintaining focus on strategic opportunities, resulting in the initial public offering on the Abu Dhabi Securities Exchange of Fertiglobe and the strategic alliance with investors ADQ and Alpha Dhabi Holding taking a 15% stake in OCI's methanol business. In addition, the Executive Directors continued to lead OCI's progress on its ESG roadmap, as evidenced by the projects and partnerships to develop blue and green capabilities across the group's portfolio.

The Nomination and Remuneration Committee is satisfied by the strong financial performance generating an impressive increase of free cash flow resulting in an unparalleled reduction of the Company's net debt.

Moreover, the Nomination and Remuneration Committee is appreciative of the company's strategic change in recent years as a result of strong management focus on operational and commercial excellence and the future strategic direction with OCI being best positioned amongst its peers to capitalize on the hydrogen opportunity. During the year, OCI's ESG ratings were double upgraded by Sustainalytics and MSCI to Medium and BBB, respectively, to be amongst the best performers in the wider nitrogen sector. On top of the strong performance in 2021 the Executive Directors successfully managed the execution of the IPO of Fertiglobe and the strategic Methanol alliance with investors ADQ and Alpha Dhabi Holding. In recognition for this extraordinary performance, the Nomination and Remuneration Committee proposes to grant the Executive Director in 2022, subject to approval by our shareholders at the Annual General Meeting, an Extraordinary Share Award. The proposed structure of this Extraordinary Share Award is detailed in the last section of the Remuneration Report - 'Implementation of our Remuneration Policy in 2022'.

This Remuneration Report explains the application of the 2020 Remuneration Policy (Remuneration Policy) and is prepared in the spirit of the draft, non-binding guidelines of the European Commission for disclosure. Mindful of the advisory vote on our 2020 Remuneration Report, which was approved by 96.77% of the votes in favour, this Remuneration Report is prepared in a similar format.

Our strategy integrates our financial, operational, commercial, and sustainability objectives to create long-term, sustainable value for all our stakeholders as described throughout this annual report. This focus on sustainable value creation is reinforced by our Remuneration Policy, wherein both our short-term and long-term incentives include not just financial targets, but environmental and social goals as well. These targets are designed to be interdependent to ensure equitable focus on each of our strategic priorities, which include operational excellence, a commitment to health and safety, business optimization, a global commercial strategy, sustainable solutions, decarbonization, and maximizing free cash flow.

Accordingly, we believe our Remuneration Policy provides good alignment between the remuneration of the Executive Directors and shareholders' long-term interests. The Executive Directors are incentivized through both short-term and long-term compensation schemes that align to the group's long-term value creation as well as short- and medium-term Company targets, individual objectives and focus areas, and strategic non-financial metrics that are fundamental to the group's long-term success.

The Remuneration Report will be subject to an advisory vote at our 2022 AGM.

In 2021, the reward practice and particularly the sustainability targets in the incentive schemes of the Executive Directors have been discussed with various stakeholders, starting with the ESG investor day in March to the engagement with banks and partners on green ammonia and the hydrogen strategy around the IPO of Fertiglobe. We actively participated in research on the topic of Sustainability embedding practices in Dutch listed companies and the International Fertilizer Association (IFA) as endorsed by the appointment of our CEO as IFA Board Member. Moreover, we maintain an open dialogue across the organization through our unified culture, values and communications platform One OCI that promotes transparency, alignment and feedback which we can use in developing our vision for long-term value creation whilst balancing the interests of all stakeholders. Based on on-going conversations with our shareholders and the positive feedback from other stakeholders on the performance of our Executive Directors and the Company's results, I am confident the Remuneration Policy supports OCI's strategic and operational objectives, also on the long-term.

On behalf of the Nomination and Remuneration Committee,

Sipko Schat
Chair

REMUNERATION REPORT
CONTINUED

This section of the Remuneration Report details how the Remuneration Policy was applied in 2021 for the Non-Executive Directors.

Non-Executive Directors

The remuneration of the Non-Executive Directors consists of fixed fees for their Board membership and for services on OCI's Committees. To ensure their independence, the Non-Executive Directors are not entitled to any variable remuneration linked to the performance of the Company. The remuneration is set at the level required to attract qualified Non-Executive Directors with the (diversity in) personal skills, competencies and international experience required to oversee the Company's strategy and contribute to its performance and the long-term value creation.

The Non-Executive Directors do not receive any benefits. They are reimbursed for OCI-related expenses for travel, accommodation and representation.

The table below summarizes the details of the individual remuneration of the Non-Executive Directors.

Non-Executive Director	Year	Annual Board fee	Audit Committee	Nomination and Remuneration Committee	Health, Safety, Environment and Sustainability Committee	Extraordinary Items	Total	Proportion of Fixed Remuneration
M. Bennett	2021	300,000	-	7,500	-	-	307,500	100%
	2020	300,000	-	7,500	-	-	307,500	100%
S. Schat	2021	150,000	20,000	20,000	-	-	190,000	100%
	2020	150,000	20,000	20,000	-	-	190,000	100%
A. Montijn-Groenewoud	2021	150,000	-	7,500	15,833[1]	-	173,333	100%
	2020	150,000	-	7,500	10,000	-	167,500	100%
R.J. van de Kraats	2021	150,000	25,000	7,500	-	-	182,500	100%
	2020	150,000	25,000	7,500	-	-	182,500	100%
G. Heckman	2021	150,000	-	-	7,500	-	157,500	100%
	2020	150,000	-	-	7,500	-	157,500	100%
J. Guiraud	2021	150,000	20,000	7,500	-	-	177,500	100%
	2020	150,000	20,000	7,500	-	-	177,500	100%
D. Welch	2021	150,000	-	-	7,500	73,859[2]	231,359	100%
	2020	150,000	-	-	7,500	90,000[3]	247,500	100%
D. Fraser	2021	150,000	20,000	-	-	-	170,000	100%
	2020	150,000	20,000	-	-	-	170,000	100%
H. van de Kerkhof[4]	2021	150,000	-	-	7,500	-	157,500	100%
	2020	29,348	-	-	1,467	-	30,815	100%
J. Ter Wisch[5]	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2020	69,643	9,286	3,482	-	-	82,411	100%

1 At the 2021 AGM, the annual fee for the Chair of the Health, Safety, Environment and Sustainability Committee is increased from US$10,000 to US$20,000 because of the increase of the responsibility of this Committee with Sustainability matters.
2 The amount reported as extraordinary item for Mr Welch in 2021 is the fee for services on the Board of Fertiglobe Holding Ltd for the period 1 January - 26 October 2021
3 The amount reported as extraordinary item for Mr Welch in 2020 is the fee for services on the Board of Fertiglobe Holding Ltd for the period 1 January - 31 December 2020
4 Appointed on 20 October 2020
5 Appointment ended on 17 June 2020

REMUNERATION REPORT
CONTINUED

This section of the Remuneration Report explains how the Remuneration Policy was applied in 2021 for the Executive Directors.

Executive Directors

The Executive Directors referred to in this Remuneration Report are the Executive Chair, CEO, CFO and CLHCO. The details of their appointment terms are as follows:

Name	Title	Date of appointment	Current time commitment
N. Sawiris	Executive Chair	16 January 2013	Full time
A. El-Hoshy	CEO	17 June 2020	Full time
H. Badrawi	CFO	1 October 2017	Full time
M. de Vries	CLHCO	1 June 2019	80% contract

Summary of pay in the year

The details of the individual remuneration of the Executive Directors and its costs to the Company are as follows:

		Fixed remuneration		Variable remuneration			Proportion of fixed and variable remuneration	
Executive Director	Year	Annual Base Salary incl. 25% benefits allowance[1]	Additional base salary payment	Annual bonus	Long-term Incentives cost-to-company[2]	Total Remuneration	Fixed	Variable
N. Sawiris Executive Chair	2021	1,000,000		n/a[3]	2,086,600	3,086,600	32%	68%
	2020	1,583,334		n/a[4]	2,393,191	3,976,525	40%	60%
A. El-Hoshy CEO	2021	1,250,000	57,692[5]	1,714,688	1,533,043	4,555,423	29%	71%
	2020	1,091,667		921,032	1,420,277	3,432,976[6]	32%	68%
H. Badrawi CFO	2021	1,150,000		1,262,010	1,385,030	3,797,040	30%	70%
	2020	1,150,000		878,715	1,193,956	3,222,671	36%	64%
M. de Vries CLHCO	2021	560,000[7]		614,544	509,197	1,683,741	33%	67%
	2020	526,667[7]		402,426	356,049	1,285,142	41%	59%

[1] These figures exclude employer's social security payments (impact $1.0 mio).
[2] The amounts mentioned in this column are based on accounting standards (IFRS).
[3] As Executive Chair, Mr Sawiris is not entitled to an annual bonus.
[4] Mr Sawiris served as CEO until 1 August 2020. He requested the Nomination and Remuneration Committee to waive his annual bonus entitlement.
[5] Following the listing of Fertiglobe per 27 October 2021, Mr El-Hoshy receives an additional base salary payment for the period he will serve as CEO of Fertiglobe in addition to his role as CEO of OCI.
[6] Though the CEO (former COO) was appointed to the Board on 17 June 2020, with effective date 1 August 2020 in his role as CEO, the remuneration is reported as if he was an Executive Director for the full year 2020.
[7] Based on 80% contract.

REMUNERATION REPORT
CONTINUED

Annual base salary (including 25% benefits allowance)

Salary is fixed cash compensation which enables the recruitment and retention of individuals of the caliber required to drive business performance and execute OCI group's strategy.

Salaries are set in line with individual performance and contribution to Company goals with reference to external market data.

The Executive Directors' base salaries include a fixed cash allowance of 25% of the total which is designed to compensate for the personal provision of key benefits such as pension, car, life and disability insurance and other key benefits. OCI does not provide for a pension fund nor contribute to a pension plan for its Executive Directors.

The Executive Directors do not receive housing allowances or other expatriate-style benefits. They are reimbursed for OCI-related business expenses. In 2021 no extra-ordinary items or one-off payments were paid.

Annual bonus

The annual bonus plan supports our strategic priorities in both the short and long term, with challenging financial and non-financial targets. The Executive Chair is not entitled to an annual bonus. For the CEO the on-target annual bonus opportunity is 75% of annual base salary. For the other Executive Directors the on-target opportunity is 60% of annual base salary. The maximum opportunity is 200% of target (i.e. 150% of annual base salary for the CEO and 120% of annual base salary for the other Executive Directors).

The structure can be summarized as follows:

60% corporate financial performance measures
Cash Flow
Sales Volumes
+
25% strategic and non-financial performance measures
+
15% health, safety and environmental performance measures
=
Annual Bonus

For 2021, the performance measures for the annual bonus can be summarized as follows:

		2021 performance		2021 Bonus Pay-out	
Executive Director	**Performance Measure and weighting**	**Target achievement %**	**Bonus pay-out as % of base salary**	**Base salary in USD**	**2021 Bonus outcome in USD**
A. El-Hoshy	Cash flow (40%)	200%	60%		
	Sales volume (20%)	200%	30%		
	1st Strategic and non-financial (12.5%)	200%	18,75%		
	2nd Strategic and non-financial (12.5%)	200%	18.75%		
	HSE (15%)	86%	9.675%		
Total			**137.175%**	**1,250,000**	**1,714,688**
H. Badrawi	Cash flow (40%)	200%	48%		
	Sales volume (20%)	200%	24%		
	1st Strategic and non-financial (12.5%)	200%	15%		
	2nd Strategic and non-financial (12.5%)	200%	15%		
	HSE (15%)	86%	7.74%		
Total			**109.74%**	**1,150,000**	**1,262,010**
M. de Vries	Cash flow (40%)	200%	48%		
	Sales volume (20%)	200%	24%		
	1st Strategic and non-financial (12.5%)	200%	15%		
	2nd Strategic and non-financial (12.5%)	200%	15%		
	HSE (15%)	86%	7,74%		
Total			**109.74%**	**560,000**	**614,544**

REMUNERATION REPORT
CONTINUED

The following table summarizes performance against the 2021 strategic and non-financial performance measures. The combined weight of these performance measures is 25% of the total annual bonus. The strategic and non-financial performance measures link directly to the strategic priorities of operational excellence, business optimization, global commercial strategy and sustainable solutions thus contributing to maximizing cash flow. Based on the assessment of all targets by the Nomination and Remuneration Committee as approved by the Board, the target achievement is determined as per the table below.

Executive Director	Strategic and personal performance measures and weighting	2021 performance	Outcome
A. El-Hoshy	• Strategic target (12.5%): Focusing on successful execution of the potential strategic opportunities	During the year, OCI was able to deliver on its strategy despite the continued global circumstances due to the COVID-19 pandemic and the exceptionally high gas prices in Europe. The Executive Directors effectively navigated the company through these challenges, reshaped the organization and hired many senior managers to lead the global functions. They also kept focus on strategic opportunities, resulting in Fertiglobe's IPO on the ADX and the strategic alliance with ADQ and Alpha Dhabi Holding for the Methanol Group. This all resulted in a large dividend recap ahead of Fertiglobe's IPO and a restructured commercial team with more focus on better reporting, with strong results achieved in ammonia trading. In addition, the targets for ESG and strategy were set and communicated to internal and external stakeholders, followed by strong performance on the decarbonization ambitions, including multiple projects and partnerships in progress to develop our blue and green production capacity. Moreover, the team realized large natural gas gains from the hedging program and the group navigation on the volatility in February, creating significant value net of production losses.	200%
	• Developing Corporate Excellence and Improvement Plans via Changes to Organizational Design (12.5%)		200%
H. Badrawi	• Strategic target (12.5%): Focusing on successful execution of the potential strategic opportunities		200%
	• IT and Cybersecurity (6,25%): Ensure a coherent and centrally managed IT organization at the Group level that is able to effectively support the business requirements		200%
	• Trade and Overall Risk Management (6.25%)		200%
M. de Vries	• Organizational design, Performance management and Leadership development (12.5%): Enabling the development of OCI's Operating model by changing organizational design in combination with direction clarity facilitating a high performing culture		200%
	• Legal and Compliance (12.5%): Optimization of legal dispute management and enhance ethics and compliance awareness to maintain the highest standards across the complete workforce		200%

REMUNERATION REPORT
CONTINUED

The following table summarizes performance against the 2021 HSE performance measures. The combined weight of the HSE performance measures is 15%. The 2021 HSE-performance as assessed by the HSE&S Committee and approved by the Board is summarized in the table below. Please refer to pages 75-77 for more information on OCI's HSE performance.

HSE Performance Measure	2021 target	2021 Performance outcome	Performance score
Lost Time Injury Rate (LTIR)	0.10	0.20	0%
Total Recordable Incidents Rate (TRIR)	0.36	0.35	25%
Process Safety Incidents Rate (PSIR)	0.70	0.55	40%
Environmental Stewardship / EIR	0.40	0.27	20%
Safety Culture and Awareness	qualitative target focussing on a wide range of initiatives to promote a strong safety culture		13.75%
50% deduction on the score of the three occupational safety elements in view of the fatal injury of a contractor at the Fertil Site in Ruwais in April 2021			-/- 13.125%
Full year corporate HSE score			**85.625%**

Long-term variable remuneration

Bonus / Share Matching Plan (legacy arrangement)

The Bonus / Share Matching Plan was discontinued effective 1 January 2019. The 2018 Bonus / Share Matching Award was the last Award made under this Plan and vested in 2021.

As at 31 December 2021, the Executive Directors had no more Bonus / Share Matching rights under this Plan.

Restricted stock unit plan (legacy arrangement)

As at 31 December 2021, the current CEO and CLHCO had been granted Restricted Stock Units from previous years, as follows:

Executive Director	Award cycle	Outstanding year-end 2021	Value at grant date in USD	Vesting date	End of lock-up period
A. El-Hoshy	2019[1]	19,472	354,900	1/3rd: 15-02-2022	07-02-2024
				2/3rd: 07-02-2023	07-02-2025
	2018[1]	18,231	390,000	2/3rd: 18-04-2022	18-04-2024
M. de Vries	2018[1]	9,509	203,423	2/3rd: 18-04-2022	18-04-2024

[1] These represent awards granted before the appointment to the Board.

Vesting of the Restricted Stock Units is contingent on continued employment with OCI.

REMUNERATION REPORT
CONTINUED

Performance Share Units Plan

As at 31 December 2021, the Executive Directors have been granted 777,899 Performance Share Units at target. The table below summarizes the Performance Share Unit awards outstanding at year-end 2020 and year-end 2021 with the details on the performance measures to be met for vesting.

<table>
<tr><th>Award cycle</th><th>Executive Director</th><th>Outstanding year-end 2020</th><th>Granted conditional in 2021</th><th>Outstanding year-end 2021</th><th>Value at grant date in USD[1]</th><th>Performance conditions</th><th>Vesting date</th><th>End of lock-up period</th></tr>
<tr><td rowspan="3">2018</td><td>N. Sawiris</td><td>84,873</td><td>-</td><td>expired</td><td>2,181,674</td><td>The vesting of the 2018 PSU awards is solely based on the relative TSR ranking against the selected peer group of 11 international fertilizer/chemicals/gas companies (Celanese, CF Industries, DSM, Intrepid Potash, Lanxess, Methanex, Mosaic, Nutrien (after merger of Agrium and Potash Corporation), Solvay, Westlake Chemical, Yara International)</td><td>25-02-2021</td><td>n/a[2]</td></tr>
<tr><td>A. El-Hoshy[3]</td><td>41,376</td><td>-</td><td>expired</td><td>1,063,577</td><td rowspan="2"><table><tr><th>Level of performance</th><th>Threshold</th><th>Target</th><th>Maximum</th></tr><tr><td>Peer group ranking</td><td>40th percentile</td><td>67th percentile</td><td>90th percentile</td></tr><tr><td>% of award vesting</td><td>25%</td><td>100%</td><td>150%</td></tr></table>The percentage of vesting for peer group ranking between threshold, target and maximum is interpolated on a straight-line basis.</td><td>25-02-2021</td><td>n/a[2]</td></tr>
<tr><td>H. Badrawi[3]</td><td>40,315</td><td>-</td><td>expired</td><td>1,036,304</td><td>25-02-2021</td><td>n/a[2]</td></tr>
<tr><td rowspan="3">2019</td><td>N. Sawiris</td><td>116,002</td><td>-</td><td>116,002</td><td>2,500,000</td><td rowspan="3">Same as 2018</td><td>15-02-2022</td><td>07-02-2024</td></tr>
<tr><td>A. El-Hoshy[3]</td><td>47,855</td><td>-</td><td>47,855</td><td>1,031,340</td><td>15-02-2022</td><td>07-02-2024</td></tr>
<tr><td>H. Badrawi[3]</td><td>66,701</td><td>-</td><td>66,701</td><td>1,437,500</td><td>15-02-2022</td><td>07-02-2024</td></tr>
<tr><td rowspan="4">2020</td><td>N. Sawiris</td><td>135,354</td><td>-</td><td>135,354</td><td>2,500,000</td><td rowspan="4">The vesting of the 2020 PSU awards is solely based on the relative TSR ranking against the selected peer group of 9 international fertilizer/ chemicals/gas companies: Celanese, CF Industries*, Lanxess, Methanex*, Mosaic*, Nutrien*, Solvay, Westlake Chemical, Yara International* (* denotes companies with a double weighting).
The percentage of vesting for peer group ranking is the same as for the 2018 and 2019 Awards.</td><td>07-02-2023</td><td>07-02-2025</td></tr>
<tr><td>A. El-Hoshy[3]</td><td>71,061</td><td>-</td><td>71,061</td><td>1,312,500</td><td>07-02-2023</td><td>07-02-2025</td></tr>
<tr><td>H. Badrawi[3]</td><td>77,829</td><td>-</td><td>77,829</td><td>1,437,500</td><td>07-02-2023</td><td>07-02-2025</td></tr>
<tr><td>M. de Vries</td><td>32,485</td><td>-</td><td>32,485</td><td>600,000</td><td>07-02-2023</td><td>07-02-2025</td></tr>
</table>

REMUNERATION REPORT
CONTINUED

Performance Share Units Plan continued

Award cycle	Executive Director	Outstanding year-end 2020	Granted conditional in 2021	Outstanding year-end 2021	Value at grant date in USD[1]	Performance conditions			Vesting date	End of lock-up period
	N. Sawiris	-	58,235	58,235	1,250,000	Following the amendment of the LTI Plan per 1 January 2021, the vesting of the 2021 PSU awards is based on the following performance measures:			07-02-2024	07-02-2026
						Measure	**Weight**	**Target definition**		
						Relative TSR	60%	Same as for 2020 PSU award		
	A. El-Hoshy	-	72,794	72,794	1,562,500	Operational Excellence – Plant reliability	15%	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency 1% improvement per year on 3-year weighted reliability average (based on Maximum Proven Capacity (MPC) and % economic ownership) of plants.	07-02-2024	07-02-2026
2021	H. Badrawi	-	66,971	66,971	1,437,500	ESG – Decarbonization	15%	Development, implementation and execution of decarbonization plan. The decarbonization target is built on OCI's commitment to confirm the GHG reduction targets and the development of the strategy to achieve these targets. The aim is to have a clear decarbonization plan including the required organizational structure and implementation plan in place with projects underway, decarbonization project investment criteria defined, and quick wins achieved. Vesting will be dependent on the achievement of key milestones. Assessment of the target achievements will be at the discretion of the Board.	07-02-2024	07-02-2026
	M. de Vries	-	32,612	32,612	700,000	ESG – Diversity & Inclusion	10%	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities. For the 2021 PSU award, the target is set at an increase of 5%. This 5% increase will be measured against the 2019 baseline, to result in a representation of women in senior positions of 25.5% at the end of the performance period.	07-02-2024	07-02-2026

[1] The grant value is a percentage of the annual base salary. For the Executive Directors this percentage is currently fixed at 125% as laid down in the Remuneration Policy.
[2] The 2018 PSU awards vested at 0% on 25 February 2021.
[3] Granted before appointment as Executive Director.

REMUNERATION REPORT
CONTINUED

Vesting of 2018 performance shares award

Based on the Performance Share Unit awards of 7 February 2018, conditional shares were granted to the Executive Chair, CEO and CFO. The vesting of these shares was conditional on OCI's TSR performance in the three-year performance period ending 7 February 2021 and continued employment. The vesting of these awards could not take place on the original vesting date, 7 February 2021 as OCI was in a closed trading period. Hence, the awards vested at the first trading day after the closed trading period, being 25 February 2021. Over the 3-year performance period OCI's TSR performance ranked 10th in the TSR peer group at the 25th percentile. As a result, the award vested at 0% of target. The Nomination and Remuneration Committee reviewed this achievement in light of the broader financial as well as non-financial performance of the Group in the respective performance period (7 February 2018 – 7 February 2021) and decided to make no adjustments.

Share ownership guidelines

Subject to the Share Ownership Guidelines for the Executive Directors of the Board, all Executive Directors are required to own a percentage of OCI shares of their salary. These percentages are a holding of 300% for the CEO and Executive Chair and 150% for the other Executive Directors.

The table below summarizes the number of shares currently held by the Executive Directors (which have no further performance conditions attached). Their holding as a percentage of salary is based on a share price of € 23.02 ($26.17) (the closing share price on 31 December 2021). Executive Directors are expected to build up share ownership over a period of five years of the date of appointment. Until this requirement has been met, Executive Directors must retain at least 50% of any vested shares from the PSU Plan. The Executive Chair and CFO already meet the share ownership guidelines.

Executive Director	Shares held	Shareholding[1] (% of salary)
N. Sawiris	81,564,223	Majority shareholder in OCI N.V.
A. El-Hoshy	80,848	169.29%
H. Badrawi	130,370	296.72%
M. de Vries	18,258	85.34%

[1] Based on a share price of €23.02 on 31 December 2021.

Internal pay ratio

The global internal pay ratio is calculated on the basis of the following parameters:

- Average total direct compensation of a reference group consisting of all our employees globally (on an FTE basis).
- Total remuneration of our CEO, including the value of the long-term incentive based on accounting standards (IFRS).

The global internal pay ratio as measured per 31 December 2021 is 44.50 for the CEO and on average 32.8 for the Executive Directors. In 2020, these global internal pay ratios were 39.2 for the CEO and on average 32.8 for the Executive Directors. The increase of the internal pay ratio compared to 2020 is mainly arising from the higher annual bonus, resulting from the strong financial results and the extraordinary performance.

The next section of the Remuneration Report explains how the remuneration of the Directors develops over time and for the relevant periods it includes remuneration details for current and former Directors.

REMUNERATION REPORT
CONTINUED

Development of directors' remuneration, company performance and employee remuneration

The table below sets out the change in remuneration for each individual Director, the change in OCI's performance and the average change in remuneration for the employees at OCI (excluding Directors) over the past 5 years.

For the Non-Executive Directors, there is no link to OCI's performance to ensure their independence.

We have disclosed TSR performance at OCI as the main metric for company performance sustained over the long-term. This is in line with our Performance Share Unit Plan which has historically only been measured on relative TSR performance.

For the average employee remuneration, we used the same data as for the calculation of the internal pay ratio.

	2021		2020		2019		2018		2017	
	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change
Executive Director's Remuneration in USD										
N. Sawiris, Executive Chair	3,086,600	-22.4%	3,976,525	-31.9%	5,841,951	-7.1%	6,290,697	+29.9%	4,842,242	-7.7%
A. El-Hoshy, CEO	4,555,423	+32.7%	3,432,976[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
H. Badrawi, CFO	3,797,040	+17.8%	3,222,671	+25.6%	2,565,471	+7.0%	2,397,640	n/a	351,500[2]	n/a
M. de Vries, CLHCO	1,683,741	+31.0%	1,285,142	n/a	522,460[3]	n/a	n/a	n/a	n/a	n/a
S. Butt, former CFO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,600,665	+81.8%
Non-Executive Director's Remuneration in USD										
M. Bennett, USA, Co-Chair	307,500	-	307,500	+2.1%	301,250	-15.5%	356,575	-16.8%	428,750	-34.4%
S. Schat, NED, Vice-Chair	190,000	-	190,000	+4.1%	182,500	+14.1%	160,000	-	160,000	-
A. Montijn-Groenewoud, NED	173,333	+3.5%	167,500	+8.9%	153,750	+11.8%	137,500	-2.7%	141,250	n/a
R.J. van de Kraats, NED	182,500	-	182,500	+2.8%	177,500	+9.2%	162,500	-	162,500	-
G. Heckman, USA	157,500	-	157,500	+2.4%	153,750	+9.8%	140,000	-	140,000	+1.4%
J. Guiraud, FR	177,500	-	177,500	+2.9%	172,500	+9.5%	157,500	-	157,500	-
D. Welch, USA	231,359[5]	-6.5%	247,500	n/a	92,460[4]	n/a	n/a	n/a	n/a	n/a
D. Fraser, USA	170,000	-	170,000	n/a	98,710[6]	n/a	n/a	n/a	n/a	n/a
H. van de Kerkhof, GER	157,500	n/a	30,815[7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J. Ter Wisch, NED	n/a	n/a	82,411[8]	n/a	172,500	+9.5%	157,500	-3.1%	162,500	-3.0%

REMUNERATION REPORT
CONTINUED

	2021		2020		2019		2018		2017	
	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change	Total Remuneration (cost-to-company)	% change
Performance at OCI										
TSR performance	96.38	+46.4%	65.82	-16.2%	78.50	+5.3%	74.57	-15.3%	88.05	+26.8%
Average Employee Remuneration and Internal pay ratio's										
Average employee remuneration global employee reference group **(FTE, Total Remuneration Costs)**	99,927	7.3%	93,170	-2.2%	95,287[9,10]	n/a	n/a	n/a	n/a	n/a
Internal pay ratio – global employee r eference group	44.5	13.5%	39.2[11]	n/a[12]	33.2[9,10]	n/a	n/a	n/a	n/a	n/a
Average employee remuneration – EU+USA employee reference group **(FTE, Total Remuneration Costs)**	n/a	n/a	n/a	n/a	n/a	n/a	112,040	-0.7%	122,843	n/a
Internal pay ratio – EU+USA employee reference group	n/a	n/a	n/a	n/a	n/a	n/a	29.6	+19.4%	24.8	n/a

1 A. El-Hoshy was appointed COO on 25 November 2019 and appointed member of the Board at the 2020 AGM on 17 June 2020; the amount represents his remuneration for the full year 2020.
2 H. Badrawi was appointed CFO on 1 October 2017 and appointed member of the Board at the 2018 AGM; the amount represents his remuneration for the part of 2017 financial year he was a Director.
3 M. de Vries was appointed Executive Director and member of the Board per 1 June 2019; the amount is based on her 80% contract and represents her remuneration for the part of 2019 financial year she was a Director.
4 D. Welch was appointed as Non-Executive Director per May 2019.
5 D. Welch served on the Board of Fertiglobe plc (previously Fertiglobe Holding Ltd) as a delegate of OCI until 26 October 2021 and as of 27 October 2021 as independent Non-Executive Director.
6 D. Fraser was appointed as Non-Executive Director per May 2019.
7 H. van de Kerkhof was appointed as Non-Executive Director per October 2020.
8 The appointment of J.Ter Wisch ended in June 2020.
9 Per 2019 we changed the employee reference group for calculating our internal pay ratio from regional to global.
10 The 2019 numbers are restated compared to our 2019 Remuneration Report as the numbers reported in 2019 were erroneously based on the consolidated, Q4 compensation for the employees of Fertil instead of the full year.
11 In line with market practice, the calculation of the internal pay ratio is changed per 2020 to include the value of the long-term incentives (Performance Share Units).
12 Due to the change in calculation methodology per 2020, the % of change between 2019 and 2020 would not correctly reflect the actual change in the internal pay ratio.

REMUNERATION REPORT
CONTINUED

Implementation of our Remuneration Policy in 2022

The implementation of our Remuneration Policy as it currently stands, will result in the following remuneration packages for our Executive Directors in 2022.

	Role	Executive Chair	CEO	CFO	CLHCO
Remuneration in 2022	**Annual base salary**	$1,000,000	$1,250,000	$1,150,000	$560,000[1]
	2022 Target Bonus opportunity (as a % of annual base salary)	n/a	75%-150%	60%-120%	60%-120%
	2022 Target PSU award (as a % of annual base salary)	125%	125%	125%	125%
	Share ownership guidelines (as a % of annual base salary)	300%	300%	150%	150%

[1] Based on current 80% contract; the full-time equivalent is $700,000.

2022 annual bonus performance measures

Performance measure and weighting		
Financial Metrics	**Adjusted EBITDA (40%)**	Targets will be disclosed in the 2022 Annual Report
	Sales Volumes (20%)	Targets will be disclosed in the 2022 Annual Report
HSE (15)%		Targets will be disclosed in the 2022 Annual Report
Strategic and non-financial (25%)	**HR-Taking People along** Ensure an engaged and inspired workforce, which is essential to achieve maximal business performance. This will be measured against objectives in three areas.	Engagement Career Development Onboarding
	Securing execution of the strategic OCI Fuse project OCI Fuse is the consolidation and replacement of the underlying OCI Technology Landscape along with the harmonization of key business practices across the wholly owned OCI subsidiaries (excluding Fertiglobe). Given the significant impact of this project, the Executive Directors will be charged with securing the execution of this project. This will be measured against objectives in four areas.	Operational Financial Security risk Change management

Performance measures for 2022 PSU awards

For each performance period, the Nomination and Remuneration Committee has discretion to select the performance measures for the PSU awards from a set of strategic initiatives. In doing so, the Nomination and Remuneration Committee selects performance measures that are best aligned to the company's strategic priorities and long-term interests whilst ensuring that the selected long-term performance measures do not overlap the performance measures for the annual bonus. The performance measures selected for the 2022 PSU awards, as granted on 7 February 2022 are fully aligned to our strategic priorities, which include operational excellence, business optimization, sustainable solutions and decarbonization and diversity & inclusion. Please find further details on these performance measures in the table below:

Measure	Weight	Target definition
Relative TSR	60%	
Operational Excellence: Plant reliability	15%	Improvement of Asset Utilization = Onstream Efficiency x Capacity Efficiency
ESG: Decarbonization	15%	Development, implementation and execution of decarbonization plan
ESG: Diversity & Inclusion	10%	Increase percentage of women's representation in senior positions and initiatives to increase representation of minorities

The target levels for OCI's relative TSR performance are set out in the Remuneration Policy. The target levels for plant reliability, decarbonization and diversity & inclusion will be disclosed in the 2022 Remuneration Report.

REMUNERATION REPORT
CONTINUED

Extraordinary share award

To recognize and reward extraordinary performance, like the performance in 2021 and to promote the share ownership of the Executive Directors, the Nomination and Remuneration Committee proposes to amend the Remuneration Policy and introduce an Extraordinary Share Award. Granting an Extraordinary Share Award will be at the discretion of the Board and will be reserved to reward extraordinary performance outside targets set for the annual bonus and performance share units plan. Extraordinary Share Awards can be made to the CEO, CFO and the CLHCO. The Executive Chair is not eligible for the Extraordinary Share Award. Subject to approval by the AGM, the proposed 2022 Extraordinary Share Award will be granted at the first trading day after the AGM. The Shares will be granted against the price of the OCI Shares at the end of this trading day. The Extraordinary Share Awards will consist of conditional OCI shares that will vest after 3 years. There will be no performance conditions attached, though vesting will be subject to continued engagement of the Executive Director. After vesting a two-year holding period will apply. In as much as possible the other terms and conditions of the Extraordinary Share Award, like the Change of Control clause, Good leaver treatment, Dividend Equivalents, Clawback and Malus clause and the Sell-to-Cover provision, will be copied from the approved Executive Director Performance Share Units Plan. The proposed 2022 Extraordinary Share Awards rewarding the extraordinary performance of the Executive Directors in the year 2021 amounts to $700,000 for the CEO and CFO and $450,000 for the CLHCO. The Executive Chair is not eligible for an Extraordinary Share Award.

Amendment of the Remuneration Policy

Next to the proposal to grant a 2022 Extraordinary Share Award, the Non-Executive Directors – upon recommendation by the Nomination and Remuneration Committee – proposes to the AGM to approve an amendment of the Remuneration Policy. It is proposed to introduce the Extraordinary Share Award Plan to be included in the Remuneration Policy as a new long-term compensation scheme, aligned to OCI's long-term value creation and promoting the share ownership of the Executive Directors. All terms and conditions of the Extraordinary Share Award are defined in the Extraordinary Share Award Plan. Granting an Extraordinary Share Award will be reserved to reward extraordinary performance beyond and/or outside the targets set for the annual bonus and Performance Share Units Plan. It will be at the discretion of the Board to grant an Extraordinary Share Award and to determine the size of the Award following the Board's assessment of the extraordinary performance.

2022 remuneration scenarios

The Nomination and Remuneration Committee conducts pay scenario modelling on an annual basis which investigates pay-out quantum for Executive Directors under different performance scenarios. This modelling is undertaken to ensure that the Remuneration Policy links directly with the performance of OCI and therefore, is in the interests of shareholders.

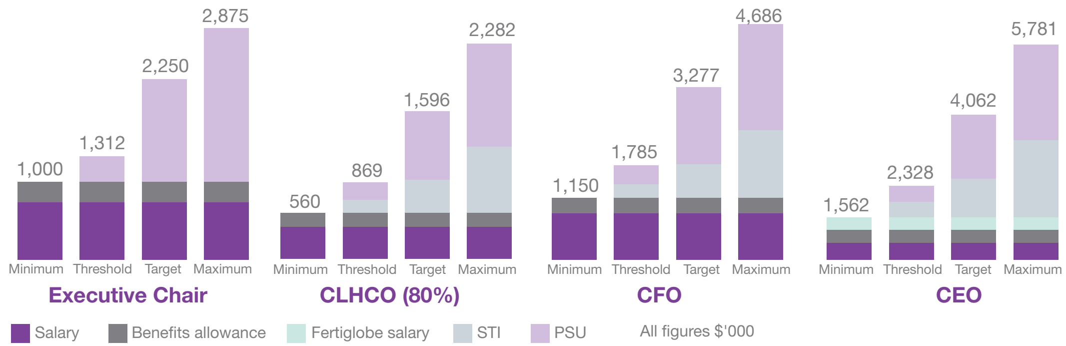
In the event that specific short-term and long-term threshold performance targets are not achieved, there will be no variable pay vesting or payout for Executive Directors for the relevant period.

The charts below illustrate how much the current Executive Directors could receive under different scenarios in 2022, assuming a constant share price (i.e. no appreciation) and no dividend payments.

Element of Remuneration	Details of assumptions
Fixed remuneration	This comprises base salary with effect from 1 January 2022. The base salary is inclusive of the 25% benefits allowance. The Executive Chair's salary amounts to $1,000,000. The CEO's salary amounts to $1,250,000 plus an additional 25% payment for the period he serves as CEO of Fertiglobe next to his role as CEO of OCI. The CFO's salary amounts to $1,150,000 and the salary of the CLHCO $560,000 pro-rated on an 80% contract).
Annual bonus	Assumes maximum opportunity of 150% of salary for the CEO and 120% of salary for the CFO and CLHCO. For target, the scenario assumes 75% of annual base salary for the CEO and 60% of annual base salary for the CFO and CLHCO. For threshold, the scenario assumes 30% of salary for the CEO and 24% of salary for the CFO and CLHCO. For minimum, the scenario assumes no pay-out of the bonus.
Performance Share Unit Plan	Assumptions apply to all Executive Directors. There is a maximum opportunity of 150% of target (187.5% of annual base salary) in conditional shares. For target, the scenario assumes 125% of annual base salary for all Executive Directors. For threshold, the scenario assumes 25% of target for all Executive Directors. For minimum, the scenario assumes 0% of target for all Executive Directors.

2022 pay scenario analysis

Further to the pay scenario modelling conducted, the Nomination and Remuneration Committee concluded that the relationship between the financial and strategic priorities of the company and the performance measures set for the annual bonus as well as the Performance Share Units Plan are adequate. The Nomination and Remuneration Committee also concluded that the objectives of the Remuneration Policy and the underlying objectives of the Company are well served by the ratio between fixed and variable pay, which is for the CEO 67:33 in the threshold scenario and 27:73 in the maximum scenario.



DECLARATIONS

Introduction

This 2021 Annual Report comprises regulated information within the meaning of sections 1:1 and 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

For the consolidated and OCI 2021 financial statements (jaarrekening) within the meaning of section 2:361 of the Dutch Civil Code, reference is made to the financial statements. OCI's Directors have signed the 2021 financial statements in line with section 2:101 paragraph 2 of the Dutch Civil Code.

Corporate governance statement

As referred to in article 2a of the Decree laying down additional requirements for annual reports (Besluit inhoud bestuursverslag) effective 1 January 2018 (the AR Decree), OCI is required to make a statement on corporate governance.

Information required to be included in the corporate governance statement as described in articles 3, 3a and 3b of the AR Decree can be found in the following sections of this Annual Report:

- Information concerning compliance with the Code, as required by article 3 of the AR Decree, can be found in the section Compliance with the Code on page 109;
- information concerning OCI's risk management and control frameworks relating to the financial reporting process, as required by article 3a(a) of the AR Decree, can be found in the section Enterprise Risk Management beginning on page 82;
- information regarding the functioning of the GM, and the authority and rights of OCI's shareholders, as required by article 3a(b) of the AR Decree, can be found in the section Shareholders' rights and meetings on page 108;
- information regarding the composition and functioning of OCI's Board and its Committees, as required by article 3a(c) of the AR Decree, can be found beginning on page 102;
- information regarding the diversity policy concerning the composition of the Board, as required by article 3a(d) of the AR Decree, can be found in the sections Board composition and independence and Diversity & Inclusion on pages 103 and 104; and
- information concerning the inclusion of the information required by the Decree Article 10 Takeover Directive (Besluit artikel 10 overnamerichtlijn), as required by article 3b of the AR Decree, can be found in the section Decree Article 10 Takeover Directive on page 109.

The Code was last amended with effect from 1 January 2017 and is available at the website of the Corporate Governance Monitoring Committee (http://www.mccg.nl).

In control statement

The Board is responsible for the design, implementation and operation of OCI's internal risk management and control systems. In discharging this responsibility, the Board has made an assessment of the effectiveness of OCI's internal control and risk management systems.

Based on this assessment and to the best of its knowledge and belief, the Board states that:

- There are no material failures in the effectiveness of OCI's internal risk management and control systems;
- OCI's internal risk management and control systems provide reasonable assurance that the Annual Report does not contain any errors of material importance;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of OCI's enterprise in the coming twelve months.

The above statements do not imply that our systems and procedures provide absolute assurance as to the realization of our operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

Directors' statement pursuant to article 5:25c of the Dutch Financial Supervision Act

In accordance with Article 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the Directors declare that to the best of their knowledge:

- The 2021 financial statements (jaarrekening) provide a true and fair view of the assets, liabilities, financial position and results of OCI and its subsidiaries included in the consolidated statements; and
- the Board Report (bestuursverslag) provides a true and fair view of the situation as at 31 December 2021, and of OCI's and its group companies' state of affairs for the financial year 2021, as well as the principal risks and uncertainties that OCI faces.

DECLARATIONS
CONTINUED

Non-Financial Statement pursuant to Directive 2014/95/EU

Directive 2014/95/EU requires large companies to disclose non-financial information. This Directive has been implemented into Dutch law through the Decree disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie) (the NF Disclosure Decree).

Pursuant to article 2 of the NF Disclosure Decree, OCI has included the information included in article 3 of the NF Disclosure Decree in the following sections of this Annual Report:

- A description of OCI's business model is included on page 24.
- A description, including applied procedures and the results of its policy in relation to:
  - Environmental, social and employee matters is included on pages 35-81, and
  - respect for human rights is described on page 73 and in our Human Rights Policy; and
  - anti-corruption and bribery matters are described in the section Risk Management & Compliance on page 92; and
  - the principal risks related to the policy and how the risks are managed as described throughout the sustainability and ERM sections of this Annual Report; and
  - the non-financial performance indicators which are relevant for OCI's business activities are described on pages 35-81.

Amsterdam, the Netherlands,18 March 2022

The Board

Michael Bennett
Nassef Sawiris
Ahmed El-Hoshy
Hassan Badrawi
Maud de Vries
Sipko Schat
Jérôme Guiraud
Gregory Heckman
Robert Jan van de Kraats
Anja Montijn-Groenewoud
David Welch
Dod Fraser
Heike van de Kerkhof

6. Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

$ millions	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment	(7)	5,543.5	6,244.3
Right-of-use assets	(7)	248.2	279.4
Goodwill and other intangible assets	(8)	485.7	486.5
Trade and other receivables	(9)	33.6	3.5
Equity-accounted investees	(10)	494.9	468.7
Financial assets at fair value through other comprehensive income	(11)	19.2	30.0
Deferred tax assets	(12)	207.7	0.8
Total non-current assets		**7,032.8**	**7,513.2**
Current assets			
Inventories	(13)	343.5	293.8
Trade and other receivables	(9)	851.6	600.9
Income tax receivables	(12)	3.4	2.8
Cash and cash equivalents	(14)	1,580.3	686.3
Total current assets		**2,778.8**	**1,583.8**
Total assets		**9,811.6**	**9,097.0**

The notes on pages 132 to 178 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED
AS AT

$ millions	Note	31 December 2021	31 December 2020
Equity			
Share capital	(15)	5.6	5.6
Share premium	(15)	6,316.3	6,316.3
Reserves	(16)	(384.0)	(338.4)
Retained earnings		(3,938.9)	(4,851.8)
Equity attributable to owners of the Company		**1,999.0**	**1,131.7**
Non-controlling interests	(17)	1,509.2	1,540.1
Total equity		**3,508.2**	**2,671.8**
Liabilities			
Non-current liabilities			
Loans and borrowings	(18)	3,290.2	4,226.9
Lease obligations	(19)	237.5	248.6
Trade and other payables	(20)	23.7	25.7
Provisions	(21)	12.8	3.0
Deferred tax liabilities	(12)	614.4	515.5
Total non-current liabilities		**4,178.6**	**5,019.7**
Current liabilities			
Loans and borrowings	(18)	510.6	189.7
Lease obligations	(19)	39.7	43.6
Trade and other payables	(20)	1,357.5	1,003.6
Provisions	(21)	144.7	158.3
Income tax payables	(12)	72.3	10.3
Total current liabilities		**2,124.8**	**1,405.5**
Total liabilities		**6,303.4**	**6,425.2**
Total equity and liabilities		**9,811.6**	**9,097.0**

The notes on pages 132 to 178 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Revenue	(27)	6,318.7	3,474.1
Cost of sales	(22)	(4,489.7)	(3,062.0)
Gross profit		**1,829.0**	**412.1**
Other income	(23)	1.4	17.6
Selling, general and administrative expenses	(22)	(266.4)	(219.3)
Other expenses	(24)	(1.2)	(23.4)
Operating profit		**1,562.8**	**187.0**
Finance income	(25)	34.6	212.5
Finance cost	(25)	(308.8)	(412.4)
Net finance cost	(25)	**(274.2)**	**(199.9)**
Income from equity-accounted investees (net of tax)	(10)	7.3	(36.7)
Profit / (loss) before income tax		**1,295.9**	**(49.6)**
Income tax	(12)	(137.1)	(44.5)
Net profit / (loss)		**1,158.8**	**(94.1)**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in hedge reserve	(16)	(16.9)	5.9
Currency translation differences	(16)	(51.8)	(146.9)
Currency translation differences from equity-accounted investees	(10)	(2.2)	1.6
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	(16)	(10.8)	(3.7)
Other comprehensive income, net of tax		**(81.7)**	**(143.1)**
Total comprehensive income		**1,077.1**	**(237.2)**
Profit / (loss) attributable to:			
Owners of the Company		570.5	(177.7)
Non-controlling interests	(17)	588.3	83.6
Net profit / (loss)		**1,158.8**	**(94.1)**
Total comprehensive income attributable to:			
Owners of the Company		521.1	(282.1)
Non-controlling interests	(17)	556.0	44.9
Total comprehensive income		**1,077.1**	**(237.2)**
Earnings / (loss) per share (in USD)			
Basic earnings / (loss) per share	(26)	2.719	(0.847)
Diluted earnings / (loss) per share	(26)	2.703	(0.847)

The notes on pages 132 to 178 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

$ millions	Note	Share capital (15)	Share premium (15)	Reserves (16)	Retained earnings (15)	Equity attributable to owners of the Company (15)	Non-controlling interests (17)	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)		-	-	-	(177.7)	(177.7)	83.6	(94.1)
Other comprehensive income		-	-	(104.4)	-	(104.4)	(38.7)	(143.1)
Total comprehensive income		**-**	**-**	**(104.4)**	**(177.7)**	**(282.1)**	**44.9**	**(237.2)**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	17.4	17.4
Dividend to non-controlling interests	(17)	-	-	-	-	-	(49.2)	(49.2)
Reversal of dividend to non-controlling interests	(17)	-	-	-	-	-	125.4	125.4
Treasury shares sold / delivered	(16)	-	-	3.8	(3.8)	-	-	-
Business combination Fertiglobe	(17)	-	-	-	48.3	48.3	(59.6)	(11.3)
Share-based payments	(15)	-	-	-	8.0	8.0	-	8.0
Balance at 31 December 2020		**5.6**	**6,316.3**	**(338.4)**	**(4,851.8)**	**1,131.7**	**1,540.1**	**2,671.8**
Net profit		-	-	-	570.5	570.5	588.3	1,158.8
Other comprehensive income		-	-	(49.4)	-	(49.4)	(32.3)	(81.7)
Total comprehensive income		**-**	**-**	**(49.4)**	**570.5**	**521.1**	**556.0**	**1,077.1**
Impact difference in profit sharing non-controlling interests	(17)	-	-	-	-	-	104.6	104.6
Dividend to non-controlling interests	(17)	-	-	-	-	-	(788.1)	(788.1)
Treasury shares sold / delivered	(16)	-	-	4.8	(4.8)	-	-	-
Treasury shares acquired	(16)	-	-	(1.0)	-	(1.0)	-	(1.0)
Acquisition of additional shares in EBIC	(17)	-	-	-	6.0	6.0	(44.4)	(38.4)
Sale of shares in Fertiglobe plc	(17)	-	-	-	332.7	332.7	141.0	473.7
Share-based payments	(15)	-	-	-	8.5	8.5	-	8.5
Balance at 31 December 2021		**5.6**	**6,316.3**	**(384.0)**	**(3,938.9)**	**1,999.0**	**1,509.2**	**3,508.2**

The notes on pages 132 to 178 are an integral part of these consolidated financial statements.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Net profit / (loss)		**1,158.8**	**(94.1)**
Adjustments for:			
Depreciation, amortization and impairment	(7), (8)	891.6	592.2
Interest income	(25)	(4.3)	(4.4)
Interest expense	(25)	281.0	307.5
Net foreign exchange gain and others	(25)	(2.5)	(103.2)
Fertiglobe business combination	(2.2.1)	-	(13.3)
Share in income of equity-accounted investees	(10)	(7.3)	36.7
Equity-settled share-based payment transactions	(15)	8.5	8.0
Impact difference in profit-sharing non-controlling interests	(17)	104.6	17.4
Income tax expense	(12)	137.1	44.5
Changes in:			
Inventories	(13)	(41.7)	18.2
Trade and other receivables	(9)	(277.3)	(120.4)
Trade and other payables	(20)	391.7	214.2
Provisions	(21)	(1.8)	27.6
Cash flows:			
Interest paid		(209.2)	(283.5)
Lease interest paid	(19)	(8.5)	(8.6)
Interest received		4.3	4.4
Income taxes paid	(12)	(160.9)	(25.4)
Cash flow from operating activities		**2,264.1**	**617.8**
Investments in property, plant and equipment	(7)	(247.8)	(262.6)
Investments in intangible fixed assets		(1.1)	(0.6)
Proceeds from sale of property, plant and equipment		2.7	-
Dividends from equity-accounted investees	(10)	2.7	3.0
Cash flow used in investing activities		**(243.5)**	**(260.2)**

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Proceeds from borrowings	(18)	2,248.3	2,070.4
Repayment of borrowings	(18)	(3,186.1)	(2,396.0)
Payment of lease obligations	(19)	(38.8)	(37.3)
Newly incurred transaction costs / call premium	(18)	(48.9)	(51.2)
Purchase of treasury shares	(16)	(1.0)	-
Dividends paid to non-controlling interests	(15), (17)	(799.7)	(43.2)
Acquisition of additional shares in EBIC	(17)	(43.0)	-
Proceeds from sale of shares in Fertiglobe plc	(17)	461.1	-
Fees related to sale of shares in Fertiglobe plc	(17)	(14.1)	-
Settlement FX derivatives	(25)	(72.8)	45.6
Net debt settlement business combination Fertiglobe	(2.2.1)	-	166.8
Cash flows used in financing activities		**(1,495.0)**	**(244.9)**
Net cash flow		**525.6**	**112.7**
Net increase in cash and cash equivalents		**525.6**	**112.7**
Cash and cash equivalents at 1 January		686.3	600.5
Effect of exchange rate fluctuations on cash held		(14.6)	(26.9)
Cash and cash equivalents at 31 December		**1,197.3**	**686.3**
Cash and cash equivalents in statement of financial position		1,580.3	686.3
Bank overdraft repayable on demand		(383.0)	-
Cash and cash equivalents in statement of cash flows		**1,197.3**	**686.3**

For non-cash movements in loans and borrowings and lease obligations, reference is made to notes 18 and 19, respectively.

The notes on pages 132 to 178 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER

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 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

The consolidated financial statements have been prepared on the historical cost convention, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December.

The Company's functional currency is the Euro ('EUR'). The group presentation currency is the US dollar, as the Group's major foreign operations have the US dollar as their functional currency. All values are rounded to the nearest tenth of a million (in millions of USD), except when stated otherwise.

These financial statements have been authorized for issue by the Company's Board of Directors on 18 March 2022. These consolidated financial statements are subject to adoption by the Annual General Meeting of Shareholders.

2.2 Business combinations

2.2.1 Fertiglobe business combination 2019

On 30 September 2019, the Group and Abu Dhabi National Oil Company ("ADNOC") completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa ("OCI MENA") nitrogen fertilizer platform.

As part of the transaction, Fertiglobe, a subsidiary of the Group obtained OCI MENA under common control and 100% of the voting powers and economic returns from Ruwais Fertilizer Industries Ltd. ("Fertil"), a previously wholly owned subsidiary of ADNOC. Fertil has been consolidated by the Group from 30 September 2019. Fertil is based out of the Emirate of Abu Dhabi, United Arab Emirates and is engaged in processing feedstock gas to produce nitrogen fertilizers. In exchange, the Group transferred 42% of the total share capital of Fertiglobe to ADNOC. With the acquisition of Fertil, Fertiglobe will become the largest producer of nitrogen fertilizers in the MENA region.

The accounting for this business combination has been disclosed in our 2019 consolidated financial statements. As previously disclosed the accounting for this business combination at the end of 2019 was still provisional in respect of the accounting for the net debt settlement ('post-closing adjustment'). On 31 March 2020 the Company signed a final settlement with ADNOC for the post-closing adjustment which is considered to be an adjustment to the consideration transferred in this transaction. In our 2019 consolidated financial statements a settlement receivable was included of USD 49.7 million (which represented the uncontested amount at the time). In the final settlement a compensation of USD 178.0 million has been agreed with ADNOC as post-closing adjustment (of which USD 166.8 million was received in cash).

The measurement period adjustments recognized, compared to the 2019 consolidated financial statements, resulted in a decrease of goodwill (USD 115.1 million), trade and other receivables (USD 49.7 million) and non-controlling interests (USD 11.3 million) and an increase of cash (USD 166.8 million), which resulted in the identification of a gain on this transaction of USD 13.3 million.

Goodwill arising from the business combination has been recognized as follows:

$ millions	
Consideration transferred	1,057.5
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities	710.6
Fair value of identifiable net assets	(1,603.4)
Additional consideration received	(178.0)
Gain on transaction*	(13.3)

* Due to the final post-completion settlement between the Company and ADNOC, the total consideration transferred (USD 1,590.1 million) is less than the fair value of the identifiable net assets (USD 1,603.4 million), resulting in a gain on purchase of USD 13.3 million which is recorded in the profit or loss in 2020.

As per 30 September 2020, the Company finalized the Purchase Price Allocation ('PPA'). The finalization of the PPA did not result in any changes to the previously reported numbers for this business combination.

As part of the transaction, ADNOC and OCI agreed on several adjustments in the consideration for indemnities related to potential tax and legal exposures for both parties. Such indemnities could lead to a future settlement between both parties if such items materialize. The fair value of these contingent consideration arrangements as per acquisition date was assessed based on the estimated impact and likelihood (which are mostly supported by third party opinions). During the remeasurement period, the aggregate fair value of the contingent consideration assets and liabilities was assessed to be zero.

As a result of the Fertiglobe IPO on 27 October 2021, certain changes were made to the indemnities as initially agreed during the PPA. Reference is made to note 17 and note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

2.2.2 Completed Demerger of the Engineering & Construction Business in 2015

OCI demerged the Company's Engineering & Construction business in March 2015 ('the Demerger'). The ultimate parent company holding the demerged Engineering & Construction activities and that became listed on the Cairo and Dubai stock exchanges directly after the demerger is Orascom Construction PLC ('OC'). The Demerger was completed on 7 March 2015.

Ongoing relationship between OCI N.V. and Orascom Construction PLC

After the Demerger, OCI and OC each operate as separately listed companies.

Construction contracts

Subsidiaries of OC and OCI are still party to continuing commercial arrangements.

Conditional sale agreement

Orascom Construction Industries S.A.E ('OCI S.A.E.') was the former parent company of the OCI Group, which was replaced by OCI N.V. in 2013 and was delisted from the Egyptian Stock Exchange in 2016. OCI S.A.E. acts as the sub holding of several operating fertilizer companies of OCI NV. At the time of the demerger, OCI S.A.E. also held certain construction activities that could not be legally transferred to Orascom Construction PLC as part of the Demerger due to legal, regulatory, or other considerations.

In order to have the Engineering & Construction businesses derecognized from the OCI N.V. consolidated financial statements, a conditional sale agreement was entered into between the OCI Group and the OC Group. The agreement stipulates that the management of construction activities, as well as the economic effect of all related risks and rewards (including the right to any dividends), would be passed from OCI SAE to OC effective 30 September 2014 until OCI SAE's construction activities are terminated, or until OCI SAE's construction activities are demerged into a separate construction entity called 'Construction Egypt' that is then transferred to OC. Any new awarded projects will be sought through a wholly-owned subsidiary of OC.

In addition to management, OC also received the right to vote on the board of directors of OCI S.A.E. in matters related to the construction business.

Tax indemnity agreement

On 6 February 2015, OC and OCI S.A.E. entered into a tax indemnity agreement. The agreement sets out each party's obligations in respect of the tax claim lodged by the tax authorities in Egypt relating to the sale of the OCI S.A.E.'s cement business to Lafarge SA in 2007 (further reference is made to note 28). The parties have agreed to equally split any liability incurred by OCI S.A.E. in relation to the Tax Claim (including the costs of dealing with the Tax Claim). In addition, to the extent that any recoveries are made in relation to the tax claim, including interest received on the funds, these will be shared between the parties on a 50%/50% basis (excluding the amount of EGP 1.9 billion (refund received in March 2015) for which it was announced that the rights will be transferred to Tahya Misr social fund in Egypt). There have been no developments in the tax indemnity agreement during 2021.

2.2.3 Russia – Ukraine war

The recent conflict between Russia and Ukraine and the related sanctions are expected to impact the global economy and markets. Based on our current knowledge and available information, we do not expect that the conflict has an overall significant adverse impact on OCI's consolidated financial performance and we do not expect the conflict will have an impact on our ability to continue as a going concern in the future.

3. Summary of significant accounting policies

The Group has applied the accounting policies set out in note 3 consistently over both periods presented in these consolidated financial statements.

3.1 Consolidation

The consolidated financial statements include the financial statements of OCI, its subsidiaries and the Group's interests in associates and joint ventures.

Subsidiaries

Subsidiaries are all companies to which OCI is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any investment retained in the former subsidiary is recognized at fair value. The fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. If it becomes an associate or joint venture, the interest retained is subsequently measured in accordance with the equity method. The principal subsidiaries are listed in note 34.

Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests is presented as a separate component in equity. 'Profit or loss' and 'Total comprehensive income' attributable to the non-controlling interests are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income. Non-controlling interests is measured at its proportionate share of the acquiree's identifiable net assets at the balance sheet date. Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.2 Equity-accounted investees

Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, and are presumed to exist when the Group holds 20% to 50% of the shareholding and related voting rights of the other entity. Associates are accounted for under the equity method. The Group's share of profit or loss of an associate is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for under the equity method that do not result from profit or loss are recognized in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Unrealized gains on transactions between two associates are not eliminated.

Joint ventures

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. Those joint arrangements that are assessed as joint ventures are accounted for using the equity method. Joint operations are accounted for using line by line accounting.

Joint ventures are accounted for under the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted subsequently for the Group's share in the post-acquisition profit or losses and movements in comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

3.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value of the assets and liabilities assumed and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the classification of particular financial assets and financial liabilities assumed as, at fair value through profit or loss, or at amortized cost or as a financial asset measured at fair value through other comprehensive income. The Group makes an assessment of whether embedded derivatives of the acquiree should be separated from their host contracts.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

The consideration transferred in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The Group recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

Changes in the fair value of consideration that are not measurement period adjustments shall be adjusted as follows:

- Contingent consideration classified as equity shall not be remeasured.
- Other contingent consideration shall be measured at fair value with changes recognized in profit or loss.

3.4 Foreign currency

Foreign currency transactions

The financial statements of subsidiaries and joint operations are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are revalued into the entity's functional currency at the then prevailing closing-rates. Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for financial assets at fair value through other comprehensive income and the effective part of qualifying cash flow hedges.

Foreign currency translation

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollars are translated into US dollars using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollars are translated into US dollars using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint arrangements and associates and monetary items that form part of net investments are included in other comprehensive income, as 'Currency translation differences'. When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are recycled to profit or loss as part of the gain or loss on disposal or sale. Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.5 Financial instruments

Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, at fair value through profit or loss ('FVTPL') and at fair value through other comprehensive income ('FVOCI'). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Amortized cost

Trade and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the 'hold-to-collect' business model criteria for amortized cost measurement. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss on derecognition is recognized directly in profit or loss.

The Group sells certain trade receivables under a securitization agreement to a third party. For these selected debtors the Group will use the 'hold-to-collect-and-sell business model' as defined under IFRS 9 and will measure these receivables going forward at FVOCI.

Fair value through profit or loss ('FVTPL')

Derivative financial instruments held by the Group are classified in the category FVTPL, unless the instrument is designated in a hedge relationship and the hedge meets the requirements for hedge accounting. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Fair value through other comprehensive income ('FVOCI')

Equity investments, previously recognized as available-for-sale assets, are measured at FVOCI, based on the irrevocable election made by the Group. The Group elected this approach as these investments are not held for trading. Movements in the carrying amount are recognized in other comprehensive income, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in the profit or loss. On derecognition the cumulative gain or loss recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividend income is recognized in profit or loss when the Group's right to receive payment is established.

Gas purchase contracts

The Group has purchase contracts in place to procure natural gas for its production activities. These contracts are not accounted for as financial instruments as they are excluded for the scope of IFRS 9 through the "own use exemption". The own use exemption applies to contracts that are entered into and continue to be held for the receipt of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements.

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.

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.

Financial liabilities

Financial liabilities, like loans and borrowings and trade and other payables, are measured at amortized cost, unless the financial liability:

- is a derivative at FVTPL;
- arose from the transfer of a financial assets that does not qualify for derecognition or if the continuing involvement approach applies;
- is a financial guarantee contract;
- is a commitment to provide a loan at a below-market interest rate; and
- is a contingent consideration resulting from a business combination to which IFRS 3 applies, measured at FVTPL.

Impairment

The impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as was the case under IAS 39. Based on the assessment undertaken on historical data, there's limited impact from the expected credit loss model. The Group will evaluate any possible impact going forward. For the assessment of loss allowance for expected credit losses, a simplified model for trade receivables is applied. The loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.5 Financial instruments (continued)

They are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between:

- the contractual cash flows that are due to an entity under the contract; and
- the cash flows that the holder expects to receive.

In order to assess the lifetime ECLs for trade receivables, both historic credit losses experience and forward-looking information is assessed.

For other receivables (and other financial assets) the Group measures the loss allowance at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the reporting date, the credit risk of other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Restricted cash comprises cash balances where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash deposited as collateral for letters of credit issued by the Company. Restricted funds include bank balances reserved by the lending institution for installments of loan payments to be made in the near future.

3.7 Equity attributable to owners of the Company

Ordinary shares are classified as equity. Share premium is the excess amount received over the par value of the shares. Incremental costs directly attributable to the issue of new shares are recognized in equity as a deduction, net of tax, from the proceeds. When ordinary shares are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a deduction from 'Reserves'. Repurchased shares are classified as treasury shares and are presented in 'Reserves'. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in 'Reserves', and the resulting surplus or deficit on the transaction is presented in share premium.

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes cost of material, direct labour, other directly attributable cost incurred to bring the asset ready to its intended use, cost of asset retirement obligations and any capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare parts of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, otherwise they are recognized within inventories.

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property, plant and equipment. Assets under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis through profit or loss over the estimated useful lives of each component, taking into account any residual values. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Plant and equipment	5 - 25
Fixtures and fittings	3 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary by the Group.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognized as part of the cost of those assets. All other borrowing costs are recognized as 'Finance cost' in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.9 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the Groups' share of identifiable assets acquired and liabilities assumed of businesses acquired that were directly attributable to the legal entities comprising the Group. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Goodwill and intangible assets'. Goodwill on acquisitions of entities that qualify as associates or joint ventures is included in 'Equity-accounted investees'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets is recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets with a finite useful life (licenses, customer relations, brand names and other rights that are acquired separately or through business combinations) are amortized on a straight-line basis in profit or loss over their estimated useful lives taking into account any residual value and impairment losses, from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:	Years
Licenses and trade names	3 - 10
Purchased rights and other	4 - 10
Software	1 - 5

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

3.10 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories of raw materials, spare parts and supplies are based on the weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.11 Impairment of assets

Non-derivative financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a non-derivative financial asset or a group of non-derivative financial assets is impaired. A non-derivative financial asset is considered to be impaired if the counterparty does not meet the agreed payment terms or when evidence exists that the counterpart will not be able to do so. The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends. An impairment loss is recognized for the amount by which the carrying amount of a non-derivative financial asset exceeds its estimated discounted future cash flows using the original interest rate. Impaired non-derivative financial assets are tested periodically to determine whether the estimated future cash flows have increased and the impairment has to be reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

In the case of a financial asset classified as financial asset at fair value through other comprehensive income, a significant or prolonged decline in the fair value of the financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired. If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments classified as financial asset at fair value through other comprehensive income are not reversed through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.11 Impairment of assets (continued)

Derivative financial assets

Derivative financial assets are measured at fair value and the Group investigates whether the counterparty's creditworthiness gives rise to an impairment. When determining the fair value, credit value and debit value adjustments are taken into account.

Non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by continued use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment be (partially) reversed. Impairment losses on goodwill are not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

3.12 Provisions

Provisions are recognized when a present legal or constructive obligation based on past events exists, and it is probable that an outflow of economic benefits is required to settle the obligation. If the outflow is probable, but cannot be determined reliably, the obligation is disclosed. The non-current part of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost.

Asset retirement obligations

The Group recognizes a provision if the Group has an obligation to restore a leased asset in its original condition at the end of its lease term and in case of legal requirements with respect to clean-up of contamination of land, and the estimate can be made reliable. Based on the land lease of their production facilities, some entities have the obligation to restore their site upon decommissioning.

The Group has not recorded a liability for this conditional asset retirement obligation, as it does not believe there is currently a reasonable basis for estimating a date or range of dates of cessation of the operations, which is necessary to estimate the fair value of this liability.

Claims and contingencies

The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Company. If it is probable that an obligation to the Group exists, which will result in an outflow of resources and the amount of the outflow can be reliably estimated, a provision is recognized.

Donation provision

The donation provision is recognized as a constructive obligation, the amount is undiscounted as the Group does not know the exact settlement date, as such the provision is classified as current.

Onerous contracts

Onerous contracts are contracts for which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.13 Revenue from contracts with customers

Revenues are recognized to depict the transfer of goods or services to customers in the ordinary course of the Group's activities, in the amounts that reflect the considerations to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when the Group satisfies the performance obligations by transferring promised goods or services to customers. The main performance obligation of the Group is the transfer of the Group's fertilizer and chemical products to customers. Revenue from the sale of fertilizer and chemical products are the two main revenue streams of the Group.

Goods are transferred when the customer obtains control of the asset. The timing of when control transfers depends on the sales and shipping terms agreed. Depending on its nature and the agreed sales terms, a performance obligation is either satisfied at certain point in time or over a certain period of time.

Revenue is recognized net of expected discounts and rebates to customers. Accumulated experience and management judgement is used to estimate and provide for the discounts and rebates and revenue is only recognized to the extent that it is highly probably that a significant reversal will not occur. The Group does not have any contracts where the period of time between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, no adjustment is made to transaction prices for the time value of money.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.14 Government grants

Government grants that compensate the Group for expenses incurred are recognized in profit or loss as 'Other income' on a systematic basis in the periods in which the expenses are recognized. When the grant relates to an asset, it is recognized at the nominal amount of the grant and subsequently recognized as income in equal amounts over the expected useful life of the related asset, if applicable. Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as 'Other income' on a systematic basis over the useful life of the asset.

European Emission Allowances

The Group receives European Emission Allowances ("EUAs") as a result of its industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO_2 emissions in the Netherlands and the effective European emission legislation. In arrears, the Group must refund allowances to the Dutch Emission Authority based on actual CO_2 emissions during the year.

The grant of these allowances is within the scope of IAS 20 Government Grants. EUAs are accounted for slightly different than the above accounting policy. Upon initial recognition, the EUA's are recognized as inventory at the nominal amount of the grant (nil). Concurrently, a liability is recognized for the obligation to refund the allowances for CO_2 emissions during the compliance period. When no excess or deficit is identified, no liability is recognized as the Group has sufficient EUAs to settle the liability.

The excess or deficit is calculated and recorded separately for each production facility. If a deficit in EUAs is identified, the Group has to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority. Purchased EUAs are recognized at cost and classified as inventory. The cost of the purchased EUAs to settle the liability for emission allowances during any given compliance period are recognized in cost of sales.

EUAs in excess of the liability to the Dutch Emission Authority that are controlled by OCI can be sold for the benefit of the Group. Sales of EUAs in excess of the liability for emission allowances during any given compliance period are recognized in cost of sales.

3.15 Lease accounting

Whether an arrangement is, or contains a lease is assessed at the commencement date of the lease. In general, an arrangement is considered to be or to contain a lease when all of the following apply:

- there is an identified asset;
- OCI obtains substantially all economic benefits from the use of the asset; and
- OCI can direct the use of the identified asset.

Lease obligations are recognized based on the present value of the future minimum lease payments. Right-of-use assets are valued equal to the lease liabilities. As leases do not easily provide for an implicit rate, OCI uses the incremental borrowing rate. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

For leases, each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the term of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. OCI has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For assets in the class leases of offices and buildings, we account for the lease and non-lease components separately. For these types of leases the allocation of the consideration between lease and non-lease components is based on the relative stand-alone prices of lease components included in the lease arrangements. Leases are presented as 'Right-of-use assets' and 'Lease obligations'. Short term leases (less than 12 months) or low value leases (less than USD 5,000) are expensed through the statement of profit or loss as incurred.

3.16 Finance income and cost

Finance income comprises:

- interest income on funds invested (including on financial assets at fair value through other comprehensive income);
- gains on the disposal of financial assets at fair value through other comprehensive income;
- dividend income;
- fair value gains on financial assets at fair value through profit or loss;
- gains on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- interest expense related to lease obligations;
- losses on disposal of financial assets at fair value through other comprehensive income;
- fair value losses on financial assets at fair value through profit or loss;
- loss on hedging instruments related to foreign currency and interest rate derivatives that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss and expensed as incurred. Foreign currency gains and losses are recognized on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.17 Employee benefits

Defined contribution plan

Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group long-term employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on triple-A (‘AAA’) credit rated bonds that have maturity dates approximating to the terms of the Group’s obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. OCI recognizes termination benefits when OCI is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when OCI is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period (the vesting period) that the employees render service and becomes unconditionally entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. At each reporting date, the progress of non-market conditions is measured and the expenses are recorded accordingly with true-ups recorded.

For cash-settled share-based compensation plans and share-based compensation plans with cash alternatives the liability is remeasured at each balance sheet date during the vesting period and for share option plans also during the exercise period.

3.18 Income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from the declaration of dividends.

Current income tax receivable and payable are offset when there is a legally enforceable right to offset and when the current income tax relates to the same fiscal authority.

Deferred tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements (‘balance sheet’ method). Deferred tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also, no deferred income tax is recognized regarding the initial recognition of goodwill and regarding investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date, and reflects uncertainty related to income taxes, if any. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

In cases where it is concluded it is not probable that tax authorities will accept a tax treatment, the effect of the uncertainty is reflected in the recognition and measurement of tax assets and liabilities or, alternatively, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax expense in the period during which such a determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

3.19 Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker ('CODM') to make decisions about resource allocation to the segment and to assess its performance and for which discrete financial information is available. The Group determines and presents operating segments on the basis of information that internally is provided to the CODM during the period. Operating segments are grouped into reporting segments based on similar economic environments and similar products.

3.20 Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated applying average exchange rates. Currency translation differences on cash are shown separately in the consolidated statement of cash flows. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as acquisition of subsidiary, net of cash. Cash flows relating to capitalized borrowing cost are presented as cash flows from operating activities. Cash flows from discontinued operations / assets held for demerger are presented separately from the cash flows from continuing operations.

3.21 Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options multiplied by the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. These new accounting standards, amendments and revisions to existing standards and interpretations are subject to endorsement by the European Union.

4.1 Standards, amendments, revisions and interpretations that became effective to OCI during 2021

The Group has applied the following amendments that became effective during 2021:

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group's main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the secured overnight financing rate (SOFR) which will be published in June 2023. The Group plans to finish the process of amending contractual terms in response to IBOR reform by the end of 2022. Reference is made to note 6.3.

4.2 Standards, amendments, revisions and interpretations not yet effective to OCI

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. The most important upcoming changes are:

Amendments to IAS 37 - Onerous Contracts

On 14 May 2020, the IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The changes specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the amendments are effective. Comparatives are not restated. This amendment is not expected to have a material impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

5. Critical accounting judgment, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the 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.

The most critical accounting policies, involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

Goodwill and other intangible assets

Intangible assets with finite useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the ‘straight-line’ method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a ‘straight-line’ basis. The assets’ useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. For intangible assets with finite useful lives, OCI assesses annually or more frequently whether indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of intangible assets, OCI makes estimates and assumptions about future cash flows based on the value in use.

In doing so, OCI also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. OCI tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use.

In determining the recoverable amount, OCI makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (‘WACC’) and future inflation rates.

Property, plant and equipment

Depreciation is calculated using the ‘straight-line’ method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a ‘straight-line’ basis. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. In the useful life reassessment OCI also considers the impact of its ESG targets and of relevant climate risks, if identified for a specific country or region. OCI assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts.

In determining the recoverable amounts of property, plant and equipment, OCI makes estimates and assumptions about future cash flows based on the value in use. The discount rate to be used in order to calculate the net present value of the future cash flows in the impairment analysis is based on the WACC.

Financial instruments

The fair value of financial instruments traded in active markets (financial instruments in the fair value hierarchy level 1) is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market with observable market prices (financial instruments in the fair value hierarchy level 2) is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate, or on a yield-curve based on market conditions existing at the balance sheet date. The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. If the financial instrument contains a floating interest rate, the future expected interest rates are determined based on forward rates. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. Gas price option and gas swap contracts are valued using applicable market yield curves.

All inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short-term nature. The fair value of financial instruments with no observable market prices (financial instruments in the fair value hierarchy level 3) is based on assumptions that market participants would use when pricing these assets or liability, including assumptions about risk. Assumptions about risk include the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and the risk inherent in the inputs to the valuation technique, including a risk adjustment when there is significant measurement uncertainty.

The fair value of non-current financial liabilities is estimated by discounting the future cash flows using original effective yield-curves. Unlisted equity securities in the financial assets at fair value through other comprehensive income category (financial instruments in the fair value hierarchy level 3) are measured at cost less impairments. A significant and prolonged decline in the fair value of a financial asset at fair value through other comprehensive income below its acquisition cost is considered as an indicator that the financial asset at fair value through other comprehensive income is impaired. If any such evidence exists for a financial asset at fair value through other comprehensive income, the cumulative losses previously recognized in other comprehensive income is recognized in the profit or loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

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

Impairment financial instruments (including trade receivables)

Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy, or has failed on the repayments of principal and interest. In other circumstances OCI uses judgment to determine whether financial assets may be impaired. OCI uses judgment to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. For listed equity securities in the financial assets at fair value through other comprehensive income category, the Group uses the assumption that if the market value declined by more than 25 percent and more than 6 months, the asset is assumed to be impaired.

For unlisted equity securities in the financial assets at fair value through other comprehensive income category, an impairment test is performed if objective evidence becomes available to the Group that the asset might be impaired. For debt-securities, an impairment trigger exists when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties. The impairment is determined based on the carrying amount and the recoverable amount.

The recoverable amount is determined as the present value of estimated future cash flows using the original effective interest rate.

Inventories

In determining the net realizable value of inventories, OCI estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, OCI makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of specific goods and spare parts and the impact of new environmental legislation).

Provisions

Recognition of provisions include significant estimates, assumptions and judgments. IFRS requires only those provisions to be recognized if there is an expected outflow of resources and if the cost of these outflows can be estimated reliably. Accordingly, management exercises considerable judgment in determining whether it is more likely than not that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. These judgments are subject to change as new information becomes available.

The required amount of a provision may change in the future due to new developments in the matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, the Group may incur charges in excess of the recorded provisions for such matters.

Provisions for asset retirement obligations, represent estimated costs of decommissioning. Due to the long time period over which future cash outflows are expected to occur, including the respective interest accretion, assumptions are required to be made. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements. The Group has not recognized any asset retirement obligations because a reliable estimate of the amount of the obligations cannot be made.

With respect to legal cases, the Group has to estimate the outcome. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. The Company periodically reviews the status of these proceedings with both the internal and external legal counsels.

Income taxes

OCI is subject to income taxes in several jurisdictions. Estimates are required in determining the group-wide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. OCI recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which OCI operates and the period over which deferred tax assets are expected to be recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss.

Leases

The assessment of whether a contract is or contains a lease requires judgment with respect to whether the lessor has substantive substitution rights, who obtains economic benefits from use of the asset and who takes the 'how and for what purpose' decisions during the period of use. Judgment is also applied in order to assess whether the entity will exercise any extension or cancelation options of a lease. The group applies judgments in order to determine the incremental borrowing rate in order to calculate the lease liabilities.

Control assessment subsidiaries

Subsidiaries that OCI controls are fully consolidated from the date that control commences until the date that control ceases. To determine whether OCI has control over its subsidiaries, an assessment of control is required. This assessment is based on the requirements of IFRS 10 and evaluates whether OCI is exposed or has rights to variable returns from its involvement with the investee and whether OCI has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. In certain circumstances, the control assessment may require OCI to evaluate the effect of ownership structures, contractual clauses and other arrangements that could have an impact on the assessment of control. The significance of this evaluation is inversely correlated with OCI's shareholding in the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

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

Control over investees

In determining whether OCI shall consolidate certain investments in joint arrangements, OCI makes assumptions about whether certain decision rights are substantive or protective in nature. In doing so, OCI applies judgment regarding shareholder agreements it has with those other investees. If OCI determines it holds the majority of the substantive decision rights, it assumes that it holds power over the investee. OCI also makes assumptions whether it is exposed to variable returns and whether these are linked to the power OCI holds. The linkage is tested by making assumptions whether OCI might be acting as a principal rather than an agent. If OCI meets all three criteria, OCI assumes it controls the investee.

Liquidity risk

As part of the preparation of the financial statements, the Company has assessed its liquidity risk and going concern. Liquidity risk is the risk that the Group may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates and the ability to arrange financing and obtain waivers for potential covenant breaches.

6. Financial risk and capital management

Overview

The Group has exposure to credit, liquidity and market risks from financial instruments. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing these risks, additionally it also includes the Group's management of capital.

Risk management framework

The Board of Directors has oversight responsibility on the establishment and monitoring of the Group's risk management framework. Senior (local) management is responsible for the effective operation of the internal risk management and control systems. The Audit and Risk department is responsible for the facilitation and supervision of the Risk Management function, compliance with OCI Internal Control Framework and supports the Board of Directors in the exercise of their aforementioned risk management duties.

The Group's risk management policies and practices are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's business activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Audit and Risk Department. The Audit and Risk Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The Company mitigates the exposure to credit risk on outstanding cash balances by placing funds at multiple financial institutions with a sufficient credit rating. The Group's exposure to customer credit risk is monitored and mitigated by performing credit checks before selling any goods. No collateral is received. The Group establishes an allowance, if needed, for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected based on historical performance. IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. As at 31 December 2021, management assessed any significant increase in credit risk based on internal and external factors related to the financial instruments and concluded no such significant credit risk was present. Hence, no allowance related to credit risk has been recognized.

As of September 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. The agreement permits securitization of trade receivables up to EUR 200.0 million (USD 224.9 million). As per 31 December 2021 an amount of EUR 200.0 million (USD 224.9 million) of trade receivables were transferred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

6.1 Credit risk (continued)

With respect to transactions with financial institutions, the Group sets a minimum credit rating for the counterparties. The maximum exposure to credit risk is the carrying amount of financial instruments, for an overview reference is made to the tables financial instruments by category. There is no significant concentration by counterparty of credit risk in trade and other receivables, financial assets at fair value through other comprehensive income or cash and cash equivalents. Concentrations of receivables by region can be seen in the table below.

The maximum exposure to credit risk at the reporting date is as follows:

$ millions	Note	2021	2020
Trade and other receivables	(9)	885.2	604.4
Financial assets at fair value through other comprehensive income	(11)	19.2	30.0
Cash and cash equivalents	(14)	1,580.3	686.3
Total		**2,484.7**	**1,320.7**

The maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

$ millions	2021	2020
Middle East and Africa	175.0	192.0
Asia and Oceania	216.4	18.5
Europe	301.4	269.0
Americas	192.4	124.9
Total	**885.2**	**604.4**

The maximum exposure to credit risk for cash and cash equivalents by geographic region is as follows:

$ millions	2021	2020
Middle East and Africa	899.1	535.0
Europe	462.2	17.6
Americas	219.0	133.7
Total	**1,580.3**	**686.3**

6.2 Liquidity risk

6.2.1 General

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities of financial liabilities, including estimated interest payments and exclude the impact of netting agreements:

At 31 December 2021 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Cash outflows:						
Loans and borrowings	(18)	3,800.8	4,311.1	597.6	3,112.6	600.9
Lease obligations	(19)	277.2	484.9	35.7	86.0	363.2
Trade and other payables	(20)	1,368.4	1,368.4	1,345.5	22.5	0.4
Derivatives	(20)	12.8	12.8	12.0	0.8	-
Total		**5,459.2**	**6,177.2**	**1,990.8**	**3,221.9**	**964.5**

At 31 December 2020 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Cash outflows:						
Loans and borrowings	(18)	4,416.6	5,557.0	479.9	4,258.6	818.5
Lease obligations	(19)	292.2	539.1	48.5	125.6	365.0
Trade and other payables	(20)	1,020.6	1,020.6	999.1	17.5	4.0
Derivatives	(20)	8.7	8.7	4.5	4.2	-
Total		**5,738.1**	**7,125.4**	**1,532.0**	**4,405.9**	**1,187.5**

The interest on floating rate loans and borrowings is based on forward interest rates at period-end. This interest rate may change as the market interest rate changes. Callable loan amounts are classified as ‘Less than 1 year’. The future obligations will be managed by the future incoming cash from operations, currently available non-restricted cash and cash equivalents of USD 1,439.5 million and unused amounts on credit facility agreements in the amount of USD 800.0 million, reference is made to note 18 'Undrawn bank facilities'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

6.2 Liquidity risk (continued)

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk.

The Group's financing strategy is to secure external financing primarily at OCI N.V. with debt at an operating company level only if there is a compelling economic rationale. OCI N.V. acts as the financing company thus limiting the number of cross relationships within the Company and maximizing flexibility to divest operating companies.

The liquidity risk is monitored internally at Group level. On an ongoing basis the Group prepares liquidity forecasts to verify whether the Group is able to meet its future debt obligations. The Company has also carefully evaluated the funding of its Business Plan for at least the next 12 months from the date of issuance of the financial statements, taking into account the measures mentioned below and has applied sensitivities to the forecast level of liquidity headroom available. Key assumptions include product pricing, natural gas pricing and utilization rates. Management has applied these assumptions to the forecasts, which would leave sufficient liquidity headroom.

6.2.2 Refinancing activity

The following refinancing activities were completed during 2021 to optimize the Group's finance cost and enhance its cashflow up-streaming to OCI N.V.

- On 1 February 2021, Iowa Fertilizer Company LLC redeemed the outstanding principal amount of the 5.875% USD 147.2 million of Iowa Finance Authority Midwestern Disaster Area Revenue Refunding Bonds (Iowa Fertilizer Company Project), Series 2016, due 2026 and 2027.
- On 8 April 2021, OCI N.V. redeemed 10% of the 5.25% Senior Secured Notes due 2024 and 10% of its 4.625% Senior Secured Notes due 2025, each at a redemption price of 103%. Total redemption amounts to USD 60 million and USD 40 million, respectively.
- 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 draw down in full on 4 October 2021 and the proceeds were used to repay 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).
- On 1 November 2021, OCI N.V. redeemed all of the aggregate principal amount of the outstanding USD 540 million 5.25% Notes, at a redemption price of 102.625%.
- On 8 November 2021, OCI N.V. partially redeemed EUR 400 million of the aggregate principal amount of the outstanding EUR 700 million 3.125% Senior Secured Notes due 2024, at a redemption price of 101.5625%.
- On 20 December 2021, OCI N.V. redeemed all of the aggregate principal amount (EUR 300 million) of the outstanding 2024 EUR Notes, at a redemption price of 101.5625%. Furthermore, OCI N.V. redeemed 10% of its 3.625% Senior Secured Notes due 2025 ("2025 EUR Notes") and 10% of its 4.625% Senior Secured Notes due 2025 ("2025 USD Notes"), or a total redemption of USD 40 million and USD 36 million of the aggregate principal outstanding amounts of the 2025 EUR Notes and 2025 USD Notes, respectively, each at a redemption price of 103%.
- On 29 December 2021, Iowa Fertilizer Company LLC redeemed the remaining balance of USD 40 million on the outstanding principal amount of the Iowa Finance Authority Midwestern Disaster Area Revenue Refunding Bonds (Iowa Fertilizer Company Project), Series 2019 at a redemption price of 101.5%.

For an overview of all loans and borrowings, reference is made to note 18.

6.3 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange transaction risk

The Group entities predominantly execute their activities in their respective functional currencies. The Group is however exposed to foreign exchange transaction risk when Group entities enter into foreign currency denominated transactions. The Group monitors the exposure to foreign currency risk arising from operating activities and enters selectively into foreign exchange contracts to hedge foreign currency exposures. The nominal amount of the foreign currency derivatives outstanding used to hedge transaction risk as per 31 December 2021 was USD 142.6 million (2020: USD 65.9 million) and relates to the USD exposure of the Group (on Euro currencies).

The functional currencies of the Group entities are primarily the US dollar, the Algerian dinar and the Euro. EFC and EBIC have exposure to fluctuations in the USD / EGP exchange rates and Fertil has esposure to fluctuations in the USD / AED echange rates.

Foreign exchange translation risk

The Group is exposed to the translation of foreign currency denominated monetary assets and liabilities. The currencies concerned are the Euro and the Algerian dinar.

These exposures are managed by the Group's treasury function, which may hedge a portion of the foreign currency exposures estimated to arise in the foreseeable future. For the unhedged portion the Group seeks to mitigate translation risk by matching the remaining currency of debt with available cashflows in the respective currency. As per 31 December 2021 there were no foreign currency derivatives outstanding (2020: USD 1,005.7 million) related to the exposure of foreign currency denominated monetary assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

6.3 Market risk (continued)

The summary of balances of the Group's exposure to foreign exchange translations, where there is exposure for monetary items denominated in foreign currencies which differ from their functional currencies, including intercompany balances, is as follows:

At 31 December 2021 $ millions	USD	EUR	EGP
Trade and other receivables	20.6	6.3	93.1
Trade and other receivables intercompany	1,980.6	67.6	0.3
Trade and other payables	(10.5)	(11.4)	(8.0)
Trade and other payables intercompany	(161.2)	(20.0)	(0.5)
Loans and borrowings	(1,107.0)	-	-
Loans and borrowings intercompany	(1,212.6)	(123.1)	-
Provisions	-	-	(120.8)
Cash and cash equivalents	411.6	13.9	24.0

At 31 December 2020 $ millions	USD	EUR	EGP
Trade and other receivables	18.3	4.8	87.6
Trade and other receivables intercompany	2,098.3	0.8	0.8
Trade and other payables	(17.7)	(4.1)	(7.6)
Trade and other payables intercompany	(11.7)	(6.4)	-
Loans and borrowings	(1,350.0)	-	-
Loans and borrowings intercompany	(1,133.2)	5.4	-
Provisions	-	-	(120.7)
Cash and cash equivalents	238.9	8.8	26.5

The Algerian dinar is not included in the above table of foreign exchange translation exposure, since there are no entities in the Group which have monetary items denominated in Algerian dinar, except for Sorfert, which has the Algerian dinar as its functional currency.

Significant rates

The following significant exchange rates applied during the year against the US dollar:

	Average 2021	Average 2020	Closing 2021	Closing 2020
Euro	1.1828	1.1418	1.1370	1.2225
Egyptian pound	0.0637	0.0632	0.0636	0.0635
Algerian dinar	0.0074	0.0079	0.0072	0.0076

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate to increase or (decrease) against the EUR, EGP and DZD, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

31 December 2021 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	1.9	31.0
	(5) percent	(1.9)	(31.0)
EGP - USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD - USD	3 percent	21.9	-
	(3) percent	(21.9)	-

31 December 2020 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	8 percent	(32.0)	-
	(8) percent	32.0	-
EGP - USD	3 percent	(0.4)	-
	(3) percent	0.4	-
DZD - USD	3 percent	7.2	-
	(3) percent	(7.2)	-

The figures in the above overview are determined based on the currency volatility of the respective years. A significant part of the Group's exposure to foreign currency transaction risk relates to intercompany balances.

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBOR), with alternative nearly risk-free rates. The Group's main IBOR exposure at the reporting date is USD LIBOR on its loans. The alternative reference rate for LIBOR is the secured overnight financing rate (SOFR). The Group plans to finish the process of amending contractual terms in response to IBOR reform by early 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

6.3 Market risk (continued)

Interest rate risk

The Group's cash flow interest rate risks arise from the exposure to variability in future cash flows of floating rate financial instruments and refinancing fixed rate borrowings. The Group regularly reviews its exposure to the global interest rate environment. The Group has entered into interest rate derivatives with a notional amount of USD 125 million (2020: nil) to manage the interest rate risk on floating rate instruments and the refinancing of fixed rate borrowings.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2021	2020
Effect on profit before tax for the coming year	+100 bps	(17.9)	(6.6)
	- 100 bps	17.9	6.6

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market data, showing a higher volatility compared to prior years. The increase is mainly attributable to the Bridge Loan financing obtained by Fertiglobe plc in 2021. The interest rate sensitivity calculation is based on the interest-bearing liabilities excluding the restricted funds of IFCo, reference is made to note 14.

Commodity price risk

Natural gas is one of the primary raw materials used in the Group's production processes. The Group is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on these data in order to make operational and hedging decisions.

The Group enters into gas hedges in order to hedge future gas price levels over a certain period of time (reference is made to note 20). The Group uses derivatives (Basis swaps, Index swaps and options) in order to do so and does not apply hedge accounting on these instruments, therefore all fair value changes related to these financial instruments are recognized in profit or loss. Fixed price gas contracts and month-ahead swaps are accounted for under the 'own use' exemption. The fiscal year 2022 gas price risk is reduced by the Group to an extent of 25% (including both physical pricings and financial hedges).

The outstanding gas hedges in MMBtu as per 31 December 2021 for the years 2022-2024 are:

- Flat priced contracts 15.8 million (2020: 18.4 million);
- Options (delta equivalent) 14.6 million (2020: 19.9 million);
- Basis Swaps 0.1 million (2020: 11.0 million)

For the entities that are impacted by changes in natural gas prices during FY 2022, a change in the average natural gas prices by USD 1 per MMBtu would impact the total annual cost of sales by USD 91.6 million, excluding the positive impact of our different hedges.

European Emission Allowance

During the year, the Group has generated additional liquidity by selling EUAs to the market. This generated total net proceeds of USD 116.5 million (2020: USD 82.8 million) resulting from the sale and repurchase of EUAs. Included in the net proceeds received, a gross amount of USD 133.8 million (2020: nil) was recognized in cost of sales related to the sale of excess EUAs.

When EUAs are sold for cash management purposes, a liability is recognized for the obligation to refund the allowances for CO_2 emissions during the compliance period. This liability is subsequently measured at fair value. The total liability recorded as per 31 December 2021 amounts to USD 116.2 million (2020: USD 99.0 million).

To manage the fair value risk of the EUA liability, the Group entered into financial hedges to purchase 1.3 million EUAs in order to meet its commitment to the Dutch Emission Authority. As per 31 December 2021, the fair value of these forward contracts amounts to USD 42.7 million (2020: USD 3.1 million). The group does not apply hedge accounting to these contracts.

Categories of financial instruments:

31 December 2021 $ millions	Note	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	(9)	831.8	53.4	-
Financial assets at fair value through other comprehensive income	(11)	-	-	19.2
Cash and cash equivalents	(14)	1,580.3	-	-
Total		**2,412.1**	**53.4**	**19.2**
Liabilities				
Loans and borrowings	(18)	3,800.8	-	-
Trade and other payables	(20)	1,252.2	129.0	-
Total		**5,053.0**	**129.0**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

6.3 Market risk (continued)

31 December 2020 $ millions	Note	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	(9)	585.1	19.3	-
Financial assets at fair value through other comprehensive income	(11)	-	-	30.0
Cash and cash equivalents	(14)	686.3	-	-
Total		**1,271.4**	**19.3**	**30.0**
Liabilities				
Loans and borrowings	(18)	4,416.6	-	-
Trade and other payables	(20)	921.6	107.7	-
Total		**5,338.2**	**107.7**	**-**

The Group has limited 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 2.8 million (2020: USD 2.9 million), the investment in the Infrastructure and Growth Capital Fund of USD 2.8 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 13.6 million (2020: USD 20.8 million) is recognized as level 3, reference is made to note 11.

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

In 2021 and 2020, there were no transfers between the fair value hierarchy categories. The fair value of loans and borrowings and receivables are disclosed in notes 18 and 9, respectively.

6.4 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. Reference is made to note 18 for a description of financial covenants.

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

$ millions	Note	2021	2020
Loans and borrowings	(18)	3,800.8	4,416.6
Less: cash and cash equivalents	(14)	1,580.3	686.3
Net debt		**2,220.5**	**3,730.3**
Total equity		3,508.2	2,671.8
Net debt to equity ratio at 31 December		**0.63**	**1.40**

Loans and borrowings include an amount of USD 383.1 million related to the bank overdraft facility of OCI N.V. The amount drawn on this facility is also included in cash and cash equivalents and held by other entities within the Group. These amounts cannot be offset as they do not comply with the offsetting requirements for financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

7. Property, plant and equipment and right-of-use assets

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	60.4	146.2	10,286.6
Accumulated depreciation	(185.7)	(3,813.7)	(42.9)	-	(4,042.3)
At 31 December 2020	**566.2**	**5,514.4**	**17.5**	**146.2**	**6,244.3**
Movements in the carrying amount:					
Additions	2.0	25.1	4.8	203.3	235.2
Disposals	-	(2.4)	-	-	(2.4)
Depreciation	(24.8)	(531.8)	(3.5)	-	(560.1)
Impairment	(1.3)	(244.7)	(0.3)	(30.0)	(276.3)
Transfers	0.6	163.0	1.2	(164.8)	-
Reclassification to inventory	-	(19.0)	-	-	(19.0)
Asset retirement obligation	-	-	8.7	-	8.7
Effect of movement in exchange rates	(3.2)	(76.1)	(0.7)	(6.9)	(86.9)
At 31 December 2021	**539.5**	**4,828.5**	**27.7**	**147.8**	**5,543.5**
Cost	748.6	9,208.8	73.8	147.8	10,179.0
Accumulated depreciation	(209.1)	(4,380.3)	(46.1)	-	(4,635.5)
At 31 December 2021	**539.5**	**4,828.5**	**27.7**	**147.8**	**5,543.5**

As at 31 December 2021, the Group has land with a carrying amount of USD 35.3 million (2020: USD 35.3 million).

The transfers of USD 164.8 million (2020: USD 233.5 million) are assets under construction that were put into use during the year. Transfers mainly relate to Iowa Fertilizer Company for USD 48.3 million, OCI Nitrogen for USD 21.4 million and Ruwais Fertilizer Industries for USD 77.5 million. The additions of USD 235.2 million mainly relate to OCI Nitrogen for USD 62.0 million, Iowa Fertilizer Company for USD 44.8 million and Ruwais Fertilizer Industries for USD 43.8 million. The effect of movement in exchange rates in 2021 mainly relates to Sorfert, BioMCN and OCI Nitrogen, which have different functional currencies (Algerian dinar and Euro respectively) compared to the Group's presentation currency. The Algerian dinar decreased by 5.3% and the Euro decreased by 7.0% against the US dollar in 2021. The capitalized borrowing costs during the year ended 31 December 2021 amounts to zero (2020: USD 0.6 million). The capitalized borrowing costs for 2020 fully related to OCI Beaumont and were substantially paid.

The difference between the additions in the above schedule and the investments in property, plant and equipment mentioned in the consolidated statement of cash flows is mainly caused by changes in capital expenditure creditors not yet paid and capitalized borrowing costs, which are presented as part of interest expenses under cash flows from operating activities in the consolidated statement of cash flows. For capital commitments reference is made to note 29.

Property, plant and equipment of USD 1,835.9 million (2020: USD 1,920.6 million) have been pledged as security for external loans and borrowings of IFCo. Reference is made to note 18.

Impairment BioMCN

During 2021 an impairment loss of USD 264.5 million and USD 13.8 million was recognized in cost of sales on the property, plant and equipment and right of use assets, respectively, of BioMCN, an entity included in our Methanol EU segment. Over the course of Q3 and Q4 '21, 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 was deemed to be zero. The pre-tax discount rate used in the estimate is 4.6% (2020: 9.0%). The discount rate in 2021 is favorably impacted by income tax benefits caused by operating losses in the valuation. 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 31 December 2021. Based on the impairment test performed, the property, plant and equipment of BioMCN was fully 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 gas price in the terminal value period results in USD 33.2 million respective change in the value in use and an increase or decrease of 1% in the forecasted price of methanol in the terminal value period results in USD 45.6 million respective change in the value in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

7. Property, plant and equipment and right-of-use assets (continued)

Right-of-use assets:

$ millions	Note	Land and buildings	Plant and equipment	Fixtures and fittings	Total
At 1 January 2020		**133.6**	**88.3**	**55.6**	**277.5**
Movements in the carrying amount:					
Additions		11.8	14.8	3.8	30.4
Modifications		3.7	1.3	-	5.0
Disposals		(0.6)	(1.1)	-	(1.7)
Depreciation		(7.4)	(24.4)	(9.5)	(41.3)
Effect of movement in exchange rates		6.7	2.9	(0.1)	9.5
At 31 December 2020		**147.8**	**81.8**	**49.8**	**279.4**
Movements in the carrying amount:					
Additions		18.7	12.9	1.7	33.3
Modifications		1.0	3.3	-	4.3
Disposals		(2.4)	(2.7)	-	(5.1)
Depreciation		(9.2)	(22.4)	(9.8)	(41.4)
Impairment		(3.9)	(9.9)	-	(13.8)
Effect of movement in exchange rates		(6.2)	(2.3)	-	(8.5)
At 31 December 2021		**145.8**	**60.7**	**41.7**	**248.2**

The additions of USD 33.3 million mainly relate to OCI Nitrogen for USD 18.2 million and Sorfert for USD 6.0 million. The effect of movement in exchange rates of USD 8.5 million in 2021 mainly relates to Sorfert, BioMCN and OCI Nitrogen, which have different functional currencies (Algerian dinar and Euro respectively) compared to the Group's presentation currency.

8. Goodwill and other intangible assets

$ millions	Goodwill	Licenses and trademarks	Other intangible assets	Total
Cost	1,921.9	74.0	4.8	2,000.7
Accumulated amortization and impairment	(1,322.9)	(73.7)	(4.3)	(1,400.9)
At 1 January 2020	**599.0**	**0.3**	**0.5**	**599.8**
Movements in the carrying amount:				
Additions	-	-	0.6	0.6
Amortization	-	(0.3)	(0.5)	(0.8)
Post completion settlement Fertiglobe	(115.1)	-	-	(115.1)
Effect of movement in exchange rates	2.0	-	-	2.0
At 31 December 2020	**485.9**	**-**	**0.6**	**486.5**
Cost	1,808.8	74.0	5.4	1,888.2
Accumulated amortization and impairment	(1,322.9)	(74.0)	(4.8)	(1,401.7)
At 31 December 2020	**485.9**	**-**	**0.6**	**486.5**
Movements in the carrying amount:				
Additions	-	-	1.1	1.1
Amortization	-	-	(0.2)	(0.2)
Effect of movement in exchange rates	(1.7)	-	-	(1.7)
At 31 December 2021	**484.2**	**-**	**1.5**	**485.7**
Cost	1,807.1	74.0	6.5	1,887.6
Accumulated amortization and impairment	(1,322.9)	(74.0)	(5.0)	(1,401.9)
At 31 December 2021	**484.2**	**-**	**1.5**	**485.7**

Goodwill

Goodwill has been allocated to the cash generating units as follows:

Cash generating units $ millions	Reporting segment	2021	2020
Egyptian Fertilizers Company ('EFC')	Fertiglobe	440.0	440.0
OCI Beaumont	Methanol US	23.0	23.0
OCI Nitrogen	Nitrogen Europe	21.2	22.9
Total		**484.2**	**485.9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

8. Goodwill and other intangible assets (continued)

Licenses and trademarks

The licenses and trademarks mainly relate to the customer relationships, trademarks and technology assets of OCI Nitrogen. These intangible assets were identified during the acquisition of OCI Nitrogen in 2010. The useful life of the customer relationships, trademarks and technology assets are respectively 5 to 10 years, 3 years and 5 years.

Goodwill impairment testing

The determination of the recoverable amounts for the cash generating units requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The tests were carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate, the terminal value growth rate, selling price outlook per product, natural gas prices and the number of expected operating days per plant. Selling price and natural gas price assumptions are based on a published independent price outlook prepared by global experts. The other assumptions used are based on past experiences and external sources, but that are unpredictable and inherently uncertain.

The impairment tests are based on specific estimates for cash flow projections for the years 2022 to 2026 (this period captures the cyclical nature of the industry). For the subsequent years, the residual values were calculated based on the average EBITDA margin of the last two years of the projection period and whereby a perpetual growth rate of 2.02% was used. The estimated cash flows are discounted using a present value technique.

The following rates were applied in performing the impairment test:

	2021			2020		
Percentage	**EFC**	**OCI Beaumont**	**OCI Nitrogen**	**EFC**	**OCI Beaumont**	**OCI Nitrogen**
Pre-tax discount rate	12.62%	7.23%	7.94%	11.54%	8.30%	8.74%
Perpetual growth rate	2.02%	2.02%	2.02%	1.45%	1.45%	1.45%

Result of the impairment test

For all cash generating units the recoverable values significantly exceed their carrying amounts. No reasonably possible change in a key assumption would cause the cash generating unit's carrying amount to exceed the recoverable amount.

9. Trade and other receivables

$ millions	2021	2020
Trade receivables (net)	577.2	271.3
Loans and trade receivables due from related parties (note 30)	5.0	58.5
Prepayments	57.6	66.2
Other tax receivables	116.9	112.2
Supplier advanced payments	31.2	30.9
Commodity and natural gas derivatives	10.7	16.0
EUA derivatives (note 6.3)	42.7	-
Foreign currency derivatives	-	3.3
Other receivables	43.9	46.0
Total	**885.2**	**604.4**
Non-current	33.6	3.5
Current	851.6	600.9
Total	**885.2**	**604.4**

In 2018, the Group entered into a securitization agreement to sell certain trade receivables to an external financial institution. By doing so, the Group is able to receive cash flows from selected debtors sooner than would normally be the case. Upon transfer of the balances, OCI derecognizes the trade receivables, since substantially all risks and rewards of ownership are transferred. The agreement permits securitization of trade receivables up to EUR 200.0 million (USD 224.9 million) (2020: EUR 180.0 million). As per 31 December 2021 an amount of EUR 200.0 million (2020: EUR 122.6 million) of trade receivables had been transferred. The transferred trade receivables are pledged as security under the securitization program.

The other tax receivable contains an amount of EGP 900 million (USD 57.2 million) relating to a payment made to the Egyptian Tax Authorities as part of the tax claim which will be refunded upon settlement of the tax claim. Reference is made to note 28 'OCI S.A.E. tax dispute'. USD 53.1 million is related to paid VAT to be collected in various jurisdictions.

The carrying amount of 'Trade and other receivables' as at 31 December 2021 approximates its fair value.

The aging of current trade receivables at the reporting date were as follows:

$ millions	2021	2020
Neither past due nor impaired	559.7	223.2
Past due 1 - 30 days	14.2	42.4
Past due 31 - 90 days	1.8	3.4
Past due 91 - 360 days	1.2	1.5
More than 360 days	0.3	0.8
Total	**577.2**	**271.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

9. Trade and other receivables (continued)

Management believes that the unimpaired amounts that are past due by more than 30 days (USD 3.3 million) are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The Group has not recognized any allowance for trade receivables.

10. Equity-accounted investees

(i) The following table shows the movements in the carrying amount of the Group's associates and joint ventures:

$ millions	2021	2020
At 1 January	**468.7**	**506.9**
Share in income	7.3	(36.7)
Investment Rainbow Holdco[1]	23.6	-
Intercompany profit elimination on upstream transactions	-	(0.1)
Dividends	(2.5)	(3.0)
Effect of movement in exchange rates	(2.2)	1.6
At 31 December	**494.9**	**468.7**
Joint ventures	1.1	1.1
Associates	493.8	467.6
Total	**494.9**	**468.7**

[1] Rainbow Holdco B.V. was acquired on 26 June 2021. Rainbow Holdco B.V. holds a 50% shareholding in Utility Support Group ('USG') B.V.

(ii) The Group has interests in the following associates and joint ventures:

Name	Type	Participation via	Country	Participation %
Firewater LLC (Natgasoline)	Associate	Firewater B.V.	United States	50.0
White Rock Insurance PCC Ltd.	Associate	OCI N.V. Holding	The Netherlands	5.0
Sitech Manufacturing Services C.V.	Associate	OCI Nitrogen B.V.	The Netherlands	35.0
Sitech Services B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	23.0
Rainbow Holdco B.V.	Associate	OCI Nitrogen B.V.	The Netherlands	43.0
Nitrogen Iberian Company SL.	Joint venture	OCI Nitrogen B.V.	Spain	50.0
Shanxi Fenghe Melamine Company Ltd.	Joint venture	OCI Nitrogen B.V.	China	49.0

(iii) The following table summarizes the financial information of OCI's associates and joint ventures (on a 100% basis):

$ millions	2021 Associates	2021 Joint ventures	2021 Total	2020 Associates	2020 Joint ventures	2020 Total
Non-current assets	2,161.8	-	2,161.8	2,106.9	1.2	2,108.1
Current assets	315.0	15.5	330.5	312.5	2.8	315.3
Non-current liabilities	(1,121.4)	(8.7)	(1,130.1)	(1,154.8)	-	(1,154.8)
Current liabilities	(323.1)	(4.5)	(327.6)	(291.4)	(1.9)	(293.3)
Net assets	**1,032.3**	**2.3**	**1,034.6**	**973.2**	**2.1**	**975.3**
Income	867.3	27.2	894.5	804.9	34.9	839.8
Expenses	(844.7)	(27.0)	(871.7)	(869.8)	(36.6)	(906.4)
Net (loss) / profit	**22.6**	**0.2**	**22.8**	**(64.9)**	**(1.7)**	**(66.6)**

(iiii) The following chart summarizes the financial information of significant associates (on a 100% basis):

$ millions	Firewater LLC (Natgasoline) 2021	Firewater LLC (Natgasoline) 2020	Sitech Services B.V. 2021	Sitech Services B.V. 2020
Non-current assets	1,973.8	1,977.2	124.4	128.9
Current assets (excluding cash and cash equivalents)	108.7	122.6	30.0	31.1
Cash and cash equivalents	52.3	3.2	20.3	35.1
Non-current liabilities	(1,050.8)	(1,078.2)	(70.6)	(76.7)
Current liabilities	(178.4)	(119.1)	(44.6)	(55.9)
Net assets	**905.6**	**905.7**	**59.5**	**62.5**
Group's share of net assets	452.8	452.8	13.7	14.4
Revenues	319.5	256.2	222.3	204.3
Depreciation	(157.4)	(173.3)	(13.8)	(13.3)
Interest income	-	0.1	-	-
Interest expense	(56.1)	(62.9)	(1.3)	(1.4)
Profit / (loss) before taxes	(0.4)	(78.2)	17.4	19.4
Tax expense	-	-	(5.0)	(6.1)
Profit / (loss) after taxes	(0.4)	(78.2)	12.4	13.3
Other comprehensive income	-	-	-	-
Total comprehensive income	**(0.4)**	**(78.2)**	**12.4**	**13.3**
Group's share in total comprehensive income	(0.2)	(39.0)	2.8	3.1
Dividends	**-**	**-**	**11.0**	**9.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

10. Equity-accounted investees (continued)

Included in the associates is Firewater LLC, the holding company of Natgasoline LLC, which is a methanol plant in Texas USA, and Sitech, which operates at the Chemelot site in Geleen, the Netherlands, where the factory of OCI Nitrogen is based. The Chemelot site is also used by other companies.

11. Financial assets at fair value through other comprehensive income

$ millions	2021	2020
Infrastructure and Growth Capital Fund LP (UAE)	2.8	6.3
Notore Chemical Industries (Mauritius)	13.6	20.8
Orascom Construction PLC (UAE)	2.8	2.9
Total	**19.2**	**30.0**
Non-current	19.2	30.0
Current	-	-
Total	**19.2**	**30.0**

The Group holds an investment in the Infrastructure and Growth Capital Fund LP, which is managed by the Abraaj Group. Abraaj Holdings and Abraaj Investment Management are in provisional liquidation in the Cayman Islands and their court-appointed joint provisional liquidators, Deloitte and PwC, are overseeing the restructuring of Abraaj's debt.

The investment in Notore Chemical Industries represents a 13.18 percent shareholding. Further, OCI N.V. holds shares in Orascom Construction PLC.

12. Income taxes

12.1 Income tax in the statement of profit or loss

$ millions	2021	2020
Current tax	(242.5)	(18.3)
Deferred tax	105.4	(26.2)
Total income tax reported in profit or loss	**(137.1)**	**(44.5)**

Current tax expense

$ millions	2021	2020
Current year	(222.5)	(27.1)
Minimum tax requirements	(9.6)	-
Dividend withholding tax	(10.6)	7.8
Changes in estimates relating to prior years	0.2	1.0
Income tax benefit expense reported in profit or loss	**(242.5)**	**(18.3)**

Deferred tax expense

$ millions	2021	2020
Origination and reversal of temporary differences	(60.5)	74.3
Movement in uncertain tax positions (note 12.4)	(92.7)	(30.4)
Changes in tax rates	-	(4.2)
Recognition of previously unrecognized tax assets (note 12.4)	264.7	2.9
Unrecognized tax assets	(0.1)	(56.6)
Dividend withholding tax	(6.0)	(12.2)
Income tax benefit / (expense) reported in profit or loss	**105.4**	**(26.2)**

12.2 Other comprehensive income

$ millions	2021	2020
Cash flow hedges, effective portion of changes in fair value	4.8	(1.9)
Income tax benefit / (expense) reported in OCI	**4.8**	**(1.9)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

12.3 Reconciliation of effective tax rate

OCI's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0.0% to 26.5%, which results in a difference between the effective income tax rate and the Netherlands' statutory income tax rate of 25.0%. Reconciliation of the statutory income tax rate in the Netherlands with the effective income tax rate can be summarized as follows:

$ millions	2021	%	2020	%
Profit / (loss) before income tax	1,295.9		(49.6)	
Enacted income tax rate in the Netherlands	25%		25%	
Tax benefit / (expense) calculated at the enacted Dutch tax rate	**(324.0)**	**(25.0)**	**12.4**	**25.0**
Effect of tax rates in foreign jurisdictions	40.1	3.1	9.8	19.8
Expenses non-deductible	(58.5)	(4.5)	(28.8)	(58.1)
Income not subject to tax	123.2	9.5	19.0	38.3
Adjustments prior years	0.2	-	1.0	2.0
Change in tax rates	-	-	(4.2)	(8.4)
Recognition of previously unrecognized tax assets	264.7	20.4	2.9	5.8
Unrecognized tax assets	-	-	(56.6)	(114.1)
Unrecognized temporary differences	(65.6)	(5.1)	-	-
Dividend withholding tax	(16.6)	(1.3)	7.8	15.7
Minimum tax requirements	(9.6)	(0.7)	-	-
Uncertain tax positions	(92.7)	(7.1)	(7.5)	(15.1)
Other	1.7	0.1	(0.3)	(0.6)
Total income tax in profit or loss	**(137.1)**	**(10.6)**	**(44.5)**	**(89.7)**

The Group's consolidated effective tax rate in respect of continuing operations for the period ended 31 December 2021 was 10.6% (2020: -89.7%). The change in effective tax rate was caused mainly by the following factors:

- In 2020, the Group reported a consolidated loss before tax of USD 49.6 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 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 Fertilizer products.

Compared to the statutory tax rate applicable in the Netherlands (25%) the following elements are the main drivers for the lower effective tax rate of 10.6%:

- 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 12.4 for a more detailed description of this event.
- Higher profits generated by the export activities of Sorfert and increased profitability of EBIC in 2021 resulted in a lower effective tax rate compared to the same period in 2020.
- As a result of the increased profitability noted in 2021, net operating losses that were previously unrecognized could be utilized, resulting in a decrease of the effective tax rate.
- The before mentioned was partially offset by the Sorfert reinvestment case and other uncertain tax positions (refer to note 12.4), unrecognized temporary difference resulting from the BioMCN impairment, an increase in non-deductible expenses, an increase in dividend withholding taxes and higher minimum tax requirements.

12.4 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities (net):

$ millions	2021	2020
At 1 January	**(514.7)**	**(483.7)**
Profit or loss	105.4	(26.2)
Effect of movement in exchange rates	2.6	(4.8)
At 31 December	**(406.7)**	**(514.7)**

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	2021	2020	2021	2020	2021	2020
Intangible assets	82.9	81.6	(62.9)	(62.7)	20.0	18.9
Property, plant and equipment	-	-	(587.1)	(610.7)	(587.1)	(610.7)
Inventory	0.4	1.9	(14.9)	(3.3)	(14.5)	(1.4)
Investment in partnership	-	-	(75.2)	(89.6)	(75.2)	(89.6)
Trade and other receivables	0.2	-	(0.3)	(0.4)	(0.1)	(0.4)
Loans and borrowings	31.3	52.0	(0.6)	(1.1)	30.7	50.9
Trade and other payables	12.9	12.4	-	-	12.9	12.4
Provisions	-	-	(3.0)	(6.3)	(3.0)	(6.3)
Uncertain tax positions	-	-	(148.6)	(57.6)	(148.6)	(57.6)
Undistributed earnings	-	-	(21.7)	(15.6)	(21.7)	(15.6)
Operating losses carry forward and tax credits	379.9	184.7	-	-	379.9	184.7
Total	**507.6**	**332.6**	**(914.3)**	**(847.3)**	**(406.7)**	**(514.7)**
Netting of fiscal positions	(299.9)	(331.8)	299.9	331.8	-	-
Amounts recognized in the Statement of Financial Position	**207.7**	**0.8**	**(614.4)**	**(515.5)**	**(406.7)**	**(514.7)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

12.4 Deferred income tax assets and liabilities (continued)

The deferred tax asset relating to intangible assets mainly related to capitalized start-up costs for IFCo for USD 51.3 million. These costs are capitalized and amortized for tax purposes and were expensed for book purposes. Deferred tax liabilities relating to intangible assets mainly relates to goodwill of EFC for USD 62.7 million. This deferred tax liability will be reversed in case the asset is impaired. Deferred tax liabilities recognized in relation to property, plant and equipment will be realized over the depreciation period of the related asset, and mainly relate to Fertil (USD 247.7 million), IFCo (USD 245.9 million), EFC (USD 64.3 million) and OCI Nitrogen (USD 20.5 million). The uncertain tax position of USD 148.6 million is disclosed below. Furthermore, the deferred tax liability 'investment in partnership' (USD 72.5 million) relates to a temporary difference related to OCI USA Inc's investment in OCI Beaumont. The deferred tax liability 'undistributed earnings' relates to income tax consequences of undistributed earnings of subsidiaries that will reverse in the foreseeable future. The Company does not anticipate any other income tax consequences resulting from the undistributed earnings of subsidiaries.

Deferred tax assets relate to temporary differences, tax credits and tax losses carry forward. The Company has net tax losses carry forward and tax credits totalling USD 496.6 million, for which an amount of USD 188.9 million has not been recognized. The losses carry forward mainly relate to the US operations (USD 124.4 million) and Egyptian operations (USD 63.5 million). Tax credits are available amounting to USD 72.2 million mainly relating to the US operations.

Recognition of previously unrecognized tax losses

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.

During 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 asset of USD 200.3 million and therefore is a significant component of the 2021 tax expense. All available net operating losses and tax credits available for IFCo were recognized in 2021.

In addition to the losses recognized for IFCo, the BioMCN tax group was able to utilize all available tax losses in 2021 due to strong financial performance of OCI Fuels and the sale of excess EUAs of BioMCN.

Uncertain tax positions

The group is subject to the application of complex tax laws in multiple jurisdictions. Application of these complex tax laws may lead to uncertainties in determining tax positions. We aim to resolve these uncertainties in discussions with the tax authorities. The financial effect of the existing uncertainties per balance sheet date are determined in accordance with IAS 12 and IFRIC 23, which requires us to estimate the potential outcome of any tax position. Our estimate for the potential outcome of any uncertain tax position is judgmental.

As of 31 December 2021, the Group recorded uncertain tax positions to an amount of USD 148.6 million related to taxable profits, which is classified as a deferred tax liability. These uncertain tax positions are classified as deferred tax since settlement is not expected within 12 months after the reporting period. In addition to this, the Group recorded USD 40.4 million of current uncertain tax positions. Expected interest and penalties related to uncertain income tax liabilities have been accrued for and are included in the uncertain tax positions and in the income tax expense. In addition to the uncertain tax liability, the Group also has a contingent tax asset that currently does not meet the recognition criteria of IFRIC 23. For more information we refer to note 28.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Unrecognized tax assets

Expiration scheme of gross unrecognized carry forward tax losses, tax credits and deductible temporary differences:

2021 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	28.5	113.7	137.1	-	-	-	**279.3**
Tax losses and tax credit carry forwards	46.8	204.5	7.3	-	-	592.5	**851.1**
Tax assets – unrecognized	**75.3**	**318.2**	**144.4**	**-**	**-**	**592.5**	**1,130.4**

2020 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Temporary differences	-	-	-	-	-	-	**-**
Tax losses and tax credit carry forwards	67.2	309.7	128.9	-	359.2	532.1	**1,397.1**
Tax assets – unrecognized	**67.2**	**309.7**	**128.9**	**-**	**359.2**	**532.1**	**1,397.1**

The above unrecognized temporary differences, tax losses and tax credit carry forwards relate to tax jurisdictions in which OCI has suffered a tax loss in the current or a preceding period. Significant judgment is required in determining whether deferred tax assets can be utilized. OCI determines this based on expected taxable profits arising from the reversal of recognized deferred tax liabilities and based on budget, cash flow forecasts and impairment models and the recent history of taxable results. Where utilization is not considered probable, deferred tax assets are not recognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

12.4 Deferred income tax assets and liabilities (continued)

Changes in income tax receivables and payables:

$ millions	2021	2020
At 1 January	**(7.5)**	**(5.6)**
Profit or loss	(242.5)	(27.1)
Changes in estimates relating to prior years	0.2	1.0
Other comprehensive income	4.8	(1.9)
Payments	171.6	25.4
Reversal of uncertain tax position	1.1	-
Effect of movement in exchange rates	3.4	0.7
At 31 December	**(68.9)**	**(7.5)**
Income tax receivable	3.4	2.8
Income tax payables	(72.3)	(10.3)
Total	**(68.9)**	**(7.5)**

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.

On 31 October 2021, the appeal of Sorfert to the initial claim was rejected by the Internal Appeals Committee of the DGE (and the total exposure was increased with a 25% penalty) and it had to pay DZD 1,824 million (20% of the initial claim and penalties added with penalties on the amount already paid in February 2021). 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 the full impact of the reinvestment case as an income tax expense amounting to USD 65.8 million, which results in a remaining uncertain tax position of USD 32.8 million, included in income tax payables.

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.

13. Inventories

$ millions	2021	2020
Finished goods	185.2	149.0
Raw materials and consumables	21.3	30.4
Spare parts, fuels and others	137.0	114.4
Total	**343.5**	**293.8**

During 2021, the total write-downs amount to USD 31.9 million (2020: USD 1.4 million) of which USD 31.1 million (2020: USD 1.0 million) relates to spare parts. During 2021 there were no reversals of write downs (2020: USD 5.2 million). Inventory amounting to USD 36.7 million (2020: USD 31.2 million) has been pledged as security for external loans of IFCo. Reference is made to note 18.

14. Cash and cash equivalents

$ millions	2021	2020
Cash on hand	0.2	0.2
Bank balances	1,439.3	632.0
Restricted cash	140.8	54.1
Total	**1,580.3**	**686.3**

Restricted cash

Restricted cash of USD 128.4 million (2020: USD 47.4 million) is held as part of IFCo's debt service requirements for the outstanding bonds, of which USD 43.4 million (2020: USD 39.4 million) is held as a required deposit in a major maintenance reserve account and is to be used to fund capital expenditure, and USD 80.0 million (2020: nil) is held as required deposit in a project operating reserve account which is to be used to fund operating expenses in three month increments.

The remaining restricted balances are held as collateral against letters of credit and letters of guarantees issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

15. Equity attributable to owners of the Company

The movements in the number of shares can be summarized as follows:

	2021	2020
Number of shares at 1 January	210,306,101	210,306,101
Number of issued shares	-	-
On issue at 31 December – fully paid	**210,306,101**	**210,306,101**
Par value per share (in EUR)	**0.02**	**0.02**
At 31 December (in millions of USD)	**5.6**	**5.6**

The authorized capital of the Company amounts to EUR 12.0 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each.

Movements in equity attributable to owners of the Company in 2021:

- The IPO of Fertiglobe resulted in an increase in retained earnings of USD 332.7 million and an increase in non-controlling interests of USD 141.0 million. Reference is made to note 17.
- The acquisition of additional shares in EBIC resulted in an increase in retained earnings of USD 6.0 million and a decrease in non-controlling interests of USD 44.4 million. Reference is made to note 17.
- An amount of USD 8.5 million related to share-based compensation expense was recognized in retained earnings.

Movements in equity attributable to owners of the Company in 2020:

- The post-completion adjustment with ADNOC resulted in an increase in retained earnings of USD 48.3 million and a decrease in non-controlling interests of USD 59.6 million. Reference is made to note 2.2.1. and note 17.
- An amount of USD 8.0 million related to share-based compensation expense was recognized in retained earnings.

16. Reserves

$ millions	Hedge reserve	Financial assets at fair value through other comprehensive income	Currency translation	Treasury shares	Total
At 1 January 2020	**(0.2)**	**(3.3)**	**(215.8)**	**(18.5)**	**(237.8)**
Increase in hedge reserve	5.9	-	-	-	5.9
Currency translation differences	-	-	(106.6)	-	(106.6)
Financial assets at fair value through other comprehensive income	-	(3.7)	-	-	(3.7)
Other comprehensive income	**5.9**	**(3.7)**	**(106.6)**	**-**	**(104.4)**
Treasury shares sold / delivered	-	-	-	3.8	3.8
Treasury shares acquired	-	-	-	-	-
At 31 December 2020	**5.7**	**(7.0)**	**(322.4)**	**(14.7)**	**(338.4)**
Increase in hedge reserve	(16.9)	-	-	-	(16.9)
Currency translation differences	-	-	(21.7)	-	(21.7)
Financial assets at fair value through other comprehensive income	-	(10.8)	-	-	(10.8)
Other comprehensive income	**(16.9)**	**(10.8)**	**(21.7)**	**-**	**(49.4)**
Treasury shares sold / delivered	-	-	-	4.8	4.8
Treasury shares acquired	-	-	-	(1.0)	(1.0)
At 31 December 2021	**(11.2)**	**(17.8)**	**(344.1)**	**(10.9)**	**(384.0)**

OCI is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The hedging reserve, the financial assets at fair value through other comprehensive income reserve, the currency translation reserve and other legal reserves are legal reserves that limit distributions to shareholders to the extent that these reserves individually have a credit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

16. Reserves (continued)

Treasury shares

During the financial year ended 31 December 2021 the company acquired 40,583 shares and sold and delivered out of share-based payment plans 195,512 shares.

	2021	2020
Number of shares	406,997	561,926
Average carrying value per share (USD)	23.43	25.13
Total (in millions USD)	**9.5**	**14.1**
Foreign exchange effect	1.4	0.6
Total carrying value of treasury shares (in millions of USD)	**10.9**	**14.7**

17. Non-controlling interests

The non-controlling interests in the respective entities can be summarized as follows:

2021 $ millions	Fertil*	EFC*	Egyptian Basic Industries Corporation*	Sorfert Algeria Spa*	Other	Total
Non-controlling interests	50.00%	50.06%	62.50%	74.51%	-	-
Non-current assets	843.8	820.0	176.2	516.7	19.9	2,376.6
Current assets	213.9	75.1	122.5	451.4	2,124.0	2,986.9
Non-current liabilities	(159.9)	(128.4)	(4.4)	(193.7)	(981.0)	(1,467.4)
Current liabilities	(112.8)	(97.2)	(40.9)	(60.0)	(2,076.0)	(2,386.9)
Net assets	**785.0**	**669.5**	**253.4**	**714.4**	**(913.1)**	**1,509.2**
Revenues	466.3	307.3	195.9	614.6	1,916.0	3,500.1
Profit	151.6	83.9	84.4	280.4	(12.0)	588.3
Other comprehensive income	-	-	-	(33.0)	0.7	(32.3)
Total comprehensive income	**151.6**	**83.9**	**84.4**	**247.4**	**(11.3)**	**556.0**
Dividend cash flows	**-**	**-**	**(3.9)**	**(189.5)**	**(606.3)**	**(799.7)**

* Non-controlling interests in all Fertiglobe entities increased due to the sale of shares by OCI as part of the Fertiglobe IPO. OCI has sold 8% of the total shares in Fertiglobe plc.

2020 $ millions	Fertil	EFC	Egyptian Basic Industries Corporation	Sorfert Algeria Spa	Other	Total
Non-controlling interests	42.00%	42.06%	65.20%	70.43%	-	-
Non-current assets	753.3	678.7	193.9	551.7	23.0	2,200.6
Current assets	81.6	50.8	47.5	301.8	1,263.5	1,745.2
Non-current liabilities	(144.1)	(125.3)	(4.7)	(233.8)	(405.3)	(913.2)
Current liabilities	(41.0)	(119.5)	(60.5)	(61.2)	(1,210.3)	(1,492.5)
Net assets	**649.8**	**484.7**	**176.2**	**558.5**	**(329.1)**	**1,540.1**
Revenues	200.2	151.3	77.7	241.5	812.6	1,483.3
Profit	1.2	21.8	(11.3)	77.6	(5.7)	83.6
Other comprehensive income	-	-	-	(40.2)	1.5	(38.7)
Total comprehensive income	**1.2**	**21.8**	**(11.3)**	**37.4**	**(4.2)**	**44.9**
Dividend cash flows	**-**	**-**	**-**	**-**	**(43.2)**	**(43.2)**

Movements in equity attributable to non-controlling interests:

- The Fertiglobe IPO resulted in an increase in non-controlling interests of USD 141.0 million.
- The acquisition of additional shares in EBIC resulted in a decrease in non-controlling interests of USD 44.4 million.
- Total dividends declared to non-controlling interests amounted to USD 788.1 million (2020: USD 49.2 million).
- Impact difference in profit sharing non-controlling interests: In the partnership agreement of Sorfert between OCI and the partner, a profit-sharing arrangement is agreed, where the other investor will receive a relatively higher portion of dividends in compensation for lower natural gas prices arranged for by the partner, which is recognized in cost of sales. As a result of this agreement the non-controlling interests increased by USD 104.6 million (2020: USD 17.4 million) during 2021. The effect of the profit sharing agreement represents the gross amount allocated to the partner. This amount is subsequently diluted by other non-controlling interests in Fertiglobe.
- In 2020, the reduction of declared dividends to non-controlling interests in the amount of USD 125.4 million relates to the dividends declared by Sorfert relating to the financial year 2018, that were cancelled by a resolution of the general meeting of shareholders of Sorfert in December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

17. Non-controlling interests (continued)

Acquisition of additional shares in EBIC

In August 2021, Fertiglobe acquired an additional 25% stake in OCI MEPCO Cayman Limited from KBR. As a result of this transaction OCI's share in Egypt Basic Industries Corporation (EBIC) increased from 34.8% to 43.5% (prior to the Fertiglobe IPO). The consideration of USD 43.0 million includes a transfer of KBR's receivable 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	
Carrying amount of non-controlling interests acquired	44.4
Consideration paid to non-controlling interests in cash	(38.4)
Effect on equity attributable to owners of the Company	**6.0**

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”. OCI sold 8% of the total shares in Fertiglobe, in total 13.8% of the Fertiglobe’s share capital was listed. Following the IPO, OCI’s shareholding percentage in Fertiglobe is 50% plus one share (and OCI will retain control over Fertiglobe). OCI’s proceeds from the sale of its shares amount to USD 461.1 million and fees related to Fertiglobe IPO amount to USD 14.1 million, resulting in net proceeds of USD 447.0 million. The following table summarises the effect of the transaction on the Company's equity attributable to shareholders:

$ millions	
Proceeds from sale of shares	461.1
Fees related to the sale of shares	(14.1)
Net proceeds from the sale of shares	**447.0**
Indemnities	26.7
Effect on total equity	**473.7**
Non-controlling interests	141.0
Effect on equity attributable to owners of the Company	**332.7**

As part of the equity offering indemnifications were agreed between shareholders. This resulted in a change of the indemnifications previously recorded as part of the Fertiglobe PPA. Reference is made to note 21.

Fertiglobe 2019 business combination with ADNOC

As part of the business combination in 2019, OCI N.V. acquired 58% shares in one of its subsidiaries, Fertiglobe, which controls 100% of the voting powers and economic returns from Fertil (and holds the Group’s share in OCI MENA). For purchase accounting purposes, the company has determined the fair value of the shares in Fertil as described above. As OCI N.V. retained control over shares that were already owned by Fertiglobe in OCI MENA, these assets and liabilities are not revalued as part of the purchase accounting. As a result, the NCI in Fertiglobe was the sum of 42% of the fair value of Fertil and 42% of the OCI MENA net assets as at 30 September 2019. OCI N.V.’s disposal of 42% ownership in Fertiglobe, whilst retaining control in the subsidiary was treated as an equity transaction. NCI of USD 382.7 million was recognized as part of the disposal of 42% ownership in its former OCI MENA net assets, while the difference between 42% of the fair value of OCI MENA and the book value resulted in an equity increase of USD 674.8 million.

The NCI recognized as part of the non-controlling interests held by ADNOC in Fertil amounted to USD 710.6 million as per September 2019. The fair value of Fertil has been measured by applying a discounted cashflow method, cash flows beyond the forecasted period of five years have been extrapolated using a 2% growth rate. The pre-tax WACC used to determine the expected discounted future cash flows is 9.0%. Reference is made to note 2.2.1.

As a result of the Fertiglobe IPO, NCI increased in all Fertiglobe entities, reference is made to above.

18. Loans and borrowings

$ millions	2021	2020
At 1 January	**4,416.6**	**4,662.3**
Proceeds from loans	2,248.3	2,070.4
Proceeds from bank overdraft facility	398.4	-
Repayment and redemption of loans and borrowings	(3,186.1)	(2,396.0)
Newly incurred transaction costs	(10.0)	(14.6)
Amortization of transaction costs / (bond) premiums	39.3	34.1
Effect of movement in exchange rates	(105.7)	60.4
At 31 December	**3,800.8**	**4,416.6**
Non-current	3,290.2	4,226.9
Current	510.6	189.7
Total	**3,800.8**	**4,416.6**

The effect of movement in exchange rate mainly relates to EUR and DZD denominated loans, which are different from the Group’s presentation currency. Information about the Group’s exposure to interest rate, foreign currency and liquidity risk is disclosed in the financial risk and capital management paragraph in note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

18. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount[1] ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95%	June 2026	294.0	228.6	65.4	N/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Iowa Fertilizer Company ('IFCo')	Secured	USD 429.0 USD 425.4	Fixed: 5.25% Fixed 5.25%	December 2025 December 2050	427.0 413.0	427.0 413.0	- -	559.0 423.5	Certain bank accounts, property of IFCo, inventories, all funds, including equity contributions of USD 1,555.4 million by OCI
Fertiglobe Holding Ltd.	Secured	USD 1,100.0	LIBOR + 1.05%	April 2024	1,091.8	1,097.6	(5.8)	1,100.0	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 300.0	LIBOR + 1.75%	October 2026	-	-	-	-	N/a
OCI N.V. ('OCI')	Senior Secured Notes	USD 324.0 EUR 360.0 (USD 409.3)	Fixed: 4.625% Fixed: 3.625%	October 2025 October 2025	321.3 405.7	321.3 405.7	- -	336.6 423.4	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Secured	USD 850.0	LIBOR + 1.50%	April 2023	397.0	397.0	-	397.0	Guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V.
OCI N.V. ('OCI')	Bank overdraft	N/a	N/a	No defined maturity	383.0	-	383.0	N/a	N/a
OCI Nitrogen	Inventory financing	USD 70.2 (EUR 57.4)	1.25%	No defined maturity, facility is uncommitted with monthly roll overs	68.0	-	68.0	68.0	Stand by letter of credit of EUR 6.0 million (USD 6.8 million) and OCI N.V. guarantee of EUR 60 million (USD 68.2 million)
Total 31 December 2021					**3,800.8**	**3,290.2**	**510.6**	**N/a**	

[1] As at 31 December 2021 the carrying amount of loans and borrowings exclude interest of USD 10.9 million (2020: USD 24.4 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

18. Loans and borrowings (continued)

Borrowing company	Type of loan	Principal amount ($ millions)	Interest rate	Date of maturity	Carrying amount[1] ($ millions)	Long-term portion ($ millions)	Short-term portion ($ millions)	Fair value ($ millions)	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA ('Sorfert')	Secured	USD 961.3 (DZD 114,440.0)	Algerian bank interest rate plus rate of 1.95%	June 2026	398.3	325.8	72.5	n/a	Debt service reserve account, ban for any disposal or decrease of the Company share and assets
Iowa Fertilizer Company ('IFCo')	Secured	USD 120.0 USD 429.0 USD 147.2 USD 425.4	Fixed: 3.125% Fixed: 5.25% Fixed 5.875% Fixed 5.25%	December 2022 December 2025 December 2027 December 2037	80.0 426.1 139.8 412.1	43.4 426.1 139.8 412.1	36.6 - - -	80.7 465.4 147.7 424.3	Certain bank accounts, property of IFCo, inventories, all funds, including equity contributions of USD 762.0 million by OCI
Egyptian Fertilizers Company ('EFC')	Secured	USD 150.0	LIBOR + 2.00%	October 2025	134.2	108.4	25.8	136.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 160.0	LIBOR + 2.00%	October 2025	138.1	110.6	27.5	140.7	The loan is guaranteed, jointly and severally, by Fertiglobe Holding Ltd, Egyptian Fertilizers Company S.A.E., Ruwais Fertilizer Industries LLC, OCI Fertilizer Trading Ltd, Fertiglobe Distribution Limited and OCI Fertilizer Trade & Supply B.V.
Fertiglobe Holding Ltd.	Secured	USD 75.0	LIBOR + 2.00%	October 2025	-	-	-	-	N/a
OCI N.V. ('OCI')	Senior Secured Notes	USD 400.0 USD 489.0 (EUR 400.0)	Fixed at 4.625% Fixed at 3.625% for EUR denominated notes	October 2025 October 2025	395.6 483.8	395.6 483.8	- -	416.0 506.8	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Senior Secured Notes	USD 855.8 (EUR 700.0) USD 600.0	Fixed: 3.125% Fixed: 5.250%	November 2024 November 2024	845.1 591.6	845.1 591.6	- -	878.9 623.3	The Notes are guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V., OCI Nitrogen B.V., OCI Chem 4 B.V., OCI Partners LP, OCI Beaumont LLC
OCI N.V. ('OCI')	Secured	USD 850.0	LIBOR + 3.50%	April 2023	344.6	344.6	-	350.0	Guaranteed, jointly and severally, by OCI Chemicals B.V., OCI Fertilizers B.V., OCI Fertilizer International B.V., OCI Intermediate B.V., BioMethanol Chemie Nederland B.V. and BioMethanol Chemie Holding II B.V.
OCI Fertilizer Trading Ltd. ('OFT')	Revolver	USD 75.0	LIBOR + 2.50%	Renewed annually	-	-	-	-	n/a
OCI Nitrogen	Inventory financing	USD 70.2 (EUR 57.4)	1.25%	No defined maturity, facility is uncommitted with monthly roll overs	27.3	-	27.3	27.3	Stand by letter of credit of EUR 9.0 million (USD 10.1 million) and OCI N.V. guarantee of EUR 90 million (USD 100.9 million)
Total 31 December 2020					**4,416.6**	**4,226.9**	**189.7**	**n/a**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

18. Loans and borrowings (continued)

Covenants

Certain loan agreements include financial covenants. The definitions for calculating the financial covenants applicable to the facilities within the Group can be summarized as follows:

- Debt Service Coverage Ratio: Income Available (revenue earned less operating expenses) to Debt Service (net finance charges including the capital element of finance leases) or gross profit less change in working capital to interest and principal payments.
- Debt to Equity Ratio: Gross Debt (current and long-term debt obligations) to total Equity (the sole capital of the borrower).
- Net Leverage Ratio: the Group's Net Debt (meaning the aggregate amount of all obligations of the Group, excluding intergroup loans and cash and cash equivalents, but including finance leases) to adjusted EBITDA.
- Interest Coverage Ratio: EBITDA, EBIT or Distribution Receipts (cash received by the borrower by way of dividends or repayments of loans) to Finance Charges (meaning finance payments in respect of borrowings including the interest element of finance leases).

As per 31 December 2021 all financial covenants were met.

In the event the respective borrowing companies would not comply with the covenant requirements, in total an amount of USD 2,648.6 million of the loans would become immediately due. Refer to note 6.2 for additional discussion of the Company's liquidity risk. The external borrowings include change in control clauses that enable the lenders to call the financing provided.

Fair value measurement loans and borrowings

Except for the IFCo bonds, the senior secured notes of OCI N.V. and the loan of Sorfert, the fair value of all other loans and facilities is calculated within hierarchy category level 2. The bonds of IFCo and OCI N.V. are measured following hierarchy category 1. The fair value of the loan of Sorfert cannot be determined as no observable market data is available.

New and amended financing arrangements in 2021

Fertiglobe

In August 2021, Fertiglobe completed a USD 1,100.0 million refinancing by means of a bridge loan of USD 900.0 million with an accordion option of USD 200.0 million at an interest rate of US LIBOR + 1.05% in the first year, after which it increases with 0.025% every three months. This facility replaced the remaining EFC facility of USD 150.0 million and the USD 160.0 million loan at Fertiglobe Holding. The bridge loan matures in February 2023, with 2 x 6-month extensions at the company's option. Fertiglobe also completed a USD 300.0 million revolving credit facility maturing in August 2026 carrying an interest rate of Libor +1.75%, which replaced the USD 75 million revolving credit facility at Fertiglobe Holdings. Both facilities are guaranteed by certain of Fertiglobe Holdings subsidiaries.

Proceeds from borrowings

Proceeds from borrowings in 2021 totaled an amount of USD 2,248.3 million, which consisted of the net proceeds of the new financing arrangements of Fertiglobe Holding, new proceeds from the revolving credit facility at OCI N.V. and changes in OCI Nitrogen's Inventory Financing.

Redemptions

Redemptions of borrowings in 2021 totaled an amount of USD 3,186.1 million, which consisted of the partial or total repayment of bonds at OCI N.V., repayment of borrowings at EFC, repayment of some IFCo bonds and regular installments for borrowings and changes in the outstanding amounts of the revolving credit facilities at OCI Nitrogen, Sorfert and Fertiglobe Holding.

Undrawn bank facilities

As of 31 December 2021, the Group had not drawn external bank facilities in the amount of USD 800.0 million. This relates to a working capital facility of IFCo of USD 50.0 million and external bank facilities of Fertiglobe Holding Ltd of USD 300.0 million and OCI N.V. of USD 450.0 million.

Bank overdraft

As of 31 December 2021, the bank overdraft facility of OCI N.V. totaled an amount of USD 383.0 million. OCI N.V. has drawn a net amount of USD 256.5 million under its Header Cash Pool Facility. Reference is made to note 6.4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

19. Lease obligations

The Group leases a number of office spaces, warehouses, land, employee accommodation, computers, machinery and vehicles. Lease terms vary from 1 year to indefinite renewal options. Calculations of the lease obligation for leases with indefinite renewal options are done using a lease term based on the expected renewal periods and can be more than 100 years.

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2020	**244.3**	**41.0**	**285.3**
Movements in the carrying amount:			
Payments	-	(45.9)	(45.9)
Accretion of interest	8.2	0.4	8.6
Additions	24.7	6.1	30.8
Disposals	(0.6)	(0.7)	(1.3)
Transfers	(40.1)	40.1	-
Modifications	3.6	1.4	5.0
Effect of movement in exchange rates	8.5	1.2	9.7
At 31 December 2020	**248.6**	**43.6**	**292.2**
Movements in the carrying amount:			
Payments	-	(47.3)	(47.3)
Accretion of interest	8.1	0.4	8.5
Additions	30.5	2.3	32.8
Disposals	(4.8)	-	(4.8)
Transfers	(40.6)	40.6	-
Modifications	3.3	1.0	4.3
Effect of movement in exchange rates	(7.6)	(0.9)	(8.5)
At 31 December 2021	**237.5**	**39.7**	**277.2**

20. Trade and other payables

$ millions	Note	2021	2020
Trade payables		425.3	298.6
Trade payables due to related parties	(30)	87.9	81.4
Amounts payable under the securitization agreement		149.7	113.6
Accrued dividend to non-controlling interests		4.1	12.2
Other payables		66.9	52.0
EUA liabilities	(6.3)	116.2	99.0
Employee benefit liabilities		14.5	12.9
Accrued expenses		264.9	235.8
Accrued interest		10.9	24.4
Customer advance payment / deferred revenue		222.7	77.7
Other tax payable		5.3	13.0
Commodity derivative financial instruments		12.8	8.7
Total		**1,381.2**	**1,029.3**
Non-current		23.7	25.7
Current		1,357.5	1,003.6
Total		**1,381.2**	**1,029.3**

Information about the Group's exposure to currency and liquidity risk is included in note 6. The carrying amount of 'Trade and other payables' approximates its fair value.

Derivative financial instruments

Derivative financial instruments consist of commodity gas hedges contracts in order to hedge future gas price levels. The fair value of these contracts amounts to USD 12.8 million as per 31 December 2021 (2020: USD 8.7 million). All derivatives included in trade and other payables are classified in the fair value hierarchy level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

21. Provisions

$ millions	Claims and other provisions, onerous contracts	Donation provision	Total
At 1 January 2021	**40.4**	**120.9**	**161.3**
Recorded during the year	36.3	-	36.3
Used during the year	(64.0)	-	(64.0)
Reversed	(1.2)	-	(1.2)
Reclassification	26.7	-	26.7
Effect of movement in exchange rates	(1.8)	0.2	(1.6)
At 31 December 2021	**36.4**	**121.1**	**157.5**
Non-current	12.8	-	12.8
Current	23.6	121.1	144.7
Total	**36.4**	**121.1**	**157.5**

Provision for indemnifications

As a consequence of the Fertiglobe IPO, all other shareholders of Fertiglobe plc will be indemnified for the outcome of certain legacy legal exposures. An indemnification asset of USD 26.7 million is reclassified to other receivables as the offsetting criteria are no longer met. Reference is made to note 17.

Claims and other provisions

The Group is involved in various litigations, arbitrations and commercial disputes. In cases where it is probable that the outcome of the legal proceedings and commercial disputes will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to note 28 for detailed information with respect to major ongoing litigations and claims for which no provision has been recognized.

Donation provision

On 13 November 2014, the Company announced that it had decided to transfer the rights to the amounts receivable from the first installment already paid to the Egyptian Tax Authority in 2013 of EGP 2,500 million (approximately USD 360.0 million at the 2014 exchange rate) to the Tahya Misr ('Long Live Egypt') Fund (reference is made to note 28 for the claim in relation to the OCI S.A.E. tax dispute). No formal agreement has been drafted with the Tahya Misr Fund yet and no payments have been made to the fund. The transfer of rights has been approved by OCI's Board of Directors on 12 November 2014.

Following the guidance under IAS 37 (constructive obligations), the Company has presented the transfer of rights to the Tahya Misr Fund as a donation provision. In March 2015, the Company received a cheque of EGP 1,904 million (approximately USD 266.2 million at the 2015 exchange rate) from the Egyptian Authorities. At year end 2021 the carrying amount in US dollars had reduced to USD 121.1 million, due to the devaluation of the EGP since March 2015.

Onerous contracts

Due to the significant increase in the (TTF) gas prices, the production costs for natural gas based products increased significantly in Europe. The higher production costs resulted in the identification of several onerous contracts, as the unavoidable costs of meeting these contract commitments exceeded the economic benefits that are expected to be received under them. Therefore, an onerous contract provision amounting to USD 5.5 million was recognized for these contracts. As the contracts mainly relate to sales commitments for Q1 2022, the provision is classified as current.

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

a. Expenses by nature

$ millions	Note	2021	2020
Raw materials and consumables and finished goods		3,203.5	2,105.7
Maintenance and repair		150.2	128.4
Employee benefit expenses	(22b)	408.9	364.5
Depreciation, amortization and impairment	(7)	891.6	592.2
Consultancy expenses		34.0	33.1
Other		67.9	57.4
Total		**4,756.1**	**3,281.3**
Cost of sales		4,489.7	3,062.0
Selling, general and administrative expenses		266.4	219.3
Total		**4,756.1**	**3,281.3**

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.

b. Employee benefit expenses

$ millions	Note	2021	2020
Wages and salaries		263.0	244.7
Social securities		8.2	7.8
Employee incentive plans		51.2	34.1
Pension cost		24.3	22.1
Share-based compensation expenses	(22c)	8.5	7.9
Other employee expenses		53.7	47.9
Total		**408.9**	**364.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

22. Development of cost of sales and selling, general and administrative expenses (continued)

During the financial year ended 31 December 2021, the number of key executives was 4 (2020: 4 key executives), which represents the Executive Board members; Nassef Sawiris (Executive Chair), Hassan Badrawi (Chief Financial Officer) Maud de Vries (Chief Legal and Human Capital Officer) and Ahmed El-Hoshy (Chief Executive Officer). During the financial year ended 31 December 2021, the number of staff employed in the Group amounted to 3,853 employees (2020: 3,682 employees).

c. Share-based compensation arrangements

OCI has currently award agreements outstanding under three different share-based compensation plans. In 2021 share based compensation Awards were granted under the existing Performance Share Unit Plan for Executive Directors, the Restricted Stock Unit Plan and the new Employee Performance Share Unit Plan.

Performance Share Plan

In 2014, a new performance share plan was introduced for the Executive Board. The share plan comprises the conditional granting of shares in OCI. Each year a plan with a 3-year vesting period starts in which the Company's performance is measured based on total shareholder return ('TSR') against a peer group of companies. The fair value of these awards has been calculated using Monte-Carlo simulations. The number of conditional shares corresponds to a percentage (maximum of 150%) of the fixed reference salary divided by the price of the share on the stock market on the first day of the vesting period. The relative ranking that OCI achieves in the peer group determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the members of the Executive Board for a period of 2 years.

Performance Share Plan	2018 Grant	2017 Grant
Conditional shares granted	166,564	190,600
Fair value at grant date (EUR)	3,459,534	3,375,526
Fair value at grant date (EUR per share)	20.77	17.71
Vesting period at issuance (years)	3	3
Risk free interest rate	(0.589)%	(0.7)%
Expected share price volatility	37.5%	39.3%
Dividend yield	0.0%	0.0%
Vested in 2017	-	87,013
Vested in 2020	-	103,587
Outstanding at 31 December 2020	**166,564**	**-**
Expired in 2021	(166,564)	-
Outstanding at 31 December 2021	**-**	**-**

The vesting of the 2018 shares was conditional on OCI's TSR performance in the three-year performance period ending 7 February 2021 and continued employment. Over the 3-year performance period OCI's TSR performance ranked 10th in the TSR peer group at the 25th percentile. As a result, the award vested at 0% of target and no shares were delivered.

Bonus Matching Plan

In 2014, a new bonus matching plan was introduced for the members of the Executive Board and Senior Management. In this plan members of the Executive Board and Senior Management are entitled to buy shares from their annual bonus. The shares will be withheld for a period of three years. After the 3-year period, the participants will receive a bonus share for each share of the plan. For the members of the Executive Board, the shares vested must be retained for a period of 2 years.

Bonus Matching Plan	2018 Grant	2017 Grant
Conditional shares granted	93,451	95,060
Fair value at grant date (EUR)	1,690,529	1,577,045
Fair value at grant date (EUR per share)	18.09	16.59
Vesting period at issuance (years)	3	3
Dividend yield	0.0%	0.0%
Vested in 2017	-	14,496
Vested in 2020	-	80,564
Outstanding at 31 December 2020	**93,451**	**-**
Vested in 2021	93,451	-
Outstanding at 31 December 2021	**-**	**-**

In 2019 it was decided to discontinue the Bonus Matching Plan for all eligible employees. At 31 December 2021 there were no Bonus Matching Rights outstanding.

Executive Director Performance Share Units Plan

In 2019, a new performance share unit plan was introduced for the Executive Board as replacement for the performance share plan. The performance share unit plan comprises the conditional granting of shares in OCI. Each year a plan with a 3-year vesting period starts. Up to 2021, Total Shareholder Return ('TSR') was the only performance measure. In 2021 the Plan was amended and new performance measures were added. For each Award, starting with the 2021 Award made on 8 February 2021 vesting will be dependent on relative TSR (60% weight) and additional performance measures (40% weight), selected from two sets of strategic initiatives (operational excellence and ESG). The relative TSR performance is measured against a peer group of companies operating in a similar or the same market. Between 0% and 150% of this award will vest at the end of 3-year performance period based on the actual performance. The fair value of these awards has been calculated using a Monte-Carlo simulations model. The number of performance stock units comprising Shares has been calculated based on the average OCI N.V. closing sales price of the Shares as quoted in Euronext Amsterdam on the date of the grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

22. Development of cost of sales and selling, general and administrative expenses (continued)

The relative TSR ranking that OCI achieves in the peer group and the achievements on the other performance measures determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the members of the Executive Board for a period of 2 years.

Performance Share Units Plan	2021 Grant	2020 Grant	2019 Grant
Conditional shares granted	230,612	316,729	230,558
Fair value at grant date (EUR)	4,065,690	4,336,020	4,486,659
Weighted average fair value at grant date (EUR per share)	17.63	13.69	19.46
Vesting period at issuance (years)	3	3	3
Risk free interest rate	(0.728)%	(0.660)%	(0.659)%
Expected share price volatility	44.2%	34.5%	34.7%
Dividend yield	0.0%	0.0%	0.0%
Outstanding at 31 December 2020	**-**	**316,729**	**230,558**
Vested in 2021	-	-	-
Outstanding at 31 December 2021	**230,612**	**316,729**	**230,558**

Restricted Stock Units Plan

For the level below the Board, a restricted stock unit plan was implemented to replace the Bonus Matching Plan. First award granted under this plan was made in 2019. Executive Directors are not eligible for RSU grants. The restricted stock unit plan comprises the conditional granting of shares in OCI. The total gross entitlement of an eligible employee under the applicable short-term incentive plan will be paid out partly in cash in accordance with the short-term incentive plan and partly in awards in accordance with this RSU plan. Shares will vest for one third of the restricted stock units comprising the award at the second anniversary of the date of grant and for two thirds of the restricted stock units comprising the award on the third anniversary of the date of grant subject to still being employed by OCI. The RSU entitles the participants to dividend equivalents.

The fair value of the RSUs awarded is based on OCI's share price at the grant date. Furthermore, when measuring the fair value of RSU share awards, there may be an adjustment for any expected dividends. In this case, there will be no adjustment for dividends since the participants are entitled to dividend equivalents during the vesting period.

Restricted Stock Units Plan	2021 Grant	2020 Grant	2019 Grant
Conditional shares granted	132,666	89,900	206,253
Fair value at grant date (EUR)	2,409,215	945,748	5,455,392
Fair value at grant date (EUR per share)	18.16	10.52	26.45
Vesting period at issuance (years)	3	3	3
Dividend yield	0.0%	0.0%	0.0%
Outstanding at 31 December 2020	**-**	**89,900**	**206,253**
Forfeited in 2021	1,958	-	-
Vested in 2021	5,551	10,873	85,638
Outstanding at 31 December 2021	**125,157**	**79,027**	**120,615**

Employee Performance Share Units Plan

In 2021, the Employee Performance Share Unit Plan was introduced for key Employees. The employee performance share unit plan is similar to the executive director performance share unit plan. For the 2021 Award made on 8 February 2021 vesting will be dependent on relative TSR (60% weight) and additional performance measures (40% weight), selected from two sets of strategic initiatives (operational excellence and ESG). The relative TSR performance is measured against a peer group of companies operating in a similar or the same market. Between 0% and 150% of this award will vest at the end of 3-year performance period based on the actual performance. The fair value of these awards has been calculated using a Monte-Carlo simulations model. The number of performance stock units comprising Shares has been calculated based on the average OCI N.V. closing sales price of the Shares as quoted in Euronext Amsterdam on the date of the grant.

The relative TSR ranking that OCI achieves in the peer group and the achievements on the other performance measures determines the definitive number of shares that are granted at the end of the vesting period. The remaining shares vested must be retained by the employees for a period of 2 years.

Employee Performance Share Units Plan	2021 Grant
Conditional shares granted	14,006
Fair value at grant date (EUR)	246,926
Weighted average fair value at grant date (EUR per share)	17.63
Vesting period at issuance (years)	3
Risk free interest rate	(0.728)%
Expected share price volatility	44.2%
Dividend yield	0.0%
Outstanding at 31 December 2020	**-**
Vested in 2021	-
Outstanding at 31 December 2021	**14,006**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

23. Other income

$ millions	2021	2020
Insurance proceeds	-	3.7
Fertiglobe business combination	-	13.3
Other	1.4	0.6
Total	**1.4**	**17.6**

Insurance proceeds in 2020 of USD 3.7 million relate to BioMCN. For the Fertiglobe business combination reference is made to note 2.2.1.

24. Other expenses

$ millions	Note	2021	2020
Other	(21)	1.2	23.4
Total		**1.2**	**23.4**

The other expenses in 2020 are related to a settlement agreement related to a historical indemnification provided.

25. Net finance cost

$ millions	2021	2020
Interest income on loans and receivables	4.0	4.4
Derivatives gain	0.3	-
Foreign exchange gain	30.3	208.1
Finance income	**34.6**	**212.5**
Interest expense and other financing costs on financial liabilities measured at amortized cost	(281.0)	(307.5)
Foreign exchange loss	(27.8)	(104.9)
Finance cost	**(308.8)**	**(412.4)**
Net finance cost recognized in profit or loss	**(274.2)**	**(199.9)**

Included in the interest expense and other financing costs on financial liabilities measured at amortized cost are debt modification costs of USD 61.7 million (2020: USD 51.3 million). This consists of a call premium of USD 37.4 million (2020: USD 33.3 million) related to early redemption of bonds and accelerated amortization of USD 24.3 million (2020: USD 18.0 million).

For the interest expense related to lease obligations, reference is made to note 19.

The foreign exchange gains and losses mainly relate to external financing, FX derivatives and to the revaluation of intercompany balances in foreign currencies. Compared to 2020, the foreign exchange gains and losses are significantly lower due to the application of net investment hedging and the designation of certain intercompany loans as part of the net investment in foreign operations. As a result of the net investment hedge, an amount of USD 72.9 million of foreign exchange gains and USD 137.4 million of foreign exchange losses were recognized in other comprehensive income instead of net finance cost. The foreign exchange losses recognized in other comprehensive income includes the settlement of FX derivatives of USD 72.8 million.

26. Earnings per share

	2021	2020
i. Basic		
Net profit / (loss) attributable to shareholders	570.5	(177.7)
Weighted average number of ordinary share (basic)	209,852,247	209,709,296
Basic earnings per ordinary share	**2.719**	**(0.847)**
ii. Diluted		
Net profit / (loss) attributable to holders of ordinary shareholders	570.5	(177.7)
Weighted average number of ordinary shares (diluted)	211,032,092	209,709,296
Diluted earnings per ordinary share	**2.703**	**(0.847)**

Weighted average number of ordinary shares calculation

Shares	2021	2020
Issued ordinary shares at 1 January	210,306,101	210,306,101
Effect of treasury shares held	(453,854)	(596,805)
Weighted average number of ordinary shares outstanding as per 31 December	**209,852,247**	**209,709,296**
Adjustment for assumed equity-settled share-based compensation	1,179,845	-
Weighted average number of ordinary shares outstanding (diluted) as per 31 December	**211,032,092**	**209,709,296**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

27. Segment reporting

OCI's reportable segments are consistent with how the Chief Operating Decision Maker ('CODM') manages the business operations and views the markets it serves. The reportable segments are: Methanol US, Methanol Europe, Nitrogen US, Nitrogen Europe and Fertiglobe. The organizational structure of the segments is based on a number of factors that the CODM uses to evaluate, view, and direct business operations.

Segment realignment

Beginning on 1 October 2021, the Company has realigned its segments for its Fertiglobe and Methanol US segments. The primary driver for the realignment is a change in how the business operations are reported to the CODM. As a result of this realignment, the Company changed its organizational structure and the composition of its operating segments, which resulted in a change in reportable segments. The Fertiglobe segment now includes the holding entity Fertiglobe Holding plc, which is the ultimate parent of the Fertiglobe Group and became an ADX registrant following the IPO of Fertiglobe on 27 October 2021.

Methanol US now includes OCI USA Inc., an entity that serves as the US corporate income taxpayer for OCI Beaumont and OMM LLC. In anticipation of the sale of a 15% stake in the OCI Methanol Group (reference is made to note 32), all non-methanol related activities were internally restructured to other entities.

Nitrogen US now includes Iowa Intermediate Fertilizer Holding, an entity that serves as the US corporate income taxpayer for Iowa Fertilizer Company. Accordingly, the Company restated the previously reported segment information for the year ended 31 December 2020.

Segment policy

The Company derives the results of the business segments directly from its internal management reporting system. All segments are managed separately because they require different operating strategies and use their own assets and employees. The entities grouped together in each segment have similar regulatory environments, macroeconomic conditions, banking, insurance and public utilities.

The Group has two revenue streams from contracts with customers that relate to the sale of goods, namely, Nitrogen and Methanol.

Segment revenues includes revenues from sales to external customers and intersegment revenues. EBITDA, Adjusted EBITDA and Profit / (loss) are the primary performance measure used by our CODM to evaluate operating results and allocate capital resources among segments. These are also the profitability measures used to set management and executive incentive compensation goals. 'Other' consists of share-based compensation and certain corporate general and administrative expenses that are not allocated to the segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be reasonably and consistently re-allocated.

A summary description of each reportable segment is as follows:

Methanol US

This segment consists of OCI Beaumont (OCIB), Natgasoline LLC, the trading entity OCI Methanol Marketing LLC (OMM US) and OCI USA Inc.

OCI Beaumont is an integrated methanol and ammonia production facility that is strategically located on the Texas Gulf Coast near Beaumont. Natgasoline LLC is a world scale methanol production complex in Beaumont, Texas. OCI and its partner, Consolidated Energy Limited (CEL)/G2X, each own 50% stakes.

Natgasoline LLC is an equity-accounted investee of the Group, reference is made to note 10. Natgasoline commenced production in 2018 and due to the similarities in regulatory environment, products and customer base, this equity accounted investee has been included in the 'Methanol US' segment as of 2018 on a proportionally consolidated basis. The elimination column is used to eliminate the proportionally consolidated figures of Natgasoline that are included in the US Methanol segment and to include the investment in, and results from Natgasoline (associate) and thereby reconcile to the Group's reported figures.

OCIB and Natgasoline sell mainly domestically; primarily to industrial customers in and around the U.S. Gulf Coast through pipeline connections to adjacent customers, port access with dedicated methanol and ammonia import / export jetties, and truck loading facilities for both methanol and ammonia. OMM US is a trading entity that sells products produced by OCIB and Natgasoline. OCI USA Inc. is the US corporate taxpayer for OCIB and OMM US.

Methanol Europe

This segment consists of BioMCN, located at Delfzijl in the Netherlands, OCI Fuels Ltd, OCI Fuels B.V. and OCI Methanol Marketing B.V. (OMM EU). BioMCN is one of Europe's largest methanol producers. BioMCN produces two types of methanol: bio-methanol and regular (also known as grey) methanol. OCI Fuels is a trading entity that supplies biogas, which is processed into bio-methanol and bio-fuel, and sells the bio-methanol products produced by BioMCN. OMM EU is a trading entity that sells grey methanol products produced by BioMCN.

Nitrogen US

This segment consists of Iowa Fertilizer Company (IFCo), a wholly owned nitrogen fertilizer complex in Iowa and the trading entity, N-7. IFCo products are sold via the trading entity.

Nitrogen Europe

This segment consists of OCI Nitrogen. OCI Nitrogen is Europe's second largest integrated nitrates fertilizer producer and the world's largest melamine producer with production site in Geleen, the Netherlands.

Fertiglobe

During 2019 OCI and ADNOC completed a transaction to combine ADNOC's fertilizer business into OCI's Middle East and North Africa (MENA) nitrogen fertilizer platform, creating Fertiglobe. The Fertiglobe segment consists of the following entities: Egyptian Fertilizer Company (EFC), Egypt Basic Industries Corporation (EBIC), Sorfert, Fertil, Fertiglobe Distribution (FD), OCI Fertilizer Trading (OFT), OCI Fertilizer Trade and Supply (OFTS), Fertiglobe Holding plc and OCI S.A.E. EFC is a granular urea producer in Egypt. EBIC is an ammonia plant in Egypt. Sorfert is a partnership with Algeria's state-owned oil and gas authority and is one of the largest nitrogen fertilizer producers in North Africa. Fertil is a producer of urea fertilizer in Abu Dhabi. FD, OFT and OFTS are trading entities based in Abu Dhabi, Dubai and the Netherlands.

Other

This segment consists of all remaining entities of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

27. Segment reporting (continued)

2021 $ millions	Methanol US[1]	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	789.2	531.3	827.7	1,256.8	3,310.7	-	(397.0)	6,318.7
EBITDA[2]	393.0	148.5	344.3	209.3	1,571.7	(75.1)	(137.3)	2,454.4
Adjusted EBITDA[2]	370.8	151.4	344.3	207.6	1,550.5	(67.5)	(30.6)	2,526.5
Income from equity-accounted investees	-	-	-	7.5	-	-	(0.2)	7.3
Depreciation, amortization and impairment	(151.0)	(303.7)	(152.4)	(92.1)	(267.1)	(4.0)	78.7	(891.6)
Finance income	58.0	1.1	0.4	6.9	19.6	76.9	(128.3)	34.6
Finance expense	(89.7)	(3.1)	(130.8)	(9.6)	(52.7)	(179.3)	156.4	(308.8)
Income tax (expense) / income	(38.6)	2.6	197.9	(29.0)	(295.1)	25.1	-	(137.1)
Net profit / (loss)	**171.7**	**(154.6)**	**259.4**	**93.0**	**976.4**	**(156.4)**	**(30.7)**	**1,158.8**
Equity-accounted investees	-	-	-	42.0	-	0.2	452.7	494.9
Capital expenditures PP&E	89.7	21.7	44.7	62.9	84.6	4.5	(72.9)	235.2
Total assets	**1,882.2**	**87.8**	**2,417.9**	**801.8**	**4,921.1**	**318.2**	**(617.4)**	**9,811.6**

2020 $ millions	Methanol US[1] [3]	Methanol Europe	Nitrogen US[3]	Nitrogen Europe	Fertiglobe[3]	Other[3]	Eliminations[3]	Total
Total revenues	466.3	339.1	547.9	752.9	1,550.8	-	(182.9)	3,474.1
EBITDA[2]	142.7	23.0	181.0	125.1	449.9	(61.1)	(81.4)	779.2
Adjusted EBITDA[2]	130.1	21.6	181.0	132.3	453.4	(46.4)	(2.2)	869.8
Income from equity-accounted investees	-	-	-	2.3	-	-	(39.0)	(36.7)
Depreciation and amortization	(154.4)	(28.5)	(142.7)	(82.9)	(268.1)	(2.4)	86.8	(592.2)
Finance income	62.0	0.1	0.3	7.2	33.5	237.6	(128.2)	212.5
Finance expense	(97.4)	(4.4)	(125.6)	(9.9)	(46.9)	(287.7)	159.5	(412.4)
Income tax (expense) / income	6.2	0.8	(0.1)	(13.4)	(40.9)	2.9	-	(44.5)
Net profit / (loss)	**(40.9)**	**(9.0)**	**(87.1)**	**28.4**	**127.5**	**(110.7)**	**(2.3)**	**(94.1)**
Equity-accounted investees	-	-	-	15.6	-	0.2	452.9	468.7
Capital expenditures PP&E	56.5	38.1	9.8	92.0	66.5	0.6	(10.7)	252.8
Total assets	**1,613.0**	**436.6**	**2,192.4**	**743.9**	**4,642.9**	**68.1**	**(599.9)**	**9,097.0**

[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 209-210 of this report.

[3] The comparative numbers of 2020 are restated to reflect the realignment of the Fertiglobe, Methanol US, Nitrogen US and Other segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

27. Segment reporting (continued)

Geographical information of continuing operations

The geographic information below analyses the Group's revenue (by destination of the goods) and non-current assets (by the Company where the activities are being operated). OCI has no single customer that represents 10 percent or more of revenues and therefore information about major customers is not provided.

	Revenue		Non-current assets	
$ millions	2021	2020	2021	2020
Europe	2,268.6	1,218.8	563.1	878.3
Americas	2,371.8	1,281.2	2,963.1	2,916.1
Africa & Middle East	362.5	302.0	3,492.3	3,697.2
Asia & Oceania	1,315.8	672.1	14.3	21.6
Total	**6,318.7**	**3,474.1**	**7,032.8**	**7,513.2**

The key performance obligation of the OCI group is always the supply of products as specified in the contracts with customers, possible additional performance obligations included are transportation and related cost of insurance, depending on the incoterms. The Group has two revenue streams from contracts with customers that relate to the supply of products i.e. Nitrogen and Methanol. No impairment losses on receivables have been recognized (reference is made to note 6.1 and note 9).

Based on the IFRS 15 accounting policies adopted, the following modifications to the contracts are allowed: discounts and rebates. They are all taken into account when presenting the segment revenues. Time value of money is not considered to be relevant for the amendment of the revenue amount, as the payment terms are short. Also, there are no non-cash considerations that would need to be disclosed separately. No information is provided about remaining performance obligations at current and comparative year end date that have an original expected duration of one year or less, as allowed by IFRS 15.

28. Contingencies

Contingent liabilities

Letters of guarantee / letters of credit

OCI has a committed guarantee facility with Rabobank for a maximum guarantee amount of EUR 200.0 million (USD 227.4 million). Under this guarantee facility, EUR 7.4 million (USD 8.4 million) has been utilized. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted surety facility with Tokio Marine Europe SA and Zürich Insurance PLC for a maximum guarantee amount of EUR 100.0 million (USD 113.7 million). This facility is utilized for EUR 68.8 million (USD 78.2 million). The facility is used to issue a performance guarantee on behalf of OCI Nitrogen B.V. OCI also has an uncommitted facility for the issuance of payment undertakings with BNP Paribas for an amount of USD 89.4 million, fully utilized. Outstanding letters of credit as at 31 December 2021 (uncovered portion) amounted to nil.

Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration, commercial disputes or court cases as defendants or claimants. These litigations and commercial disputes are carefully monitored by the entities' and Group management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. OCI does not expect these proceedings to result in liabilities that have a material effect on the Company's financial position.

In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 21 'Provisions'. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OCI cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

Sorfert legal case

On 5 March 2018, the lower criminal court of Oran (Tribunal du pôle pénal spécialisé d'Oran) issued a judgment against Sorfert regarding an alleged violation of exchange control regulations as well as the regulation of public markets and public service delegations. The lower court ordered Sorfert to pay a fine in the amount of 5.5 billion Algerian dinars (about USD 39.9 million) and an officer of the company received a fine of DZD 2.8 billion (about USD 20.0 million). On 7 March 2018, Sorfert lodged an appeal with the Court of Appeal of Oran, Algeria who upheld the verdict against Sorfert in its judgment rendered on 28 November 2018. In January 2019, Sorfert lodged an appeal against this judgment with the Supreme Court. Sorfert disputes the validity of the judgment and continues to vigorously defend its case. To date, no Supreme Court hearing has been scheduled and during the appeal period the enforcement of the judgment is suspended. Various renowned local and international law firms have examined OCI's legal position. No provision has been recorded by the Group related to this matter.

OCI S.A.E. tax dispute

In October 2012, the Egyptian Tax Authority ('ETA') raised a tax evasion claim against our Egyptian subsidiary, OCI S.A.E. The tax dispute related to the sale of OCI S.A.E.'s cement business to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation. Although OCI S.A.E. and its legal and tax advisors believed that the aforementioned transaction was exempted of tax, management entered into a settlement agreement whereby EGP 7.1 billion would be paid over a 5-year period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

28. Contingencies (continued)

The agreement was followed by payment of a first installment of EGP 2.5 billion in 2013. Following the change in government, the company was exonerated from the tax claim by the Egyptian Public Prosecutor on 18 February 2014 and subsequently by the ETA's Independent Appeals Committee on 4 November 2014. The ETA appealed this decision without including new facts or documents. The appeal is ongoing. OCI S.A.E. and its local counsel believe the likelihood of a judgment in favor of the ETA is not probable. On 13 November 2014 OCI S.A.E. announced that it would transfer its rights to EGP 1.9 billion undue paid tax amounts to the Tahya Misr Fund and recorded a provision for this amount, reference is made to note 21 Provisions.

Despite the ETA Independent Appeals Committee ruling in favor of OCI S.A.E., OCI S.A.E. was still held to pay EGP 900 million. OCI S.A.E. has lodged a reimbursement claim for this amount. As this dispute occurred prior to the demerger of the Engineering and Construction Group that formed Orascom Construction PLC ('OC') in 2015, any liabilities and any recoveries are shared on a 50:50 basis between OCI N.V. and OC. Should the ETA win their appeal, OCI N.V.'s maximum share of the tax claim would be EGP 2.3 billion, which equates to approximately USD 146.3 million. There have been no developments in the tax dispute during 2021.

Asset retirement obligations

Sorfert has a contractual asset retirement obligation in connection with the lease of its land. This asset retirement obligation is being disclosed as a contingent liability because it is not possible to determine a reliable estimate in both timing and value of this obligation.

OCI Nitrogen entered into agreements with DSM and associated company Sitech for respectively the lease of the sites (land) on which it operates its plant and site services/usage. These agreements have an indefinite term and include an asset dismantling obligation and the obligation to clean up environmental pollution occurred after zero measurement. These obligations have not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Fertil entered into an agreement with ADNOC for the lease of the land on which it operates its plant. The agreement has an indefinite term and includes an asset dismantling obligation and the obligation to clean up environmental pollution occurred after decommissioning. This obligation has not been accounted for, since the company has no plans to end its business activities in the foreseeable future as such the financial impact is assessed as not material by the company's management.

Contingent assets

A sequence of historical transactions resulted in (gross) deductible temporary tax differences of USD 1.4 billion. However, due to a difference in interpretation of local tax regulations, the deductible temporary differences do currently not yet meet the recognition criteria of IAS 12 / IFRIC 23. The group company concerned is currently under examination of the tax authorities in the respective jurisdiction. A definitive conclusion on the treatment is not expected within a short timeframe.

29. Commitments

29.1 Biogas purchase agreements

OCI Fuels B.V. enters into biogas purchase agreements around the USA for the production of bio-methanol in the methanol plant in Beaumont (Texas, USA) and for sale to the USA transportation market. Through these long-term agreements OCI purchases biogas for a fixed price. Per 31 December 2021, an expected 16.6 million mmbtu biogas will be purchased over the coming years (2022 - 2028). The total expected purchase commitment per 31 December 2021 amounts to USD 154.1 million (2020: USD 158.2 million). Total contract volume is 41.8 million mmbtu and the total contract value is USD 371.3 million (2020: USD 260.1 million).

29.2 Capital commitments

Capital commitments relate to purchase commitments of property, plant and equipment.

$ millions	2021	2020
OCI Beaumont	0.1	-
Sorfert	19.1	19.9
Fertil	19.8	8.5
BioMCN	5.5	7.6
OCI Nitrogen	9.8	7.9
OCI Fuels USA	0.9	-
EBIC	4.6	-
EFC	3.7	1.3
IFCo	2.4	4.6
Total	**65.9**	**49.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

30. Related party transactions

Transactions with related parties – normal course of business

Transactions with related parties occur when a relationship exists between the Company and their directors and key management personnel. The Company engages in the following types of related party transactions:

- Those with NNS Luxembourg Sarl for occasional consultancy services and Residencia Europe Ltd for personnel recharges.
- The Executive Chair's travel as per his right to expense the use of a private aircraft for OCI-related business travel.
- The Company's former construction arm which was divested on 7 March 2015 and incorporated as a separate legal entity in the United Arab Emirates. The Sawiris Family, the majority shareholders of OCI, also owns the majority of the outstanding shares of OC, which qualifies OC and its subsidiaries to be classified as related parties.

The following is an overview of the transactions and outstanding amounts as at 31 December 2021:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Orascom Construction Egypt	OC group company	-	-	0.3	0.9	-	-
OCI Construction Holding Cyprus	OC group company	-	-	-	0.8	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	-	-	-
Residencia Europe Ltd.	Related via shareholder	0.6	0.2	-	-	-	-
Nassef Sawiris	Executive Chair	-	-	0.7	0.4	-	-
Total		**0.6**	**0.2**	**1.2**	**2.1**	**-**	**-**

The following is an overview of the transactions and outstanding amounts as at 31 December 2020:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Orascom Construction Egypt	OC group company	-	-	-	0.9	-	-
OCI Construction Holding Cyprus	OC group company	-	-	-	0.8	-	-
Orascom Construction PLC	OC group company	-	-	-	0.2	-	-
NNS Luxembourg Sarl	Related via shareholder			0.2	0.2		
Nassef Sawiris	Executive Chair	-	-	0.7	0.2	-	-
Total		**-**	**-**	**0.9**	**2.3**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

30. Related party transactions (continued)

Transactions with associates and joint ventures

OCI conducts transactions with its associates and joint ventures (as defined in note 3.2, together "Equity-accounted investees") in the ordinary course of business by buying and selling goods and services from and to various Equity-accounted investees within the group.

The following is an overview of the transactions and outstanding amounts as at 31 December 2021:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Natgasoline LLC	Related via an associate	8.6	-	179.4	32.4	-	-
Sitech Manufacturing Services C.V.	Associate	-	-	124.5	36.0	-	-
Utility Support Group B.V.	Related via an associate	31.5	3.7	114.8	14.5	-	1.0
Sitech Services B.V.	Associate	-	0.1	18.1	2.4	-	-
Nitrogen Iberian Company SL	Joint venture	24.3	-	-	0.5	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.1	1.0	31.8	-	-	-
Total		**64.5**	**4.8**	**468.6**	**85.8**	**-**	**1.0**

The following is an overview of the transactions and outstanding amounts as at 31 December 2020:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivable	Interest income
Natgasoline LLC	Related via an associate	6.4	-	130.8	20.8	-	-
Sitech Manufacturing Services C.V.	Associate	-	0.3	138.4	52.0	-	-
Utility Support Group B.V.	Related via an associate	13.3	1.2	53.3	4.5	56.8	1.8
Sitech Services B.V.	Associate	-	-	17.4	2.2	-	-
Nitrogen Iberian Company SL	Joint venture	17.8	-	-	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.5	0.1	15.1	-	-	-
Total		**38.0**	**1.6**	**355.0**	**79.5**	**56.8**	**1.8**

Transactions and balances with equity-accounted investees and related parties

As these are transactions with Equity-accounted investees and related parties, the terms and conditions may not necessarily be the same as transactions negotiated between third parties. Management believes that the terms and conditions of all transactions with our Equity-accounted investees and related parties are generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar services.

The loan receivable balance from Utility Support Group as per 31 December 2020 consists of 2 loans:

- A Credit Facility of EUR 44.0 million that bears interest at a rate of 6 month Euribor + 3% (floor of 3.5% all in rate) and is repayable on 30 September 2021. This Credit Facility has been settled in July 2021.
- A Loan of EUR 2.4 million that bears interest at a rate of 12 month Euribor + 1.7% (no floor) and is repayable on 30 September 2021. This loan has been settled in July 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

31. Remuneration of the Board of Directors (key management personnel)

We considered the members of the Board of Directors (Executive and Non-executive) to be the key management personnel as defined in IAS 24 'Related parties'. For transactions with key management personnel reference is made to note 30. No other benefits or remuneration were provided to or have been entered into with above mentioned key management personnel except as disclosed below.

Remuneration of the Directors

During the financial year ended 31 December 2021, the total remuneration costs relating to the Executive Directors amounted to USD 13.1 million (2020: USD 11.9 million) consisting of the elements listed in the table below:

2021	Age	Base salary[1]	Annual bonus	Share-based compensation	Total remuneration[1]
N. Sawiris	60	1,000,000	-	2,086,600	3,086,600
H. Badrawi	45	1,150,000	1,262,010	1,385,030	3,797,040
M. de Vries	49	560,000	614,544	509,197	1,683,741
A. El-Hoshy	37	1,307,692[2]	1,714,688	1,533,043	4,555,423
Total		**4,017,692**	**3,591,242**	**5,513,870**	**13,122,804**

[1] These figures exclude employer's social security payments (USD 1.0 million).

[2] This figure includes base salary for the additional position as Chief Executive Officer Fertiglobe since 27 October 2021.

2020	Age	Base salary[1]	Annual bonus	Share-based compensation	Total remuneration[1]
N. Sawiris	59	1,583,334	-	2,393,191	3,976,525
H. Badrawi	44	1,150,000	878,715	1,193,956	3,222,671
M. de Vries	48	526,667	402,426	356,049	1,285,142
A. El-Hoshy	36	1,091,667	921,032	1,420,277	3,432,976
Total		**4,351,668**	**2,202,173**	**5,363,473**	**11,917,314**

[1] These figures exclude employer's social security payments (USD 0.6 million).

At 31 December 2021, the Executive Directors held 777,899 conditional performance shares (2020: 713,851 including the conditional performance shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2020	Granted conditional	Vested	Expired	Outstanding year end 2021	Vesting date
N. Sawiris	84,873	-	-	(84,873)	-	25-02-2021[1]
	116,002	-	-	-	116,002	07-02-2022
	135,354	-	-	-	135,354	07-02-2023
	-	58,235	-	-	58,235	07-02-2024
N. Sawiris total	**336,229**	**58,235**	**-**	**(84,873)**	**309,591**	
H. Badrawi	40,315	-	-	(40,315)	-	25-02-2021[1]
	66,701	-	-	-	66,701	07-02-2022
	77,829	-	-	-	77,829	07-02-2023
	-	66,971	-	-	66,971	07-02-2024
H. Badrawi total	**184,845**	**66,971**	**-**	**(40,315)**	**211,501**	
M. de Vries	32,485	-	-	-	32,485	07-02-2023
	-	32,612	-	-	32,612	07-02-2024
M. de Vries total	**32,485**	**32,612**	**-**	**-**	**65,097**	
A. El-Hoshy	41,376[2]	-	-	(41,376)	-	25-02-2021[1]
	47,855[2]	-	-	-	47,855	07-02-2022
	71,061[2]	-	-	-	71,061	07-02-2023
	-	72,794	-	-	72,794	07-02-2024
A. El-Hoshy total	**160,292**	**72,794**	**-**	**(41,376)**	**191,710**	
Total	**713,851**	**230,612**	**-**	**(166,564)**	**777,899**	

[1] The 2018 Performance Shares granted to N. Sawiris, H. Badrawi and A. El-Hoshy could not vest on 7 February 2021, as OCI was in a Closed Trading Period (share based transactions related to the 2018 Performance Share Plan were not allowed for Executive Directors during this period under the Insider Trading / Market Abuse Regulations). Accordingly, the 2018 Performance Shares vested on 25 February 2021 (the first trading day after the Closed Trading Period). Over the 3-year performance period OCI's TSR performance ranked 10th in the TSR peer group at the 25th percentile. As a result, the awards vested at 0%.

[2] These conditional performance shares were granted prior to appointment to the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

31. Remuneration of the Board of Directors (key management personnel) (continued)

As at 31 December 2021, the Executive Directors held no bonus matching shares (2020: 38,196 including the bonus matching shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2020	Granted	Vested	Outstanding year end 2021	Vesting date
N. Sawiris	17,190	-	(17,190)	-	05-05-2021[1]
N Sawiris total	**17,190**	**-**	**(17,190)**	**-**	
H. Badrawi	1,398	-	(1,398)	-	05-05-2021[1]
H. Badrawi total	**1,398**	**-**	**(1,398)**	**-**	
M. de Vries	4,975	-	(4,975)	-	09-04-2021
M. de Vries total	**4,975**	**-**	**(4,975)**	**-**	
A. El-Hoshy	14,633	-	(14,633)	-	09-04-2021
A. El-Hoshy total	**14,633**	**-**	**(14,633)**	**-**	
Total	**38,196**	**-**	**(38,196)**	**-**	

[1] The Matching rights granted to N. Sawiris and H. Badrawi could not vest on 9 April 2021, as OCI was in a Closed Trading Period (share based transactions related to the 2018 Bonus Matching Plan were not allowed for Executive Directors during this period under the Insider Trading / Market Abuse Regulations). Accordingly, the 2018 Matching Award vested on 5 May 2021 (the first trading day after the Closed Trading Period.

For M. de Vries and A. El-Hoshy, whose 2018 Matching rights were granted prior to their appointment to the Board, vesting was allowed on 9 April 2021, in accordance with the plan rules.

As at 31 December 2021, the Executive Directors held 47,212 RSU shares (2020: 61,081 including RSU shares granted to A. El-Hoshy prior to his appointment to the Board).

	Outstanding year end 2020	Granted	Vested	Outstanding year end 2021	Vesting date
M. de Vries	4,754	-	(4,754)	-	05-05-2021[1]
	9,509	-	-	9,509	17-04-2022
M. de Vries total	14,263	-	(4,754)	9,509	
A. El-Hoshy	9,115	-	(9,115)	-	05-05-2021[1]
	18,231	-	-	18,231	17-04-2022
	6,491	-	-	6,491	07-02-2022
	12,981	-	-	12,981	07-02-2023
A. El-Hoshy total	46,818	-	(9,115)	37,703	
Total	**61,081**	**-**	**(13,869)**	**47,212**	

[1] The Restricted Stock Units granted to M. de Vries and A. El-Hoshy could not vest on 17 April 2021, as this was a Saturday. On the subsequent Monday, 19 April 2021 OCI was in a Closed Trading Period (share based transactions related to the 2019 RSU Plan Matching Plan were not allowed during this period under the Insider Trading / Market Abuse Regulations). Accordingly, the first tranche of the 2019 RSU Awards vested on 5 May 2021 (the first trading day after the Closed Trading Period).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

31. Remuneration of the Board of Directors (key management personnel) (continued)

In 2021, the total remuneration costs relating to the Non-Executive Directors amounted to USD 1.7 million (2020: USD 1.7 million) consisting of the elements in the table below:

2021	Annual fixed fee	Audit committee membership	Additional fee	Nomination governance and remuneration committee	Health safety environment committee	Total
M. Bennett	300,000	-	-	7,500	-	307,500
S. Schat	150,000	20,000	-	20,000	-	190,000
A. Montijn-Groenewoud	150,000	-	-	7,500	15,833	173,333
R.J. van de Kraats	150,000	25,000	-	7,500	-	182,500
G. Heckman	150,000	-	-	-	7,500	157,500
J. Guiraud	150,000	20,000	-	7,500	-	177,500
D. Welch	150,000	-	73,859[1]	-	7,500	231,359
D. Fraser	150,000	20,000	-	-	-	170,000
H. van de Kerkhof	150,000	-	-	-	7,500	157,500
Total	**1,500,000**	**85,000**	**73,859**	**50,000**	**38,333**	**1,747,192**

[1] The amount reported as extraordinary item for D. Welch is the fee for services on the Board of Fertiglobe Holding Ltd for the period 1 January 2021 - 26 October 2021.

2020	Annual fixed fee	Audit committee membership	Additional fee	Nomination governance and remuneration committee	Health safety environment committee	Total
M. Bennett	300,000	-	-	7,500	-	307,500
J. Ter Wisch[1]	69,643	9,286	-	3,482	-	82,411
S. Schat	150,000	20,000	-	20,000	-	190,000
A. Montijn-Groenewoud	150,000	-	-	7,500	10,000	167,500
R.J. van de Kraats	150,000	25,000	-	7,500	-	182,500
G. Heckman	150,000	-	-	-	7,500	157,500
J. Guiraud	150,000	20,000	-	7,500	-	177,500
D. Welch	150,000	-	90,000	-	7,500	247,500
D. Fraser	150,000	20,000	-	-	-	170,000
H. van de Kerkhof[2]	29,348	-	-	-	1,467	30,815
Total	**1,448,991**	**94,286**	**90,000**	**53,482**	**26,467**	**1,713,226**

[1] Appointment ended on 17 June 2020.

[2] Appointed on 20 October 2020.

32. Subsequent events

OCI Methanol Group

On 7 February 2022 OCI N.V. announced the signing of the strategic alliance with two investors, ADQ and Alpha Dhabi Holding will acquire a 15% share in OCI Methanol Group for a total consideration of USD 375 million. Closing took place on 18 February 2021. This will be recorded as an equity transaction in Q1 2022.

OCI proposed semi-annual dividend distribution

On 15 February 2022 OCI announced a proposed payment of an interim distribution for the period H2 2021 of EUR 1.45 per share (or c.USD 350 million including a USD 200 million base). OCI is convening an extraordinary shareholders meeting (EGM) on 28 March 2022 to resolve on the distribution through a repayment of capital with an option to shareholders to elect for a dividend distribution instead, resulting in a distribution to shareholders scheduled for June, subject to a statutory two-month creditor opposition period.

OCI Methanol Group dividend distribution

In February 2022, the OCI Methanol Group Board of Directors approved dividends of USD 420 million, which were paid out to OCI Methanol Group shareholders, OCI (USD 357 million) and minority shareholders (USD 63 million), on 22 February 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

33. External auditors' fee

The service fees recognized in the financial statements 2021 for the service of KPMG amounted to USD 5.8 million (2020: USD 4.7 million). Other assurance services provided to the Group include services related to bond offerings, voluntary audit of other financial statements, agreed upon procedures related to covenant reporting and other statutory requirements.

The amounts per service category are shown in the following table:

	Total service fee		of which KPMG Accountants N.V. (The Netherlands)	
$ millions	**2021**	**2020**	**2021**	**2020**
Audit of group financial statements	4.6	3.8	2.6	2.2
Other assurance services	1.1	0.8	0.3	0.7
Total assurance services	**5.7**	**4.6**	**2.9**	**2.9**
Tax services	0.1	0.1	-	-
Sundry services	-	-	-	-
Total	**5.8**	**4.7**	**-**	**2.9**

34. List of principal subsidiaries as per 31 December 2021

Companies	Country	Percentage of interest	Consolidation method
Fertiglobe plc	UAE	50.00	Full
OCI Fuels B.V.	The Netherlands	100.00	Full
OCI Methanol Marketing B.V.	The Netherlands	100.00	Full
OCI Nitrogen B.V.	The Netherlands	100.00	Full
BioMCN B.V.	The Netherlands	100.00	Full
Iowa Fertilizer Company LLC	United States	100.00	Full
OCI USA Inc.	United States	100.00	Full
OCI Partners LP / OCI Beaumont	United States	100.00	Full
N-7 LLC	United States	50.00	Full
OCI Methanol Marketing LLC	United States	100.00	Full
Key subsidiaries held via Fertiglobe plc			
Ruwais Fertilizers Industries Ltd (Fertil)	UAE	100.00	Full
Egypt Basic Industries Corporation	Egypt	75.00	Full
Egyptian Fertilizers Company	Egypt	99.96	Full
Sorfert Algérie Spa	Algeria	50.99	Full
Orascom Construction Industries S.A.E.	Egypt	99.96	Full
Fertiglobe Distribution Limited	UAE	100.00	Full
OCI Fertilizer Trade and Supply	UAE	100.00	Full
OCI Fertilizer Trading Limited	UAE	100.00	Full

A full list of affiliated companies will be available for public inspection at the Commercial Registry in conformity with the provisions of Article 2:379 and 2:414 of the Dutch Civil Code.

6. Financial statements

Parent Company

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT

$ millions	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Investment in subsidiaries	(41)	8,480.7	7,207.0
Property, plant and equipment		1.9	0.8
Right-of-use assets		3.1	0.8
Other receivables	(42)	703.5	881.8
Financial assets at fair value through other comprehensive income	(43)	2.8	2.9
Deferred tax assets	(54)	5.5	-
Total non-current assets		**9,197.5**	**8,093.3**
Current assets			
Inventory	(44)	21.9	-
Other receivables	(42)	220.4	128.6
Cash and cash equivalents	(45)	179.5	14.2
Total current assets		**421.8**	**142.8**
Total assets		**9,619.3**	**8,236.1**
Equity			
Share capital	(46),(15)	5.6	5.6
Share premium	(15)	6,316.3	6,316.3
Currency translation reserve		(1,705.8)	(1,242.2)
Fair value reserve		(1.4)	(1.5)
Other reserves		(113.2)	(117.0)
Retained earnings		2,773.4	269.6
Equity attributable to owners of the Company		**7,274.9**	**5,230.8**
Liabilities			
Non-current liabilities			
Loans and borrowings	(47)	1,124.1	2,660.7
Lease obligations		2.6	0.2
Deferred tax liabilities	(54)	-	1.2
Total non-current liabilities		**1,126.7**	**2,662.1**
Current liabilities			
Loans and borrowings	(47)	995.3	277.2
Lease obligations		0.6	0.6
Trade and other payables	(48)	221.8	65.4
Total current liabilities		**1,217.7**	**343.2**
Total liabilities		**2,344.4**	**3,005.3**
Total equity and liabilities		**9,619.3**	**8,236.1**

The notes on pages 185 to 196 are an integral part of these parent company financial statements.

PARENT COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Revenue from dividend income	(49)	1,322.2	176.9
Other income[1]	(51)	1,417.9	0.1
General and administrative expenses	(50)	(36.6)	(30.7)
Other expenses	(52)	(40.6)	(1,030.1)
Operating profit / (loss)		**2,662.9**	**(883.8)**
Finance income	(53)	168.8	235.1
Finance cost	(53)	(363.5)	(284.7)
Net finance (cost)	(53)	**(194.7)**	**(49.6)**
Profit / (loss) before income tax		**2,468.2**	**(933.4)**
Income tax	(54)	31.9	3.3
Net profit / (loss)		**2,500.1**	**(930.1)**
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences	(46)	(463.6)	449.8
Items that will not be reclassified to profit or loss			
Changes in fair value of other financial assets		0.1	(0.8)
Other comprehensive income, net of tax		**(463.5)**	**449.0**
Total comprehensive income		**2,036.6**	**(481.1)**

[1] Other income in 2021 include a reversal of an impairment of investment in subsidiaries of USD 1,417.7 million (2020 impairment in other expenses: USD 1,008.6 million), reference is made to note 51.

The notes on pages 185 to 196 are an integral part of these parent company financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

$ millions	Note	Share capital (15)	Share premium (15)	Fair value reserve	Currency translation[1]	Other reserves	Retained earnings	Equity attributable to owners of the Company
Balance at 1 January 2020		**5.6**	**6,316.3**	**(0.7)**	**(1,692.0)**	**(120.8)**	**1,195.5**	**5,703.9**
Net profit / (loss)	(46.2)	-	-	-	-	-	(930.1)	(930.1)
Other comprehensive income		-	-	(0.8)	449.8	-	-	449.0
Total comprehensive income		**-**	**-**	**(0.8)**	**449.8**	**-**	**(930.1)**	**(481.1)**
Treasury shares sold / delivered	(16)	-	-	-	-	3.8	(3.8)	-
Share-based payments	(15)	-	-	-	-	-	8.0	8.0
Balance at 31 December 2020		**5.6**	**6,316.3**	**(1.5)**	**(1,242.2)**	**(117.0)**	**269.6**	**5,230.8**
Net profit / (loss)	(46.2)	-	-	-	-	-	2,500.1	2,500.1
Other comprehensive income		-	-	0.1	(463.6)	-	-	(463.5)
Total comprehensive income		**-**	**-**	**0.1**	**(463.6)**	**-**	**2,500.1**	**2,036.6**
Treasury shares sold / delivered	(16)	-	-	-	-	4.8	(4.8)	-
Treasury shares acquired	(16)	-	-	-	-	(1.0)	-	(1.0)
Share-based payments	(15)	-	-	-	-	-	8.5	8.5
Balance at 31 December 2021		**5.6**	**6,316.3**	**(1.4)**	**(1,705.8)**	**(113.2)**	**2,773.4**	**7,274.9**

[1] Legal reserve under Dutch Law.

The notes on pages 185 to 196 are an integral part of these parent company financial statements.

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Net profit / (loss)		2,500.1	(930.1)
Adjustments for:			
Depreciation	(50)	0.9	0.8
Interest income	(53)	(70.3)	(65.8)
Interest expense	(53)	160.9	198.4
Net foreign exchange (gain) / loss	(53)	104.1	(83.0)
Revenue from dividend income	(49)	(1,322.2)	(176.9)
(Reversal of impairment) / impairment of subsidiaries	(51)	(1,417.7)	1,008.6
Share-based compensation	(22b), (50)	8.5	7.9
Income tax expense	(54)	(31.9)	(3.3)
Changes in:			
Inventory	(44)	(21.9)	-
Other receivables	(42)	(106.4)	(68.5)
Trade and other payables	(48)	4.7	(131.5)
Cash flows:			
Interest paid		(175.4)	(184.6)
Interest paid Nile Holding loan		-	(7.1)
Interest received		58.5	77.0
Income taxes received		-	1.1
Dividends received		1,322.2	176.9
Cash flow (used in) / from operating activities		**1,014.1**	**(180.1)**
Investments in intangible assets		(1.1)	-
Capital contributions to subsidiaries	(41)	(261.4)	-
Cash flow (used in) investing activities		**(262.5)**	**-**

The notes on pages 185 to 196 are an integral part of these parent company financial statements.

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

$ millions	Note	2021	2020
Purchase of treasury shares	(16)	(1.0)	-
Proceeds from borrowings	(18), (47)	909.2	1,675.0
Proceeds from borrowings from subsidiaries	(47)	600.6	145.9
Repayment of borrowings	(47)	(2,401.2)	(1,756.1)
Repayment of borrowings from subsidiaries	(47)	(8.0)	-
Newly incurred transaction costs	(47)	(0.1)	(10.4)
Settlement of FX derivatives	(53)	(72.8)	45.6
Payment of lease obligations		(0.7)	(0.6)
Cash flow from financing activities		**(974.0)**	**99.4**
Net increase / (decrease) in cash and cash equivalents		**(222.4)**	**(80.7)**
Cash and cash equivalents at 1 January		14.2	92.3
Effect of exchange rate fluctuations on cash held		4.7	2.6
Cash and cash equivalents at 31 December		**(203.5)**	**14.2**
Cash and cash equivalents in statement of financial position	(45)	179.5	14.2
Bank overdraft repayable on demand	(47)	(383.0)	-
Cash and cash equivalents in statement of cash flows		**(203.5)**	**14.2**

The notes on pages 185 to 196 are an integral part of these parent company financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER

35. General

OCI N.V. ('The Company' or 'OCI') 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. OCI is a holding company and is tax resident in the Netherlands.

36. Basis of preparation

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

The parent company financial statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of OCI commences on 1 January and ends on 31 December.

The Company's functional currency is the Euro ('EUR'). Because the Company's major foreign operations have the US dollar as their functional currency, the presentation currency of the Company is the US dollar ('USD').

All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

The parent company financial statements have been authorized for issue by the Company's Board of Directors on 18 March 2022. The financial statements are subject to adoption of the Annual General Meeting of Shareholders.

37. Accounting principles applied

In the parent company financial statements, the same accounting policies have been applied as set out in the notes to the consolidated financial statements, except for the measurement of the subsidiaries as presented under 'Investments in subsidiaries' in the parent company financial statements. These policies have been consistently applied to all years presented.

For the amendments that became applicable and the new standards not yet applicable to OCI, reference is made to note 4.2 of the consolidated financial statements.

38. Summary of significant accounting policies

Investments in subsidiaries

These policies have been consistently applied to all years presented.

In the parent company financial statements, investments in subsidiaries are recorded at cost less impairment. In the parent company statement of profit or loss and other comprehensive income, dividend received from investments in subsidiaries is recorded as dividend income.

Due to this application, the parent company equity and net result are not equal to the consolidated equity and net result. A reconciliation for total equity attributable to owners of the company and total comprehensive income is presented in note 46 to the parent company financial statements.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the parent company financial statements, in the period in which the dividend is approved by the Company's shareholders.

Dividend Income

Dividend income from the Company's subsidiaries is recognized when the right to receive payment is established.

39. Use of estimates and judgments

The preparation of the parent company financial statements requires management to exercise judgment and make estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company financial statements are the impairment of the investments in subsidiaries.

Valuation of investments in subsidiaries

At each balance sheet date, the Company reviews whether there is an indication that its investments in subsidiaries might be impaired.

An indication for impairment of the investments in subsidiaries may include, respectively, management's downward adjustment of the strategic plan. Further indications for impairments of its investments may include other areas where observable data indicates that there is a measurable decrease in the estimated future cash flows. These determinations require significant judgment. In making this judgment, management evaluates, among other factors, the financial performance of and business outlook for its investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

39. Use of estimates and judgments (continued)

If any indication for impairment exists, the recoverable amount of the investments is estimated in order to determine the extent, if any, of the impairment loss. An investment is impaired if the recoverable amount is lower than the carrying amount. The recoverable amount is defined as the higher of an investment's fair value less costs to sell and its value in use.

The investments' fair value less costs to sell represents the best estimate of the amount OCI would receive if it sold its investments.

The determination of the investment's value in use is based on calculations using pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period and the terminal value period.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. Any impairment loss is recognized immediately in the statement of profit or loss.

Impairment losses recognized in prior periods shall be reversed only if there has been a change in the estimates or external market information used to determine the investment's recoverable amount since the last impairment loss was recognized. The recoverable amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

40. Financial risk and capital management

Reference is made to note 6 'Financial risk and capital management' in the notes to the consolidated financial statements.

40.1 Credit risk

The maximum exposure to credit risk at the reporting date was as follows:

$ millions	Note	2021	2020
Other receivables	(42)	923.9	1,010.4
Financial assets at fair value through other comprehensive income	(43)	2.8	2.9
Cash and cash equivalents	(45)	179.5	14.2
Total		**1,106.2**	**1,027.5**

The maximum exposure to credit risk for other receivables by geographic region was as follows:

$ millions	2021	2020
Middle East and Africa	0.5	-
Europe	112.1	43.3
Americas	811.3	967.1
Total	**923.9**	**1,010.4**

40.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

At 31 December 2021 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(47)	1,507.1	1,644.3	419.2	1,225.1	-
Loans and borrowings from subsidiaries[1]	(47)	612.3	612.3	612.3	-	-
Trade and other payables	(48)	221.8	221.8	221.8	-	-
Total		**2,341.2**	**2,478.4**	**1,253.3**	**1,225.1**	**-**

[1] The contractual cash flows do not include interest cash flow for the loan received from OCI Overseas Holding since this loan is repayable on demand.

At 31 December 2020 $ millions	Note	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities						
Loans and borrowings	(47)	2,660.7	3,140.1	106.6	3,033.5	-
Loans and borrowings from subsidiaries[1]	(47)	277.2	277.2	277.2	-	-
Trade and other payables	(48)	65.4	65.4	65.4	-	-
Total		**3,003.3**	**3,482.7**	**449.2**	**3,033.5**	**-**

[1] The contractual cash flows do not include interest cash flow for the loan received from OCI Overseas Holding since this loan is repayable on demand.

OCI N.V. leases office space and vehicles. The office space lease at Honthorststraat is renewed for a period of 5 years, with an option to renew the lease thereafter. The office space at Willemsparkweg is for an initial period of 5 years, with an option to renew the lease thereafter. Lease payments are indexed annually.

Future minimum lease payments

$ millions	2021	2020
Less than one year	0.8	0.6
Between one and five years	2.8	0.2
More than five years	-	-
Total	**3.6**	**0.8**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

40.2 Liquidity risk (continued)

As part of the preparation of the financial statements, the Company has assessed its liquidity risk. Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has made a number of assumptions in assessing its ability to meet its covenant requirements and satisfy obligations as they become due. Determining these assumptions requires significant judgment about future results and cash flows. Key assumptions include product pricing, gas pricing, utilization rates, and the ability to arrange financing and obtain waivers for anticipated covenant breaches. Refer to note 6.2 and note 18 of the notes to the consolidated financial statements for the Company's analyses of liquidity risk and debt covenants, respectively. Furthermore, the Company's financial liabilities include loans and borrowings from subsidiaries. Although these loans and borrowings from subsidiaries are sometimes classified as short-term due the contractual terms, the repayment date of these loans and borrowings can be controlled and determined by OCI and may be extended beyond one year.

40.3 Market risk

Foreign exchange risk

As of 31 December 2021, if the US dollar had weakened / strengthened by 5 percent against the Euro with all other variables held constant, the translation of foreign currency receivables, payables, cash and cash equivalents and loans and borrowings would have resulted in an increase / decrease of USD 24.7 million of the profit of the year.

The summary of quantitative data about the Company's exposure to foreign exchange transaction exposure based on risk management policy for the main currencies was as follows:

At 31 December $ millions	2021	2020
Other receivables	838.4	961.8
Trade and other payables	(124.3)	(15.3)
Loans and borrowings	(1,261.0)	(1,364.2)
Cash and cash equivalents	53.0	3.9

The following tables demonstrate the sensitivity to a reasonably possible change in EUR-USD exchange rates, with all other variables held constant. The impact on the Company's general and administrative expenses is due to changes in the fair value of monetary assets and liabilities, including inter-company positions. The Company's exposure to foreign currency changes for all other currencies is not material.

2021 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	5 percent	(24.7)	-
	(5) percent	24.7	-

2020 $ millions	Change in FX rate	Effect on profit before tax	Effect on equity
EUR - USD	8 percent	(33.1)	-
	(8) percent	33.1	-

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings plus refinancing of fixed rate borrowings, as follows:

$ millions	In basis points	2021	2020
Effect on profit before tax for the coming year	+100 bps	(4.0)	(3.5)
	- 100 bps	4.0	3.5

Commodity price risk

Natural gas is one of the primary raw materials used in the OCI's production processes. The Company is exposed to natural gas price commodity risk for those entities that buy natural gas at spot prices. Management monitors the development of gas prices and products' selling prices on a daily basis using external historical and forecast market data provided by several data vendors. Management analyzes the potential profit margin per product based on these data in order to make operational and hedging decisions.

The Company enters into gas hedges on behalf of subsidiaries, in order to hedge future gas price levels over a certain period of time. The Company uses derivatives (Basis swaps, Index swaps and options) in order to do so and does not apply hedge accounting on these instruments, therefore all fair value changes related to these financial instruments are recognized in profit or loss.

OCI N.V. is a participating entity in several hedge strategies of the Group. For the hedge strategies reference is made to note 6.3.

European Emission Allowance

Several subsidiaries of OCI N.V. receive European Emission Allowances ("EUAs") as a result of their industrial activities in the Netherlands. The EUAs are granted annually in advance by the Dutch Emission Authority. The amount of EUAs granted is based on an estimate of CO_2 emissions in the Netherlands and the effective European emission legislation. In arrears, the subsidiaries have to refund allowances to the Dutch Emission Authority based on actual CO_2 emissions during the year. In the event that a deficit in EUAs is identified, the subsidiaries have to purchase additional EUAs on the commodity markets to settle its liability to the Dutch Emission Authority.

During the year, OCI N.V. has generated additional liquidity by selling its EUAs to the market. To manage the price exposure on the liability towards the Dutch Emission Authority, OCI N.V. entered into financial hedges to purchase EUAs. For further information reference is made to note 6.3.

For the fair value of the commodity derivatives reference is made to note 42.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

40.3 Market risk (continued)

Categories of financial instruments

2021 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial asset at fair value through other comprehensive income
Assets				
Other receivables	(42)	881.1	42.8	-
Financial asset at fair value through other comprehensive income	(43)	-	-	2.8
Cash and cash equivalents	(45)	179.5	-	-
Total		**1,060.6**	**42.8**	**2.8**
Liabilities				
Loans and borrowings from third parties	(47)	1,507.1	-	-
Loans and borrowings from subsidiaries	(47)	612.3	-	-
Trade and other payables	(48)	213.0	8.8	-
Total		**2,332.4**	**8.8**	**-**

2020 $ millions	Note	Loans and receivables / payables at amortized cost	Assets / liabilities at fair value	Financial asset at fair value through other comprehensive income
Assets				
Other receivables	(42)	1,000.2	10.2	-
Financial asset at fair value through other comprehensive income	(43)	-	-	2.9
Cash and cash equivalents	(45)	14.2	-	-
Total		**1,014.4**	**10.2**	**2.9**
Liabilities				
Loans and borrowings from third parties	(47)	2,660.7	-	-
Loans and borrowings from subsidiaries	(47)	277.2	-	-
Trade and other payables	(48)	54.5	10.9	-
Total		**2,992.4**	**10.9**	**-**

The only financial instrument carried at fair value by the Company is the financial asset at fair value through other comprehensive income which is measured with hierarchy level 1 of the fair value hierarchy category.

41. Investment in subsidiaries

$ millions	2021	2020
Balance at 1 January	**7,207.0**	**7,600.7**
Reversal of impairment / (Impairment)	1,417.7	(1,008.6)
Capital contribution	431.9	-
Exchange rate differences	(575.9)	614.9
Balance at 31 December	**8,480.7**	**7,207.0**

Capital contributions

In 2021, capital contributions of USD 261.4 million in cash and USD 170.5 million in kind, by settling loans and receivable balances, were made to OCI Intermediate B.V.

Impairment testing 2021

An impairment reversal trigger was identified in OCI N.V.'s investment in subsidiaries due to an increase in share price as per December 2021 compared to 2020. As a result, the Group has prepared an impairment test on the investment in subsidiaries in accordance with IAS 36. An impairment reversal is recognized if the estimated recoverable amount of an asset exceeds its carrying amount.

The recoverable amount has been estimated based on fair value less cost of disposal. Key elements for the determination of fair value were the 14 days trailing share price of OCI N.V. as per 31 December 2021 of USD 26.55 (which is measured with hierarchy level 1 of the fair value hierarchy category), the number of outstanding shares of OCI N.V. (210,306,101 shares) and a control premium of 30%, which is the median bid premium for the acquisitions of Dutch listed companies in the period 2000 - 2019 based on the price paid over and above the trading share price to obtain control and determined to be a reasonable control premium for listed companies. The costs of disposal are assumed to be limited and included in the control premium assumption. This results in a recoverable amount of USD 7,258.7 million.

The recoverable amount of OCI Intermediate B.V. (which is the total of the investment in subsidiaries, receivables from subsidiaries and the loans and borrowings) exceeded the carrying amount of the investment. As a result, an impairment reversal of USD 1,417.7 million is recognized in the Parent company statement of Profit or Loss and Other Comprehensive Income. The accumulated impairment as per 31 December 2021 amounts to USD 154.5 million.

List of subsidiaries as per 31 December 2021:

Name	Country of incorporation	Ownership %
OCI Intermediate B.V.	The Netherlands	100.0
OCI UK Ltd.	United Kingdom	100.0

OCI Intermediate B.V. is a holding company which has all operating companies as subsidiaries.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

42. Other receivables

$ millions	2021	2020
Receivables from subsidiaries	877.9	995.5
Commodity derivatives	42.8	9.4
Foreign currency derivatives	-	0.8
Other receivables	3.2	4.7
Total	**923.9**	**1,010.4**
Non-current	703.5	881.8
Current	220.4	128.6
At 31 December	**923.9**	**1,010.4**

The carrying amount of receivables approximates their fair value.

The assessment of the expected credit losses did not result in an impairment of receivables. This will be monitored on a continuous basis going forward and periodically reassessed.

Specification of receivables from subsidiaries:

$ millions	Type	Interest rate	2021 Long-term	2021 Short-term	2020 Long-term	2020 Short-term
OCI USA Inc.	Unsecured	8% fixed	-	-	392.1	-
OCI USA Inc.	Unsecured	6.418% fixed	-	-	489.7	-
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.2% fixed	40.6	-	-	-
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.2% fixed	662.9	-	-	-
Iowa Intermediate Fertilizer Holding Corp	Unsecured	5.1% fixed	-	104.7	-	-
Other receivables subsidiaries	-	-	-	69.7	-	113.7
Total			**703.5**	**174.4**	**881.8**	**113.7**

43. Financial assets at fair value through other comprehensive income

$ millions	2021	2020
Orascom Construction Limited (Dubai)	2.8	2.9
Total	**2.8**	**2.9**

Orascom Construction Limited is a related party.

44. Inventory

$ millions	2021	2020
European Emission Allowances	21.9	-
Total	**21.9**	**-**

During 2021, OCI N.V. purchased 261,247 European Emission Allowances from its subsidiary BioMCN for an average price of EUR 73.56.

45. Cash and cash equivalents

$ millions	2021	2020
Bank balances	179.5	14.2
Total	**179.5**	**14.2**

The bank balances are freely available for usage and are not restricted.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

46. Equity attributable to owners of the Parent Company

46.1 Reconciliation of consolidated income and equity attributable to shareholders to Parent Company income and equity attributable to owners

$ millions	2021 Equity	2021 Profit / (loss)	2020 Equity	2020 Profit / (loss)
Consolidated equity attributable to owners of the company	1,999.0	521.1	1,131.7	(282.1)
Revaluation of subsidiaries	5,329.7	1,417.7	3,912.0	(1,008.6)
Difference gain on demerger 2015	(387.8)		(387.8)	-
Difference in profit or loss	2,776.5	511.9	2,264.6	256.2
Other comprehensive income	(1,543.6)	(414.1)	(1,129.5)	553.4
Business combination Fertiglobe	(723.1)	-	(723.1)	-
Other direct equity movements (including impact IFRS 9 adoption)	(175.8)	-	162.9	-
Parent Company equity attributable to owners	**7,274.9**	**2,036.6**	**5,230.8**	**(481.1)**

The differences between total shareholders' equity and total comprehensive income according to the consolidated financial statements and the parent company financial statements in general relate to the accounting of investments at cost (fair value as deemed cost upon adoption of IFRS) in the parent company financial statements and subsequent impairments.

The reconciling items for equity and income are further detailed below.

Revaluation of subsidiaries

The revaluation of subsidiaries of USD 5,329.7 million relates to the step up in fair value at the date of transition to IFRS, 1 January 2014. The revaluation reserve related to the deemed cost value step-up of the subsidiaries was subsequently converted into share capital and partly distributed as part of the demerger transaction of OCI's E&C Business.

The Company recorded a reversal of impairment taken in previous year on subsidiaries of USD 1,417.7 million in 2021 (2020: USD 1,008.6 million).

Gain on demerger

In the 2015 parent company financial statements, the demerger gain of USD 243.0 million is lower compared to the demerger gain as reported in the consolidated financial statements of USD 630.8 million as the investment is stated at cost in the parent company financial statements versus the equity value in the 2015 consolidated financial statements.

Difference in profit or loss

The 2021 net result is USD 511.9 million higher in the parent company financial statements as the net gain for 2021 is USD 2,500.1 million (mainly driven by partly reversal of the impairment taken in previous year in subsidiaries of USD 1,417.7 million), whereas the net gain attributable to owners of the company in the consolidated financial statements was USD 570.5 million.

The 2020 net result is USD 256.2 million higher in the parent company financial statements as the net loss for 2020 is USD 930.1 million (mainly driven by the impairment in subsidiaries of USD 1,008.6 million), whereas the net loss attributable to owners of the company in the consolidated financial statements was USD 177.7 million.

Other comprehensive income

The reconciliation item 'Other comprehensive income' represents hedge and currency translation differences which are recognized in the consolidated financial statements but not in the parent company financial statements as the investments are stated at cost.

The 2021 difference in income of USD 414.1 million comprises USD 505.8 million of currency translation gains, USD 80.8 million of losses on cash flow hedges and USD 10.9 million losses on financial asset at fair value through other comprehensive income, which do not occur in the parent company financial statements.

The 2020 difference in income of USD 553.4 million comprises USD 556.2 million of currency translation losses and USD 5.7 million of gains on cash flow hedges and USD 2.9 million losses financial assets at fair value through other comprehensive income, which do not occur in the parent company financial statements.

Business combination Fertiglobe

The Fertiglobe business combination resulted in an increase of USD 723.1 million in equity attributable to the owners of the company in the consolidated financial statements, but had no impact on the parent company. Reference is made to note 2.2.1. and note 17.

Other direct equity movements

The other direct equity movements mainly relate to the effect of the Fertiglobe's IPO bookbuilding process.

46.2 Appropriation of net profit / (loss)

$ millions	2021	2020
Added to / (deducted from) retained earnings	2,500.1	(930.1)
Net profit / (loss) attributable to shareholders	**2,500.1**	**(930.1)**

Upon adoption of this proposed net profit / (loss) appropriation, the dividend for the 2021 financial year will be nil. Subsequent to the financial year end, the company announced a proposed payment of an interim distribution for the period H2 2021of €1.45 per share. Refer to note 59 for further details of the subsequent event. This proposed net profit / (loss) appropriation is in conformity with article 26 of the Company's Articles of Association.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

47. Loans and borrowings

$ millions	2021	2020
Senior notes	727.1	2,316.1
Term loan and revolving credit facility	397.0	344.6
Bank overdraft facility	383.0	-
Sub-total third-party	**1,507.1**	**2,660.7**
OCI Chem 5 B.V.	-	0.4
OCI Overseas Holding Ltd.	0.1	0.8
OCI Nitrogen	466.9	267.5
OCI Methanol Marketing B.V.	-	4.0
OCI Fuels B.V.	-	3.4
OCI Personnel B.V.	0.1	-
N7	127.5	-
OCI Fertilizers B.V.	17.7	1.1
Sub-total subsidiaries	**612.3**	**277.2**
Total	**2,119.4**	**2,937.9**
Non-current	1,124.1	2,660.7
Current	995.3	277.2
At 31 December	**2,119.4**	**2,937.9**

Reference is made to note 18 ‘Loans and borrowings’ of the consolidated financial statements for detailed information on third-party loans and the undrawn bank facility.
The carrying amounts of loans and borrowings from subsidiaries approximates their fair values.

$ millions	2021	2020
Balance at 1 January	2,937.9	2,734.5
Proceeds from borrowings	909.2	1,675.0
Proceeds from bank overdraft facility	398.4	-
Proceeds from borrowings subsidiaries	600.6	145.9
Proceeds from borrowings subsidiaries in kind	-	113.7
Redemptions of borrowings	(2,401.2)	(1,756.1)
Redemptions of borrowings subsidiaries	(8.0)	-
Redemptions of borrowings subsidiaries in kind	(267.3)	(114.1)
Newly incurred transaction costs	(0.1)	(9.3)
Amortization of transaction costs / (bond) premiums	23.5	24.4
Effect of movement in exchange rates	(73.8)	123.8
Accrued interest	0.2	0.1
At 31 December	**2,119.4**	**2,937.9**

Proceeds from borrowings

Proceeds from borrowings in 2021 totaled an amount of USD 909.2 million (2020: USD 1,675.0 million). Reference is made to note 18 of the consolidated financial statements.

Redemptions of borrowings subsidiaries in kind

Redemptions of borrowings from subsidiaries in kind of USD 267.3 million consist of contributions to OCI Chemicals B.V. by settlement of loans.

The maturity dates of loans and borrowings from third-party and related party are as follows

$ millions	2021	2020
2021	-	-
2022	383.0	-
2023	400.0	350.0
2024	-	1,455.7
2025	733.3	889.0
Sub-total	**1,516.3**	**2,694.7**
Deducted transaction costs	(9.2)	(34.0)
Total	**1,507.1**	**2,660.7**

Specification of loans and borrowings from subsidiaries:

$ millions	Type	Interest %	2021 Long-term	2021 Short-term	2020 Long-term	2020 Short-term
OCI Overseas Holding Ltd.	Unsecured	LIBOR + 3.25	-	0.1	-	0.8
OCI Nitrogen	Unsecured	0.05%	-	-	-	-
OCI Nitrogen	Unsecured	Deposit rate 0%	-	466.9	-	267.5
OCI Chemicals B.V.	Unsecured	Deposit rate 0%	-	-	-	1.1
OCI Methanol Marketing B.V.	Unsecured	Deposit rate 0%	-	-	-	4.0
OCI Fuels B.V.	Unsecured	Deposit rate 0%	-	-	-	3.4
OCI Chem 5 B.V.	Unsecured	Deposit rate 0%	-	-	-	0.4
N7	Unsecured	Deposit rate 0%	-	127.5	-	-
OCI Fertilizers B.V.	Unsecured	Deposit rate 0%	-	17.7	-	-
OCI Personnel B.V.	Unsecured	Deposit rate 0%	-	0.1	-	-
Total			**-**	**612.3**	**-**	**277.2**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

48. Other payables

$ millions	2021	2020
Payables due to subsidiaries	192.7	22.9
Accrued interest	6.2	18.8
Commodity derivative financial instruments	8.8	10.9
Other current liabilities	14.1	12.8
Total	**221.8**	**65.4**
Non-current	-	-
Current	221.8	65.4
Total	**221.8**	**65.4**

The carrying amount of 'Other payables' approximates its fair value.

49. Revenue from dividend income

Revenue from dividend income in 2021 consists of USD 1,322.2 million from OCI Intermediate of which USD 1,322.2 million was in cash.

50. Development of general and administrative expenses

a. Expenses by nature

$ millions	Note	2021	2020
Employee benefit expenses	(b)	21.0	15.8
Depreciation		0.9	0.8
Consultancy expenses		9.7	12.5
Other		5.0	1.6
Total		**36.6**	**30.7**

The expenses by nature comprise 'general and administrative expenses'.

b. Employee benefit expenses

$ millions	2021	2020
Wages and salaries	8.0	5.5
Social securities	0.4	0.3
Employee profit sharing	3.0	1.5
Pension cost	1.1	0.6
Share-based compensation expense	8.5	7.9
Total	**21.0**	**15.8**

For specifications on share-based payments, reference is made to note 22c of the notes to the consolidated financial statements.

51. Other income

$ millions	2021	2020
Reversal of impairment of subsidiaries	1,417.7	-
Other	0.2	0.1
Total	**1,417.9**	**0.1**

52. Other expenses

$ millions	2021	2020
Impairment of subsidiaries	-	1,008.6
Other	40.6	21.5
Total	**40.6**	**1,030.1**

Other expenses relate to recharges from subsidiaries, mainly OCI UK Ltd. Reference is made to note 41 for the impairment of subsidiaries.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

53. Net finance cost

$ millions	2021	2020
Interest income on loans and receivables third-party	0.1	0.1
Interest income on loans and receivables subsidiaries	70.2	65.7
Foreign exchange gain	98.5	169.3
Finance income	**168.8**	**235.1**
Interest expense and other financing costs on financial liabilities measured at amortized cost third-party	(160.5)	(198.2)
Interest expense and other financing costs on financial liabilities measured at amortized cost related party	-	-
Interest expense and other financing costs on financial liabilities measured at amortized cost subsidiaries	(0.4)	(0.2)
Foreign exchange loss	(202.6)	(86.3)
Finance cost	**(363.5)**	**(284.7)**
Net finance (cost) recognized in profit or loss	**(194.7)**	**(49.6)**

Foreign exchange gain / (loss) include a net loss of USD 72.8 million on foreign exchange derivatives which were settled during the year.

54. Income taxes

54.1 Income tax in the statement of profit or loss

$ millions	2021	2020
Current tax	21.4	12.7
Deferred tax	10.5	(9.4)
Total income tax in profit or loss	**31.9**	**3.3**

Current tax

$ millions	2021	2020
Current year	21.4	12.5
Changes in estimates relating to prior years	-	0.2
Income tax benefit / (expense) in profit or loss	**21.4**	**12.7**

Deferred tax

$ millions	2021	2020
Origination and reversal of temporary differences	0.3	0.3
Changes in tax rates	1.0	-
Unrecognized tax assets	-	(9.7)
Recognition of previously unrecognized tax losses	9.2	-
Income tax benefit / (expense) in profit or loss	**10.5**	**(9.4)**

54.2 Reconciliation of effective tax rate

Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

$ millions	2021	%	2020	%
Profit / (loss) before income tax	2,468.2		(933.4)	
Enacted income tax rate in the Netherlands	25%		25%	
Tax calculated at statutory tax rate	**(617.0)**	**(25.0)**	**233.4**	**25.0**
Reversal of impairment / (impairment) of subsidiaries	354.4	14.4	(252.2)	(27.0)
Expenses non-deductible[1]	(46.3)	(1.8)	(12.6)	(1.3)
Income not subject to tax[2]	330.6	13.3	44.2	4.7
Change in income tax rates	1.0	0.0	-	-
Unrecognized tax assets	-	-	(9.7)	(1.0)
Recognition of previously unrecognized tax losses	9.2	0.4	-	-
Changes in estimates relating to prior years	-	-	0.2	-
Total income tax in profit or loss	**31.9**	**1.3**	**3.3**	**0.4**

[1] The non-deductible expenses mainly relate to non-deductible interest expense as a result of the 30% EBITDA limitation and non-deductible shareholder costs.

[2] Income not subject to tax related to dividend income in 2021 of USD 1,322 million gross.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER CONTINUED

54.3 Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities:

$ millions	2021	2020
At 1 January	**(1.2)**	**4.8**
Profit or loss	10.5	(9.4)
Effect of movement in exchange rates	-	-
Other	(3.8)	3.4
At 31 December	**5.5**	**(1.2)**

Other relates to change of position from net operating losses being capitalized on the balance sheet in 2019 to creating a valuation allowance for a deferred tax asset in relation to the operating losses.

Recognized deferred tax assets and liabilities:

	Assets		Liabilities		Net	
$ millions	2021	2020	2021	2020	2021	2020
Trade and other receivables	-	-	(0.3)	(0.4)	(0.3)	(0.4)
Loans and borrowings	-	-	(0.6)	(1.1)	(0.6)	(1.1)
Trade and other payables	-	0.3	-	-	-	0.3
Operating losses carry forward and tax credits	6.4	-	-	-	6.4	-
Total	**6.4**	**0.3**	**(0.9)**	**(1.5)**	**5.5**	**(1.2)**
Netting of fiscal positions	(0.9)	(0.3)	0.9	0.3	-	-
Amounts recognized in the Statement of Financial Position	**5.5**	**-**	**-**	**(1.2)**	**5.5**	**(1.2)**

Of the deferred tax liabilities at 31 December 2021, an amount of USD 0.3 million is to be settled within 12 months.

Expiration scheme of gross unrecognized carry forward tax losses:

2021 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Gross federal tax losses	-	-	-	-	-	-	**-**
Unrecognized operating losses carry forward	-	**-**	-	-	-	-	**-**

2020 $ millions	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Unlimited	Total
Gross federal tax losses	-	41.6	-	-	-	-	**41.6**
Unrecognized operating losses carry forward	-	**41.6**	-	-	-	-	**41.6**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

55. Related party transactions

For an overview of the related parties, reference is made to note 30 of the consolidated financial statements. The Company has the following current account related party balances as at 31 December 2021:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivables	Loans payables	Interest income	Interest expense
Orascom Construction Egypt	OC group company	-	-	0.3	-	-	-	-	-
Residencia Europe Ltd	Related via shareholder	0.6	0.2	-	-	-	-	-	-
Nassef Sawiris	Executive Chair	-	-	0.7	0.4	-	-	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	-	-	-	-	-
Total		**0.6**	**0.2**	**1.2**	**0.4**	**-**	**-**	**-**	**-**

The Company has the following current account related party balances as at 31 December 2020:

Related party	Relation	Revenue transactions during the year	AR outstanding at year end	Purchase transactions during the year	AP outstanding at year end	Loans receivables	Loans payables	Interest income	Interest expense
Nassef Sawiris	Executive Chair	-	-	0.7	0.2	-	-	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	0.2	0.2	-	-	-	-
Total		**-**	**-**	**0.9**	**0.4**	**-**	**-**	**-**	**-**

The current accounts consist of management fees, transferred cost and other.

All outstanding related party balances are unsecured.

56. Contingencies

Guarantees

OCI has provided financial guarantees to certain subsidiaries including OCI Nitrogen related to its inventory financing. For OCI Chemicals, BioMCN and OMM B.V. a comfort letter was provided by OCI.

The Company has a guarantee facility with Rabobank for a maximum guarantee amount of EUR 200.0 million (USD 227.4 million). Under this guarantee facility, EUR 7.4 million (USD 8.4 million) has been drawn. The facility is used to issue guarantees on behalf of the subsidiaries, mainly for operational purposes.

OCI has an uncommitted surety facility with Tokio Marine Europe SA and Zürich Insurance PLC for a maximum guarantee amount of EUR 100.0 million (USD 113.7 million). Under this guarantee facility, EUR 68.8 million (USD 78.2 million) has been drawn. The facility is used to issue a performance guarantee on behalf of OCI Nitrogen B.V..

The Company also has a guarantee facility with BNP for an amount of USD 89.4 million, that is fully drawn.

57. Employees

The total number of employees in 2021 was 44 (2020: 29 employees).

58. Fiscal unity

OCI N.V. forms a fiscal unity with several Dutch entities for corporation tax purposes. In accordance with the standard conditions, a company and its subsidiaries that form the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity. The following entities are included in the fiscal unity headed by OCI N.V.:

- OCI N.V.
- OCI Intermediate B.V.
- OCI Nitrogen B.V.
- OCI Personnel B.V.
- OCI Terminal Europoort B.V.
- OCI Fertilizers B.V.
- OCI China Holding B.V.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER CONTINUED

59. Subsequent events

OCI proposed semi-annual dividend distribution

On 15 February 2022 OCI announced a proposed payment of an interim distribution for the period H2 2021 of EUR 1.45 per share (or c.USD 350 million including a USD 200 million base). OCI is convening an extraordinary shareholders meeting (EGM) on 28 March 2022 to resolve on the distribution through a repayment of capital with an option to shareholders to elect for a dividend distribution instead, resulting in a distribution to shareholders scheduled for June, subject to a statutory two-month creditor opposition period.

OCI Methanol Group dividend distribution

In February 2022, the OCI Methanol Group Board of Directors approved dividends of USD 420 million, which were paid out to OCI Methanol Group shareholders, OCI (USD 357 million) and minority shareholders (USD 63 million), on 22 February 2022.

Amsterdam, the Netherlands, 18 March 2022

The OCI N.V. Board of Directors

Michael Bennett

Nassef Sawiris

Ahmed El-Hoshy

Hassan Badrawi

Maud de Vries

Sipko Schat

Jérôme Guiraud

Robert Jan van de Kraats

Gregory Heckman

Anja Montijn-Groenewoud

David Welch

Dod Fraser

Heike van de Kerkhof

OTHER INFORMATION

Extract from the Articles of Association relating to Net Profit/(Loss) appropriation

Article 26. 'Profits and Distributions'.

26.1 The Board may decide that the profits realized during a financial year will fully or partially be appropriated to increase and/or from reserves.

26.2 The profits remaining after application of Article 26.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

26.3 Distributions from the Company's distributable reserves are made pursuant to a resolution of the General Meeting at the proposal of the Board.

26.4 Provided it appears from an interim statement of assets signed by the Board that the requirement mentioned in Article 26.8 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.

26.5 The Board may decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and / or as a payment in Shares, out of the profit and / or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Articles 6.2. The Board shall determine the conditions applicable to the aforementioned choices.

26.6 The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.

26.7 The Company may further have a policy with respect to profit participation for employees which policy will be established by the Board.

26.8 Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

7.

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: the General Meeting of Shareholders and the Supervisory Board of OCI N.V.

Report on the audit of the financial statements 2021 included in the Annual Report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of OCI N.V. as at 31 December 2021 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2021 of OCI N.V. (the Company) based in Amsterdam, the Netherlands.

The financial statements comprise:

1 the consolidated and parent company statement of financial position as at 31 December 2021;

2 the following consolidated and parent company statements for 2021: the statement of profit or loss and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of OCI N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters should be viewed in that context and not as separate opinions or conclusions.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

INDEPENDENT AUDITOR'S REPORT CONTINUED

Audit approach

Summary

Materiality

Consolidated financial statements
- Materiality of USD 42.5 million
- 0.7% of consolidated revenue amounting to USD 6,318.7 million

Parent company financial statements
- Materiality of USD 57 million (EUR 50 million)
- 0.6% of parent company total assets amounting to USD 9,619.3 million

Group audit

- Audit coverage of 99% of total assets
- Audit coverage of 99% of revenue

Going concern, Fraud/Noclar and Climate

- Going concern: no significant going concern risks identified
- Fraud & Non-compliance with laws and regulations (Noclar), significant risks identified: management override of controls (presumed risk) and revenue recognition in relation to manual override of sales cut-off and non-routine sales transactions (presumed risk)
- Climate: management's response to possible future effects of climate change and their anticipated outcomes have been disclosed. We have considered the impact of climate-related risks on our identification and assessment of risks of material misstatement in the financial statements.

Key audit matters

- Initial Public Offering ('IPO') of Fertiglobe plc
- Litigation and claims
- Recoverable amount in impairment tests

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at USD 42.5 million (2020: USD 30 million) and for the parent company financial statements as a whole at USD 57 million (EUR 50 million) (2020: USD 60 million (EUR 50 million)). Materiality for the consolidated financial statements increased compared to last year due to the improved financial performance of the Company.

The materiality for the consolidated financial statements is determined with reference to the consolidated revenue, of which it represents 0.7% (2020: 0.8%). We deem profit before tax from continuing operations as not representative because the benchmark has historically been negative and/or highly volatile. As such, we consider revenues as the most appropriate benchmark as the Company is result oriented.

The materiality for the parent company financial statements is determined with reference to the parent company's total assets, of which it represents 0.6% (2020: 0.7%). Given the nature of the parent company's activities – the holding and financing of investments within the Company – we consider the use of the total asset benchmark as most appropriate in respect of the parent company financial statements.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and company financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements identified during our audit in excess of USD 1.5 million of the consolidated and parent company financial statements, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

Scope of the group audit

OCI N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of OCI N.V.

Our group audit mainly focused on significant components, including a significant equity accounted investment. To ensure sufficient coverage over the group's financial information, we have requested 15 component auditors (2020: 14 component auditors) to perform a full scope audit of the financial information of the related component (audit of complete reporting package). Furthermore, we requested 4 component auditors (2020: 4 component auditors) to perform specified audit procedures. The relative size of the component and the likelihood for the component to include a significant risk were both evaluated in determining the scope of our component audits.

For the remaining components we have performed audit procedures ourselves or performed analytical procedures in order to corroborate our assessment that the risk of material misstatement in the residual population is less than reasonably possible.

We have provided detailed instructions to all component auditors as part of the group audit, covering the significant audit areas, including the relevant risks of material misstatement identified by us, and set out the information required to be reported back to us. In view of restrictions, caused by the COVID-19 pandemic, on the movement of people across borders, and also within significantly affected countries, we made changes to the audit approach to evaluate the component auditors' communications and the adequacy of their work. As a result, we have requested those component auditors to provide us with remote access to audit workpapers to perform these evaluations, subject to local law and regulations.

In addition, due to the inability to arrange in-person meetings with such component auditors, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails and virtual meetings. We have assessed these expanded communications, with additional robust discussions as needed, to ensure that they are sufficient for us to evaluate and conclude on the appropriateness and adequacy of the component auditor's work. Video conferences were held with all the component auditors that were part of the group audit. During these conferences, the planning, audit approach, findings and observations were reviewed and discussed. Any further work deemed necessary was subsequently performed by the component auditors and reviewed by us.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

The audit coverage as stated in the section summary can be further specified as follows:

Total assets

90%	8%	1%
Audit of the complete reporting package	Audit of specific items	Specified audit procedures

Revenue

91%	0%	8%
Audit of the complete reporting package	Audit of specific items in revenue is not applicable	Specified audit procedures

Audit response to going concern – no significant going concern risks identified

The Board of Directors has performed its going concern assessment and has not identified any significant going concern risks. To assess the Board's assessment, we have performed, amongst others, the following procedures:

- we considered whether the Board of Directors' assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the operating results forecast and the related cash flows compared to the previous financial year, developments in the business sector and any information of which we are aware as a result of our audit;
- we inspected the financing agreements in terms of conditions that could lead to significant going concern risks, including the terms of the agreement and any covenants; and
- we analysed whether the headroom of the ratios included in the financing agreements is sufficient or if it gives rise to the risk of any of the covenants in the financing agreement being breached.

The outcome of our procedures did not give reason to perform additional audit procedures on management's going concern assessment. We did not identify any significant going concern risks.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

Audit response to the risk of fraud and non-compliance with laws and regulations

In the chapter 'Risk Management and Compliance' of the Annual Report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's Code of Conduct, Whistle-blower policy, Insider Trading & Market Abuse policy, Anti-bribery and Corruption policy, Competition policy, Privacy and data policy, Human Rights policy, Business Parter Code of Conduct and Sanctions Policy to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions.

As part of our audit procedures, we:

- held quarterly meetings to perform inquiries with the Audit & Risk, Legal and the Compliance department on group level and with local management by our component auditors;
- evaluated internal reports (including reports from the Audit & Risk and Compliance departments) on indications of possible fraud and non-compliance (both on group and component level);
- requested our component auditors to submit to us a 'Questionnaire bribery and fraud, compliance with laws and regulations' to assist in completing our risk assessment procedures;
- requested and evaluated legal confirmation letters, at group and component level; and
- obtained an understanding of 'risk rate', a tool which is used by the Company to screen third parties for potential fraud and/or non-compliance risks.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material indirect effect on the financial statements:

- health and safety regulation;
- environmental regulation;
- anti-bribery and corruption laws and regulations;
- anti-money laundering laws and regulations; and
- trade sanctions and export controls laws and regulations.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses by us, including the work of our component auditors:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed a data analysis of high-risk journal entries related to revenue, back postings and postings with a unusual character and evaluated key estimates and judgments for bias by the Company's management, including retrospective reviews of prior years' estimates with respect to the valuation of fixed assets, goodwill, investment in subsidiaries (standalone), deferred tax assets and provisions. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit, including a specific analysis of (immaterial) balances and transactions at out-of-scope entities.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

- Revenue recognition (a presumed risk)

Risk:

- In relation to overstatement of revenue due to manual override of sales cut-off and non-routine sales transactions.

Responses by us, including the work of our component auditors:

- With respect to the risk of fraud in revenue recognition we have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls.
- We performed substantive audit procedures over the manual and non-routine sales transactions and sales reversal transactions surrounding cut-off to address the significant risk with regards to fraudulent revenue recognition, including:
  - (Substantive) analytical procedures to identify potential cut-off errors.
  - Cut-off testing using substantive sampling, selected items were reconciled to supporting documentation such as goods shipped, services performed, prices invoiced, sales contracts, bill of loadings, shipping documents, proof of delivery, and proof of acceptance. For the items selected it was determined whether sales and the related receivables have been recorded in the correct accounting period and for the correct amount.
  - For a selection of credit notes supporting documentation was obtained to determine whether these were recorded in the correct reporting reported.
  - Identification of material exceptional non-routine revenue transactions and, for those identified, gained an understanding about the performance obligations which determine the moment of revenue recognition and obtained supporting documentation for all non-routine transactions as part of the journal entry testing audit procedures.
  - Final analytical procedures.

Our procedures to address the identified risks of fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to management and the Audit Committee of the Board of Directors. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to climate-related risks

The Board of Directors is responsible for preparing the financial statements in accordance with
The Board of Directors is responsible for preparing the financial statements in accordance with
the applicable financial reporting framework, including considering whether the implications from climate-related risks and commitments have been appropriately accounted for and disclosed.

The Board of Directors has performed its analysis of the impact of climate-related risks on the company's business and operations on the longer term and on its accounting in the current financial statements. In chapter 'Sustainability' of the Annual Report, the Board of Directors concluded that the effect of climate-related risks do not have a material impact on accounts and disclosures, including judgements and estimates in the financial statements.

The evaluation of the effectiveness of management's strategy and action plan to meet internal or external goals set is not in scope of our audit of the financial statements. As part of our audit we consider potential effects of climate-related risks on the accounts and disclosures, including estimates and judgements in the current year's financial statements to determine whether the financial statements are free from material misstatements. This includes discussion of the company's strategy and risk assessment process in relation to climate change with management and those charged with governance and inspecting minutes and external communications for significant climate related commitments, strategies and plans made by the Board of Directors. Also, we have requested our component auditors to assist us in providing insight in (upcoming) country specific legislation on climate-related matters and the risks thereof.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to the Initial Public Offering of Fertiglobe plc has been added. Furthermore, due to the improved (forecasted) financial results the key audit matter related to the recoverable amount in impairment tests is now only related to a single cash generating unit and the valuation of the subsidiaries in the parent company financial statements. No other changes were identified.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

#1 Initial Public Offering of Fertiglobe plc

Description

As disclosed in note 17 of the financial statements the Initial Public Offering ('IPO') of 13.8% of the shares in Fertiglobe plc (hereafter: Fertiglobe) at the Abu Dhabi Stock Exchange ('ADX') was completed on 27 October 2021. Fertiglobe is the holding entity of the Company's fertilizer business in the MENA region. The listed shares were previously owned by the Company and ADNOC, both remain shareholders after the IPO. The most significant accounting matter is the assessment whether the Company remained in control and can continue to consolidate Fertiglobe given the changes to the ownership, structure and governance at Fertiglobe (post IPO). This also requires judgement from management. Furthermore the accounting treatment, including the presentation, of the (leveraged) dividend and the IPO proceeds is a relevant matter. These matters, together with the intensity of such a process and the various parties involved, made this transaction significant to our audit.

Our response

A significant portion of the Company's operations are included in Fertiglobe. In the structure before the IPO the Company owned 58% of the shares in Fertiglobe. The ownership, combined with the formalised shareholder agreements resulted in the position that the Company had control over Fertiglobe and thus 100% of the activities were consolidated. The IPO resulted in a decrease of the shareholder to 50% and led to changes in the governance, the Company assessed whether it retained control over Fertiglobe.

We performed the following procedures:

- We evaluated the design and implementation of relevant controls related to the client procedures for preparing the control assessment;
- We obtained the assessment prepared by management discussing relevant changes with potential impact on the control question;
- We determined whether the assessment was performed in accordance with IFRS 10;
- We added an specialised team member to our engagement team assisting us in assessing the technical aspects of the control assessment and the conclusion that OCI remained in control over the activities of Fertiglobe;
- We inspected the legal documentation to determine whether relevant aspects were considered as part of the control assessment; and
- We assessed the appropriateness of the disclosure as included in the consolidated financial statements.

#1 Initial Public Offering of Fertiglobe plc (continued)

Prior to the IPO, dividends were declared and distributed to the shareholders – these dividends were based on accumulated realised profits which were not yet distributed. Furthermore, the IPO proceeds were also distributed to the (ultimate) shareholders. Due to the legal structure of the Company and the accounting policy applied in the parent company financial statements for the account investment in subsidiaries (accounted at cost) the proceeds are classified as dividend income in the parent company financial statements. From a consolidated perspective the only visible impact relates to the measurement of the non-controlling interest. We inspected the related legal documentation and assessed the accounting treatment.

As explained above, the presentation of the activities of Fertiglobe are impacted by significant portions of non-controlling interests. Not only at the level of Fertiglobe third parties are participating but also at individual entities within the Fertiglobe group. The IPO had a significant impact on the calculation of non-controlling interest.

Our observation

We determined that the accounting treatment of the various topics described above are reasonable and in accordance with IFRS:

- We agree with the conclusion that OCI remained in control over the activities of Fertiglobe and its subsidiaries.
- We determined that the declared dividends are accounted for in accordance with the supporting documentation and that the identification of the proceeds as dividend income are correct.
- We determined through recalculation that the updated percentages of non-controlling interest in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income of the Company are appropriate and mathematical accurate.
- Furthermore we concluded that the disclosure (reference is made to Note 17) is adequate.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

#2 Litigation and claims

Description

As disclosed in Provisions (Note 21) and Contingencies (Note 28) the Company has several pending litigations and claims (related to legal and tax matters), for which the outcome is uncertain. Inherent to the Company's nature and operations, as well as its geographical spread, the Company is exposed to an indirect material effect on pending legal cases. Based on the likelihood of occurrence and the exposure, the Company determines if, and for what amount, a provision should be recognised. This assessment is considered to be significant to our audit due to management judgement involved. As the Company is diversified globally, the pending claims and litigations differ in terms of risk profile.

Our response

During our audit, we performed the following procedures:

- Obtained the quarterly updated Litigation report from Group Legal;
- Performed quarterly update meetings with Group Legal, Compliance and Tax;
- Instructed our component auditors to perform procedures over litigations and claims on a local level, including:
  - Requested certain component auditors to visit local courts to confirm the status of certain cases;
  - Evaluated the legal expenses and requested external legal letters for lawyers involved in litigations and claims (group and component level);
  - Obtained internal position papers from management on the cases pending (group and component level); and
  - Requested external expert opinions for cases with a significant exposure.
- Assessed the adequacy of the disclosure to the financial statements.

Our observation

and the recording of related provisions to be reasonable. Furthermore, we determined that the related disclosure with regards to Provisions (Note 21) and Contingencies (Note 28) are adequate.

#3 Recoverable amount in impairment tests

Description

As described in Note 7, management has performed an impairment test in order to determine the impairment loss following the shutdown of the production facilities of BioMCN. Impairment tests under IFRS require to assess whether the entities' assets are not carried at more than their recoverable amount (i.e. the higher of fair value less costs of disposal and the value in use). As such, the Company determined the recoverable amount based on the individual cash generating units' value in use. This requires estimation in respect of key assumptions used in the value in use models such as:

- production volumes;
- forecasted methanol prices;
- forecasted natural gas prices;
- terminal growth rate; and
- weighted average cost of capital ("WACC").

Furthermore, as described in Note 41 to the parent company financial statements, management identified a reverse triggering event in respect of the impairment indicators of the valuation of subsidiaries. With regards to valuation of subsidiaries management has determined the recoverable amount based on the fair value less cost of disposal. The valuation was conducted based on the market capitalisation of the group considering the net-debt position and application of a control premium.

In respect of the valuation of BioMCN, the determination of the recoverable amount is considered to be significant to our audit due to management judgement involved in the assumptions used. This also resulted in the identification of this key audit matter.

Our response

We evaluated the design and implementation of relevant controls related to the client impairment assessment. We reviewed the valuation model as prepared by management, this includes an evaluation of management assessment of cash generating units, the retrospective review and a sensitivity assessment of significant assumptions used in the model.

In our audit we evaluated the appropriateness of the cash flow projections of the identified cash generating units. In respect of the key assumptions, we obtained management's business plans and amongst others:

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INDEPENDENT AUDITOR'S REPORT CONTINUED

#3 Recoverable amount in impairment tests (continued)

Our response (continued)

- compared the production volumes with the historical average's and forecasted impact of (planned) shut-downs;
- compared the forecasted methanol prices with forward prices as published by pricing agencies;
- compared the forecasted natural gas price with forward gas prices as published by pricing agencies; and
- involved KPMG valuation specialist to assess the reasonability of the applied methodology in deriving the recoverable amount, accuracy of the impairment model and to assess the reasonableness of the WACC and terminal growth rate.

We furthermore focused on the sensitivity of the beforementioned assumptions, by evaluating the impact of a reasonably possible change in assumptions which could materially impact the estimated recoverable amount. We also assessed the historical accuracy of management's estimates and we assessed the adequacy of the disclosure (Note 7) to the consolidated financial statements.

In our audit we evaluated the management's procedures with regards to the valuation of subsidiaries based on their fair value less cost of disposal. A reversal of cumulative impairments from prior years amounting to USD 1,418 million has been recorded. The reversed impairment has been determined based on the cost value of the subsidiaries and the market capitalisation of the group, adjusted for net debt and a 30% control premium. We involved KPMG valuation specialists to support the audit team in determining the appropriateness of this calculation. Furthermore, we assessed the adequacy of the disclosure (Note 41) to the parent company financial statements.

Our observation

Based on our procedures performed, we consider management's key assumptions and methodology used in the impairment tests to be within a reasonable range. Furthermore, we determined that the related disclosure for the valuation of the subsidiaries in the parent company financial statements (Note 41) and the disclosures in respect of the BioMCN impairment test (Note 7) are adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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INDEPENDENT AUDITOR'S REPORT CONTINUED

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the General Meeting of Shareholders as auditor of OCI N.V. on 25 May 2021, for the year 2021. Our first appointment as statutory auditor of the Company was in 2013 to audit the 2013 Annual Report. As a consequence of the mandatory firm rotation legislation, the year 2022 will be the last year that we can be appointed.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

OCI N.V. has prepared its Annual Report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the Annual Report prepared in the XHTML format, including the partially tagged consolidated financial statements as included in the reporting package by OCI N.V., has been prepared in all material respects in accordance with the RTS on ESEF.

Management is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the Annual Report in this reporting package, is in accordance with the RTS on ESEF.

Our procedures taking into consideration Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required tagging's have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Directors is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 18 March 2022

KPMG Accountants N.V.

C.A. Bakker RA

INDEPENDENT AUDITOR'S REPORT CONTINUED

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of the Board of Directors use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

ALTERNATIVE PERFORMANCE MEASURES

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, amortization and impairment, 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 OCI shareholders 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	2021	2020
Operating profit	1,562.8	187.0
Depreciation, amortization and impairment	891.6	592.2
EBITDA	**2,454.4**	**779.2**
APM adjustments	72.1	90.6
Adjusted EBITDA	**2,526.5**	**869.8**

APM adjustments at EBITDA level

$ million	2021	2020
Natgasoline	94.5	65.9
Unrealized result natural gas hedging	(10.0)	(8.6)
Unrealized result EUA derivatives	(1.7)	-
Gain on purchase related to Fertiglobe	-	(13.3)
Hurricane Laura	-	10.0
Mandatory inspection at OCI Nitrogen	-	7.2
Other including provisions	(10.7)	29.4
Total APM adjustments at EBITDA level	**72.1**	**90.6**

ALTERNATIVE PERFORMANCE MEASURES (APMs) CONTINUED

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

- Natgasoline is not consolidated and an adjustment of USD 94.5 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 65.9 million.
- The unrealized results on natural gas hedge derivatives of USD (10.0) million in 2021 and USD (8.6) million in 2020 relate to hedging activities at OCI Beaumont and in the Netherlands.
- The unrealized results on EUA derivatives of USD (1.7) 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.
- OCI Beaumont and Natgasoline were pre-emptively shut down ahead of the arrival of hurricane Laura in 2020. As a result of the hurricane both entities faced certain additional costs (mainly related to start-up costs, e.g. incremental gas costs), loss on third party purchases due to committed sales volumes and estimated lost margins. The resulting total impact of lost methanol revenues and margin was USD 10.0 million in 2020.
- The impact of the mandatory inspection stop due to COVID-19 rescheduling at OCI Nitrogen resulted in an estimated negative impact on cost absorption based on regular utilization rates and certain directly allocated costs totaling to USD 7.2 million in 2020.
- Other adjustments of USD (10.7) million in 2021 and USD 29.4 million in 2020 mainly relates to movements in provisions related to ongoing litigation and claims.

$ million	2021	2020
Reported net profit / (loss) attributable to owners of the Company	**570.5**	**(177.7)**
Adjustments at EBITDA level	72.1	90.6
Exclude: Natgasoline EBITDA adjustment	(94.5)	(65.9)
Adjustment result from associate (unrealized gas hedging Natgas)	(12.2)	(13.5)
Forex (gain) / loss on USD exposure	1.4	(108.5)
Non-controlling interests adjustment / release interest accrual / uncertain tax positions	34.1	8.8
Impairment of BioMCN	278.3	-
Recognition of previously unused tax losses	(197.2)	-
Accelerated depreciation / deactivation assets	22.4	2.2
Expenses related to refinancing	61.7	51.3
Tax effect of adjustments	(4.8)	(0.7)
Total APM adjustments at net profit / (loss) level	**161.3**	**(35.7)**
Adjusted net profit / (loss) attributable to owners of the Company	**731.8**	**(213.4)**

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

- The adjustment on result from associate of USD (12.2) million in 2021 and USD (13.5) million in 2020 mainly relates to the unrealized results on natural gas hedge derivatives at Natgas.
- FX impact of USD 1.4 million in 2021 and USD (108.5) 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 34.1 million in 2021 and USD 8.8 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 23.7 million after minorities).
- Impairment of USD 278.3 million in 2021 relates to the impairment of BioMCN.
- Recognition of previously unused tax losses of USD (197.2) million in 2021 relates to the recognition of a deferred tax asset at Iowa Fertilizer Company (IFCo).
- Accelerated depreciation of USD 22.4 million in 2021 relates to the accelerated depreciation of the shiploader at Fertil (USD 10.5 million), write down of project costs at BioMCN (USD 3.7 million) and write down of ERP system and furniture and leasehold improvements at Fertil (USD 8.2 million).
- Refinancing expenses of USD 61.7 million in 2021 and USD 51.3 million in 2020 relates to early redemption costs and accelerated amortization, mainly at OCI N.V. and IFCo.
- Tax effect of adjustments of USD (4.8) million in 2021 and USD (0.7) million in 2020 is related to the calculated tax effect of all APM adjustments.

Free cash flow

$ million	2021	2020
Cash flow from operating activities	**2,264.1**	**617.8**
Maintenance capital expenditure	(225.4)	(239.4)
Lease payments	(38.8)	(37.3)
Dividends from equity accounted investees	2.7	3.0
Dividends paid to non-controlling interests	(442.7)	(43.2)
Sorfert reinvestment case	29.7	-
Other non-operating items	4.3	3.8
Free cash flow	**1,593.9**	**304.7**

GLOBAL REPORTING INITIATIVE (GRI) INDEX

General disclosures

GRI indicator	Disclosure	Response
2-1	Organizational details	OCI at a glance, page 5
2-2	Entities included in the organization's sustainability reporting	Note 34 of the financial statements, Our Approach to Sustainability Reporting, page 37
2-3	Reporting period, frequency and contact point	Year ended 31 December 2021, investor.relations@oci.com
2-4	Restatements of information	Any exceptions, restatements, or changes to data reported are noted where applicable
2-5	External assurance	Financial information is audited, see auditor's report on page 199. While our non-financial information is not externally assured, it is reviewed and verified by senior leads of relevant functions, including the internal audit and corporate HSE teams, senior management, and corporate function heads.
2-6	Activities, value chain and other business relationships	How we create value, page 24
2-7	Employees	Employees, pages 72-74
2-8	Workers who are not employees	Health and Safety, pages 75-79
2-9	Governance structure and composition	Corporate Governance report, pages 95-109, Our Approach to Sustainability Governance, page 81
2-10	Nomination and selection of the highest governance body	Corporate Governance report, pages 95-109
2-11	Chair of the highest governance body	Board Profile, pages 96-99
2-12	Role of the highest governance body in overseeing the management of impacts	Board Profile, pages 96-99, Our Approach to Sustainability Governance, page 81
2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability Governance, page 81
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability Governance, page 81
2-15	Conflicts of interest	Potential or actual conflicts of interest are governed by OCI's Articles of Association and By-Laws, and corporate governance policies and procedures. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a potential conflict of interest with the Company. Personal loans are prohibited in our Code of Conduct. OCI complies with provisions 2.7.3 2.7.4, 2.7.5 and 2.7.6 of the Dutch Corporate Governance Code.
2-16	Communication of critical concerns	Board Report, pages 100-109
2-17	Collective knowledge of the highest governance body	Board Report, pages 100-109

GLOBAL REPORTING INITIATIVE (GRI) INDEX CONTINUED

General disclosures continued

GRI indicator	Disclosure	Response
2-18	Evaluation of the performance of the highest governance body	Board Report, pages 100-109
2-19	Remuneration policies	Remuneration Report, pages 110-124
2-20	Process to determine remuneration	Remuneration Report, pages 110-124
2-21	Annual total compensation ratio	Remuneration Report, pages 110-124
2-22	Statement on sustainable development strategy	Sustainability report, pages 35-81
2-23	Policy commitments	Sustainability report, pages 35-81
2-24	Embedding policy commitments	Sustainability report, pages 35-81
2-25	Processes to remediate negative impacts	Sustainability report, pages 35-81
2-26	Mechanisms for seeking advice and raising concerns	Compliance Framework, page 92-93
2-27	Compliance with laws and regulations	Compliance Framework, page 92-93
2-28	Membership associations	Industry and Sustainability Partnerships, page 39
2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 38
2-30	Collective bargaining agreements	Our employees, pages 72-74

GLOBAL REPORTING INITIATIVE (GRI) INDEX CONTINUED

Topic-specific disclosures

GRI indicator	Disclosure	Response
3-1	Process to determine material topics	Our Material Topics, page 40
3-2	List of material topics	Our Material Topics, page 40
3-3	Management of material topics	Sustainability report, pages 35-81
Economic		
201-1	Direct economic value generated and distributed	How we create value for our communities, page 69
201-2	Financial implications and other risks and opportunities due to climate change	Climate change risks and opportunities, page 46, Sustainability Report pages 35-81, strategy and value creation, page 10-24
Energy		
302-1	Energy consumption within the organization	GHG Emissions and Energy Use, page 61
302-3	Energy intensity	GHG Emissions and Energy Use, page 61
Water and Effluents		
303-1	Interactions with water as a shared resource	Water and Waste, pages 62-65
303-2	Management of water discharge-related impacts	Water and Waste, pages 62-65
303-3	Water withdrawal	Water and Waste, pages 62-65
303-4	Water discharge	Water and Waste, pages 62-65
303-5	Water consumption	Water and Waste, pages 62-65
Emissions		
305-1	Direct (Scope 1) GHG emissions	GHG Emissions and Energy, page 61
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions and Energy, page 61
305-4	GHG emissions intensity	GHG Emissions and Energy, page 61
305-5	Reduction of GHG emissions	GHG Emissions and Energy, page 61

GLOBAL REPORTING INITIATIVE (GRI) INDEX CONTINUED

Topic-specific disclosures continued

GRI indicator	Disclosure	Response
Employment		
401-1	New employee hires and employee turnover	Our employees, pages 72-74
Occupational health and safety		
403-1	Occupational health and safety management system	Health and safety, pages 75-79
403-8	Workers covered by an occupational health and safety management system	Our employees, pages 72-74, Health and safety, pages 75-79
403-9	Work-related injuries	Health and safety, pages 75-79
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Our employees, pages 72-74, Corporate Governance, pages 95-109

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

Category	Disclosure	Page
Governance (a)	Describe the board's oversight of climate-related risks and opportunities	81
Governance (b)	Describe management's role in assessing and managing climate-related risks and opportunities	81
Strategy (a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	46-51
Strategy (b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	46-51
Strategy (c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	-
Risk Management (a)	Describe the organization's processes for identifying and assessing climate-related risks	46-51, 81
Risk Management (b)	Describe the organization's processes for managing climate-related risks	46-51, 83
Risk Management (c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	81, 83-84
Metrics and Targets (a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	47
Metrics and Targets (b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	48, 218
Metrics and Targets (c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	48-51

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Sasb Reference Metric		Category	Unit of measure	Page
Environment				
GHG gas emissions				
RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, Percentage (%)	218
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	49-51
Air quality				
RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tons (t)	218
Energy management				
RT-CH-130a.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	218
Water management				
RT-CH-140a.1	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	218
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	219
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	62-65
Hazardous waste management				
RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	218

SASB INDEX

SASB Reference Metric		Category	Unit of measure	Page
Social				
Community relations				
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and analysis	n/a	38, 69-71, 79
Workforce health & safety				
RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	219
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	75-78
Product design for use-phase efficiency				
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	219
Safety & environmental stewardship of chemicals				
RT-CH-410b.1	(1) Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products by revenue that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	219
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	77
Genetically modified organisms				
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	219
Operational safety, emergency preparedness & response				
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	219
RT-CH-540a.2	Number of transport incidents	Quantitative	Number	219
Governance				
Management of the legal & regulatory environment				
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	n/a	46, 77
Other				
Activity metric				
RT-CH-000.A	Production by reportable segment	Quantitative	Metric tons (t)	218

TCFD Metrics & Targets (b)

ESG PERFORMANCE SUMMARY

Environmental performance	Unit	2019	2020	2021	SASB reference
Energy (Ammonia)					
Energy consumption	TJ	211,541	206,033	200,556	
Energy intensity	GJ / ton gross production	36.64	36.36	36.05	
Energy (consolidated)					
Energy consumption	TJ	288,817	293,846	283,605	RT-CH-130a.1
Energy intensity	GJ / ton gross production	18.98	18.86	19.22	
Grid Electricity	%	NPR	1.6%	1.5%	RT-CH-130a.1
Renewable	%	NPR	0.7%	0.7%	RT-CH-130a.1
Self-generated energy	%	NPR	-	-	RT-CH-130a.1
Emissions to air					
GHG emissions (Scope 1 - Direct)	Million tons of CO_2e	9.50	9.20	9.55	RT-CH-110a.1
GHG emissions (Scope 1 - CO_2 to Downstream)	Million tons of CO_2e	4.93	5.32	4.65	RT-CH-110a.1
GHG emissions (Scope 2)	Million tons of CO_2e	0.62	0.66	0.65	
Total GHG emissions	Million tons of CO_2e	**15.06**	**15.18**	**14.85**	
GHG intensity	Ton CO_2e / N-ton	2.37	2.31	2.34	
Scope 1 emissions covered under emissions limiting regulations	% (Scope 1 – Direct)	17.7%	16.0%	14.0%	RT-CH-110a.1
NOx	Metric tons	3,018	3,485	3,120	RT-CH-120a.1
N_2O	Metric tons	132	151	151	RT-CH-120a.1
SO_2	Metric tons	158	163	137	RT-CH-120a.1
VOCs	Metric tons	134	143	114	RT-CH-120a.1
Effluents and waste					
Hazardous waste reused, recycled or recovered	Metric tons	1.98	1.60	2.37	RT-CH-150a.1
Hazardous waste treated or disposed of	Metric tons	1.27	1.50	1.62	RT-CH-150a.1
Non-hazardous waste reused, recycled or recovered	Metric tons	1.80	1.86	2.75	
Non-hazardous waste treated or disposed of	Metric tons	18.90	27.33	14.16	
Water*					
Total intake by source	Million cubic meters	**91.13**	**92.52**	**87.78**	RT-CH-140a.1
Groundwater	Million cubic meters	17.34	17.89	16.22	
Seawater	Million cubic meters	49.43	48.00	46.21	
Surface water	Million cubic meters	20.71	20.74	19.71	
Third party water		3.65	5.89	5.64	
Total water discharge by destination	Million cubic meters	**52.21**	**49.12**	**42.27**	RT-CH-140a.1
Groundwater	Million cubic meters	4.77	4.62	2.35	
Seawater	Million cubic meters	41.17	37.88	31.05	
Surface water	Million cubic meters	1.25	1.43	2.38	
Third party water	Million cubic meters	5.02	5.19	6.49	
Water Stress					
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%	73%	71%	72%	RT-CH-140a.1
Water consumed in regions with High or Extremely High Baseline Water Stress	%	58%	57%	62%	RT-CH-140a.1
Production					
Total	Million tons of ammonia (nutrient tons) and methanol (product tons)	**6.36**	**6.58**	**6.36**	RT-CH-000.A

* Excludes seawater used for cooling at FERTIL in a 'once-through' system, where seawater intake volumes flow through heat exchangers and are safely discharged uncontaminated back to the sea.

ESG PERFORMANCE SUMMARY CONTINUED

HSE	Unit	2019	2020	2021	SASB reference
Safety					
Lost Time Injury Rate - total	Per 200,000 hours worked	**0.16**	**0.09**	**0.20**	
Lost Time Injury Rate - employees	Per 200,000 hours worked	0.07	0.06	0.20	
Lost Time Injury Rate - contractors	Per 200,000 hours worked	0.30	0.14	0.21	
Total Recordable Injury Rate - total	Per 200,000 hours worked	**0.40**	**0.23**	**0.35**	RT-CH-320a.1
Total Recordable Injury Rate - employees	Per 200,000 hours worked	0.34	0.12	0.36	RT-CH-320a.1
Total Recordable Injury Rate - contractors	Per 200,000 hours worked	0.49	0.42	0.33	RT-CH-320a.1
Fatalities	#	0	0	1	RT-CH-320a.1
Process Safety Incidents	#	**18**	**21**	**33**	RT-CH-540a.1
Process Safety Total Incident Rate	Per 200,000 hours worked	**0.29**	**0.38**	**0.55**	RT-CH-540a.1
Significant Process Safety Incidents	count	17	21	33	RT-CH-540a.1
Major Process Safety Incidents	count	0	0	0	RT-CH-540a.1
Transport incidents	#	0	0	0	RT-CH-540a.2
Environmental incidents					
Environmental incidents	#	36	37	21	
Environmental Incident Rate (EIR)	Per 200,000 hours worked	0.59	0.66	0.35	
Water-related permit exceedances*	#	12	16	5	RT-CH-140a.2
Product design for use-phase efficiency					
Revenue from products designed for use-phase resource efficiency	Reporting Currency	NPR	$ 314 million	$ 414 million	RT-CH-410a.1
Chemical stewardship					
Percentage of products by revenue that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	NPR	36.6%	38.6%	RT-CH-410b.1
Percentage of such products by revenue that have undergone a hazard assessment	%	NPR	100%	100%	RT-CH-410b.1
Genetically Modified Organisms (GMOs)					
Percentage of products by revenue that contain GMOs	%	0%	0%	0%	RT-CH-410c.1

* IFCo permit for iron discharge is tightest in industry, a new pipeline was commissioned in 2021 to permanently resolve exceedances.

ESG PERFORMANCE SUMMARY CONTINUED

Working at OCI	Unit	2019	2020	2021
Employees*				
Total employees	#	3,715	3,682	3,853
Full-time	#	3,622	3,602	3,779
Part-time	#	93	80	74
Engagement and development				
Voluntary turnover rate	%	2.0%	2.2%	2.7%
Employee absenteeism	%	3.0%	1.9%	1.7%
Employees covered by Collective Bargaining or Unions**	%	37.7%	38.7%	37.2%
Average spending on training and development	$ / employee	1,442	218	321
Compliance & Governance				
Incident notifications	#	12	9	12
Incidents investigated	#	12	9	12
Substantial cases	#	0	0	1
Anonymous notifications via hotline	#	3	1	4
Cybersecurity training (various topics)**	# employees reached	1,938	1,921	1,064
Compliance training (various topics, incl. CoC, ABC, Debiasing, Data privacy, and others)*	# employees reached	973	2,002	1,865
Gender				
Women	%	**10.3%**	**10.5%**	**11.4%**
Women in technical roles	%	1.1%	1.5%	3.3%
Women non-technical roles	%	9.2%	9.0%	8.1%
Women on the Board of Directors	%	16.7%	23.1%	23.1%
Women in leadership positions	%	18.2%	20.2%	24.0%
Age profile				
under 25	%	1.7%	1.9%	1.9%
25-34	%	21.3%	18.1%	20.8%
35-44	%	41.8%	42.1%	42.6%
45-54	%	22.3%	25.1%	23.0%
55-64	%	12.1%	11.9%	10.8%
65+	%	0.8%	0.9%	0.9%
Years of service				
0-5 years	%	27.3%	21.7%	25.2%
6-10 years	%	25.3%	25.1%	25.0%
11-20 years	%	36.8%	42.8%	39.7%
21+ years	%	10.6%	10.4%	10.2%

* excl. Natgasoline

** Restated to reflect updated Fertiglobe figures for 2019 and 2020

GLOSSARY OF ABBREVIATIONS AND KEY TERMS

Abbreviations

ADNOC	Abu Dhabi National Oil Company
AGM or GM	Annual General Meeting of Shareholders
APM	Alternative Performance Measures
AS	Ammonium sulphate
BACT	Best Available Control Technology
BN	Billion
CAN	Calcium ammonium nitrate
Capex	Capital expenditure
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
COSO	Committee of Sponsoring Organizations of the Treadway Commission
DEF	Diesel exhaust fluid
EBIC	Egypt Basic Industries Corporation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EFC	Egyptian Fertilizers Company
EIR	Environmental incident rate
EPS	Earnings per share
ESG	Environmental, Social, Governance
FCF	Free cash flow
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
ICF	Internal Control Framework
IEA	International Energy Agency
IFA	International Fertilizer Association
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability & Carbon Certification
LCA	Life-cycle analysis
LTI	Lost time injury
LTIR	Lost time injury rate
M	Million
M m^3	Million cubic meters
MENA	Middle East and North Africa
MMBTU	Million British thermal unit
MT	Million metric tons
N_2O	Nitrous oxide
NF LoR	Non-financial Letter of Representation
NOx	Nitrogen oxide
OHSAS	Occupational Health and Safety Assessment Series
OSHA	Occupational Safety and Health Administration
PSI	Process safety incident
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SO_2	Sulphur dioxide
STEM	Science, Technology, Engineering, and Maths
TCF	Task Force on Climate-related Financial Disclosures
TFI	The Fertilizer Institute
TJ	Terajoule
TRIR	Total recordable injury rate
TSR	Total shareholder return
UAN	Urea ammonium nitrate
UN FAOSTAT	United Nations Food and Agriculture Organization Statistics
VPP	Voluntary Protection Program
YoY	Year-on-year

SHAREHOLDER INFORMATION

Share listing
OCI N.V.'s shares have been listed on the Euronext in Amsterdam as of 25 January 2013.

Share capital
The authorized capital of the Company amounts to EUR 12 million. The authorized capital is divided into 600 million shares, with a nominal value of EUR 0.02 each. OCI's issued share capital consists of 210,306,101 ordinary shares. The shares are registered shares. No share certificates are issued.

As at 31 December 2021, 46.88% of the total shares outstanding were free-float.

Shareholder engagement
We place great importance on maintaining active dialogue with existing and potential shareholders, banks, and analysts. We are committed to providing relevant, high-quality and timely information to all stakeholders, and to giving current and potential shareholders, analysts and financial press broader insight into the Company and the industries in which we operate. We ensure that relevant information is provided equally and simultaneously to all interested parties as governed by our shareholder communications policy.

As per our by-laws, we observe a 'black-out' period during which analysts' meetings and presentations to and/or direct discussions with current or potential shareholders do not take place shortly before the publication of the regular financial information.

We regularly schedule conference calls and meetings with potential and current equity and debt investors through roadshow days, conferences and inhouse meetings. In addition to the Investor Relations director, meetings were conducted by our Executive Chair, CEO and CFO.

We hold results conference calls hosted by our CEO and CFO on the day results are published, during which investors and analysts are invited to ask questions. A replay option is made available on our website.

In order to ensure our Board of Directors is fully apprised of shareholders' areas of focus, concerns, and feedback, an investor relations update is provided at each Board meeting.

Dividend policy
OCI's Board has approved a new dividend / capital allocation policy, which combines a consistent base return of capital of $400 million per year with an additional variable component linked to FCF generated.

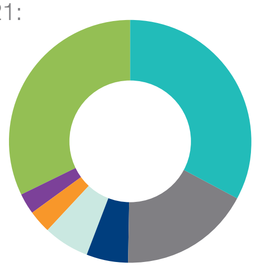
Going forward OCI intends to maintain an investment grade credit profile with a target of net leverage below 2x through the cycle, and balance availability of funds and excess FCF for profit distribution to shareholders while pursuing value accretive ESG and other growth opportunities.

Should the ratio of net debt to adjusted EBITDA exceed 1.5x then the variable component of the capital returned will be adjusted to enable balancing capital returns to shareholders with growth prospects and to ensure maintaining an investment grade credit profile.

Information in 2021	
Number of outstanding ordinary shares as at 31 December 2021	210,306,101
Highest share price (EUR/share)	26.24
Average share price (EUR/share)	21.02
Lowest share price (EUR/share)	15.54
Share price at 31 December 2021 (EUR/share)	23.02
Market capitalization at 31 December 2021 (EUR billion)	4.84

Shareholders
According to the Dutch Financial Supervision Act, shareholders of 3% or more must disclose their holdings to the Dutch Authority for the Financial Markets (AFM). These disclosures are made available on the AFM's public register, which can be found at www.afm.nl

According to the AFM's register, the following shareholders possessed an interest of 3% or more as at 31 December 2021:



Contact us
This annual report is available online at www.oci.nl

OCI N.V.
Honthorststraat 19
1071 DC Amsterdam
The Netherlands

OCI N.V. stock symbols: OCI / OCI.NA / OCI.AS

Investor relations contact
Hans Zayed
Investor Relations Director

E-mail: hans.zayed@oci.nl
Tel: (+31) 20 723 45 00
investor.relations@oci.nl

Corporate & ESG contact
Erika Wakid
Group Corporate Affairs Director

E-mail: erika.wakid@oci.nl
Tel: (+44) 020 7297 8820
sustainability@oci.nl