



Introduction to OCI Holdings & Key Issues Related to Transition to a Holding Company

Investor Relations
May 2023

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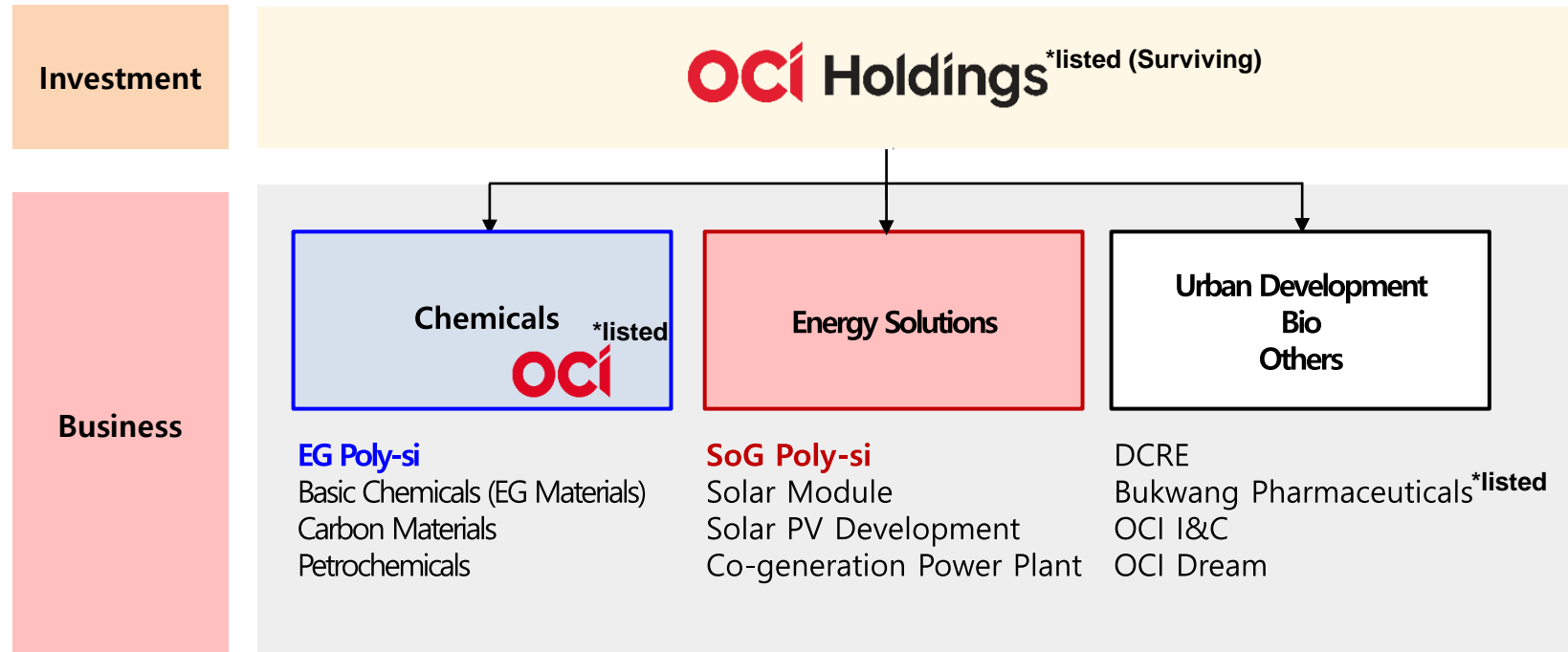
1 **Transition to Holding Company**

2 Strategies of Major Subsidiaries

3 Shareholders' Value Creation

Transition to OCI Holdings

- OCI Holdings, spun off as of May 1, 2023, focuses on management of investment assets and provides strategic directions to strengthen expertise of each business
- Investment portfolio includes subsidiaries in Chemicals, Energy Solutions, Urban Development, and Bio, and OCI Holdings looks forward to establishing a growth model by reinvesting solar business and discovering new businesses based on stable cash flow



Spin-off and Transition Overview

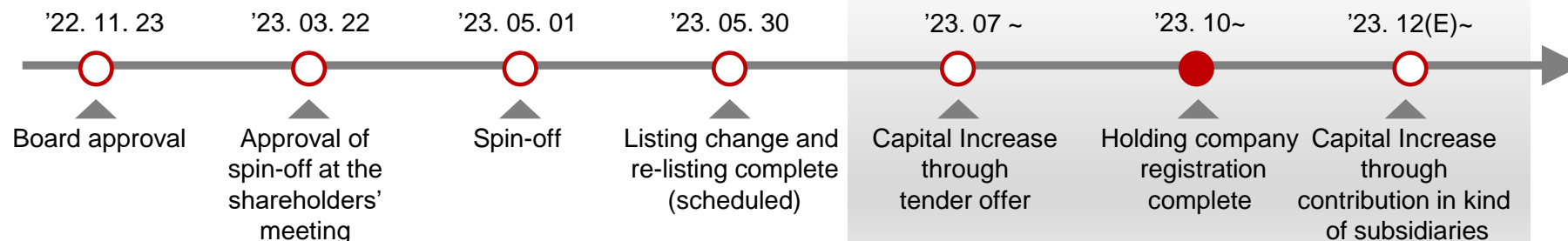
▪ Details of spin-off (as of May 1, 2023)

	Surviving Company	New Company
Entity Name	OCI Holdings Company Ltd.	OCI Company, Ltd.
Management	Woo Hyun Lee (Chairman), Jin Seok Seo (CEO)	Teak Joung Kim (Vice Chairman), Yoo Shin Kim (CEO)
Ratio	68.8%	31.2%
Shares	16,412,642	7,436,729
Face Value	KRW 5,000 / Share	KRW 5,000 / Share
Listing	May 30, 2023	May 30, 2023
Initial Price	+30%~-30% of (119,800 ¹) x 50% ~ 200%)	+30%~-30% of (119,800 ¹) x 50% ~ 200%)

1) Last trading price (4/26) before suspension

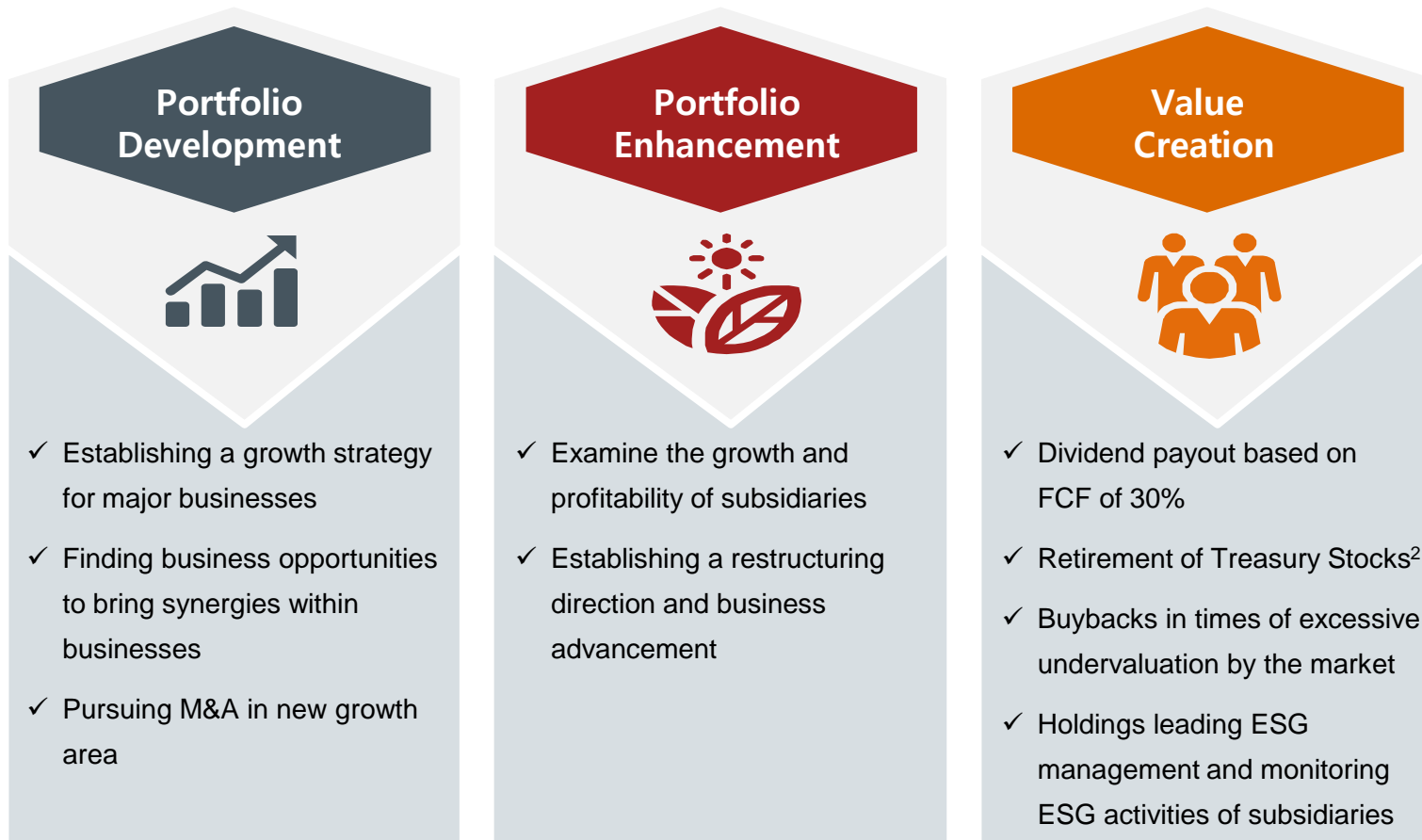
▪ Schedule

- ✓ Tender offer of OCI shares to take place in Q3 2023 for the transition to a holding company
- ✓ Contribution in kind of subsidiaries with high business relevance
- ✓ OCI Holdings to secure more than 30% OCI Company



OCI Holdings Key Initiatives

- Efficient capital allocations for company-wide growth while maximizing returns to shareholders
- Strengthening and expanding ESG management¹⁾ across portfolios



1) Achieved an integrated 'A' grade by Korea Institute of Corporate Governance and Sustainability, included in DJSI Korea for 14 consecutive years

2) Currently holding treasury stocks of about 250,000 shares (1.5% of outstanding shares)

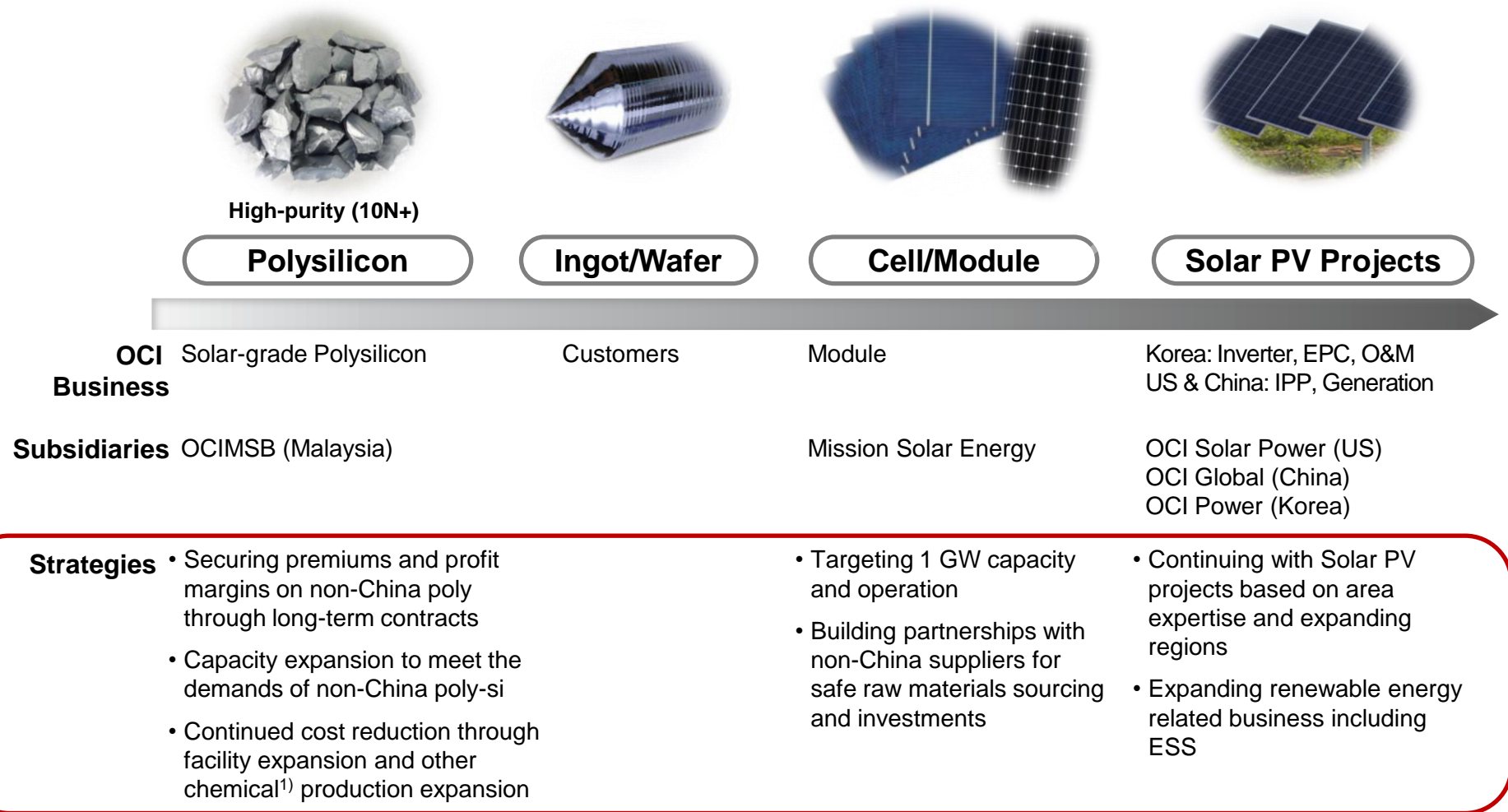
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Energy Solutions : OCI in Solar Value Chain

- Starting from OCIMSB's solar-grade polysilicon to solar PV projects, enhancing the capabilities of each solar value chain as to strengthen the position as a global solar company

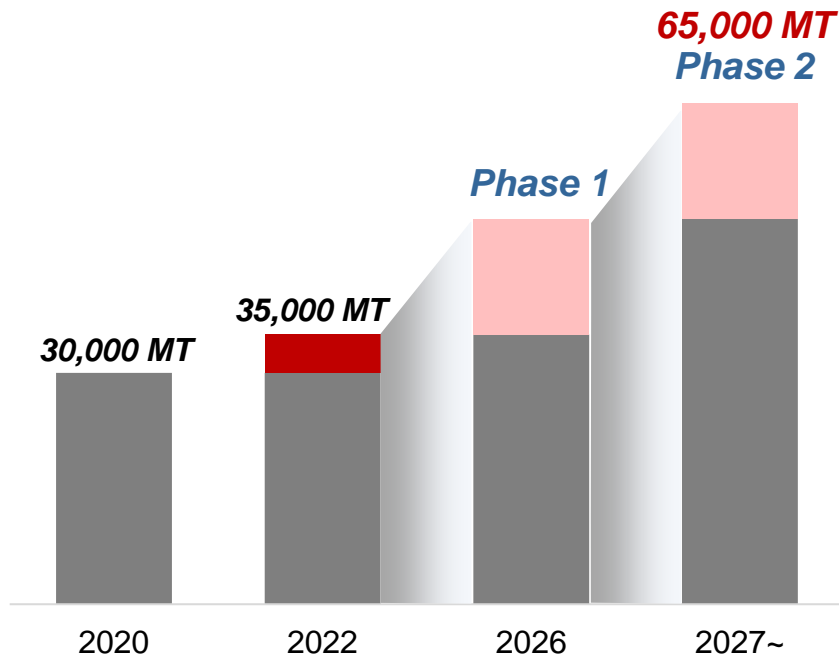


1) ECH, CA and EG Poly-Si capacity expansion in Malaysia expected to reduce fixed costs

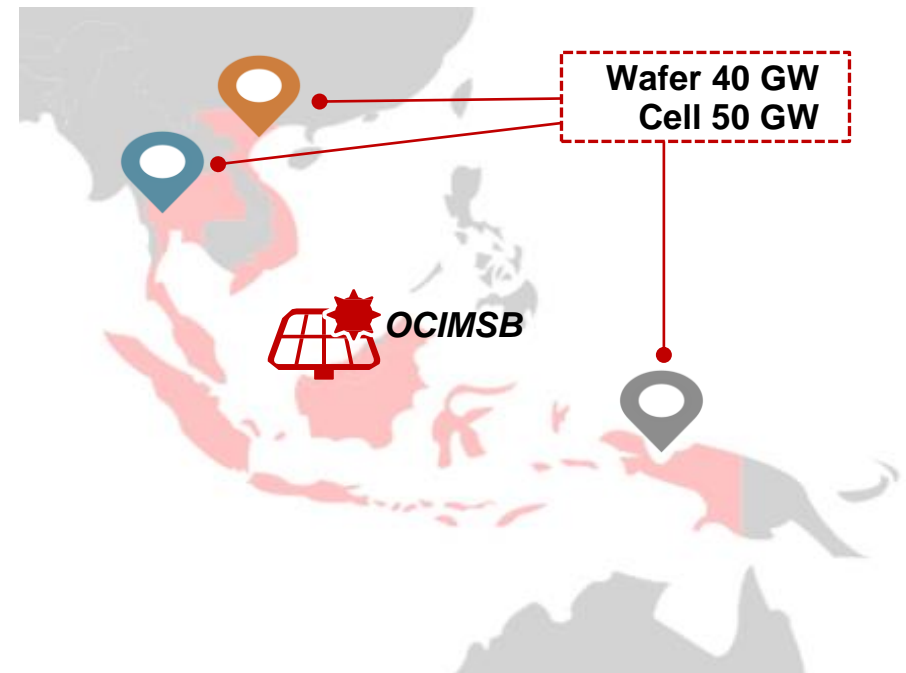
Energy Solutions : OCIMSB

- OCISMB's SoG poly-si target capacity to be 65,000 MT, preparing for expansion by phase in time for additional electricity utilizing idle facilities
- Only upstream producer located in Southeast Asia at the heart of new production base for non-China solar value chain, with cost and technology competitiveness
- Hydroelectric power-based produced Poly-si that meets RE-100 Criteria, which is growing in demand globally
- Customers mix by origin and sales strategy according to the expansion of non-China solar value chain

Expansion Plan



Non-China Solar Value Chain



Source: Company disclosures & OCI Analysis (2023 Estimates)

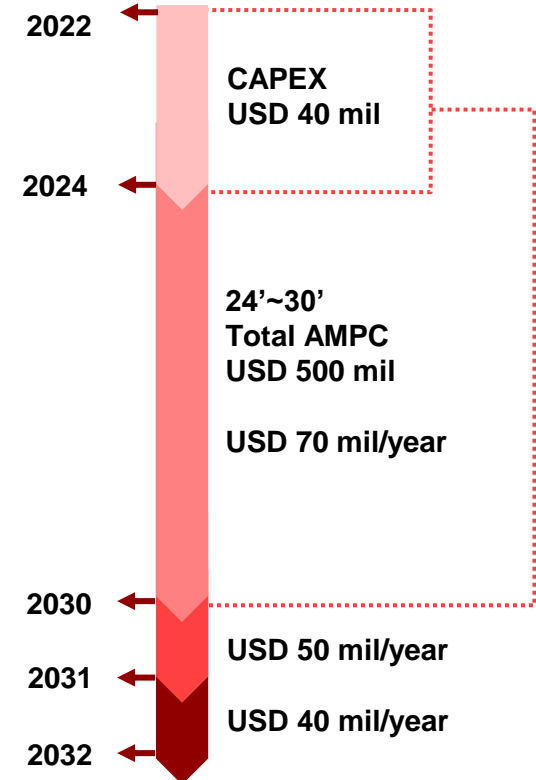
Energy Solutions : Mission Solar Energy

- Mission Solar Energy(MSE), module production capacity expansion from 210MW to 1GW
- Expecting a fast payback period for investment due to Advanced Manufacturing Production Credit(AMPC) of Inflation Reduction Act(IRA)
- Establishing partnerships to secure stable clean raw materials sourcing

Expansion Plan

Capacity	210 MW → 1GW (2024)
Location	Texas, USA
Products	Residential, commercial and industrial modules
Completion	End of 2023 ~ Early 2024
Investment	USD 40 mil
IRA Credits	<ul style="list-style-type: none"> • Advanced Manufacturing Production Credit (~2032) ~ 2030: USD 0.07/watt 2031: USD 0.05/watt 2032: USD 0.04/watt
	<ul style="list-style-type: none"> • Investment Tax Credit (~2032) 30%~40% tax credits given to solar PV developers

Timeline



Energy Solutions: OCI Solar Power, etc

- Strong demands for solar projects in the US expected and strategic focus on early-stage for high profitability
- Expansion of ESS related business and regional expansion based on successful project experiences

US Solar PV Pipelines

	Project	Capacity (MWac)	Completion ¹⁾
Under Development	Project A	100	N/A
	Project B	200	Q4 2023
	Project C	200	Q1 2024
	Project D ²⁾	100	Q1 2023
	Project E	500	Q1 2024
	Project F	500	Q1 2024
Total		1,600	MWac

OCI Solar PV⁽³⁾

	Location	Capacity (MWac)	Subsidiaries
Completed	US, Korea	970	OCI SP OCI Power
Pipelines	US	1,600	OCI SP
Operations	US	47	OCI SP
	China	22	OCI Global
	Korea	2	OCI Power
			70
Total		2,640	MWac

1) Timing at interconnection agreement completion after land control, interconnection studies, pre-construction site studies, permitting and approvals

2) Expecting to close on 3Q 2023

3) Solar PV projects (IPP, EPC) started from 2012

Energy Solutions : OCI SE

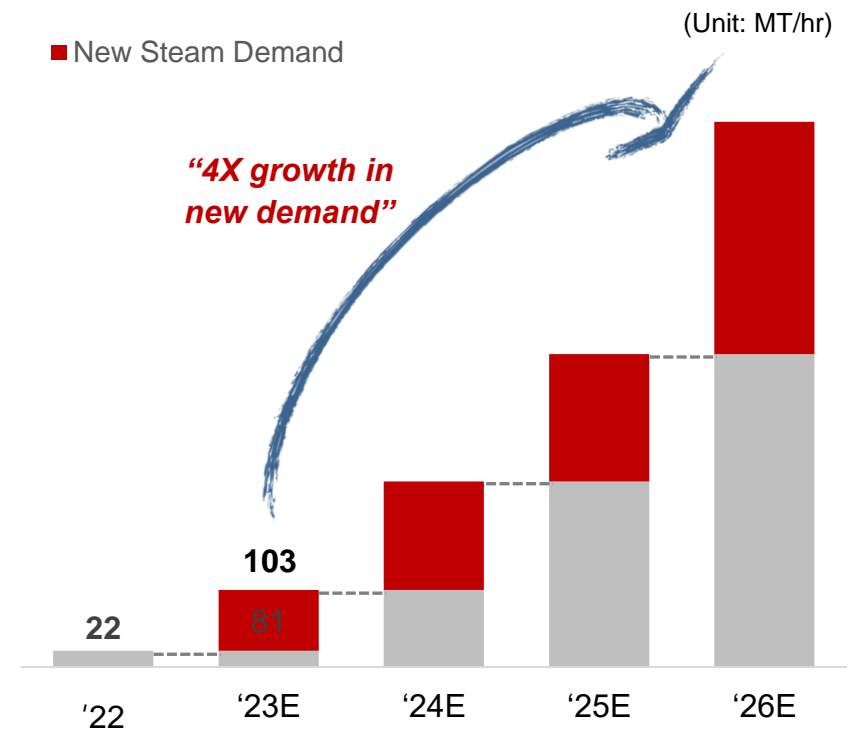
- SE cogeneration plant, only energy supplier in the Seamangeum Industrial Complex, in operation since 2016
- With the application of Best Available Technology, SE's air emission permit standard is significantly lower than that of other power plants, and transition to 100% renewable energy materials-based power generation under review
- Business fundamentals to strengthen due to steam demand from new entry of domestic and foreign battery materials investments into the Complex

SE Power Plant Overview

Location	213, Saemangeumsandan 3-ro, Gunsan, Jeollabuk-do
Capacity	Electricity (330 MW) Steam (860 MT/hr)
Raw Materials	Coal, Wood pallets (50%)
Battery Materials Related Investments¹⁾	- LG Chemicals & Zhejiang Huayou - GEM Korea New Materials - Urban Lithium Corp. - Hydro Lithium Corp. - 1 other (under negotiation)

1) Investment related to battery materials from 14 newly entered companies amounted to over KRW 4 trillion

New Steam Demand



Source: Saemangeum Development and Investment Agency & OCI SE

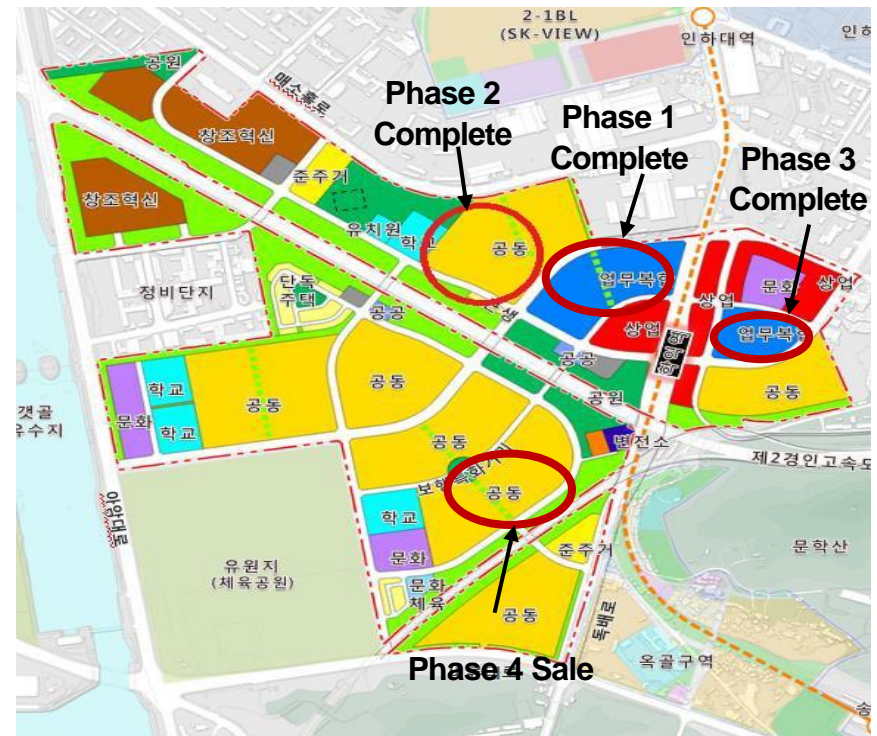
Urban Development : DCRE

- Started recognizing sales and operating profits based on construction progress for the 2021 pre-sold complexes
- Negotiations underway after submitting a new development plan considering noise countermeasures to the city
- Strong demand for coming pre-sales expected due to location advantage and living facilities, while the optimal time for pre-sale to be decided in consideration of the real estate market condition

Project Overview

Location	230, Dokbae-ro, Michuhol-gu, Incheon, Korea
Size	1,546,747m ²
Residential units	13,149 units ¹⁾
Total Cost	About KRW 6 trillion
Period	~ 2030
Developers	Consortium of POSCO, HD, HDC
Pre-sale Schedule	2021 : 3,750 units Complete 2024~ : About 8,300 units

Site Map



1) Based on Urban Development Project Approval

1 Transition to Holding Company

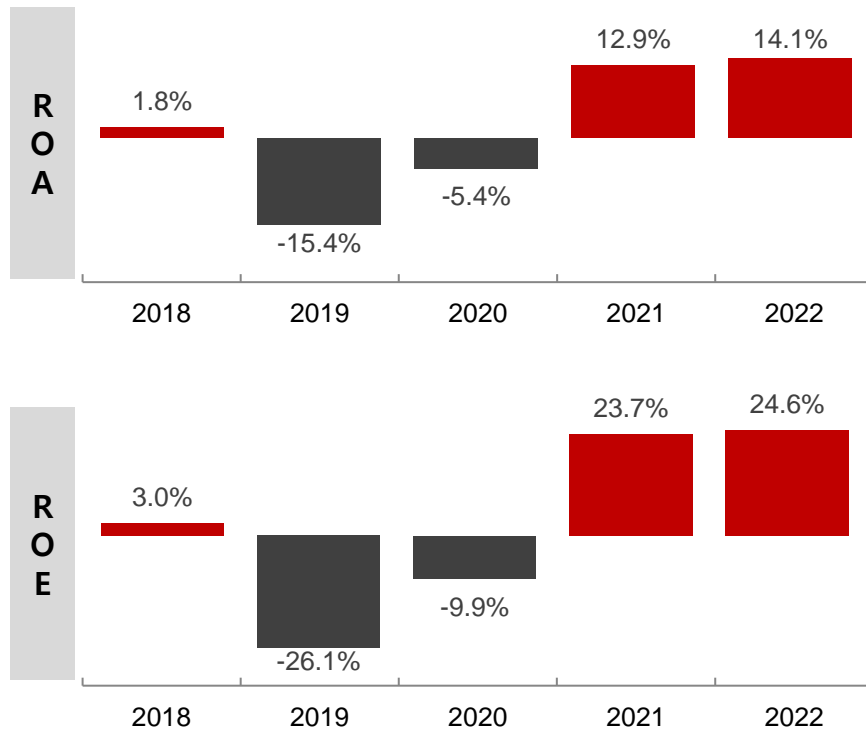
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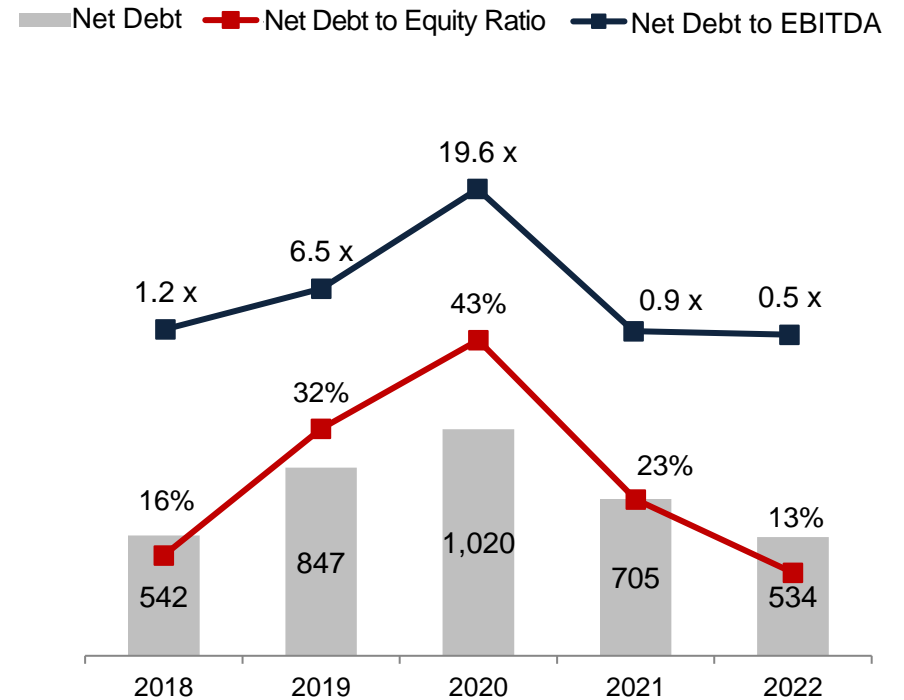
Improvement in Financial Position

- Financial performances improved with the turnaround from polysilicon market conditions in 2H 2020
- Balance sheet stability achieved with continued reduction in debt and net borrowings

Key Investment Indications



Net Debt Ratios



Note: Consolidated results based on K-IFRS

Shareholder Return

- Strengthening ESG management of holding company and promoting sustainable growth by adopting advanced governance structure
- Active shareholder return policies to be pursued such as dividends, share buybacks and active communication with market stakeholders

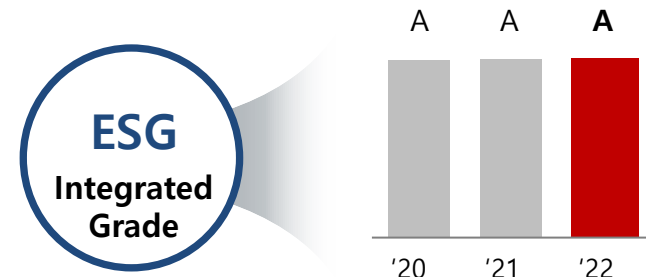
Shareholder Return Policy

- **Optimizing shareholder return and sustainability**
 - ✓ Cash dividend of 30% (Free Cash Flow base)
 - ✓ In the event of non-recurring profits, additional shareholder returns will be made through the acquisition/retirements of Treasury stocks
 - ✓ Retirement of treasury stocks¹⁾ after completion of the holding company transition and considering additional buybacks/retirement of treasury stocks

- 1) Retirement of treasury stocks: about 250,000 shares (1.5% of total issued shares)
- 2) KCGS : Korea Institute of Corporate Governance and Sustainability
- 3) DJSI : Dow Jones Sustainability Indices

ESG Rating Status

- **High ESG evaluation by independent authorities**
 - ✓ 2022, achieved an ESG Integrated Grade 'A' by KCGS²⁾ for 6 consecutive years and included in DJSI³⁾ Korea for 14 consecutive years
 - ✓ 2022, received Governance Quality Score 2 by ISS
 - ✓ Internalize and strengthen ESG management by expanding renewable energy-related businesses, establishing an enterprise-wide master plan for greenhouse gas reduction, and expanding clean supply chain management

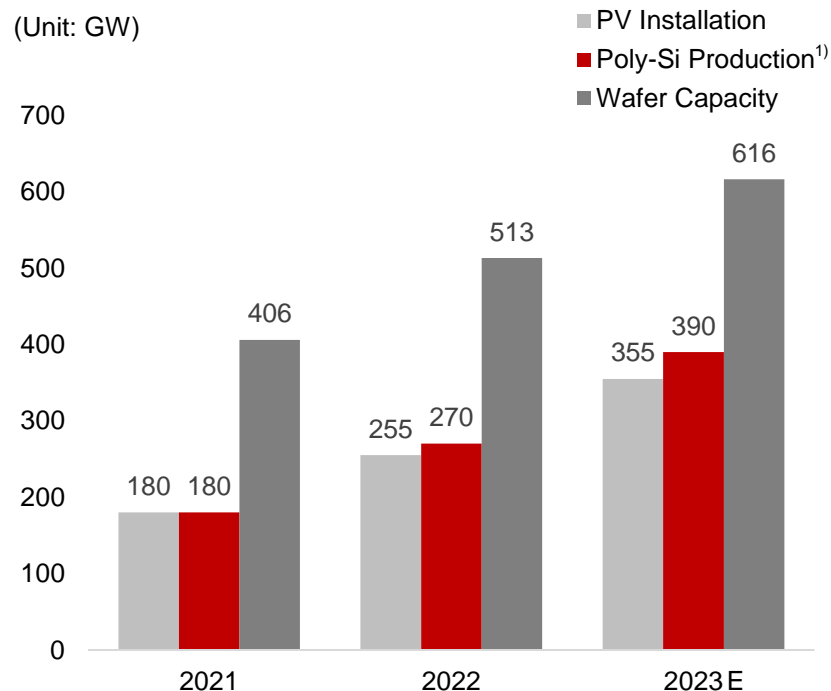


Appendix

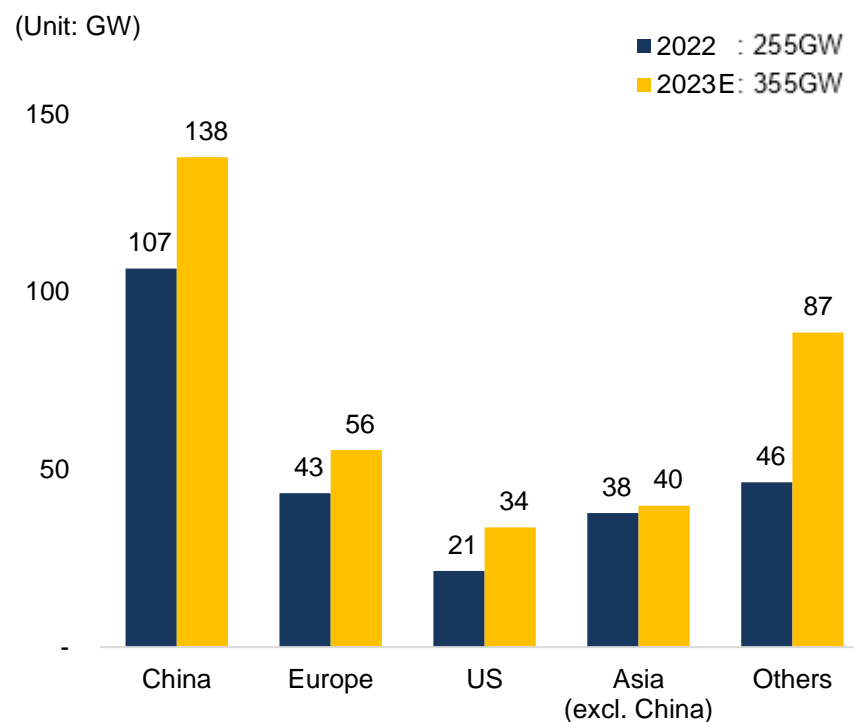
Solar PV Installation Outlook

- Due to achievement of solar grid parity and supportive renewable energy policies by governments, the solar installation market is expected to grow structurally as to meet the goal of carbon neutrality
- Intensified dependence on Chinese solar value chain has led to the strong need for national energy self-sufficiency and the establishment of non-China supply chains
- Technology advancement and capacity expansion by value chain led by major players are actively underway in China and outside China to prepare for high solar growth

Poly-si Demand-Supply Balance



2023 Installation Outlook by Region



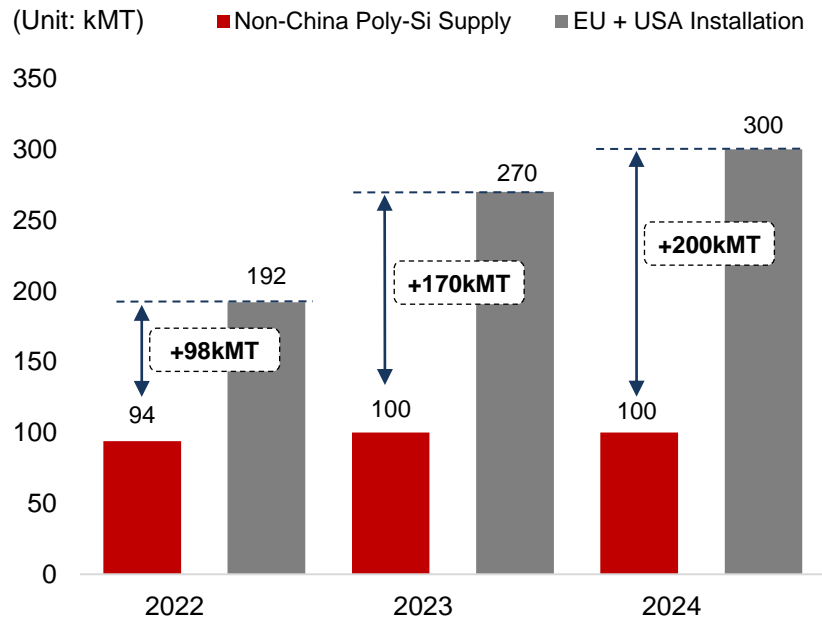
Source: Bloomberg & OCI Analysis

1) Polysilicon production converted to GW, assuming silicon usage 3.0 gram/watt considering average efficiency

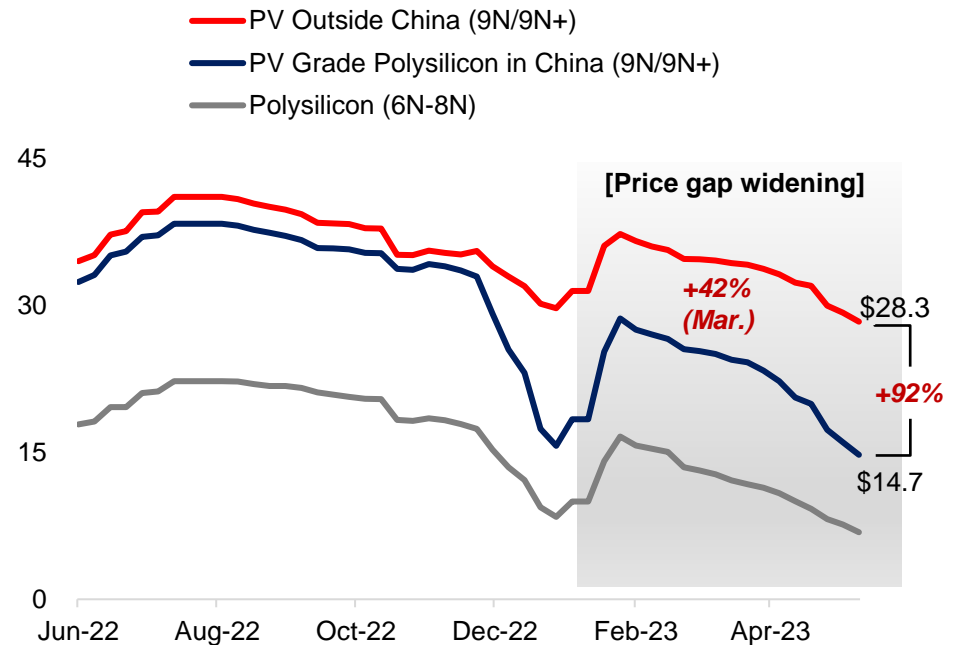
Non-China Value Chain

- Since the release of US guidance on domestic content requirements for renewable subsidies under the IRA, production expansion in the US, which had been limited to modules, is expanding by value chain, and Europe's Ne-Zero Industry Act is expected to foster the solar industry in earnest
- Adoption of the UFLPA and IRA in the US and the 'Directive on Corporate Sustainability Due Diligence' in Europe are expected to increase the demand for non-China poly-si

US & Europe Market Outlook



Poly-si Price Trend by Grade



Source: PV Insights

- 1) Directive on Corporate Sustainability Due Diligence : A bill to investigate human rights and environmental issues of supply chain, and regulate issues when they are discovered
- 2) Bloomberg forecast of prospects for US and European Installations converted to required poly-si usage (3.0g/w)

Appendix. Financial Position

Summary of Consolidated	(Unit: KRW bil)
Income Statement	Mar. 2023
Sales	719.6
Cost of Goods Sold	477.5
Gross Profit	242.0
Selling, General and Administrative Expenses	38.6
Operating Profit (Loss)	203.4
<i>Operating Margin(%)</i>	<i>28%</i>
Financial Income	27.9
Financial Expense	22.6
Income Before Tax	203.0
Net Income	213.2
EBITDA	228.0
<i>EBITDA Margin(%)</i>	<i>32%</i>

Summary of Consolidated	(Unit: KRW bil)
Financial Position	Mar. 2023
Current Assets	5,368
Cash & ST Financial Assets	1,411
Account Receivables & Others	392
Inventories	1,632
Others	1,933
Non-Current Assets	1,654
Investments	352
Tangible Assets	1,154
Others	148
Total Assets	7,021
Liabilities	3,958
Debt	1,145
Accounts Payables & Others	1,598
Others	1,215
Shareholders' Equity	3,064
Net Cash	266
Leverage Ratio	129%

Note: Consolidated results based on K-IFRS, Disclosure base, Reviewed by external auditors

Appendix. Financial Position

Summary of Consolidated	(Unit: KRW bil)
Income Statement	Mar. 2023
Sales	1,195.0
Cost of Goods Sold	868.3
Gross Profit	326.8
Selling, General and Administrative Expenses	75.0
Operating Profit (Loss)	251.8
<i>Operating Margin(%)</i>	<i>21%</i>
Financial Income	63.0
Financial Expense	63.1
Income Before Tax	257.3
Net Income	213.2
EBITDA	289.8
<i>EBITDA Margin(%)</i>	<i>24%</i>

Summary of Consolidated	(Unit: KRW bil)
Financial Position	Mar. 2023
Current Assets	4,390
Cash & ST Financial Assets	1,657
Account Receivables & Others	706
Inventories	1,952
Others	75
Non-Current Assets	2,631
Investments	405
Tangible Assets	1,744
Others	483
Total Assets	7,021
Liabilities	2,796
Debt	1,830
Accounts Payables & Others	622
Others	343
Shareholders' Equity	4,226
Net Debt	173
Leverage Ratio	66%

Note: Consolidated results based on K-IFRS, Pre-Spin-off base, Reviewed by external auditors

Appendix. Historical Performance by Division

(Unit: KRW bil)

	2019	2020	2021	2022
Sales	2,605.1	2,002.5	3,244.0	4,671.3
Basic Chemicals	1,211.0	851.4	1,333.6	1,803.6
Petrochemicals & Carbon Materials	1,133.0	904.8	1,374.5	1,910.9
Energy Solutions	388.6	328.5	444.8	708.5
Urban Development	0.4	0.4	214.4	479.0
Others & Adjustments	-127.5	-82.1	-123.1	-230.7
Operating Income	-180.6	-86.1	626.0	976.7
Basic Chemicals	-228.8	-71.7	486.4	638.5
Petrochemicals & Carbon Materials	52.7	16.1	132.2	138.5
Energy Solutions	28.3	6.2	25.7	91.8
Urban Development	-16.5	-22.9	-48.4	80.6
Others & Adjustments	-32.7	-36.8	30.0	27.2
EBITDA	130.1	52.1	761.8	1,126.3
Basic Chemicals	-9.6	-17.5	539.2	700.0
Petrochemicals & Carbon Materials	89.6	46.3	162.1	172.4
Energy Solutions	68.1	47.9	67.1	135.2
Urban Development	-15.6	-22.2	-47.8	81.2
Others & Adjustments	-17.9	-24.5	41.3	37.5

Note: Reviewed by external auditors

Appendix. OCI Holdings' Board of Directors

Directors	Title	Profile
Woo Sug Baik	Inside Director	<ul style="list-style-type: none"> • Chairman of Board of Directors, OCI Holdings Co, Ltd.
Woo Hyun Lee	Inside Director	<ul style="list-style-type: none"> • Chairman & CEO, OCI Holdings Co, Ltd. • Non-standing Vice Chairman, Korea International Trade Association
Jin Seok Seo	Inside Director	<ul style="list-style-type: none"> • Representative Director, OCI Holdings Co., Ltd. • (Former) CEO, EY Hanyoung Korea
Boo Whan Han	Outside Director	<ul style="list-style-type: none"> • Outside Director / Member of Audit Committee , OCI Holdings Co, Ltd. • Attorney at Law Gangnam LLC • (Former) 43rd Vice Minister of Justice, Prosecutor
Kyung Hwan Chang	Outside Director	<ul style="list-style-type: none"> • Outside Director / Member of Audit Committee , OCI Holdings Co, Ltd./ AICPA • (Former) Vice President and CFO, Korean Air lines CEO, KPMG Consulting Korea
Mi Chung Ahn	Outside Director	<ul style="list-style-type: none"> • Outside Director / Member of Audit Committee , OCI Holdings Co, Ltd / Patent Attorney • Adjunct Professor, Yonsei University • CEO, SL Bigen • (Former) MD of New Convergence Industry of R&D Strategy Planning Team of Ministry of Trade, Industry and Energy
Jina Kang	Outside Director	<ul style="list-style-type: none"> • Outside Director / Member of Audit Committee , OCI Holdings Co, Ltd. • Outside director/Member of Audit committee, Hyundai Mobis Co., Ltd. • Professor, Seoul National University

Thank You

IR Contacts

E-mail: ir@oci.co.kr

Address: OCI Building, 94 Sogong-ro Jung-gu Seoul 04532 Korea