HOFF
ADVOCATEN

OCI N.V.
For the attn. of the Board
Honthorststraat 19
1071 DC Amsterdam
by email:
and by registered mail

Haarlem, 22 December 2025

Re: VEB v OCI N.V.

Dear Sirs,

This firm acts as litigation counsel to European Investors-VEB ("**EI-VEB**"), acting on behalf of itself and of other shareholders of OCI N.V. ("**OCI**" or the "**Company**").

Among other purposes, this letter serves to express the objections of EI-VEB to the policy of and the course of events at the Company, as referred to in Article 2:349 of the Dutch Civil Code. These objections relate to the envisaged transaction whereby the Company will sell substantially all of its assets and liabilities to Orascom Construction Plc. ("**Orascom**"), a construction company based in the United Arab Emirates and which has recently been listed at the Abu Dhabi Securities Exchange (the "**Transaction**"). The purchase price will be fully payable in shares in the capital of Orascom, which will subsequently be distributed to the current OCI shareholders. The terms of the Transaction result in a compulsory exchange of each current share in the capital of OCI for 0.4634 shares in the capital of Orascom.

Lack of strategic rationale and conflict of interest

1. The Board has been consistently unable to articulate a persuasive rationale for the Transaction. EI-VEB is familiar with the rationale put forward on behalf of the Board at various occasions, but these have a regrettable tendency to degenerate into a word jumble ("Integrating concessions, EPC, and financing expertise to create a scalable infrastructure platform, delivering recurring sustainable income and strong returns"). The simple fact is that the businesses of OCI and Orascom have nothing in common and that there are no synergies. Orascom is an engineering and construction company. As further described below, OCI has a single operating asset left, for which OCI continues "to evaluate strategic options" (according to its press release of 24 November 2025). Otherwise, it just consists of significant

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near cash items and residual financial interests. Orascom's business is completely alien to OCI's and vice versa.

2. It is helpful to quote the rationale for the Transaction which the Board adduced in its press release of 22 September 2025. Subsequent explanations were similar:

> "The Combination will bring together Orascom Construction's world-class execution capabilities – supported by a USD 14 billion backlog, deep industry expertise in infrastructure, and multi-decade delivery of complex projects and concessions primarily in the United States, the GCC, Egypt, Europe and select emerging markets – and OCI's institutional investment platform, transactional expertise, and proven track record of disciplined capital allocation."

The Board has not cared to explain what an "institutional investment platform" might be. Any independent capability of OCI to attract investors will naturally terminate with its exit from Euronext Amsterdam. As regards the "transactional experience and proven track record", these are not assets, but attributes of personnel. OCI currently has no employees of its own and its sole executive Board member is anyhow also the founder of Orascom, whilst its Chief Executive Officer already serves on the Board of Orascom. As a result of the Transaction, OCI will be subsumed into Orascom and any prior "transactional experience and proven track record" will anyhow cease to be relevant.

3. The only reason for Orascom to enter into the Transaction is the value of the assets which it will thereby acquire. For Orascom, those assets have exactly the same value as for any other investor. After the Transaction, there will not be a combination of two companies; there will only be Orascom with a strengthened balance sheet.

4. The above is a reason for grave concern in view of the admitted fact that OCI and Orascom have the same majority shareholder, namely the Sawiris family, thus creating a conflict of interests. I am familiar with the various assurances as provided on behalf of the Board that Mr Sawiris had no involvement in the preparation and negotiation of the Transaction. This is hard to believe in view of his central position within both OCI and Orascom. Moreover, according to the explanatory notes for the Extraordinary General Meeting of shareholders which is scheduled for 22 January 2026 (the "**EGM**") (p. 7), the purported safeguards were only mounted after "Orascom Construction emerged as the potentially most attractive strategic option for OCI", where they should have been put in place as soon as Orascom expressed any interest in any transaction. Most importantly, it begs credulity that (a) OCI has no special value for Orascom, i.e. no value which is different from the value OCI would have for any other purchaser, (b) but as a matter of utter coincidence, from among the hundreds of thousands of potential purchasers, Orascom just happens to be OCI's preferred partner, (c) in a transaction which just happens to have the optics of being very advantageous to Mr Sawiris and very detrimental to OCI's minority shareholders. Under these circumstances, the pious assurances that the conflict of interest was carefully managed sound hollow. EI-VEB is of the opinion that the Transaction is a textbook example of a majority shareholder abusing its position.

Forced migration of investments

5. The Transaction will cause that the current shareholders of OCI are compelled to exchange their shares in OCI for shares in the capital of Orascom, a company which is in a business

which is alien to OCI. Moreover, those shares are listed at the Abu Dhabi Securities Exchange and not on any stock exchange within the European Union or the United States of America. This is objectionable for two reasons.

6. Most importantly, as a jurisdiction, The UAE is not covered by an equivalence decision by the European Commission. This implies that its solvency and prudential regime is not deemed equivalent to the European standards. The rule of law is ill developed in the UAE. Mechanisms to protect minority shareholders do not or hardly exist under the laws and practices of the UAE. Even apart from the moral objections of investing through such a jurisdiction, an investment in Orascom would constantly be at a considerable risk of again falling victim to abuse of Sawiris' majority position. It was noted that the explanatory notes for the EGM contain a lengthy comparison of the shareholders' rights under the current articles of association of OCI and of Orascom. The issue of course is not what rights a minority shareholder may or may not have under the letter of the respective articles of association, but whether applicable law and competent courts afford adequate protection and remedies.

7. Secondly, for many investors it is not possible to hold or trade shares which are listed at the Abu Dhabi Securities Exchange because most financial institutions/brokers operating in The Netherlands do not provide for the possibility of doing so. It was suggested in the explanatory notes that such investors register directly with the Abu Dhabi Securities Exchange, but registering with foreign authorities in a less democratic and less mature jurisdiction is not something which shareholders should be required to do merely to retain their investments. It was furthermore noted that the same notes (p. 30) envisage that the Orascom shares of current shareholders which fail to register with the UAE authorities will first be put into a 'suspense account', then be transferred to a foundation under the laws of the UAE and finally to sold off. (The notes are unclear whether this is supposed to happen after six months or three years.) This mechanism does not address the fundamental problems with a compulsory exchange of shares listed in the European Union for shares listed in the UAE. It merely causes investors to be forced to sell the Orascom shares which they obtained at an artificial value on steroids (see par. 9 below). It ought to be added that this mechanism and the whole selection of Abu Dhabi as the new listing jurisdiction appear to be designed to cause a flood of sales prior to and following consummation of the Transaction, so as to allow the Sarawis family to cheaply expand its interest. As the members of the Board are doubtlessly aware, the family has already been reaping the benefits of the stock price collapse caused by the Board.

<u>Pricing</u>

8. On 19 September 2025, the last trading day before the Transaction was first announced, the closing stock price of OCI at the Amsterdam stock exchange was EUR 4.81. On the same date, Orascom shares traded at the Abu Dhabi Securities Exchange for approximately EUR 7.72 (AED 33.30). It follows that there is a significant discrepancy between the exchange ratio as per the terms of the Transaction and as per stock market prices. On the basis of the closing prices of 19 September 2025, an objective exchange ratio would have been 0.62 Orascom shares for each OCI share. The terms of the Transaction thus appear to be highly beneficial to Orascom's shareholders and correspondingly detrimental to OCI's minority shareholders. As HSBC put it during the 11 December investors' call: "(...) effectively, this looks like Orascom is doing a capital raise at a 30% premium that OCI minorities have no choice but to participate in".

9. OCI has been unable to provide a cogent explanation for the pricing of the Transaction. To the contrary: OCI has repeatedly stated that for the purposes of the Transaction, OCI was valued at USD 1.35 billion. In view of the fact that former OCI shareholders would acquire approximately 47% of outstanding Orascom shares post-Transaction, this implies a valuation of Orascom of approximately USD 1.52 billion. However, the total market capitalization of Orascom prior to the announcement of the Transaction was less than USD 1.1 billion. OCI's Board appears to have agreed to an inflated valuation of the Orascom shares that OCI will receive by way of purchase price and distribute to its shareholders.

10. The above is further aggravated by the fact that OCI's market capitalization has historically lagged behind the aggregate value of its individual assets. Whilst USD 1.35 billion might seem a reasonable valuation in view of OCI's stock price performance, it is not when compared to the value of OCI's individual assets and liabilities, to which El-VEB - based on analyst consensus and company information - attributes a value of up to USD 1.8 billion. For further details, I may refer you to the website of El-VEB (https://www.veb.net/artikel/10165/oci-beleggers-klem-door-dreigende-verhuizing-naar-abu-dhabi). The stock price of OCI has collapsed since the Transaction was first announced. As noted, OCI shares closed at EUR 4.81 on 19 September, whilst the Board mentions an implied valuation of EUR 5.50 per share. On 19 December, it closed at EUR 2.95, a devaluation of almost 40% over a period of just three months, which is solely attributable to the Board's decision to enter into the Transaction. Under any scenario, this amount is materially lower than what shareholders would receive in a liquidation.

11. The justification which the Board has thus far offered for the pricing of the Transaction is by reference to a fairness opinion dated 8 December 2025 and issued by N.M. Rothschild & Sons Ltd. ("**Rothschild**"). However, that opinion merely states that the purchase price to be received by OCI would be fair, without any kind of substantiation and without addressing the overwhelmingly strong indications, as discussed above, that such purchase price is in reality most unfair to OCI's minority shareholders. Under these circumstances, a fairness opinion was indeed required, but is not sufficient. The Board should have explained in considerable detail why it believes the purchase price to be fair and should have disclosed the underlying analysis used for the fairness opinion. The Board has done neither. Moreover, the text of the opinion itself reinforces that it is an insufficient basis to conclude that the exchange ratio is fair despite objective information demonstrating otherwise. In particular:

- According to the opinion, it was simply assumed that all projections, plans and forecasts as provided by Orascom were reasonably prepared on bases reflecting the best available estimates and good faith judgments of Orascom and its senior management. As we have seen above, the Transaction is based on a valuation of Orascom which exceeds its market valuation by a considerable margin. It thus appears that Orascom was effectively allowed to determine its own valuation by providing projections, plans and forecasts justifying that it would all of a sudden be significantly undervalued.

- As per the text of the opinion, Rothschild did not undertake an independent valuation of OCI's assets and liabilities. Whilst refraining from such valuation is not unusual for fairness opinions, it was indispensable in view of the current status of OCI. As a result of the wholesale divestment of its operating assets since mid-2023, OCI now consists of a single operating asset (OCI Nitrogen in Geleen) and very significant near cash items, including a series of residual financial interests from past divestment transactions. In view of that status and the disjoined nature of its various assets "valuation methods commonly used

by investment banks" (as referred to in the opinion), are not appropriate and an asset-based valuation was required.

- Regarding OCI, Rothschild simply relied upon projections, plans and forecasts as provided by OCI as well. However, in respect of OCI, such reliance has an opposite effect. As was seen above, OCI's sole executive director, Mr Nassef Sawiris, has a massive conflict of interest concerning the Transaction. There is nothing in the fairness opinion or in the other transaction documentation that suggests that adequate safeguards were in place to prevent the projections, plans and forecasts prepared under the guidance of Mr. Sawiris from artificially decreasing the value of OCI. This is further aggravated by the fact that OCI's chief executive officer, Mr Badrawi, was not excluded from involvement in the Transaction, even though he also serves on the Board of Orascom.

The Board should not have relied on the fairness opinion and the minority shareholders should not be expected to do so.

12. For the avoidance of any misunderstanding, it is noted that EI-VEB is also familiar with the discussion of the exchange ratio in the explanatory notes for the EGM, pages 6 and 7. That discussion asserts that the Board has verified the fairness of the exchange ratio on the basis of various other methods, but the absence of detailed information causes that assertion to be unverifiable. Shareholders cannot be expected to accept that the ratio is fair simply because the Board says so.

On the grounds of the above, EI-VEB requests that OCI unconditionally confirms within five days after the date of this letter that it will not put any of the proposals currently on the agenda of the EGM to a vote. Failing such confirmation, OCI should expect to face legal action.

Yours sincerely,

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