

Fertiglobe chosen as winning bidder in H2Global pilot auction for supply of renewable ammonia at a delivered price of €1,000 per ton into Europe

- Fertiglobe named winning bidder based on financial and extensive technical criteria in first-of-its-kind 'double-auction' mechanism, for a contract value of up to €397 million, securing supply of renewable ammonia out of Egypt at a delivered price of €1,000 per ton until 2033
- Unique program provides critical demand and pricing support to help Fertiglobe and the Egypt Green Hydrogen consortium reach a Final Investment Decision (FID) on the project in H1 2025
- Fertiglobe has been supported in its bid by Egypt Green Hydrogen, a partnership between Fertiglobe, Scatec ASA, Orascom Construction, The Sovereign Fund of Egypt, and the Egyptian Electricity Transmission Company, which will supply Fertiglobe with renewable hydrogen as feedstock for the production of renewable ammonia
- The award builds on Fertiglobe and ADNOC's track record of delivering demonstration cargoes of renewable and low-carbon ammonia to Europe and Asia, supporting global low-carbon ammonia and hydrogen value chains

Abu Dhabi, UAE – 11 July 2024: Fertiglobe (ADX: FERTIGLB) announced today that it has been selected as the winning bidder to supply renewable ammonia to the European Union (EU) following a pilot auction by H2Global, an initiative funded by the German Federal Ministry for Economic Affairs and Climate Action (BMWK). Abu Dhabi-headquartered Fertiglobe, a strategic partnership between ADNOC and OCI Global, has committed to supplying renewable ammonia starting at a potential 19,500 tons in 2027 (subject to actual production start date and supply availability), with volumes potentially scaling up to 397,000 tons cumulatively by 2033, at a delivered contract price of €1,000 per ton.

Ahmed El-Hoshy, Chief Executive Officer of Fertiglobe, said: "This award marks a significant milestone for Fertiglobe in advancing sustainable ammonia production and a further critical step towards FID of Egypt Green Hydrogen, expected in H1 2025. Our selection as the winning bidder in H2Global's pilot auction underscores our leadership in supplying low-carbon products and our commitment to shaping a more sustainable future, and I appreciate the work of our incredible team to make this award possible. We are leveraging this vital program which makes our investment in sustainable ammonia economically viable, supporting critical decarbonization technology, while maintaining our disciplined growth strategy."

The German government has committed €4.43 billion to H2Global's 'double-auction' mechanism implemented by Hintco to facilitate the rapid expansion of renewable hydrogen and derivative products. The 'double-auction' model, whereby buyers and sellers actively participate, aims to bridge the difference between the high prices at which hydrogen is currently being traded on the global market, and the lower prices at which it can be sold on and be used in economically viable ways at regional level.

The renewable ammonia supply will help Europe's energy security and emissions reduction efforts, with mitigated CO₂-emissions by renewable ammonia imports equivalent to annual emissions of 62,000 cars. The project marks a significant ramp up in the European renewable ammonia market, contributing to existing efforts to decarbonize the European market.

Through its successful bid, Fertiglobe has secured a long-term and strategic European customer. Fertiglobe's bid supports Europe's efforts to diversify its energy sources and enhance its energy security, and it is in line with the UAE-Germany Energy Security and Industry Accelerator (ESIA), which was signed in 2022. The ESIA aims to advance cooperation in energy security, decarbonization and lower-carbon fuels. These efforts also align with ADNOC's efforts to grow global low-carbon ammonia value chains and capture 5% of the global low-carbon hydrogen market by 2030, in support of the UAE's National Hydrogen Strategy.

The pilot auction, launched at the end of 2022, garnered interest from over 65 countries across five continents. Lot 1 of the auction, which covered renewable ammonia, recorded over a thousand downloads of the bid document from private companies, regulatory authorities, and academic institutions. The qualification phase attracted bids from 22 companies/consortia across five continents, with Fertiglobe emerging as the successful bidder from five finalists.

The auction demonstrates that renewable ammonia can be imported into the EU at attractive prices with targeted support being offered to the most competitive international projects. Fertiglobe is committed to producing ammonia in compliance with EU regulations for renewable hydrogen and meeting the additional environmental and sustainability requirements set out in the tender.

Timo Bollerhey, Chief Executive Officer of Hintco and Co-creator of H2Global said: “This auction result is a strong indication of the market potential of renewable hydrogen and its derivatives. The energy transition requires value for money, workable solutions – and this first pilot auction has demonstrated that financial and procurement innovations like H2Global’s mechanism not only work but are needed to create thriving markets that motivate and mobilize private finance.”

Fertiglobe has been supported in its bid and will be ensured a secure supply of renewable hydrogen for the contract’s duration by Egypt Green Hydrogen—a consortium between Fertiglobe, Scatec ASA, Orascom Construction, The Sovereign Fund of Egypt, and the Egyptian Electricity Transmission Company—located in the Suez Canal Economic Zone. During the recently held Egypt-EU Investment Conference, Fertiglobe signed an ammonia sale agreement with its consortium partners in Egypt Green Hydrogen, further developing its sustainable hydrogen and ammonia value chain and production capabilities.

Terje Pilskog, Chief Executive Officer of Scatec said: “The H2Global award represents a key milestone for the Egypt Green Hydrogen project in Ain Sokhna, Egypt. This demonstrates the competitiveness of green hydrogen and ammonia production in Egypt, driven by its abundant renewable energy resources, strategic geographical location, and strong government support. With Fertiglobe securing an offtake agreement for the ammonia, Egypt Green Hydrogen will accelerate the project’s development and advance it towards financial close.”

Ayman Soliman, Chief Executive Officer of The Sovereign Fund of Egypt, said: “The award is testament to the strength and competitiveness of Egypt’s ecosystem in green fuels, reinforced by abundant access to renewable resources, land availability and government support. We are proud of this partnership that has succeeded in accelerating Egypt’s ambitions as a primary exporter of green fuels and fertilizers to Europe as we remain committed to investing and supporting the global energy transition.”

Osama Bishai, Chief Executive Officer of Orascom Construction said: “This award reinforces Egypt Green’s position as a first mover in the hydrogen industry in the region. We are pleased to be part of this consortium which was the first in Egypt to produce hydrogen in 2022 and now the first to achieve significant progress towards commercial activity. We also look forward to leveraging our industrial capabilities in the execution of the hydrogen plant and the associated renewable energy infrastructure.”

Waleid Gamal El-Dien, Chairman of SCZone, said: “The offtake secured via the H2Global auction demonstrates the EU’s support to the emerging green hydrogen industry and the realization of Egypt’s potential, and emphasizes Egypt’s determination to reach its vision, while showcasing its comparative advantage stemming from its abundant renewable power resources, industrial land, and its unique and strategic geographic location.”

The H2Global award builds on Fertiglobe and ADNOC’s track record of delivering demonstration cargoes of renewable and low-carbon ammonia to Europe and Asia, supporting global low-carbon ammonia and hydrogen value chains. In 2023, Fertiglobe completed a shipment of the world’s first internationally recognized renewable ammonia with ISCC PLUS-certification, produced using renewable hydrogen from its pilot Egypt Green Hydrogen electrolyzer.

In May 2024, Fertiglobe produced the world’s first bulk shipment of CCS-enabled certified low-carbon ammonia, delivered by ADNOC to Japan’s Mitsui & Co. for use in clean power generation. Fertiglobe is progressing other low-carbon ammonia projects, including the TA’ZIZ 1 million tons per annum (mtpa) low-carbon ammonia facility in Al Ruwais Industrial City, in partnership with TA’ZIZ, Mitsui & Co., and GS Energy Corporation.

About Fertiglobe

Fertiglobe is the world's largest seaborne exporter of urea and ammonia combined, and an early mover in sustainable ammonia. Fertiglobe's production capacity comprises of 6.6 million tons of urea and merchant ammonia, produced at four subsidiaries in the UAE, Egypt and Algeria, making it the largest producer of nitrogen fertilizers in the Middle East and North Africa (MENA), and benefits from direct access to six key ports and distribution hubs on the Mediterranean Sea, Red Sea, and the Arab Gulf. Headquartered in Abu Dhabi and incorporated in Abu Dhabi Global Market (ADGM), Fertiglobe employs more than 2,700 employees and was formed as a strategic partnership between OCI Global ("OCI") and ADNOC. Fertiglobe is listed on the Abu Dhabi Securities Exchange ("ADX") under the symbol "FERTIGLB" and ISIN "AEF000901015. To find out more, visit: www.fertiglobe.com.

About H2Global

H2Global's mission is to accelerate the emergence of markets for clean hydrogen and other zero-and low-emission technologies worldwide. H2Global achieves this through market-based instruments, such as the H2Global mechanism, implemented by our subsidiary Hintco.

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