

Fertiglobe

An ADNOC Company



Feeding the World, Fueling A Sustainable Future

OCT
2024

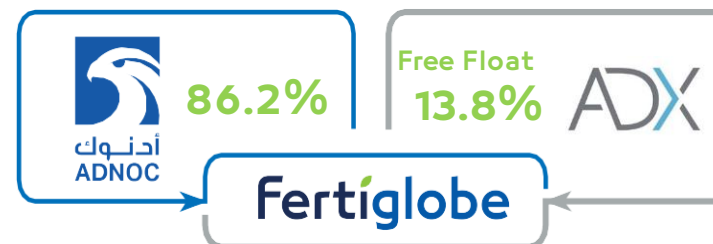
Fertiglobe Investor Update

Fertiglobe to become ADNOC's vehicle for low-carbon ammonia growth globally

ADNOC completes acquisition of 50% stake in Fertiglobe, raising ownership to 86.2% as of 15 October 2024, with the ADX free float unchanged at 13.8%

- Transaction reinforces Fertiglobe's ammonia growth plans and complements its existing leadership in nitrogen products
- Fertiglobe is ADNOC's vehicle for growth in low-carbon ammonia, consolidating its existing and future investments in the space. This will add ~2 mtpa of low carbon ammonia in the UAE¹, more than doubling Fertiglobe's net ammonia capacity, in addition to other global capacities
- Management team remains in place, focused on
 - Creating value for all stakeholders
 - Delivering on operational and cost optimization goals
 - Driving the next stage of value accretive and disciplined growth
 - Fostering an innovative and agile platform for global leadership in its sectors

Fertiglobe's Ownership Structure



Notes: (1) This includes Fertiglobe's existing 30% stake in the ongoing UAE 1mtpa low-carbon ammonia project

Fertiglobe and ADNOC.

Creating a world class leader in fertilizers and clean fuels, uniquely positioned to tap the low-carbon ammonia energy opportunity



Fertiglobe

- World class nitrogen platform
- Low-cost positioning on the global cost curve
- Strong financial and capital discipline
- Existing customer base spanning fertilizers and industrials
- Strategic access to key import markets incl. Europe & Asia
- Early mover in low-carbon ammonia

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ADNOC

- Committed shareholder, supporting Fertiglobe's disciplined growth ambitions
- Fully integrated energy ecosystem, complementing Fertiglobe's platform
- Expert in carbon capture and sequestration
- Key exporter of energy products to high-growth markets with a global reach
- Strategy to become a global leader in low-carbon fuels

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Fertiglobe
x
ADNOC

- Leading producer and exporter of nitrogen fertilizers and clean fuels
- Customer base spanning fertilizer, industrial and clean fuel markets
- ADNOC backing a unique competitive advantage for Fertiglobe to pursue disciplined growth
- Strategic access to key customers globally, leveraging ADNOC and Fertiglobe's extensive networks
- Positioned as ADNOC's ammonia platform, consolidating its existing and future investments in the space

Fertiglobe is ADNOC's vehicle for ammonia

Fertiglobe to consolidate ADNOC's existing and future investments in low-carbon ammonia

ADNOC to transfer its stakes in low-carbon ammonia projects to Fertiglobe at cost when ready for start-up, leading to immediate earnings accretion upon consolidation

1 1mtpa low-carbon ammonia project, UAE

- Capex: <\$500 million
- Capacity: 1 mtpa of low-carbon ammonia
- Expected CoD: 2027
- Fertiglobe's stake (current): 30% with proportionate marketing rights
- Fertiglobe's stake (post-transfer): 60% with additional marketing rights

2 Additional 1mtpa low-carbon ammonia project, UAE

- Currently undergoing Pre-FEED studies with development activities to be led by Fertiglobe

3 Other low-carbon ammonia projects in ADNOC's global portfolio

More details to be communicated at the Capital Market Day (CMD) in 1Q 2025¹

Significant opportunity to leverage the ADNOC ecosystem to drive disciplined low-carbon ammonia growth

1 Extensive experience in CCS² to support Low-Carbon Ammonia initiatives

2 ADNOC Logistics & Services leadership in maritime energy logistics

3 ADNOC Distribution to help tap into the UAE's AdBlue / DEF market

4 Complements ADNOC's customers in East Asia and Europe

5 Collaboration opportunities with platform companies on renewable hydrogen and renewable electricity

6 Fertiglobe to leverage ADNOC's leadership in Artificial Intelligence across all functions

Fertiglobe's vision •

Feeding the world, fueling a sustainable future •

Strategy focuses on achieving disciplined growth in fertilizers and clean fuels; contributing to the decarbonization of food, fuel and industrial feedstocks

Disciplined growth strategy

- Creating ammonia platform via value-accretive projects
- Leveraging ADNOC's network for CCS¹, energy customer engagement, infrastructure and ammonia consolidation
- Existing FID'd 1mtpa low-carbon ammonia project underway in the UAE with attractive cost base and geographical positioning
- Other value-accretive projects being considered, with significant progress made on Egypt Green by winning H2Global offtake contract

Margin optimization of existing business

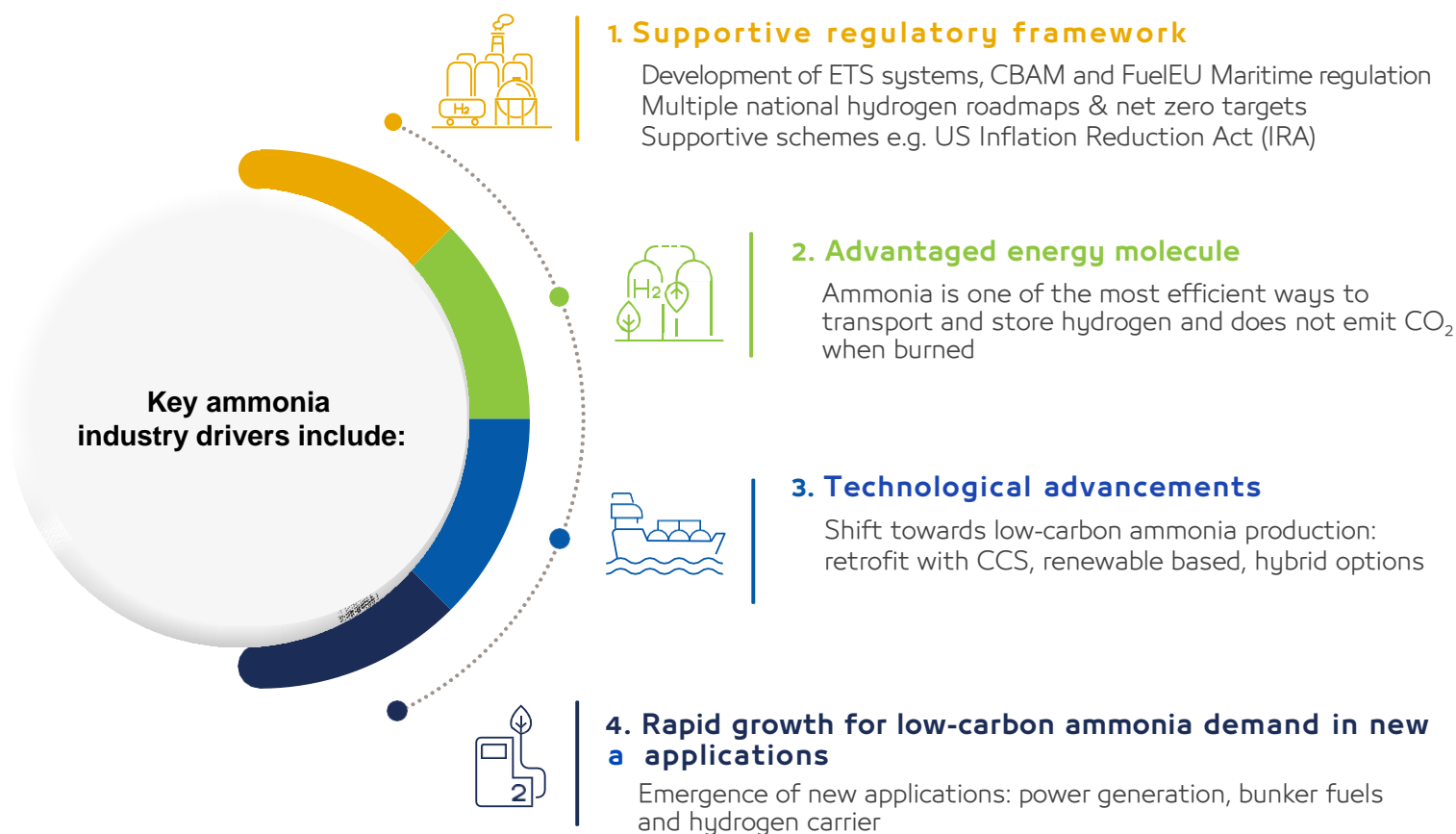
- Executing on **Manufacturing Improvement Plan (MIP)**: +\$100 million in incremental EBITDA p.a. by the end of 2025²
- **Cost optimization initiatives**, targeting \$50 million in run-rate savings by YE-2024
- **Netback optimization** via sustainable product diversification and expanding downstream reach (~10-20% netback premium vs. peers)³

Value creation for all shareholders

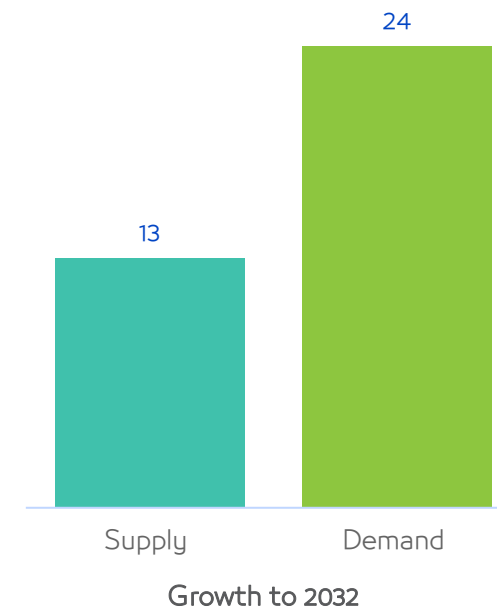
- **Superior cash flow profile** supported by industry-leading margins and cash conversion
- **Among the highest dividend yields in our market and industry**, with \$2.42bn returned to shareholders since IPO⁴
- **Balanced capital allocation policy**, enabling value accretive (in)organic growth and attractive dividend payout

Highly attractive global ammonia industry trends

Multiple pathways creating new opportunities in ammonia for energy diversification

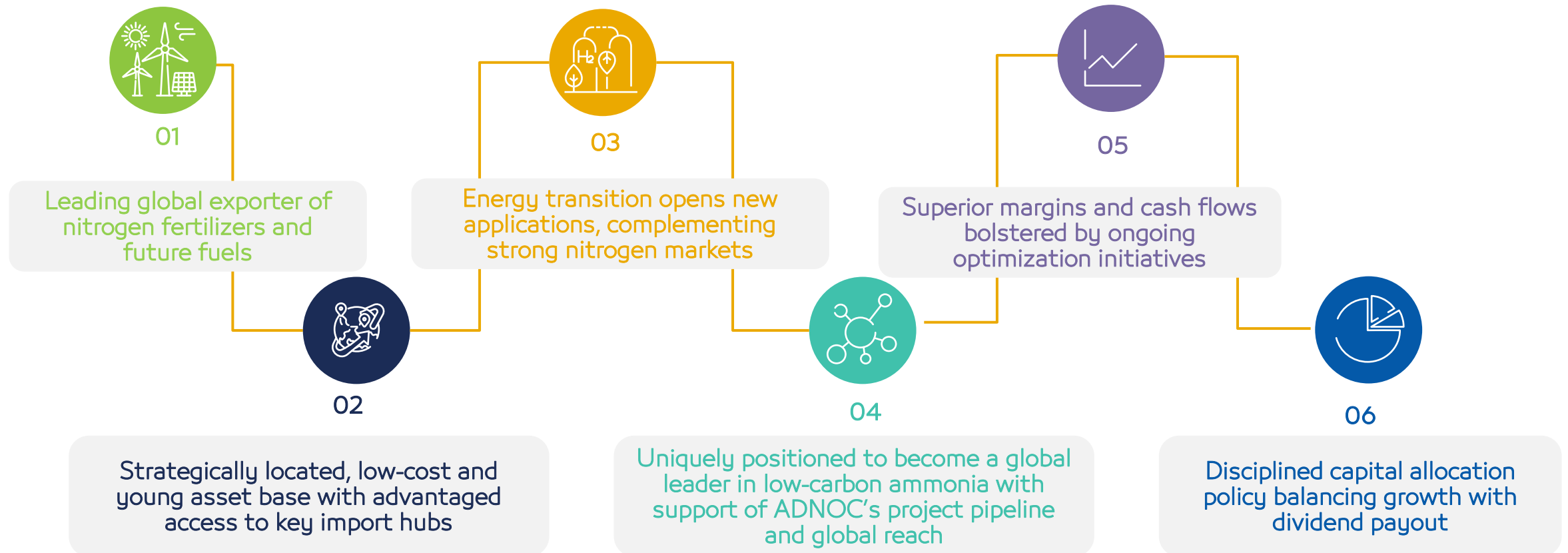


Significant incremental low-carbon ammonia demand expected to outstrip supply additions
m tons



Fertiglobe x ADNOC

Key investment highlights



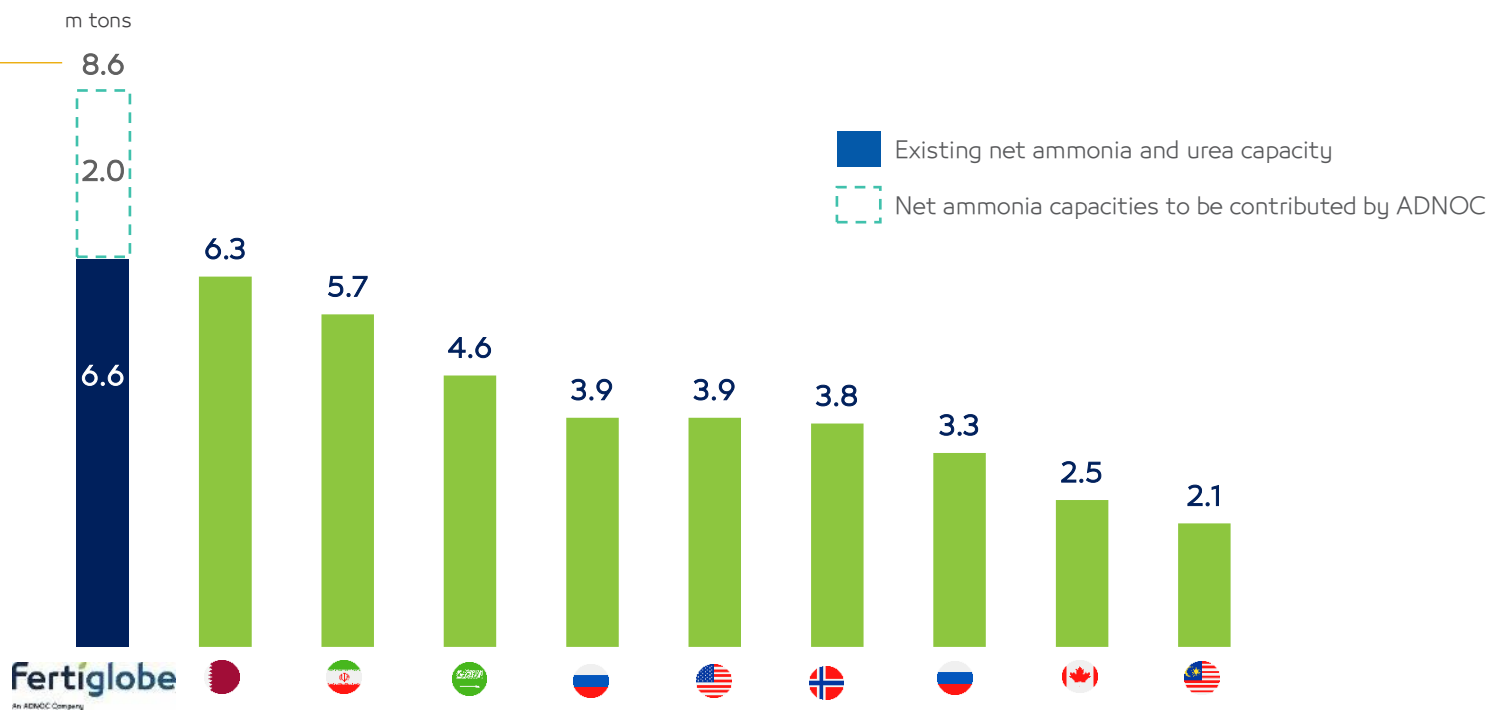
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Leading global exporter of nitrogen fertilizers and clean fuels

- > **Unique export-focused production platform:** Leading nitrogen fertilizer producer in MENA with ~10% global market share of ammonia and urea combined²
- > **#1 seaborne ammonia and urea exporter globally, and largest producer of nitrogen fertilizers in MENA**
- > **Platform provides flexibility** with 4.4mt of existing gross ammonia production capacity available to convert to urea or sell as conventional ammonia, with optionality to repurpose as low-carbon ammonia in the future

Net ammonia and urea production capacity, 2024⁽¹⁾

Fertiglobe's total net ammonia and urea capacity post consolidation of ADNOC's UAE ammonia capacity²



Source: Company and industry consultants

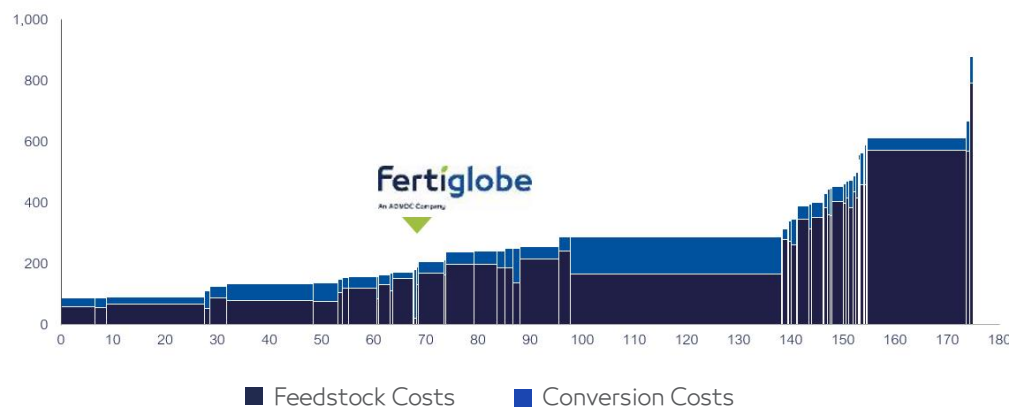
Note: (1) Comprised of net ammonia and urea production capacity only and for leading in country players, based on selected known exporting plants only, 2024. Fertiglobe numbers denote capacity. (2) This excludes other global low carbon ammonia capacities

2 Strategically located, low-cost asset base with advantaged access to key import hubs

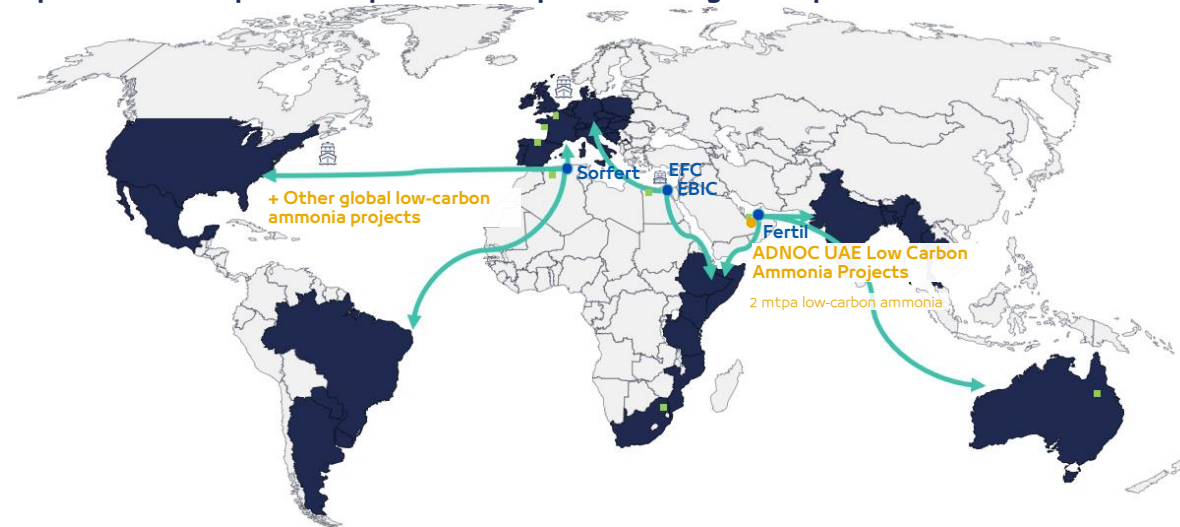
- **Low-cost positioning** due to secure long-term gas contracts, young asset base (50% younger than 15 years old), and tax-advantages, supported by active management initiatives (+\$150 million incremental EBITDA by the end of 2025 vs. 2023¹)
- **Structurally higher realized prices vs. peers** given strategic footprint with access to key ports, freight and distribution advantages and duty-free access to Europe
- **Ideally positioned to supply ammonia** to European and Asian customers, supported by CBAM³ and CfDs⁴.
- **Located on the busiest shipping lanes** to serve emerging bunkering demand

Low-cost positioning on global ammonia cost curve²

Y axis: Ammonia FOB costs in 2024, \$/t ; X axis: Global ammonia exports, Million t



Expanded footprint to provide unparalleled global platform and reach



Source: Company Information, CRU 2024 forecast

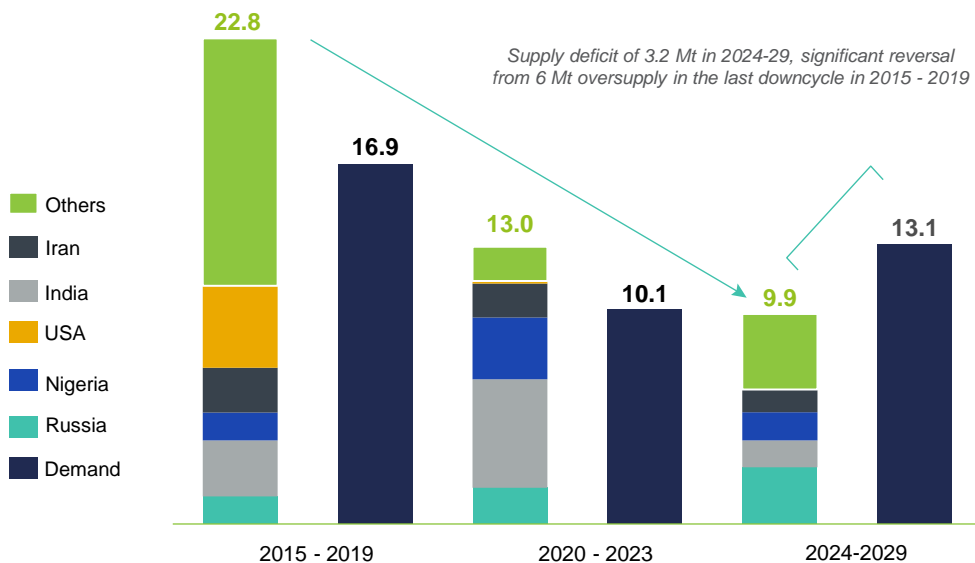
Notes: (1) At 2023 prices. (2) Fertiglobe average costs based on respective gas price arrangements in Abu Dhabi, Algeria and Egypt. Gas price arrangements in Egypt and Algeria include cost escalation factors and in Egypt increments above certain product price levels. In Algeria, as per the price stabilization mechanism, incremental profits are paid to Sonatrach, referred to as Ecremage. Gas supply contract in Algeria extends to 2033; price stabilization mechanism expired in Q4 2023, and negotiations for a revised pricing arrangement are currently ongoing.(3) CBAM: Carbon Border Adjustment Mechanism. (4) CfD: Contracts for Difference.

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Strong nitrogen outlook underpinned by robust supply & demand fundamentals

Slower pace of new urea capacity additions with good visibility given ~5-year project lead time coupled with robust nitrogen demand

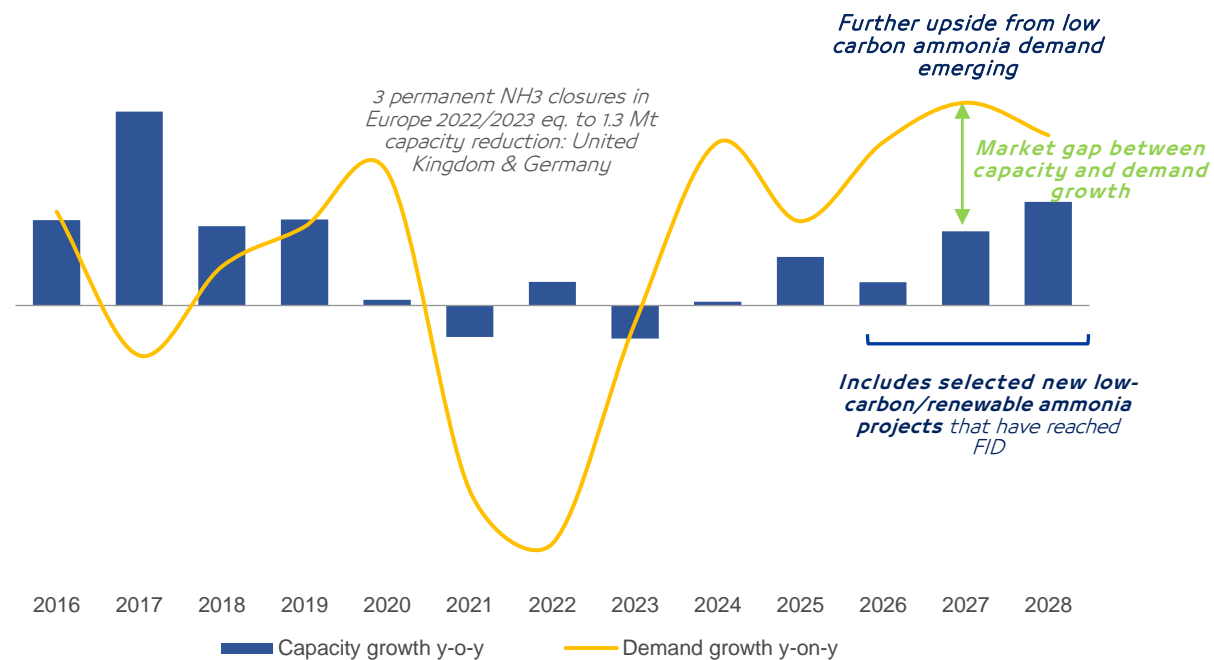
Global urea net capacity additions and demand growth, ex-China, Mt



Larger part of new capacity scheduled for commissioning during the next five years is expected to come online towards the end of the outlook period, i.e. around 2027-28

Merchant grey ammonia market will be underpinned by robust demand growth from existing uses, with additional upside from new emerging uses

Ammonia capacity and grey ammonia demand growth (excluding China and ammonia required for urea), Mt



Source: Industry Consultants, Company analysis. Note the abovementioned charts do not account for any future capacity closures resulting from implementation of more stringent carbon policies in Europe. Further upside from low carbon ammonia demand expected in the future, on top of existing grey demand. Ammonia capacity includes selected ammonia projects, limited to those with FID status and in process of construction only.

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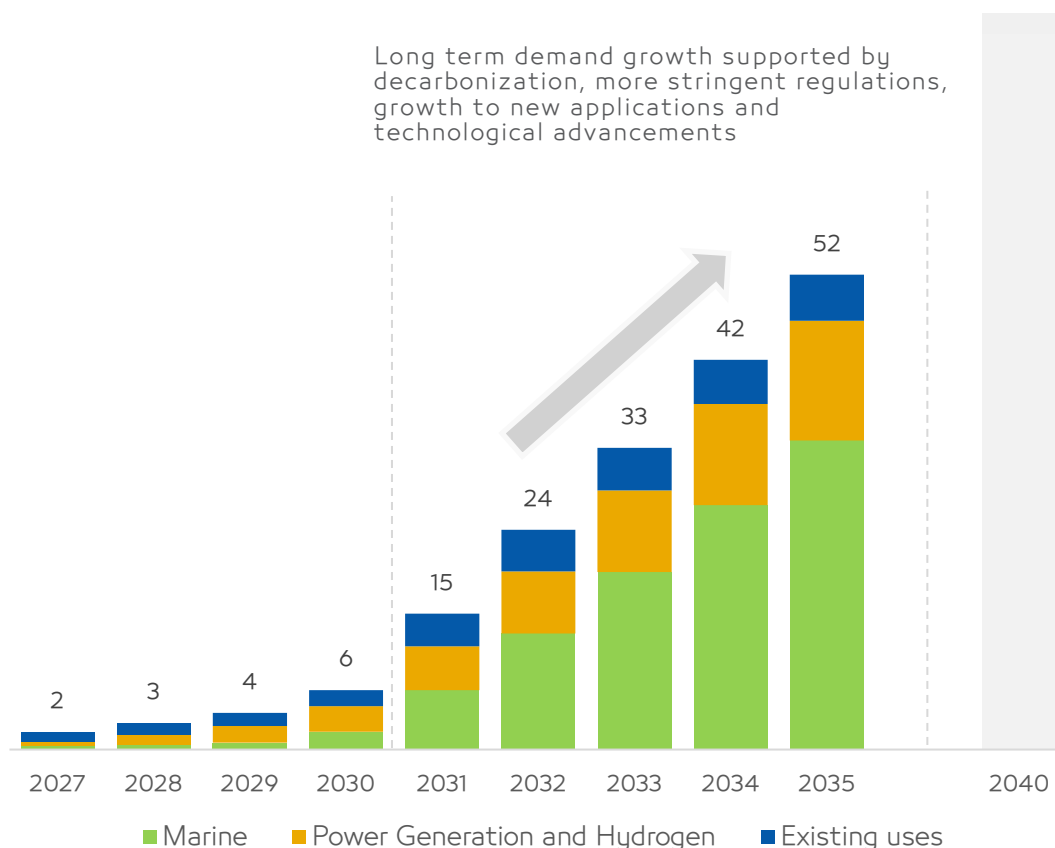
Demand from low-carbon applications materializing rapidly in the near-term

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Developing regulations in Europe and Asia accelerate low-carbon ammonia demand growth

Low-carbon ammonia demand to more than double current traded market by early 2030's

Long term demand growth supported by decarbonization, more stringent regulations, growth to new applications and technological advancements



Demand drivers:

Maritime fuels

- 01 Fuel EU Maritime:** Maritime sector increasingly incentivized to adopt clean fuels, as Fuel EU Maritime regulation starts in 2025
- EU ETS¹** incorporated the maritime sector in 2024²
- Low-carbon ammonia reduces carbon emissions by ~70%** vs. very low sulfur fuel oil (VLSFO) and cost competitive low Carbon Intensity (CI) fuel
- Support from **the Green Balance Mechanism**, designed to ensure that shipping meets its net-zero goals, via minimizing the cost disparity between hydrogen and grey fuels
- Development of **green shipping corridors** across Europe and Asia
- Vessel orders** and **demonstration engine** trial ongoing to meet demand growth

Power generation and H2 carrier

- 02 Japan & South Korea:** Expected requirement for 20-30% co-firing in coal plants by 2030's, further supported by policy and subsidy schemes
- Europe:** Upside from mandatory European targets promoting emissions reduction and the use of renewable hydrogen in industry
- China:** National Development and Reform Commission (NDRC) requested applications from pilot demonstration projects planning to co-fire coal with more than 10% renewable ammonia

Existing uses

- 03** Further upside from decarbonization of existing uses, owing to implementation of stringent CBAM regulations and carbon taxes in Europe, as well as RED III

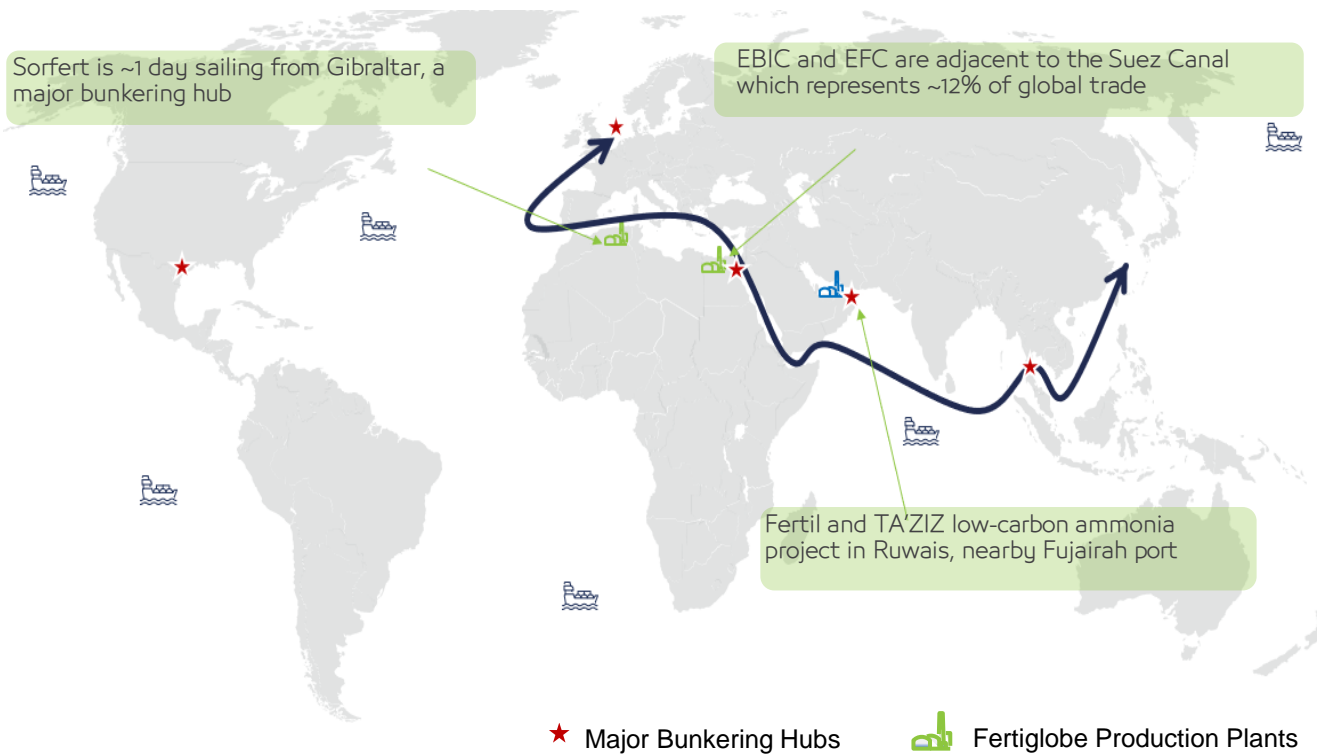
Source: Company and Industry Consultants

Notes: ¹ EU ETS: EU Emissions Trading System; ² Shipping companies required to monitor emissions and acquire and surrender EU allowances (EUAs) for each ton of reported greenhouse gas emissions, 2025-2027. Includes 100% of emissions for Intra EU voyages and 50% of emissions from trips to or from non-EU countries.

4

Strategically positioned to become a global leader in low-carbon ammonia

- Direct access to key low-carbon ammonia markets in Europe and Asia
- Ideally located near the world’s largest bunkering hubs on the busiest shipping lanes
- Ammonia vessel adoption is in motion with dual fuel ships under order and additional ammonia ready vessels equipped to support the transition



A typical Panamax container ship’s annual route between Europe and the Far East consumes ~13% of EBIC’s ammonia capacity, saving ~140kt of CO2 emissions p.a.

Ammonia vessel adoption pathway

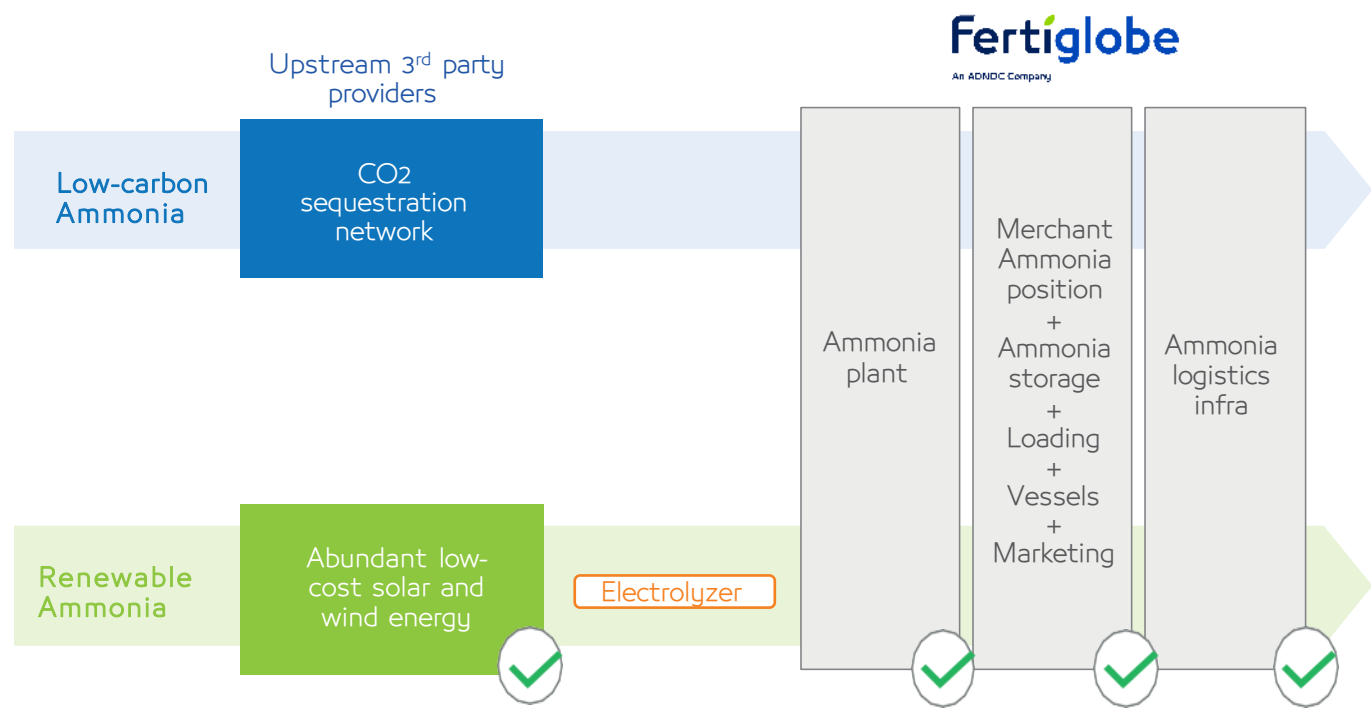
Number of dual fuel and ammonia ready vessels on order/operational today, to be delivered by 2027¹

	Dual Fuel ²	Ammonia ready ³	Total
Bulk carriers	9	60	69
LPG carriers	15	38	53
Car carriers	0	47	47
Container carriers	1	69	70
Tankers	2	31	33
Other	3	20	23
Total	30	265	295

1) Source: Clarksons, DNV, Lloyd’s Registry (2023), McKinsey, Industry Consultants, based on currently known orders only. (2) Dual fuel refers to vessels that consume a main and secondary fuel source, one of which maybe ammonia (3) Ammonia ready vessels still need to be retrofitted with new ammonia engines once they are ready, but installation would require less time and capex.

4 Strategically positioned to become a global leader in low-carbon ammonia

Cont. Asset base with existing access to the entire hydrogen supply chain



1. Fertiglobe is plug-and-play for low-carbon ammonia development
2. Unique global expertise in production, sales and handling of ammonia with excellent safety track record
3. Fertiglobe utilizes current infrastructure which leads to minimal capex compared to greenfield projects
4. Fertiglobe is well-positioned to capitalize on new low-carbon ammonia growth opportunities with all critical pieces in place
5. Ideally positioned to leverage ADNOC's network for energy customer engagement, CCS initiatives and advantaged geographic location
6. Leveraging key government programs to expand low carbon production (e.g. US IRA1, CBAM2/CfD3 into Europe and Asia)

Source: Derived from IEA hydrogen cost from hybrid solar PV and onshore wind systems in the long term, UNCTAD
Notes: (1) IRA: Inflation Reduction Act; (2) CBAM: Carbon Border Adjustment Mechanism; (3) CfD: Contracts for Difference

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Low-carbon ammonia project in the UAE

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World-scale 1 mtpa low-carbon ammonia production capacity



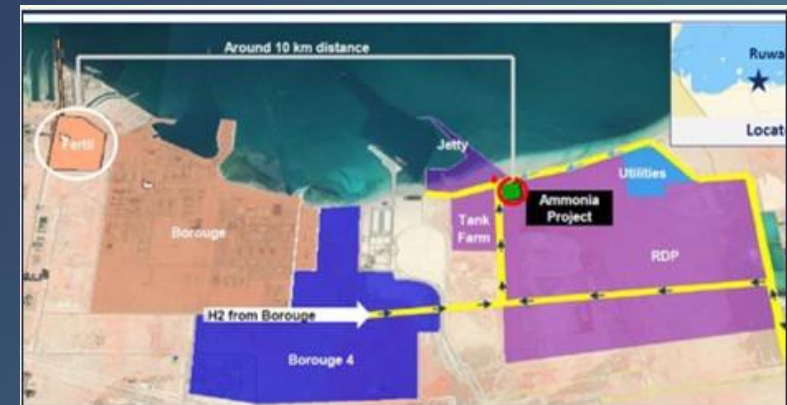
Project Partners



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- > Construction contract awarded to Tecnimont S.p.A. in 2024, with operations scheduled to commence in 2027
- > Final Investment Decision (FID) taken in 2024
- > Fertiglobe's partners include TA'ZIZ and a consortium of local investors, GS Energy Corporation, and Mitsui & Co., Ltd.
- > Attractive return profile with robust double-digit IRR, supported by a favorable cost structure and strategic location
- > Phase 1 of the project will produce 50% lower-carbon intensity ammonia vs. conventional ammonia
- > In the second stage, this plant will further reduce its carbon intensity via capturing and sequestering CO₂ emissions



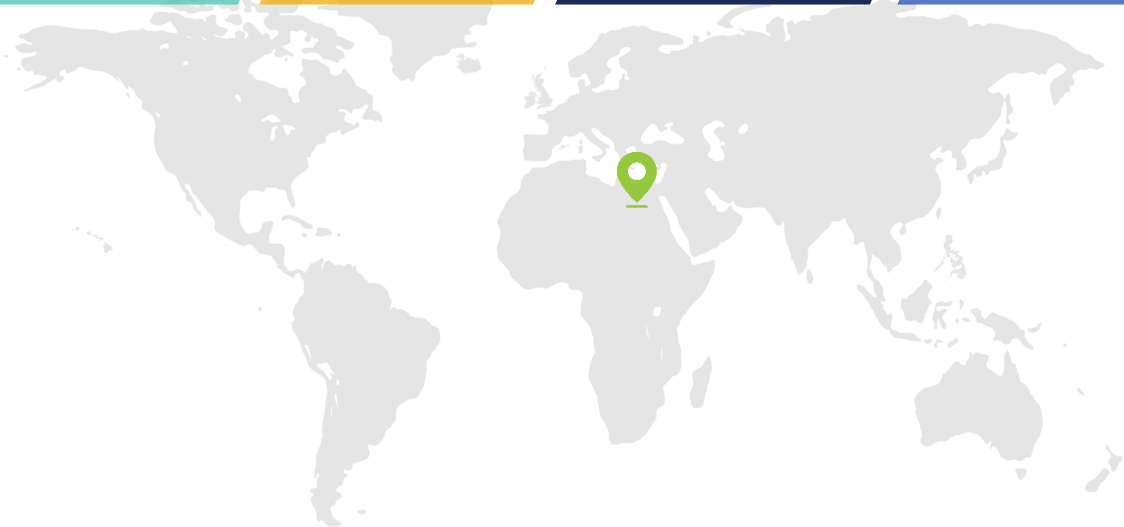
Located in TA'ZIZ Industrial Chemicals Zone, adjacent to Ruwa's Industrial Complex which will supply attractive hydrogen and nitrogen feedstocks

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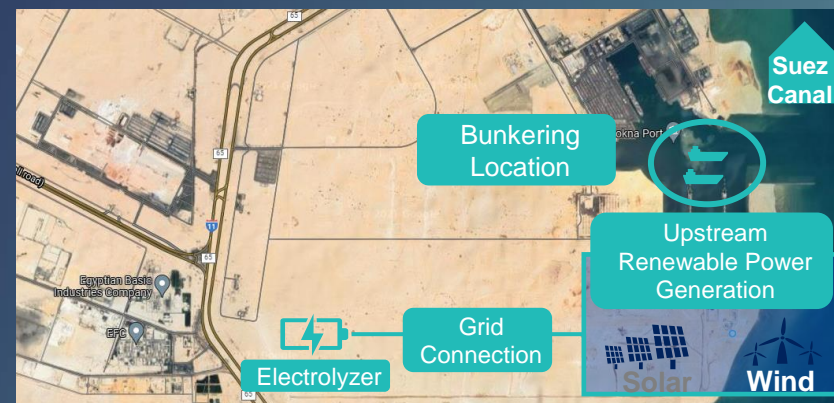
Renewable hydrogen and ammonia project in Egypt

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Securing first ever renewable ammonia offtake worth €397m



- Commissioning of first phase during COP27 in 2022 and completed shipment of first ISCC Plus-certified renewable ammonia in 2023
- Renewable hydrogen secured for production of ~74ktpa of renewable ammonia at Fertiglobe's facilities
- Fertiglobe awarded unique H2Global offtake contract to Europe of up to EUR 397,000 tons at a delivered price of €1,000 per ton until 2033
- H2Global award 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
- Limited capex given Fertiglobe is utilizing its existing back-end ammonia infrastructure, leading to double digit project IRR's



Project Partners



scatec

Fertiglobe

ORASCOM CONSTRUCTION



4

Early mover in low-carbon and sustainable products

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Fertiglobe secures offtake contract for renewable ammonia into Europe

Fertiglobe was chosen as the winning bidder in first-of-its-kind H2Global auction for up to €397 million, securing supply of renewable ammonia out of Egypt at a delivered price of €1,000 per ton until 2033.



Fertiglobe announces trial DEF shipment to Europe, diversifying product offering

Capacity to produce Diesel Exhaust Fluid (DEF) in Egypt and the UAE, with ability to quickly ramp up production.



Fertiglobe ships world's first ISCC PLUS certified renewable ammonia

The renewable ammonia, manufactured by Fertiglobe, was used to produce near-zero emissions synthetic soda ash – a key ingredient in laundry powder by Unilever



Fertiglobe & ADNOC deliver first CCS-enabled certified low-carbon ammonia to Japan

The shipment was delivered to Mitsui & Co., Ltd. for use in clean-power generation.

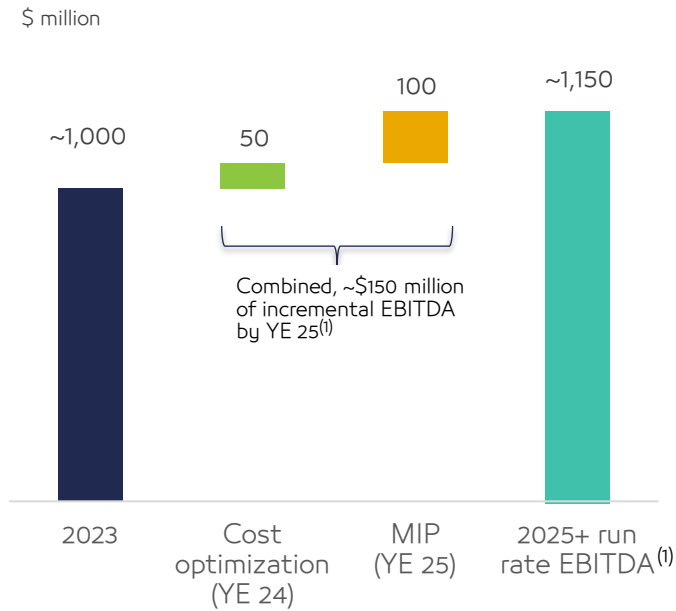


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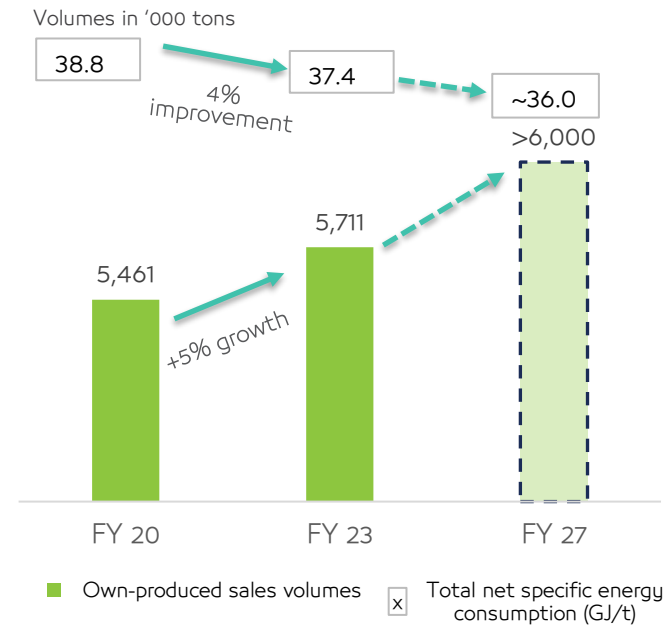
Superior margins and cash flows bolstered by ongoing optimization initiatives

- Operational and cost optimization programs to further support margins and cash flow profile across cycles, with +\$150 million in incremental run rate EBITDA expected by year-end 2025, compared to 2023 ⁽¹⁾
- Improved cash flow visibility to result from rising contribution of low-carbon ammonia, characterized by long-term offtakes and lower volatility

Potential to unlock \$150 million in incremental annual EBITDA via MIP & cost optimization efforts by YE 2025 ⁽¹⁾



Enhanced production and energy efficiency since 2020 driven by manufacturing improvement efforts



Notes: (1) At 2023 prices

6

Disciplined capital allocation policy, balancing growth with robust dividend payout

- Leverage (1x net debt / LTM adj. EBITDA)¹ consistent with investment grade rating profile due to conservative capital structure, robust cash flow generation capacity and a prudent financial policy
- S&P, Moody's and Fitch placed Fertiglobe on a positive credit watch and are expected to raise the company's credit rating by (at least) one notch following completion of the transaction, with the potential to lower the company's interest costs
- Low-cost positioning, solid free cash flow conversion and robust capital structure across commodity cycles support balanced approach toward value-accretive growth opportunities and dividend payout
- Maintain a disciplined capital allocation policy, balancing growth opportunities with robust dividend payout, creating value for all shareholders





Next Steps

- In the coming months, ADNOC and Fertiglobe will focus efforts on maximizing operational and cost synergies
- Meanwhile, it is business as usual, with continued commitment to deliver on Fertiglobe's strategy, including progress on existing projects and active cash flow optimization initiatives
- Any material updates will be announced to the market in a timely manner
- A detailed value creation and growth strategy will be shared at Fertiglobe's Capital Markets Day (CMD) in Q1 2025

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