

H2Global pilot auction results in first significant renewable ammonia supply for EU

Today, Hintco GmbH announces Fertiglobe as the successful bidder of the first H2Global pilot auction for renewable ammonia, funded by the German Federal Ministry for Economic Affairs and Climate Action (BMWK). The winning bidder, Fertiglobe, a strategic partnership between ADNOC and OCI, will start producing renewable ammonia destined for delivery in European ports in 2027 for a maximum contract value of EUR 397 million.

With this result, Europe has secured a significant supply of renewable ammonia starting at a potential 19,500 tons in 2027 subject to the start of production date and supply availability and rising up to a total of 397,000 tons cumulatively by 2033. The project marks a significant milestone in the advancement of the European renewable ammonia market and global decarbonization efforts.

The pilot auction for Lot 1 covering renewable ammonia was launched at the end of 2022. Lot 1 received interest from over 65 countries, with over a thousand downloads from private companies, regulatory authorities, and academic institutions. The auction for Lot 1 attracted bids from 22 companies/consortia from five continents. Fertiglobe emerged as the successful bidder among five finalists. Lots 2 and 3 covered renewable methanol and e-sustainable aviation fuel (eSAF) respectively, with the latter ending without a contract being awarded. As a result, the funds from eSAF will be allocated to the ongoing Lot 2 for renewable methanol. This offers bidders the opportunity to realize additional economies of scale.

Chart: Renewable ammonia offtake volumes



"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,” says Timo Bollerhey, CEO, Hintco and Co-creator H2Global.

Fertiglobe, the winning bidder, will procure the supply of renewable hydrogen from Egypt Green Hydrogen to be used as feedstock for the production of renewable ammonia at Fertiglobe’s existing ammonia plant in Ain Sokhna. Based in Abu Dhabi, Fertiglobe is the largest producer of nitrogen fertilizers in the MENA region, and a pioneer in sustainable ammonia. Egypt Green Hydrogen, located in the Suez Canal Economic Zone, is a consortium between Scatec ASA, Fertiglobe, Orascom Construction, The Sovereign Fund of Egypt, and the Egyptian Electricity Transmission Company.

The pilot auction established the first price signal at a contract price of EUR 1,000 per ton (including delivery to Europe) and a net price of EUR 811 per ton for renewable ammonia, thereby taking the first step towards a global renewable ammonia market. These price signals for renewable ammonia send a positive, clear, and strong message, indicating it can be produced and imported into the EU at attractive prices through targeted support to the most competitive projects.

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 CFD program which makes our investment in sustainable ammonia economically viable, supporting critical decarbonization technology, while maintaining our disciplined growth strategy.”

“The success of the pilot auction underscores the global effort required to fund large-scale energy transition projects aimed at tackling climate change. H2Global has catalyzed a collaborative convergence of expertise, funding, and resources from across Europe, the Middle East, and North Africa,” says Markus Exenberger, Executive Director and Co-creator, H2Global Foundation.

The initial price signals from the pilot auction indicate substantial potential for achieving more competitive prices in future rounds. This is driven by several factors, as projects get underway, including economies of scale, increased volumes, longer delivery times, and the accumulated experience of technology suppliers. As the scale of production grows and suppliers gain experience, costs are expected to decrease further, setting the stage for additional competitive pricing in subsequent H2Global auctions.

H2Global’s pilot auction complements existing national and regional auction schemes by covering the entire value chain of clean hydrogen and its derivatives and extending support beyond European borders, fostering the ramp-up of a global clean hydrogen market and promoting energy transition on a global scale. For countries that are projected to become significant clean

energy exporters, the funding will accelerate domestic decarbonization plans while generating jobs and tax revenues.

“This project not only strengthens Europe's energy security and sustainability, but also supports sustainable economic development in Egypt where 273 MW of renewable electricity generation will be built to power Egypt Green Hydrogen, the supplier of renewable hydrogen for Fertiglobe” says Susana Moreira, Executive Director, H2Global Foundation.

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About H2Global

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

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.



NOTES TO THE EDITOR

The project: Egypt Green

The Egypt Green Hydrogen project is led by a consortium consisting of Scatec ASA, Fertiglobe PLC, Orascom Construction, The Sovereign Fund of Egypt and the Egyptian Electricity Transmission Company. The project is located in the Suez Canal Economic Zone. Based in Abu Dhabi, Fertiglobe is the largest producer of nitrogen fertilizers in the Middle East and North Africa region, and a pioneer in sustainable ammonia. Through Hintco's pilot auction, Fertiglobe gains a long-term customer, providing the necessary investment security for Egypt Green Hydrogen to be implemented. Fertiglobe will produce ammonia in compliance with EU regulations for renewable hydrogen and meet the additional environmental and sustainability requirements set out in the tender.

