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Fertiglobe Partners with Scatec and the Sovereign Fund of Egypt to Develop Green Ammonia Project in Egypt

- *Fertiglobe has signed an agreement with Scatec, a leading renewable power producer headquartered in Norway, and the Sovereign Fund of Egypt (“TSFE”) to develop a 50-100 MW electrolysis plant at EBIC in Egypt to produce up to 90,000 metric tons green ammonia per annum*
- *Fertiglobe, an early mover in clean ammonia, is set to benefit from emerging demand for clean ammonia as part of the energy transition*
- *Project leverages Fertiglobe’s established ammonia platform, highlighting its unique position to capture opportunities in both blue and green ammonia*
- *Egypt is ideal location given strong solar and wind corridor and close proximity to markets with hydrogen deficit, allowing for robust future growth of hydrogen production using attractive renewable energy*

OCI N.V. (Euronext: OCI) today announced that Fertiglobe, the partnership between OCI and Abu Dhabi National Oil Company (ADNOC), has entered into an agreement with Scatec ASA (OSE: SCATC) and TSFE to jointly develop a 50-100 MW electrolyzer facility to produce green hydrogen as feedstock for green ammonia production. The facility will be located near Fertiglobe’s subsidiary EBIC in Ain Sokhna in Egypt and is a first step towards developing a green hydrogen hub in Ain Sokhna.

Under the agreement, Scatec will build, operate and majority own the facility, and EBIC will use the green hydrogen as a supplementary feedstock for the production of up to 90,000 metric tons green ammonia (NH₃) per annum under a long term off-take agreement. The Final Investment Decision is expected in 2022, and start-up is targeted for 2024.

Ahmed El-Hoshy, CEO of OCI N.V. and CEO of Fertiglobe, commented: “We are pleased to partner with Scatec, a leader in the global renewables market and Egypt’s largest renewable power developer, to deploy cutting edge technology at world scale to start ramping up our green ammonia production profile. We are also pleased that the Sovereign Fund of Egypt is participating, underlining Egypt’s commitment to become a global leader in the renewables space. This project adds to our existing and rapidly developing low carbon portfolio of ammonia across our global platform, and Fertiglobe in particular is increasingly becoming the ideal springboard to capture the huge growth opportunities offered by the hydrogen economy.”

Raymond Carlsen, CEO of Scatec said: “We are proud to establish a strong partnership with Fertiglobe and the Sovereign Fund of Egypt to move the green agenda forward in Egypt. The development of this green hydrogen project builds on our long experience in project development, financing, and delivery of renewable energy projects in emerging

markets. New business models and innovation have been at the core of Scatec since our inception, and we see green hydrogen as a natural part of our strategy and the renewable ecosystem in the years to come.”

Ayman Soliman, CEO of TSFE, commented: “We are pleased to be partnering up with Fertigllobe and Scatec who are pioneers in green hydrogen production, to provide a unique investment product that creates financial returns while nurturing the green economy at large. The Sovereign Fund of Egypt is a manifestation of Egypt’s 2030 Vision with the principles of sustainable development and impact investment instilled in its mandate, and this project is a cornerstone investment in our green sustainable portfolio build-up with many more to come.”

The parties will seek support from the Egyptian government for required regulatory approvals and sourcing of competitive renewable power from the grid, with the intention to build out new solar and wind capacity to power Egypt’s green hydrogen ambitions in the years to come. The project will be realised in close cooperation with leading hydrogen technology providers and multilateral development institutions for financing. Required engineering and development, including structuring of commercial agreements for the new facility, will start imminently with a target investment decision in 2022 and start-up of the hydrogen facility by 2024.

Green ammonia, produced from renewable energy such as solar and wind instead of natural gas, is a versatile product that can help decarbonize numerous sectors which represent around 80% of current global Greenhouse Gas (GHG) emissions. Ammonia is an ideal carrier fuel to store and transport hydrogen; it is also emerging as a promising zero-emission fuel for the hard-to-decarbonize shipping sector and is expected to become an important alternative fuel in the power sector in Japan and other countries.

Fertigllobe is well-placed to benefit from this new demand for low carbon ammonia, in addition to the existing uses in fertilizer and industrial applications. Incremental demand for low carbon ammonia from new applications is currently estimated in the range of 8 million tons by 2025, growing to more than 25 million tons by 2030 compared to a current global merchant ammonia market of approximately 20 million metric tons.

The project also demonstrates Fertigllobe’s unique competitive position as an early mover in blue and green ammonia and the advantaged position it holds in becoming a leader within this area:

- The switch from “grey” to “green” ammonia is straightforward through the addition of a “plug-and-play” electrolyzer, as Fertigllobe has all other critical elements in the ammonia value chain in place
- The ability to scale up green capacity gradually by introducing a supplementary feedstock stream, without taking any major supply or technology risks compared to greenfield projects
- Leverages OCI’s and Fertigllobe’s existing leading ammonia production and distribution infrastructure
- Leverages ADNOC’s regional leadership in carbon capture and storage to build up blue ammonia capabilities
- Egypt is well placed to take advantage of the green hydrogen/ammonia opportunity with abundant wind and solar resources for renewable energy generation globally

- EBIC, which has ammonia production capacity of 748 thousand metric tons per year, has direct pipeline connections to Sokhna port, one of the region’s largest export jetties on the Red Sea
- Location on the Red Sea is near the Suez Canal which is ideal given future bunkering potential with ability to go East to deficit Asian markets and West to European markets to serve key importing regions for ammonia

The project represents another milestone in building up Fertiglobe’s low carbon production capabilities. Fertiglobe has recently partnered with ADNOC to sell blue ammonia from the UAE to customers in Japan and announced a 70,000 metric ton scale-up of blue ammonia production capacity through a low-cost debottlenecking program in Abu Dhabi. In addition, it was announced in June that Fertiglobe will join ADNOC and ADQ as partner in a new world-scale 1 million metric tons per annum blue ammonia project at TA’ZIZ in Ruwais, subject to regulatory approvals.

About OCI N.V.

OCI N.V. (Euronext: OCI) is a leading global producer and distributor of nitrogen and methanol products providing lower carbon fertilizers, fuels, and feedstocks to agricultural, transportation, and industrial customers around the world. OCI’s production capacity spans four continents and comprises approximately 16.2 million metric tons per year of nitrogen fertilizers, methanol, biofuels, diesel exhaust fluid, melamine, and other nitrogen products. OCI has more than 3,600 employees, is headquartered in the Netherlands and listed on Euronext in Amsterdam.

About Fertiglobe

Fertiglobe is the world’s largest seaborne exporter of urea and ammonia combined, and an early mover in clean ammonia. Fertiglobe’s production capacity comprises of 6.7 million tons of urea and merchant ammonia (as at 30 June 2021), 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. Established in 2019 and headquartered in Abu Dhabi, Fertiglobe is a 58/42 partnership between OCI N.V. and the Abu Dhabi National Oil Company (ADNOC). To find out more, visit: www.fertiglobe.com

About Scatec ASA

Scatec is a leading renewable power producer, delivering affordable and clean energy worldwide. As a long- term player, Scatec develops, builds, owns and operates solar, wind and hydro power plants and storage solutions. Scatec has more than 3.5 GW in operation and under construction on four continents and more than 500 employees. The company is targeting 15 GW capacity in operation or under construction by the end of 2025. Scatec is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol ‘SCATC’.

About the Sovereign Fund of Egypt

The Sovereign Fund of Egypt (TSFE) was established in 2018 to attract private investment to Egypt and promote and co-invest in state-owned assets to maximise their value and support the Egyptian economy. Independently managed by senior finance executives, TSFE selects investable assets from public stakeholders and co-invests in them with local and foreign partners. The fund's mission is to increase the private sector's role in the economy and create more jobs for Egypt's young population.

The fund operates under a special law which allows it to establish investment partnerships that offer unique opportunities for investors, to aid the government's efforts to carry out structural reforms in various sectors and diversify Egypt's growing economy.

The fund adheres to best international practices in all areas, operating with transparent and flexible investment rules, which enable diverse co-investment structures and good governance in management. The fund is supervised by a board of directors and a general assembly with the majority of members coming from the private sector.

TSFE was established by Law 177 in 2018. Its charter was issued by the Prime Minister's Decision no. 555 in 2019. The fund is a member of the International Forum for Sovereign Wealth Funds.

To find out more, please visit: tsfe.com

Market Abuse Regulation

This press release contains inside information as meant in clause 7(1) of the Market Abuse Regulation.

For additional information contact:

OCI N.V. Investor Relations:

Hans Zayed
Director
Email: hans.zayed@oci.nl

Tel: +31 (0) 6 18 251 367

For additional information on OCI:

www.oci.nl

OCI stock symbols: OCI / OCL.NA / OCL.AS

Honthorststraat 19
1071 DC Amsterdam
The Netherlands