

Press release

Hamburg Commercial Bank finances key plant for returning phosphorus to economic cycle

GERMANY/HAMBURG – Hamburg Commercial Bank (HCOB) is acting as mandated lead arranger for Kommunale Nährstoffrückgewinnung Niedersachsen GmbH (KNRN) in financing the construction of a mono sewage sludge incineration plant in Hildesheim and an upstream drying plant in Hameln. The total financing volume amounts to EUR 122.1 million and is being provided in equal parts by HCOB and Helaba (Landesbank Hessen-Thüringen). Construction of the plants has already begun, with commissioning planned for 2028.

According to the Federal Statistical Office, around 1.6 million tons of municipal sewage sludge are produced in Germany each year. This is generated during the treatment of wastewater in municipal sewage treatment plants. From 2029, operators of large sewage treatment plants (class 5) will be required to thermally treat sewage sludge, and all sewage treatment plant operators will be required to recover phosphorus. KNRN and its shareholders planned municipal solution concept provides for the intensive and highly efficient utilisation of the energy released during the thermal incineration of sludge.

By construction of the incineration plant, the 21 municipal shareholders of KNRN are complying with the aforementioned legal requirements for thermal recycling and phosphorus recovery from sewage sludge. The modern incineration plant also ensures a climate-friendly, environmentally friendly as well as economical recycling. The plant has an incineration capacity of approximately 33,500 tons (dry substance) per year. The heat generated can be supplied to the district heating network in Hildesheim at a rate of approximately 44.8 GWh/a, meeting around one-third of the planned demand. Over the plants' service life, approximately 270,000 Mg CO₂ emissions can be saved through greenhouse gas-neutral district heating compared to fossil fuel-based heat generators. In addition, phosphorus, the scarce raw material, can be obtained from sewage sludge for use in agriculture and fertiliser production.

"We are delighted to support KNRN with this financing," says Hans Lötzer, Head of Project Finance at HCOB. "This will further advance the expansion of an environmentally friendly and innovative circular economy. With this financing, we are emphasizing our ongoing commitment to climate change in Germany."

"The long-term and reliable disposal of sewage sludge as a municipal solution, as well as the use of a climate-neutral fuel for heat supply, is of great importance to us and our shareholders. We are therefore delighted that Hamburg Commercial Bank is supporting us in realising our environmentally friendly and sustainable project," says Dr Jens Manthey, Managing Director of KNRN.

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About Hamburg Commercial Bank:

Hamburg Commercial Bank AG (HCOB) is a private commercial bank headquartered in Hamburg, Germany, that provides customized financing solutions for German and European companies. HCOB has a strong position in structured real estate and project finance and is a reliable financing partner for the shipping sector. Efficient and secure payment transaction services as well as innovative products for foreign trade complete the range of services. The bank is guided by established ESG criteria and operates from several locations in Germany as well as in Amsterdam, London, Luxembourg and Piraeus. For more information, please visit www.hcob-bank.com.

About KNRN

Founded in 2019 by municipal shareholders, KNRN was established to address the challenges posed by the amended Waste Disposal Ordinance (AbfKlärV). It currently has 21 shareholders. KNRN's unique selling point is that it takes care of everything for its shareholders, from transporting sewage sludge from sewage treatment plants, to overseeing the recycling process and documenting disposal certificates.