

7 August 2024



SIMEC Atlantis Energy Limited
("SAE Renewables", "SAE" or the "Company")

SAE takes full ownership of 120MW/240MWh BESS project at Uskmouth

SAE has achieved the next step in delivering its 'Building a Sustainable Future to 2035' strategy by taking full ownership of the 120MW Battery Energy Storage System ("BESS") project at the Uskmouth Sustainable Energy Park ("USEP"). According to the Company's latest estimates, the BESS project will generate average annual revenues of £12m and annual average EBITDA of £9m per annum in its first five full years of operation. The estimated capital cost of the project is £65m, which includes the deferred consideration and transaction costs.

On 6 August 2024, SAE completed a Share Purchase Agreement ("SPA") with Enso Green Holdings Limited ("EGHL"), a joint venture between Cero Generation Limited and Enso Energy Limited, to purchase all the shares in a 120MW/240MWh BESS project at its USEP. SAE has paid EGHL an initial consideration of £299k under the SPA, to acquire 100% ownership of the development vehicle, Enso Green Holdings E Limited, the vehicle which EGHL used to develop the BESS project and hold the grid connection, land option and planning application. Under the SPA, when the project reaches financial close, SAE will pay EGHL an additional amount of £3.85m as a deferred consideration, in recognition of their contribution to the project development to date.

This acquisition is a key part of SAE's recently announced strategy to become an owner and operator of its future energy projects.

The BESS project will be built on the site of the old cooling towers, which SAE is pleased to report have already been demolished in preparation for the construction phase. The project received planning permission in January 2024. The cooling tower site is large enough and has planning and grid connection rights for a BESS of up to 4-hour duration. For the UK government to achieve its Net Zero targets 4-hour plus duration BESS systems will become necessary in the future. This project is being developed with the ability to expand from the initially planned 2-hour duration, 240MWh capacity, up to 4-hour duration and 480MWh capacity.

The BESS project's target grid connection date is October 2026 and it will connect into the existing grid infrastructure on the USEP site. During the first half of 2024, SAE completed an extensive tendering process for the BESS project and has selected a preferred technology supplier and an Engineering, Procurement and Construction ("EPC") contractor for the Balance of Plant ("BOP"). SAE is working closely with these two parties and their supply chain in developing the contracts and delivery programmes and anticipates construction starting in 2025 and taking around 18 months.

SAE is now working to bring the BESS project to financial close with Elgar Middleton appointed as Financial Advisers to assist with sourcing an equity partner and securing construction finance. WSP have been appointed as Owners Engineer to support the EPC contract development, prepare for technical due diligence and oversee construction. Leading BESS power purchase agreement ("PPA") commercial advisers, Pexapark AG have been appointed to help with the procurement and negotiations on the PPA Optimisation Agreement, which will provide the long-term revenue streams for the project. In summary, the tender process for the build of the project has now been completed with final project technical development and EPC contract negotiations well underway.

This is the second BESS project at the SAE owned USEP. Completing this SPA will enable SAE to progress to close the project financially and then build, own, and operate it.

Graham Reid, CEO of SAE Renewables, commented:

"We have set a clear strategy to become an owner and operator of our projects and this announcement is a key next step in achieving this. A huge amount of work has already taken place to reach this milestone, demonstrating how SAE continues to hit its targets and deliver for its shareholders."

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No596/2014, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

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Notes to Editors

SAE Renewables is a global developer, owner and operator of sustainable energy projects. SAE owns the world's flagship tidal stream project, MeyGen. SAE is also the owner of the Uskmouth Power Station site that is being repurposed into a sustainable energy park, initially housing one of the UK's largest battery energy storage projects. <https://www.saerenewables.com/>

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