

Mast Energy Developments PLC  
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(‘MED’ or ‘the Company’)



**Dated: 20 March 2025**

**Mast Energy Developments PLC ('MED' or 'the Company')**

**£5m Milestone Definitive Investment Agreement Signed with Powertree  
and New Significant Capacity Market Contracts Secured**

Mast Energy Developments PLC is pleased to announce exciting updates regarding its Growth Capital Partnership with Powertree, and the outcome of the recent Capacity Market auctions, the highlights and details of which are outlined below.

**Powertree Investment Agreement Highlights:**

- Further to MED's previous RNS announcement dated 19 December 2024, it has signed a binding definitive investment agreement (the "Investment Agreement") with Powertree (Holdings) Ltd ("Powertree");
- The Investment Agreement formalizes the long-term partnership between MED and Powertree to deploy capital into the portfolio of development flexible power generation projects that MED owns, starting with its 7.5MW construction-ready Hindlip project (the "Growth Capital Partnership");
- Under the Investment Agreement, Powertree will invest up to £5,000,000 into MED's Hindlip project (the "Investment Consideration"), resulting in the Hindlip project being fully funded;
- The Investment Consideration will be solely used to fund the total capex and construction of the Hindlip project, to get the site into commercial production;
- The Investment Consideration will consist of £500,000 for 75% of the fully diluted ordinary equity of the Hindlip SPV, ADV 001 Ltd and, up to £4,500,000 will be by way of secured loan (the "Investor Loan") entered into between Powertree (as the lender) and the Hindlip SPV (as the borrower);
- MED shall retain 25% of the fully diluted ordinary equity of the Hindlip SPV with no further funding obligations;
- The closing of the Investment Agreement is subject to customary closing conditions;
- Following the completion of this first investment, it is expected that MED and Powertree will further grow the partnership with a next site in the near term, and potentially more thereafter;
- Further, Hindlip successfully secured a Capacity Market ("CM") T-4 15-year contract, with a contract price of £60,000 per MW/year; and
- This means Hindlip now has a cumulative total guaranteed gross profit income value of c. £6.3m (before adding CPI), subject to the site being constructed, over and above its future PPA trading income.

**Pyebridge Highlights:**

- Following successful pre-qualification for additional Capacity Market ("CM") T-1 and T-4 contracts during the assessment window in August 2024, and the implementation of a robust CM auction bid strategy, for the first time Pyebridge has now successfully secured both contracts at its maximum generation capacity permissible under the CM rules;
- The recent CM T-4 auction cleared at £60,000 per MW/year, and the CM T-1 auction cleared at £20,000 per MW/year;
- This means that Pyebridge now has uninterrupted CM contracts until 2029 with a cumulative total guaranteed gross profit income value of c. £1.73m, over and above its PPA trading income and Embedded Benefits;
- Record high preliminary trading revenue for January 2025 increases by 8% due to receipt of Embedded Benefits,

bringing the final revenue tally to c. £212,500 (up from c. £201,000 previously reported), and the preliminary trading revenue before the receipt of Embedded Benefits for February 2025 came to c. £70,380 which is in line compared with the average trading revenue per month for the period July 2024 to December 2024;

- Average trading revenue per MW in production per month equates to c. £25,000 for the 8-month period July 2024 to February 2025 (excluding Embedded Benefits income for February 2025 and Capacity Market gross margin income payments for the 8-month period); and
- Since 1 July 2024 marking the first milestone in the comprehensive refurbishment programme at Pyebridge (see details [here](#)), Pyebridge has generated c. 4,600 MWh of electricity, effectively powering the equivalent of c. 2,600 UK homes 24/7 for the 8-month period.

**Pieter Krügel, MED CEO, commented** *"We are very excited about the execution of the Investment Agreement with Powertree which formalises the Growth Capital Partnership. Powertree have a long, proven track record of being able to successfully fund, develop and operate flexible power plants. Their willingness to enter into a long-term partnership with MED, is testament to our business model and ability to attract quality partners."*

*"The new Growth Capital Partnership with Powertree will complement the Project Finance Framework Agreement recently entered into with RiverFort. The combined support of RiverFort and Powertree, will bolster and fast-track MED's strategy to build a portfolio of 300+ MWs."*

*"We are looking forward to updating the market with further positive progress in due course."*

**Graham White, Powertree CEO, commented** *"Powertree is very pleased to form a new partnership with MED. We believe that MED has a portfolio of development assets that will become increasingly important in the net zero energy transition story. Powertree is keen to build on this first investment to build out other MED development assets."*

*"The logic behind our investment is that we are seeing a rapid increase in intermittent renewable generating capacity in the UK, but that capacity needs dispatchable capacity to turn on when the wind does not blow and the sun does not shine to ensure we have a continuous supply of electricity. In contrast to intermittent generation, dispatchable capacity is falling. Over the next few years MED assets will become increasingly important in supporting the grid."*

#### **About Powertree**

Powertree is a joint venture between Hartree Partners Power Holdings (UK) Ltd ("Hartree") and Power Balancing Services Ltd ("PBS"). In headline terms Hartree provide market leading optimisation services and PBS site development and operation services to flexible power generation assets. The Hartree and PBS JV is an existing long-term successful developer and operator of a number of flexible power response facilities very similar to the ones that MED have developed. As well as capital, economies of scale, optimization and site management services, Powertree bring other benefits that will help make projects they are involved with, a success.

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MED emailing list - <https://med.energy/email-alerts/>

MED LinkedIn page - <https://uk.linkedin.com/company/mast-energy-developments-plc>

MED X (formerly Twitter) handle - @mastplc

#### **Further details of Powertree Definitive Investment Agreement:**

Under the Investment Agreement, Powertree will invest up to £5,000,000 into the Hindlip SPV, ADV 001 Ltd to cover the full required capex to get the site constructed and into commercial production. The investment will consist of £500,000 by way of a new class of A Ordinary Shares of the SPV and up to £4,500,000 will be by way of secured loan (the "Investor Loan"). The investment in A Ordinary Shares will be for 75% of the fully diluted ordinary equity of the Hindlip SPV. MAST shall retain 25% of the fully diluted ordinary equity of the Hindlip SPV with no further funding obligations.

The previous interim loan of £70,000 which Powertree advanced to the Hindlip SPV during December 2024 will be rolled up into the Investor Loan upon completion.

The Investor Loan will be secured by first ranking fixed and floating charges over all the assets of the SPV, and will bear interest at 10% per annum. In the first two years following investment, interest on the Investor Loan will not be paid, but compound. Following this time the Investor Loan will be amortised, repaying interest and principal, while ensuring the Hindlip SPV has the level of working capital in order to manage its working capital swings (the "Minimum Working Capital Level").

Level 1.

Powertree may appoint three directors to the board of the Hindlip SPV on completion, and MED may appoint two directors to the board.

Completion is subject to the amendment of the Hindlip site's lease plan, to make clear that the tenant has the right to construct and use a temporary compound on the landlord's retained land during such times as the tenant is carrying out of works on the land demised under the lease, which has already been accepted in-principle by the landlord and in the process of being formalized. Further, that title indemnity insurance being available with a reputable insurer at the date of satisfaction of the amendment of the site's lease plan.

A management services agreement will be entered into between Powertree and the the Hindlip SPV by which Powertree will provide the day-to-day operational support to the Hindlip SPV. An optimisation service agreement will be entered into between Powertree and the Hindlip SPV by which Powertree will provide the optimisation services to maximise revenue from the generating assets.

**ENDS**

*This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ('UK MAR'). Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

For further information please visit [www.med.energy](http://www.med.energy) or contact:

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