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Neoen completes financing for its 100 MW / 200 MWh Capital Battery in the Australian Capital Territory

- Neoen has reached financial close on its 100 MW / 200 MWh Capital Battery, located near Canberra in the Australian Capital Territory
- The Capital Battery will be entirely owned by Neoen, with debt financing provided by the Clean Energy Finance Corporation (CEFC) and infrastructure fund manager Infradebt
- In April 2022 Neoen secured an innovative 70 MW virtual battery contract with AGL Energy to support this investment and to complement the delivery of traditional network services
- The battery is currently under construction and on track to be operational in the first half of 2023

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading producers of exclusively renewable energy, has completed financial close on its Capital Battery, a 100 MW / 200 MWh lithium-ion battery storage facility located next to the Queanbeyan substation near Canberra, in the Australian Capital Territory (ACT). The project is being delivered in collaboration with technology provider Doosan. Construction commenced in December 2021 and the asset is expected to start operating in the first half of 2023.

The battery will be financed by a combination of equity provided by Neoen and senior debt facilities provided by the Clean Energy Finance Corporation (CEFC) and Infradebt, a specialist infrastructure fund manager.

In April 2022, Neoen secured a 70 MW virtual battery contract for 7 years with AGL Energy, owners of Australia's largest electricity generation portfolio, which will underpin this investment. The virtual battery is an innovative solution designed by Neoen to allow a large electricity user or retailer to mimic a grid-scale battery, without having to build or own one. This highly flexible solution provides AGL Energy with the ability to hedge its customer load by virtually charging and discharging a battery of 70 MW as and when it chooses. In parallel, Neoen will be able to use its Capital Battery to deliver valuable grid support services to the network.

Neoen committed to building the Capital Battery as part of its winning bid in the ACT's 2020 renewable energy auction, where it won a 100 MW power purchase agreement for Goyder South Stage 1 Wind Farm in South Australia. In line with its develop-to-own business model, the company will be the long-term owner and operator of the battery. Once it is operational, Neoen will launch a Community Co-investment Scheme, providing residents of the ACT and Capital region with an opportunity to become financial stakeholders in the project.

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In addition to the Capital Battery, Neoen also owns and operates the 300 MW / 450 MWh Victorian Big Battery near Geelong, and the 150 MW / 193.5 MWh Hornsdale Power Reserve in South Australia. Neoen's battery storage portfolio in Australia totals 576 MW in operation or under construction, making it the country's leading owner and operator of big batteries. Neoen's ambition is to have at least one grid scale battery operating in each state of Australia's National Electricity Market.

Louis de Sambucy, Neoen Australia's Managing Director, said: *"We are excited to announce that the Capital Battery has reached this important financial milestone. I would like to thank the CEFC and Infradebt for their trust and their commitment to supporting battery storage solutions. In particular we extend our gratitude to the CEFC for this third investment in a Neoen big battery. With the dedication and commitment of our partners Doosan, we are on track to deliver this project in the first half of 2023 and looking forward to contributing to the region's energy transition."*

Ian Learmonth, Clean Energy Finance Corporation CEO, said: *"As Australia raises its ambitions to reach net zero with a new emission reduction target of 43% by 2030, we need to heighten our focus on developing the enabling technologies that will be critical to our success. Battery storage is key to our ability to decarbonise the energy sector. The Capital Battery adds to our previous work with Neoen on the Victorian Big Battery and Hornsdale Power Reserve in demonstrating the economic and grid security case for large-scale batteries."*

Alexander Austin, Infradebt CEO, said: *"Under the AEMO Integrated System Plan, more than 80% of electricity generation in the Australian National Electricity Market is expected to come from variable renewable energy by 2030. Grid scale storage is key to making this work. We are extremely pleased to be providing an innovative debt financing package that will support Neoen in its market leading rollout of grid scale storage."*

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer concluded: *"We are delighted to be building our third big battery in Australia. The financing of the Capital Battery underlines investor confidence in the innovative solutions that Neoen is proud to be pioneering. Our portfolio of storage assets in operation or under construction exceeds 640 MW worldwide, and we have a strong pipeline of battery projects in development on three continents. As a market leader in the storage sector, Neoen is all the more determined to play a central role in the energy transition across Australia and around the world."*

About Neoen

Neoen is one of the world's leading independent producers of exclusively renewable energy. Neoen has close to 5.6 GW of solar, wind and storage capacity in operation or under construction in Australia, France, Finland, Mexico, El Salvador, Argentina, Ireland, Sweden, Portugal, Jamaica, Mozambique, and Zambia. The company is also active in Croatia, Canada, Ecuador and Italy. Neoen's flagship assets include France's most powerful solar farm in Cestas (300 MWp), and two of the world's largest lithium-ion batteries: Hornsdale Power Reserve (150 MW / 193.5 MWh) and the Victorian Big Battery (300 MW / 450 MWh) in Australia. Neoen is targeting more than 10 GW capacity in operation or under construction by the end of 2025.

For more information: www.neoen.com

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