

## NEWS RELEASE

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### Solar Feasibility Study Update

29 September 2022: Ncondezi Energy Limited (“Ncondezi” or the “Company”) (AIM:NCCL) is pleased to provide an update on its 300MW solar photovoltaic (“PV”) and Battery Energy Storage System (“BESS”) project (“the Solar Project”):

- Solar Project feasibility study for up to 300MW solar PV power plant plus BESS (the “Study”) on track for completion by the end of October 2022
- Positive initial results including:
  - Solar resource of 1,980kWh/m<sup>2</sup> (Global Horizontal Irradiation) confirms excellent irradiation results
  - Energy yield over 2,000kWh/kWp confirms top tier performance potential
  - Transmission integration confirms grid capacity on existing infrastructure
  - No red flags identified on target plant sites
  - No red flags identified on Environmental and Social Impact (“ESIA”) assessment review
  - Development programme indicates first power target in 2024 is achievable

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** “Initial results from the Solar Project Study are very positive, confirming the project’s excellent location for solar generation with no red flags identified.

*With completion of the Feasibility Study on track for the end of October 2022 the next step will be to finalise the Solar Project concept, design and financial model. These will confirm the target tariff offer for potential offtaker partners. Initial discussions with multiple potential offtaker partners have commenced and we believe we will be able to offer an attractive energy solution through speed of execution and competitive tariff pricing.*

*By leveraging the existing advanced stage studies from our other project, we have fast tracked development and have an achievable target to deliver power on the grid in 2024. To deliver on this timetable the Solar Project would look for confirmation of indicative offtake interest in Q1 2023 and, subject to funding and finalisation of offtake arrangement, start construction as early as Q3 2023.”*

#### Overview of the Solar Project

The Solar Project will be located within the Ncondezi mining concession 5967C which covers over 25,000 hectares in the districts of Moatize and Chiuta in the Tete Province. This is large enough for solar PV generation potential of over 5,000MW.

It is the intention that the Solar Project will connect to the Mozambique grid with target power off-takers in Mozambique and the Southern African Power Pool (SAPP).

The FS Study will take a modular design approach to the Solar Project targeting 300MW with the flexibility to scale in 30MW to 100MW increments.

The Solar Project is uniquely positioned to take advantage of the existing advanced development work completed for the Ncondezi 300MW thermal coal power plant that can be easily transitioned to the Solar Project. The Company estimates that in addition to reducing development costs this has the potential to accelerate the development programme with first power on the grid as early as 2024, subject to funding and finalisation of power offtake agreements. The Company believes this will reduce the development timetable by 6 to 12 months.

Pre-feasibility studies completed earlier in the year confirm significant potential value to shareholders with an estimated pre-money NPV between US\$60m and US\$65m, and fully diluted cash flows to Ncondezi of between US\$130m and US\$180m over a 25 year period for a 300MW plant. The Study will further refine these figures, taking into account final transmission solution and scaling strategy.

## **Solar FS Initial Results**

### Site Location

3 preferred site locations were investigated for their suitability for the Solar Project, all with similar climate conditions and a generation potential of c.500MW each. Site visits were completed earlier this month by the Company's lead Study consultant, WSP Group Africa (Pty) Ltd ("WSP") and no red flags were identified on any of the sites. A preferred site has been identified and will be confirmed at the completion of the Study.

### Solar Resource Assessment

Four weather datasets were obtained and reviewed for the Solar Project to confirm the solar energy that can be utilised by the solar modules. To ensure the solar data used was representative, a minimum of ten years of historical data was used to reduce any risks relating to inter-annual variation in the solar resource. The critical parameter for solar resource assessment is the Global Horizontal Irradiance ("GHI"), with the Solar Project achieving an average annual GHI of 1,980kWh/m<sup>2</sup> which is considered excellent for the region.

### Energy Yield Assessment

Solar Project GHI results were used with system design assumptions to estimate the energy output of the project, achieving a specific yield of over 2,000kWh/kWp and performance ratio over 80%. These results are very positive, being in line with some of the most competitive grid scale projects in South Africa. It is worth noting that the specific yield and performance ratio do not vary considerably as the Solar Project is scaled to 300MW, although the project will benefit from economies of scale in the overall capex.

### Grid Connection

A full generation integration study was launched in parallel to the main Study to determine the optimal transmission line connection into the Mozambican grid. Various integration studies have been produced for the coal power project, and formed the basis for the Solar Project assessment. Working with the relevant local authorities, 6 potential solutions are being investigated taking into account potential scaling of the project, available or under construction transmission infrastructure and planned generation plants in the region. Initial results confirm that there is grid capacity for the Solar Project and more than one feasible evacuation solution. The next phase of the study will look to confirm the preferred transmission solution which optimises project economics, network capacity and timing.

### ESIA Red Flag Review

WSP conducted a red flag review of the Company's existing ESIA and supporting documentation completed on the Company's coal power project and mine, with no major issues identified. As the Solar Project is planned to be installed within the coal project's concession area, the existing ESIA, which were approved by the Mozambican authorities, can be utilised and updated to meet the latest requirements local and international standards. This is expected to save significant cost and time for the Solar Project.

## **Enquiries**

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

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***This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this Announcement and such information is now considered to be in the public domain. The person who arranged for the release of this announcement on behalf of the Company was Hanno Pengilly.***

### **About Ncondezi Energy**

Ncondezi is an African power development company focused on the development of renewable and baseload energy solutions at its concession located in the Tete Province, northern Mozambique.

The Company is focused on providing reliable and affordable energy to Mozambique to meet growing energy demands. Our projects support Mozambique's energy strategy of universal electricity access by 2030. According to the World Bank, only 30% of the Mozambican population had access to energy in 2017. Our projects would provide reliable and available power helping to close the infrastructure gap of the region and serving as a catalyst for economic development.