

NEWS RELEASE

Appointment of Solar Project Advisors

22 December 2022: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) has signed a Master Services Agreement ("MSA") with Synergy Consulting ("Synergy") to provide financial and transaction advisory services (the "Services") to the Group for the 300MW solar photovoltaic ("PV") and Battery Energy Storage System ("BESS") project in Tete, Mozambique (the "Solar Project").

Highlights:

- MSA covers potential advisory services to accelerate the Solar Project's delivery up to Financial Close, including:
 - finalisation power tariff with potential offtakers;
 - finalisation of key agreements;
 - negotiations with Project lenders for debt financing; and
 - capital raising for Ncondezi's equity contribution towards the Solar Project at Financial Close
- Synergy is a leading global power financial services provider that has successfully achieved financial close on over US\$70bn of projects with significant experience in Mozambique supporting the country's largest energy projects in recent years
- Synergy is familiar with Ncondezi and the Solar Project having acted as financial advisor on various mandates for the Company since 2016
- Services also include potential due diligence and capital raising support for additional expansion renewable energy projects
- MSA structure provides flexibility for Ncondezi to approach each work stream and applicable fee on a case-by-case basis within a capped fee structure

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"As we continue to make good progress on our 300MW solar PV project, Synergy's appointment ensures access to world class resources to achieve the next set of development goals and further enhance the Company's value proposition. Synergy is well placed to assist the Company having worked closely on the Solar Project since inception as well as being involved in some of the largest delivered and under development power projects in Mozambique. Services provided will require approval by the Company on a workstream-by-workstream basis allowing the Company to efficiently manage cashflows.*

With the Solar Project feasibility study in near final form including an advanced form competitive tariff proposal, the Company has initiated power offtake discussions with potential offtakers and submitted its preferred transmission connection to supply power to the grid for approval with the relevant local authorities. We look forward to providing updates on these work streams during Q1."

Project Financial Advisor

Synergy is an international financial advisory services company that has successfully achieved financial closure on more than \$70bn worth of competitively tendered projects in over 70 countries globally. Synergy has extensive experience advising on a number of projects in Mozambique including solar, gas and hydro projects. This includes advisory services to Ncondezi, where Synergy has acted as financial advisor to the Company on various mandates since 2016.

The Master Services Agreement with Synergy includes a list of financial and transaction advisory workstreams which it may provide to the Company and covers the full scope of potential services required to achieve Financial Close. The Services will be agreed on a per workstream basis with success fees agreed that are linked to achieving set milestones. The Company is not obliged to use Synergy for any specific workstream and total fees have been capped.

Synergy's key potential responsibilities include:

- Updating of key Project studies;
- Ongoing optimisation and updating of the Project financial model;
- Finalisation of tariff negotiations with potential offtakers;
- Finalisation of key Project agreements – Power Purchase Agreement, Power Concession Agreement, EPC and O&M agreements;
- Discussions with Lenders and Finalization of Finance Documents; and
- Raising capital for Ncondezi's equity contribution for the Project at Financial Close.

In addition to the main Solar Project, the Master Services Agreement also includes the provision of advisory and capital raising services for potential expansion projects in the renewable energy sector.

Fee structure:

The Company has agreed a capped fee structure for any financial and transaction advisory services for the Solar Project under the MSA. The capped fees have been balanced between an hourly charge out rate and success fees.

The maximum payable under the hourly charge out rate structure will be US\$602,240 for any Services approved by Ncondezi.

In addition, a 0.35% success fee will be payable on any debt raised for the Solar Project and the success fee for such debt will be capped at US\$600,000 and will only be payable at Financial Close.

In relation to potential expansion projects, a capped fee has also been balanced between an hourly charge out rate and success fees. The maximum amount payable under the hourly rate structure will be US\$480,000 for any Services approved by Ncondezi. In addition, a 0.35% success fee will be payable on any debt raised and the success fee is capped at US\$180,810. In addition Synergy will be entitled to a 1.0% equity raise fee on any equity raised from a Synergy introduced investor with such fees being capped at US\$172,200 and is payable if any expansion project achieves Financial Close.

Related Party Transaction

By virtue of the fact that Aman Sachdeva, a director of the Company, is also a director, founder and majority shareholder of Synergy, the MSA constitutes a related party transaction for the purposes of AIM Rule 13. Accordingly, the Company's Directors, with the exception of Aman Sachdeva, consider, having consulted with Liberum Capital Limited, the Company's Nominated Adviser, the terms of the MSA to be fair and reasonable insofar as the Company's shareholders are concerned.

Enquiries

For further information please visit www.ncondezienergy.com or contact:

Ncondezi Energy:	Hanno Pengilly	+27 (0) 71 362 3566
Liberum Capital Limited: NOMAD & Joint Broker	Scott Mathieson, Edward Thomas, Kane Collings	+44 (0) 20 3100 2000
Novum Securities Limited Joint Broker	Colin Rowbury	+44 (0) 20 7399 9427
Pimlico Advisory Ltd Investor Relations	Elizabeth Johnson	+44 (0) 777 56 55 927

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.