

## NEWS RELEASE

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### Transmission Route Approved

13 January 2023: 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”) Transmission Integration Study (“Tx Study”):

#### Highlights

- Tx Study to connect the Solar Project into the grid has been approved by Electricidade de Moçambique (“EDM”)
- Tx Study confirms technical viability to evacuate up to 300MW into the Mozambican grid and the wider southern African region
- Tx Study confirms optimal technical solution is via a two phased approach
  - 1st phase targets a lower cost solution utilising existing infrastructure for first 100MW
  - 2nd phase targets planned infrastructure and will transfer balance of 200MW whilst also improving voltage control and stability with lower system losses in the area
- Tx Study includes 2 connection options for phased development of the Solar Project up to 300MW
- EDM’s approval allows the Company to engage transmission infrastructure owners to agree access, and represents a material de-risking step for potential power off takers

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** *“Approval of the Solar Project Transmission Integration Study represents a key development milestone in de-risking the project for potential power off takers and investors. We have an approved transmission evacuation technical solution that supports the project at various sizes up to 300MW, optimised in phases to reduce upfront capex, particularly for the first 100MW.*

*Following the approval, the Company is initiating discussions with transmission infrastructure owners to seek to agree access. We are confident access will be supported as we believe the Solar Project will provide significant transmission benefits including greater energy security, voltage control and stability. We are targeting an update on this by the end of Q1 2023.*

*The Solar Project remains regionally strategic given its location within the Mozambique northern grid and proximity to critical cross border interconnectors including South Africa, Zimbabwe and, in the coming years, Malawi. The Company has looked to capitalise on this by accelerating development work to best position the Solar Project with potential power off takers whose off take represents the next crucial milestone in unlocking the project’s potential.*

*Given the success in delivering critical milestones over the last 6 months, including the feasibility study and DUAT, the Company is also assessing other potential workstreams that could be fast tracked to maintain the Solar Project’s competitive position. More information on this will be provided when the assessment has been completed.”*

#### Transmission Study Overview

A full generation integration study has been completed to determine the optimal transmission line connection into the Mozambican grid.

Working with the relevant local authorities, 6 potential solutions were investigated taking into account potential scaling of the project, available or under construction transmission infrastructure and planned generation plants in the region. Results confirm there is grid capacity for the Solar Project and more than one feasible evacuation solution. The Solar Project is also suited to feed power into the Mozambican northern grid as well as participate in cross border power trading within the Southern African Power Pool (“SAPP”).

Two preferred connection solutions have been identified covering grid connection distances between 20kms and 40kms. Both options have been optimised to take into account the proposed phased approach to generation expansion, which also provides a capex benefit by spreading the cost of connection over the various phases. The first phase is expected to handle initial power generation up to 100MW whilst keeping capex relatively low through use of existing infrastructure. The second phase will handle the balance of the 200MW generation capacity and is expected to benefit the wider region with additional voltage and stability control, whilst also reducing system losses due to its location which is closer to load demand centres.

All new equipment will be required to conform with standard EDM equipment ratings and will comply with relevant Grid Codes.

## 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 energy solutions at its concession located in the Tete Province, northern Mozambique.

The Company is focused on developing its 300MW solar PV project with battery energy storage within its 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).

On 31 October 2022, the Company announced results from its final draft Solar Project feasibility study (“FS”) for up to 300MW solar PV power plant plus BESS. The FS took a modular design approach to the Solar Project targeting a total 300MW but assessing in increments of 30MW, 60MW, 100MW, 200MW and 300MW.

Results from the FS confirmed a technically viable project with attractive parameters including:

- No fatal flaws identified on preferred site location
- Strong solar resource of 1,980kWh/m<sup>2</sup> (Global Horizontal Irradiation)
- High energy yield of over 2,000kWh/kWp confirms top tier performance potential
- Standardised tier 1 solar PV specifications selected reducing capex and improving performance
- Inclusion of BESS provides grid ancillary support and ability to optimise dispatch profile
- No red flags identified on Environmental and Social Impact Assessment (“ESIA”) review

The FS also provided capex and opex estimates for the various solar PV plant sizes which included latest available data from recent projects in Mozambique and the region. Capex and opex figures are estimated to fall within the low to medium range for solar PV projects globally, and this information was used to update the Solar Project’s financial model and develop a commercially attractive power tariff for presentation to potential power off takers.

On 21 November 2022, the Company announced updated valuation forecasts for 100MW phases up to 300MW, confirming the Solar Project value potential to shareholders and potential investors.

On 9 January 2023, the Company announced receipt of an updated land use agreement, or Direito do Uso e Aproveitamento da Terra (“DUAT”) in Mozambique, from the Mozambican Government granting exclusive use for solar power plant operations at its preferred site.

The Solar Project is aligned with the Mozambiquan Government’s objective to become a champion for energy transition impacting all of Southern Africa.