

Date: 08/25/24

Subject: Strategic Partnership Opportunity – Swangate Project Financing

Econergy Group is pleased to announce the successful signing of a financial agreement through Econergy UK to support the Swangate Project, a cutting-edge electricity storage initiative utilizing battery technology in England. With an installed capacity of 102MWh, this project is expected to connect to the electricity grid within the coming months.

The financing for the Swangate Project totals approximately £27 million, secured through a leading financial institution, Goldman Sachs International Bank. Accordingly, the loan structure supports both project development and operational needs:

- 1. Loan Breakdown:** The £27 million loan includes about £25 million earmarked for project construction costs and repayment of pre-existing owner loans and approximately £2 million allocated for VAT expenses.
- 2. Repayment Schedule:** The loan will be repaid quarterly, with a final repayment date set for December 31, 2031. Quarterly instalments will commence on March 31, 2025, with fixed annual payments between 10% and 12% of the initial loan amount. A balloon payment of roughly 30% of the initial amount is due in the 7th year of the loan term. Interest payments will begin on September 30, 2024. They will be calculated based on the "SONIA - three months" rate plus an annual margin of 3% to 3.5%, with an additional yearly margin of 2% to 2.5% for VAT and general frameworks.
- 3. Hedging and Security:** Close to the first withdrawal date, a hedging agreement to manage interest rate fluctuations will be put in place. The loan is secured by collateral typical for transactions of this nature.

Additionally, Econergy Group continues to expand its footprint in the energy sector with ongoing projects, including the Dalmarnock Project, which features an 82MWh capacity and is scheduled to connect to the grid in Q3\2025.

Econergy Group remains committed to advancing renewable energy solutions and invites strategic partners to explore further collaborative opportunities as we drive forward our ambitious project portfolio, which includes 18 PV projects totalling approximately 1.5GW and 26 energy storage projects with a combined capacity of about 6.8GWh.

We look forward to continuing our successful partnerships and exploring new avenues for collaboration in the renewable energy sector.

