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EnergyPathways PLC
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EnergyPathways plc

("EnergyPathways" or the "Company")

£5.1 Million Green Loan Facility

EnergyPathways plc (AIM: EPP), an energy transition company developing low carbon integrated energy solutions in the UK, is pleased to advise that it has entered into a £5.1 million loan facility for its Marram Energy Storage Hub ("MESH") infrastructure project, a large-scale clean energy storage facility. The loan facility is able to support the MESH project through the FEED phase with a view to reaching FID at the end of 2025.

EnergyPathways has entered into a binding loan facility ("Green Loan") with Global Green Asset Financing Limited ("GGAF"). GGAF is a new, Luxembourg-based green project and corporate financing platform structured to provide its investors with green impact and yield income returns in sectors including cleantech and renewable energy. Under the terms of the Green Loan, EnergyPathways has entered into a loan facility of up to £5.1 million with a minimum commitment from the lender of £2.55 million over the term. Drawdowns from the Green Loan will be subject to GGAF raising further capital which is currently underway. Drawdowns must commence during Q4 2024, and will be phased in line with EnergyPathways' planned use of funds on the MESH project to develop a fully decarbonised integrated natural gas and green hydrogen energy storage facility. GGAF plans to fund the Green Loan through an issue of 5-year interest bearing notes due 2029 (the "C3 Notes") and it has commenced the initial placing of the C3 Notes with international investors. GGAF has agreed to prioritise any distributions requested under EnergyPathways' Green Loan as the C3 Notes are issued.

Green Loan Facility

The Green Loan has a 3 year term with the principal amount repayable on the maturity date. Interest is charged on drawn down amounts at a fixed rate of 12.5% per annum and is payable monthly. The terms of the Green Loan provide for early repayment, including accrued interest, without premium or penalty. Warrant rights are to be issued to GGAF pro-rata on drawdowns, with the number of warrants calculated as the GBP value of each drawdown divided by the exercise price. The warrants will be exercisable from the maturity date for a term of one year. Their exercise price will be equal to the 30 day VWAP share price at the maturity date less a 20% discount. Drawdown debt is secured via a fixed charge over any Company tangible or intangible asset financed by the loan, plus a fixed charge over all of its shares in any subsidiaries at the date of execution including EnergyPathways Irish Sea Limited and EnergyPathways UK Holdings Limited. A placement fee of 2% will be payable to Jexium Ltd, as originators, on drawdowns.

The Green Loan facility will give EnergyPathways financial flexibility, enabling it to access debt with minimal shareholder dilution in the critical pre-development stage and allowing the principal loan amount to be potentially repaid from future MESH revenues. The facility can also sit alongside and complement other infrastructure and cleantech financing arrangements being evaluated by the Company for the MESH development.

About MESH

The MESH natural gas and green hydrogen storage facility, located off the UK'sLancashire coast, will be equivalent in size to the Rough facility, currently the UK's largest gas storage facility. It will

have a storage capacity of ~15TWh (~500 million therms or ~50 billion cubic feet of gas). EnergyPathways has further identified growth upside and plans to expand the MESH storage capacity by as much as three times, including developing upscaled green hydrogen storage capacity.

EnergyPathways is forming a stakeholder partner group for the MESH integrated energy project comprising several global leading Tier-One engineering and energy companies. It plans to complete pre-FEED by the end of 2024 and FID at the end of 2025.

Commenting on the update, Ben Clube, CEO of EnergyPathways, said:

"We are very pleased to have secured this green loan facility with GGAF, CSM Securities and Jexium Ltd - innovators in cleantech and renewable energy financing.

"To be selected for inclusion in the GGAF investment portfolio validates EnergyPathways as a low emission energy transition company. The Green Loan will provide a funding facility to progress the MESH project through the FEED phase with a view to reaching FID at the end of 2025. It will also position EnergyPathways to build on its leading position in the rapidly growing multi-billion pound energy storage sector in the UK.

"This transaction demonstrates the strong investment appeal of EnergyPathways' MESH project as a cleantech integrated energy infrastructure solution able to deliver reliable and decarbonised energy supply to the UK and its potential to deliver high yield infrastructure returns to investors over the project's 20 year life.

"EnergyPathways has received a number of offers of financing, confirming the Company's view that its business model is well positioned to attract investment capital. The Green Loan facility, which offers good flexibility as well as access to minimally dilutive funding, demonstrates EnergyPathways' commitment to financial discipline and delivering long-term shareholder value. EnergyPathways remains focused on developing additional cleantech and infrastructure financing solutions for the development of the MESH project."

Commenting on the facility, Joe Lufkin, Group Managing Director of Jexium Ltd and GGAF said:

"We are excited to be part of EnergyPathways' MESH and Marram projects, to be able to include these top-quality assets in the GGAF portfolio, and to provide financing support for such a strategic component of the UK's national energy transition."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018).

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EnergyPathways Investor Website

Visit the website for further information or sign up to the hub to receive news and engage with the management team.	energypathways.uk
X (formerly Twitter)	@energy_pathways

About Global Green Asset Financing

GGAF is a new, innovative, Anglo-Luxembourg green project and corporate financing platform of €450 million announced in July 2024. It is managed by CSM Securities Sàrl, a Luxembourg securitisation firm, and Jexium Ltd, a UK-based green finance adviser and originator. It is structured to provide investors with green impact and yield income returns.

The management team of GGAF, CSM Securities Sàrl and Jexium Ltd have extensive investment industry experience and a successful track record over the past 4 decades, previously creating more than a dozen funds, facilities and securitisation vehicles with total assets of more than €4.0 billion (£3.4billion).

The new GGAF vehicle has successfully assembled a diversified and growing portfolio of cleantech and renewable energy asset and project finance transactions currently across 16 countries and totalling over €230 million (£197 million), including EnergyPathways' Green Loan.

Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events.

Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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