



29 September 2026

**EnergyPathways plc
("EnergyPathways" or the "Company")**

Company Update

EnergyPathways (AIM: EPP), the energy transition company, is pleased to provide an update and progress on its projects to date.

The Company is developing the Marram energy storage hub ("MESH" or the "Project") - an integrated energy storage hub in the East Irish Sea and Barrow-in-Furness. The Project was designated as a project of "National Significance" by the UK Government in September 2025.

MESH will encompass a compressed air, gas and hydrogen storage facility, located circa 11 miles off the Lancashire coast, which is set to be the UK's largest Long Duration Energy Storage ("LDES") facility at 300 MW / 55 GWh / 100+ hours. The Company considers MESH to be a commercially viable infrastructure project with a 30+year asset lifespan with strategic national value. The Company has assembled a world class partnership group to take the Project forward.

MESH is using the UK's favourable offshore salt geology to develop large scale energy storage capacity in a cost-efficient manner. This, along with re-use of and access to existing energy infrastructure as well as land and port facilities, enable a low-cost energy storage asset that can reduce energy costs, deliver grid system flexibility for greater energy security and reduce the UK's dependence on gas.

The MESH project consists of three elements, each of which is being developed on a standalone basis and is each commercially viable. Each element will benefit from integration synergies when all three elements are operational:

- **LDES:**
 - o Proven compressed air energy storage ("CAES") technology and flexible low-carbon power. The system will capture the UK's surplus renewable electricity, and release it when Britain needs it most. It will have 300MW / 55GWh / 190 hours of storage and discharge capability, making it the UK's largest LDES facility.
- **Strategic Natural Gas and Hydrogen Storage:**

- o Set to be potentially one of the largest offshore gas and hydrogen storage facilities in the UK.

The proposed development will use salt caverns and depleted reservoirs capable of high delivery rates and storing circa 1.3 billion cubic metres (1.3bcm) of up to 6 days' worth of UK gas demand, effectively doubling the UK's gas storage capacity with a transition pathway to decarbonise gas use with hydrogen storage.

- **Hydrogen Industries: Hydrogen, Graphite & Ammonia Production:**

- o Innovative methane pyrolysis technology at Technical Readiness Level 8 ("TRL8"), which will crack natural gas to produce circa 110,000 metric tonnes of ammonia / 20,000 metric tonnes of hydrogen and 60,000 metric tonnes of graphite.

The MESH project seeks to address the following underlying challenges faced by the UK's energy system:

- **LDES:** Capturing surplus wind power that, by the UK Government's estimates, is costing the taxpayer, via curtailment costs, circa £1.5 billion today and is set to rise to circa £8+ billion by 2030. Government estimates the potential savings from LDES will be between £24 billion - £50 billion from 2030-2050
- **Strategic Gas and Hydrogen Storage:** Providing domestic security of gas supply and a decarbonised pathway for gas use to the UK economy. This reduces the nation's exposure to "just-in-time" gas imports that will either be very expensive or become unavailable due to growing global demand for LNG. Geo-political tensions in the Middle East and Russia, significantly heighten the country's energy security vulnerability.
- **Hydrogen Industries:** Addressing the UK Government's desire to eventually displace natural gas with hydrogen as the UK economy's fuel of choice and to reduce the nation's reliance on imported graphite for its defence, automotive and energy transition sectors with domestically produced graphite, which has now been officially designated by the UK Government as a critical mineral

The Company is pleased to provide an update in relation to these three projects as follows:

LDES:

The LDES project has been designated as a project of "National Significance". Accordingly, as the project moves forward, it will benefit from the Government's single window clearance on a number of permits, consents and licences. This means that the planning, licensing, consenting and permitting processes that would normally take several years to complete can be streamlined and compressed into a 18-24 month timeframe with the Secretary of State ultimately having authority to grant a Development Consent Order ("DCO") to the project. The Company has engaged Jacobs, an engineering and consenting consultancy with a successful track record in DCO processes.

The LDES project involves storing surplus electricity generated by Britain's windfarms that is currently being curtailed, wasted and for which the Government bears curtailment costs. The LDES project seeks to minimise these curtailment costs by storing surplus generation in large scale salt caverns using proven and commercially viable diabatic compressed air technology. Several similar projects are currently in operation in Europe, the USA and China. The MESH LDES project will consist of storing surplus electricity as compressed air in four offshore salt caverns, each cavern being equivalent to the size of four St Paul's Cathedrals.

The MESH LDES project can capture surplus renewable power generated by regional wind farms or from the grid. The project's location is ideal for capturing surpluses generated across the grid given its position relative to the major constraint boundaries, the B6 and B7a. UK system surpluses could amount to as

much as 70 TWh per year and surpluses will manifest themselves in electricity markets as constraint costs, balancing costs, and low or negative wholesale prices.

Conversely, during periods of high demand, or system stress, when there is no or limited production from wind and/or solar farms, the National Energy System Operator ("NESO") typically calls on peaking gas plants for fast response sustained balancing or Combined Cycle Gas Turbine ("CCGT") facilities to provide sustained multiday electricity supply. These facilities are expensive to run and they typically set the marginal price of all electricity that becomes the benchmark price for the market.

The MESH LDES project seeks to address this high generation cost of electricity by releasing cheap electricity previously stored and offering it to electricity markets at prices that are estimated to be lower than CCGTs and other storage technologies such as batteries and pumped hydro projects. The project's ability to do this is further enhanced by its optionality to interchange and operate as a gas and hydrogen power generator as well. This means the LDES facility can optimise the value it receives from the market for its finite stored air when generating power.

Given the economies of scale of its salt cavern storage, cost efficiencies from re-using existing energy infrastructure and low cost shallow water operating environment for the LDES project, the Company estimates that the CAPEX per unit of storage capacity would be in the range of £8,000 - £11,000 per MWh whilst other storage projects (Li-batteries, flow batteries, pumped hydro etc.) will have a CAPEX of circa £22,000 - £200,000 per MWh. In summary, the Company's LDES project is estimated to be one of the most economical and cost-efficient LDES projects in the electricity market. In addition, its ability to provide system flexibility over any timescale, from seconds to days and into seasons, means that it is capable of fast response balancing to strategic reserve backup - attributes that other storage projects will not be able to match in an economical manner. These capabilities, along with its ability to deliver grid stability due to the constant spinning of the facility, a feature that is unavailable with wind and solar farms, , open up an array of ancillary services markets such as grid stability, frequency and voltage control. Such services are growing in number and will be needed due to the increasing penetration of renewables within the system.

Key highlights of the LDES project (subject to FEED, Government approvals, definitive financing & offtake agreements):

- Estimated CAPEX of £450 million - £500 million
- FID in 2028 and commercial operations from 2031/32
- Asset life and continuous operations in excess of 30 years with no capacity degradation (unlike batteries)
- Ability to generate multiple revenue streams in the balancing market, capacity market, wholesale power markets and ancillary services markets (e.g. inertia, voltage for grid stability)
- Scoping economics developed by the Company indicate:
 - o Revenues of £100 million - £200 million annually
 - o EBITDA of £40 million - £120 million annually
 - o NPV8 of £300 million - £500 million

The Company has made significant progress on the LDES project with the completion of pre-FEED. In terms of key milestones, the Company has now appointed Jacobs as lead contractor to assist the Company in the DCO process as well as in the upcoming Cap & Floor round that is due to be launched by OFGEM in Q4 2026. The Company has also initiated conversations with key banks, institutional investors and strategic industry players with a view to entering into financing and capacity offtake agreements in the next few months. It now plans to bring strategic partners into the project to take it through to the

development phase. Given LDES is an investment priority for GB Energy and the National Wealth Fund, the Company expects MESH will be an attractive investment proposition to these Government organisations.

The Company will be participating in the next round of OFGEM's Cap & Floor process. The Cap & Floor mechanism underpins the project's revenues with a UK sovereign guarantee that would attract debt and equity investment into the project at attractive pricing levels.

The Company will also participate in Ultra-Long Duration Energy Storage ("Ultra-LDES") Challenge - a £28 million grant fund for LDES projects that can deliver over 100 hours of storage duration. This programme is run by UK Research and Innovation (UKRI) - specifically through Innovate UK - in partnership with the Department for Energy Security and Net Zero (DESNZ).

The Company has made successful inroads into the UK Government and continues to have meaningful and productive conversations with NESO on grid connection options, with the DESNZ on policy framework and with OFGEM on the upcoming Cap & Floor process. The LDES project is a significant project, in its own right, for Barrow and adjoining areas, and the Company continues to enjoy a high level of support with the Westmorland and Furness Council and regional re-development organisations, Enterprising Cumbria and Team Barrow.

Key milestones for the LDES project in the next few months include launch and submission into the Cap & Floor mechanism, grid connection arrangements, commencement of FEED and completion of financing and offtake agreements to underpin the Company's scoping economics. Further announcements on each of these milestones will be made in due course.

Strategic Natural Gas and Hydrogen Storage:

The Company was pleased to report, in July 2026, that it had been awarded a Gas Storage Licence ("GSL") in by the North Sea Transition Authority ("NSTA") for its proposed gas storage facility in the East Irish Sea. The award of the GSL will now spur further development work on this project and the Company intends, over the next few months, to complete several workstreams, including but not limited to well engineering, seismic processing, geomechanics and core studies in compliance with the conditions of the GSL.

The Company's strategic natural gas and hydrogen storage is being developed to address the UK's need for domestic gas resilience and to provide for security of supply during periods of peak demand. The current geo-political events globally have brought to attention the fact that the UK cannot rely on just-in-time imports. The current rationale of having several import points does not particularly work anymore; just-in-time imports have become too expensive and are hurting both domestic and commercial consumers. More worryingly, supplies of LNG and from fast depleting foreign gas basins might not even arrive on to UK shores due to severe global competition, supply chokepoints and sovereign restrictions against gas exports during times of peak demand / system stress. A reliable supply of gas is essential for electricity grid reliability and energy security given the key backup role that gas power generation still plays.

The proposed strategic natural gas and hydrogen storage project has been specifically designed to address these concerns. The proposed facility is estimated to have a working volume of circa 1.3bcm, which will effectively double the UK's domestic storage capacity from 6 days to 12 days. Injection and withdrawal rates are estimated to be 14 million cubic metres (14mcm) daily, with the facility being able to go from zero to full and vice versa in 90 days respectively. This means that the salt caverns are highly responsive

to market demand and this gives an offtake partner an enormous amount of short-term optionality to trade the asset, whilst maintaining a high level of energy security in periods of peak demand.

Key highlights of the strategic natural gas and hydrogen storage project (subject to FEED, Government approvals, definitive financing & offtake agreements):

- Estimated CAPEX of £450 million - £500 million
- FID in 2027/28 and commercial operations from 2030/31
- Asset life and continuous operations in excess of 30 years
- Ability to generate multiple revenue streams in the seasonal market, near term market (week ahead / month ahead), and short-term market (within day / day ahead / balance of week)
- Scoping economics developed by the Company indicate:
 - o Revenues of £100 million - £150 million annually
 - o EBITDA of £50 million - £70 million annually
 - o NPV8 of £250 million - £500 million

In order to progress this project and comply with the GSL conditions, the Company has engaged with its technical partners and will continue a number of workstreams over the course of the next few months. The Company has productively engaged with DESNZ and the NSTA and made its submission to DESNZ's "Gas System in Transition: Gas Security of Supply Consultation" in February 2026.

Key milestones for this project include, *inter alia*, guidance from DESNZ on a suitable commercial framework to spur investment in new gas storage development and the award of Transition Energy Certificates to enable gas storage developments, both of which are expected to be outlined in the upcoming Energy Independence Bill 2026. The Government has strongly encouraged EnergyPathways to progress the project.

The Company continues to remain focussed on delivering an economically and commercially viable project to its shareholders with further announcements to be made on material workstreams and policy changes.

Hydrogen Industries:

The Company recently announced a collaboration agreement with Hycamite TCD Technologies Ltd., a Finland-based company that has commercialised an innovative methane pyrolysis technology. This follows an earlier announcement by the Company for engineering studies for methane pyrolysis technology with Hazer Group Limited in conjunction with KBR Inc.

Methane pyrolysis technology allows for the splitting of natural gas into hydrogen and carbon atoms. The Company plans to produce hydrogen that can either be sold directly for storage and flexible power generation or blended with nitrogen to produce ammonia. The produced carbon is in the form of graphite, which can then be further processed to produce varying higher grade graphite for industrial purposes.

The Company's philosophy has been to provide a pathway to decarbonising gas within the UK energy system. To that extent, this hydrogen and graphite facility provides two material outcomes:

1. Production of hydrogen that can be sold in the open market and also used internally by the Company in its LDES project for storing energy as hydrogen and flexible power generation, thus displacing the UK's use of natural gas for flexible power with low-carbon hydrogen

2. Production of low-emissions graphite that the UK Government has officially identified as being a critical mineral. Graphite is vital for targeted industrial growth sectors such as defence, automotive and energy transition

The Company is currently undertaking the technical and commercial feasibility of a hydrogen and graphite plant that is capable of producing circa 110,000 tonnes of ammonia / 20,000 tonnes of hydrogen and circa 60,000 tonnes of graphite of various grades that could be used in sectors such as EV batteries, steel production, tyre manufacturing, asphalt production, green concrete etc.

Key highlights of the Hydrogen Industries project (subject to FEED, Government approvals, definitive financing & offtake agreements):

- Estimated CAPEX of £120 million - £200 million
- FID in 2027/28 and commercial operations from 2029/30
- Asset life and continuous operations in excess of 20 years
- Ability to generate multiple revenue streams in hydrogen, ammonia and graphite markets
- Scoping economics developed by the Company indicate:
 - o Revenues of £100 million - £200 million annually
 - o EBITDA of £40 million - £60 million annually
 - o NPV8 of £200 million - £300 million

The Company sees a very clear commercial opportunity for this project. The estimated levelised cost of hydrogen from this project is likely to be significantly lower than that of green hydrogen and competitive with blue hydrogen. There is also a very clear market for clean ammonia, given that ammonia is a key ingredient in the manufacture of fertilisers and is also increasingly being used as a back-up fuel in the marine sector. Graphite has been designated as a critical mineral by the UK Government and the Company believes that its graphite production not only meets the policy guidance as laid out by Government but will also attract both domestic and export clients. Suffice to say, the Company views this project as an early revenue generator with significant upside potential.

The next steps on the Hydrogen Industries project are to complete FEED work to demonstrate technical feasibility for the size of the proposed plant. The Company has already commenced conversations with financing and offtake partners with a view to establishing the commercial viability of the project. Scoping economics have been prepared on the basis of these preliminary conversations and they suggest that the project is commercially viable. The Company is excited about the prospects of the project and will continue to pursue its development.

Both domestic graphite production and clean ammonia production capability will be significant in developing future British industries and strengthening national security. For both commodities, the UK almost entirely depends on imports, with countries such as China effectively controlling the global graphite market with around 90% of the world's refining and processing capacity.

Future developments:

Whilst the Company is focussed on the successful delivery of MESH, it is concurrently looking at other opportunities for early revenue generation and strategic partnerships with industry players.

The Company recently announced that it had made patent applications covering key technology innovations developed in-house. The patent applications cover the Company's technologies that store heat energy or thermal energy created through the compression phase of its CAES system. This energy would be stored in sub-surface salt caverns and released at a later stage to enhance energy efficiency during the CAES power generation phase. Once these patents are formally granted, the Company will be seeking to licence these innovations with a view to generating royalty-based annual recurring revenues.

The Company has the capability, through the innovative and modular MESH, of building up to 60 salt caverns in the East Irish Sea under its GSL. The Company believes that as the LDES and strategic gas and hydrogen storage projects develop and mature over time, it will be able to generate significant interest from other industry participants to replicate either or both projects within this acreage. This would give rise to continued recurring revenues from sub-leasing the acreage and providing ongoing support via royalties and other fees to assist other market participants in the development of their respective projects.

Further afield, there are other offshore locations around the UK that have suitable salt-based geology that is conducive for LDES-type facilities. The Company intends to evaluate these locations in due course and establish industry partnerships for the future development of these locations, subject to technical, regulatory and commercial feasibility.

Made in Britain

The MESH project is based on harnessing British skills, jobs and supply chains - in particular from the North Sea sector and the Northwest of England. MESH will strengthen Britain's future energy independence and security by developing energy storage that is not reliant on critical minerals, components and technologies sourced from overseas supply chains which are at risk of disruption or foreign government restrictions.

Short-term and long-term financing arrangements:

In April 2026, the Company announced that it had entered into a 3 year convertible loan note transaction worth £5 million along with a £10 million At-The-Market ("ATM") facility. This short-term financing transaction was entered into in order to enable the Company to progress with the various workstreams under each of its three projects. To date, a sum of £2 million has been drawn down under the loan note, of which, £500,000 has been converted by the lender into ordinary shares. On commencement of the ATM facility, a total number of 6,939,727 shares were issued that represented 2.99% of the Company's issued share capital as at 30 April 2026. These ATM shares have now all been sold into the market, enabling the Company to utilise the cash proceeds to further mature its projects.

The total Development Expenditure ("DEVEX") and CAPEX for all three projects combined is in the range of £1.02 billion - £1.20 billion. Now that each of these projects is sufficiently mature enough for the Company to commence meaningful conversations,

the Company is in discussions with the wider financing market and capacity offtake partners to seek long term project financing for each of the projects. Whilst these conversations are at a preliminary stage, the Company is encouraged by the response from a wide spectrum of participants, including major investment banks, pension funds, infrastructure funds and sovereign wealth funds, in addition to interest from offtake partners to underpin the revenues and potentially pre-finance production and working capacity in these projects. The focus of the Company over the next few months will be to obtain DEVEX for the three projects and further mature conversations into definitive term sheets for longer term CAPEX financing. Further announcements will be made upon the successful completion of DEVEX funding and other material financing arrangements.

An updated corporate presentation is available for download from the Company's website at <https://energypathways.uk/presentations>

Ben Clube, EnergyPathways' CEO, commented:

"We are now entering a critical phase in the lifecycle of all three projects. Engineering, regulatory and financing workstreams are being progressed at pace with the team, along with the Company's external advisors engaging deeply and constructively with multiple stakeholders. I believe that we are on the cusp of significant development milestones for each project coming to fruition and look forward to making these announcements when they have been achieved."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (MAR). Upon the publication of this announcement via Regulatory Information Service (RIS), this inside information is now considered to be in the public domain. The Directors of the Company are responsible for this announcement.

For further information on the Company please visit the Company's website:

<https://energypathways.uk>

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Forward Looking Statements

This announcement contains forward looking statements relating to the plans, activities and expectations of EnergyPathways PLC. Such statements include, but are not limited to, those concerning anticipated timelines and outcomes. Forward looking statements are typically identified by words such as "plan", "expect", "anticipate", "intend", "may", "could", "potential" or similar expressions.

These statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially. Factors include geological risk, permitting and regulatory approvals, funding availability, operational challenges, commodity price movements and general market conditions. No assurance can be given that any forward-looking statements will prove to be accurate, and shareholders are cautioned not to place undue reliance on them.

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