

Sydney & Paris, 27 August 2024

Neoen to build Stage 2 of Western Downs Battery after signing a 200 MW virtual battery contract with AGL Energy

- Neoen has signed a 10-year virtual battery contract with AGL Energy, a leading Australian retailer and generator, for 200 MW / 400 MWh in Australia's southwest Queensland region
- This service will be jointly backed by Stage 1 and a new Stage 2 of Western Downs Battery, both sized at 270 MW / 540 MWh
- Neoen has provided notices to proceed to Tesla and UGL, signalling the start of construction for Stage 2 of Western Downs Battery
- Located next to its 460 MWp solar farm currently in operation and Stage 1 battery under construction, this is Neoen's third project within its Western Downs Green Power Hub

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading producers of exclusively renewable energy, has signed a 10-year agreement with AGL Energy, for up to 200 MW / 400 MWh of virtual battery capacity in the Queensland region of Australia's National Electricity Market. This service will be underpinned by Stage 1 and Stage 2 of Neoen's Western Downs Battery, both sized equally at 270 MW / 540 MWh.

Following the execution of this new contract, Neoen has provided notices to proceed to battery storage supplier Tesla and to balance of plant contractor UGL (a member of the CIMIC Group), signalling the start of construction for Stage 2 of Western Downs Battery. This new project will consist of 140 Tesla Megapack 2XL units and is expected to start operations in 2026. It will connect into Powerlink's nearby Western Downs substation and leverage existing infrastructure of Neoen's Western Downs Green Power Hub. The site currently includes Neoen's 460 MWp operating solar farm and the Stage 1 battery, which is currently under construction and on track to start operating in the Australian summer of 2024/25.

Under the virtual battery contract, AGL Energy will be able to hedge its customer load by virtually charging and discharging up to 200 MW of the Western Downs Battery using a bespoke software developed in-house by Neoen. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market. This agreement increases AGL's contracted virtual battery capacity, helping to support the company's customer base and the transition to renewables.

With a total combined capacity of 540 MW / 1,080 MWh, Western Downs Battery will be equipped with grid-forming capability and provide critical grid-reliability and frequency services as well as firming for renewables, supporting the modernisation of Queensland's electricity network. This announcement takes Neoen Australia's total portfolio in Queensland to over 1 GW of assets in operation or under construction, cementing

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the company's leadership in the Sunshine State and its commitment to helping Queensland reach its 80% renewables target by 2035. Neoen already owns and operates the 157 MW Kaban Green Power Hub wind farm in Queensland's far-north region and Australia's largest operating solar farm sized at 460 MWp at Western Downs.

It also brings Neoen's storage portfolio in Australia to a total of 1,925 MW / 4,709 MWh in operation or under construction. This includes the 300 MW / 450 MWh Victorian Big Battery in Geelong and the flagship 150 MW / 193.5 MWh Hornsdale Power Reserve in South Australia, both in operation, as well as several batteries currently under construction: the 560 MW / 2,240 MWh Collie Battery in Western Australia, the 238.5 MW / 477 MWh Blyth Battery in South Australia, and the 100 MW / 200 MWh Capital Battery in the Australian Capital Territory.

Jean-Christophe Cheylus, Neoen Australia's Chief Executive Officer, said: *"We are delighted to secure this second virtual battery contract with AGL and value their continued trust in our innovation. We would like to thank Tesla, UGL and Powerlink for their commitment and dedication to making both stages of Western Downs Battery a reality. With Stage 2 taking our portfolio of assets in Queensland to over 1 GW, we look forward to supporting AGL and contributing to grid-reliability in the NEM."*

Markus Brokhof, AGL Chief Operating Officer, added: *"We are pleased to sign our second virtual battery agreement with Neoen and build on our partnership. The ability to virtually charge and dispatch this battery increases the number of tools we can use to support our customers' needs while also supporting electricity supply into the grid. Virtual battery agreements provide flexibility within our firming portfolio without the requirement to build, operate, and maintain the physical battery."*

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer concluded: *"I would like to thank the Neoen team on this great achievement. Neoen is proud to have developed the "virtual battery" offer in Australia, providing a bespoke, smart, value-added product that meets the increasing needs of our customers. Over the past seven years, Neoen has been a leading player in storage in Australia and around the world, and we will continue to design and deliver integrated solutions to accelerate the energy transition."*

About Neoen

Founded in 2008, Neoen is one of the world's leading independent producers of exclusively renewable energy. With expertise in solar power, wind power and storage, the company plays an active role in the energy transition by producing competitive, green, local energy on four continents. After a six-fold increase in the last six years, its capacity in operation and under construction stands at over 8.4 GW.

Neoen's flagship operations are France's most powerful solar farm (375 MWp) in Cestas, Finland's largest wind farm (404 MW) in Mutkalampi, one of the world's most competitive solar plants in Mexico (El Llano, 375 MWp) and two of the world's most powerful large-scale storage plants, both in Australia: Hornsdale Power Reserve (150 MW/193.5 MWh storage capacity) and the Victorian Big Battery (300 MW/450 MWh).

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A high-growth company, Neoen is targeting 10 GW in operation or under construction by the end of 2025. Neoen is listed in Compartment A of Euronext's regulated market in Paris (ISIN code: FR0011675362, Ticker: NEOEN) on the SBF 120 and CAC Mid 60 indexes.

For more information: www.neoen.com

What is a virtual battery?

The virtual battery offer was first designed by Neoen in 2022 to allow AGL Energy to mimic the operation of a grid-scale battery, without having to develop, build, own or physically operate one.

Under Neoen's virtual battery agreement, a customer can hedge their load (or the load of their customers for retailers) by virtually charging and discharging Neoen's battery, using a software developed in-house by Neoen's energy management and asset management teams.

With offtakers able to instruct their virtual battery almost in real-time, with 5-minute bid granularity, Neoen's bespoke solution is ideally suited to large electricity users and retailers facing the increasing challenges posed by the solar "duck curve" and evening peaks.

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