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Global partnership prioritises storage to counter intermittent generation

ZEN Energy and Taiwan listed renewable energy developer, HD Renewable Energy Co (HDRE) have formed a strategic partnership to focus on energy storage and green hydrogen projects in Australia, Taiwan and other countries.

HDRE will subscribe 9.7% of newly issued ordinary shares by ZEN for A\$43m, while ZEN will provide long-term tolling agreements. This values ZEN at \$443m on a 100%, post-money basis.

The ZEN/HDRE partnership will focus on developing storage assets in Australia, in Taiwan and potentially other countries such as Japan. In May, ZEN entered into a partnership with DGA Energy Solutions to develop green hydrogen initiatives to support Mitsubishi Corporation's decarbonisation goals.

The signing of the partnership follows a co-operation deed with HDRE in June this year to collaborate on energy storage developments and green hydrogen projects.

HDRE is a Taiwan- listed renewable energy company (current market cap of A\$1.3bn) with business across Solar and BESS development, green energy retailing and distributed energy (EV charging, behind the meter assets).

ZEN's initial co-operation deed sign in June involved developing up to 500MW of offtake commitments to bolster its energy portfolio and facilitate new project site acquisitions.

Quotes attributable to Anthony Garnaut, ZEN CEO:

"We know that partnerships with like-minded organisations like HDRE are key to a successful and just renewable transition for all.

"Our strategy is to focus on storage asset development and operation to hedge against intermittency of renewable generation, such as the major wind drought that occurred in April/May this year.

"It has been a difficult year, as many involved in the renewable transition have experienced. This significant partnership with HDRE, new long term Power Purchasing Agreements with Acciona and Enel, and long term customer agreements with blue chip customers such as SBS have counter-balanced a challenging financial landscape in 2024."

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About ZEN Energy

ZEN stands for Zero Emissions Now and a 1.5°C world for everyone. We are Australia's first energy company to have a science-based emissions reduction plan in line with limiting global heating by 1.5°C this decade. ZEN forms long-term and sustainable partnerships, delivering our plan in a way that is sensitive to the needs of Australia's First Peoples of nature, and of local communities.

Our key customers include the South Australian Government, CSIRO's sites in New South Wales, Victoria, South Australia and the Australian Capital Territory, Bunnings in Victoria, and South Australia and ISPT in Queensland. ZEN provides renewable energy to the Southern Sydney Regional Organisation of Councils (SSROC), which comprises 25 local councils in New South Wales and representing nearly 40 per cent of the state's population. Our total customer volume is now 2TWh per annum, supplied from our growing portfolio of renewable assets located across Australia.

As a renewable energy developer, ZEN is working on several key projects, such as construction of the Templers Battery Project north of Adelaide and our Solar River Battery and Solar Project in South Australia was successful in the first round of funding for the federal government's expanded Capacity Investment Scheme. ZEN is progressing other renewable energy and battery storage projects located across the National Energy Market (NEM), including a unique opportunity to re-purpose an old coal industry site at Nattai in South West Sydney into a 1GW/14-hour pumped hydro project that could supply more than 500,000 homes and businesses.