

Operational Update

23rd January 2023

Corre Energy is a leader in the development, operation and commercialisation of Long Duration Energy Storage (LDES) projects that will enable the construction and integration of large-scale renewables, accelerating decarbonisation and enhancing the security and flexibility of energy systems.

The Company today issues an operational update for the period since its last update in September 2022. During this time, Corre Energy has made significant operational, financial and strategic progress.

Keith McGrane, Chief Executive Officer of Corre Energy, commented:

“We are very pleased with the tangible progress the Company has made over the last year, including the ground-breaking partnership with Eneco, underpinning the economics of the ZW1 plant in the Netherlands. It is also increasingly clear from the positive actions we are witnessing that politicians, legislators and regulators fully appreciate the value of and need for long duration energy storage, to enable the energy transition and the journey to net zero in Europe and North America.

“Corre Energy is delivering projects that will make a real positive difference to energy consumers, both commercial and retail, and will benefit the planet by accelerating the decarbonisation of the energy market. The company has built strong partnerships with world-class companies who share Corre Energy’s culture and beliefs, and it is through these partnerships that the Company will continue to deliver on its commitments.

“In the immediate future, Corre Energy is absolutely focussed on delivering on its key projects. In addition, the market in which the Company operates, driven by the global commitment to the energy transition, is now developing very rapidly, and a number of additional opportunities are presenting themselves. Corre Energy expects to be able to leverage its early learnings and successes to deliver significant additional value for all its stakeholders for many years to come.”

Highlights

- Signed binding commercial terms for a 15-year offtake agreement with Eneco, for the entire storage capacity of the Zuidwending (ZW1) Compressed Air Energy Storage (CAES) project in the Netherlands.
 - ZW1 remains on track for Commercial Close during H1 2023
- Encouraging progress on Green Hydrogen Hub project in Denmark (GHH1) supporting Commercial Close during H2 2023
- North American subsidiary formally launched and local project funding discussions underway
- Appointed advisers to complete European development capital investment process for ZW1 and GHH1, with both targeted for completion in the second half of 2023
- Progress to date fully supports the project economics guidance provided at the time of listing¹

Regulatory backdrop

In December 2022, the Council of the European Union agreed supportive amendments to the renewable energy directive relating to the REPowerEU plan^{2 3}. These amendments identify storage assets as being in the overriding public interest and require that permitting for energy storage assets is accelerated in all permitting procedures. The European permitting environment is now supportive for all the projects within the Company's identified pipeline.

At the World Economic Forum this month, the President of the European Commission announced the Green Deal Industrial Plan⁴ which will guide Europe towards its goal of net zero. This will entail creating a supportive regulatory environment for crucial sectors, including storage, through the Net-Zero Industry Act, and temporarily adapting state aid rules to boost investment and financing of clean tech production. Corre Energy believes this indicates a growing commitment to and realisation of the value of large-scale energy storage projects such as CAES within the overall energy transition.

In August 2022, the Inflation Reduction Act⁵ was signed into law in the United States. This provides a multi-billion dollar support package to incentivise the build of renewable generation and grid-scale energy storage projects. The package includes providing standalone energy storage systems with an investment tax credit of between 30% and 70% and offering a \$3/kg production tax credit for the manufacture of clean hydrogen. These incentives will have a significant beneficial impact on project economics and encourage the

¹ <https://corre.energy/wp-content/uploads/2021/11/Corre-Energy-Investor-Presentation-September-2021.pdf>

² <https://data.consilium.europa.eu/doc/document/ST-16238-2022-INIT/en/pdf>

³ https://www.europarl.europa.eu/doceo/document/TA-9-2022-0441_EN.pdf

⁴ https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_23_232

⁵ <https://www.govinfo.gov/content/pkg/PLAW-117publ169/html/PLAW-117publ169.htm>

transition to carbon-neutral production. A similar incentive structure is also applicable in Canada through the Clean Technology Investment Tax Credit.

Corporate / Project update

While Corre Energy continues to develop and refine its longer-term pipeline, sourcing and progressing opportunities which stretch out well over a decade, the Company is focussed on achieving tangible milestones with its near-term projects, particularly ZW1 and the GHH1.

In December, Corre Energy signed binding commercial terms for a 15-year offtake agreement, with extension rights, with Eneco, for the entire storage capacity of the ZW1 CAES project in the Netherlands⁶. This underpins the project economics for Corre Energy and helps to enable the strategic vision of the Company. Eneco will provide market access services, enabling Corre Energy to benefit from revenue linked to the high flexibility value of the asset, while also guaranteeing a base level of income. The modelling from both partners suggests a potential negative correlation to offshore wind generation for ZW1 of between 0.8 and 0.9, greatly increasing the extrinsic value of this type of multi-day duration facility in this location, when compared to other types of energy storage.

ZW1 is progressing well, with Commercial Close expected during the first half of 2023. This requires completion of the commercial documentation relating to the offtaker, grid and development agreements, land ownership and permitting insurance. Commercial Close will trigger further investments from Corre Energy's financial partners and will enable the Company to target a date for Financial Close, which will also trigger additional investments.

The Company is dedicating significant resource and effort to GHH1, and the consortium is rapidly progressing the structure of the arrangement, following the learnings from ZW1, and putting in place all the essential elements to move to Commercial Close in the second half of this year. Achieving Commercial Close will enhance the value of this project and provide the Company with sell-down options, further improving the financial position of Corre Energy.

Last week Corre Energy formally launched its North American subsidiary⁷. As mentioned above, the regulatory backdrop here, created by the Inflation Reduction Act, is very supportive for the development of LDES solutions. Corre Energy is currently considering specific opportunities in North America and assessing additional sources of capital in this region to enable developments to advance.

⁶ https://corre.energy/wp-content/uploads/2022/12/CEBV_20221219_ZW1OfftakeAgreement_RNS.pdf

⁷ <https://corre.energy/2023/01/17/corre-energy-expands-project-operations-to-north-america/>

Financial position

Given the sharper focus on nearer-term projects, at the end of 2022 Corre Energy streamlined its operations and cost base. This will significantly lower operating costs for 2023 without impacting the speed of strategic and operational progress on the Company's key projects.

The Company has amended its funding arrangement with Fondo Italiano per L'Efficienza Energetica (FIEE) such that, subject to certain conditions, FIEE will now invest up to €4 million on an accelerated Commercial Close for ZW1.

Outlook

Corre Energy is greatly encouraged by the improvement in the political and regulatory landscape in North America and is actively considering specific opportunities and assessing additional sources of capital in this region to enable developments to move forward rapidly. It is likely that the development of these projects would be primarily separately funded through investments at a local level.

The Company's strategy remains unchanged and on track, supported by the offtake agreement with Eneco on ZW1. Following Commercial Close on the ZW1 facility, the Company will seek to identify opportunities for a partial equity sell-down, in line with the long-term business model. This will create further financial capacity to fund other near-term projects and to develop its European portfolio.

ESG

Corre Energy aims to report during 2023 on its ESG performance in accordance with relevant disclosure standards. In this exercise the Company will consider the standards set by the Value Reporting Foundation, the Sustainability Accounting Standards Board, the Task force on Climate-related Financial Disclosures and the Carbon Disclosure Project.

The Company is also focussed on aligning its sustainable activities with EU taxonomy classifications. This will assist all stakeholders to assess the environmental sustainability of the Company's activities, with reference to the European Green Deal. Corre Energy's projects and products support decarbonisation, offer enhanced security and flexibility to Europe's energy systems and help deliver the transition to renewable energy at scale.

2022 Full Year Results

The Company currently expects to publish its financial results for the Full Year 2022 on 30 May 2023. An investor call will be arranged at that time, with further details to come in due course.

Corre Energy is a leader in the development and operation of Long Duration Energy Storage (LDES) projects and products, accelerating the transition to net zero and enhancing the security and flexibility of energy systems. Our projects address the increasing balancing requirements of renewable power and provide essential and cost-effective services to system operators in the form of storage and balancing services.

We also unlock the value of renewables by combining hydrogen production with long duration and flexible energy storage, and by doing so we can help to deliver more affordable, green energy to customers. www.corre.energy

This announcement is released by Corre Energy B.V. and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("EU MAR") and is disclosed in accordance with the company's obligations under Article 17 of EU MAR.

For further information, please visit www.corre.energy or contact:

Corre Energy

IR@corre.energy

Davy (Euronext Growth Listing Sponsor)

Barry Dixon, Head of Decarbonization

+353 87 689 9195

Niall Gilchrist, Corporate Broking

Barry Murphy, Corporate Finance

Aoife Foley, Corporate Finance

Murray PR (Financial PR and IR)

Pat Walsh, Managing Director

+ 353 1 498 0300