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COLES AGREEMENT SECURES THREE NEW SOLAR POWER PLANTS

Projects to provide 10% of Coles' national power needs

Solar power plants capable of generating sufficient electricity for 39,000 homes¹ will be built in regional New South Wales following a landmark 10-year agreement between Coles and global renewable power generation company Metka EGN.

In the first deal of its kind to be made by a major Australian retailer, Coles will purchase more than 70% of the electricity generated by three solar power plants to be built and operated by Metka EGN outside the regional centres of Wagga Wagga, Corowa and Junee – the equivalent of 10% of Coles' national electricity usage.

The photovoltaic solar plants will supply more than 220 gigawatt hours of electricity into the national electricity grid. Producing the same amount of power from non-renewable sources would result in more than 180,000 tonnes of greenhouse gas emissions² every year, or the equivalent of the annual emissions of 83,000 cars³.

Coles Group CEO Steven Cain said the increased use of renewable energy was a major part of the company's commitment to be the most sustainable supermarket in Australia.

"Coles has been a cornerstone of Australian retail for more than 100 years, and ensuring the sustainability of our business is essential to success in our second century," he said.

"We are thrilled that with this agreement, Coles can make a significant contribution to the growth of renewable energy supply in Australia, as well as to the communities we serve.

"We have already made changes throughout our business to use energy more efficiently, which has enabled us to reduce our greenhouse gas emissions by 4 per cent over the past financial year and more than 30 per cent since 2009, despite growing our store network.

"Over the past two financial years alone we have invested more than \$40 million in energy efficiency measures including upgrading all store lighting to LED by the end of 2019 and the installation of solar panels on 30 stores."

¹ AER Electricity and Gas Bill Benchmarks for Residential Customers: <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/electricity-and-gas-bill-benchmarks-for-residential-customers-2017>

² Department of Energy and Environment National Greenhouse Accounts Factors for NSW: <https://www.environment.gov.au/climate-change/climate-science-data/greenhouse-gas-measurement/publications/national-greenhouse-accounts-factors-july-2018>

³ Australian Bureau of Statistics Survey of Motor Vehicle Use, Australia, 12 months ended 30 June: <https://www.abs.gov.au/ausstats/abs@.nsf/mf/9208.0>; National Transport Commission: <https://www.ntc.gov.au/topics/environment/light-vehicle-emissions/>

Coles Chief Property and Export Officer Thinus Keeve said Coles was the first major Australian retailer to commit to buying renewable energy through a Power Purchase Agreement.

"Agreements like this are crucial to growing renewable generation capacity in Australia because they give the developers the certainty they need to invest," he said.

As well as supporting large-scale generation projects, Coles is working with property partners to increase on-site generation of renewable power at stores and distribution centres.

"We plan to install solar panels on another 38 stores this financial year and we will be working with our landlords and property developers to identify further locations suitable for on-site solar power generation," Mr Keeve said.

The projects announced today were developed by Australian renewable energy developer Terrain Solar, with the support of advisory firm PwC, as part of a portfolio of renewable generation plants. Metka EGN acquired the portfolio earlier this year and will build, operate and own the plants.

"Terrain Solar is incredibly proud of this landmark agreement that will underpin the construction of three new renewable energy plants in regional New South Wales" said Terrain chairman David Griffin.

The new solar plants are expected to support more than 250 jobs in regional NSW, including over 240 during construction and 10 ongoing roles.

Construction is scheduled to begin in September and the plants are expected to commence supplying power to the grid in July 2020.

For further information, please contact Coles Media Line (03) 9829 5250 or media.relations@coles.com.au

About Metka EGN

Metka EGN is an international renewable energy developer, builder and owner and operator, headquartered in the UK. Metka EGN have a strong track record globally, having developed or constructed over 2GW of PV solar and battery energy storage projects across Europe and the America's, including the UK, France, Spain, Chile and the US. Metka EGN is a subsidiary of Mytilineos Holdings S.A. (RIC: MYTr.AT, Bloomberg: MYTIL.GA), a €1.37bn market cap energy infrastructure, industrial and utility services conglomerate with experience constructing over 15GW of power plants across Europe, Asia and Africa.

About Terrain Solar

Terrain Solar is an Australian owned and operated business developing a portfolio of strategically located solar farms across regional Australia. Terrain take projects through the engineering design, planning approval, grid connection, financing & investment stages and ultimately into construction and operation. The Terrain team has collectively developed over 2GW of renewable energy projects across Australia, South Africa and the Pacific Region, including some of the earlier solar and wind farms in the Australian National Electricity Market.