NEWS RELEASE

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Rolls-Royce and SDCL join forces to accelerate the take-up of sustainable power with launch of 'Energy-as-a-Service'

- Improves access to more sustainable power solutions for communities and companies through 'subscription' energy service
- Helps accelerate the take-up of renewable energy by removing the need for customers to find up-front finance or operate their power supply
- Provides electricity and heat for remote communities, industrial companies and large energy consumers
- Solutions bring together established and new technologies from combined heat and power, wind and solar, to battery storage and fuel cells

Rolls-Royce has agreed to a cooperation with the global investment firm Sustainable Development Capital LLP (SDCL) to jointly offer 'Energy-as-a-Service' solutions that can help accelerate the take-up of more sustainable power. The agreement, signed at the World Climate Conference (COP26) in Glasgow on 11 November, allows Rolls-Royce to provide customers with electricity and/or heat, generated by a sustainable and efficient energy system, as a subscription service, removing the need for customers to secure up-front infrastructure finance or operate the system themselves.

One of the themes of COP26 has been how to improve access to finance for solutions to assist in the energy transition and combat climate change. The provision of 'Energy-as-a-Service' where a customer pays for heat and power through a subscription model, represents a very attractive way to improve access to sustainable power. Rolls-Royce will work with SDCL and other partners to design, finance, build, commission and operate new projects. SDCL has more than a decade of experience

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of developing and financing clean and decentralised energy infrastructure projects in the UK, continental Europe, North America and Asia. Rolls-Royce, through its Power Systems business unit, has a portfolio of microgrid systems that bring together renewable energy sources such as solar and windpower with mtu-branded battery storage and gensets (an engine and electrical generator) to ensure reliable power generation. It is currently developing fuel cell systems and making its existing mtu engines compatible with sustainable fuels, paving the way for net zero microgrid solutions within the next two years.

Energy service can help transform the energy supply of communities and companies

Examples of 'Energy-as-a-Service' projects can range from providing sustainable and reliable power for communities in remote areas that are not connected to a public power grid; to industrial parks that want to be supplied with green power as well as emergency back-up and mines that want to replace old, inefficient, equipment to meet new regulatory requirements and make use of as much renewable energy as possible.

"Energy-as-a-Service is particularly interesting for companies that need to adapt their energy supply to new circumstances – be it an expansion for which more power is needed or an adaptation to new regulatory requirements, such as emissions guidelines," explained Andreas Görtz, Vice President Power Generation at Rolls-Royce Power Systems. "Because this often involves investing in equipment, such as a microgrid, that requires expertise to operate, it's a challenge for customers to do this on their own. By offering Energy-as-a-Service, we can help them overcome that challenge."

Portfolio for energy supply ranges from CHP to fuel cells to microgrids

The portfolio of energy systems that can be made available through 'Energy-as-a-Service' to provide electricity and/or heat, ranges from smaller plants using combined heat and power (CHP) units to battery containers and complex microgrid solutions. The existing mtu product range will be expanded in the coming years to include new technologies such as hydrogen-powered engines,

fuel cell systems and combustion engines that can be operated with sustainable fuels such as e-diesel and hydrotreated vegetable oils (HVO).

Energy-as-a-Service supports industrial companies on the way to Net Zero

Perry Kuiper, President Sustainable Power Solutions at Rolls-Royce Power Systems, explained: "Industrial companies and other businesses that rely on environmentally and climate-friendly energy can avoid ever-increasing energy and grid connection costs as a benefit from our new Energy-as-a-Service offering. We use our own new mtu technologies, our system expertise and our global network of partners and service locations to offer our customers an efficient and reliable energy supply on their way to climate neutrality. With SDCL, we have a strong financial partner on board that has successfully developed and financed clean energy, energy efficiency and decentralised energy infrastructure projects since 2007."

Energy subscription: efficient and sustainable energy supply without high investments

Jonathan Maxwell, CEO and Founder of Sustainable Development Capital LLP, added: "SDCL was established to facilitate investment in environmental infrastructure markets. The company has always focused on investing in projects that are good for the environment, good for people and commercially sustainable. We believe that with our new partner Rolls-Royce, we will be able to pursue these objectives even faster. Companies that want to avoid high investment costs for their own energy plant and focus on their core business, but still want an energy supply that is precisely designed to meet their needs, will be well served by our new offering."

Press photos are available for download from
https://www.mtu-solutions.com/eu/en/news-and-media/media-center.html

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About Sustainable Development Capital LLP

Sustainable Development Capital LLP ("SDCL"), an investment firm established in 2007, with a proven track record of investment in energy efficiency and decentralised generation projects in the UK, Continental Europe, North America and Asia.

SDCL is headquartered in London and also operates worldwide from offices in New York, Dublin, Madrid, Hong Kong and Singapore. SDCL is authorised and regulated in the UK by the Financial Conduct Authority.

Further information can be found at www.sdclgroup.com.

About Rolls-Royce Holdings plc

1. Rolls-Royce pioneers the power that matters to connect, power and protect society. We have pledged to achieve net zero greenhouse gas emissions in our operations by 2030. We joined the UN Race to Zero campaign in 2020, and have committed to ensuring our new products will be compatible with net zero operation by 2030, and all products will be compatible with net zero by 2050.

2. Rolls-Royce Power Systems is headquartered in Friedrichshafen in southern Germany and employs around 9,000 people. The product portfolio includes mtu-brand high-speed engines and propulsion systems for ships, power generation, heavy land, rail and defence vehicles and for the oil and gas industry as well as diesel and gas systems and battery containers for mission critical, standby and continuous power, combined generation of heat and power, and microgrids.

3. Rolls-Royce has customers in more than 150 countries, comprising more than 400 airlines and leasing customers, 160 armed forces and navies, and more than 5,000 power and nuclear customers.

4. Annual underlying revenue was £11.76 billion in 2020 and we invested £1.25 billion on research and development. We also support a global network of 28 University Technology Centres, which position Rolls-Royce engineers at the forefront of scientific research.

5. Rolls-Royce Holdings plc is a publicly traded company (LSE:RR., ADR: RYCEY, LEI: 213800EC7997ZBLZJH69).

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