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ESS Inc. to Deliver Long-Duration Battery System for Microgrid in Patagonia

Company's sustainable iron flow battery will provide clean and safe storage to support renewable energy and reduce diesel emissions for microgrid in Chile

Wilsonville, OR - April 27, 2021: ESS Inc., a manufacturer of long-duration iron flow batteries for commercial and utility-scale energy storage applications, has contracted with Chilean utility, Edelaysen, a GRUPO SAESA company, to provide a clean, safe and sustainable flow battery system to support the use of renewable energy and help eliminate three-fourths of diesel generator use in the environmentally pristine Patagonia area of Chile.

By deploying ESS Inc.'s 300 kW/2 MWh Energy Warehouse™, integrated with renewable resources in a microgrid system, Edelaysen will save approximately $3 million in diesel fuel and maintenance over the system's 25-year life. In addition, the equivalent of 12 years of diesel emissions (8.8 GWh) will be avoided.

"ESS Inc.'s long-duration iron flow battery will greatly reduce the need to run generators to meet demand," said Marcelo Bobadilla of SAESA. "We also highly value that the system is safe, earth-friendly, and will operate at full capacity for at least 20 years without replacement – these were critical decision factors."

Edelaysen's grid is served by run-of-river hydropower that varies daily and seasonally. This resource requires the company to operate supplemental diesel generators throughout the year to compensate when customer demand exceeds hydro output. With Chile implementing cleaner forms of generation and aiming to dramatically reduce CO2 emissions across the country, a sustainable alternative to continuous diesel dependence in their operating area was essential.

"Our analysis showed that if they used lithium-ion batteries, Edelaysen could only shut down their diesel gensets for about three months per year," said Eric Dresselhuys, ESS Inc. CEO. "Instead, our long-duration iron flow storage system will reduce the need to run them by three times as much – the equivalent of nine months a year. That's a huge reduction in emissions, noise and cost."

Dresselhuys continued, "As the global energy transition unfolds, its effects will be felt not just in the world's population centers, but also in its vast remote regions. Patagonia is one of the most

remote and pristine areas of the planet, and we are pleased that SAESA has entrusted our clean and safe long-duration battery technology to provide vital grid support. Their use of iron flow batteries will save millions of dollars, avoid thousands of tons of CO2, and help ensure that the country's spectacular landscapes and vistas remain unspoiled."

In conjunction with the company's pioneering energy storage solutions, ESS Inc.'s utility-scale battery platform includes a 10-year extended warranty covering the battery modules. Backed by Munich RE, the world leader in the development of new insurance solutions for climate-friendly technologies, this warranty provides customers with long-term coverage backed by an investment grade insurer.

Work on this project is underway and is expected to be commissioned later in 2021.

About ESS, Inc.
ESS Inc. designs, builds and deploys environmentally sustainable, lowest-cost, iron flow batteries for long-duration commercial and utility-scale energy storage applications requiring from 4 to 12 hours of flexible energy capacity. The Energy Warehouse™ and Energy Center™ use earth-abundant iron, salt, and water for the electrolyte, resulting in an environmentally benign, long-life energy storage solution for the world's renewable energy infrastructure. Established in 2011, ESS Inc. enables project developers, utilities, and commercial and industrial facility owners to make the transition to more flexible non-lithium-ion storage that is better suited for the grid and the environment. For more information, visit www.essinc.com.

About GRUPO SAESA
GRUPO SAESA has been a leader in the electrical energy distribution sector since 1923. Through their companies Saesa, Luz Osorno, Frontel and Edelaysen, they currently provide electrical energy to over 900,000 customers from the Ñuble Region to the Aysen Region. Their decentralized operational structure and centralized management allows operating companies to maintain their presence and proximity to their customers and facilitates the generation of new business alternatives within the electricity sector. GRUPO SAESA group also participates in the transmission and generation of energy. Today, the company employs over 1,500 full-time employees and 4,500 contractors.

Media Contact:
Eugene Hunt
Trevi Communications, Inc.
978.750.0333 x.101
gene@trevicomm.com