



**KYON  
ENERGY**

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# Following Fundamentals

get inspired! 2023

18.09.2023

## Today's Speaker

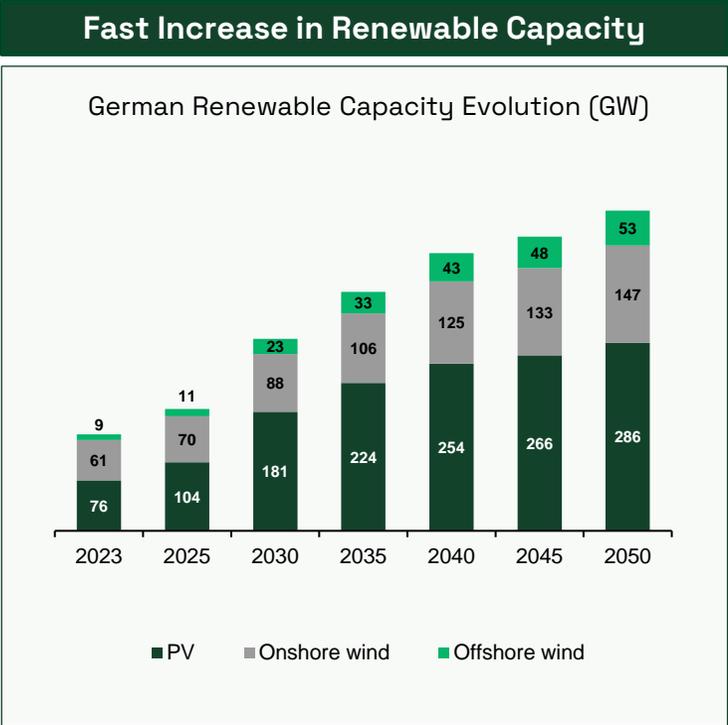
***Philipp Merk***

*Founder & Managing Director*



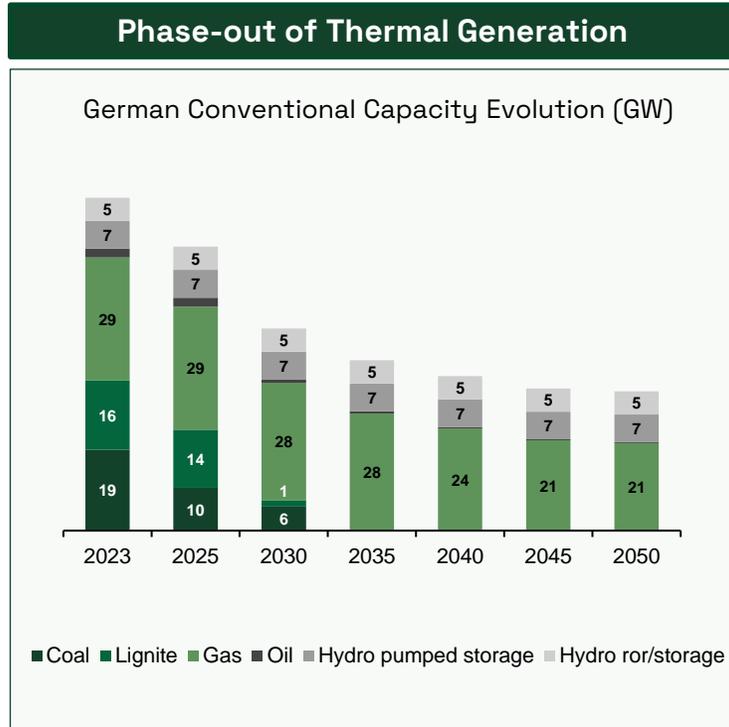
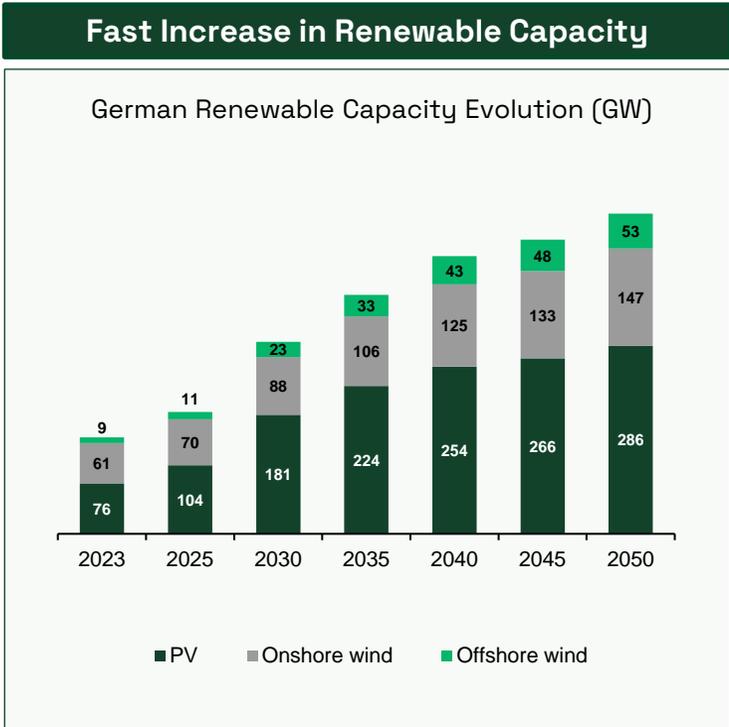
- Experienced entrepreneur
- Responsible for Business Development and Transaction teams
- Worked on satellite monitoring methane emissions for ESA
- Helped building the world's first fully-electric VTOL plane
- Co-founded and sold LOEWI, an investor-backed company

# Why is the German Energy Transition Going to Fail?



Source: Enervis Current Efforts scenario.

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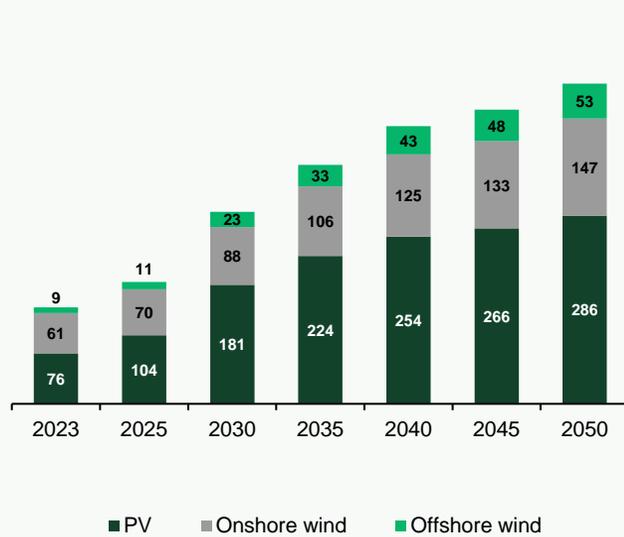


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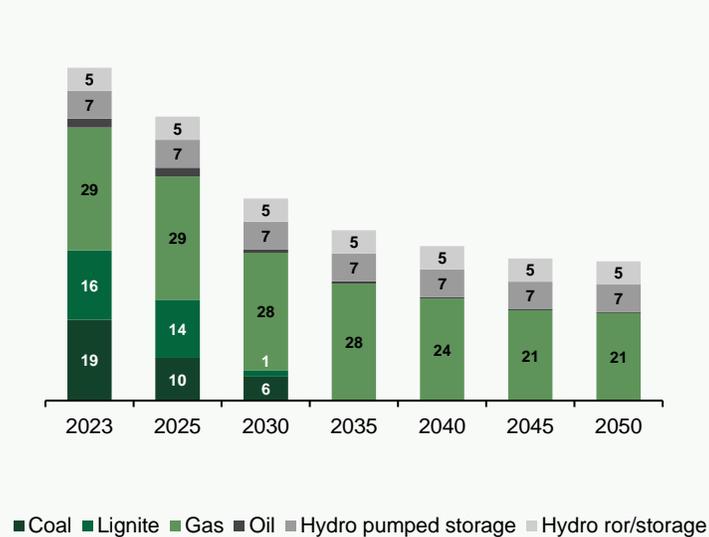
## Fast Increase in Renewable Capacity

German Renewable Capacity Evolution (GW)



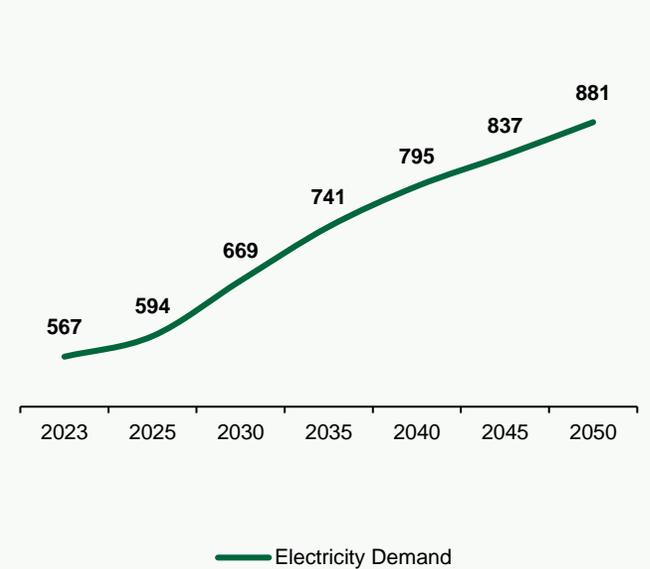
## Phase-out of Thermal Generation

German Conventional Capacity Evolution (GW)



## Increase in Demand for Electricity

German Electricity Demand Outlook (TWh)

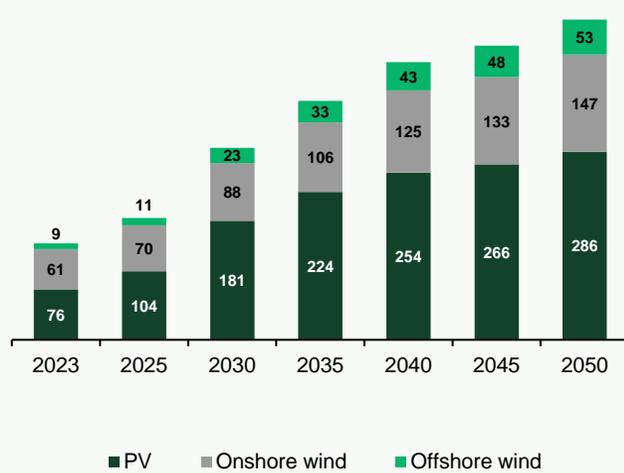


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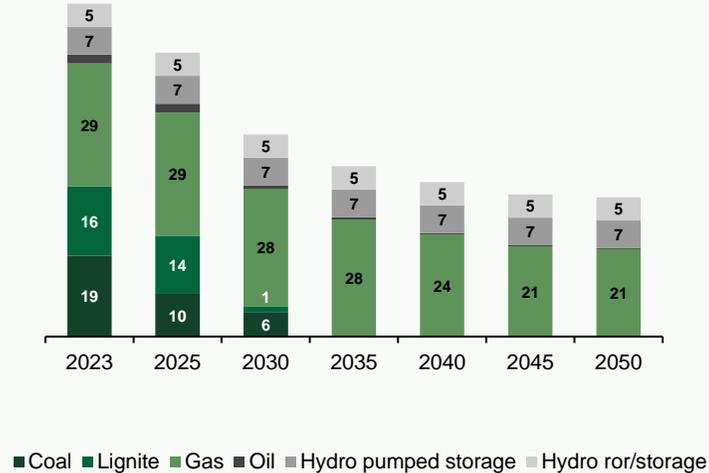
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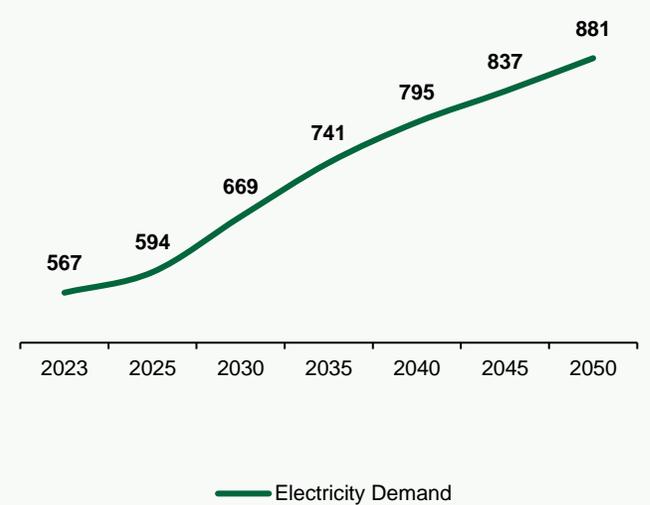
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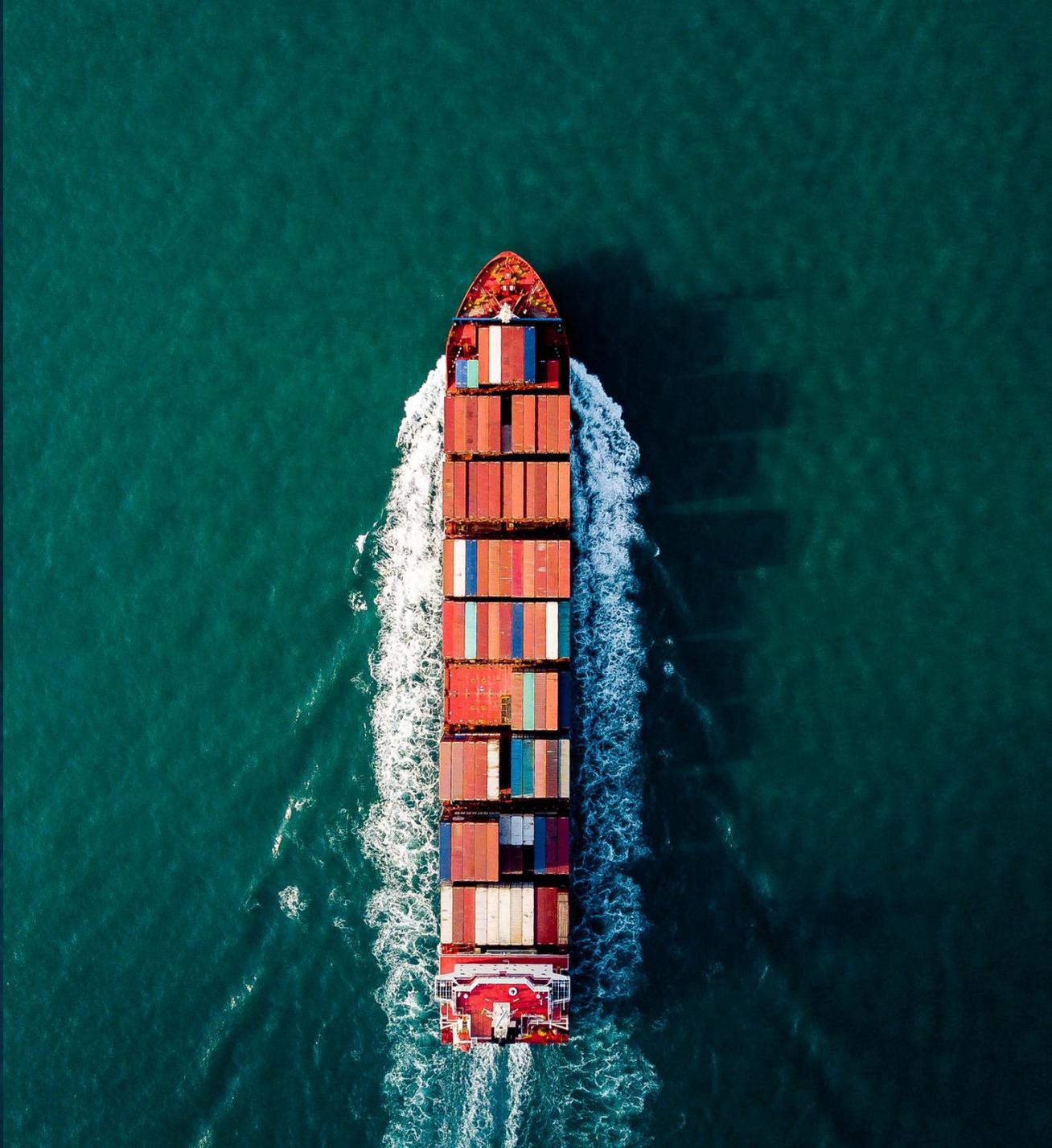
German Electricity Demand Outlook (TWh)



**Kyon is focused on addressing the key bottleneck in the energy transition and will support the path to a zero-carbon energy system in Europe**

Source: Enervis Current Efforts scenario.





**Our container ship is getting off track.**

**Each 1% closer to a 100% renewable energy will  
require significantly more storage!**

**Let's work together to avoid this:**



# Germany is the Most Attractive BESS Market in Europe

	 Germany	 UK	 France	 Italy	 Spain
Assessment	Large build-out opportunity and clear regulatory framework	Attractive and mature market but saturated pipeline	Smaller BESS market	Large build-out opportunity but still immature market and unclear regulatory framework	Large build-out opportunity but still immature market
Electricity Demand (2022)	567TWh	287TWh	424TWh	300TWh	232TWh
BESS Capacity to Be Constructed by 2030	12GW <sup>(1)</sup>	9GW	2GW	10GW	13GW
Build-out Opportunity Attractiveness		 Saturated Pipeline			
Clear Regulatory Framework					
Lenders Appetite for BESS					

Sources: BNEF, IEA, Enervis, e-cube, National Grid. Note: <sup>(1)</sup> Based on Enervis High Ambition scenario.

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# Kyon's Approach

## Kyon Provides a Fully-Furnished and Rented House



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Internal guideline from day one:

- Provide all-round carefree package for investors



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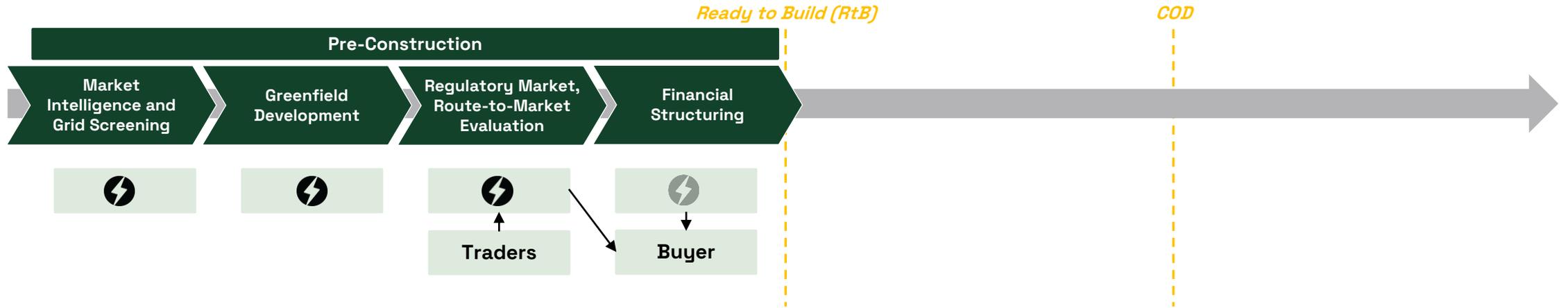
- Provide all-round carefree package for investors
- Equivalent to fully-furnished and rented out run-key house
- Driven by optimizing IRR
- Ensuring bankability



# Deep Dive Value Chain

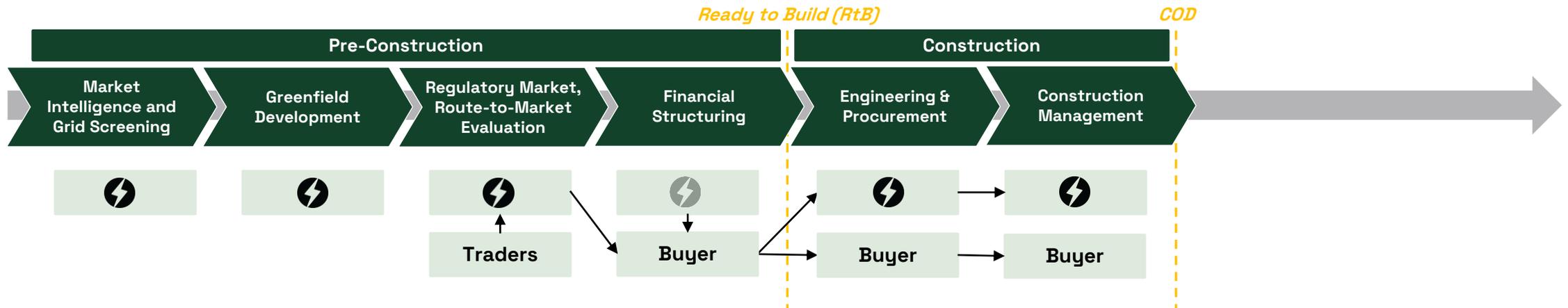
 Core

 Advisory

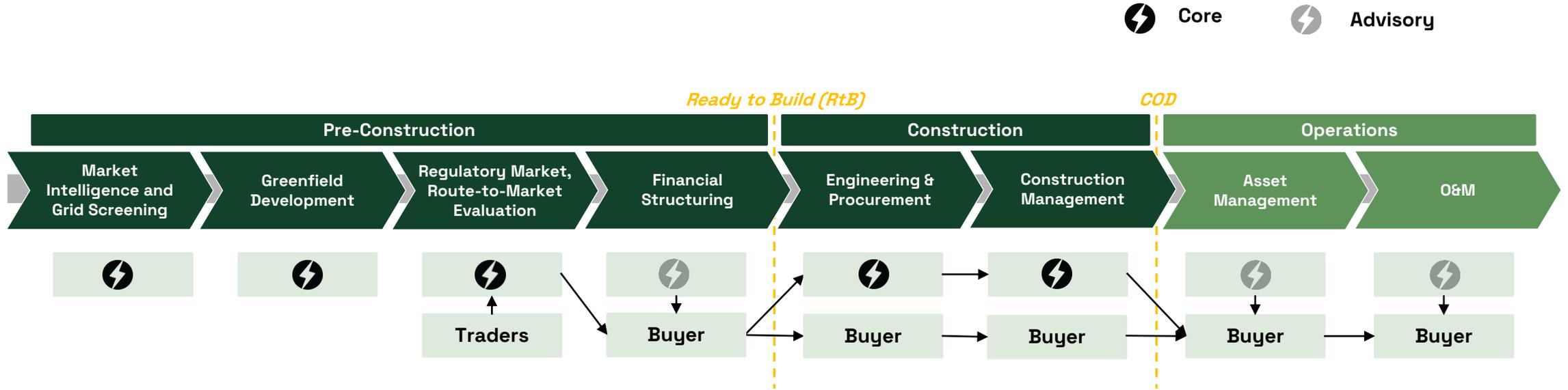


# Deep Dive Value Chain

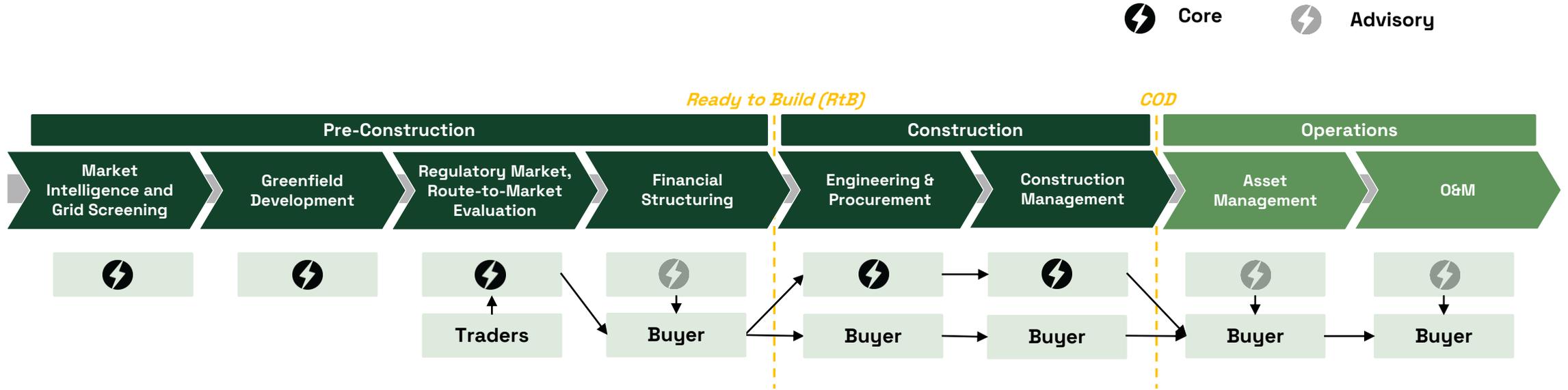
 Core       Advisory



# Deep Dive Value Chain



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**Kyon Energy's Value Creation Development Approach Generates Superior Asset Returns by Targeting Key Value Drivers**



## Leading Track Record as Storage Developer



**13 Storage Projects Developed with Total of 328 MW**

Notes: (1) Data as per German Trade Association for Energy Storage (BVES).

# Leading Track Record as Storage Developer



13 Storage Projects Developed with Total of 328 MW

**24% Market Share**

Out of 500MW  
added in Germany<sup>(1)</sup>



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# Leading Track Record as Storage Developer



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## Project Pipeline

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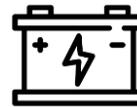
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700 – 900MW with  
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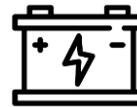
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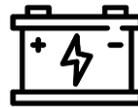
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## Leading EPCM

Providing EPCM for 10-12 projects per year



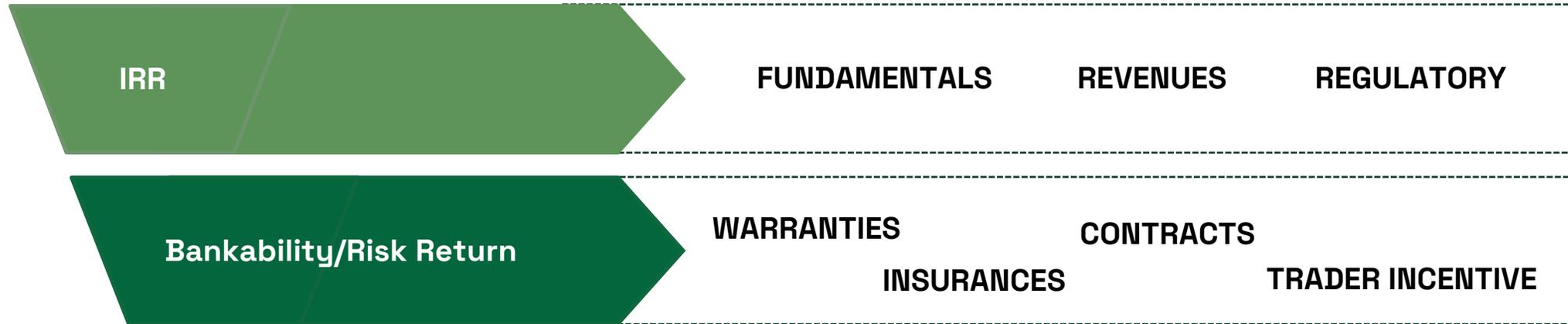
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# How do we tick?

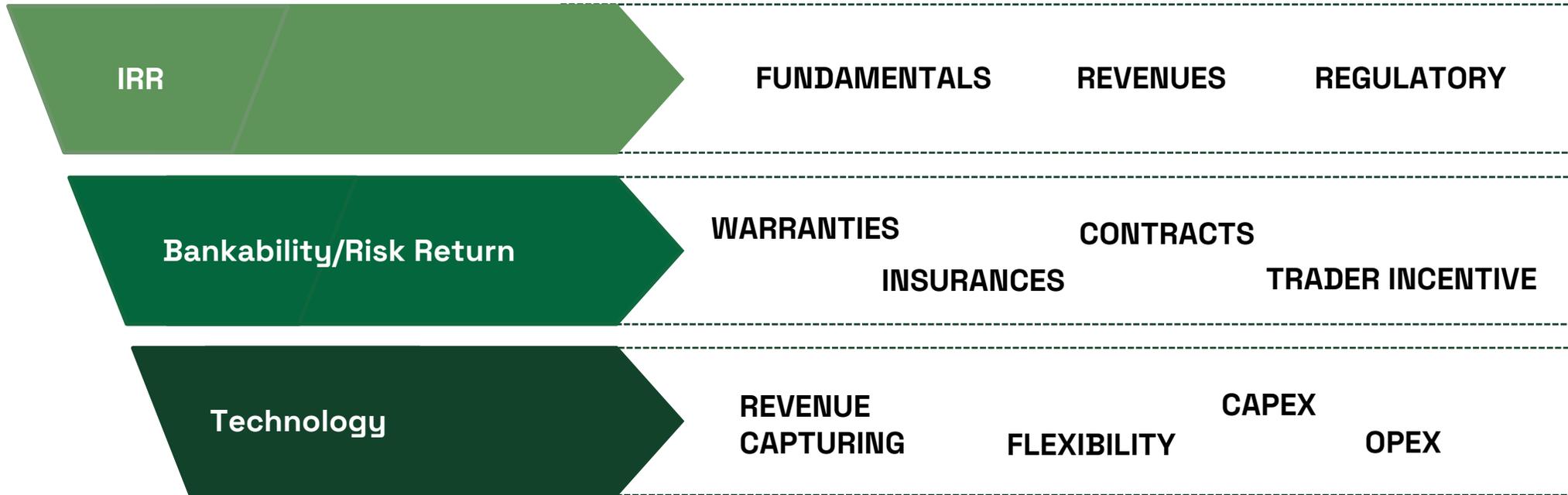
# Optimizing Key KPIs



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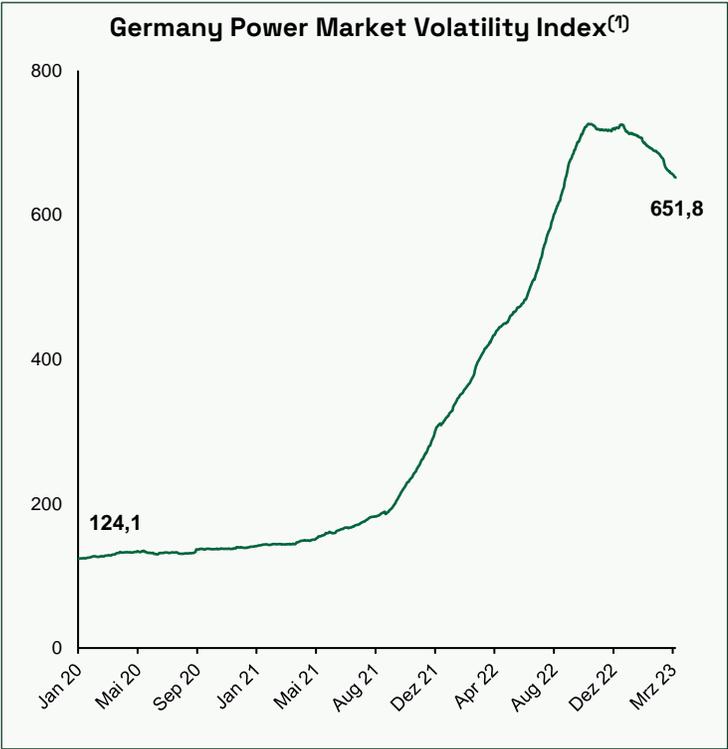


# Optimizing Key KPIs



# BESS Revenue Stack in Germany

**Increasing Power Price Volatility Create Opportunity for Flexibility Providers**



Sources: Trianel, Enervis, Epex.

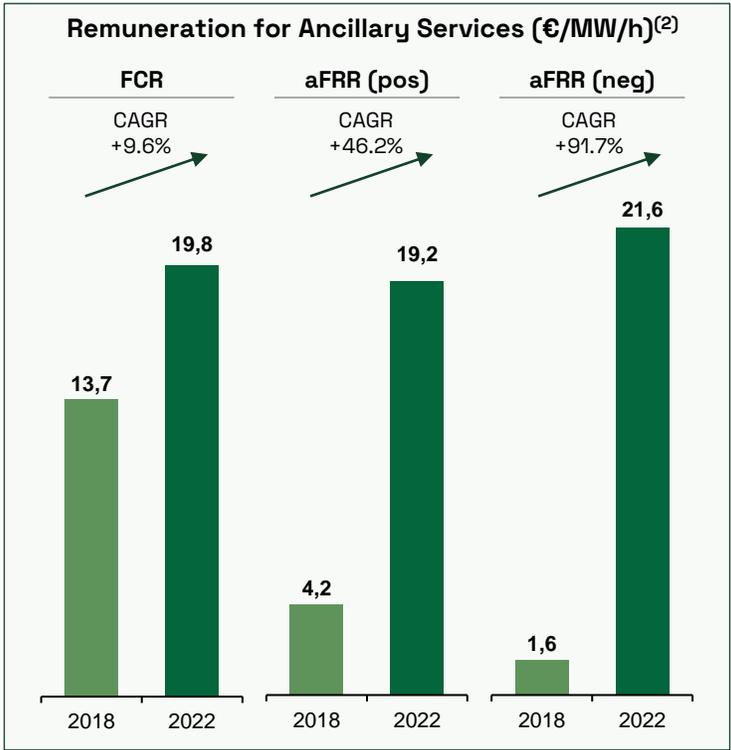
Notes: (1) Trianel FlexIndex capturing German power market volatility, indexed to 100 points with index reference starting date 1-Jan-2017. (2) Yearly average prices.

# BESS Revenue Stack in Germany

**Increasing Power Price Volatility Create Opportunity for Flexibility Providers**



**Significant Increase in Ancillary Services Remuneration Overtime**

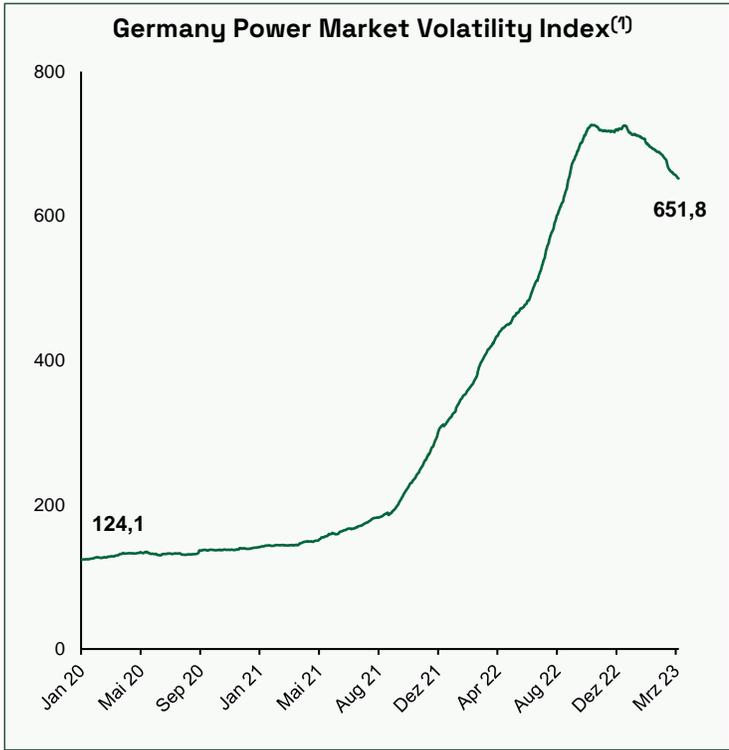


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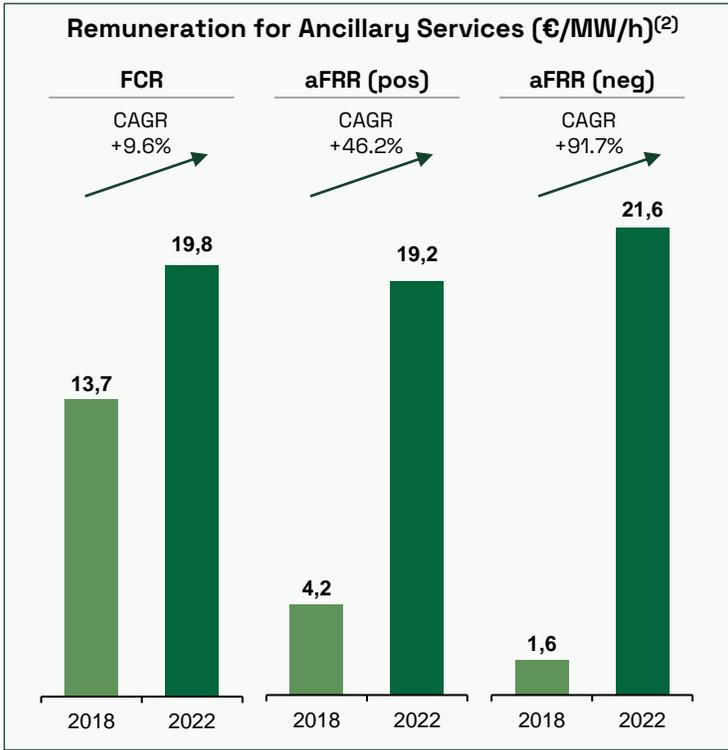
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# BESS Revenue Stack in Germany

## Increasing Power Price Volatility Create Opportunity for Flexibility Providers



## Significant Increase in Ancillary Services Remuneration Overtime



## Further Upsides Beyond Current Revenue Stacks Represented by BESS Services

**Grid Stability**  
Managing inertia, voltage, black start and island capabilities

**Congestion Management**  
Further potential upside of BESS services

Sources: Trianel, Enervis, Epex.

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# Shaping tomorrow's flexibility markets

-

## Let's work together

# Future BESS Revenue Streams Upsides



Ordinance on EU Internal Electricity Market  
(EU 2019/944)

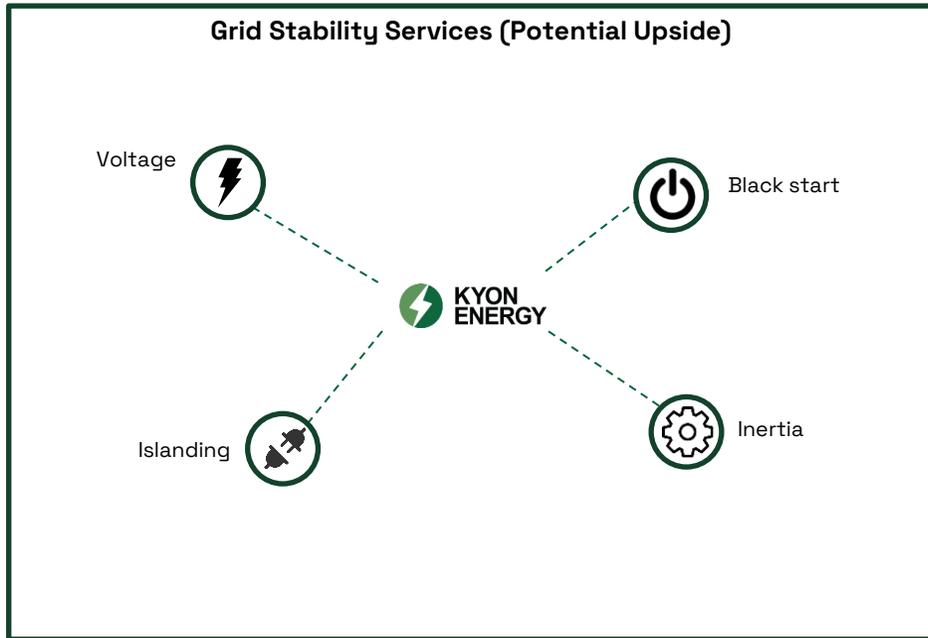
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Stipulations in para. 12h EnWG (introduced in Nov 20)



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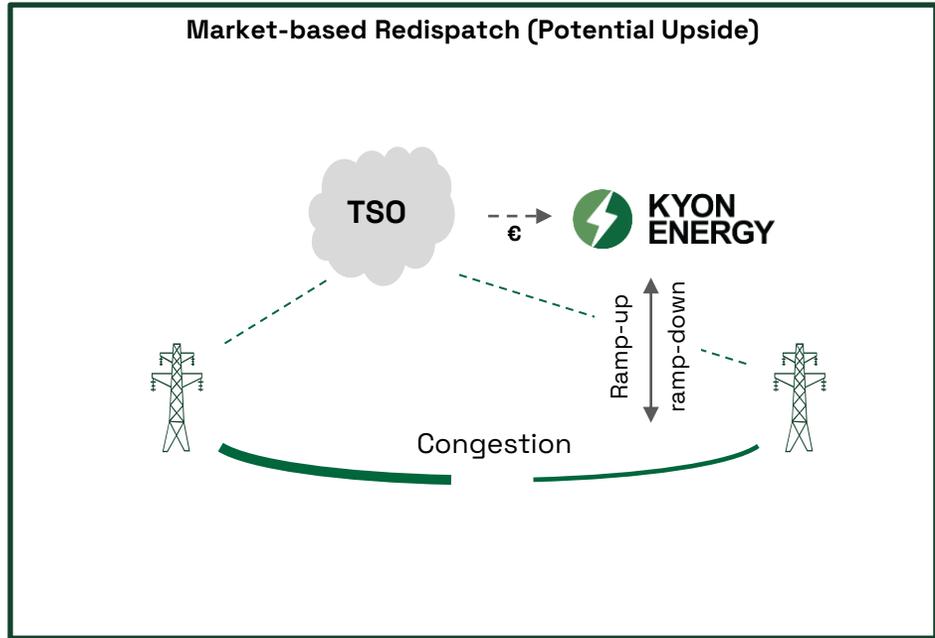
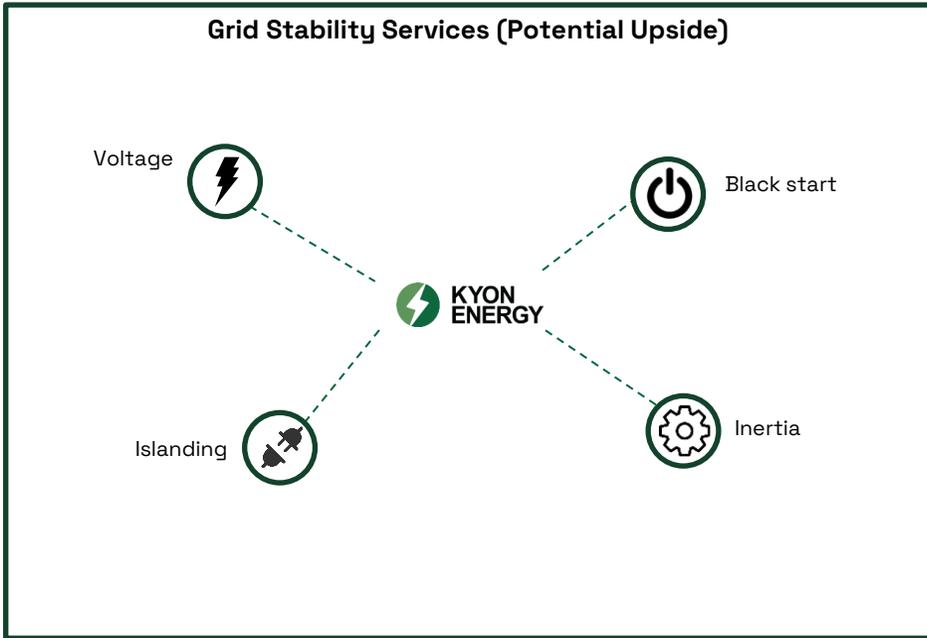
Ordinance on EU Internal Electricity Market (EU 2019/944)



Stipulations in para. 12h EnWG (introduced in Nov 20)



Stipulations in para. 14c EnWG (introduced in Jul 21)



# It's Time for Dedicated BESS Regulation in Germany

The screenshot shows the pv magazine website interface. At the top, there is a navigation bar with tabs for various regions: Global, Deutschland, Spanien, Frankreich, Italien, USA, Mexiko, Lateinamerika, Brasilien, Australien, Indien, and China. Below this is the 'pv magazine' logo and a row of social media icons (Twitter, Facebook, LinkedIn, RSS, YouTube, Email) along with an 'Abonnement' button and a search icon. A secondary navigation bar lists categories: Nachrichten, Themen, Events, Marktübersichten, Magazin, Marktplatz, Branchenbuch, Kontakt, and Werbung.

The main article is titled "Die Uhr tickt: Warum es dringend eine Gesetzgebung für Batteriespeicher braucht". The text discusses the need for battery storage regulations in Germany to meet renewable energy expansion goals. It mentions that without significant construction, Germany will miss its targets and that the current uncertain legal situation is hindering the development of storage facilities. The article is dated 11. SEPTEMBER 2023 and is attributed to BENEDIKT DEUCHERT, HEAD OF BUSINESS DEVELOPMENT & REGULATORY AFFAIRS BEI KYON ENERGY. There are tags for "MEINUNG" and "DEUTSCHLAND".

Below the text is a photograph of a modern building with large glass windows. To the right of the article is a "Newsletter" sign-up form. It offers a 10% discount on a magazine subscription for newsletter subscribers. It includes an "Email" input field and a dropdown menu to select a newsletter category. The dropdown menu is currently open, showing options: "Deutschland (deutsch, täglich)", "Global (englisch, täglich)", "U.S. (englisch, täglich)", and "Spanien (spanisch, täglich)". Below the form, there is a checkbox area with the text "Durch Klick auf den Button willigen Sie ein, dass wir Ihnen weitere Informationen senden".

## **KONTAKT:**

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