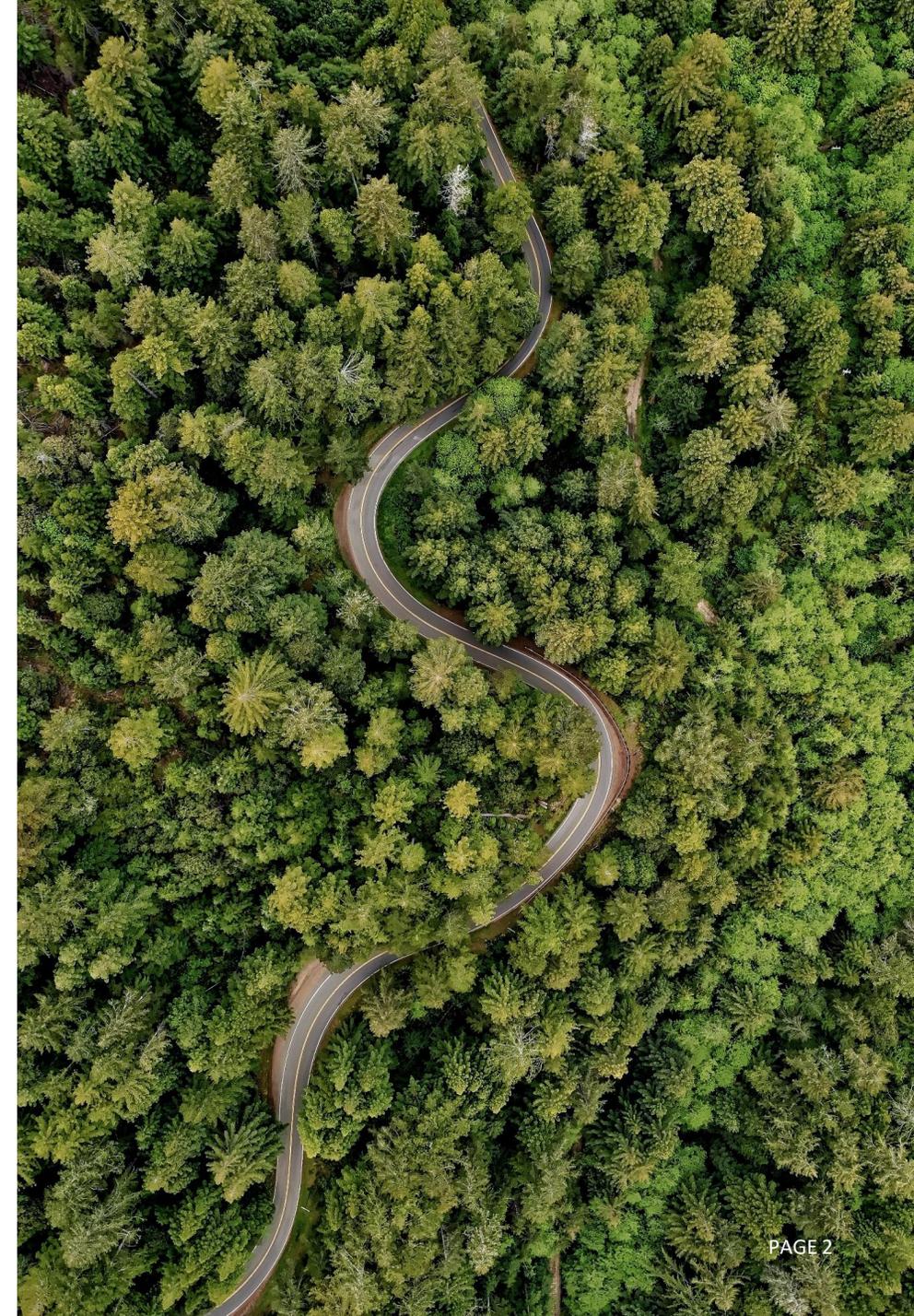


An investor's perspective on BESS M&A

Get inspired!, September 18th, 2023

Agenda

- 1 Brief introduction to Obton
- 2 Motivation
- 3 Typical developer/investor misalignments
- 4 Critical factors in Project Rights valuation



About Obton

FOUNDED

2009



Offices in

DENMARK | FRANCE
ITALY | AUSTRIA
GERMANY | GREECE
IRELAND | HUNGARY
JAPAN | CHILE
TAIWAN | POLAND

Joint venture partners

THE NETHERLANDS
CANADA | AUSTRALIA



+ 300

EMPLOYEES

4200

INVESTORS

Obton provide PV solar investment opportunities to private and company investors in Denmark.

#9 IN EUROPE
SOLARPLAZA


1728

Total MWp*


27,6

Total MW

3,5 BN.
EURO

ASSETS UNDER
MANAGEMENT

- BELGIUM | FRANCE
- TAIWAN | GERMANY
- GREAT BRITAN
- HUNGARY | IRELAND
- ITALY | POLAND
- THE NETHERLANDS
- GREECE | CHILE
- CANADA | JAPAN
- AUSTRALIA

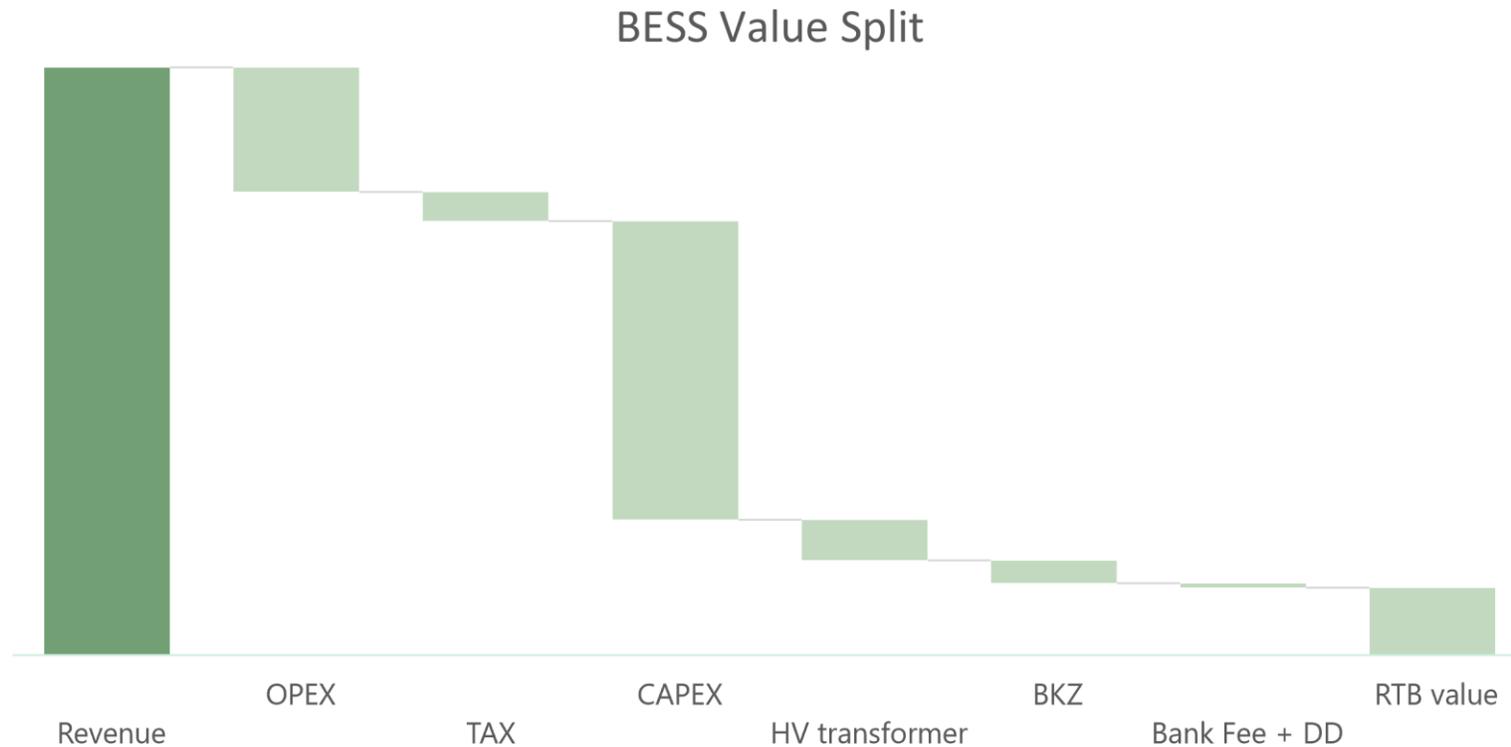
*Capacity of all solar PV plants in operation and plants under construction or structuring.

BESS project in Bad Düben, Nordsachsen



2 Motivation

THE VALUATION WATERFALL



- » Project Rights valued last in the waterfall
- » High sensitivity to small changes in assumptions

3 Typical developer/investor misalignments

SYSTEM SPECIFICATIONS – MARKETABLE POWER

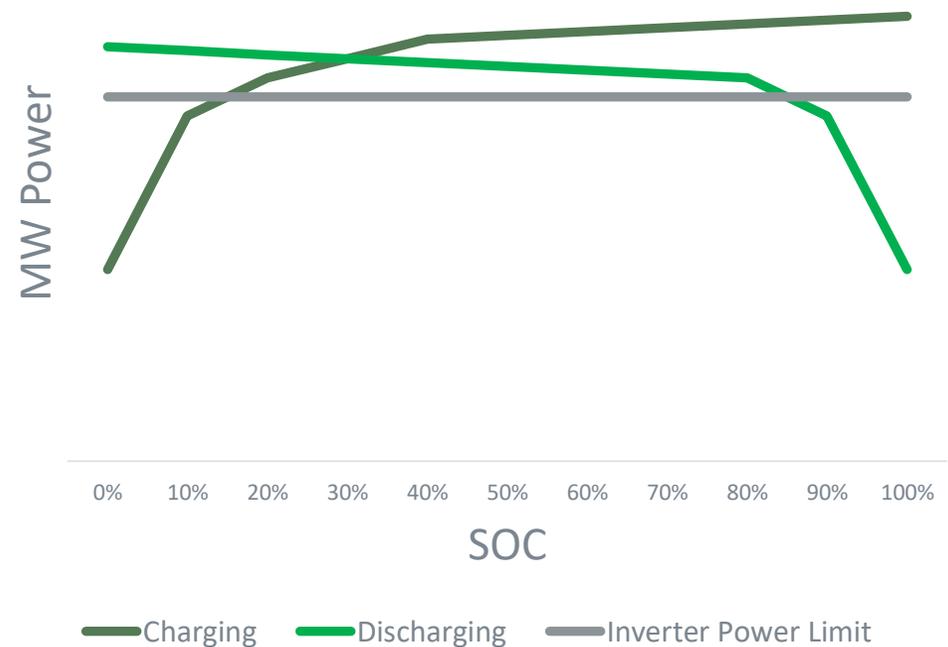
- » Set by the DSO
- » Different regimes, on demand, fixed, depending on active power
- » A power factor (PF) of 0.95 is standard



3 Typical developer/investor misalignments

SYSTEM SPECIFICATIONS – MARKETABLE CAPACITY

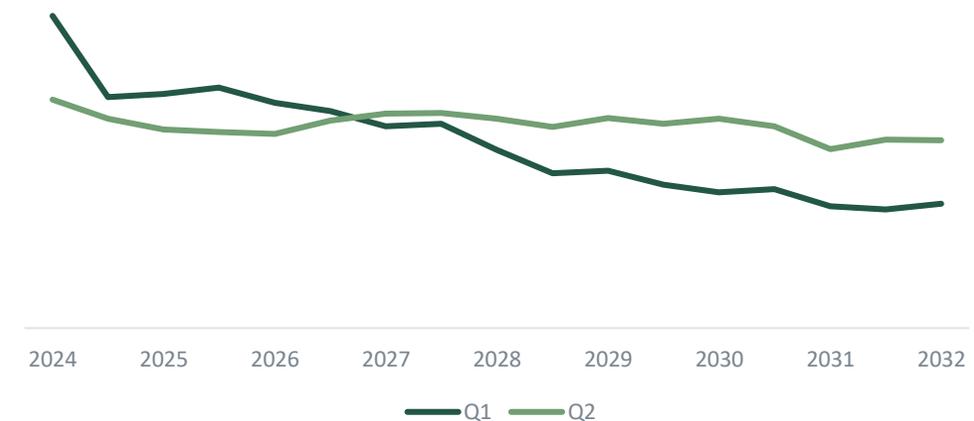
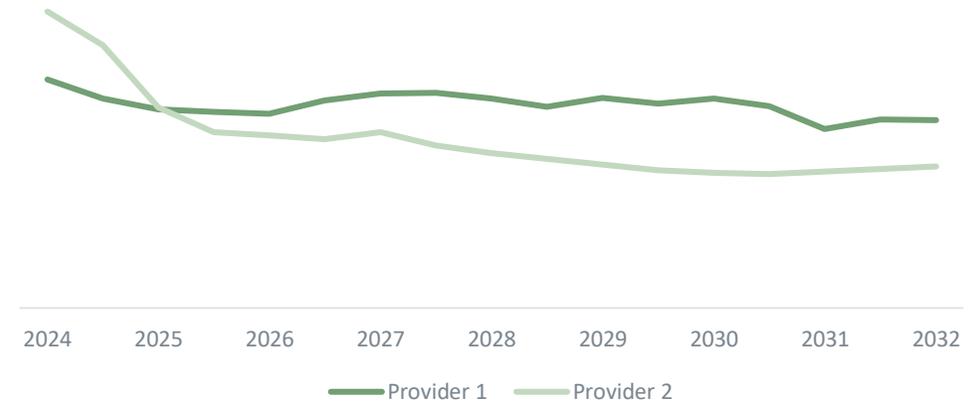
- » Usable capacity = Capacity for which the system can deliver nominal power without derating in any direction
- » Measurement point ?
 - » External, internal, DC, POC, POI....



3 Typical developer/investor misalignments

REVENUE ASSUMPTIONS

- » Merchant reality in Germany
- » Revenue projections for a BESS system vary dramatically from consultant to consultant (BET, enervis, AFRY, DNV, Aurora etc.)
- » Significant jumps between quarterly updates from the same forecast provider



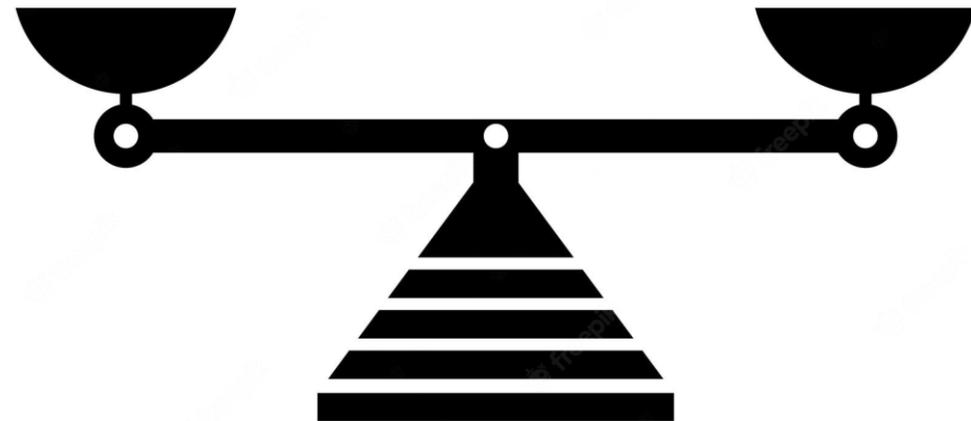
3 Typical developer/investor misalignments

TAX

- » Certain deal structures imply a reduced depreciable asset base for the buyer
- » Often left out of project material
- » Can result in significant price adjustments late in the process
- » Less relevant for an asset deal more relevant for a share deal

**Buyer's Depreciable
Asset Base**

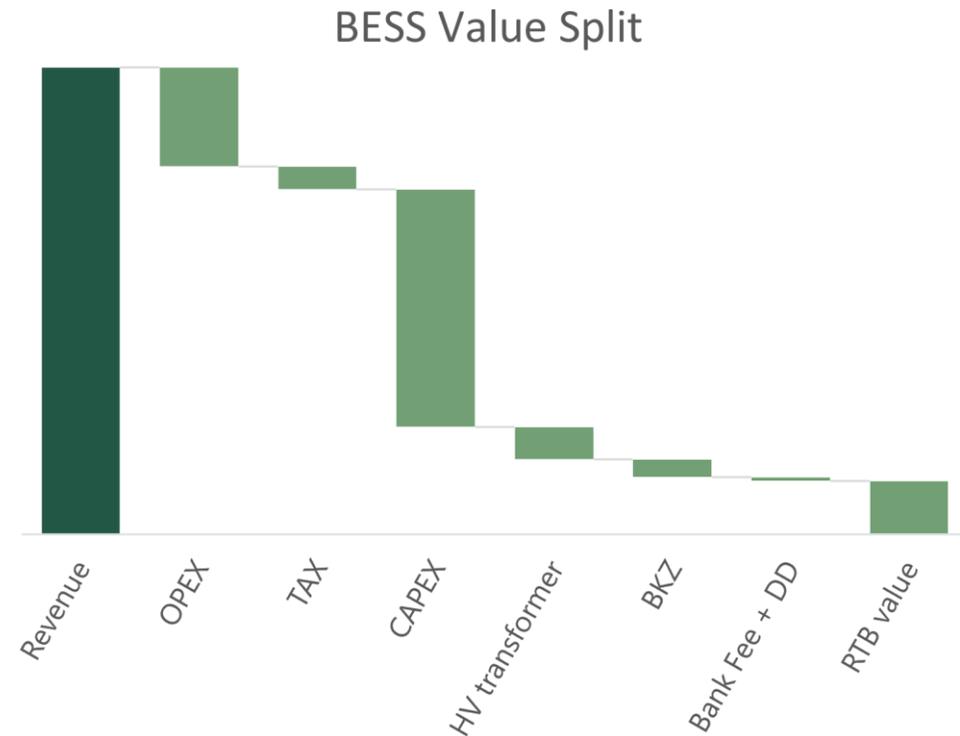
Seller's Taxation



4 Critical factors in Project Rights valuation

VALUE DRIVERS FOR PROJECT RIGHTS

- » Size in terms of capacity and power
 - » Flexibility to extend beyond 2 hours
 - » High capex for <10 MW projects
 - » High voltage projects require HV transformers and construction time is longer
- » Baukostenzuschuss (BKZ) / Grid connection cost
- » Lease cost and tenor
 - » Extension rights
- » Gewerbesteuer
- » Site specific CAPEX
 - » Noise, flooding, cable, transfer station, HV transformer



THANK YOU
