

# Tion Renewables AG acquires first battery energy storage project and goes beyond renewables

- Entry into the battery storage market accomplished: Battery energy storage system (8.0 MW/9.3 MWh) acquired in the UK
- Underpinning of strategic expansion through investment in the next green technology ready to scale
- Expected unlevered return on equity of slightly above 8%
- White paper demonstrating the potential and key characteristics of investments in the battery storage market will be introduced at the German Equity Forum

Gruenwald, November 25, 2022. Yesterday, Tion Renewables AG ("Tion", "the Company"; ISIN: DE000A2YN371) acquired its first battery storage project. The project is located in the small town of Bacup in the northwest of England and was developed by Boom Power Ltd./Boom Developments Ltd. ("Boom"). The battery energy storage system ("BESS") consists of five battery containers that contain lithium-ion battery cells (8.0 MW/9.3 MWh) and will be directly connected to the electricity grid. With battery containers already delivered, the project is currently under construction and is expected to become operational in the first half of 2023. Following the acquisition of the 21.9% stake in clearwise AG, this acquisition is the second achievement in line with Tion's strategic expansion announced in July 2022.

## At a glance: Return on equity, revenue streams and deal structure

The enterprise value of the battery storage project was determined to be GBP 5.0 million. The expected unlevered return on equity lies slightly above 8% and can be further optimized by the efficient use of debt.

The battery storage project allows Tion to combine several available revenue streams. The most important revenue streams are wholesale trading activities, i.e., trading electricity in the spot market, and ancillary services, such as frequency response. On the wholesale market, revenue is generated by charging the battery during periods of low market prices and discharging it when prices are high. Frequency response or other ancillary services are tendered by grid operators to counterbalance short-term fluctuations in electricity generation and consumption. Taking into account the cycling strategy of the BESS, which maximizes income from several revenue streams, the Company expects an average of two full charge cycles per day.

Battery storage projects in the UK are not affected by the Electricity Generator Levy, becoming effective as of January 1, 2023, and will therefore not be subject to revenue losses. Only companies or plants that generate renewable energy, nuclear energy, or energy from biomass with an annual

volume of at least 100 GWh and are connected to the power grid, are expected to be impacted by the new regulation.

The battery storage project is currently being completed and is expected to become operational in the first half of 2023. According to the Company's acquisition strategy, the project was acquired without development risks. The purchase price is partially financed through a vendor loan, structured in a way to ensure that part of the potential risks during the construction phase as well as potential operational risks beyond the development phase remain with the seller.

**Christoph Strasser, Co-CEO/CIO of Tion Renewables AG:** "For our entry into the battery storage market, we decided to acquire a rather small project. The project represents an ideal opportunity to enter a new market and to grow further without raising additional capital. As a company, we want to gradually develop to make the best use of the potential of our large battery storage pipeline. This approach has enabled our successful growth in the renewable energy sector so far."

**Mark Hogan, Founder and CEO of Boom:** "To date, the Boom team has already delivered 50 MWh of battery storage projects. We are delighted to have worked with Tion on their first battery storage project and look forward to realizing many more projects together. Our pipeline of battery storage projects, to which Tion has priority access, adds up to +1.5 GWh and provides many opportunities to continue working together in the future."

**Dr. Martin Siddiqui, Co-CEO/CFO of Tion Renewables AG:** "Green technologies ready to scale are at the core of our strategic expansion announced in July this year. With the acquisition of this battery storage project, we have successfully achieved the next milestone in line with our strategic initiatives. Battery storage is the natural addition to our wind and solar portfolio and our investment in clearvise AG, since with the expansion of renewables, battery storage benefits from the increasing volatility in electricity markets, whereas renewable energies cannibalize each other. Above all, batteries play a crucial role for a successful energy transition, as they help to stabilize the power grids. As one of the first market players in Germany in this area, we are particularly proud to present our first white paper 'Battery Storage – Stability for the Energy Transition' on this topic next week at the German Equity Forum."

Tion Renewables AG will publish the white paper on November 29, 2022, in the [news section](#) of the Company's website.

**About Tion**

Driven by the commitment to accelerating the transition toward a clean energy future, Tion Renewables AG operates a portfolio of wind and photovoltaic power plants across Europe with an installed capacity of 159 megawatts (MW), holds a stake in the European IPP clearview AG, and has priority access to a pipeline of more than 5 gigawatts (GW) of photovoltaic and battery storage projects. By investing into both infrastructure and businesses within the energy transition space, Tion makes use of the full spectrum of opportunities offered by the increasing global efforts to decarbonize our electricity system. The company went public in 2019 and is tradable on Xetra as well as other German open market exchanges (ISIN: DE000A2YN371). To learn more, visit [www.tion-renewables.com](http://www.tion-renewables.com) or connect with us on [LinkedIn](#).

**About Boom**

Boom combine world class technology with industry leading expertise to deliver international solar infrastructure and battery storage projects. Their ambition is underpinned by the formation of long-standing partnerships with one primary objective – to work in balance with nature to harvest energy sustainably, shaping the world for future generations.

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