BESS investment: Italy vs GB

‘Key Energy’ presentation

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Agenda

1. Scale of Italian BESS opportunity

   Opportunità BESS: la scala Italiana

2. 5 relevant lessons from GB BESS

   5 lezioni rilevanti da GB

3. 5 unique value drivers for IT BESS

   5 driver di valore unici per i BESS in Italia

Timera offers expertise on value & risk in energy markets

Specialist energy consultancy

Focus on LNG and European gas & power assets

Extensive industry expertise

Practical knowledge from senior industry roles

Pragmatic commercial focus

Investment, value monetisation & market analysis

Strong client base

leading energy companies (producers, utilities, funds)

Leading industry blog & webinars

30,000+ regular readers, publications, conferences

Our clients include

Scale of Italian BESS opportunity
Opportunità BESS: la scala Italiana

Italian BESS growth could outpace GB by 2030

- Terna MACSE mechanism is unique

  Il MACSE di Terna è unico
- 12-14 yr contracts turn BESS into an 'infrastructure' investment

  I contratti a 12-14 anni rendono i BESS infrastrutturali
- Italy set to join GB as leader in European BESS deployment

  Italia destinata a leader europeo nello sviluppo BESS come GB

But building a viable investment case is not easy

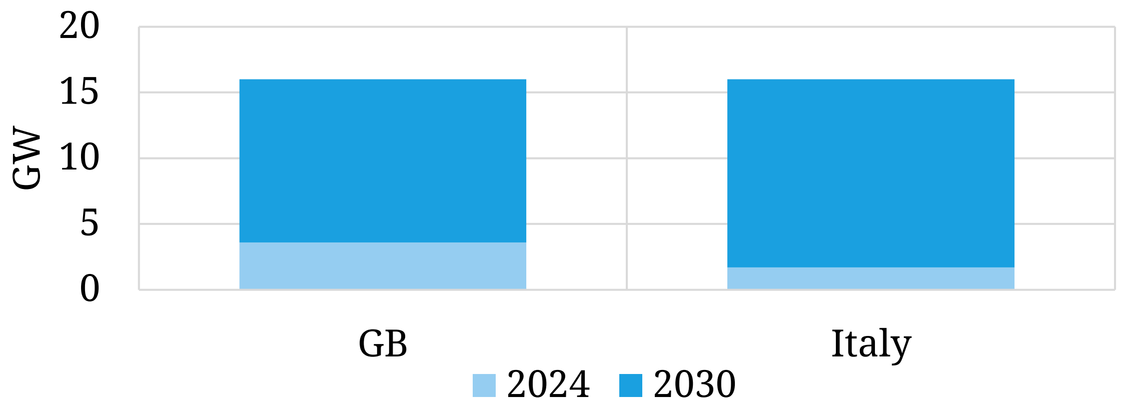
- There are some useful lessons from BESS investment in GB

  Ci sono alcune lezioni utili da GB per gli investimenti BESS
- IT BESS investors also face some unique challenges

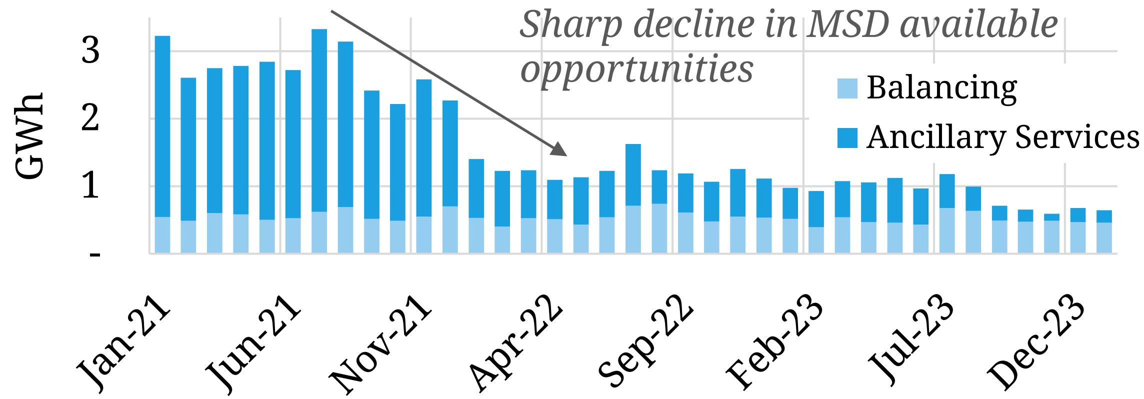
  Ci sono alcune sfide uniche per gli investitori BESS italiani

Grid-Scale BESS capacity growth in GB & IT

Crescita della capacità BESS grid-scale in Italia e GB



MSD volumes



5 relevant lessons from GB market
5 lezioni rilevanti da GB

5 takeaways for Italian BESS investors

1. **Energy arbitrage drives sustainable investment**

   L'arbitraggio guida un investimento sostenibile

2. **Ancillary revenues can saturate fast**

   I servizi ancillari possono saturarsi velocemente

3. **Access to intraday & balancing revenues key**

   Infragiornaliero e bilanciamento sono centrali

4. **Bank lending growth to BESS**

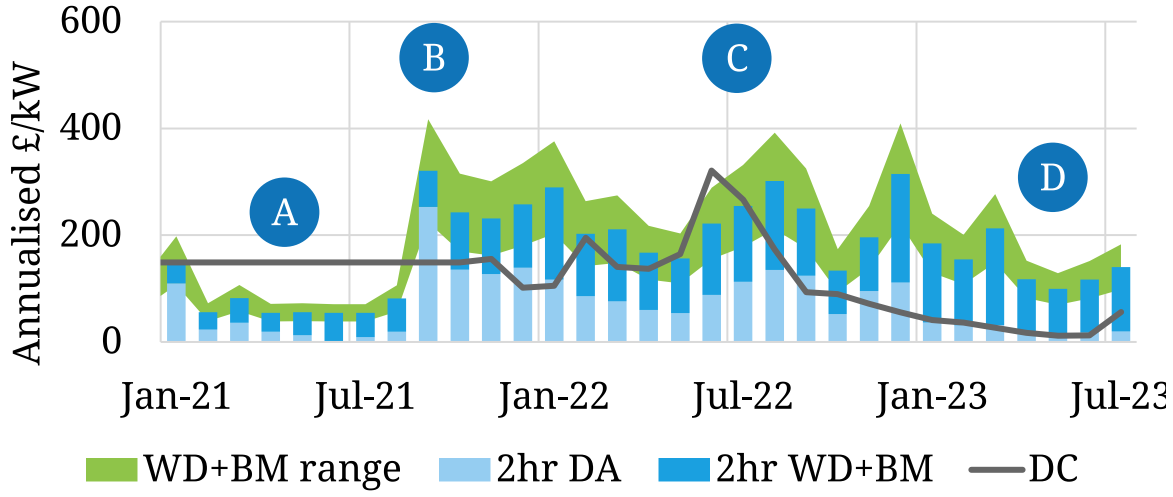
   Crescita del credito bancario ai progetti BESS

5. **First mover advantages**

   Vantaggio dei first-movers

GB battery revenue evolution (2 hour duration)

L'evoluzione dei margini delle batterie in GB (duration 2 ore)



- **A** Ancillaries dominate BESS revenue
- **B** Energy arbitrage & ancillaries revenues spike on crisis
- **C** Ancillary services structurally saturated
- **D** Energy arbitrage revenues decline as crisis eases

5 unique Italian BESS value drivers
5 driver di valore unici per i BESS in Italia

5 drivers foreign investors are focused on

1. **Terna 12-14 year inflation linked contracts**

   Contratti Terna di 12-14 anni legati all'inflazione

2. **Merchant tranche IRR uplift (see diagram)**

   Allocazione parziale merchant per incremento IRR

3. **PV growth & colocation opportunities**

   Crescita fotovoltaico e opportunità di colocation

4. **Zonal and nodal value uplift**

   Valore zonale e nodale per i progetti BESS

5. **Merchant vs MACSE contract BESS competition**

   Competizione fra la capacità MACSE e merchant

Case 1: 'vanilla infrastructure'

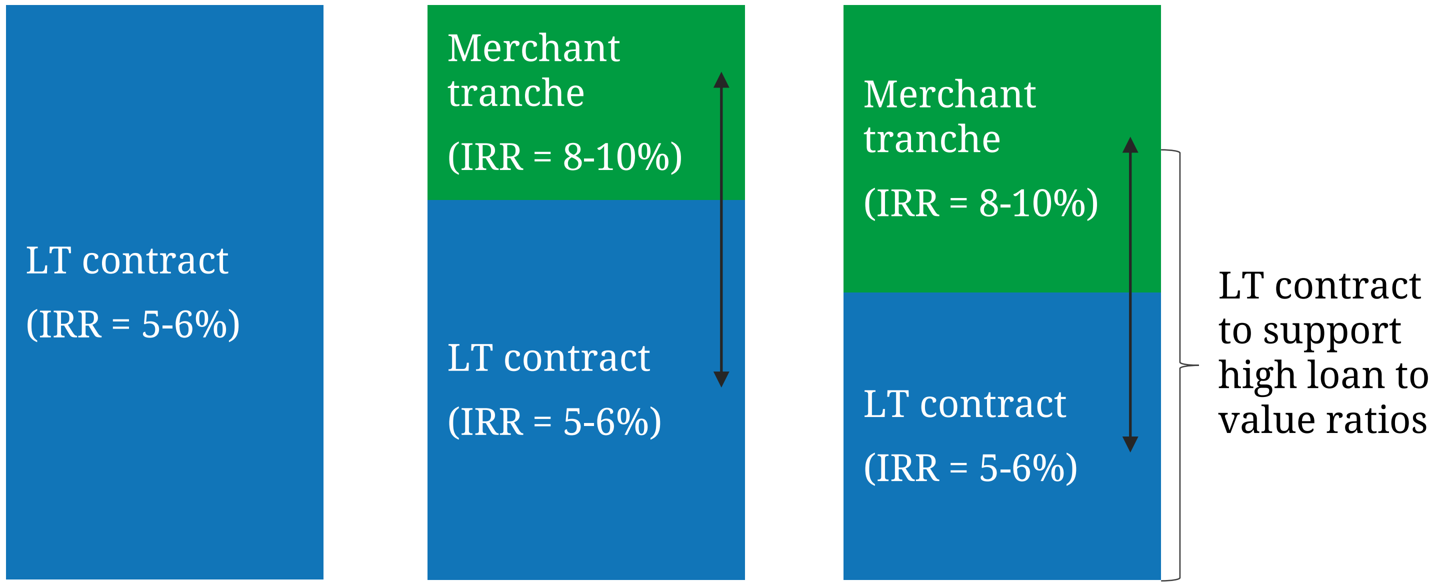
Unlevered IRR = 5-6%

Case 2: 'value uplift'

Unlevered IRR = 7-9%

Case 3: 'leverage value uplift'

Levered equity IRR = 10%+



What does Timera do?

Our services include

- Asset valuation & market analysis
- Commercial due diligence & transaction support
- Market access & offtake contracting

We focus on flexible assets: BESS, LDES, hydro, gas plants & electrolysers

Markets we cover include: GB, DE, IT, ES, NL, BE, FR, IE

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