

Project **Bal*⚡*iço**

GRID-SCALE ENERGY STORAGE
INFRASTRUCTURE

PORTUGAL



**Powering the next phase of
Europe's renewable transition.**

Anchor Investor Offering Memorandum

Important Notice

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This Private Placement Memorandum (the “Memorandum”) has been prepared solely for discussion purposes in connection with a proposed private placement of ordinary equity in the project company relating to Project Baloíço (the “Company”).

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- Who are high net worth companies, unincorporated associations, or other persons falling within Article 49 of the FPO; or
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This Memorandum contains forward-looking statements, including projections, forecasts, revenue models, EBITDA estimates, dividend expectations, exit scenarios, and valuation illustrations.

Such statements are based on assumptions, expectations, and estimates that involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied. No representation or warranty is made as to the achievability of projections or returns.

Illustrative IRRs, EBITDA multiples, and exit valuations are provided for modelling purposes only and do not constitute guarantees of performance.

No Investment Advice

This Memorandum does not constitute investment, legal, tax, regulatory, accounting, or financial advice. Recipients must conduct their own independent investigation and consult their own professional advisers before making any investment decision.

Risk Factors

Investment in early-stage energy infrastructure assets involves significant risk, including but not limited to:

- Market price volatility;
- Regulatory and grid framework changes;
- Revenue variability;
- Technological performance and degradation risk;
- Financing and refinancing risk;
- Liquidity risk;
- Execution and operational risk.

An investment may result in partial or total loss of capital.

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Investment Highlights

The following characteristics define Project Baloïço as a differentiated infrastructure investment opportunity:



- 30MW standalone 4-hour BESS with secured grid access
- ~72% EBITDA margin — infrastructure-grade earnings profile
- Conservative leverage with Year-1 DSCR exceeding 3.0x
- Early dividend yield of approximately 6% per annum
- Multiple exit pathways including trade sale, portfolio aggregation, and dividend recapitalisation
- Public market optionality via Madrid listing on BME Growth
- Platform strategy positioning Baloïço as seed asset for Iberian BESS roll-up



€7.96m

EBITDA
(Years 1–3) p.a.



€4.48m

Net Cash Year 1
(post interest, tax & principal)



€16.0m

Senior Debt at 4.75%
over 10 years

The project is a high-margin energy infrastructure asset.

Market Context — Iberian Storage Opportunity

The Iberian Peninsula is experiencing a structural shift in its energy mix, creating a favourable operating environment for battery energy storage systems:

Rising renewable penetration

Spain and Portugal are among Europe's highest solar and wind capacity markets, driving increasing grid intermittency

Increasing wholesale price volatility

Higher renewable share creates wider intraday price spreads, directly benefiting storage dispatch economics

Storage monetises spread and ancillary markets

Revenue is captured through arbitrage, frequency regulation, and grid balancing services

4-hour systems better positioned

Longer duration assets access a wider range of volatility cycles and ancillary windows than 2-hour configurations

Institutional capital entering storage as infrastructure

The asset class is transitioning from development-stage to infrastructure-grade, attracting pension funds, sovereign wealth, and infrastructure allocators

Project Baloço is positioned to capitalise on these structural tailwinds, with revenue projections benchmarked against the most mature Iberian storage trading environment.

Project Overview



Energy Capacity
120MWh



Asset Life
~20 years



Degradation
7% p.a.
from Year 4



Capacity
30MW



Duration
4 hours



Configuration
Standalone



Location
Portugal



Infrastructure characteristics:

Utility-scale
energy
storage

Long-duration
battery
system

Grid-connected
infrastructure
asset

Approximately
20-year operational
lifespan

The project monetises wholesale power price volatility through optimiser-led dispatch, benefiting from increasing renewable penetration and grid balancing requirements.

Revenue & Optimisation Methodology



Clean Horizon is an international consultancy specialising in **battery energy storage markets** and energy system analysis. The firm provides detailed market modelling and revenue benchmarking for battery storage assets across a range of European electricity markets.

Their analysis evaluates the **revenue potential for battery systems** participating in wholesale and balancing markets, including the Day Ahead, Intraday, aFRR and mFRR markets.

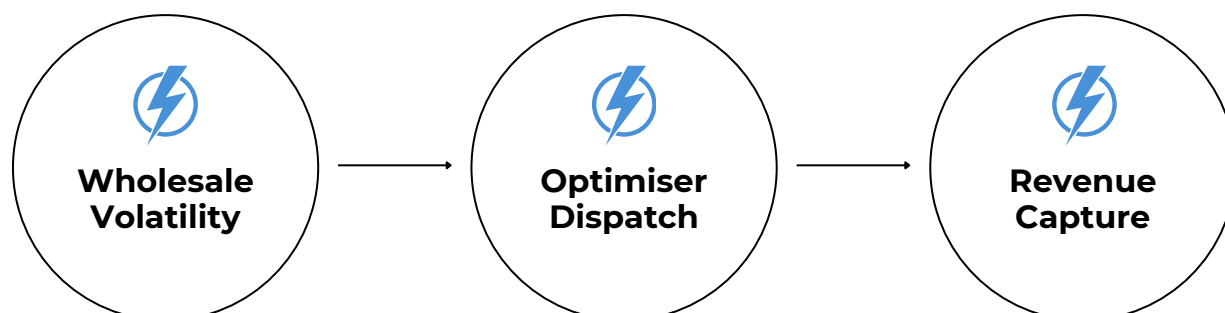
Clean Horizon's research supports developers, investors and system operators in understanding the evolving economics of energy storage. It also provides **independent insight into the revenue potential of battery storage assets** operating within the Iberian electricity market (MIBEL).



Enspired is one of Europe's leading specialists in the **commercial optimisation of battery energy storage systems (BESS)**. The company provides algorithmic trading and optimisation services for battery assets across multiple European electricity markets, enabling storage systems to maximise revenues through participation in the Day Ahead, Intraday and balancing markets.

Enspired currently manages and optimises approximately **1.6 GW of battery storage capacity across Europe**, using data driven trading strategies to capture value from electricity price volatility and grid balancing services.

Their expertise in battery optimisation and energy trading supports the commercial strategy underpinning the **Baloíço project**.



An optimiser fee of **10% of gross revenue** is assumed, consistent with prevailing market terms.

Long-Duration Battery Storage Revenue Benchmarks

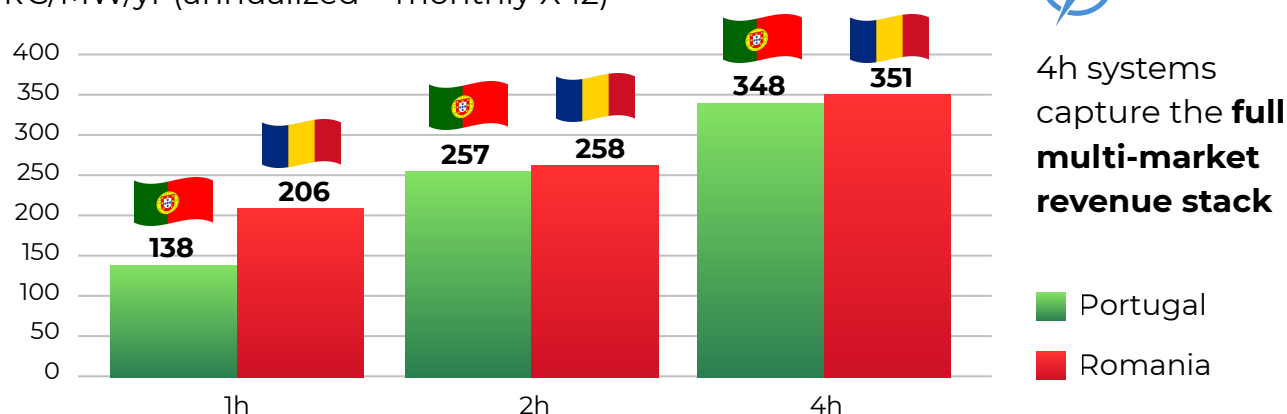
Long-duration battery systems capture higher revenues by participating across multiple electricity markets.



The chart illustrates estimated annualised earnings per MW for battery storage systems across different durations, based on market analysis from Clean Horizon, a leading consultancy specialising in energy storage markets.

Estimated earnings per MW (February 2026)

k€/MW/yr (annualized = monthly X 12)



Source: Clean Horizon Energy Storage Market Analysis, February 2026

Revenue estimates for Portugal are based on participation across the principal electricity markets available to battery storage assets, including:



- Day Ahead wholesale market
- Intraday market
- Automatic Frequency Restoration Reserve (aFRR)
- Manual Frequency Restoration Reserve (mFRR)

The Portuguese revenue data is derived from actual operational performance from existing battery storage installations, although the number of currently operating systems remains relatively small given the early stage of market deployment.

Degradation Assumptions



From Year 4 onward, a **7% annual degradation factor** is applied. This reflects efficiency loss rather than catastrophic capacity decline and is intentionally conservative.

Battery degradation assumptions are informed by:

- Historical operating data from Enspired's managed portfolio
- Manufacturer degradation and efficiency specifications

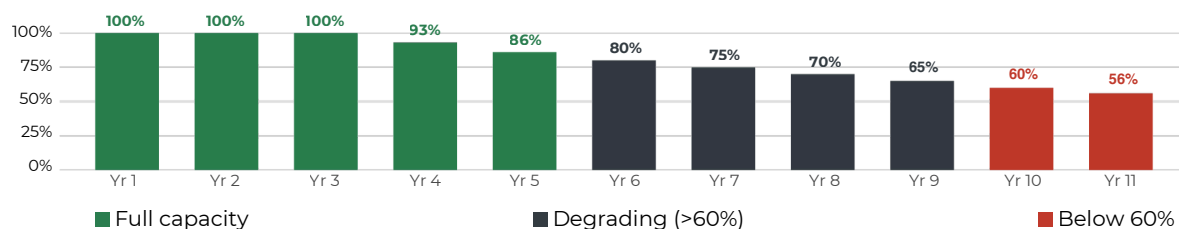
Even under this assumption, EBITDA remains **above €4m in Year 11**, with senior debt fully amortised by Year 10.

Degradation Assumptions

From Year 4 onward, a conservative 7% annual degradation factor is applied. This reflects efficiency loss rather than catastrophic capacity decline and is intentionally conservative. All EBITDA projections in this memorandum are based on this assumption.

Base Case

Conservative 7% Annual Degradation from Year 4

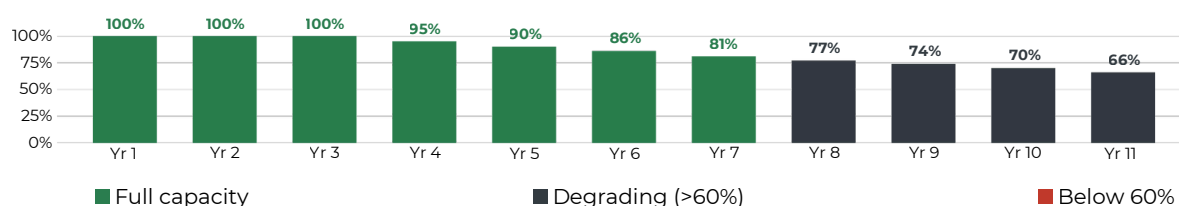


Illustrative Upside Scenarios

The following scenarios illustrate the impact of lower degradation rates on effective capacity retention. Under these scenarios, EBITDA performance would be positively impacted relative to the base case projections presented in this memorandum.

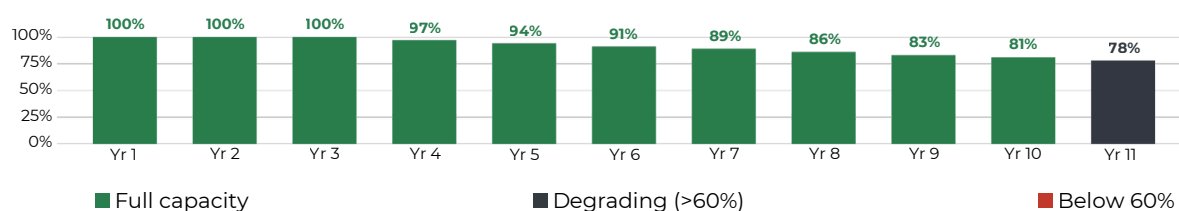
Illustrative

5% Annual Degradation from Year 4



Illustrative

3% Annual Degradation from Year 4



Operating Cost Framework



This approach reflects the operational reality that BESS assets exhibit low variable costs and a predominantly fixed operating cost base.

Operating costs are derived from a combination of:

- Comparable operating cost benchmarks from utility-scale photovoltaic assets in Southern Europe
- EPC and BESS supply data provided by Saiko Energy, acting as EPC contractor and battery energy storage system supplier

Operating costs include routine maintenance, monitoring, insurance, IT systems, asset management, site services, and ancillary operational expenses. No aggressive cost deflation assumptions are embedded in the model.

CAPEX & Amortisation Policy



Total CAPEX for the project is €16m, based on EPC and BESS supply pricing provided by Saiko Energy.

For modelling and accounting purposes, CAPEX is amortised on a **straight-line 10-year basis**, aligned with:

- The senior debt amortisation profile
- Conservative infrastructure accounting practice

This amortisation period is not reflective of the full technical life of the asset, but is designed to align reported earnings with financing structure and risk discipline.

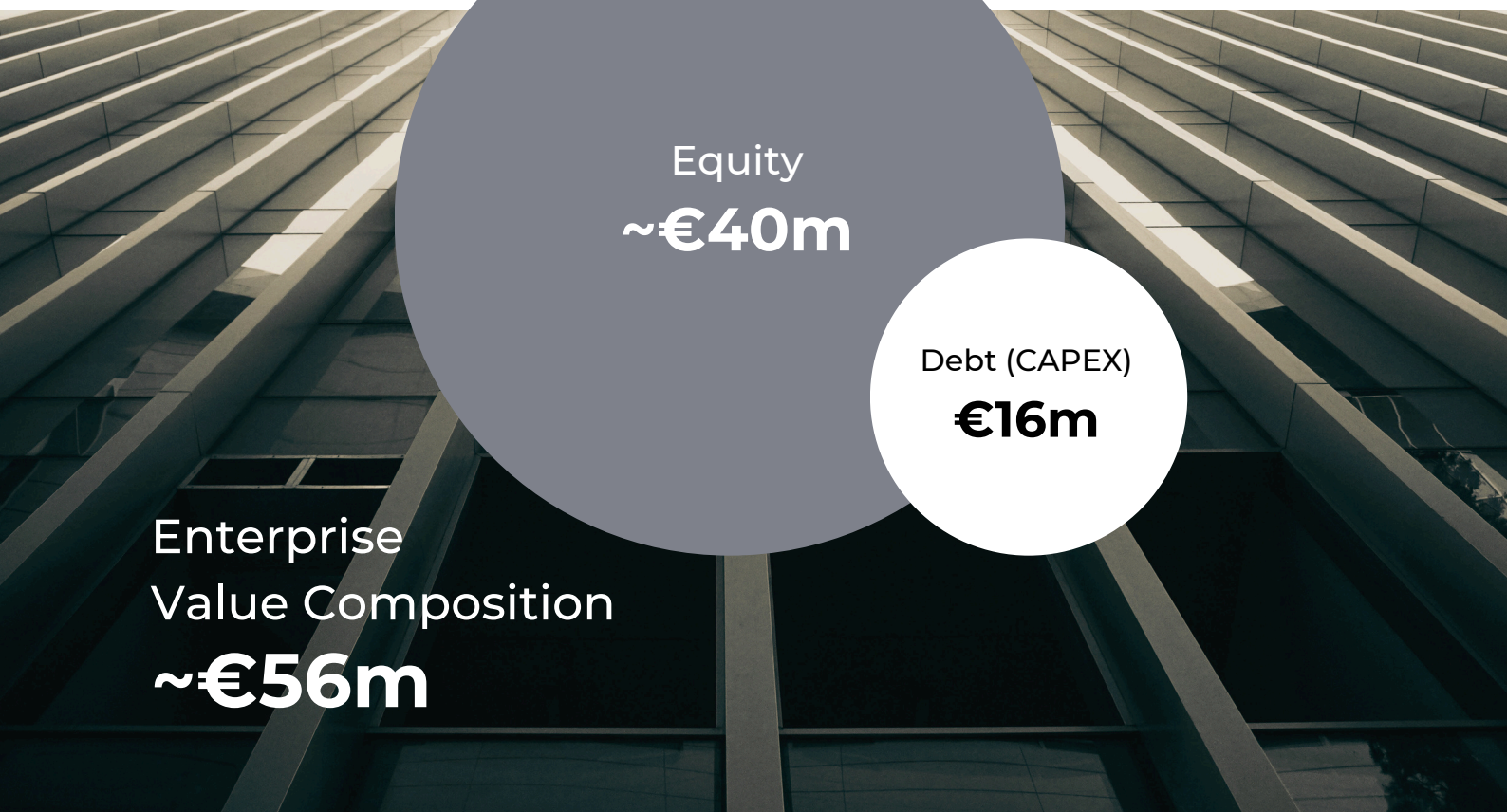
Financial Performance Summary



Metric	Value
Revenue (Years 1-3)	€11.04m per annum
EBITDA (Years 1-3)	€7.96m per annum
→ EBITDA Margin	~72%
Net Cash (Year 1)	€4.48m after interest, tax & principal

The project delivers strong early-life cashflow, materially de-risking equity exposure.

Capital Structure



Component	Details
Enterprise Value (7x EBITDA)	~€56,000,000
Senior Debt (CAPEX)	€16,000,000
Interest Rate	4.75%
Tenor	10 years
Amortisation	Straight-line
Year-1 DSCR	>3.0x
Equity Value	€40,000,000

Valuation Framework



Metric	Value
EV/EBITDA Multiple	7.0x
Enterprise Value	~€56m
Less Senior Debt	€16m
Equity Value	~€40m

Anchor Investment Terms



Item	Terms
Investment Amount	€5,000,000
Post-Money Equity Valuation	€40,000,000
Ownership	12.5%
Instrument	Ordinary Equity

Dividend Policy

Exit Value at 10× EBITDA

The project targets a dividend payout ratio of 40–60% of free cash flow, reflecting the strong early-life cashflow characteristics of the asset and the conservative capital structure.

Dividend Income

€2m annual dividend pool (50% payout)

€250,000 dividends per €5m invested over 3 years

3-year hold

Total €750,000 after 3 years

Equity Return

Ownership €5,000,000 invested

Exit Value 10× EBITDA

Enterprise Value $7.96 \times 10 = €79.6\text{m}$

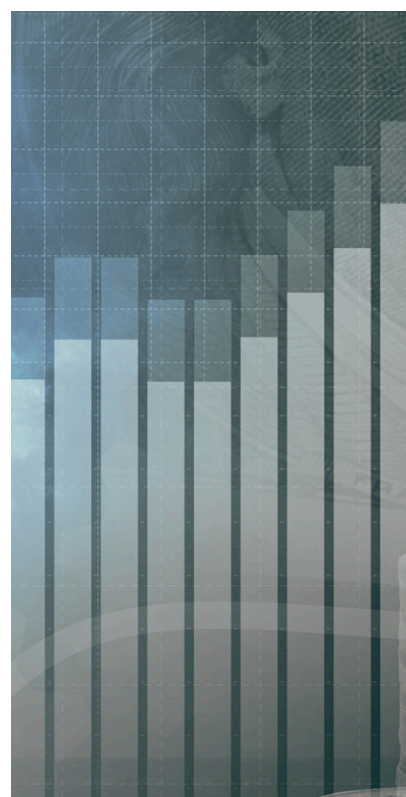
Total Return

Initial investment €5,000,000

Exit equity value €7,950,000

Dividends (3 yrs) €750,000

Total proceeds €8,700,000



Total Profit

€3,700,000

Platform Strategy

Project Baloïço is positioned as the seed asset for an Iberian BESS roll-up strategy. The project establishes a proven operational platform, auditable financial track record, and institutional credibility that can be leveraged for portfolio expansion.

Platform Strategy



Post-COD Growth Strategy

-  Acquire 2-4 additional battery storage assets across the Iberian Peninsula
-  Diversify revenue across multiple grid connection points and power market nodes
-  Target portfolio scale of 100MW+ aggregate capacity
-  Position the platform for public multiple expansion

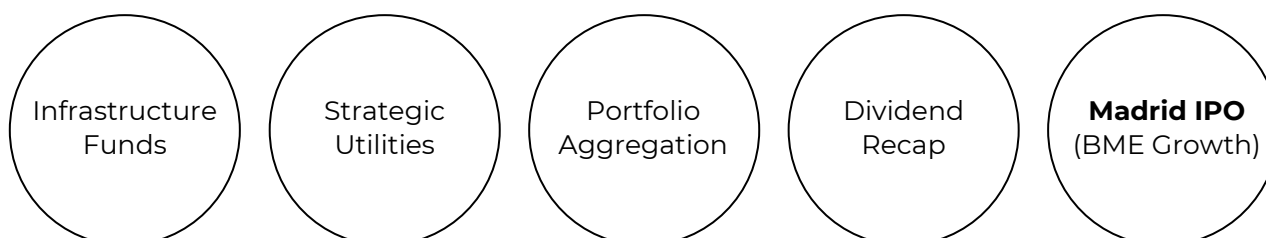
BME Growth

Public markets reward scale, operational diversification, and audited track record. A multi-asset platform trading on BME Growth would attract a materially higher EV/EBITDA multiple than a single-asset private investment.

Exit Strategy

Target exit window:
24–48 months post-COD.

Exit Pathways (10x EV/EBITDA benchmark)



Primary Exit: Trade Sale

Exit benchmark: **10x EV/EBITDA**. Potential acquirers include infrastructure funds, strategic utilities, portfolio aggregation platforms, and dividend recapitalisation structures.

Exit Outcomes for a €5m Investor

Exit Multiple	Enterprise Value	Equity Value	Your Exit Equity	Dividends (3 yrs)	Total Proceeds	Profit
8×	€63.68m	€47.68m	€5.96m	€0.75m	€6.71m	€1.71m
9×	€71.64m	€55.64m	€6.96m	€0.75m	€7.71m	€2.71m
10×	€79.60m	€63.60m	€7.95m	€0.75m	€8.70m	€3.70m
11×	€87.56m	€71.56m	€8.95m	€0.75m	€9.70m	€4.70m
12×	€95.52m	€79.52m	€9.94m	€0.75m	€10.69m	€5.69m
13×	€103.48m	€87.48m	€10.94m	€0.75m	€11.69m	€6.69m

Public Listing — Madrid

An additional exit pathway is available via public listing on Bolsas y Mercados Españoles through the BME Growth market segment, the Iberian equivalent of AIM.

A Madrid listing would require a minimum of 12 months of audited operating performance. Indicative IPO timeline: 18–24 months post-COD. A public listing provides access to broader capital markets, enhanced liquidity, and potential multiple re-rating relative to private transaction benchmarks.

Downside Resilience



Stress scenarios tested include:

- 20% reduction in gross revenue
- 20% increase in energy purchase costs
- Optimiser fee increase to 15%

In all cases, the project remains **cashflow positive**
with full debt service coverage.

Conclusion

Project Baloıço represents a high-margin, conservatively leveraged, 4-hour grid-connected storage asset supported by:

- Third-party optimiser-derived revenue projections
- EPC-validated CAPEX and operating costs
- Conservative degradation and amortisation assumptions

The €5.0m anchor investment provides meaningful minority exposure to a re-rated capital structure with strong cash yield and institutional exit optionality.

Project
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NEXT STEPS

Upon indication of interest, full financial model access, technical documentation, and draft legal agreements will be provided.