

BATTERY STORAGE

Executive Summary

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**Low-cost
renewable energy
at any given time**

We generate revenue by storing,
using and selling cheap renewable
electricity in the UK

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Disclaimer

This white paper by Battery Storage Ltd., a company established and operating under the laws of Malta, legal entity code C 88899; registered office 60/2 Melita St., Valletta VLT1122, Malta (hereinafter referred to as “**BatteryStorage**”), is for informational purposes only. Its intention is to inform interested persons about the BatteryStorage project and its future plans.

This white paper does not include all details, elements, data, forecasts, disclosures and information that will be provided in a prospectus regarding the public offering and sale of BatteryStorage tokens (**BSO**), hereinafter referred to as “the **Prospectus**”), which will be submitted for the approval of the Maltese Financial Conduct Authority and/ or any other competent financial conduct authority(-ies) of other relevant jurisdictions (hereinafter, “the **Authority(-ies)**”). This white paper may therefore be subject to changes. The Prospectus will be made publicly available only after it is approved by the Authority(-ies).

BatteryStorage will execute the public offering and sale of BSO tokens only after the company has been converted into a public company, and upon approval of the Prospectus by the competent Authority(-ies). At the time of writing no such Prospectus or any other document relating to the offering has been prepared or approved by any Authority. No BSO tokens will be offered or made publicly available for purchase until such Prospectus has been approved. The public offering and sale of BSO tokens, after approval of the Prospectus, will be available only to investors resident in the European Union and the European Economic Area jurisdictions.

This white paper does not constitute a summary of the Prospectus, or of any other document relating to the BSO token offering. It is not an investment recommendation, solicitation or offer to participate in the BatteryStorage Security Token Offering (STO). Various risks and uncertainties exist in relation to the BatteryStorage project, and therefore no guarantees are offered as to its expected returns. Investment in the BSO tokens (if allowed), could result in substantial financial losses for token holders.

Certain business, commercial and legal conditions, risks and uncertainties exist in relation to the BatteryStorage, its business and operations, BSO tokens and the BatteryStorage STO, some of which are beyond the control of BatteryStorage. Therefore, no guarantees are offered as to the profitability of the BatteryStorage project or its benefit to BSO token holders. Moreover, investment in BSO tokens (once approved by the competent Authorities) may result in substantial financial losses to the token holders in the event of unfavourable business, economic or legal circumstances, or other negative events. Consequently, nothing contained within this Whitepaper shall be seen as a guarantee, warranty, assurance or similar.

Part of this white paper comprises "forward-looking statements" relating to the business operations, project features, financial and economic performance of

BatteryStorage. Any figures, valuations and schedules contained in this white paper are preliminary, and are subject to various circumstances and risks of a legal, business, technological or other nature. These circumstances and risks may be subject to change, and may result in materially negative effects upon BSO token holders.

Subject to legal restrictions, certain detailed information about the BatteryStorage project, BSO tokens and financial data will be available publicly only approval of the Prospectus by the competent Authority(-ies).

This white paper shall not be made publicly available by any person in any jurisdiction without prior approval in writing from BatteryStorage.

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Executive summary

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Executive summary

BatteryStorage is developing a renewable energy storage solution in the UK to ensure uninterrupted energy supply to consumers at fixed prices; to reduce British dependence on fossil fuels; and to share profits with the holders of BSO tokens. In addition, BatteryStorage will utilise the low-cost electricity to which it will have access through the storing of renewable energy in times of oversupply, to conduct cryptocurrency mining operations and, in the future, operate a GPU-accelerated data centre.

1.

The Problem



High energy prices are an important issue for energy consumers, particularly during times of peak power demand.



Excess renewable energy generation with insufficient consumption reduces the value for renewable energy producers.

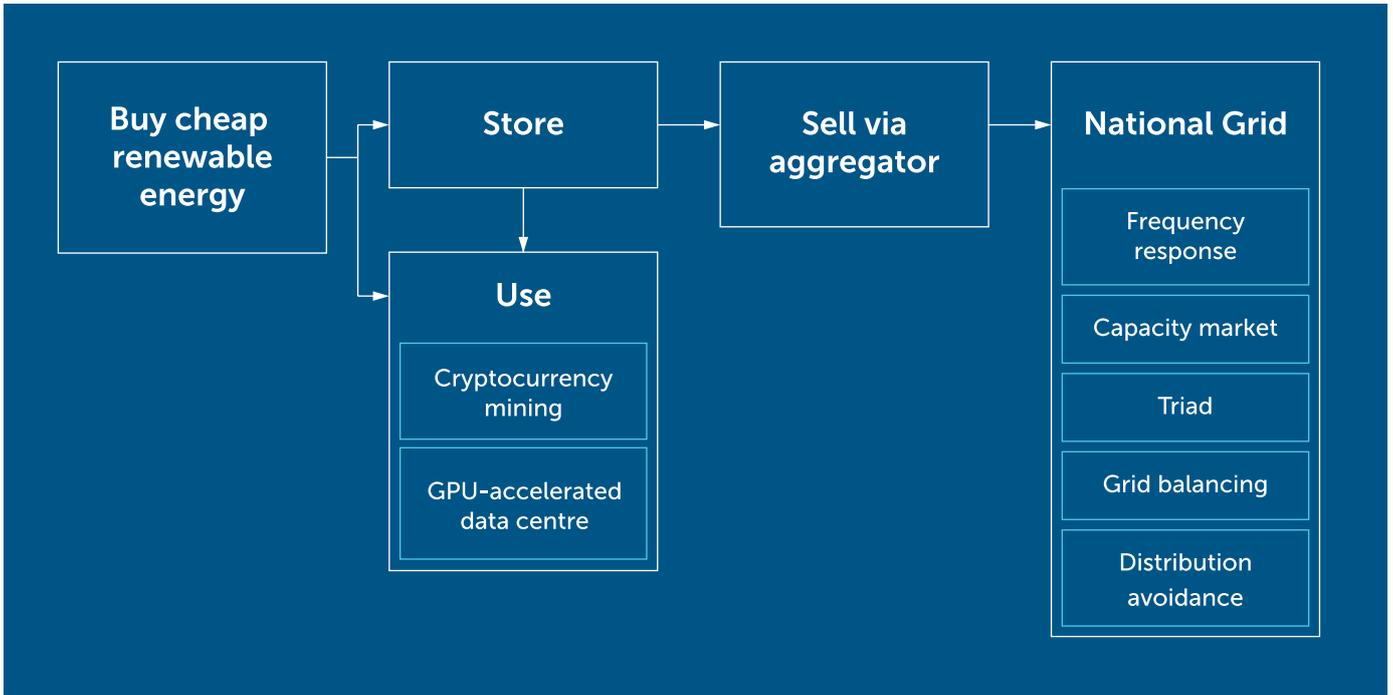


Power grid imbalance and dependence on fossil fuels will continue until predictability can be achieved in the renewable energy sector.

2. The Solution

Figure 1. Energy use in the BatteryStorage business ecosystem

The BatteryStorage solution stores low-cost excess renewable energy during off-peak periods, and supplies it during peak demand at fixed prices, reducing the UK's dependence on fossil fuels and enhancing the utilisation of renewable energy.



3. Why invest in BatteryStorage?

1 We are taking the financial and legal security of our investors to the next level.

In full compliance with the laws and regulations governing securities in Malta and the rest of the EU, BatteryStorage will introduce the BSO security token to provide its token holders with passive income from several revenue streams (energy storage, cryptocurrency mining and GPU-accelerated data centre operations).

2 We are ready.

BatteryStorage has gained consent for a 60 MW Li-ion energy storage project with secured connection to the power grid, making the project a candidate to become one of the largest energy storage facilities in the UK.

3

We are ideally located.

BatteryStorage has secured the perfect strategic location with dedicated land and an industrial building, situated in Glasgow, UK. The location of the project's facility is critical. Being able to operate from within the city makes it simpler and cheaper to connect to the power grid. Because of this BatteryStorage will save over EUR 8.2 million in capital expenditure and operating expenses.

4

We are in good company.

BatteryStorage has successfully secured multiple crucial business partnerships with industry leaders that have a combined net worth of €13+ billion.

5

We have assembled an all-star team.

BatteryStorage team comprises renowned energy experts from around the globe.

4.

Key assumptions for a successful business case

1

Growth of renewables

Due to rapid expansion in the use of wind and solar energy, there is a rapidly growing excess in the supply of electrical energy at off-peak times, combined with a deficit at peak periods.

2

Maturity of battery storage technology.

Battery storage technology has reached a break-even point in terms of its cost-efficiency for industrial applications.

3

Governmental support for energy storage projects.

The UK's favourable legal and regulatory environment, together with government grants supporting the use of energy storage for grid balancing, will ensure a successful kickstart to BatteryStorage's business operations.

5. The BatteryStorage value proposition

For BSO token holders – the EU-compliant BatteryStorage profit sharing.

For energy consumers – uninterrupted, reliable energy supply at steady and affordable prices.

For society – reduced dependence on carbon dioxide-intensive, fossil fuel-fired power generation.

For renewable energy producers – BatteryStorage will deliver the energy storage infrastructure necessary for the exponential growth in the generation of wind and solar power.

6. STO goals and energy capacity allocation

Table 1.
Capacity allocation on reaching minimum (soft cap) and maximum (hard cap) investment goals.

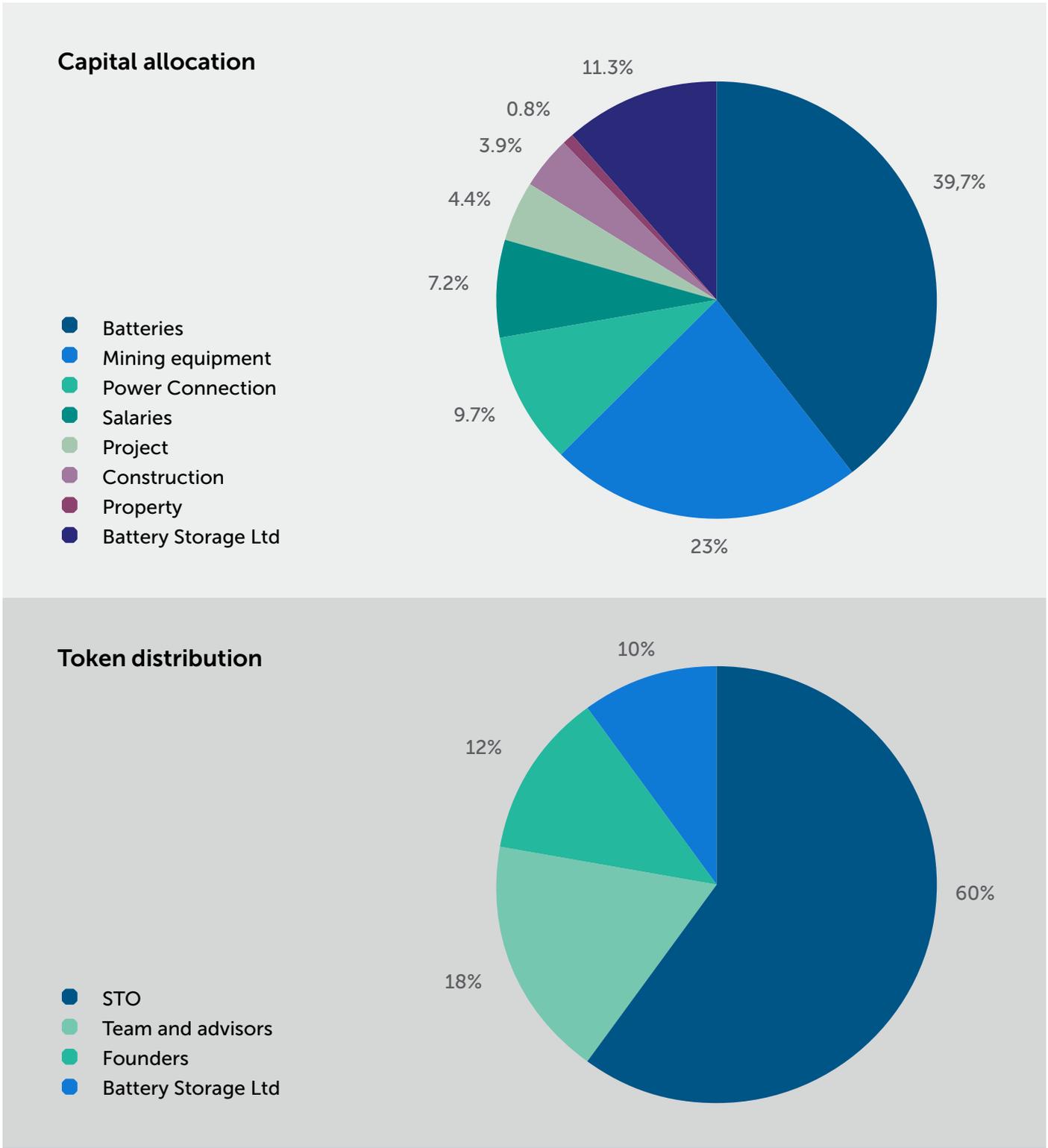
The table below outlines the energy storage, cryptocurrency mining and GPU-powered data centre capacity to be allocated in the event of reaching the minimum (soft cap) or maximum (hard cap) goals for capital raised:



	STO goal, EUR	Energy storage capacity, MWh	Cryptocurrency mining / GPU-accelerated data centre power capacity, MWh
Soft cap	16,600,000	10	1
Hard cap	72,000,000	60	5

7. Allocation of capital raised and BSO token distribution

Figure 2. Capital allocation and BSO token distribution.



8. Summary of projected financials*

Table 2.

Summary of projected financials Year 1 to Year 10, based on reaching minimum (soft cap) and maximum (hard cap) investment goals.

Hard Cap					
	Year 1	Year 2	Year 3	Year 4	Year 5
Net profit	€ 37,442,385	€ 39,589,282	€ 40,285,741	€ 41,560,442	€ 44,247,586
Gross revenue before taxes	€ 47,533,793	€ 49,873,865	€ 50,906,717	€ 52,143,546	€ 54,899,988
Operating expense	€ 12,370,700	€ 12,656,292	€ 12,550,310	€ 13,110,200	€ 13,393,132
Reinvestment	€ 9,892,347	€ 10,522,236	€ 11,312,230	€ 11,969,923	€ 12,755,704
	Year 6	Year 7	Year 8	Year 9	Year 10
Net profit	€ 47,089,454	€ 49,851,546	€ 52,559,336	€ 55,568,583	€ 58,677,154
Gross revenue before taxes	€ 58,043,275	€ 61,045,730	€ 63,970,645	€ 67,189,927	€ 70,559,029
Operating expense	€ 13,440,701	€ 13,788,175	€ 14,381,572	€ 14,855,367	€ 15,364,895
Reinvestment	€ 13,636,826	€ 14,489,027	€ 15,320,465	€ 16,239,284	€ 17,183,926

Soft Cap					
	Year 1	Year 2	Year 3	Year 4	Year 5
Net profit	€ 7,016,960	€ 7,424,988	€ 7,642,921	€ 7,895,545	€ 8,386,498
Gross revenue before taxes	€ 9,085,188	€ 9,532,020	€ 9,782,672	€ 10,060,937	€ 10,583,361
Operating expense	€ 2,696,029	€ 2,778,009	€ 2,776,608	€ 2,897,799	€ 2,987,615
Reinvestment	€ 1,958,699	€ 2,080,132	€ 2,234,963	€ 2,365,286	€ 2,513,002
	Year 6	Year 7	Year 8	Year 9	Year 10
Net profit	€ 8,933,637	€ 9,514,783	€ 10,042,726	€ 10,612,078	€ 11,207,593
Gross revenue before taxes	€ 11,162,155	€ 11,779,528	€ 12,338,115	€ 12,940,301	€ 13,572,772
Operating expense	€ 3,051,626	€ 3,109,150	€ 3,259,390	€ 3,401,315	€ 3,550,344
Reinvestment	€ 2,677,603	€ 2,852,435	€ 3,011,268	€ 3,182,585	€ 3,361,573

* Projected financials are only a preliminary forecast and are subject to various conditions and risks, some of which are and will be beyond the control of BatteryStorage. Expected return on investment may therefore be subject to significant change (including significant decrease in expected income or even causing material loss to investors).

9. Summary of project cost structure

Table 3.

Summary of project cost structure based on reaching maximum (hard cap) and minimum (soft cap) investment goals.

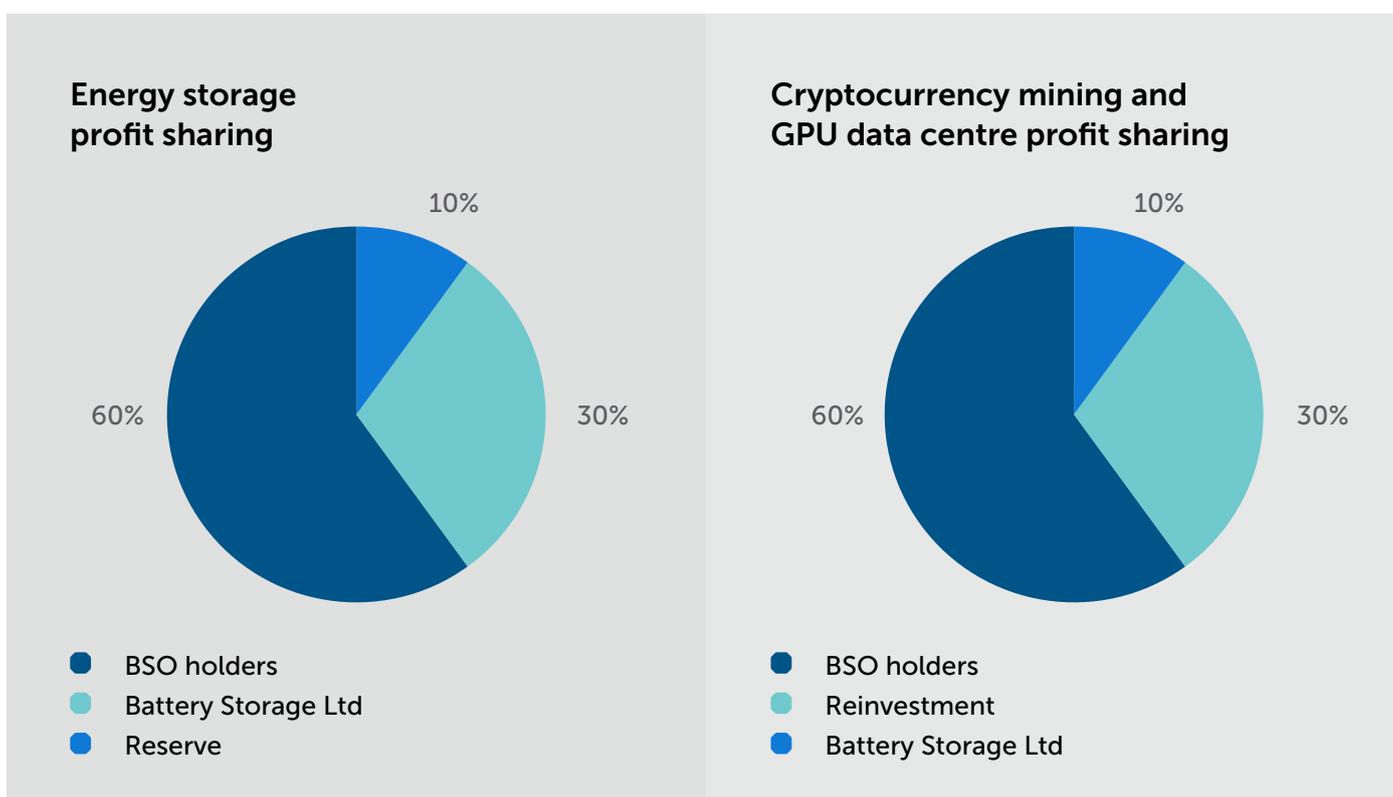


	Hard cap	Soft cap
Energy storage costs	€ 35,485,117	€ 9,409,180
Cryptocurrency mining costs	€ 36,514,883	€ 7,164,434
Total	€ 72,000,000	€ 16,573,614

10. BatteryStorage profit sharing

Figure 3.

Profit sharing on energy storage and cryptocurrency mining/ GPU data centre activities.



11.

Executive team



[in](#) Arvydas Kazlauskas

Co-Founder and Chief Business Development Officer

With a wealth of experience in renewable energy, in particular in wind power solutions, Arvydas is responsible for kickstarting the BatteryStorage project. His expertise and countless business connections, together with the rich experience he has gained as the owner and manager of AKV Renewables, Ltd., contribute a major element of BSO's added value.



[in](#) Stephen Bradley

Co-Founder and Chief Executive Officer

Stephen has worked on a number of high-value projects within the construction industry, including the £160 million Ethylene Plant at BP Grangemouth; The Quay Retail Development in Glasgow and the Braehead Retail Development in Renfrew. As co-founder of Vox Energy and Edison Energy Ltd., he has been involved in large-scale, roof-mounted solar projects in the social housing sector, financed by significant infrastructure investment funds and crowd-funding platforms. Stephen provides significant hands-on experience and expertise in all aspects of project delivery and implementation.



[in](#) Robert Miles

Chief Technology Officer (UK)

Robert brings with him a vast amount of experience in the renewable sector, with a particular specialisation in battery storage. Robert qualified as a lawyer, and has been involved in the solar industry for over a decade, working throughout central Europe and the UK. Having worked as a Head of Commerce at British Gas, Robert is currently CEO of energy storage solutions provider, Immersa.



[in](#) Vaida Januska

Co-Founder and Chief Operating Officer

Vaida has an enviable background in running and managing real estate and finance companies. Since 2007, Vaida has owned and run JSC "Procentas", a P2P lending operator. Vaida originated BatteryStorage's plans to raise funds via the STO method.



[in](#) Jing Bai

Chief Investment Officer

Jing brings with him significant experience in private equity, project finance and asset management, together with an M&A in infrastructure, as well as strong analytical and financial modelling skills. Having worked at China International Capital Corporation Ltd., Consensus Capital Group and Lightsource Renewable Energy Ltd. and Oxford Capital Partners, Jing is currently Investment Director at Immersa Ltd. She specialised in modelling combined sources of renewable generation with storage for arbitrage, peak shifting and ancillary services.

12. STO roadmap details

- ◉ **2017 Q4** Secured grid connection for 30 MW
- ◉ **2018 Q1** Secured grid connection for additional 30 MW, all needed permissions for Battery Storage operation in Glasgow, UK
- ◉ **2018 Q4** Financial Instrument Test and BatteryStorage STO Prospectus
- ◉ **2019 Q1-Q2** Start of the BatteryStorage STO
- ◉ **2019 Q3** Energy storage operation, mining operation, signing contracts with aggregators
- ◉ **2019 Q4** First quarterly payout to BSO investors
- ◉ **2020 Q1** Launch of GPU accelerated data center

13. We are in good company

BatteryStorage has successfully secured multiple crucial business partnerships with industry leaders that have a **combined net worth of €13+ billion**. These project partners will provide BatteryStorage with help on technological, legal, construction and other issues:

