



Gore Street
Energy Storage Fund

Investor Update – Half Year Results

For the six months ended 30 September 2021

[GSF Interim Report September 2021 PDF](#)

Presentation Team



Alex O'Connell
Chief Executive Officer

Alex is the founder of Gore Street Capital. He previously was a Managing Director and Head of Europe for Paladin Capital

From 2006 to 2013, he was Head of Investments for Masdar, Abu Dhabi's \$15 Billion SWF

Alex is a regular speaker on venture capital and private equity and is recognised as a global leader in the field of renewable investing



Suminori Arima
Chief Investment Officer

Sumi led Renewable Energy transactions as Managing Director of Kleinwort Benson

Previously, he was MD of RHJ International SA in Tokyo (parent company of Kleinwort Benson) responsible for PE investment management or over \$1B of AuM

He has also worked in Debt Capital Markets at JP Morgan and prior to that, at McKinsey & Company



John Cheshire
Principal

John-Michael has 13 years of corporate finance experience including M&A roles at Nomura, Kleinwort Benson, Société Générale and Zeus Capital, and has advised on a number of transactions predominantly in the UK mid-market space.

At Kleinwort Benson, John-Michael worked alongside Alex and Sumi focusing on a range of renewable energy transactions across Europe.

John-Michael holds a BA / MA from Cambridge University.



Paula Travesso
Principal

Paula's expertise is in merger and acquisitions with her previous job at the Arab Banking Corporation (ABC).

Before her ABC role, Paula worked for Ernst & Young in the Transaction Advisory Service department.

Paula has an MBA from London Business School and BS in Business Management from Ibmecc Business School.

Overview – Gore Street Energy Storage Fund



Growth sector

Exponential growth predicted for energy storage in next decades



Attractive returns

Targeting projects with annual unlevered IRR of 10-12%⁽¹⁾; uncorrelated with COVID-19, equity market & power price movements



Backed by leading investors

Sovereign wealth fund, global industry leaders and specialist ESG funds



Best-in-class diverse asset pool

Highly competitive acquisition cost; portfolio with multiple revenue streams and different geographies and partners



ESG

No gas-peak generators in portfolio, LSE Green Economy Mark accredited

In the 6 months since 31 March 2021, the Company has:

1

Successfully completed the acquisition of 137 MW within Great Britain, increasing its portfolio capacity from 380 MW (Mar 2021), to 516.5 MW at period end, and 606.5 MW post-period⁽²⁾.

2

Raised £135.0 million in April 2021, following a £60.0 million raise in December 2020. A further £73.6 million was raised post the reporting period, completing its November 2020 Placing Programme of 250 million shares

(1) Target IRR before fees and expenses. these are targets only which are based on a number of assumptions that may not materialize. There can be no guarantee that the fund will generate these or any returns.

(2) 516.5 MW includes 60 MW capacity expansion for Porterstown. A further 90 MW capacity expansion was approved for Kilmannock post-period, bringing total portfolio grid capacity to 606.5 MW

Financial Highlights – as of September 2021

Gore Street Energy Fund plc (“Gore Street”, “GSF” or the “Company”) is the first listed energy storage fund, listed on the Premium Segment of the London Stock Exchange and awarded the Green Economy mark

£402m

Market Capitalisation (Dec 21) ⁽¹⁾

4.0p

Dividend declared since March 2021

34.5%

Total Return since IPO (Dec 21) ⁽¹⁾

£285.3m

NAV September 2021

103.3p

Unaudited NAV per share (Sept 21)

24.2%

NAV Total Return since IPO (Sept 21)

(1) Based on Closing Share Price of 116.5 pence as of December 30, 2021.

Deployment & Fundraise Highlights

Deployment (since March 2021)

Acquisitions of 137 MW

- **Stony:** 80 MW project acquired in May 2021
- **Enderby:** 57 MW project acquired in September 2021

Fundraises (since March 2021)

Fundraises of £208.6m

- **£135m** raised in April 2021
- **£73.6m** raised post-period end in October 2021
- **£15.3m** available to drawdown from ISIF

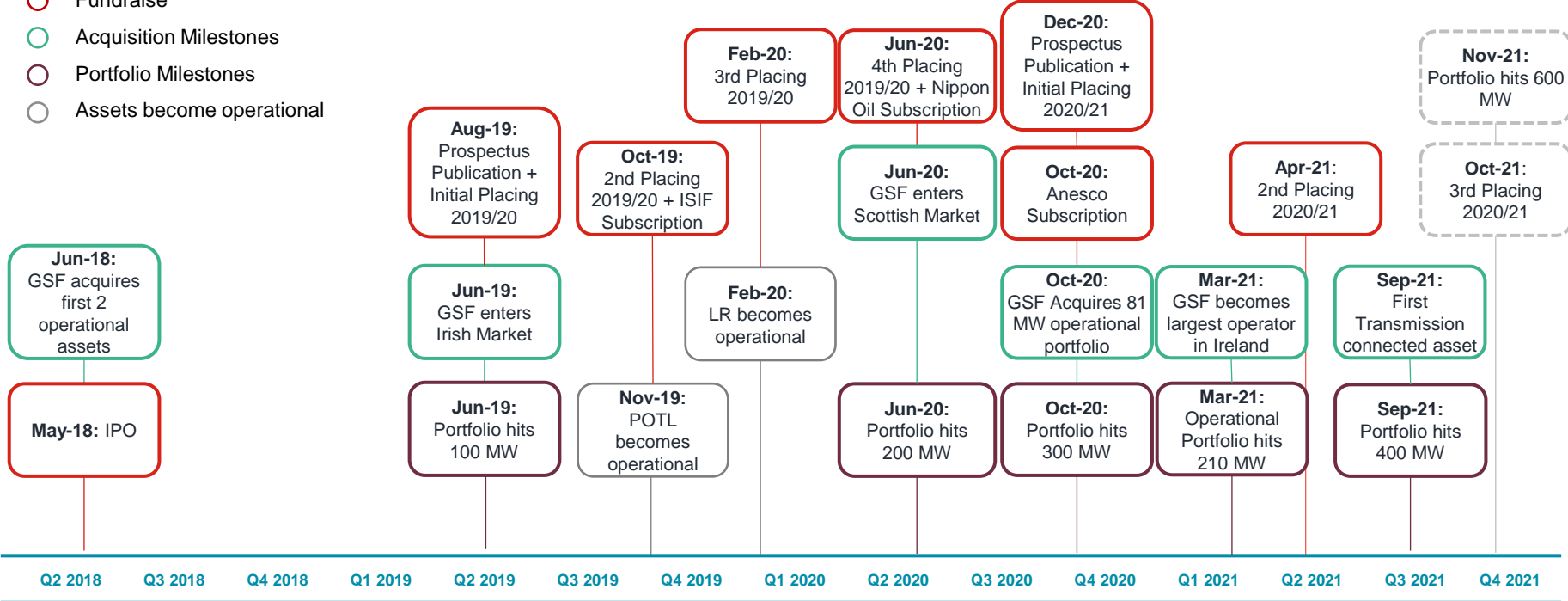


(1) The capital raise closed post period end with Admission effective on 4 October 2021.

Timeline – Gore Street Energy Storage Fund

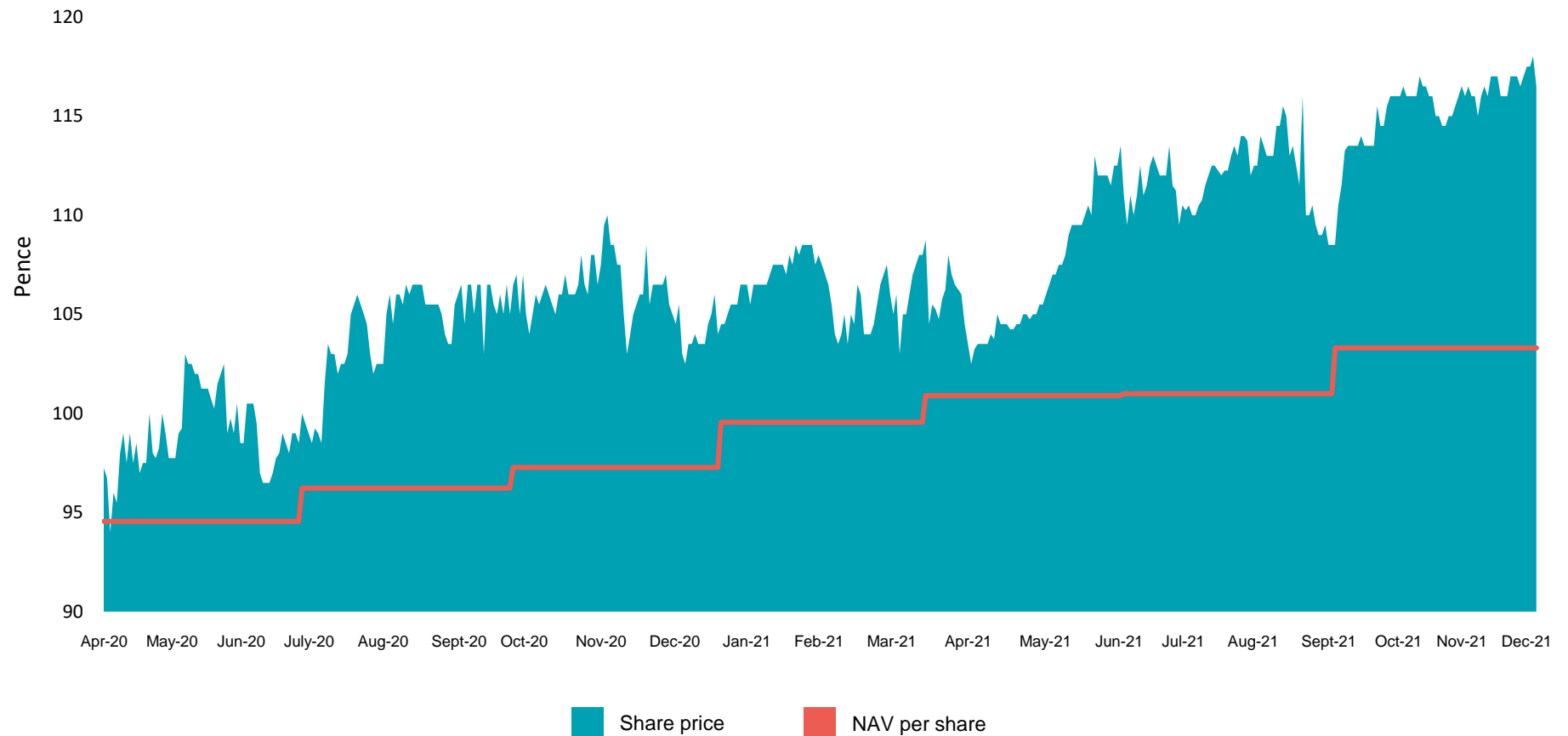
GSF has expanded exponentially since its inception in 2018

- Fundraise
- Acquisition Milestones
- Portfolio Milestones
- Assets become operational



Share price performance vs NAV

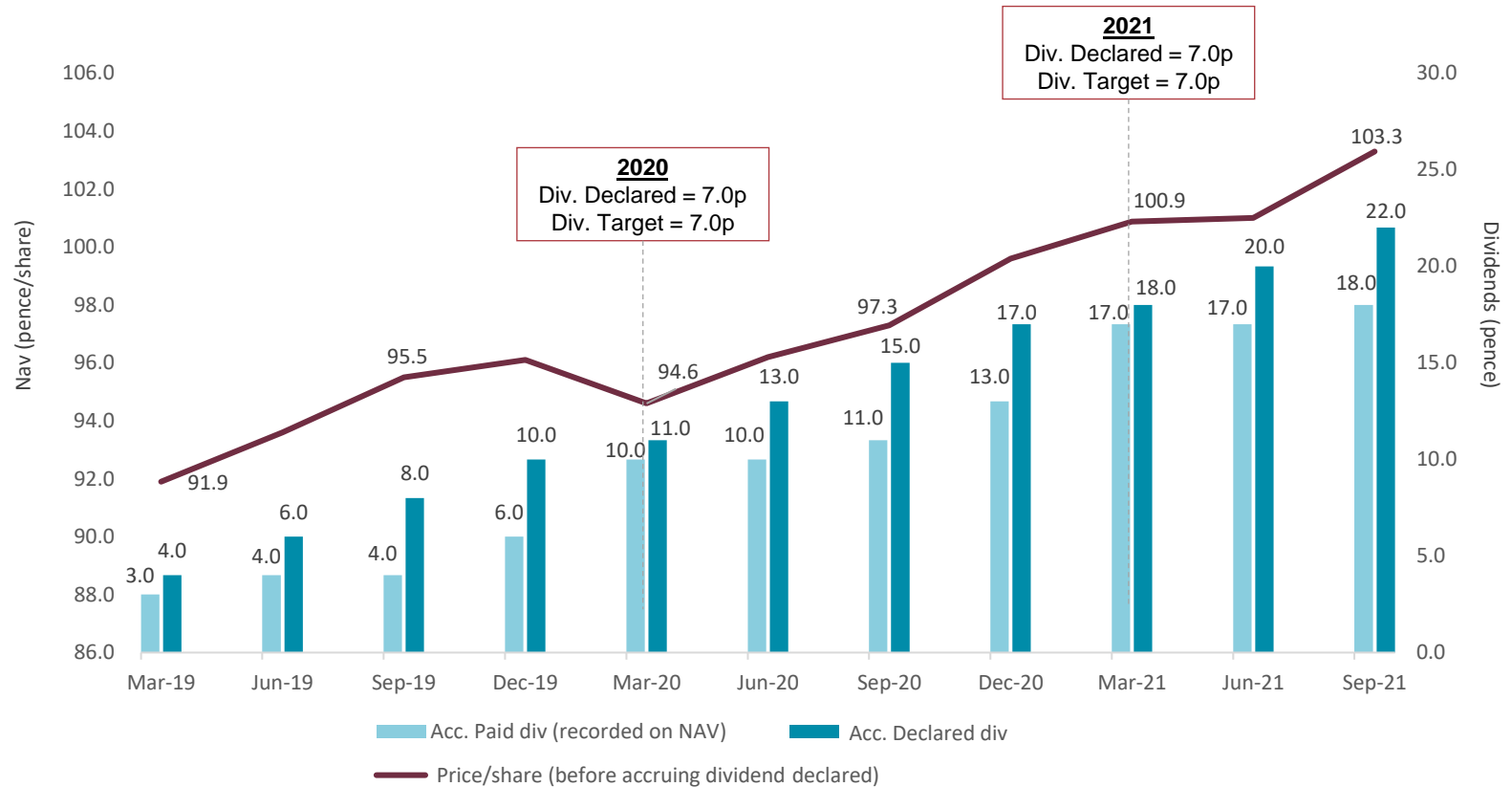
Gore Street Energy Storage Fund has consistently traded at a premium to NAV for the last year⁽¹⁾. The Fund is now included within the FTSE All-share index



(1) The Company announces its net asset value quarterly. As at 30 September 2021, the estimated unaudited NAV was 103.3 pence per share.

3-Year NAV & Dividend Performance

Since inception of the Fund, NAV/share has increased to 103.3p⁽¹⁾ and dividends of 22.0p have been declared (achieving its annual target of 7.0p per year) and



(1) NAV/share of 103.3p for September-end 2021 is inclusive of dividends in the period.

Agenda

I. GSF Overview

- a. Portfolio Summary
- b. Market Overview
- c. Portfolio Revenue & EBITDA
- d. Pipeline

II. Summary

III. Appendix





I. GSF Overview

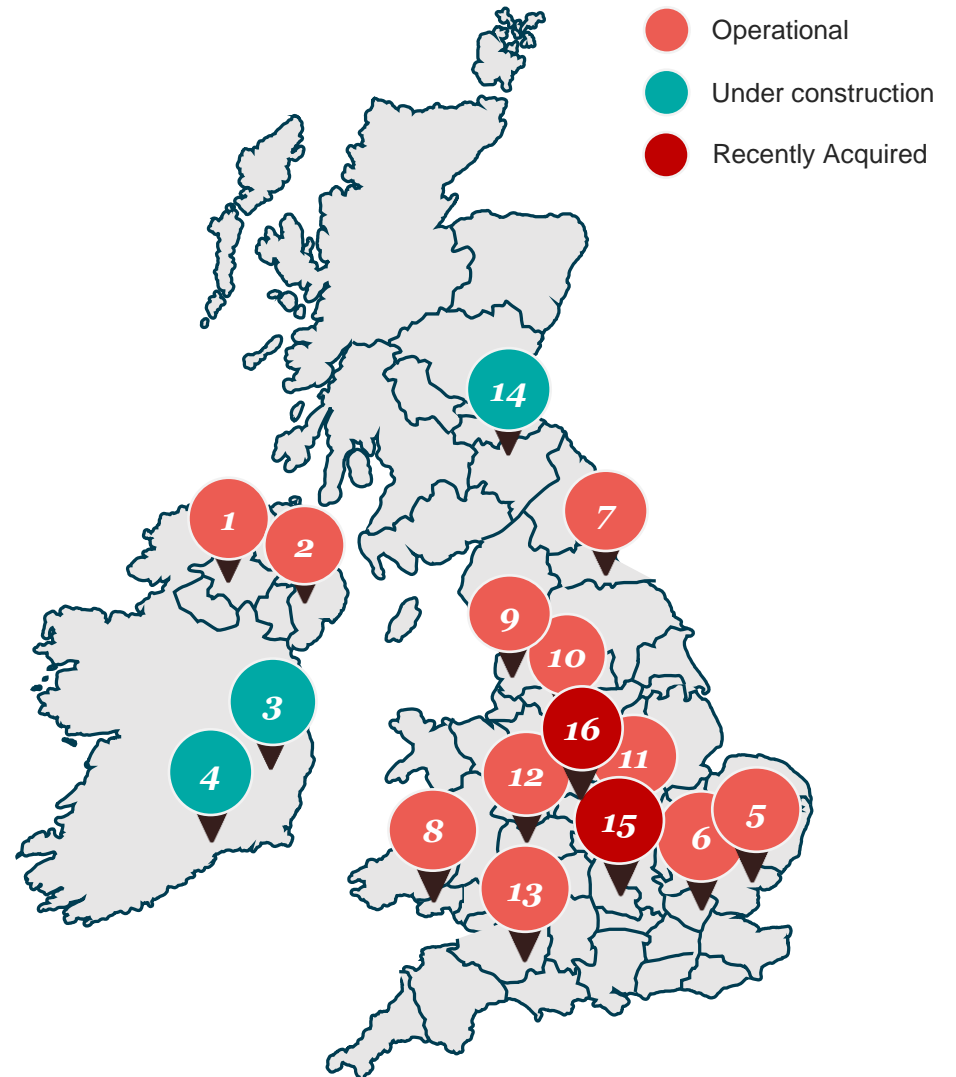
Portfolio summary

1. Drumkee	9. Hulley
2. Mullavilly	10. Lascar
3. Porterstown	11. Breach
4. Kilmannock	12. Larport
5. Port of Tilbury	13. Ancala*
6. Lower Road	14. Ferrymuir
7. Boulby	15. Stony
8. Cenin	16. Enderby

*The Ancala asset comprises 10 smaller sites of 1.0MW – 1.2MW across the UK. The pin location represents Brook Hall which is one of the assets within Ancala.

Total portfolio capacity post reporting period of 606.5 MW⁽¹⁾

- 210 MW of operational
- 397 MW of pre-construction/construction



(1) The 607 MW includes the recently authorised 90 MW expansion for Kilmannock's, one of the Company's ROI asset (November 2021). It also includes the 60MW increase in capacity authorised for Porterstown (January 2021).

Market overview: Available Revenue

Grid balancing

- Balance supply and demand in real-time
- Compensate for voltage and frequency fluctuations which affect grid stability

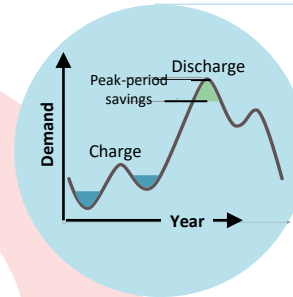
Revenue streams:

- Dynamic Containment
- Firm Frequency Response
- DS3 contract (Ireland)
- Balancing Mechanisms



Peak shifting

- Predict peak annual demand periods
- Use battery during highest demand period of year to reduce grid fees



Revenue streams:

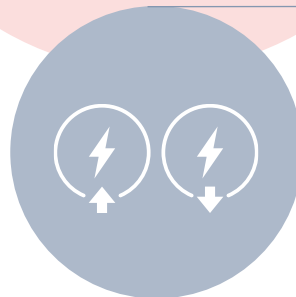
- Capacity Market
- Triads

Trading

- Purchase electricity when price is low and sell/discharge when price is higher

Revenue streams:

- Wholesale Market Arbitrage

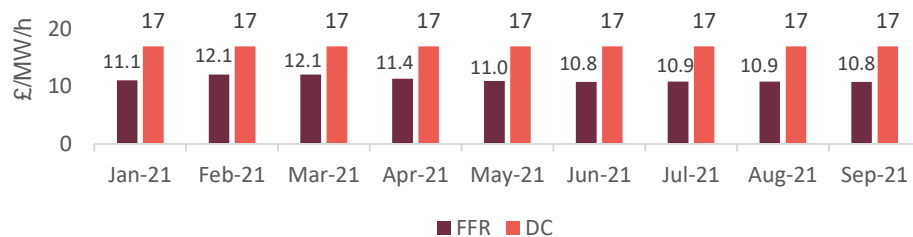


Portfolio: Consolidated Assets Revenue Breakdown

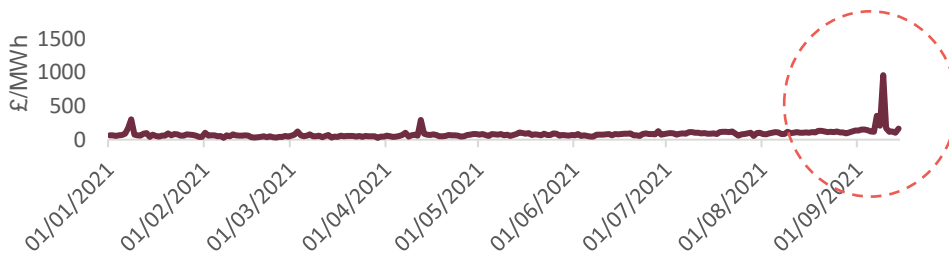
2021 Revenue Trends:

Majority of the portfolio assets provided services that remunerates faster response over a short duration of time. This means sites with a 30-min system duration were optimal use of initial capital within the GB market as it secured the same level of revenue as 1-hour systems.

Dynamic Containment (“DC”) market opened in October 2020 in Great Britain. About 95 per cent of the Company’s GB-based portfolio is actively delivering Dynamic Containment services (DC).

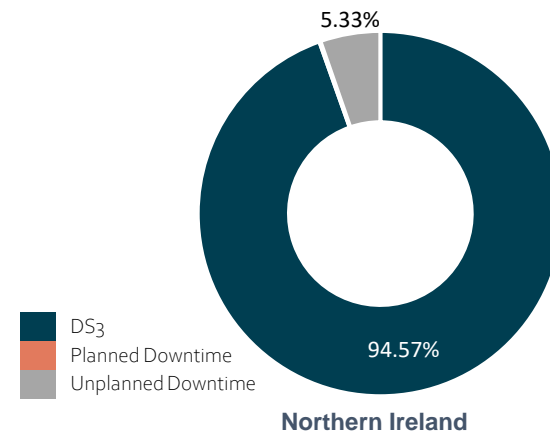
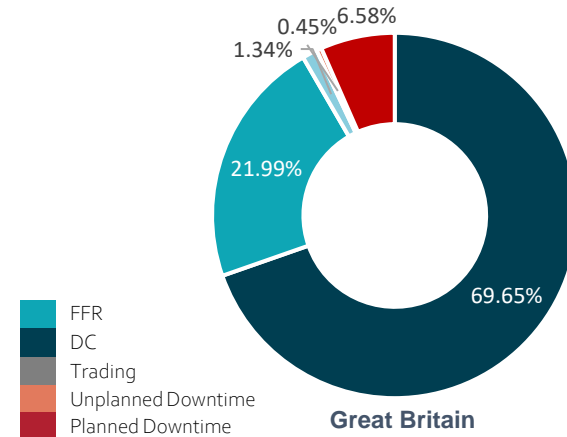


Wholesale Trading revenues expected to increase given rising system price volatility in recent months:



DS3 revenues generated by Irish assets now operational are expected to form significant part of Company’s revenue mix in FY21/22

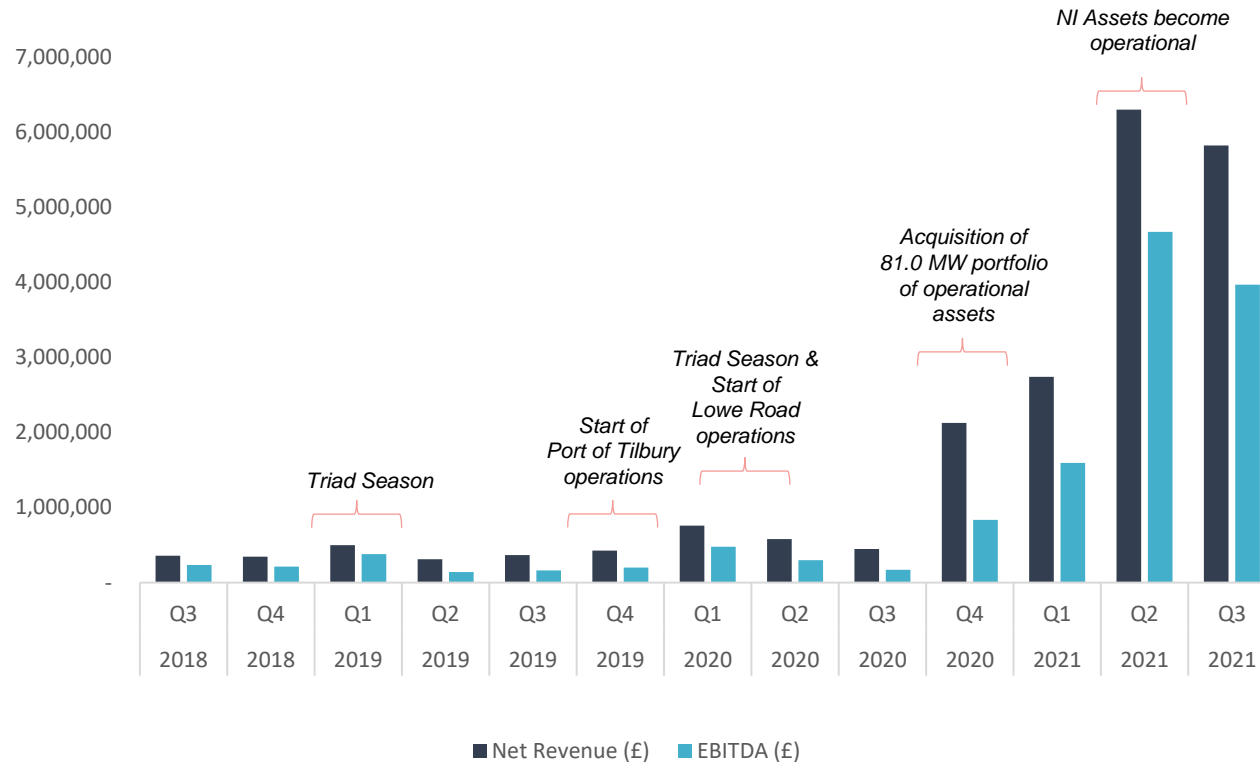
Revenue Stack for the Period⁽¹⁾



(1) Project availability and service allocation is presented as a per centage of total hours in the period. Capacity Market revenue is stackable with all other revenue.

Portfolio Revenue & EBITDA

EBITDA for the portfolio increased 2.5x over the 6-month period from 31 March 2021 to 30 September 2021, largely due to 100 MW in NI becoming operational



* Revenue and EBITDA based on operational portfolio of GSF.

Pipeline: Projects in UK, USA, Europe & Australia

Total pipeline of over 1.2 GW/ 2.6 GWh of opportunities available to GSF⁽¹⁾, including a 2 GWh active pipeline across North America and Western Europe

● Existing Portfolio

● Live Projects

North America

A 40 MW / 160 MWh⁽²⁾

B 79.2 MW / 158.4 MWh⁽²⁾

Continental Europe

C 22 MW / 35 MWh

● Pipeline

North America

D 200 MW / 400 MWh

E 99 MW / 396 MWh

Great Britain

F 200 MW / 400 MWh

G 49 MW / 98 MWh

H 60 MW / 60 MWh

I 100MW / 100 MWh

Australia

J 240 MW / 480 MWh



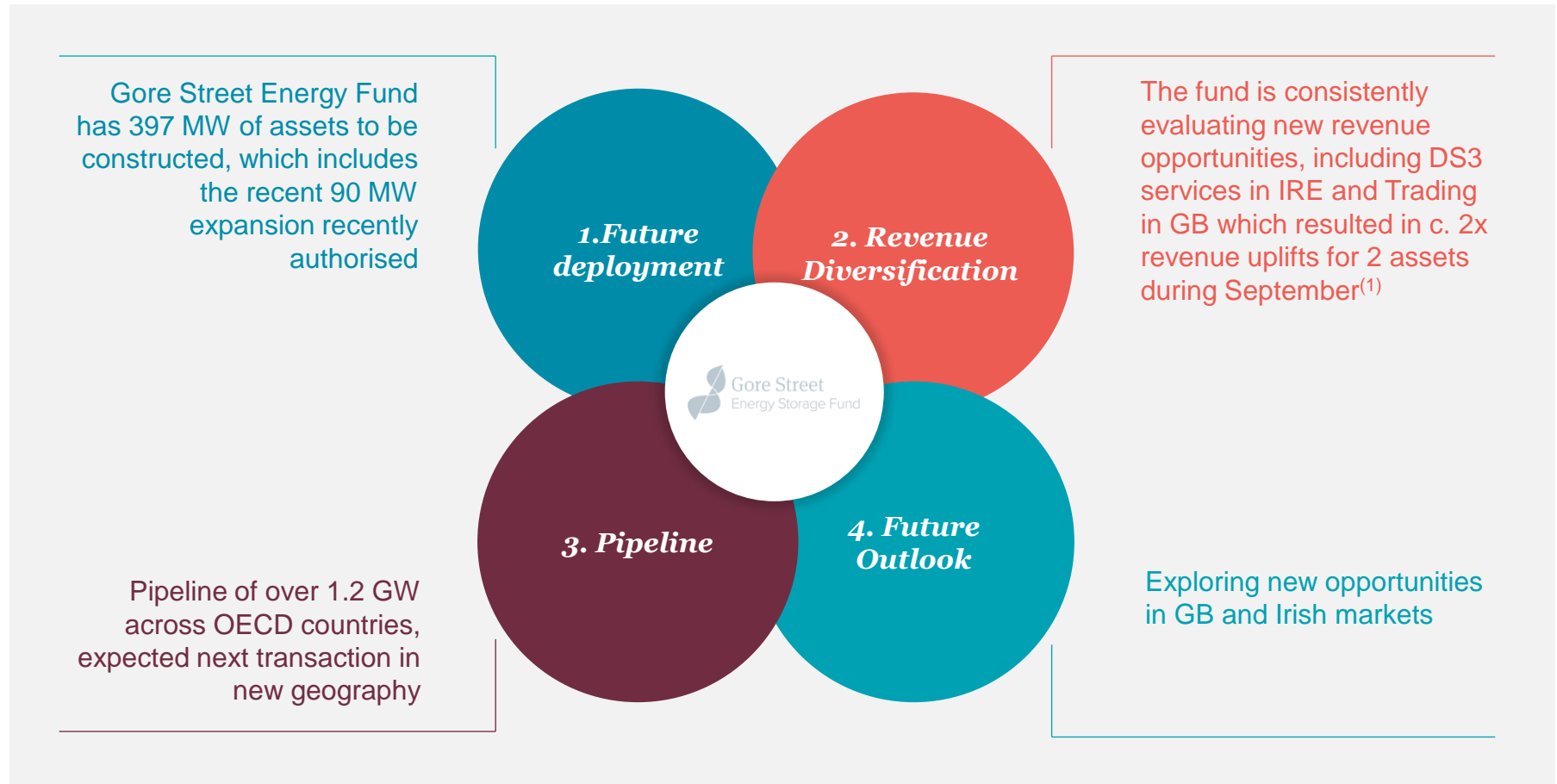
(1) The map doesn't show all the pipeline projects currently available. The map is purely illustrative, and location of assets are out of scale and may not be precise. Location of assets within Pipeline may still be confirmed.

(2) The MW listed under Live Deals are not restricted to one project.



II. GSF Summary

Conclusion



(1) Two assets attained revenue at nearly two times more what they were forecast to earn in the 3rd week of September had they relied on DC revenues

GSF: Closed-end Investment Trust

Utility scale energy storage projects

Current Listing	Premium Segment – LSE, Main Market
Target Yield	7% ⁽¹⁾ of NAV per annum with a minimum of 7p/share
Target Return	Target unleveraged portfolio gross asset return of a minimum of 10% ⁽²⁾
Geography	UK and Ireland, with up to 40% in Western Europe and the US
Advisory Fee	1.0% of adjusted NAV per annum + performance fee of 10% above a 7% hurdle capped at 0.5% of adjusted NAV
OCR	2.0%
Gearing	Leverage limit of 15% ⁽³⁾ . £15m Credit facility has been agreed with Santander.
Life	Unlimited, with 5-year continuation vote with first continuation vote to be held at the AGM in 2023

(1) These are targets which are based on a number of assumptions that may not materialize; (2) Target IRR before fees and expenses. IRR range is subject to various risk adjustments. These are targets only which are based on a number of assumptions that may not materialize; (3) Debt capped at 15% at the time of borrowing. The Board and Manager are undertaking a review of the Company's gearing policy to ensure that it is accretive to Shareholders and in line with the financing needs of the Group's expanding portfolio.



III. Appendix

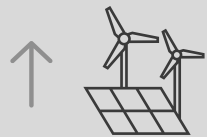
Energy Storage: Why is it needed?

Intermittent generation from renewables requires energy storage to balance supply/ demand in real-time

Drivers



Accelerated closure of baseload plants (Coal & Nuclear)
Less stability of supply



Increased adoption of renewables
Less stability of supply



Significant increase in demand for EVs with less predictability

Risks



Blackouts
– If demand exceeds supply

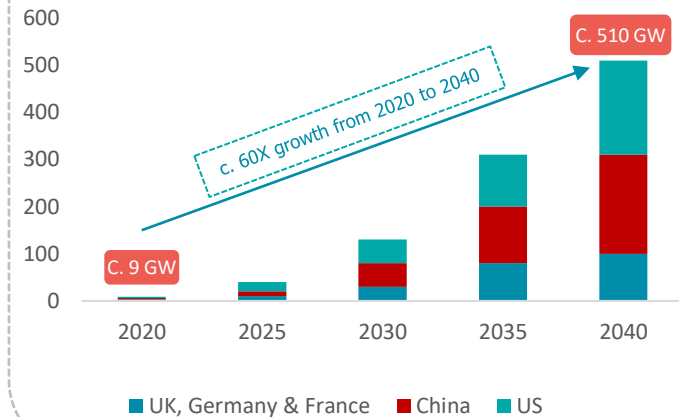


Curtailment
– If supply exceeds demand

Solution

Grid-scale energy storage - enables adoption of renewable energy

Growth of International Energy Storage Market ⁽¹⁾



(1) Source: Extract from Bloomberg New Energy Finance, published in July 2019

Investment Strategy

Utility scale storage projects targeting 10% -12%⁽¹⁾ unlevered in aggregate across the portfolio

1

Acquisition approach: GSC has extensive market experience in optimising balance sheet efficiency
Proven ability to effectively execute at competitive prices
Efficient project screening and capital discipline is key to target return

2

Project type: Focus on acquiring rights and securing key contracts to bring an asset to commission
Considerable in-house expertise in negotiating accretive contracts on behalf of portfolio companies

3

Monetisation: Contract stacking strategy across different organised markets
Investment Manager takes active approach working alongside aggregators to generate diverse sustainable revenue streams and optimise asset value

4

Technology: GSF is technology agnostic and is constantly accessing different storage solutions
Today, Manager has identified Lithium-Ion as the most efficient battery technology

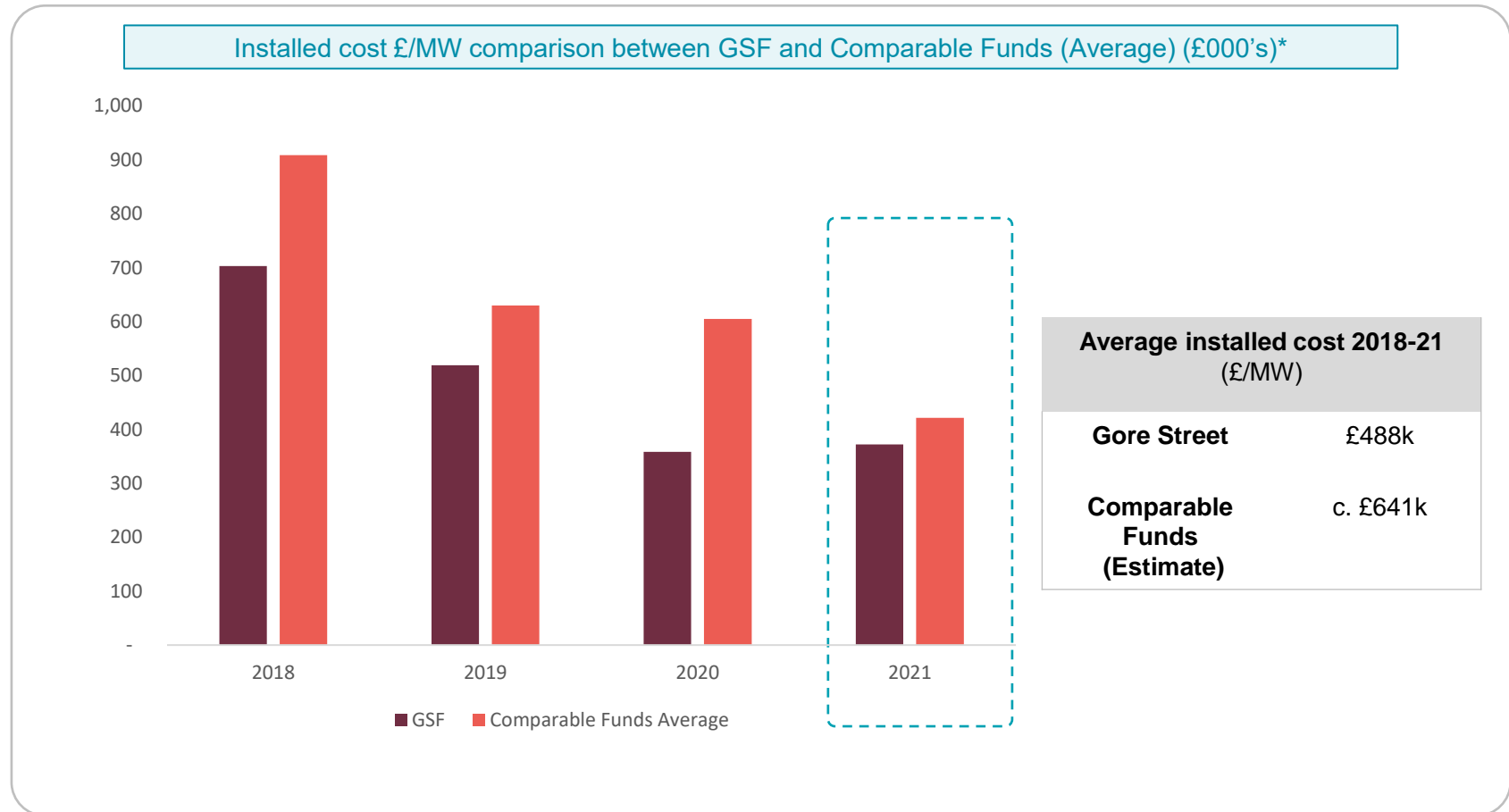
5

Geography: Current portfolio is focused on GB and Ireland, where GSC has a significant track record and market experience, with an increasing pipeline of opportunities in OECD countries

(1) Target IRR before fees and expenses. IRR range is subject to various risk adjustments. These are targets only which are based on a number of assumptions that may not materialise. There can be no guarantee that the fund will generate these or any returns.

Investment Strategy: Deployment Cost Comparison

Gore Street Energy Storage Fund has consistently acquired and constructed its assets at competitive cost levels relative to the industry.

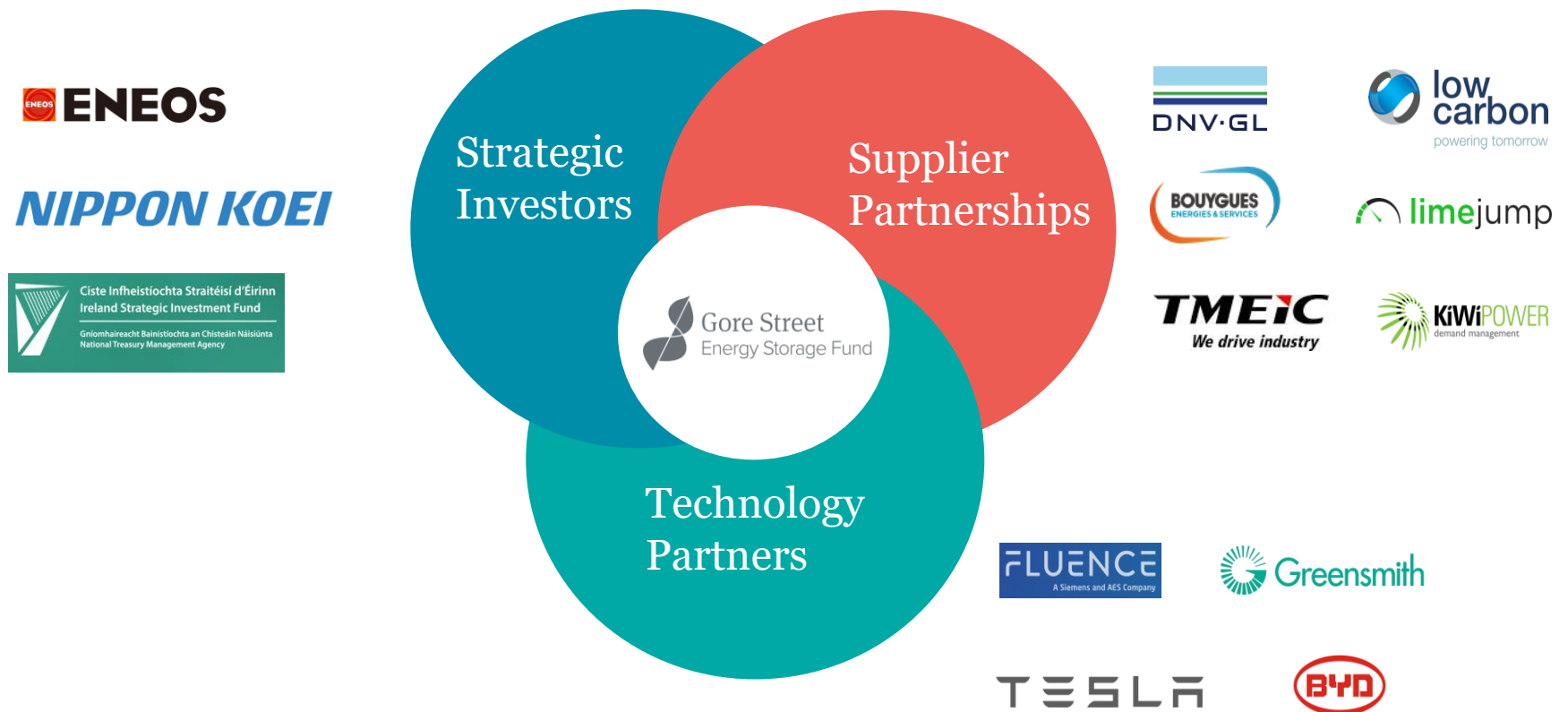


*Installed costs for GSF estimated based on date of IPO for seed assets (2018), and date of energisation of assets for subsequent years. Installed costs for the comparable funds based on publicly available information.
Note: Installed cost £/MW for GSF may include the present value of future EPC milestone payments discounted at 10%

Partnerships, suppliers and technology

Validation from a key group of strategic partners reinforcing expertise, capital and returns for investors...

...And diversification and assurance with suppliers and technology



GSC Leadership & Board

GSC Leadership



Alex O'Connell
CEO



Suminori Arima
CIO



Onsu Wegner
COO & GC



Frank Wouters
Investment
Committee



Daniel Mudd
Investment
Committee*

GSF Board



Patrick Cox
Chairman



Caroline Banzky
Chair of Audit Committee



Max King, ACA
Director

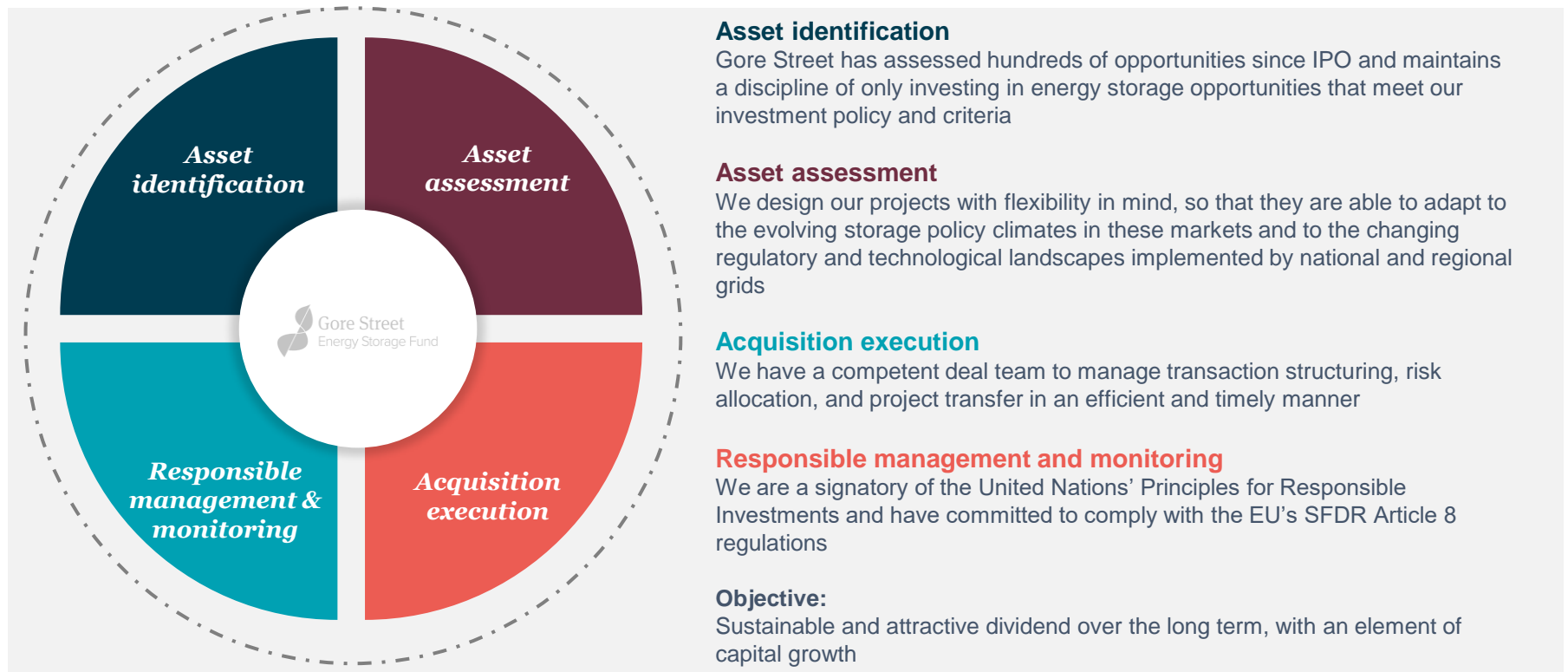


Tom Murley
Director

* Mr. Mudd is an observer of the Investment Committee

ESG: Business model

The fund is moving towards integrating environmental, social and governance risk as well as opportunity assessments across every single stage of its investment process



Environmental, Social and Governance (ESG)

ESG Frameworks

There are various ESG frameworks which can be used to shape ESG strategy, assess and measure ESG metrics and performance.

Here are the frameworks used by the Company.



FCA

The FCA published its ESG strategy in November 2021. This strategy will influence the Company's direction of travel.

UN Principles for Responsible Investment

The Fund is a UN PRI signatory.



Sustainable Development Goals (SDGs)

The Company supports the UN's Sustainable Development Goals



Sustainable Finance Disclosure Regulation (SFDR)

The Company is committed to integrating the Article 8 requirements of the EU's Sustainable Finance Disclosure Regulation (SFDR), a component of the EU Action Plan on Sustainable investment.

Task Force on Climate-Related Financial Disclosures (TCFD)

It is the Company's intent to continue to integrate information on its performance into its financial reporting and climate-related financial disclosures, beginning in 2022.

Environmental, Social and Governance (ESG)

FCA

FCA Business Plan

In the FCA's Business Plan, the regulator said it will be focusing on six of the most important cross-market issues:

1. fraud
2. financial resilience
3. operational resilience
- 4. improving diversity and inclusion**
- 5. enabling a more sustainable financial future**
6. international cooperation

<https://www.fca.org.uk/publication/business-plans/business-plan-2021-22.pdf> (pg. 4)

The FCA has stated it wants to see the following outcomes in the financial services sector:

- *regulated firms and listed companies have more diverse representation at all levels*
- *regulated firms and listed companies foster cultures that are inclusive so that staff can share their diverse experiences and backgrounds*

<https://www.fca.org.uk/publication/business-plans/business-plan-2021-22.pdf> (pg. 42)

In November 2021, the FCA stated:

Diversity and inclusion is a key component of ESG – both in its own right, and as an enabler of creative solutions to other environmental and social challenges. The target outcomes for the sector are:

- *regulated firms and listed companies have more diverse representation at all levels*
- *regulated firms and listed companies foster cultures that are inclusive so that staff can share their diverse experiences and backgrounds*

<https://www.fca.org.uk/publications/corporate-documents/strategy-positive-change-our-esg-priorities>

Environmental, Social and Governance (ESG)

The Fund is committed to the continuous integration of ESG assessments into its investment, construction and operational decision making, and aims to transparently communicate about its progress through participation in the following initiatives:

UN Principles for Responsible Investment (UN PRI)

The Fund is a UN PRI signatory.

It has begun to adopt the UNPRI's six principles for a better understanding of environmental, social and governance impact.

It is taking active steps to improve its voluntary reporting and to support the promotion of acceptance and implementation of the principles in the industry.

Sustainable Finance Disclosure Regulation (SFDR)

The Company is committed to integrating the Article 8 requirements of the EU's Sustainable Finance Disclosure Regulation (SFDR), a component of the EU Action Plan on Sustainable investment.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Fund agrees that transparency and consistent disclosure of environmental impact are key tools in improving sustainability.

The TCFD Framework focuses on disclosure of Governance, Strategy, Risk Management, and Metrics & Targets.

It is the Company's intent to continue to integrate information on its performance into its financial reporting and climate-related financial disclosures, beginning in 2022.

Environmental, Social and Governance (ESG)

Health and Safety



The Company aims to always operate in a manner that safeguards public health, property and the environment.

Our partners' protocols and system designs are developed to ensure minimal disruption to communities (including noise pollution and power system interruption) during construction and operations.

Gore Street's objective is that its sites are safe for people working on-site. We are proud to report zero major or minor health and safety incidents on our sites in the fiscal year up to September 2021.

Gore Street takes adequate precautions for safe design in its layout for batteries and is currently working with its partners and industry specialists, including leading insurers, to establish a framework for fire safety and accident planning protocols in order to better assess fire safety in the industry.

Gore Street will work with its suppliers in what is expected to be a multi-year effort to start to evaluate its supply chain for key social and governance risks, including risks associated with the potential integration of conflict minerals into the supply chain.

Environmental, Social and Governance (ESG)



We are committed to reporting our workforce diversity data biannually.

At 30 September 2021, two-thirds of the Investment Manager's executive team are from non-white (majority) ethnicities and nearly half of the Investment Manager's team are women.

At GSF's Board level, the proportion of women in executive leadership roles is 25 per cent.



Green Economy Mark

The company has been awarded the London Stock Exchange's Green Economy Mark, acknowledging that it derives greater than 50% of its revenues from environmental solutions.



Local community



Global community

Local community

The Gore Street Energy Storage Fund gave a donation to FareShare Northern Ireland which will cover the salary on one of their van drivers for 16 months. This will help FareShare deliver 213 tonnes of food, equivalent to over half a million meals

Global community

Engaged with the Planetary Health Alliance, Harvard University

Environmental, Social and Governance (ESG)

Sustainable Development Goals (SDGs)

The Company supports the UN's Sustainable Development Goals and believes its investments in energy storage contributes to the following four goals out of the seventeen SDG goals:



The company has joined GIIN (The Global Impact Investing Network) to enable it to effectively measure and contribute to the growing knowledge base of impact investors worldwide that would enable it to maximise impact across the target UN SDGs.

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