

## SUMMARY

### **1. Introduction and warnings**

#### **a. Name and ISIN of securities**

Ticker for the Ordinary Shares: GSF

International Securities Identification Number (ISIN) of the Ordinary Shares: GB00BG0P0V73

#### **b. Identity and contact details of the issuer**

Name: Gore Street Energy Storage Fund plc (the “**Company**”) (incorporated in England and Wales with registered number 1116042)

Registered Office: The Scalpel 18th Floor, 52 Lime Street, London EC3M 7AF, United Kingdom

Tel: +44 (0) 20 7409 0181

Legal Entity Identifier (LEI): 213800GPUNVGG81G4O21

#### **c. Identity and contact details of the competent authority**

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London, E20 1JN, United Kingdom

Tel: +44 (0) 20 7066 1000

#### **d. Date of approval of the prospectus**

30 November 2020

#### **e. Warnings**

This summary should be read as an introduction to the prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of the prospectus as a whole by the prospective investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

### **2. Key information on the issuer**

#### **a. Who is the issuer of the securities?**

##### **i. Domicile and legal form, LEI, applicable legislation and country of incorporation**

The Company is a public limited company, registered and incorporated in England and Wales under the Companies Act 2006 (the “**Act**”) on 19 January 2018 with registered number 1116042. The Company’s LEI is 213800GPUNVGG81G4O21. The Company is registered as an investment company under section 833 of the Act and carries on its activities as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

##### **ii. Principal activities**

The principal activity of the Company is to invest in accordance with the Company’s investment policy with a view to achieving its investment objective.

##### **iii. Investment objective**

The investment objective of the Company is to seek to provide investors with a sustainable and attractive dividend over the long term by investing in a diversified portfolio of utility scale energy storage projects primarily located in the UK and the Republic of Ireland, although the Company will also consider projects in North America and Western Europe. In addition, the Company seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company’s investment policy.

##### **iv. Major Shareholders**

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the date of this document, the following persons held, directly or indirectly, three per cent. or more of the issued Ordinary Shares or the Company’s voting rights:

Name	Number of Ordinary Shares	Percentage of voting rights
National Treasury Management Agency	11,730,910	13.99%
NEC Corp PF	9,098,901	10.85%
Anesco	6,695,501	7.98%
Nippon Koei Energy	6,000,000	7.15%
Jupiter Asset Management	4,250,000	5.07%
Charles Stanley	3,176,620	3.79%
Nomura Securities	3,000,000	3.58%
Interactive Investor	2,816,662	3.36%
Hawksmoor Investment Management	2,644,900	3.15%
Herald Investment Management	2,608,247	3.11%

As at the date of this document, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.

v. **Directors**

Patrick Cox (Chairman), Caroline Banszky, Malcolm King and Thomas Murley.

vi. **Statutory auditors**

Ernst & Young LLP.

b. **What is the key financial information regarding the issuer?**

**Table 1: Additional information relevant to closed end funds**

Share Class	Total NAV*	No. of shares*	NAV per share*	Historical performance of the Company*
Ordinary	£49.7m	52,548,815	94.6p (including current financial year revenue items)	Since First Admission, the Company has delivered Net Asset Value and share price total returns of 6.3 per cent. and 5.6 per cent., respectively, and the Ordinary Shares have traded at an average premium to NAV per Ordinary Share of 1.2 per cent.

\* As at 31 March 2020

**Table 2: Income statement for closed end funds**

	Year ended 31 March 2020
<b>Audited Statement of Comprehensive Income</b>	
Net gain on investments at fair value through profit and loss	5,585,522
Investment income	915,111
Administrative and other expenses	(1,711,360)
<b>Profit before tax</b>	4,789,273
Taxation	–
<b>Profit after tax</b>	4,789,273
<b>Total comprehensive income</b>	4,789,273
Profit per Ordinary Share	11.78 pence

**Table 3: Balance sheet for closed end funds**

	As at 31 March 2020
<b>Audited Statement of Financial Position</b>	
<b>Non-current assets:</b>	
Investments at fair value through profit or loss	30,412,493
<b>Current assets</b>	
Cash and cash equivalents	15,028,142
Trade and other receivables	4,963,527
	19,991,669
<b>Total assets</b>	50,404,162
<b>Current liabilities</b>	
Trade and other payables	713,659
<b>Total net assets</b>	49,690,503
Net asset value per Ordinary Share	95.0 pence

### **c. What are the key risks that are specific to the issuer?**

- There can be no guarantee that the investment objective of the Company will be achieved or that any dividends will be paid in respect of any financial year or period. The Company may, at the discretion of the Board, pay all or any part of any future dividend out of capital.
- The Group has no employees and is reliant on the performance of third-party service providers. Failure by the Investment Manager or any other third-party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Group. The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective. The past performance of the Investment Manager's investment professionals cannot be relied upon as an indication of the future performance of the Company.
- Any change in the law and regulation affecting the Group and its operations may have a material adverse effect on the ability of the Company to carry on its business and on the value of the Company and/or the Ordinary Shares. The laws and regulations of various jurisdictions in which the Group may invest may impose restrictions that would not exist in the UK or the Republic of Ireland. Such jurisdictions may have their own legal, economic, political, social, cultural, business, industrial and labour and environmental risks and projects in those jurisdictions may require approvals under corporate, securities, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK or the Republic of Ireland.
- Any change in the Company's tax status (including any failure to maintain approval as an investment trust) or in taxation legislation or practice generally could adversely affect the value of the investments held by the Group, or the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.
- Notwithstanding that due diligence is undertaken prior to the acquisition of an energy storage project or special purpose vehicle, not all material risks may be identified and/or such risks may not be adequately protected against in the acquisition documentation. In the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the Company.
- Technological and operational risks may arise which may not be covered by warranties or insurance. The Group may be exposed to counterparties who have failed to perform their obligations under EPC contracts or O&M contracts. The Group is reliant on the Investment Manager selecting reputable suppliers and experienced O&M service providers. The failure of any of the Group's suppliers (including EPC contractors and O&M service providers) may result in closure, seizure, enforced dismantling or other legal action in respect of the Group's projects.
- The revenues generated by the Group's portfolio will be dependent on the price at which various grid balancing services in GB and Ireland, including, in particular, frequency response services, are offered by its energy storage systems to National Grid and/or its subsidiaries or other relevant system operators. As new participants enter the market, a decline in the market price of balancing services is expected which may adversely affect the Company's ability to meet target dividend distributions or rates of return.
- The revenue generated by the Group's portfolio is partly dependent on the capacity market scheme remaining in its current format. The revenues will also be partly dependent on: (i) the capacity market price the Company's investee companies secure through the capacity market auctions; and (ii) the capacity market de-rating factors. The Company cannot guarantee that capacity market prices or de-rating factors will remain at levels which will allow the Group to maintain projected revenue levels or rates of return on the energy storage projects within its portfolio (or indeed that it can secure or renew any such contracts at all). A significant drop in capacity market prices or de-rating factors would have a material adverse effect on future availability of attractive projects and, therefore, the Group's business, financial position, results of operations and business prospects.
- A significant element of revenue for storage projects in Ireland is the volume uncapped under the DS3 standard contract or volume uncapped market. The Investment Manager makes investment decisions based on price forecast and market expectations for the uncapped market and estimate project timeline, but the Company cannot guarantee that the uncapped market conditions, price and timeline will remain stable over the coming years.

### **3. Key information on the securities**

#### **d. What are the main features of the securities?**

##### **i. Type, class and ISIN of the securities**

Ordinary shares of £0.01 each in the capital of the Company.

The ISIN of the Ordinary Shares is GB00BG0P0V73.

ii. **Currency, denomination, par value, number of securities issued and term of the securities**

The Ordinary Shares are denominated in pounds sterling and have nominal value £0.01 each. Ordinary Shares are being made available under the Initial Issue at the Issue Price of 100 pence per Ordinary Share. Following the Initial Issue, Ordinary Shares may be made available pursuant to a Direct Subscription, a Subsequent Placing or as Consideration Shares at a price which is not less than the prevailing Net Asset Value per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue. Ordinary Shares may also be issued pursuant to NTMA Subscriptions at the lower of: (i) the mid-market price of the Ordinary Shares at the time of the NTMA Subscription; and (ii) the last published Net Asset Value per Ordinary Share at the time of the NTMA Subscription; plus a premium of 0.2 per cent. (subject to Shareholder approval in the event that the mid-market price of the Ordinary Shares is lower than the last published Net Asset Value per Ordinary Share at the time of the relevant NTMA Subscription).

Up to 60 million Ordinary Shares can be issued pursuant to the Initial Issue and up to 250 million Ordinary Shares in aggregate (less the number of Ordinary Shares issued under the Initial Issue) may be issued pursuant to the Subsequent Issues.

The Ordinary Shares have no fixed term.

iii. **Rights attached to the securities**

Holders of Ordinary Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.

On a winding-up or a return of capital by the Company, holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to C Shares (if any) in issue.

Holders of Ordinary Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.

iv. **Relative seniority of the securities in the event of insolvency**

On a winding-up or a return of capital by the Company, the holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue. There are no C Shares in issue as at the date of this document and the Company does not have the ability to issue C Shares pursuant to this prospectus.

v. **Restrictions on free transferability of the securities**

In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- (i) is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) is in respect of only one class of share; and
- (iii) is not in favour of more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

vi. **Dividend policy**

The Company is targeting an annual dividend of 7 per cent. of Net Asset Value per Ordinary Share in each financial year subject to a minimum target of 7 pence per Ordinary Share. Further, the Company is targeting an aggregate unlevered IRR from its portfolio of projects on full investment of between 10 and 12 per cent. before fees and expenses of the Company.

Investors should note that the target dividend is a target only and is not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve its target dividend yield and there can be no assurance that it will be met. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.

e. **Where will the securities be traded?**

Applications will be made to the Financial Conduct Authority for all of the Ordinary Shares to be issued pursuant to the Issues to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market.

f. **What are the key risks that are specific to the securities?**

- The value of the Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up.
- The market price of the Ordinary Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand, market conditions and general investor sentiment.
- It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares.
- If the Directors decide to issue further Ordinary Shares, whether pursuant to a Subsequent Placing, a Direct Subscription, as Consideration Shares or otherwise, the proportions of the voting rights held by Shareholders may be diluted.
- Where the Issue Price is calculated by reference to the unaudited Net Asset Value per Ordinary Share, such Net Asset Value per Ordinary Share is determined on the basis of the information available to the Company at the time and may be subject to subsequent revisions.

**4. Key information on the offer of securities and admission to trading on a regulated market**

g. **Under which conditions and timetable can I invest in this security?**

i. **General terms and conditions**

Ordinary Shares are being made available under the Initial Issue at the Issue Price of 100 pence per Ordinary Share. The Initial Issue comprises the Initial Placing, the Offer for Subscription and the Intermediaries Offer.

Each of Shore Capital and J.P. Morgan Cazenove has agreed to use its reasonable endeavours to procure subscribers pursuant to the Initial Placing for the Ordinary Shares. The Initial Placing will close at 5.00 p.m. on 11 December 2020 (or such later date as the Company, Shore Capital and J.P. Morgan Cazenove may agree). If the Initial Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

The Offer for Subscription is being made in the United Kingdom only. Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares and in multiples of 100 thereafter. Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to the Receiving Agent so as to be received by no later than 1.00 p.m. on 14 December 2020.

Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries in the United Kingdom who will facilitate the participation of their retail investor clients located in the United Kingdom. A minimum application of £1,000 per Underlying Applicant will apply. Completed Applications from Intermediaries must be received by Shore Capital no later than 12.00 p.m. on 14 December 2020.

The Initial Issue is conditional, *inter alia*, upon: (a) the passing of the Initial Issue Resolutions; (b) the Placing and Offer Agreement becoming wholly unconditional in all respects (save as to Initial Admission itself and any conditions which are specific to the Subsequent Issues) and not having been terminated in accordance with its terms prior to Initial Admission; and (c) Initial Admission occurring by 8.00 a.m. on 17 December 2020 (or such later date, not being later than 31 January 2021, as the Company, Shore Capital and J.P. Morgan Cazenove may agree).

Following the Initial Issue, the Company may issue Ordinary Shares pursuant to a Direct Subscription, a Subsequent Placing or as Consideration Shares. Each allotment and issue of Ordinary Shares pursuant to any Subsequent Issue is conditional, *inter alia*, on: (a) the Subsequent Issue Price being determined by the Directors; (b) Admission of the Ordinary Shares; (c) (in the case of a Subsequent Placing only) the Placing and Offer Agreement becoming otherwise wholly unconditional in all respects as to the relevant Subsequent Placing and not having been terminated on or before the date of any such Subsequent Admission; (d) a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Regulation Rules; and (e) the Company having sufficient Shareholder authorities in place to issue such Ordinary Shares.

The Subsequent Issue Price will be determined by the Company and will be not less than the prevailing Net Asset Value per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue. The issue price will also take into consideration the prevailing share price per Ordinary Share.

Ordinary Shares issued pursuant to any NTMA Subscription will be issued at the lower of: (i) the mid-market price of the Ordinary Shares at the time of the NTMA Subscription; and (ii) the last published Net Asset Value per Ordinary Share at the time of the NTMA Subscription; plus a premium of 0.2 per cent. (subject to Shareholder approval in the event that the mid-market price of the Ordinary Shares is lower than the last published Net Asset Value per Ordinary Share at the time of the relevant NTMA Subscription).

ii. **Expected Timetable**

Initial Issue opens	30 November 2020
Latest time and date for commitments under the Initial Placing	5.00 p.m. on 11 December 2020
Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer	12.00 p.m. 14 December 2020
Latest time and date for receipt of completed Application Forms in respect of the Offer for Subscription	1.00 p.m. on 14 December 2020
Publication of results of the Initial Issue	15 December 2020
Initial Admission and dealings in Ordinary Shares commence	8.00 a.m. on 17 December 2020
Earliest date for new Ordinary Shares to be issued pursuant to a Subsequent Issue	18 December 2020
Latest date for issuing new Ordinary Shares pursuant to a Subsequent Issue pursuant to this prospectus	29 November 2021*

\* Any Subsequent Issue made pursuant to this prospectus will need to be completed within 12 months of the date of this prospectus. To the extent that any Subsequent Issue is to be made after 29 November 2021, the Company may publish a new prospectus to cover the admission to trading on the main market of the London Stock Exchange of such new Ordinary Shares or, if available, rely on an exemption to the requirement to publish a prospectus in respect of any such Admission.

iii. **Details of admission to trading on a regulated market**

Applications will be made to the FCA for all of the Ordinary Shares to be issued pursuant to the Issues to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market.

iv. **Plan for distribution**

The number of Ordinary Shares available under the Issues is intended to provide flexibility and should not be taken as an indication of the number of shares that will be issued. Any issues of Ordinary Shares will be notified by the Company through a Regulatory Information Service and the Company's website, prior to each Admission.

v. **Amount and percentage of immediate dilution resulting from the issue**

The Initial Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Initial Issue on the same terms as any other third party investor. Shareholders who do not participate in the Initial Issue for an amount at least *pro rata* to their existing holding will have their percentage holding diluted following Initial Admission. If 60 million Ordinary Shares are issued pursuant to the Initial Issue, there would be a dilution of approximately 72 per cent. in Shareholders' ownership and voting interests in the Company.

If 190 million Ordinary Shares are issued in aggregate pursuant to the Subsequent Issues, assuming the Initial Issue has been subscribed as to 60 million Ordinary Shares, there would be a dilution of approximately 298 per cent. in Shareholders' ownership and voting interests in the Company following the Initial Issue (assuming an existing Shareholder does not participate at all).

vi. **Estimate of the total expenses of the issue**

The costs and expenses of the Initial Issue are not expected to exceed approximately 2.9 per cent. of the gross proceeds of the Initial Issue. Assuming 60 million Ordinary Shares are issued resulting in gross proceeds of approximately £60 million, the costs and expenses of the Initial Issue payable by the Company are expected to be approximately £1.7 million.

The costs and expenses of each Subsequent Placing or Direct Subscription will depend on subscriptions received but it is expected that these costs and expenses will be covered by issuing Ordinary Shares at a premium to the NAV per Ordinary Share at the time of issue.

vii. **Estimated expenses charged to the investor**

Expenses incurred by the Company in connection with the Initial Issue are not expected to exceed 2.9 per cent. of the gross proceeds of the Initial Issue. However, the Ordinary Shares being issued pursuant to the Initial Issue are being issued at the last published NAV per Ordinary Share together with a premium intended to cover the costs and expenses of the Initial Issue.

All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

The costs and expenses of any Subsequent Placing or Direct Subscription will depend on subscriptions received but it is expected that these costs and expenses will be covered by issuing Ordinary Shares at a premium to the NAV per Ordinary Share at the time of issue.



## h. **Why is this prospectus being produced?**

### i. **Reasons for the offer**

The Board, as advised by the Investment Manager, believes that there continue to be attractive opportunities for the Company to deliver returns for Shareholders through exposure to utility scale battery storage assets. The Company may use the net proceeds of the Issues to acquire new projects in the Company's pipeline or to fund capital expenditure requirements of investments in the Group's existing portfolio.

### ii. **The use and estimated net amount of the proceeds**

The net proceeds of the Initial Issue are dependent on the level of subscriptions received. Assuming the gross proceeds of the Initial Issue are £60 million, the net proceeds will be approximately £58.3 million. The net proceeds of any Subsequent Placing or Direct Subscription are dependent, *inter alia*, on the level of subscriptions received and the price at which new Ordinary Shares are issued.

The Directors intend to direct the Investment Manager to apply the net proceeds of any issue of Ordinary Shares pursuant to the Initial Issue, a Subsequent Placing or any Direct Subscription to acquire new projects in the Company's pipeline or to fund capital expenditure requirements of investments in the Group's existing portfolio. The proceeds of any NTMA Subscription will only be used to fund acquisition and construction costs of Eligible Projects.

### iii. **Underwriting**

The Issues are not being underwritten.

### iv. **Material conflicts of interest**

As at the date of this document, there are no interests that are material to the Issues and no conflicting interests.