

storing  
**renewable energy**  
at scale



2021 Full Year Results Presentation

# Our agenda today

- 
- 01 Overview
  - 02 Our business & projects
  - 03 Financial highlights
  - 04 Outlook
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# 01 Overview

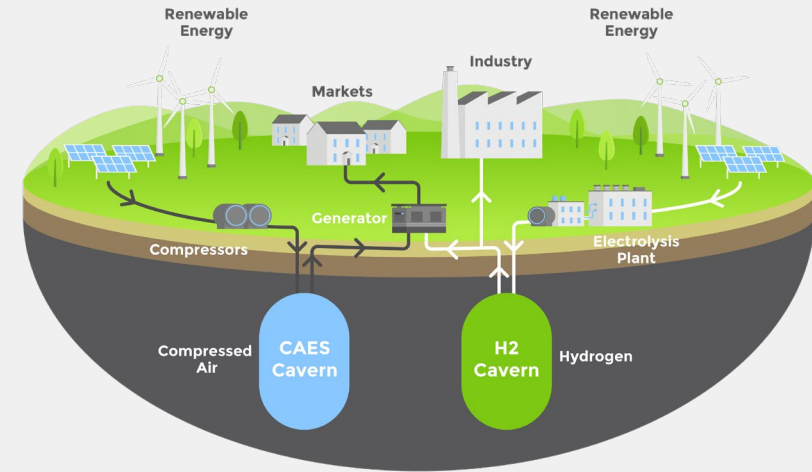
# About us and Long Duration Energy Storage






Corre Energy is a leader in the development, operation and commercialisation of **LDES**

These **projects** and **products** will accelerate **decarbonisation** and enhance the **security** and **flexibility** of energy systems

Corre Energy's design can yield up to **84hrs (3.5 days)** of storage **based on output capacity of 320MW** to enable integration of gigawatt renewables and green hydrogen use

Our team has extensive experience and success in the energy sector, including market-leading expertise in modelling the capability of LDES to **integrate large grid scale renewables**



-  Compression of air into storage when electricity prices are low
-  Electricity generation from storage when prices are high
-  Sale of electricity market balancing services
-  Traded electricity contracts hedged by CAES capacity across multiple markets
-  Sale of CAES capacity for balancing services to the TSO\*

# Key achievements during 2021

1



## Funding

IEEF II investment  
€11m

Euronext Growth listing  
€12.0m

Equity Raise  
(23 May 22)  
€10.9m

Infracapital  
Commitment  
ZW1

Cash at year end  
€13m

2



## Results

Market Capitalisation  
(31/05/22)  
€130m

'Outperform'  
research rating

€3.9m Loss after tax in line  
with forecast

Stable FTE  
(23) (31 Dec 21)

Expanded  
top-tier team

3



## Origination

11 TYNDP accredited  
projects

EU Clean  
Hydrogen Alliance  
(selected 2 x projects  
for inclusion on  
their pipeline)

EADS/LDES Council  
members

PCI designation  
in Denmark

4



## Projects

Siemens MoU  
(Strategic Collaboration  
Agreement)

GeoStock  
10-year collaboration  
agreement

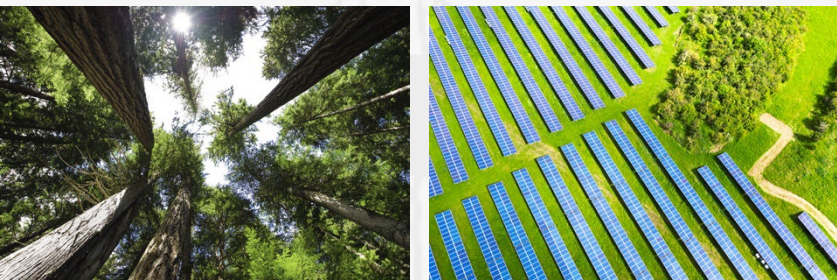
640 MW Capacity  
to 31/12/31

## Key results and achievements highlights

### Key milestones achieved

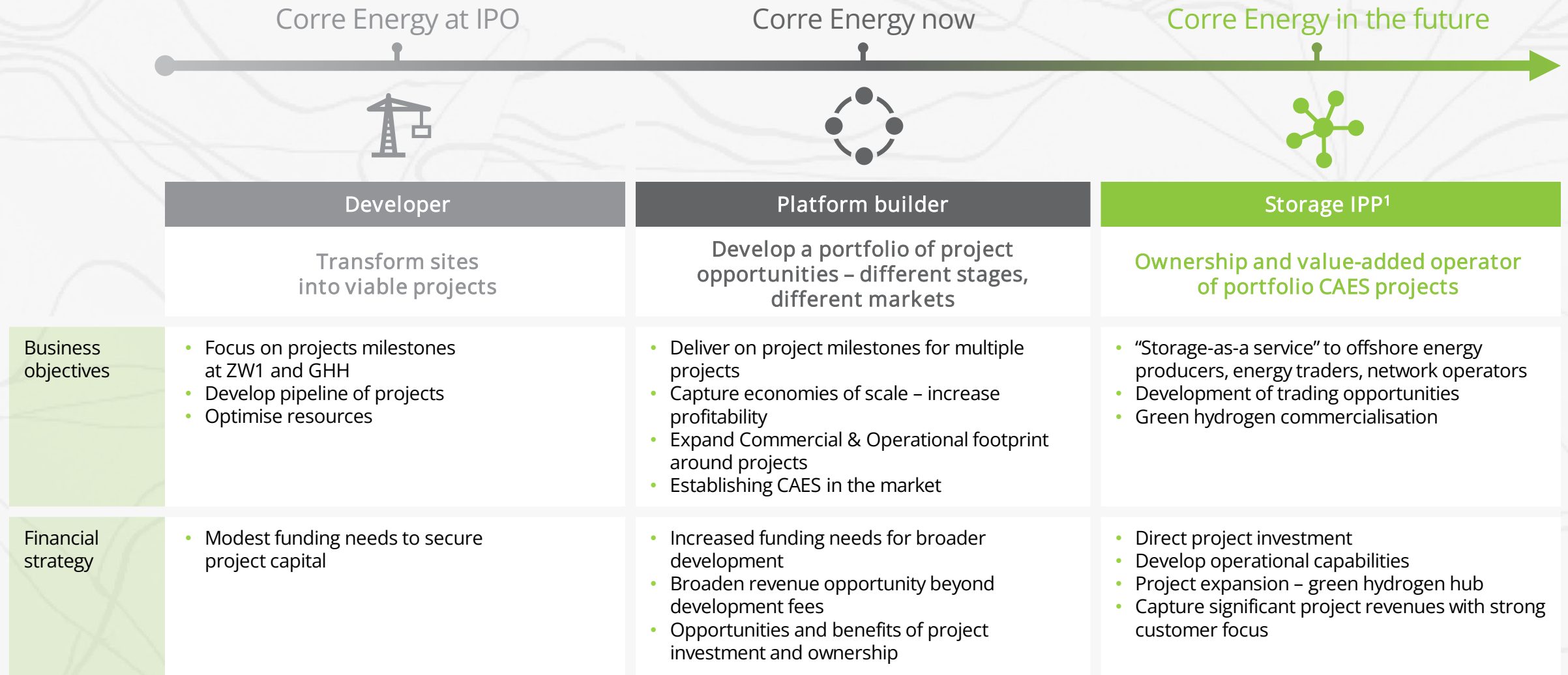
- ✓ Funding in period €23m
- ✓ Equity raise (23 May 22) €10.9m
- ✓ Cash at year end €13m
- ✓ 640 MW capacity secured across 2 projects
- ✓ 11 x TYNDP accredited projects
- ✓ Various Collaboration and Partner agreements signed





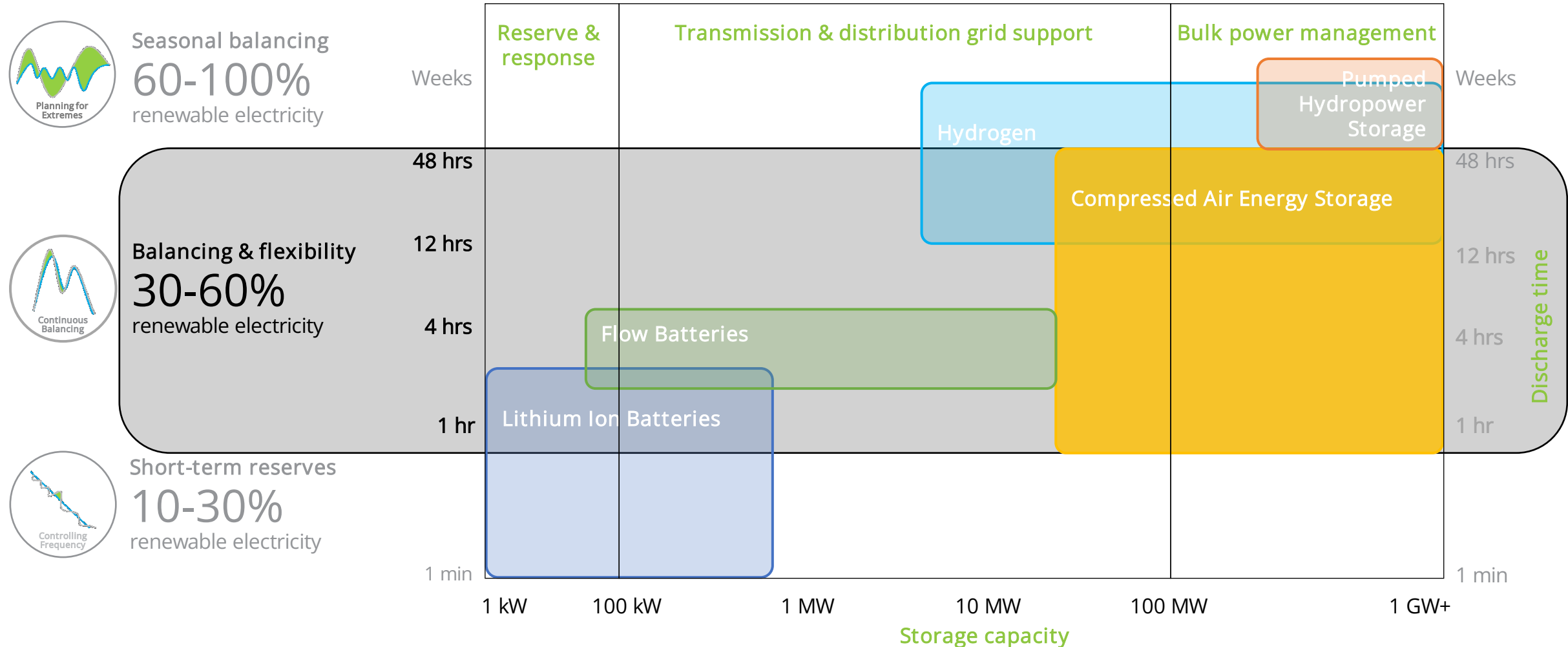
## 02 Our business and projects

# Recent market developments have accelerated our business model evolution





# CAES positioned in renewables' storage sweet spot



# ZW1 project has achieved significant progress to date

## Site of national & European significance



| Project Type     | Hydrogen CAES                                                                                  |
|------------------|------------------------------------------------------------------------------------------------|
| Location         | Netherlands                                                                                    |
| CAES Capacity    | Design improvements increased output capacity to 84hrs (3.5 days) from 12 hours at 320MW scale |
| CAES Generator   | 320 MW                                                                                         |
| Grid             | 640 MW reserved                                                                                |
| Customer Offtake | Offers of 10-15yrs for 100% of output with revenue sharing                                     |

## Key project stakeholders & partners



## Strategic location & exclusive storage rights

- Proven salt resources and infrastructure
- Excellent connections to grid (TenneT), gas and hydrogen supply (Gasunie)
- Ideally situated to serve as a storage platform for offshore wind
- The only “Hydrogen Valley” recognised by the European Commission
- Exclusive agreement with Nobian for rights to use the salt cavern(s)

## Infracapital selected as financing partner

- Extensive commercial and technical due diligence completed

## European Commission approved Project of Common Interest (PCI)

- ZW1 can secure all permits, decisions and notifications required for construction and operation in a nationally co-ordinated (under the Mining Act) permitting process
- €4.4m Connecting Europe Facility grant secured<sup>1</sup>

## Grid & customer agreements

- 640MW reserved grid connection with Tennet
- Co-located to gas network (operated by Gasunie)
- Advanced negotiations for long-term fixed price and profit sharing offtake contract

(1) €1.7m received to date, remainder to be received upon completion of milestones.

# Green Hydrogen Hub project in Denmark is a world first

Europe's only energy storage Public Private Partnership (PPP), will act as the blueprint for remaining projects in the pipeline



| Project type            | Green Hydrogen Hub                                                                             |
|-------------------------|------------------------------------------------------------------------------------------------|
| Location                | Denmark                                                                                        |
| CAES Capacity           | Design improvements increased output capacity to 84hrs (3.5 days) from 12 hours at 320MW scale |
| CAES Generator          | 320 MW                                                                                         |
| H <sub>2</sub> Capacity | 250 GWh                                                                                        |
| Electrolyser Capacity   | 350 MW                                                                                         |
| Targeted Construction   | 2023                                                                                           |

## Key project stakeholders & partners



## Strategic location & exclusive storage rights

- Proven salt resources and infrastructure
- Excellent connections to grid, gas, hydrogen and renewable supply
- Brownfield site with mineral licence in operation
- On-site potential to scale
- Exclusive agreement with Nobian for rights to use two salt caverns

## Trading capabilities

- Gas Storage Denmark (part of Energinet Group, Danish TSO) has significant storage trading experience, lending valuable experience to the project

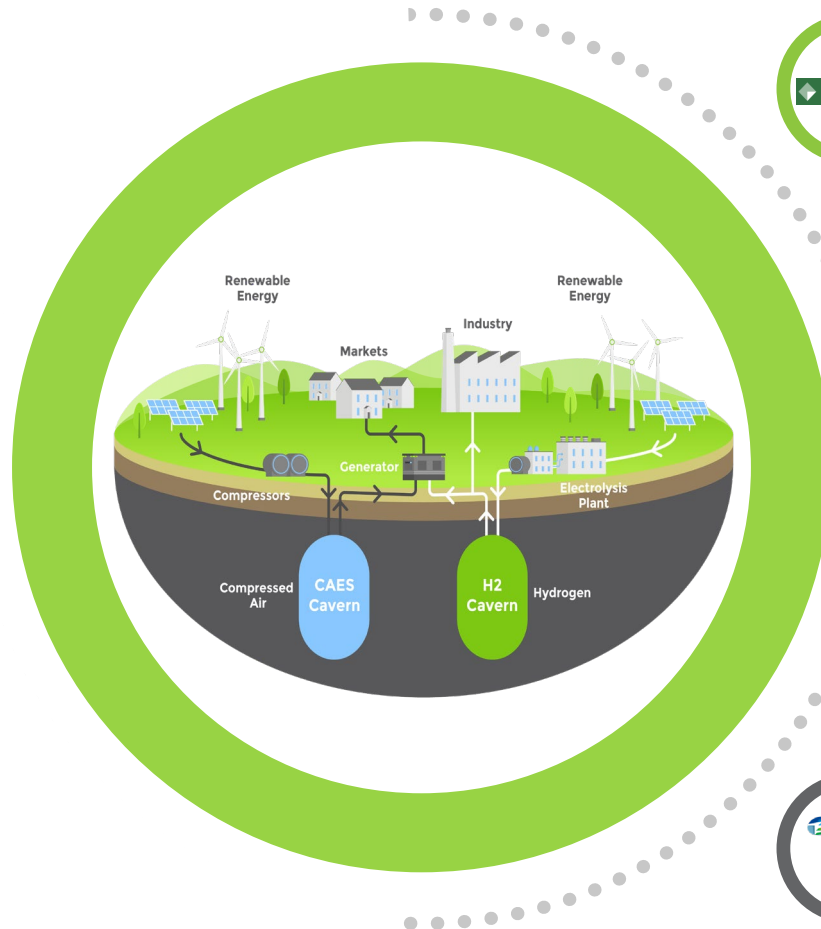
## Applied to EU Innovation Fund (€200m)

- Project delivers transformational change to Denmark's green economy
- Corre Energy is the consortium lead for the development of the project and the application to the EU Innovation fund

## 100% primary renewable sources

- Project to connect with consortium member EuroWind A/S to balance renewables and power electrolyzers with 100% green power

# Our strategic partners help us optimise our value chain



NOBIAN

## Cavern Partner: Nobian

Exclusive partnership with Nobian ( European Leader in salt cavern development) developing salt caverns in Europe since 1917; 600 caverns successfully developed

SIEMENS  
energy

## FEED Partner: Siemens Energy

Siemens is a significant player in CAES engineering, providing proven<sup>1</sup> equipment and technology solutions globally

Infracapital  
Fond  
Fond

## Funding Partners: Infracapital; Fondo Italiano Per L'Efficienza Energetica (FIEE)

Infracap, Infracapital Greenfield Partners II part of M&G Group, already committed €200m for ZW1 project; Italian Energy Efficiency Fund II part of Fondo Italiano Per L'Efficienza Energetica, an EIB-backed infrastructure fund, invested at IPO



## Government Partners: EU, DK, NL, governments

European Commission; Danish Energy Agency; Dutch Ministry of Economic Affairs & Climate Policy; Provincie Groningen

GAS  
STORAGE  
DENMARK

## Green Hydrogen Partners: Gas Storage Denmark (GSD)

GSD developing green hydrogen capabilities ensuring secure supply of product to Corre Energy's projects

tennet  
ENERGI

## Grid Operators: TenneT (NL, Germany); Energinet (DK)

TSOs in Netherlands, Denmark and Germany, through which effective grid connections will be delivered; customers for ancillary grid services

(1) Proven reference projects: McIntosh power plant; Huntorf power plant.



# 03 Financial highlights



# Financial & operational highlights

For the period ended 31 December 2021

Loss after tax

€3.9m

Funding received in the period

€23.0m

Cash held

€13.4m

Project costs capitalised in the period

€2.1m

Project costs capitalised (cumulative)

€5.2m

Cavern Options Held

5

Projects being developed

2

TYNDP Projects in pipeline

11

## Group

- Enables focus on core objectives of progressing existing projects, identifying growth opportunities and raising funding for these activities.

## Projects

- ZW1 Project in continued development
- Signed cavern development agreement, 640 MW grid connection secured .
- GHH project – Corre Energy consortium lead developer
- Additional pipeline opportunities across EU, UK and USA

## Equity funding

- €11m secured tranches from IEEF II
- €12m IPO In Sept 21
- Infracapital secured as project funder.

## G & A Costs

- Costs incurred to date have efficiently supported the growth of the business. This consists of mainly Employee and Administrative costs
  - *Offset by:* Growing Market capitalisation and stable funding lines recently secured (23 May 22)



# FY 2021 Financial performance

## Statement of comprehensive income

For the period ended 31 December 2021

|                                                                      | 2021<br>€'000 |
|----------------------------------------------------------------------|---------------|
| <b>Revenue</b>                                                       | 5             |
| <b>Other operating income</b>                                        | 903           |
| <b>Expenses</b>                                                      |               |
| Employee expenses                                                    | (2,755)       |
| Project costs                                                        | (7)           |
| Other administrative expenses                                        | (4,789)       |
| <b>Operating result</b>                                              | (6,643)       |
| Finance expense                                                      | (957)         |
| <b>Result before tax</b>                                             | (7,600)       |
| Corporation Tax                                                      | 3,653         |
| <b>Loss after tax</b>                                                | (3,947)       |
| <b>Other comprehensive income</b>                                    |               |
| <b>Items that may be reclassified subsequently to profit or loss</b> |               |
| Foreign exchange differences on translation of foreign operations    | (4)           |
| <b>Total comprehensive income</b>                                    | (3,951)       |

### Key considerations

- First year audited Group results
- Other Operating income €0.9m recognised in year, reclaim of €1.7m has been submitted to CINEA
- Expenses €7.5m in line with plan and controllable
- Finance Expense €0.9m. Related to option
- Taxation €3.7m deferred tax assets recognised

# Balance sheet

as at 31 December 2021

|                                               | 2021<br>€'000 |
|-----------------------------------------------|---------------|
| <b>Assets</b>                                 |               |
| <b>Non-current assets</b>                     |               |
| Intangible fixed assets                       | 618           |
| Tangible fixed assets                         | 5,261         |
| Lease right of use assets                     | 99            |
| Deferred tax assets                           | 3,641         |
| <b>Total non-current assets</b>               | <b>9,619</b>  |
| <b>Current assets</b>                         |               |
| Cash                                          | 13,375        |
| Receivables, prepayments, and accrued income  | 2,582         |
| <b>Total current assets</b>                   | <b>15,957</b> |
| <b>Total assets</b>                           | <b>25,576</b> |
| <b>Equity</b>                                 |               |
| Share capital                                 | 279           |
| Share premium                                 | 11,501        |
| Retained earnings                             | (3,250)       |
| Foreign currency translation                  | (4)           |
| <b>Total equity</b>                           | <b>8,526</b>  |
| <b>Liabilities</b>                            |               |
| <b>Non-current liabilities</b>                |               |
| Long-term loans                               | 11,646        |
| Long-term lease liability                     | 79            |
| Long-term payables to participating interests | 1,845         |
| <b>Total non-current liabilities</b>          | <b>13,570</b> |
| <b>Current liabilities</b>                    |               |
| Trade creditors                               | 823           |
| Payables to participating interests           | 1,123         |
| Other current liabilities                     | 1,534         |
| <b>Total current liabilities</b>              | <b>3,480</b>  |
| <b>Total liabilities</b>                      | <b>17,050</b> |
| <b>Total equity and liabilities</b>           | <b>25,576</b> |

## Key considerations

- Strong liquidity and cash resources, Post IPO €13m
- Conservative project capitalisation policy in place
- Stable Balance Sheet on working capital
- Funding Sources €11m IEEF II Equity participation loan

# Group outlook provides future growth and flexibility

## Funding structure to support Project Pipeline & Group infrastructure growth

| Sources of Capital                          | €m        |
|---------------------------------------------|-----------|
| Opening Cash Position                       | 8         |
| Equity Raise – May 22                       | 11        |
| Other Income                                | 2         |
| <b>Total Sources of Capital<sup>1</sup></b> | <b>21</b> |



| Uses of Capital                                              | €m        | Commentary                                   |
|--------------------------------------------------------------|-----------|----------------------------------------------|
| Development expenditure – ZW1                                | 8         | In progress, Financial Close expected Dec 23 |
| Acceleration of development of GHH                           | 6         | In progress                                  |
| Development of pipeline projects                             | 3         | Ongoing through Y/E 2023                     |
| Project origination (cavern options, strategic acquisitions) | 1         | Ongoing through Y/E 2023                     |
| G & A                                                        | 3         | Ongoing through Y/E 2023                     |
| <b>Total Uses of Capital</b>                                 | <b>21</b> |                                              |

Secured equity funding

€10.9m

(23 May 22)

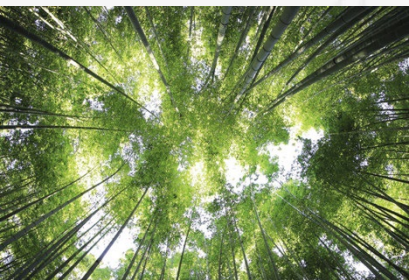


### Funding Routes

- Highly rated existing funding partners
- Increased investor activity
- Strong share price in volatile equity markets
- EU Funding opportunities – PCI Grant Application for GHH

(1) Sources of capital exclude the following:

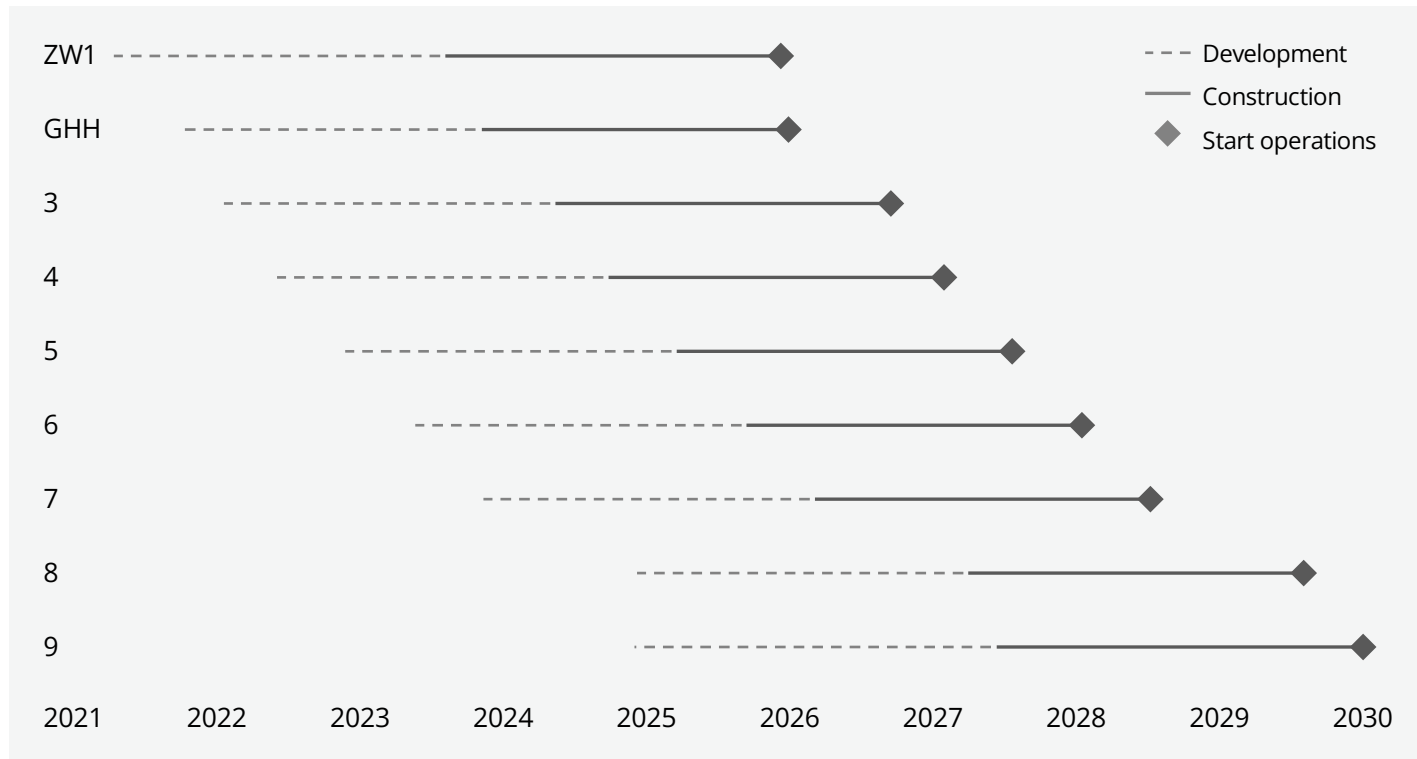
- Developer fee payable to Corre Energy at Financial Close (target Dec 2023)
- Sell-down of minority stake in ZW1 (target pre-Financial Close)



# 04 Outlook

# Our journey to predictable, profitable growth

## Project execution plan



## Typical project economics

c. €15m DevEx per project (100% basis)

c. €350m CapEx per project (100% basis)

c. €90m p.a.<sup>1</sup> EBITDA per project (100% basis)

### Value optimisation

Potential to sell-down equity at Financial Close to optimise capital structure and realise value

### Multiple financing sources

Project debt, equity partners and EU grants

Pipeline of 11 TYNDP project includes projects extensions on ZW1 and GHH (ZW2 and GHH2)

(1) Full operational year illustrative CAES project, real-2020 figure.

# Environmental, social & governance

Corre Energy is the global leader in commercial Long Duration Energy Storage (LDES) projects and products which will support the decarbonisation, enhanced security and flexibility of Europe's energy systems and help deliver the transition to renewable energy

We aim to report our ESG performance in accordance with relevant disclosure standards, including those of the Value Reporting Foundation/Sustainability Accounting Standards Board, the Task force on Climate-related Financial Disclosures and the Carbon Disclosure Project\*

We are aligned with the UN SDGs. We focus our efforts on Goal 7, 'Affordable and Clean Energy', Goal 9, 'Industry, Innovation and Infrastructure' and Goal 13 'Climate Action', as this is where we believe we can maximise our positive impact

Corre Energy will align its sustainable activities with EU taxonomy classifications so shareholders, stakeholders and customers can assess if the company's activities are environmentally sustainable, in the context of the European Green Deal. Corre Energy will aim to help investors make greener choices in this regard



Task force on Climate-related Financial Disclosures



Carbon Disclosure Project



Value Reporting Foundation / Sustainability Accounting Standards Board



UN SDGs



EU Taxonomy

\*We are working at pace to establish our ESG reporting framework. We will complete a thorough process aimed at addressing and prioritising our material Environmental, Social and Governance metrics.



# Outlook summary



Corre Energy, as the leading listed LDES company in Europe, has near-term projects with an expanding pipeline, a deeply experienced management team and the confidence in our attractive growth pathway, to demonstrate shareholder value.



The current geopolitical backdrop has brought into sharp focus the importance of accelerating renewables in Europe, and the importance of adequately remunerating security of supply.



As a direct result of REPowerEU announcements in recent weeks, we will accelerate and expand our portfolio aimed at having at least 8 projects operational by 2030 with 4 to 5 more in construction or development, ensuring we are optimally positioned to meet rising customer demand. Our strategic partnerships with Geostock and Siemens will play a critical role in delivering these ambitious targets.



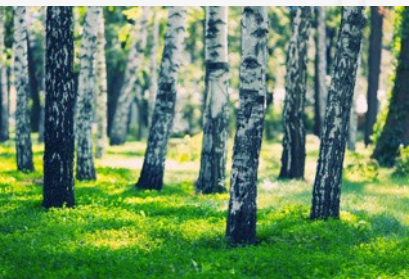
We are very well positioned to make a significant contribution to accelerating a renewables future and securing energy supplies in Europe.



We look forward to building our project portfolio and Group infrastructure in the coming year.

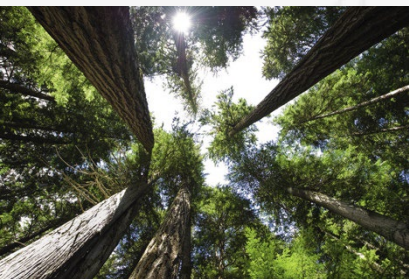


The Group remains well capitalised with c. €13m of cash and adequate headroom of undrawn facilities on hand at period end.



# Q & A

## Your questions please

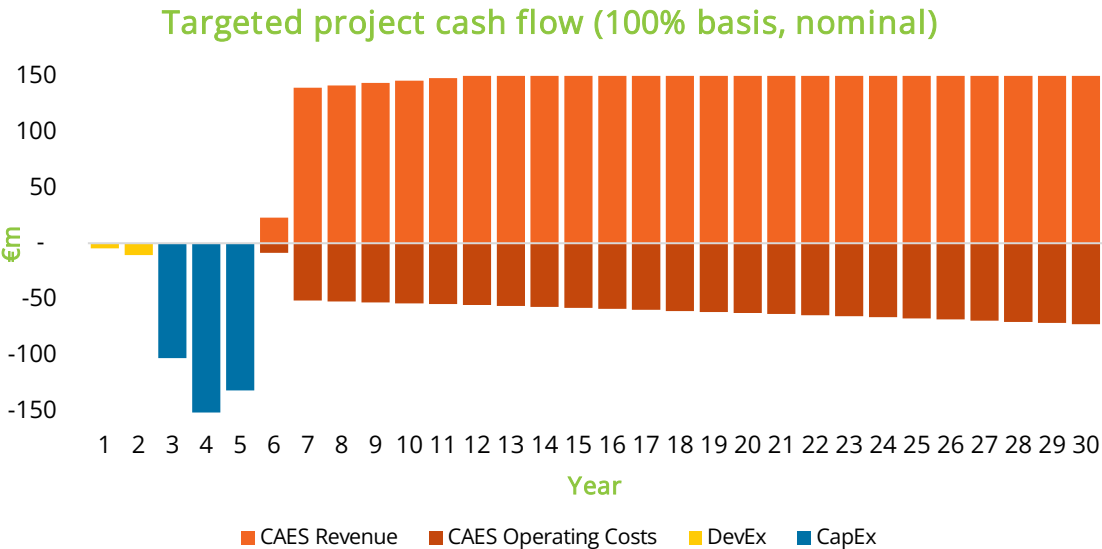


# 05 Appendix

# Appendix 1: Illustrative CAES project economics

| Operations phase (100% basis, real-2020) | €/m/yr       |
|------------------------------------------|--------------|
| Annual CAES revenue                      | c. 140       |
| Annual CAES operating cost               | (c. 50)      |
| <b>Operational cash flow/“EBITDA”</b>    | <b>c. 90</b> |

Useful economic life of 35+ years

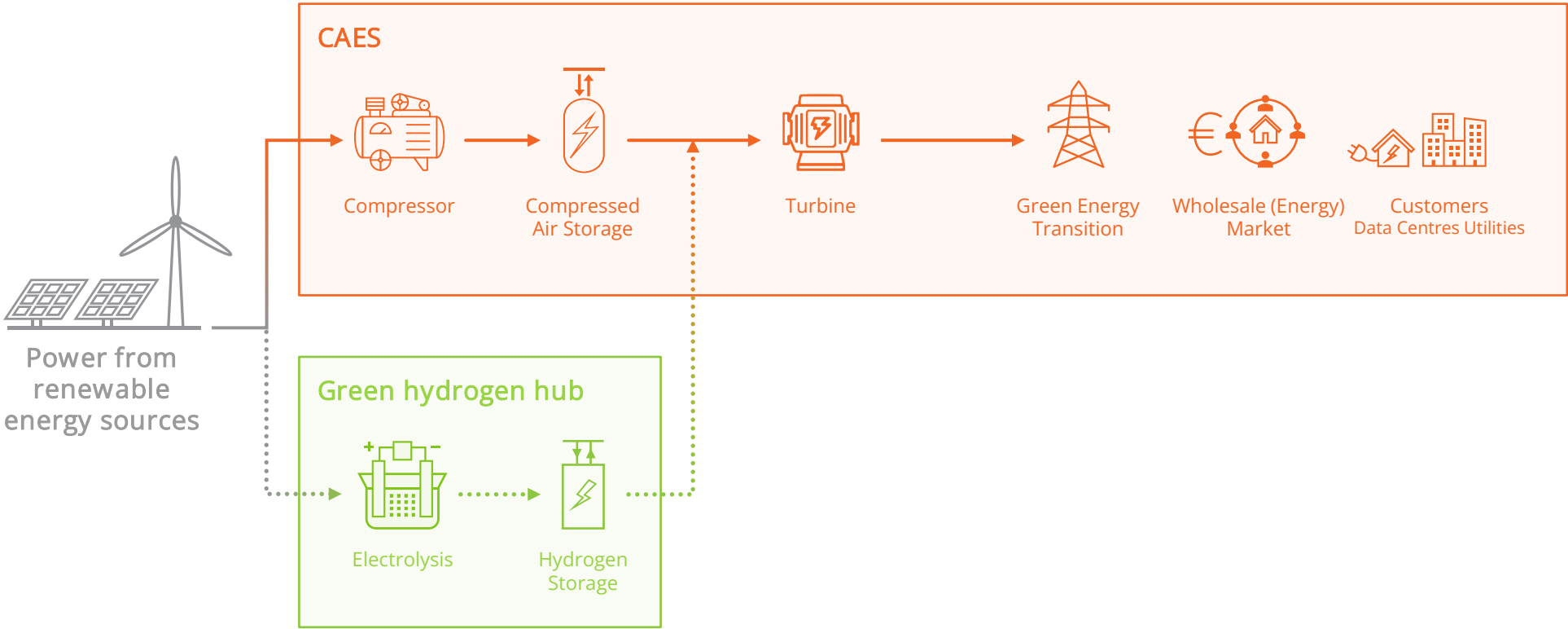


|                                 |                                                                                                                                                              |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maximise value</b>           | 100% ownership retained up to financial close. Potential sell down of selected project stakes at close for enhanced capital efficiency and to monetise value |
| <b>DevEx c. €15m</b>            | 2.5-year DevEx period deploying c. €15 (assuming 100% ownership)                                                                                             |
| <b>CapEx c. €350m</b>           | 2.5-year CapEx period deploying c. €350 (assuming 100% ownership)                                                                                            |
| <b>Pipeline blueprint</b>       | Template for all future projects to achieve scale by 2030                                                                                                    |
| <b>Cashflow to Corre Energy</b> | c. €40m/year during operating period <sup>1</sup>                                                                                                            |
| <b>Robust profitability</b>     | Estimated project IRR% at Financial Close of c. 17%                                                                                                          |

(1) Assuming equity ownership of 50% post Financial Close

# Appendix 2: CAES provides potential for fully decarbonised renewable energy storage solution with multiple revenue streams

## Providing vital infrastructure, serving an array of customers



### Multiple potential revenue streams

**High renewables/ low prices**  
Compression – input price

**Low renewables/ high prices**  
Generation – output price

**Balancing services**  
Compressor and turbine – upward and downward response