

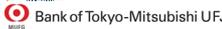
Mobilising institutional investment in offshore wind

Gavin Templeton, Head of Sustainable Finance

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Offshore wind specialist with a proven track record

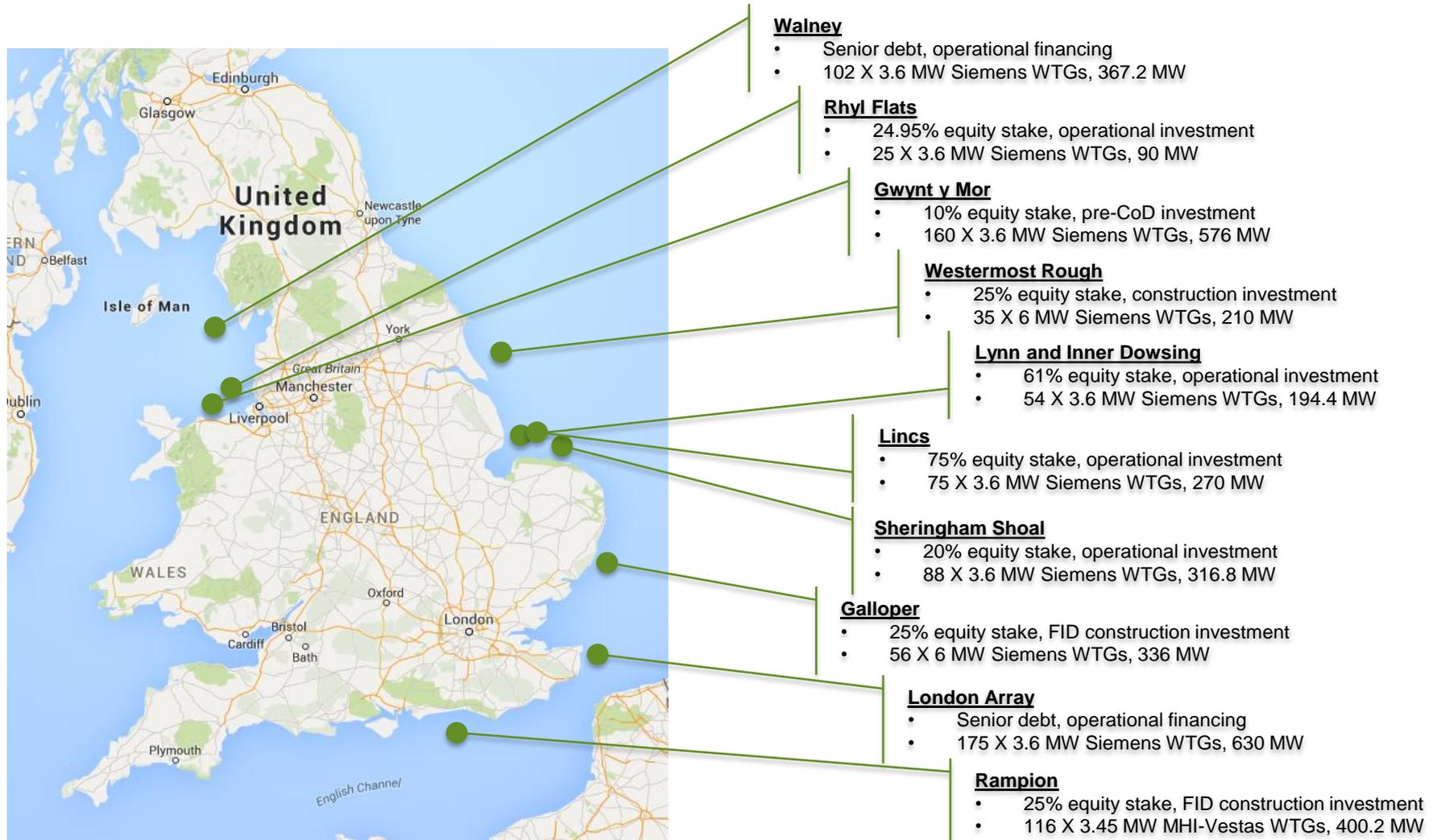
In four years, GIB has deployed £2,261m of capital and continued to innovate by developing precedent transaction structures and products

Completed Transactions	Product	Phase	GIB Investment	Partners	Innovation
Lincs	Equity	Operational	£681m		
Lynn and Inner Dowsing	Equity	Operational	£242m	 	1 st ✓ 100% owned by non-utility investors
Galoper	Equity	Construction	£119m	 	1 st ✓ Construction-ready offshore wind project finance deal
Rampion	Equity	Construction	£306m	 	1 st ✓ Construction financing at FID
Offshore Wind Fund	Fund	Operational	N/A		1 st ✓ Offshore wind fund raising £1bn
Sheringham Shoal	Equity	Operational	£240m	 	
Westermost Rough	Equity	Construction	£241m	 	1 st ✓ Holdco financing in construction
Gwynt y Môr	Equity	Construction	£220m		
London Array	Debt	Operational	£59m	   	
Greencoat ¹	Fund	Operational	£50m	 	1 st ✓ Listing of OSW asset on the LSE
Rhyl Flats	Equity	Operational	£57m		
Walney	Debt	Operational	£46m	   	1 st ✓ Holdco re-financing minority stake
Total			£2,261m		

Notes 1. Greencoat deal was committed by BIS and comprised a mix of onshore and offshore assets. The transaction was supported by GIB.

We have more OSW turbines than any other UK investor

GIB has sight over more than 880 WTGs equating to over 3.3 GW of gross capacity



The largest dedicated Renewable Energy fund in Europe

c. £1.1bn assets under management with investment in six assets

- Fund Size
- £1bn target
 - GIB commitments of £200m
 - Total fund capital of £1.12bn, together with co-invest commitments

- Investors
- Insurance company
 - UK Pension Funds
 - Sovereign Wealth Fund

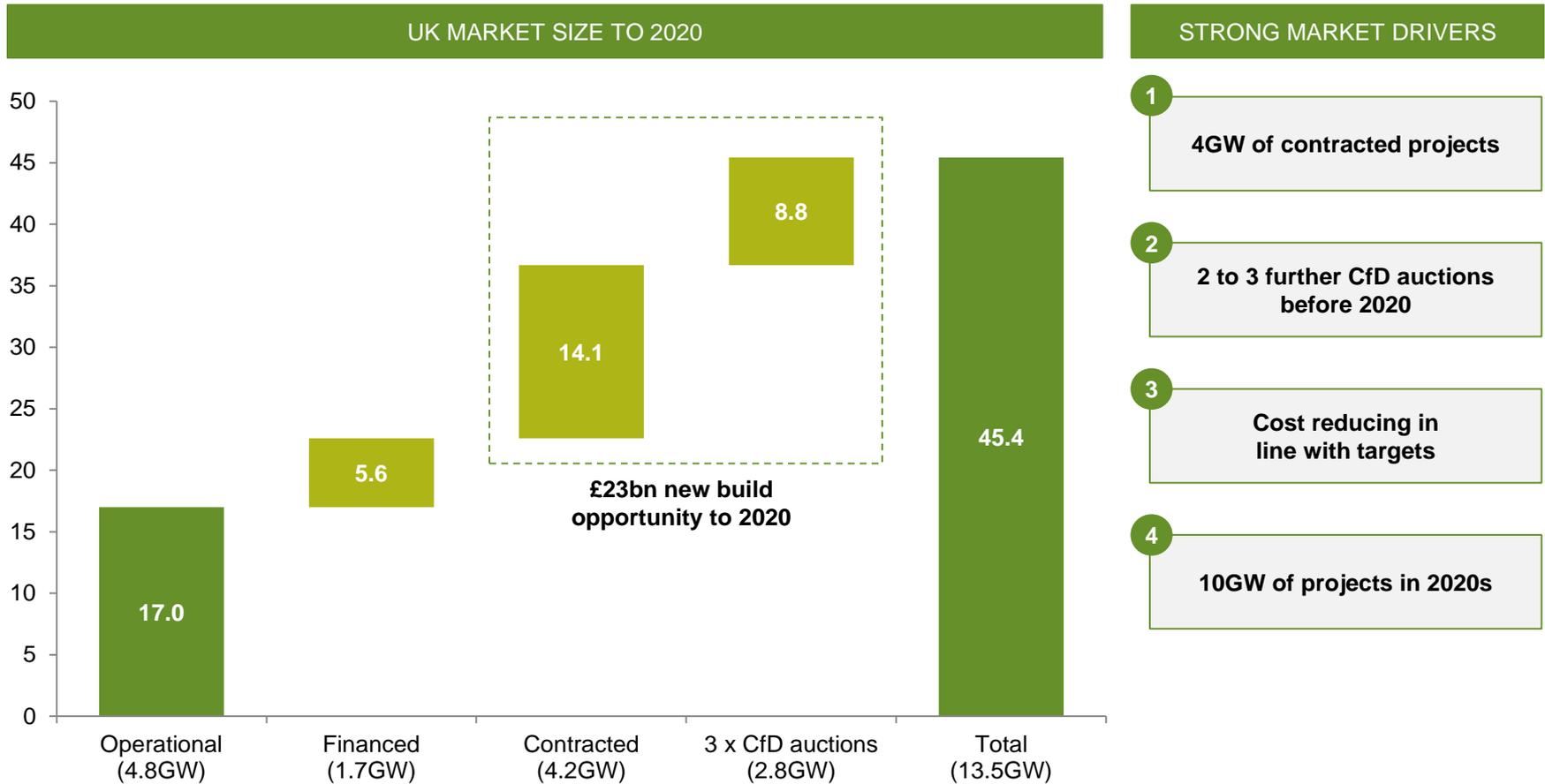
- Assets
- Six assets totalling 1.45 GW
 - Equity stakes in UK OSW unlevered operating assets

- Fund Team
- Dedicated team of professionals with extensive experience in renewable energy investing
 - Access to GIB's team of experts and investment platform



UK offshore wind: a significant market opportunity

The UK is the largest and most advanced offshore wind market in the world, with a forward opportunity of eq.US\$30bn, with strong government support



New sources of capital sought for offshore wind

Historically dominated by balance sheet funding from the large utilities, but as balance sheet constraints bite, there is demand for new sources of capital

		Investor appetite	Development	Construction	Operations	Comments	
EQUITY	Utilities						<ul style="list-style-type: none"> Balance sheet / rating under pressure therefore looking to divest / co-invest
	Industrials / strategic						<ul style="list-style-type: none"> Increasing presence with appetite for construction risk. Preference for co-investors / partners
	Public equity						<ul style="list-style-type: none"> Little appetite for offshore wind at this stage. However, expected to change as secondary market develops
	Direct institutional						<ul style="list-style-type: none"> Building investment teams. However need experienced partners and co-investment opportunities. Some will take development risk, albeit limited
	DEBT	20 project finance banks (including)					

Compelling opportunity to expand internationally

UK Green Investment Bank is well placed to leverage its UK experience and relationships to expand into the growing markets of north-west Europe, North America and Asia

North-West Europe



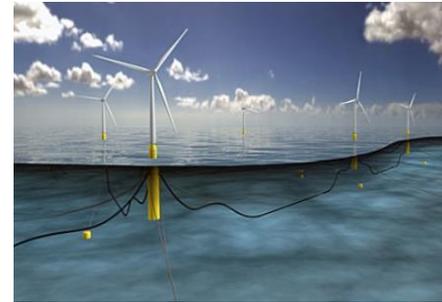
Opportunity

- US\$50bn market opportunity to 2020
- Doubling GIB's addressable market
- US\$10bn in German market in the next two years alone

GIB USP

- Similar operating environment and regulatory regime
- ~50% of pipeline owned by GIB co-investors
- GIB in discussions with sponsors in relation to a pipeline of over 2.8GW

Global Market: Fixed & Floating technology



- At least 120GW by 2030 across Europe, US and Asia
- Floating technologies have potential to unlock even larger potential resource

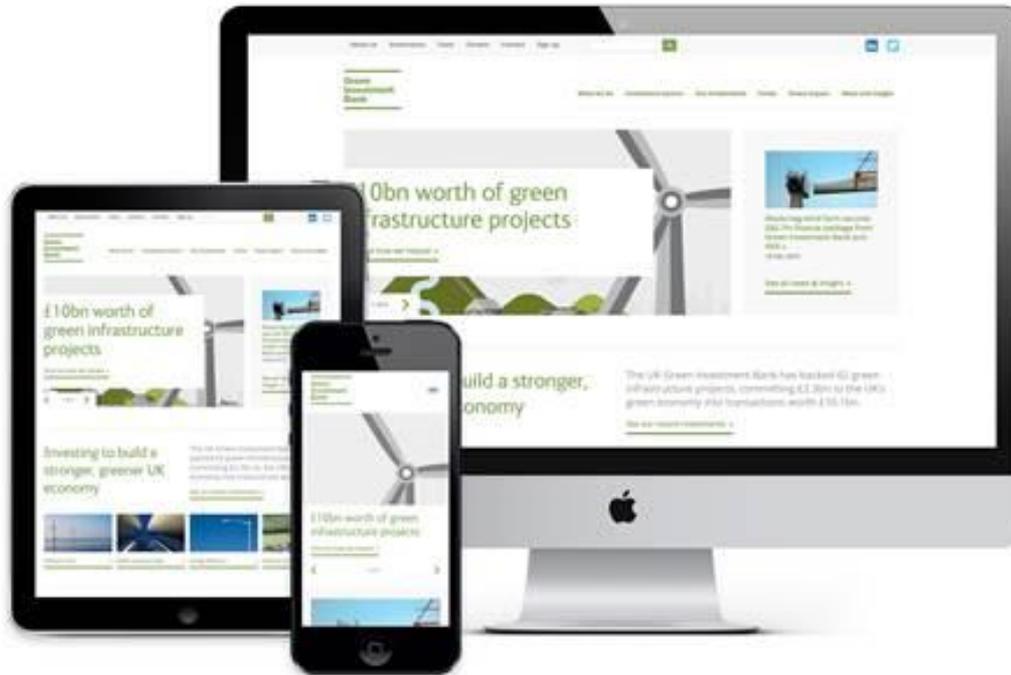
- Key floating markets likely to include US and Japan
- GIB in discussions with leading developer on financing of Scottish demonstration project

UK offshore wind financing landscape

Reasons to be cheerful

- Increasing liquidity in equity finance, including late-stage development investment
- Liquid bank debt market
- Domestic supply chain is of increasing political importance
- Further government support will be conditional on continued cost reduction
- The UK is on a trajectory, by 2020, to have over 12GW in operation, construction or late development – this represents total financing opportunity of over US\$25bn

Find out more



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