

Launched in 2018, Gore Street Energy Storage Fund plc (LSE: GSF) is the only UK-listed energy storage fund with an internationally diversified portfolio located across five grids in Great Britain, Ireland, Germany, Texas, & California.

Key Takeaways:

- Five GB assets prequalified for the upcoming capacity market auctions. Assets in Germany and Ireland reported strong revenues due to high solar and wind generation, respectively.
- Energisation of Enderby, the 57 MW / 57 MWh asset in GB, is now expected by FY24/25 Q3 due to delays from National Grid (NG). NG ended its contract with NR Electric UK, due to cybersecurity concerns following a consultation with the National Cyber Security Centre. As such, components which manage communication between the energy project and grid had to be recalled, re-designed and reconfigured; this is now complete. Enderby is a transmission-connected site. This delay is not material to NAV.
- 21 containers have arrived on-site at the in-construction 75 MW / 75 MWh Dogfish project in Texas. The asset remains on track for energisation in February 2025. Similarly, the 200 MW / 400 MWh Big Rock project in California, remains on track for energisation in December 2024.
- The UK government acquired National Grid's Electricity System Operator (NESO); NESO aims to facilitate a zero-carbon electricity system, partly through increased digitalisation & other measures (more detail below).
- In the UK, the latest round of Contracts for Difference (CfD) saw more than 130 projects win contracts.
- The UK's focus on a greener grid was also highlighted by the closure of Britain's only remaining coal-fired power plant (more detail below).

TOTAL CAPACITY

1.25
GW

ENERGISED CAPACITY¹

421.4
MW

NAV PER SHARE

104.4p

Unaudited Jun-end 2024

SHARE VOLUME

c.5m

Av. weekly share trading volume in September 2024

MARKET CAPITALISATION

£287m

As at 30 September 2024

SHARE PRICE

56.9p

30 September 2024 closing price

Policy & Market Updates

1 National Grid becoming NESO

The UK Government has acquired National Grid's Electricity System Operator. From 1 October, the UK's energy system will be overseen by the National Energy System Operator (NESO). NESO aims to ensure a more integrated and coordinated strategy towards climate change and security of energy supply.

This follows the announcement of the UK Government establishing GB Energy in Aberdeen. GB Energy, the new state-owned energy company, will help fund new and existing clean technology and small and medium-sized renewable energy projects. This aims to create a fully decarbonised power system by 2030. NESO will take on additional responsibilities with a whole system mindset; such as strategic network planning, market development, security of supply and energy insights.

2 Sixth Contracts for Difference (CfD) Auction held

The latest round of Contracts for Difference (CfD) saw more than 130 projects win contracts. Amounting to 9.6 GW of capacity, representing a three-fold increase compared to last year. This year 4.9 GW of offshore wind was secured compared to zero the previous year.

Similarly, in Ireland, the Minister for the Environment, Climate and Communications, announced the provisional results of the fourth Renewable Electricity Support Scheme, securing over 2 GWh of capacity. This represents a step towards Ireland's 80% renewable electricity target by 2030.

Battery energy storage assets ensure grid stability, which becomes increasingly important as renewable penetration increases, potentially leading to increased revenue opportunities for battery energy storage systems in ancillary services and the Balancing Mechanism.

3 Closure of Final Coal-Fired Power Plant in GB

The closure of Britain's only remaining coal-fired power plant marks a pivotal step in decarbonising the UK's energy system. Increased renewable dependence requires a higher equivalent capacity compared to thermal generators due to the intermittency associated with generation.

Portfolio Activity

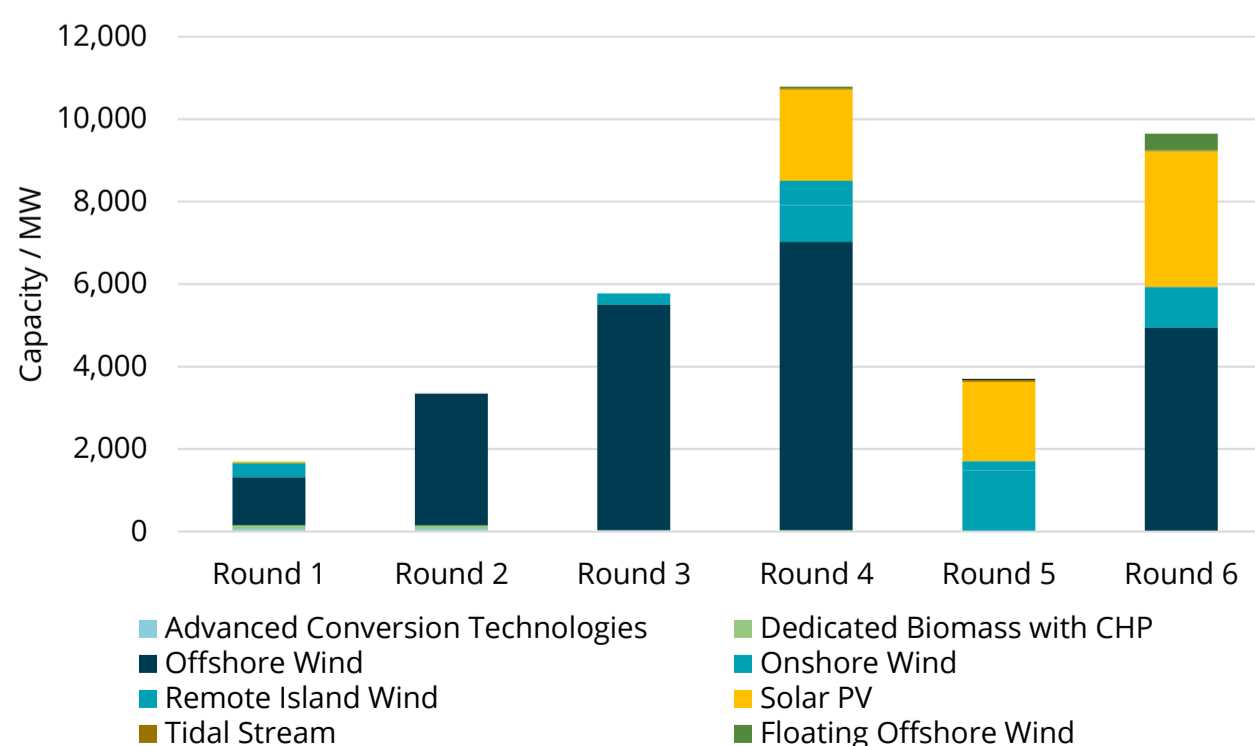
GER: The 22 MW / 29 MWh Cremzow asset achieved sustained high pricing. As previously highlighted, high solar generation causes thermal generators to increase bids in the Frequency Containment Reserve (FCR) and automatic Frequency Restoration Reserve (aFRR) markets. With FCR prices set for all participants by the marginal cost of thermal generation, the Company's Cremzow asset benefitted from the upside by capturing value from increased market prices caused by high bids placed by less competitive technologies.

ROI/NI: Revenues were high during the period linked to high wind penetration following a dip in previous weeks, increasing the System Non-Synchronous Penetration (SNSP). SNSP is an expression of the level of non-synchronous generation (e.g. solar/wind) and interconnector imports compared to the system demand and interconnector exports. DS3 prices increased due to higher SNSP values.

GB: Pre-qualification for T-4 capacity market contracts was completed for select GB assets which did not already have contracts in place.

ERCOT: Toward the end of September, Snyder, the 9.95 MW / 9.95 MWh project in Texas, saw higher revenue due to a transmission line outage & low wind penetration over the period. Given the nodal pricing structure in ERCOT, this led to increased real-time and day ahead prices in the surrounding area.

Capacities secured for Contracts for Difference auctions in the UK



Disclaimer

This presentation has been prepared by Gore Street Capital Limited ("Gore Street Capital") for information and discussion purposes only and should not be considered to be an offer or solicitation of an offer to buy or sell shares in the capital of Gore Street Energy Storage Fund plc (the "Company"). This document, any presentation made in connection herewith and any accompanying materials do not purport to contain all information that may be required to evaluate the Company and/or its financial position and do not, and are not intended to, constitute either advice or a recommendation regarding shares of the Company. This document is not intended to be relied upon as the basis for an investment decision and does not provide, and should not be relied upon for, accounting, legal or tax advice and each prospective investor should consult its own legal, business, tax and other advisers in evaluating any potential investment opportunity.

The information in this presentation has not been fully verified and is subject to material revision and further amendment without notice.

The distribution of this presentation in, or to persons subject to the laws of, other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

None of the Company, Gore Street Capital, Shore Capital, J.P. Morgan Securities plc or any other person makes any guarantee, representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information and opinions contained in this document, and none of the Company, Gore Street Capital, Shore Capital, J.P. Morgan Securities plc or any other person accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

In preparing this presentation, Gore Street Capital has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by Gore Street Capital. The information presented in this document may be based upon the subjective views of Gore Street Capital or upon third party sources subjectively selected by Gore Street Capital. Gore Street Capital believes that such third-party sources are reliable, however no assurances can be made in this regard.

Neither this presentation nor its contents may be distributed, published or reproduced, in whole or in part, by you or any other person for any purpose. In particular, neither this presentation nor any copy of it may be: (i) taken or transmitted into the United States of America; (ii) distributed, directly or indirectly, in the United States of America or to any US person (within the meaning of regulations made under the US Securities Act 1933, as amended); (iii) subject to certain exceptions, taken or transmitted into Canada, Australia, New Zealand or the Republic of South Africa or to any resident thereof; or (iv) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this document in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money he/she invests.

The fund is a listed fund, and returns to investors are based on share price, not net asset value ("NAV"). The fund can trade at a discount or a premium to NAV, and this changes over time. As at 30 September 2024, the fund was trading at a discount of 45% to the unaudited 30 June 2024 NAV.

This document may include statements that are, or may be deemed to be, forward-looking statements. The words "target", "expect", "anticipate", "believe", "intend", "plan", "estimate", "aim", "forecast", "project", "indicate", "should", "may", "will" and similar expressions may identify forward-looking statements. Any statements in this document regarding the Company's current intentions, beliefs or expectations concerning, among other things, the Company's operating performance, financial condition, prospects, growth, strategies, general economic conditions and the industry in which the Company operates, are forward-looking statements and are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and that may cause the actual results, performance or achievements of the Company to differ significantly, positively or negatively, from those expressed or implied by such forward-looking statements. No representation or warranty, express or implied, is made regarding future performance or the achievement or reasonableness of any forward-looking statements. As a result, recipients of this document should not rely on forward-looking statements due to the inherent uncertainty. Save as required by applicable law or regulation, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document. No statement in this document is intended to be, nor should be construed as, a profit forecast.

This document includes track record information regarding the Company and Gore Street Capital. Such information is not necessarily comprehensive and potential investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this document relates. The past performance of the Company or Gore Street Capital is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company.

Investment Manager Gore Street Capital

Alex O'Connide / Paula Travesso
T +44 (0) 20 3826 0290

Sponsor and Co-broker Shore Capital

Anita Ghanekar (Corporate Advisory)
Fiona Conroy (Corporate Broking)
T +44 (0) 20 3826 0290

Co-broker J.P. Morgan Cazenove

William Simmonds / Jérémie Birnbaum
(Corporate Finance)
T +44 (0) 20 7742 4000

Public Relations Burson Buchanan

Charles Ryland / Henry Wilson
T +44 (0) 207 466 5000
E gorestreet@buchanan.uk.com