Gore Street Energy Storage Fund plc
Interim Results presentation

For the six-month period ended 30 September 2024

Gore Street
Energy Storage Fund

Financial Highlights

NAV PER SHARE

100.5p

(FY23/24: 107.0p)

OPERATIONAL EBITDA

£10.9m

(H1 FY23/24: £12.2m)

DIVIDEND YIELD

12.3%

(H1 FY23/24: 8.9%)

NAV TOTAL RETURN SINCE IPO

42.7%

(FY23/24: 48.4%)

ENERGISED CAPACITY

421.4MW

(FY23/24: 421.4 MW)

TOTAL CAPACITY

1.25GW

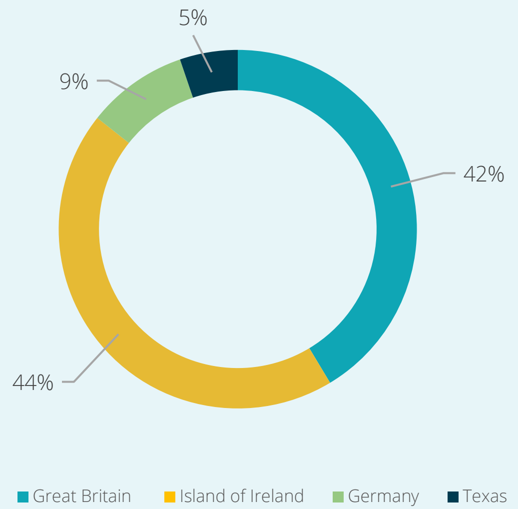
(FY23/24: 1.25 GW)

Supported by:

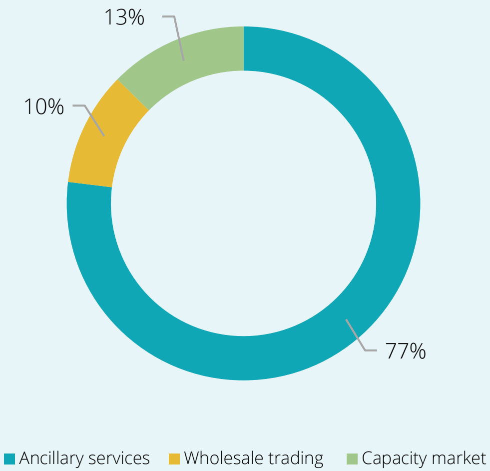
- **Operational Excellence**
- **Strong Balance Sheet**
- **Rapidly Growing Operational Capacity**

Balanced Portfolio

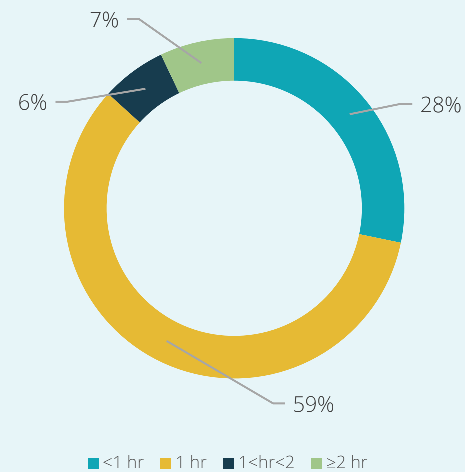
Revenue split per market[1] (£)



Revenue split per type[1] (£)



Energised portfolio split per duration (MW)



5

weakly correlated markets

20+

Revenue streams resulting in high revenue generation per MW

4

System durations, ranging from 26 minutes to 2 hours, each tailored to the market opportunity while minimising costs to maximise returns

1. Based on the six-month period ended 30 September 2024

Portfolio Significantly Derisked: Progress to Date

RA Contract

- Secured stackable long-term contract expected to contribute up to c.40% of the total revenue of the asset
- Price exceeded estimations in the Mar-end valuations
- Adding a large contracted element to the Company's revenue profile

Enderby

- All necessary milestones for energisation have been completed
- Energisation is scheduled for January 2025
- Delays attributable to NGET and winter outage season
- First transmission connected asset for the Company in GB

Big Rock

- Energisation process commenced and is expected to be completed in the coming weeks
- Largest asset to date (200 MW/ 400 MWh) in the Company's fifth market
- Benefits from the RA contract

Dogfish

- All significant physical works completed to safe-harbour the 10% ITC enhancement
- All battery enclosures, PCS, and MV transformers have been delivered
- On track for February 2025 energisation

+ $60-80m ITC Cash inflow is expected

Well-diversified, low-leverage portfolio

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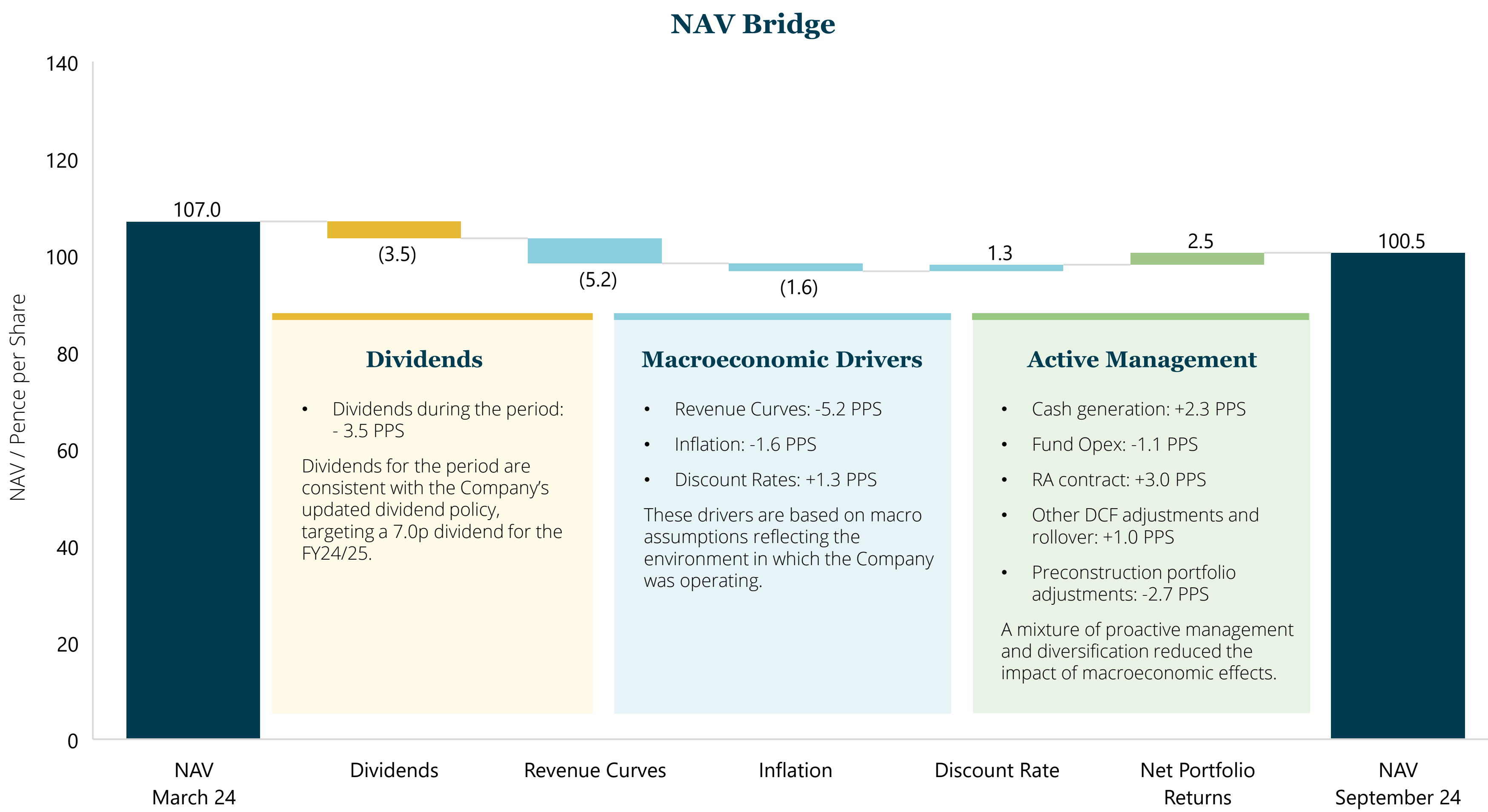
Valuations & Capital Allocation

NAV Bridge


NAV Bridge
140
120
100
80
60
40
20
0
NAV / Pence per Share
107.0
(3.5)
(5.2)
(1.6)
1.3
2.5
100.5
NAV March 24
Dividends
Revenue Curves
Inflation
Discount Rate
Net Portfolio Returns
NAV September 24
Dividends
• Dividends during the period: - 3.5 PPS
Dividends for the period are consistent with the Company's updated dividend policy, targeting a 7.0p dividend for the FY24/25.
Macroeconomic Drivers
• Revenue Curves: -5.2 PPS
• Inflation: -1.6 PPS
• Discount Rates: +1.3 PPS
These drivers are based on macro assumptions reflecting the environment in which the Company was operating.
Active Management
• Cash generation: +2.3 PPS
• Fund Opex: -1.1 PPS
• RA contract: +3.0 PPS
• Other DCF adjustments and rollover: +1.0 PPS
• Preconstruction portfolio adjustments: -2.7 PPS
A mixture of proactive management and diversification reduced the impact of macroeconomic effects.

NAV Scenarios & Sensitivities

Inflation Assumptions

- Short-term and long-term US and European inflation assumptions have been revised downward by 25 bps in line with decreasing core inflation, resulting in a net decrease of 1.6 pence per share.
- Inflation assumptions for Great Britain remain unchanged from the previous reported period.

Inflation Assumptions

	2024	2025+
Great Britain	2.75%	2.50%
Europe	2.50%	2.25%
United States	2.50%	2.25%

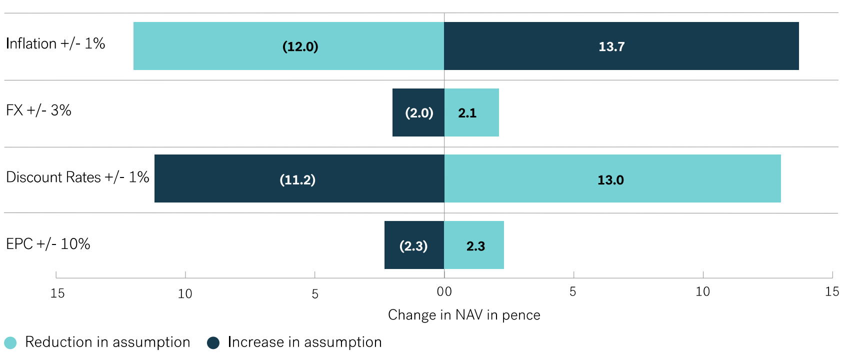
Discount Rates

- De-risking of assets in line with their respective construction progress resulted in a positive NAV impact of 1.3 pence per share.
- As assets that have progressed through stages of construction during the reporting period, discount rates have been naturally unwounded to reflect their lower risk profile.

Discount Rate Matrix

	Pre-Construction	Construction	Energised
Contracted income	10.75-12.00%	9.25-10.00%	7.25-9.25%
Uncontracted income	10.75-12.00%	9.25-10.00%	8.75-9.25%
MW	**494.8**	**332.0**	**421.4**

NAV Sensitivities

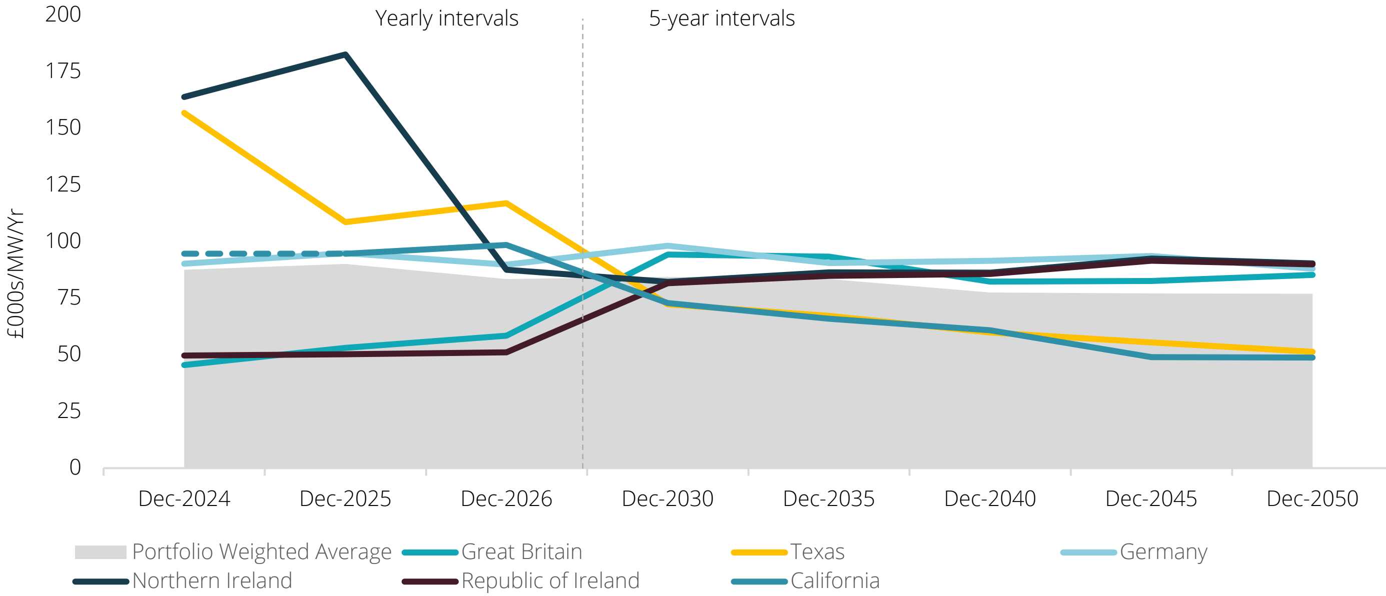


Net Portfolio Returns

- Net portfolio return (+2.5p) was a function of cash generation, Fund opex, DCF adjustments and rollover, adjustment to the carrying value of the pre-construction portfolio, and the Resource Adequacy (RA) contract.
- The RA contract was secured at pricing exceeding the estimate used in the Company's Mar-end quarter valuations, resulting in a positive impact on NAV.

Appropriate Revenue Forecasts and Contracted Revenue Streams

Blended Curve of Ancillary Services and Trading, by Grid. Portfolio weighted average[1]



Revenue curves (-5.2p)

- Revenue curves are sourced from mid-case scenarios of independent third parties
- These curves exclude capacity markets, and adequacy in California

The decline in GB and the US curves reflects recent revenue weakness due to oversaturation in GB and a drop in gas prices in the US.

Capacity Market Contracts

- **GB:** All operational GB assets have CM contracts for Oct-24 to Sep-25
- **ROI:** Contract secured for Porterstown for the period Oct-24 to Sep-25
- **NI:** All assets have Capacity Market contracts for Oct-24 to Sep-25
- **California:** Secured Resource Adequacy contract worth over $14 million per annum

1. Curves are presented in real terms

Modest Leverage

1 Santander Revolving Credit Facility

Gore Street Energy Storage Fund

Type: Portfolio-level

Facility Size: £100 million

Currency: GBP

2 Big Rock Facility

Type: Project-level (Big Rock – 200 MW/ 400 MWh asset)

Facility Size: $90 million upsized facility with First Citizens Bank, following a loan conversion process.

Currency: USD

Sep-end 2024	**Gearing: 11.5% of GAV**
Post operational capacity of 753.4 MW	**Gearing: c.15-20% of GAV** *Excludes expected cash inflows for sale of ITCs (c. $60-80m)*

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Portfolio Operational Performance

Portfolio Summary

421.4 MW

Energised

across 4 grids

332.0 MW

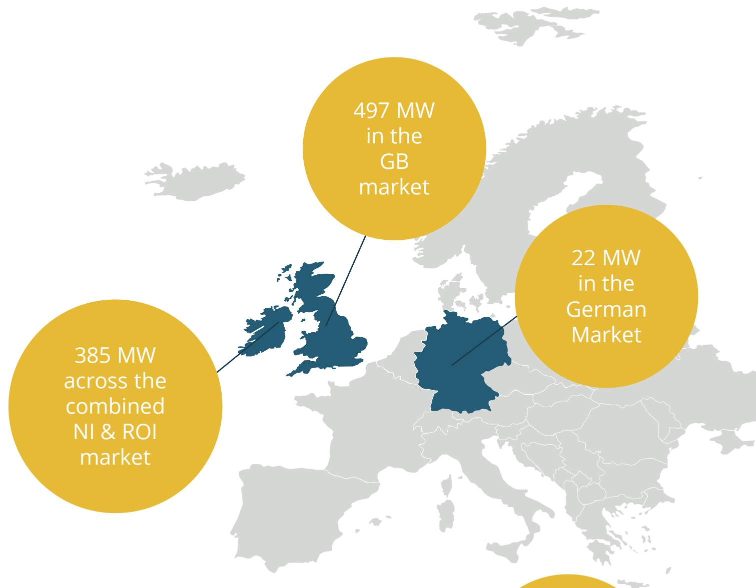
Construction

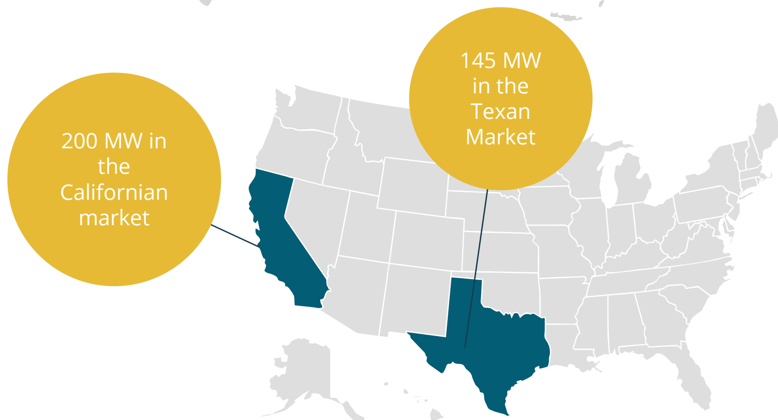
across 3 grids

494.8 MW

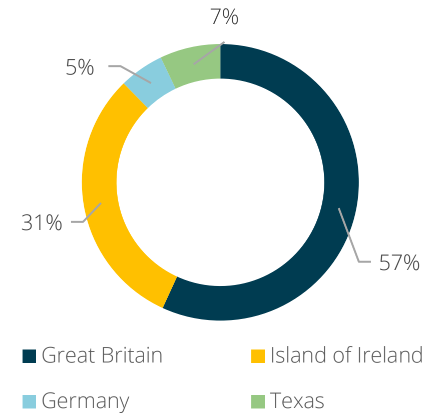
Pre-construction

across 3 grids

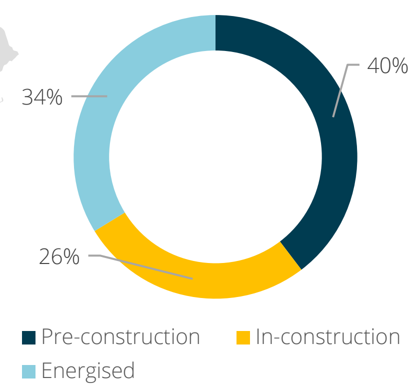




Energised Portfolio per Geography (MW)



Portfolio by Stage (MW)



Construction Overview

Enderby

Capacity:
57 MW / 57 MWh

Market:
Great Britain

Target Energisation:
Jan-25

Updates:
- Successfully completed all necessary milestones for energisation
- Delays attributable to NGET and winter outage season

Big Rock

Capacity:
200 MW / 400 MWh

Market:
California

Target Energisation:
Commenced – expected completion in the coming weeks

Updates:
- Substation & BESS yard built
- Energisation underway

Dogfish

Capacity:
75 MW / 75 MWh

Market:
Texas

Target Energisation:
Feb-25

Updates:
- Batteries delivered
- Substation being built
- Utility connection complete

Revenue Drivers

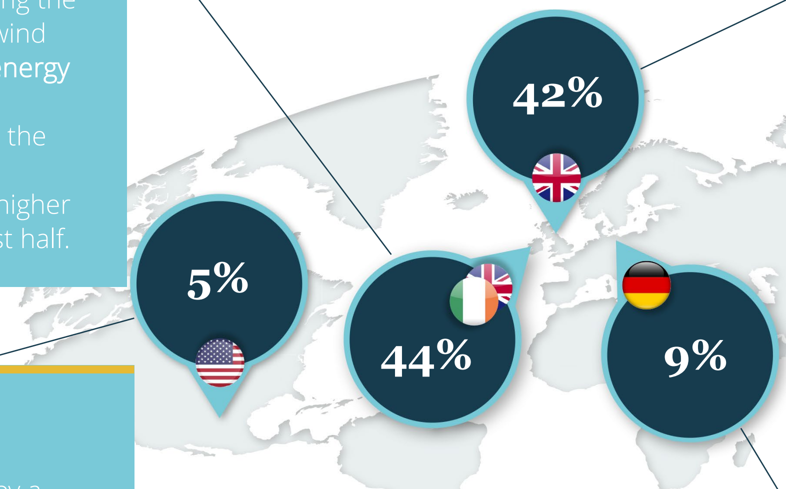
Average revenue per grid during the six-month period ending 30 September 2024[1]

Island of Ireland

SNSP levels varied significantly during the reporting period, due to seasonal wind patterns which impact renewable energy generation. There is clear seasonal variation in revenue in Ireland, with the second half of the financial year consistently providing significantly higher revenue when compared to the first half.

Great Britain

The deceleration of deployment of BESS illustrates the cyclical nature of the GB market, where the growth of renewable capacity may outpace the required BESS capacity, reducing the current saturation the BESS markets and providing opportunities for higher revenues.



Texas

Revenue this summer was driven by a series of atypical factors; ERCOT was better prepared, temperatures didn't spike over 38°C with the same frequency as the previous year.

Consequently, there were no thermal generator outages, which previously drove price spikes, market saturation led to generators being price-takers.

£10.03/ MW/hr

£10.83/ MWh/hr

Portfolio weighted average

Germany

The strong revenue in this market was a consequence of two factors. An increase in solar generation connected to the German grid which led to reduced midday energy prices. Thermal generation operated uneconomically over the midday period and bid into FCR driving prices for all market participants. Cremzow was also well positioned to capture revenue in aFRR, which carried a premium to FCR.

1. Figures include c.£1.9 m of liquidated damages in GB

Revenue Breakdown

Average revenue per grid during the six-month period ending 30 September 2024[1]

Island of Ireland

£13.55/ MW/hr

£24.26/ MWh/hr

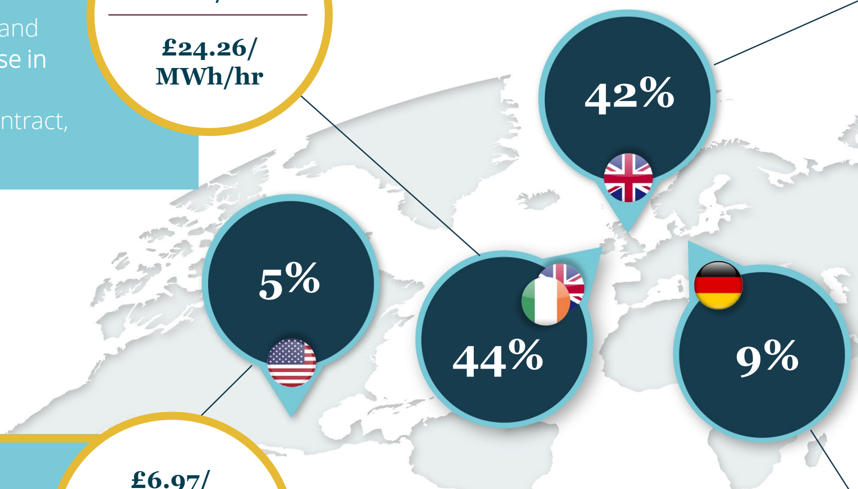
Wind levels increased in August and September, leading to an increase in revenue during these months. Porterstown has a fixed-price contract, the DS3 capped contract.

Great Britain

£7.66/ MW/hr

£7.98/ MWh/ hr

The GB market performed broadly in line with previous reporting periods. The Investment Manager chose not to register Stony A & B in the Balancing Mechanism. This approach resulted in Stony capturing a 7% premium over the rest of the GB portfolio during the reported period.



Texas

£6.97/ MW/hr

£3.48/ MWh/hr

Market benchmarks for BESS revenues decreased by c.80% compared to the same period in the previous year. As such, the revenue from the portfolio saw a decline. Energy trading represented a higher percentage of total, accounting for c.32% of revenues in the BESS benchmark over the reported period.

£10.03/ MW/hr

£10.83/ MWh/hr

Portfolio weighted average

Germany

£16.50/ MW/hr

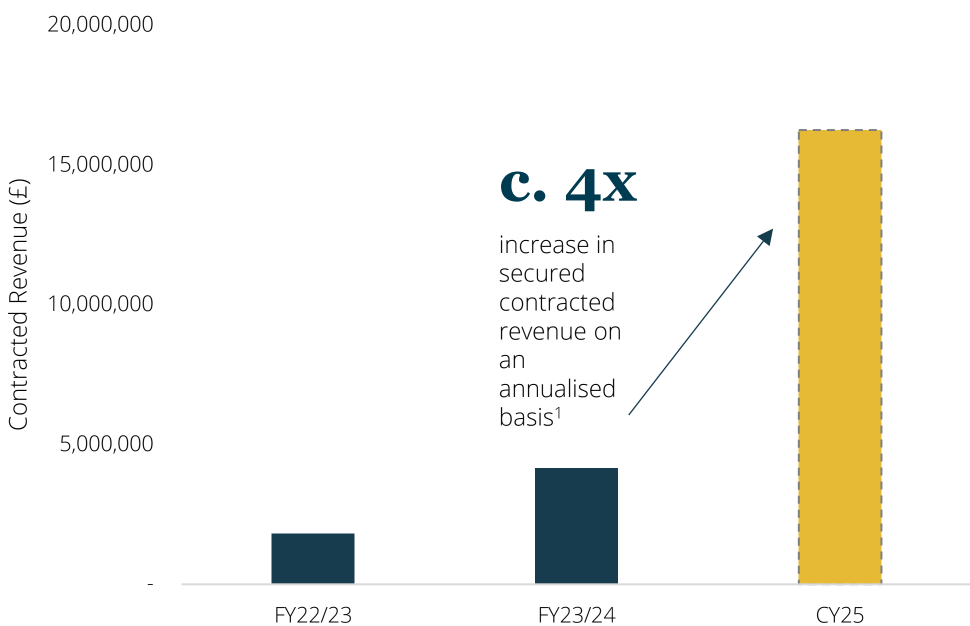
£12.52/ MWh/hr

The Investment Manager's decision to qualify Cremzow in aFRR before the period enabled the site to participate heavily in the service. In the June-end quarter, c.32% of revenues were obtained in aFRR, increasing to c.58% in September-end quarter. aFRR capacity carried a premium to FCR due to the German grid's need for flexible dispatch during the period.

1. Figures include c.£1.9 m of liquidated damages in GB

Contracted Revenue Streams

BESS is primarily a merchant asset class that offers wholesale trading and ancillary services. As a result of diversification, the contracted revenue streams available to the portfolio has increased. Examples of these include; capacity market contracts, tolling agreements, and the Resource Adequacy contract in California.



- Given the inherent merchant nature of the asset class, the Company has made a concerted effort to reduce merchant risk through:
    - diversification (geography, technology, and duration)
    - and increasing the contracted element of the revenue mix
- The c.fourfold increase in contracted revenue in CY 25 (on an annualised basis) compared to FY23/24 is a combination of CM contracts, DS3 Capped and the Resource Adequacy contract in California, which is fully stackable, unlike the tolling agreements seen in GB

1. Figures for CY25 on an annualised basis as the resource adequacy contract in the summer of 2025

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Post-period updates

Gore Street Energy Trading (GSET)

Alan Smallwood
Commercial Principal

- Held a variety of roles at **Centrica**, where he built long-term fundamental energy models covering electricity in GB, carbon in Europe, and coal and gas globally.
- Moved into battery storage in 2020, when he joined **Anesco** as their **Director of Optimisation**. He set up and ran a new business unit offering a specialised, battery-focused route-to-market service for asset owners.

Supported by a team of **6 BESS market experts**

Overview

- Software has been fully developed in-house
- Focussed entirely on storage assets
- Monitors assets and markets, creates forecasts, determines optimal strategies, and optimises in real-time

- Each asset has unique qualities and characteristics
- Assets optimised independently…
- …making use of the strengths of the system

Five GB assets have been onboarded[1] with a combined capacity totalling 78.5 MW

1. Post-period end

Resource Adequacy Contract

- **Resource Adequacy (RA)** contract secured for the 200 MW/ 400 MWh Big Rock asset in California with **J Aron,** a subsidiary of Goldman Sachs, expected to commence in Summer 2025.

	MW/hr	Per annum
100 MW of RA deliverability	>$16.0	> $14m

- It is expected to account for **up to 40% of the total expected revenue** of the asset over the contract life.
- The 200 MW/ 400 MWh Big Rock asset was acquired in Q4 of financial year 2023. The energisation process for Big Rock has begun and is expected to be completed in the coming weeks.
- The RA contract was secured at **pricing exceeding the estimate used** in the Company's Mar-end quarter valuations, resulting in a **positive impact on NAV.**

Environmental, Social and Governance

The Company's Investment Manager has chosen to adopt the Financial Conduct Authority's "Sustainability Focus" label as part of the Sustainability Disclosure Requirements (SDR).

Sustainability Focus

The Company's FY 23/24 ESG and Sustainability report was published during the period. The report covers the annual Sustainable Finance Disclosure Regulation (SFDR) for the Company as an Article 8 product. The Company also submitted its first publicly available UN PRI report, the results of which can be found on the website.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Sustainable Finance Disclosure Regulation (SFDR)

PRI Principles for Responsible Investment

GREEN ECONOMY LONDON STOCK EXCHANGE

SUSTAINABLE DEVELOPMENT GOALS

Fair Cobalt Alliance
L'Alliance du Cobalt Equitable

GIIN GLOBAL IMPACT INVESTING NETWORK

Next Milestones

Investment Tax Credit

The Inflation Reduction Act, passed in late 2022, promises $369 bn of investment of energy security and climate change initiatives over ten years. This act created Investment Tax Credits for energy storage projects.

Process for c.$60-80m cash-inflow based on sale of ITCs

1

Projects generate tax credits when they are *Placed In Service*[1];

- Either the tax year when the property is ready for its assigned function (when the asset begins to export to the grid) or
- when depreciation begins.

2

$60-80 million cash inflow is expected in 2025 based on Big Rock and Dogfish assets.

3

The proceeds from the sale are included in NAV, though the specific allocation of this equity inflow is to be determined.

Cash inflow could be used for: debt repayment, dividends or expanding the operational capacity beyond c.750 MW, or a combination of the above.

1. Transferable Tax Credits - 2024 Ultimate Guide | Crux (cruxclimate.com)

Portfolio Significantly Derisked: Route to c.750 MW

Enderby

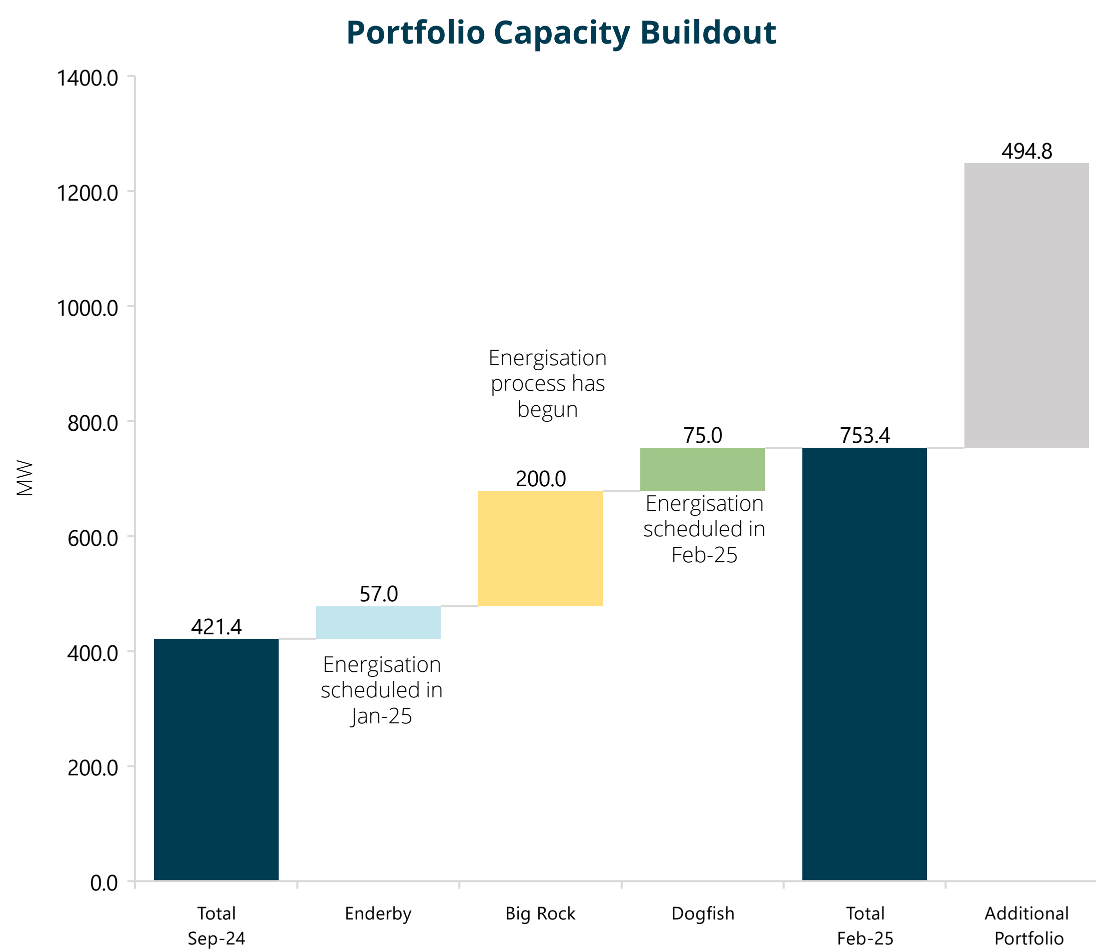
- All necessary milestones for energisation have been completed
- Delays attributable to NGET and winter outage season

Big Rock

- Energisation process commenced and expected to be completed in the coming weeks
- Largest asset to date (200 MW/ 400 MWh) in the Company's fifth market
- Resource Adequacy contract secured

Dogfish

- All significant physical works completed to safe-harbour the 10% ITC enhancement
- All battery enclosures, PCS, and MV transformers have been delivered
- On track for February 2025 energisation



Conclusion

De-risking the portfolio

The Company's growing operational portfolio is expected to support future revenue generation and NAV progression as assets are de-risked from construction to operation phase.

Competitive cost per MW fully installed

The manager primarily acquires projects at the pre-construction stage and then leverages in house capabilities to develop flexible assets at competitive costs.

Best in class revenue generation

Supported by the Manager's in-house asset management and commercialisation group, the Manager remains focused on continuing to achieve high revenue amongst peers, allowing for the continued payment of dividends.

Consistent delivery against targets

The Company continues to create value for shareholders despite challenging GB market conditions due to appropriate valuations and a unique diversification strategy.

Past performance is not necessarily a guide to future performance

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